ASI Standards Committee In-Person Meeting – Discussion Notes

16 – 18 June 2026, Kuala Lumpur, Malaysia

Standards Committee - Meeting Participants

Name and Organisation	SC Membership Category
Gesa Jauck, TRIMET Aluminium SE	Production and Transformation
Li Didi, Xiamen Xiashun Aluminium Foil Co, Ltd	Production and Transformation
Patrick Brading, Norsk Hydro	Production and Transformation
Penny Laurance, Rio Tinto	Production and Transformation
Olivier Néel, Constellium (Remote)	Production and Transformation
Vishwas Kamble, Hindalco (Remote)	Production and Transformation
Bo Han, CITIC Dicastal Co., Ltd.	Industrial Users
Kishore Mahbubani, Arconic (alternate for Guilbert Ebune)	Industrial Users
Marcel Pfitzer, Mercedes Benz (Remote)	Industrial Users
Martin Alles, RONAL AG (Remote)	Industrial Users
Yuri Herder, Tetra Pak (Remote)	Industrial Users
Bo Han, CITIC Dicastal Co., Ltd.	Industrial Users
Abu Karimu, Settle Ghana (Remote)	Civil Society/ IPAF
Francesca Fairbairn, Institute for Human Rights and Business (IHRB)	Civil Society/ IPAF
José Rubio, Fauna and Flora International	Civil Society/ IPAF
Louis Biswane, Organisation of Kalina and Lokono Indigenous Marowijne (KLIM)	Civil Society/ IPAF
Marina Wangurra, IPAF Representative	Civil Society/ IPAF
Nicholas Barla, IPAF Representative	Civil Society/ IPAF
Piet Wit, Chimbo Foundation and Daridibó	Civil Society/ IPAF
Sankon Mohamed, Groupement Lanyi Fan	Civil Society/ IPAF
Soumah Dominique, IDNTIC	Civil Society/ IPAF
Vincent Ekka, Indian Social Institute (Remote)	Civil Society/ IPAF
Wenjuan Liu, Rocky Mountain Institute	Civil Society/ IPAF
Abiba Diallo	IPAF Observer

Standards Committee - Apologies

Jason Koevoet, VDL Bike Frame Technologies	Industrial Users
Michael Danielson, Science Based Targets Initiative	Civil Society/ IPAF

ASI Secretariat Participants and support staff

Cameron Jones	Chelsea Reinhardt
Chinelo Etiaba	Chris Bayliss
Gabriel Carmona Aparicio	Jane Reeves
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Part 1 – 16 June Meeting Notes

Welcome and opening (Item 1)
• The Secretariat welcomed Standards Committee (SC) members to the annual in-person meeting and presented an overview of the meeting agenda. Participants were reminded about the anti-trust policy and asked to declare any new conflicts of interest (none were recorded). • The SC co-chairs encouraged the Committee to focus on practicable, implementable Standards, and where there are different views, to seek alignment around intent. • The SC reviewed the timeline for the Standards revision, which anticipates a second public consultation period in early 2027 and final approval in Q3/4 2027. The SC was reminded about the initial objectives for the revision, which were agreed by the Committee in early 2025.
Summary of overall consultation input: Cross-cutting and major themes (Item 2)
• The Secretariat shared an overview of the first public consultation process on the revised Standards, which closed on 30 April 2026. Participants were reminded of the 8 high level themes related to feedback on the Performance Standard, which had been discussed with the SC at their previous online meeting on 21 May 2026. Priority issues relating to thematic sections have already been discussed with Working Groups and will be further reviewed by the SC later in the week. • The Secretariat outlined four main areas where the SC would be asked to agree a position or decision during these meetings: 1) Leading practice/ differentiation approach; 2) Streamlined certification for downstream; 3) Climate-related requirements; and 4) Chain of custody (CoC) model. • The SC discussed the consultation process and feedback, with clarifying answers from the Secretariat • The Secretariat reminded that the direction and technical content of the Standards revision are set by the Standards Committee (SC)– the role of the Secretariat is to support and coordinate. If the SC feels that directional changes are needed, this is their role and responsibility and should be a main focus of the meeting.
Differentiation and Leading Practices – way forward (Item 3)
• The Secretariat briefly explained the context behind the decision of the Standards Committee (SC) to include differentiation within the revision. Differentiation refers to some level of requirements beyond basic certification. The initial aim was to respond to ASI's increasingly varied membership, recognising Entities who were performing at high levels in certain sustainability areas, while still keeping certification accessible to new Entities. At the same time, leading practices were intended to show a clearer pathway for continuous improvement. • Discussions with the SC in 2025 led to a proposed three-tier set of requirements for each section of the Performance Standard (PS); however, it became difficult to populate all three levels. There was also a risk that the lowest tier could fall below a defensible minimum, threatening the credibility of the standard as a whole. • This approach evolved to two tiers – minimum certification requirements plus *optional* leading practices in most sections, with a 'threshold' approach for the number of leading practices evidenced to make a Leading Practice claim. For the first public consultation, this threshold was proposed as 70% per section.

- Consultation feedback showed general support for the concept of leading practices; only two respondents wanted it removed (one citing competition law). But, many respondents felt further adjustments are needed in the structure and content of the leading practices
    - For the proposed threshold for leading practice claims: most consultation respondents felt that 70% was about right.
    - Critique focused on the approach: complexity; comparability (improvement-over-time practices disadvantage already-high performers); applicability in low-risk areas; and a preference among some respondents for a three-tier differentiation
- The Secretariat presented a number of potential options for the SC to consider around differentiation. It was clarified that while the consultation feedback supports the concept of leading practice, the SC is not required to keep this, and if they wish to discuss an alternate approach (or dropping leading practice altogether) this is within the scope of discussion:
    - Option A – three tiers per area (and/or a certification-level roll-up).
    - Option B – maintain the consultation approach (two tiers + threshold for leading claim).
    - Option C – maintain with adjustments: potentially different approaches to get to leading practice in some sections (e.g. climate); consideration of having 'critical' leading practices which must be met (e.g. no fatalities) and splitting out the leading practices from existing Criteria into a separate grouped list per section.
- The SC discussed the consultation feedback and the options presented. Points included:
    - The value of leading practice was questioned, noting that value is different for various stakeholders (downstream market pull vs. social licence and de-risking).
    - Concern that a three-tier approach risks weakening the minimum requirements too much
    - A concern that if customers begin demanding ‘leading practice’ this could raise costs and effort significantly for companies, especially if there are a long list of leading practices
    - General agreement that a robust minimum remains the foundation and should be the primary focus in the Standard
    - Whether the concept of leading practice remains relevant, or whether this should be removed and alternatives considered. For example, a narrative approach was discussed whereby Entities would nominate ‘noteworthy achievements’ which are then verified during audit and included in the certification report (however, some concerns were raised that this may not be auditable or comparable across Entities, reducing the value of differentiation for some)
    - Indigenous Peoples Advisory Forum (IPAF) SC participants supported maintaining focus on a strong minimum set of requirements
    - The specific case for having a leading practice (or climate-aligned) level for Climate, where minimum requirements on emissions reductions are likely to be weakened compared to PS V3
    - General agreement that the content and level of expectation for the current set of leading practices needs thorough review and calibration. There are too many leading practices in the consultation draft, adding complexity and cost/ effort, and they are not all comparable.
- The Secretariat summarised the discussion so far:
    - Agreement to not pursue a three-tier approach at this point
    - Interest in retaining the concept of leading practice / some level above minimum, but this needs to be shaped by the content development within each section as well as the top-down structure. Therefore, it was suggested to return to this discussion after a

detailed review of leading practices in thematic working sessions, planned for Day 2 of the SC meeting
  - Support for pulling leading practices out of the existing criteria and grouping together into their own list within each section, clearly distinguishable
  - Consensus that credible minimum requirements remain fundamental
  - Some support to explore a narrative recognition approach, although this might be in parallel with clearly defined leading practices (due to concerns about auditability and comparability)
- The Standards Committee **agreed** to revisit the leading practice structure later in the meeting, after 1) seeking views from the downstream/ remote SC participants, and 2) carrying out detailed review of leading practices in the thematic working sessions on Day 2 of the SC Meeting

Downstream engagement and certification options (Item 5)

- The Secretariat explained that the intent of this session is for the Standards Committee (SC) to review the consultation feedback on the streamlined certification for downstream, and to decide how to proceed with it.
- The Secretariat explained that options for downstream certification relate to bigger strategic questions around the value of ASI across the value chain, and the role of downstream Entities in creating market incentives (based on independent business decisions) and reinforcing the value of ASI certification. Thus, these issues will be discussed together.
- The Secretariat provided some background on ASI's engagement with downstream Entities – there are currently 102 downstream ASI members, which includes 69 industrial users (certifying), 33 downstream supporters (non-certifying). Members are able to switch between these two classes, and ASI has seen a trend of downstream members moving from certifying to non-certifying, especially as with PS V3, they are expected to transition from material stewardship focus only to eventually covering the full 11 principles in the Standard
  - The intent is to create a pathway for downstream users to be able to participate and contribute to the standard, to support ASI's whole-of-supply-chain approach. This is critical for ASI's long term relevance and effectiveness.
  - Although upstream Entities may feel more effort for certification, there is value in downstream members engaging with ASI (for example, through certification) – this can reduce fragmentation and duplication in sustainability requests, increase harmonisation, improve understanding of realities and challenges, etc.
  - While certification is linked to the ability to participate in ASI's Standards Committee and governance, if Industrial User participants are not available, Downstream supporter (non-certifying) members can join the SC
- The Secretariat shared some themes from the public consultation which relate to the discussion:
  - Upstream respondents feel that they unfairly carry the majority of the burden of certification, but do not yet see strong enough market incentives to justify this effort. Bearing in mind the anti-trust policy, the Secretariat clarified that market incentives relate to independent business decisions around sourcing of ASI material (or other sustainable sourcing commitments), additional price incentives and market access.
  - Consultation feedback around the streamlined certification proposal for downstream showed general support especially from downstream Entities. Those who were not in favour cited credibility concerns and expressed a desire for the streamlined requirements to also cover other key areas (mostly around workers)

- The Secretariat explained that the ASI approach is fundamentally different from many voluntary sustainability certifications, which focus on certification for the upstream (production) side, and then require only Chain of Custody (CoC) or the rest of the value chain. Under most systems, CoC plays the role of linking market demand (downstream) with sustainable production. ASI's approach from the beginning has been to require Performance Standard (PS) certification across the value chain, and to use CoC as a way of also supporting uptake of the PS
- The SC discussed the consultation feedback, raising the following points:
    - Concerns about potential lowering of the bar to get more downstream members on board. However, it was clarified that current downstream ASI members are not required to certify (and many don't), so the trade-offs are between no certification and a lighter certification that focuses where downstream can drive the most change at sector level (e.g. circularity, responsible sourcing)
    - While ASI certification may be important for some downstream members, many are multi-material and will not see value in certifying against an ESG standard specifically for aluminium
    - Building more awareness of ASI and the certification amongst downstream and customers would be valuable; however, ASI is limited in resources (and this is outside of the remit of the SC)
    - It may be more valuable for downstream members to focus on getting their suppliers certified, rather than certification themselves
    - ASI can help downstream support their due diligence approach, e.g. through pushing certification upstream, which addresses ESG risks and spreads due diligence approaches across the value chain (through PS implementation)
    - Some downstream Entities are more consumer-facing and will be exposed to media/ consumers – this may keep pressure on them to manage risks and do the right thing regardless of certification
    - Although a streamlined certification approach excludes requirements in some areas (such as workers, or the environment) even with the current PS V3, Entities can opt out of certain sections due to risk assessments (e.g. no material risks related to water).
    - The role of downstream Entities in circularity is especially important, as they can drive changes that affect upstream and midstream (e.g. product design)
- The Secretariat outlined a few options for the SC to consider for the streamlined certification proposal:
    - Option A: Streamlined certification as it currently is (recommendation from the ASI Secretariat)
    - Option B: Streamlined certification but with some requirement around OHS Management Systems (similar to option 1, but may lead to scope creep, e.g. why not environment or other labour rights)
    - Option C: Materiality focused approach, selected requirements from across all/most sections apply for downstream (but, given diversity of downstream Entities, not all materiality is the same and this may be complex to define)
- The SC discussed the options presented:
    - Priority from downstream is supply chain risk management
    - If the aim is to drive uptake and market incentives for ASI material, ASI may want to consider having no mandatory PS requirements for downstream and just requiring CoC certification (perhaps with minimum level of due diligence)
    - A few SC participants supported Option 1. Numerous SC members supported Option 2, noting that workers' rights are relevant for downstream companies and are important to

include for credibility. This was an oversight not to have these covered under the streamlined approach and including them will also respond to consultation input.

- The SC **agreed** to progress with Option 2 – streamlined certification approach focusing on Climate, Responsible Sourcing, and Circularity and with some provision around Workers Rights/ H&S. The Breakout session on Day 2 around Workers Rights will consider which requirements might be most relevant and come back to the full Committee with a proposal on this
- The SC **agreed** for the Secretariat to further explore the proposal to allow downstream Entities to have only CoC certification (no PS), with the aim to support more uptake of ASI Material. The Secretariat will do further internal consultation to identify considerations and trade-offs and bring this back to the SC for further discussion at a future meeting.

Chain of Custody Models (Item 6)

- The Secretariat shared an overview of consultation feedback around Chain of Custody (CoC) models.
- The SC questioned the purpose of CoC and noted that clarity on its role is important before deciding on any future changes.
  - The Secretariat shared context around the purpose and value of CoC. While the initial aim was to support uptake of the PS, CoC also helps to connect sustainable production (upstream ASI certification) with demand (e.g. downstream companies requesting ASI certification and/or ASI Material). CoC plays an important role in enabling the flow of ASI material, which is a way to send demand signals for ASI certification and also supports downstream Entities with objectives around responsible sourcing
- Consultation respondents strongly appreciated the streamlining of the CoC standard to focus only on mass balance (material accounting) requirements.
- Consultation feedback was mixed on the mass balance options (Option 1- maintain flexible group Entity-level mass balance, as currently. Option 2 – Entity-level mass balance, but with minimum sourcing requirement for each site, or Option 3 – gradual transition to site level mass balance
  - Generally, downstream respondents indicate a preference for site level mass balance (Option 3), citing greater transparency and stronger connection between material claims and physical supply chains.
  - Upstream prefers status quo (Option 1), indicating a lack of clear value from moving to Option 3; also, additional reporting, assurance burden and implementation costs. However, upstream views are not fully aligned. Some integrated companies expressed views closer to downstream stakeholders.
- A recurring theme was whether there is sufficient market value to justify changes. Key points raised:
  - If CoC does not deliver value to customers, there is little reason to change the system.
  - Some members questioned whether Option 3 would actually create additional market demand. The Secretariat explained that none of the three options presented during consultation appeared to fully meet stakeholder needs.
  - Several participants questioned whether CoC is the right mechanism to solve physical traceability challenges. As per previous SC discussions, if supply chain mapping is a source of value, this is supported also by the new proposed requirements in Section 3 of the PS to share origin information with customers to help carry out due diligence
- The SC discussed the availability of ASI material and noted that significant erosion of supply of material occurs at the alumina output stage with refineries as a key bottleneck. ASI material

may exist physically, but required contracts and documentation are often missing. This is independent of the demand signal for such material.

- With respect to traceability / due diligence, several important clarifications were made:
  - Even a segregation model would not provide assurance that there are no human rights or other sustainability risks.
  - Current CoC does not provide origin-level information required by some customers.
  - Some members stated that CoC currently provides little value for due diligence requirements under European legislation.
  - Others argued that supply chain location information could instead be provided through Performance Standard requirements and contractual arrangements between buyers and suppliers.
- One downstream SC member raised a strong opposition to Option 1, which in their view does not provide sufficient 'physical connectivity' between physical ASI material and the claim/ status of shipments. It was acknowledged that none of the mass balance options can provide physical traceability and that under any of the options, there is no guarantee of physical ASI material in any given shipment. The downstream member explained that in the case of their business, they are making commitments to source ASI material increasingly in future, but this will take time and they see evolution of the COC model away from Option 1 as very important
- One upstream SC member acknowledged that transitioning to site level mass balance may be feasible but the impacts on cost/ effort are not fully understood unless Entities also have information on the assurance model (e.g. would separate CoC certificates be required for each site?)
- On the basis of the discussion, the SC **agreed** to move ahead with Option 1 (Entity level mass balance) as the likely proposal to carry forward – however, with a <u>final decision subject to two additional pieces of information around comparisons with Option 3 (site level</u>). These will be requested from the CoC Working Group:
  1. From upstream/ midstream Entities – an estimate of the additional costs/ effort of moving to site level mass balance, considering the assurance implications
  2. From downstream Entities – whether shifting to site level mass balance will have any impact on their sourcing of ASI material/ support for ASI certification in the value chain
- The Standards Committee will review and make a final decision on the CoC model to progress at their next online meeting in late July, after the next Working Group meets.

Part 2 – 17 June Meeting Notes

Open and review agenda (Item 10)
• The Secretariat shared an update agenda for Day 2, which includes time to revisit leading practices and climate-related requirements. The Secretariat shared a recap of key agreements from the Day 1 discussions: o Leading practices/differentiation: group agreed to revisit later in the meeting after consulting downstream and remote members, alongside the climate session and bottom-up content review o Streamlined certification: agreed to progress, with some provision for workers' rights – the breakout discussions around workers' rights will help inform this

- Chain of custody: agreed that Option 1 (group entity-level mass balance) is likely the option to progress. However, a final decision will be made after additional input from the COC Working Group on the additional effort to transition to site level (considering the assurance approach) plus views from downstream members on the relative impact of site level mass balance on sourcing ASI material/ supporting ASI certifications

IPAF Input (Item 13)

- ASI's Indigenous Peoples Advisory Forum is a rare and unique safe space for community representatives affected by the aluminium value chain to share their experiences and insights. The Committee was encouraged, when listening to the presentations from IPAF members to remove their 'corporate hats' and consider IPAF not as stakeholders to be managed, but as human beings, sharing human needs as everyone else in the room.
- IPAF SC members shared insights into the recent engagement in their communities for the ASI standards public consultation. The consultation with affected communities was held in local languages across the bauxite mining regions of Guinea, Suriname and Australia, whilst in India the public consultation took place across 3 states in eastern India. Key messages from the communities had been: the importance of FPIC across various parts of the performance Standard and of legally binding community agreements and being involved in development of mine closure planning. Communities highlighted the importance of their participation in monitoring and evaluation of impacts on their environment, cultural sites and progressive mine rehabilitation.
- IPAF representatives from Guinea explained that through their involvement with ASI, they have been able to learn and increase their knowledge of the aluminium sector and bauxite mining in particular. Collaboration through IPAF has enabled affected communities to increase the awareness and understanding of the bauxite mining sector, the role of women in the communities in terms of generating diverse income opportunities. Access and management of land is critical for the independence of women, in particular in rural areas. It was essential to have an inclusive approach - including in the mine rehabilitation process.
- An IPAF representative acknowledged the strength of the Performance Standard - there had been progress made in recognising Indigenous rights, increasing requirements in FPIC and seeking feedback through IPAF. The context was different in different geographic locations, but the message from Indigenous peoples was consistent: the impacts don't disappear when mining stops, Dignity, self-determination, long-term wellbeing of people and the environment need to be a strong part of the standards, and ASI needed to continue leading on these issues across the supply chain. Success would be defined not by what was extracted from mining, but by what remained at mine sites and what future generations inherited.
- To conclude - IPAF has established a safe space for Indigenous peoples to talk about their experiences, to share their knowledge and explore solutions. The Secretariat will continue to support engagement and build capacity. This will be critical to the success of the revision of the standards.

Leading Practices & Differentiation – Part 2

- The Secretariat summarized the discussions from the Standards Committee (SC) on Day 1 around leading practices. The SC was asked for any further input based on the thematic breakout groups from the morning, which were tasked with reviewing leading practices in specific content areas. It was acknowledged that 'minimum requirements' are working language and agreed that better terminology may be needed.

- The SC discussed options on leading practice, raising the following:
    - Input from downstream SC members supports maintaining leading practices and moving these to a separate section, with calibration across sections. Some concerns about the impact on audits and complexity remain
    - It is important not to try to create leading practices just for the sake of filling these out
    - There may be value in shortening the current set of leading practices significantly and focusing on those that drive the most impact
    - While there is some support for a narrative approach (noteworthy achievements) this is not seen as a substitute for clearly defined and comparable leading practices – it could be in addition (already possible for ASI audits)
- The SC discussed whether the 70% threshold approach remains useful if the set of leading practices becomes significantly shorter, based on filtering and calibration
    - An alternate approach was suggested, which would focus on transparent reporting of how many leading practices were achieved (e.g. 4 out of 5 under Nature), or a set of 'stars' per leading practice achieved. This would replace the threshold approach to meet a certain percentage of leading practices before making a claim
    - This would address some concerns about the lack of comparability and consistency in leading practices, and whether the threshold is set at the right level
    - Before revisiting the discussion on thresholds, it is important to see how the set of leading practices looks in each content section and across sections

The Standards Committee **agreed** on the following next steps around leading practice:

- Maintain two tier approach, with robust minimum requirements and a level of leading practice beyond minimum
- SC to continue reviewing/ consolidating leading practices in thematic sections on Day 3 of the meeting
- Explore a mock-up of the alternate approach (showcasing leading practices achieved) vs. threshold approach. Secretariat to create a mock-up and bring this back to the SC at the next online meeting for further discussion
- Review a consolidated set of all leading practices as part of the next set of draft reviews

Taking stock and priority discussion topics (Item 16)

- The Standards Committee (SC) co-chairs led a session to reflect on progress in the meeting so far and take input from the SC on priority topics to cover in the remainder of the time together:
    - It was noted that meaningful discussions take time; more time is needed to continue making progress on community impacts, for example
    - Breaking into more than two groups will spread the SC too thin, without enough participation in each group
    - Governance and Management systems are important to cover
    - Request for more time to ask IPAF questions, based on the presentation given early today by IPAF
    - Request for more time to revisit leading practices within content groups
    - Maintain Assurance session – a good chance to ask questions
    - Mine closure breakout group also would benefit from more time to continue

- The Secretariat will update the Day 3 agenda based on SC priorities– items not covered in person will be rolled to the next online meetings or taken offline (e.g. Claims guide updates, Section 10 and 11 updates)

Part 3 - 18 June Meeting notes

Governance and Management Systems

• The Secretariat shared an overview of public consultation feedback on Sections 1 and 2 of the draft Performance Standard (Governance and Management Systems)
• The main content-related comments were around human rights due diligence (2.4), and the need to make this more prominent and more aligned with UNGPs language focusing on outcomes rather than process. The Secretariat has redrafted this criterion based on feedback received. It is also proposed to merge Sections 1 and 2 and to move remediation under the revised Human rights due diligence criterion.
• The Standards Committee (SC) **agreed** with these structural changes for Section 1 and Section 2
• The Secretariat also shared a request from consultation to improve the consistency and clarity around terms such as risk/ impact and impact assessment within the Standards
    o The Secretariat presented an overview of how risk identification, impact assessment, and management of impacts (followed by monitoring) should work in the Performance Standard.
    o The SC agreed with the proposed model around risk/ impacts and the intent of the proposed definitions. One participant suggested to look at alignment with the ESRS standards
    o The Secretariat took this as an **action** to follow up with the ESRS definitions of risk and impact, and adjust definitions if feasible (or to report back on any gaps)
• The SC discussed how risks are determined to be material (or not) within the ASI standards, and noted that additional guidance on this topic would be helpful
• Area of Influence definition: there was a presentation on the consultation feedback received. The Secretariat asked the SC for their thoughts on the definition and the proposed amendments.
• The SC **agreed** to the following adjustments on the Area of Influence definition:
    o To revert to PS V3 wording around "associated facilities"
    o To update the Note 1 or definition itself to make it clear that Entities can choose to define a different Area of Influence for different topic areas, if they wish to
    o To develop further guidance and examples around Area of Influence in the future

Assurance
• The ASI Assurance Team presented an overview of recent work and current initiatives.   o A total of 315 (PS & CoC) Audit reports oversights were completed in 2025. Trends identified; quality of reports are improving over time. Increased audit firm engagement, two-way feedback between ASI and firms.

- Increased flexibility from the Assurance Team to support increasing constraints on both audit firms and members (cost etc.); flexibility around remote versus onsite requirement (depending on risks and non-conformances), and extensions, where justified.
  - The Assurance team carry out pre-audit risk assessment for upstream sites. Currently audit plans must be submitted 6 weeks prior to audit, with an intent to increase that time. Greater guidance to be provided in future on audit team composition (i.e. geographic experience, language).
  - Extension to Entity's with P1-4 (material stewardship) certificates given until May 2028.
  - Direct engagement within Secretariat (weekly) on GHG findings.
  - Increased engagement and auditor training in China.
  - ASI continues its witness assessment program – these are not shadow audits, these review audit performance (inc. pre-post audit, planning, comprehension). Some audit firms engage with ASI better than others; engagement helps ASI highlight risks to audit teams.
- The Assurance Team outlined their goals for the next 12 months: greater focus on risk profiling; just implemented requirement that no Entity can change audit firm while on a provisional certificate to prevent 'audit firm shopping'. Ongoing work to consolidate ASI certifications where a member has multiple certificates. Currently there is an internal assurance hub – potential this could be shared externally in future. Ongoing training is provided to auditors; the Assurance Team is aware of the need to refresh the auditor training platform.
- Ongoing work is being undertaken on the rebuild of the Assurance Manual. The rebuild will be more visually based, with an emphasis on decision trees, tables, flow charts, and scenarios. The Assurance Manual will require early initiations of audits in elementAL, and a requirement of ASI approval of relevant plans. ASI has also had direct IPAF involvement in audits, with IPAF there as part of audit team (not witness assessor); the intent is to formalise this further.
- Comments from the SC participants:
  - A request for more guidance on surveillance audits/ potential for remote audits. The Assurance Team clarified that this will be provided in the new Assurance Manual and is already provided on a 'case by case' basis if the Entity or Auditing Firm wishes to discuss directly with the Assurance Team.
  - One SC member asked whether audit reports in non-English speaking countries should be published in local languages. The Assurance Team explained that currently reports are both submitted in and published in English; potential to use AI for translations in the future. Some firms use employees more confident English speakers to finalise reports. ASI reviews and confirms language used in reporting is appropriate. While public reports are in English, the disclosure links from the report may be to documents in local languages.
  - Risks with AI on translation, experience is there are material differences in AI translations. The Secretariat explained that IPAF use Deepl translation followed by human check.
  - Concerns regarding confidentiality of information translated through AI, as these are 'open source' and public. An 'internal' AI tool could be developed as an option – but this is not currently planned nor scoped.
- The Assurance Team plans to publicly announce audit dates for bauxite mine audits. Further guidance to be given on level of effort for these audits. Intend to establish notifications and automatic alerts on audit report timelines, ensure transparency so all can see what stage an audit report is at (i.e. a taskbar on public website showing audit progress through necessary stages).
- The Assurance Team also provides multiple ASI reviewers of reports, and IPAF review in some cases, CEO review on high-risk sites. Audit reports should provide additional context i.e.

stakeholders interview, auditor rating system to further develop audit skills. The aim is to improve consistency; language and definitions; conformity tables.

- Leading practice considerations; The Assurance Team has raised some concerns regarding complexity and resourcing needed. However, progress by the Standards Committee on this issue may address many of the challenges
- Comments from the SC participants
  - Good assurance guidance is important
  - Headline Statements are inconsistently written; more guidance is needed on what is expected of auditors. Inconsistent reports raise questions of what was/was not audited. More detail would help identify inconsistency. ASI responded that the public headline should be very short, training is provided to auditors, but examples and more guidance can be developed
  - Consider examples from other audit systems. Some mark several individual 'critical' or 'more sensitive' criteria which require further consideration. Also need to consider area where there are multiple non-conformances (major or minor) especially if they are in one area, which may be a sign of bigger issues. The Assurance Team responded that a number of minor NCs can lead to provisional, or multiple related minors can become a major.
  - Suggestion to consider experience exchange between ASI auditors? The Assurance team is discussing idea of an auditor community of practice. Previously the team held auditor calibration calls but there was a drop-off of engagement, so these were put on hold. They are looking at podcasts and other forms of engagement. More opportunities for in-person training and workshops would be very helpful but depending on budget/ resources.

Next steps and meeting close

- The Secretariat shared an overview of next steps in the revision process, which aims for a second consultation round in early 2027 and final approval Q3/Q4 of 2027
- Updated drafts will be shared with both Working Groups and the Standards Committee for more detailed review (in allocated subgroups by topic area) between mid-July and first week of September. At this point the separate thematic sections will be integrated back together and final reviews will take place Sept/ Oct ahead of signing off consultation drafts for the second public consultation.
- The Secretariat reviewed parking lot items from the meeting and noted next steps:
  - Public disclosure: The Secretariat to compile references across the standard, a v3 comparison, and share the glossary definition.
  - Assurance Manual: substantive updates fall under SC approval; Secretariat will share a timeline and bring updates back.
  - CSMI cross-recognition: Secretariat to follow up with interested members and with the CMSI team
- The Secretariat thanked the Standards Committee for a very positive and productive set of meetings. The SC expressed thanks to the ASI Secretariat and gave particular recognition to IPAF participation and progress made on complicated areas such as Climate requirements.

Part 4 - Discussion Notes from Thematic Working Sessions

Section 3 - Responsible Sourcing and Due Diligence

- A recap of the outcomes of the Standards Committee meeting in Paris 2025 was provided.
- The Standards Committee discussed the section on Responsible Sourcing for Scrap, raising the following points:
  - Consensus that a separate scrap due-diligence requirement is unnecessary/"artificial", as due diligence on directly sourced scrap (Tier 1) is already covered under 3.1 and is normal business practice. Members noted the scrap market is exceptionally tight and opaque. Tier 1 suppliers will not disclose where they source from, so going further back is largely theoretical and could risk losing supply. Risk is also context-dependent (e.g. scrap from US/Canada/Western Europe carries minimal forced/child labour concern).
  - Emerging agreement to remove the first scrap criterion and fold it into 3.1, but to retain 3.2.2 (effective engagement with stakeholders / responsible recycling initiatives) as leading practice; justified by the sector's need for post-consumer scrap to reach ~50% of inputs by 2050 and emerging responsible recycled-supply-chain initiatives (e.g. TCI and IAWP joining ASI).
- The Standards Committee asked about the feedback that was received regarding criterion 3.4, and discussed the following points:
  - Feedback was mixed and mostly related to frequency of providing information, that it should cover the full value chain and that this information should only be shared between contractual parties.
  - One comment that was received during consultation related to countries where it is not allowed to disclose supply chain information, and how this criterion would be implemented there. There was also a comment that if you are not an integrated business, there will be contractual arrangement that prohibit disclosure.
- The Secretariat asked the SC for their thoughts on structuring criterion 3.1 (and criteria 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5 and 3.1.6) similar to criterion 3.3 (CAHRA due diligence) and 2.4 (HRDD – own operations). Rather than each step of the OECD 6 step framework as one separate criterion, they will be requirements under 3.1.1. This is to align further with related criteria in the Performance Standard, to make the criteria more auditable and to address feedback that there are currently too many requirements in section 3.1. The Standards Committee thought that structuring 3.1 this way makes sense.

The Standards Committee **agreed** on the following next steps around Responsible Sourcing/ Due Diligence:

- Scrap: Remove the standalone scrap due-diligence criterion and fold it into 3.1 but retain the responsible-recycling stakeholder-engagement element (3.2.2) as a leading practice.
- Structuring criterion 3.1 similar to criterion 3.3, moving criteria 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5 and 3.1.6 as sub-criteria under a 3.1.1, which will look as follows:

3.1.1 The Entity exercises risk-based supply chain due diligence in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct (RBC) in ways appropriate to its size and circumstances

3.1.1.1 Embed RBC into supply chain due diligence policy

3.1.1.2 Identify, assess and prioritise risks in the supply chain

3.1.1.3 Implement an action plan and remediate where appropriate

3.1.1.4 Monitor implementation

3.1.1.5 Communicate how impacts are addressed

3.1.1.6 Remediate where appropriate

On 3.1.4: It was agreed to add text in the Standards Guidance that there are countries where Applicable Law prohibits companies to disclose supply chain information, and that this criterion should not contradict Applicable Law.

Section 4 - Climate

- The Secretariat presented an overview of the main questions and challenges around Climate-related requirements in the revision. The aim is to provide context on some of the important decisions that the whole Committee will need to take around climate-related expectations – this will be further discussed at a more technical level during the climate breakout session on Day 2.
- The Secretariat explained three big questions around the climate related requirements and feedback received during the public consultation:
- *Key issue #1: 'Climate section (in the consultation draft) is too complex and will not drive change'*
  - Lots of new concepts were introduced under the climate section in the consultation draft
  - Many stakeholders found this too complicated - and felt the additions did not support a positive impact
  - Proposed response from the Secretariat is to remove a number of new sections, streamline, and retain three main sections: Climate Disclosures, Climate Transition Planning, and Climate Transition Performance)
- *Key issue #2: Entities cannot meet current (PS V3) requirements for 1.5 degree aligned emissions reductions (thus the current 'Exemption process'). But they say the revised expectations are also too challenging and don't reflect how decarbonisation will occur (step change)*
  - But, if this is weakened any further, we will potentially lose even more credibility
  - And, as minimum expectations become weaker, the gap between minimum and 'leading practice' (e.g. emission reductions in line with the 1.5-degree scenario/ASI Method) becomes even greater
  - Proposed response from ASI is to incorporate 'climate aligned' status for Entities who can show performance along 1.5 degree aligned pathway – all others required to disclose the gap between current emissions performance and 1.5-degree pathway + to meet different emissions reduction requirements based on supply chain activity/ other context
- *Key issue #3: Removals requirements have the potential to cannibalize action on emissions reduction*
  - Entities would like to focus attention on reducing their own emissions rather than supporting removals as an additional action.
  - However, with a shrinking carbon budget (at current rate exhausted by 2035-2040,) removals necessarily form part of a climate aligned future and also need investment in the short term for long term impact
  - Proposed response from the Secretariat to recognise removals ***or*** R&D action as alternative Leading Practice approaches

Breakout groups - Climate

- The Secretariat shared an update on proposed changes to the draft, considering priority consultation feedback:
  - Current PS V3 demands 1.5°C-aligned targets and performance. Most Entities cannot meet this (hence the exemption process), so becomes the leading / 'climate-aligned' level in v4; leaving the question of a credible minimum.
  - The sector is already almost a full year's emissions over budget since 2018; the gap between any minimum and 1.5°C alignment is large and widening, so transparency matters, as does removals action
  - Proposal: Cut from ~30 requirements to ~12 across three sub-sections: Disclosures; Climate Transition Planning; Climate Transition Performance.
- Two-track performance approach discussed:

- Track 1 (leading / climate-aligned): demonstrate 1.5°C ASI Method-aligned performance, OR a climate-aligned target achieved under SBTi/another framework, with a buffer (10–20%). If demonstrated, nothing further required.
- Track 2 (minimum): show emissions below an existing level, OR a reduction over five years (actual, not committed), PLUS disclose the gap to climate alignment (to ASI, not necessarily public).
- Minimum to be differentiated by supply chain activity, with the upstream test tied to power mix rather than emissions intensity, reducing risk of incomparable data.
- Allow scrap/recycling as a lever for upstream.

- Strong support for the Smelter threshold ceasing to be exclusionary and rolling into raised performance expectations; seen as the key to driving change and the 'opener' to a performance-based leading element.
- Counter-consideration: consultation values the threshold as an easily communicable backstop; if a credible minimum can't be defined, the fallback is a threshold that doesn't drive change., but protects ASI's credibility
- Concern that direct mitigation feels buried and the structure reverts too quickly to removals.
- On market instruments: bundled RECs remain acceptable; unbundled RECs and offsets sit outside the sector boundary. Suggestion to expand leading practice to include high-quality instruments (with guardrails); the Secretariat cautioned against over-complicating.
- Downstream/mixed-material Entities want flexibility to use SBTi/other frameworks; upstream/midstream value the ASI Method and do not want mandatory SBTi target setting.
- Repeated emphasis that communication and transparency are critical. The change must be framed as bringing industry in, not ASI weakening (oil-and-gas 'delay' reputation cited as the risk).
- IPAF perspective: bringing in currently-excluded coal-fired entities is welcomed, as ASI engagement also drives improvement on biodiversity, human rights and community issues.

The breakout groups on Climate supported the following points from the discussion:

- Retain two levels (minimum + leading), consistent with the leading-practice discussion, 1.5-degree alignment at leading
- Mitigation-focused requirements only supported; removals and R+D resourcing taken out of the core structure (100%-of-gap removals deleted as unachievable, SBTi aligned 1% removals as a leading practice deleted -seen as distracting from mitigation action as well as introducing uncertainty/credibility risk)
- Minimum performance differentiated by supply chain activity, assessed at corporate/entity level rather than asset level, except smelting, with additional asset-level evidence or expectation.
- The smelter threshold becomes a trigger for higher expectations rather than an exclusion; post-2020 coal remains a hard line (not certifiable).
- See revised draft text for minimum performance expectations per supply chain activity
- The group tasked the Climate WG with further refinement of minimum performance and review of a new land-use emissions inventory disclosure requirement

The Standards Committee **agreed** on the following updates to climate-related requirements:

- ASI Method or 1.5-degree target aligned performance becomes Leading Practice
- Smelter thresholds removed as a cut-off criterion
- Minimum performance expectations differentiated by place on supply chain
- Simplify the minimum-performance design – for smelting via power mix where possible
- Annual reporting to ASI (Entity level and for smelters facility level)

- Higher emissions reduction expectations for higher intensity electrolytic metal (enabling benchmarking by removing recycled content from the smelter level expectation)
- Explore a “middle tier” recognition for already lower emitting smelters
- Develop a broader communication / stakeholder-engagement plan around the threshold change

Section 5 - Nature

- The Secretariat shared a summary of consultation feedback on the nature draft, which was mostly positive. Key topics for feedback included no net loss (NNL) targets, air quality requirements (including dust), and critical habitats – these were discussed with the Nature Working Group in May, and proposed changes have been incorporated into the working draft
- The Secretariat explained that consolidation and restructuring of the draft had been carried out post consultation to reduce duplication and to improve cross referencing back to the Environmental Management System (EMS) as covered under Section 2
- The group discussed and **agreed** with the Secretariat's recommendation to remove requirements on biodiversity for Entities *without material risks to biodiversity* based on consultation input (focus should be where the risks/ impacts are material),
- The breakout group discussed the proposal to integrate dust management under air quality and to include a guidance table on key emissions sources for different activities (e.g. fluorides)
    - Some participants supported this approach as it reduces duplication and puts emphasis on a range of priority air quality issues, depending on context
    - It was noted that dust is a major concern for many communities especially those near mine sites – with examples given of some communities that cannot open the windows on a regular basis because of the extent of dust.
    - Dust can have impacts on human health (e.g. sinusitis) as well as on livelihoods e.g. agriculture
    - At the same time, it was noted that other sources of air emissions (E.g. SOx) can also lead to damage on human health and the environment but may not be as obvious as dust – however, these still need to be managed
    - Importance of monitoring at the receptor site? For human health, the receptor would be people in the community, which is not feasible. With respect to biodiversity, ecosystems are included in the definition of biodiversity and impact assessment/ monitoring should be taking these into account
- **Next steps** on the draft as discussed with the group:
- Maintain general criteria on air quality with guidance table based on EU Best Available Techniques (BAT) reference document. Secretariat to consider how to ensure dust management has enough visibility as a key issue from affected communities – either under this section or under the Community impacts section.

Review of leading practices

- The SC group was asked to review leading practices from the consultation draft and indicate which ones were most important to retain under the Nature section
- Most leading practices from the consultation draft were recommended to remove, as either they should be incorporated into minimum requirements (e.g. demonstrate improvements against targets), and/or were too detailed and specific (examples around air quality)
- The group revised and filtered the current set of leading practices, down to a list of 5:
    - *Nature-related: Collaborate with other stakeholders to improve nature-related outcomes at a landscape or community level (beyond Entity boundaries).*
    - *Nature-related: Engage with affected communities and other relevant stakeholders to participate in community-based monitoring of nature-related impacts in the local community (e.g. water, soil, biodiversity and habitats).*

- *Biodiversity: Demonstrate evidence of implemented measures and positive trends against interim indicators for biodiversity over the preceding 3-5 year-period, in line with the targets set in the biodiversity management plan.*
- *Water: Implement science-based freshwater targets for all sites in the certification scope that have material risks related to water availability. Guidance: SBTN*
- *Air quality: Communicate key outcomes of air quality monitoring (including dust where relevant) to affected communities in an accessible format, at least every two years*

Actions agreed: The Secretariat will incorporate these adjusted leading practices into the latest draft. The Secretariat will carry out further research on leading practices for water, as it was acknowledged that the current example (science-based targets) may not be ambitious enough

Section 6- Circularity

- The Standards Committee breakout group reviewed consultation feedback on the priority issues within this section:
    - Consultation supported stronger circularity ambition, cradle to grave LCAs as a Leading Practice, drivers of increased transparency and comparability and a focus on circularity outcomes
    - Specific comments focused on whether requirements are role-specific, measurable, auditable and proportionate.
- Recycled content methodology & claims (6.4.2)
    - Recognised that ASI proscription of a singular method will not be acceptable to Entities, but that minimum transparency (in particular B2B) requires that methods and boundaries are communicated to customers along with recycled content metrics – requirements mandating this will drive change.
    - Discussed extension of verification of recycled content data as leading practice, even if not published – no decision.
    - Minimum assessment of recycled content of major product lines as minimum practice is challenging for downstream with lots of (multi)material inputs; possible alternative approach is a requirement focused on transparency.
    - Explored what would drive increased in use of recycled material:
        - Entity action plans as well as recycled content metrics, which can reflect scrap availability more than ambition and performance
        - Eventual inclusion of scrap dealers and processors as certifiable Entities is important; ASI is exploring this
- End of Life recovery (6.5)
    - Reviewing the consultation feedback that supported targets for post -consumer scrap (6.5.1.4), but was ambivalent on minimum or leading practice, the group initially felt these should be included as *Leading*.
    - Discussion continued on the role of targets in driving change
        - With scrap availability and technical barriers limiting achievement; target setting (even internal target setting, without public disclosure) may not necessarily drive improvement but would be a box checking exercise for ASI Audit alone.
        - Engagement with partners may drive change, but can this be measured in a standardised fashion as an ASI indicator? Possible inclusion in Guidance.
    - Proposal: Entities may set targets based on Entity-specific baselines, and built into sourcing contracts – recyclers buy most scrap on spot markets, so contracts would be a new situation, which could be positive?
    - Recommendation: Circularity Working Group to explore further; removal of targets requirement but inclusion of plans and processes to increase use of post-consumer scrap and consequently including as a minimum requirement.
- Degree of Entity control under criteria 6.3 and 6.5
    - Auditability of requirements under these criteria was questioned
    - Many of the circularity requirements are a measure of corporate strategy and/or business decisions and thus difficult to difficult to require at facility or Entity level
    - Consultation proposal to include supply chain activity specificity on expectations was challenged during consultation, though the meeting supported such an approach.
- Dross & SPL metrics: (6.6 and 6.7)
    - The group supported inclusion of measurement and utilisation rate requirements, as per amended text [see latest draft]

- LCA impact categories (6.2)
  - With a focus on driving change, the group supported inclusion of a limited set of lifecycle impact categories required by ASI: global warming potential, water use (and possibly particulate matter)
  - A longer list of impact categories to be moved to leading practice.
- Circularity action plan (6.1.2)
  - The group supported keeping v3 language on waste management strategy as minimum and moving the circularity action plan (with defined elements) to leading practice
  - A demonstrated commitment to circularity, should be kept as a minimum, however.

Section 7 – Community Rights and Participation

- The Secretariat shared a summary of consultation input around the Community related requirements in the consultation draft. Generally, there was less opposition and less substantial pushback on community-related requirements than anticipated. But there were a few areas where consultation feedback continues to show divided opinions, as expected. These include:
  - FPIC structure (including separation of process and outcomes)
  - Legacy impacts
  - Community Agreements
- On FPIC: The Secretariat presented proposed updates to the consultation draft to restructure the FPIC requirements in line with consultation feedback. Under this approach, criteria would cover:
  - Agreeing a process to carry out FPIC, through engagement with the affected Indigenous Peoples (IPs)
  - Demonstrating that the process (as agreed) has been followed
  - Monitoring and communication
- The SC group discussed requirements around demonstrating consent, and the importance of allowing flexibility in how consent is sought and demonstrated. The following points were made:
  - How to demonstrate consent (or 'non-objection') is different in every jurisdiction; wording cannot be overly prescriptive. Examples in guidance of what consent might look like could be helpful (especially for communities that don't have engagement protocols in place)
  - Sometimes consent is not sought or consent is fabricated, so robust assurance around these requirements is important (including consultation with affected IPs)
  - Understanding the process of FPIC and the right of IPs to FPIC is fundamental, example given by IPAF participants of communities that only built this understanding through their engagement with ASI and IPAF
  - In some cases, affected IPs may not want to engage in an FPIC process; this should be covered under criteria to agree an engagement approach and FPIC process
  - The Secretariat clarified that under the revised draft, agreeing FPIC processes (together with the affected IPs) would include agreeing how consent will be sought and demonstrated. This should address the points made about the need for flexibility in different contexts, as discussed. Further guidance/ examples can be added down the road.
- ASI proposed to remove the requirement to demonstrate consent to begin the FPIC process itself, based on significant consultation responses saying this was circular and duplicative. The SC group noted that:
  - Agreement to begin an FPIC process is important and occurs in practice. Suggestion to not use the term 'consent' but instead 'agreement'
  - Under the updated criterion around agreeing FPIC procedures, the willingness to carry out FPIC – as per agreed processes – should be better covered.
- On legacy impacts: The Secretariat presented a summary of consultation feedback around legacy impacts. Opposing feedback was received – some respondents felt the scope should be expanded, others felt it was too broad and were concerned about legal liabilities. Some respondents felt all proposed requirements should be minimum; others felt they should be leading practice only.
- The SC group discussed the consultation feedback and noted the following:
  - Clarity is important on when legacy processes are triggered (what is the evidence threshold)

- There are existing human rights due diligence processes, and we should look to utilise these rather than create separate processes. A strong recommendation to align around the UN Guiding Principles (UNGPs) language and process.
- Clarity and consistency in reference to legacy impacts across different sections of the Performance Standard is needed – alignment with UNGP language will help
- Many legacy impacts continue to have current impacts, and addressing these impacts should be the focus (vs delving into responsibility for events that happened many years ago).
- From IPAF participants' perspective, the key focus is to ensure issues from the past will not be repeated. Agreed that legacy activities can have continued impacts (example given of villages that relied on rice farming and were impacted by mining). Strong support for community-led, inclusive processes, which consider cultural and local context. Community led and participatory monitoring is also important
- Should legacy issues be considered within the certification scope more formally? E.g. a company that conducts exploration improperly before certification, should impacts be included in certification scope if the resulting mine seeks certification (especially if temporally recent).
- Examples were also cited where there was changing ownership of a company, or of companies closing. The new companies accepted responsibility but not always. Mergers and acquisitions processes were different under different circumstances. Clear guidance will be important

- The Secretariat explained the proposed definitions around legacy impact and how to include the difference between historical impacts and impacts that came from existing operations:
    - A legacy impact was when the original harm has concluded, but the communities were experiencing lasting consequences. There was discussion about this wording, with a request for clear and simple language. Should clearly include things that have to be remediated.
- There was a discussion about alignment with the UNGPs. These should be followed but in practice it does not always happen under implementation of the current PS V3. The suggested draft criteria aligned with UNGP language. The aim is to have collective understanding and engagement of communities. There was a question about who should initiate the process – the entity, government or community? Often these might initiate from a complaint; more issues come forward as communities build awareness of their rights and feel more empowered.
- On <u>community agreements</u>: The Secretariat gave a summary of consultation feedback of the feedback on legally binding Community Agreements. The group discussed the scope of the requirements:
    - Clarification was needed on the term 'communities.' In some cases, this term could cover the population of a whole town.
    - Requirements need to make it clear that the intent is to cover indigenous and land connected people and not the general community. There was some discussion on whether the requirement remains at leading practice, or whether with some flexibility built into it, it could be brought down to minimum requirement.
    - Aligning on the intent remains important to find a path forward. If the main intent (vs community plans) is around accountability, there may be other ways to better incorporate this into requirements. One participant recommended looking into effectiveness reviews related to community benefit plans – e.g. are the plans delivering in practice what they promise?

Next steps as discussed in the breakout group:

- The Secretariat to update consultation draft on FPIC in line with changes discussed – restructuring, allow flexibility to define processes for consent, remove explicit requirement to give consent to begin FPIC.
- Legacy impacts remain a priority and are important to include under PSV4. The Secretariat will adjust the draft so that there is still a discrete section on legacy impacts, but this refers directly back to the Human rights due diligence (UNGPs) criteria and process, and Entities are expected to address such impacts through their HR DD process. Add more clarity around triggers for legacy impacts and focus on intent – to address ongoing impacts and build collective understanding.
- On community agreements – The Secretariat to work on adjustments focusing on the intent (accountability) and share updated drafts back with the SC and working group for further review
- Leading practices within the Community section will be reviewed and consolidated based on input from the SC (collected during an exercise on 18 June)

Section 8 – Workers Rights and Protections

- The Secretariat shared an overview of consultation feedback on the Workers' Rights Criteria (Section 8), which was mostly supportive. There had been overall support for the strengthened requirements on living wages; a preference expressed for setting maximum working hours to 60 per/week including overtime; and calls for guidance on the risk- based approaches under forced/child labour and on living wage benchmarks. Feedback had also been received regarding having clear language on exemptions under working hours. Feedback also suggested a gap on gender issues, and some work needed on the requirements under diversity, equity and inclusion.
- The Standards Committee (SC) breakout group was asked to discuss which Workers/ Health and Safety related requirements should apply for the 'downstream streamlined certification option', picking up from the SC discussion on 16th June.
    - The SC breakout group was asked its opinion on which specific criteria/requirements should apply? Some participants thought that the whole of the section should apply, picking out criteria would give the impression that some weren't important. If they weren't important they shouldn't form part of the standard.
    - There was discussion about where most of the burden lay in terms of implementation for downstream companies, e.g. in cases of companies sourcing different materials and sought certification against a number of different standards. What were their priorities in terms of workers and which issues were most relevant to them?
    - The group agreed on the following list of criteria/sub-sections that should be included in any streamlined certification for downstream entities (highest priority first):
        - 8.7.1 Safe and Healthy Working Environment (not necessarily psychosocial risks, or requirements setting targets)
        - 8.2 Working Hours and wages (with suggested amendments)
        - 8.1 Informing and Engaging Workers
        - 8.4 Forced Labour
        - 8.3 Child Labour
        - 8.5 Freedom of association and collective bargaining
- The breakout group also discussed the Leading Practices in this section. There were 16 Leading Practice requirements; more than a third of the consultation comments related to these. The SC members thought that a number of the leading practice requirements lacked impact, or rationale for being included – the consultation feedback had reflected this. The discussion focused on what kind of requirements they thought would drive impact and systemic change as opposed to rewarding 'token' practices. The group thought that requirements related to senior management performance/focus generally worked well in impacting change and that requirements requiring demonstration of improvement and public reporting were also thought to drive change; although they needed to be specific, not vague nor left open to wide interpretation.

Next steps: the group recommended a number of adjustments and deletions, which will be captured in the next version of the draft for further discussion and consideration by the Working Group and by the SC. The set of worker/ H&S related criteria to be included in the streamlined certification option (for downstream Entities) will be discussed at a future SC meeting, building from this group's recommendations.

Section 9 – Mine Closure

- The Secretariat summarised the main points from consultation feedback on Section 9: Mine Closure:
    - Importance of balancing regulatory requirements for mine closure --> it is highly regulated, regulatory requirements may conflict with the PS itself and interests of diverse stakeholders
    - Industry feedback calls for more flexible, less prescriptive requirements to better accommodate different operating contexts e.g removing fixed periods for post-closure monitoring
    - Main areas of disagreement include: progressive rehabilitation (metrics and techniques), monitoring periods, scope of FPIC and circularity-related requirements for closure.
    - Other areas that require further refinement at WG level include the closure planning process, rehabilitation techniques, socio-economic transitions, infrastructure, financial provisions and legacy impacts.
- <u>On closure planning and 'shared infrastructure</u>' (bridges, power stations – NB feedback received that 'shared infrastructure' is not the best terminology), that is infrastructure operated by the mine that has benefits for or that are used by communities, but there are challenges about ongoing maintenance post-closure if infrastructure is transitioned to communities.
    - An example was given of a certified mine that is currently approaching closure. There is a bridge which is used for mining operations and is also used by communities, where alternative routes for communities take hours longer in travel time and are regularly cut off during the wet season. What does it look like for these communities when the mine closes and the mine is no longer able to maintain the bridge? The community want the bridge, but the company cannot hand back the bridge safely without knowing the incoming owner can resource the maintenance, and the government don't want to spend the money to maintain it. This is an important consideration around mine closure that affects communities
    - The SC group discussed that what is missing is the institutional dimensions for management. What is the role of companies, governments, Indigenous Peoples within closure?
    - One suggestion that in the PSV4 draft, some requirements imply government- level responsibilities for companies, and ASI should consider changing language from 'shared infrastructure' to 'transitioning infrastructure'.
    - Discussions between communities, government and company need to happen significantly before mine closure and all parties must investigate what other options exist.

- On <u>Progressive rehabilitation</u> – a discussion was held on how the Mine Closure Working Group should progress this:
    - Currently, the PS says that mines must progressively rehabilitate as soon as possible. No metrics put on how quick this happens. A proposal was put out to suggest mine rehab must commence within 3 years – strong support for including a rehabilitation timeline or metric, and general support that 3 years was approximately right in most cases, but also concerns that the timeline was not flexible enough, and also around defining what land

is available for rehab e.g. cannot rehabilitate some areas yet because they become a road used in rehab maintenance.

  - Communities know the forest best; there are steps that need to be crossed first.
  An example was given where an industry rep has spoken to rehab specialists – who confirm that rehab should take place as soon as possible. The specific issue is around 'all disturbed land' and not incorporating enough flexibility. Regulation has tried to fix the issue by saying 'commence rehab of a predominant amount' which allows for some exceptions. There is not a definition of predominant or a specific percentage, but there are certain factors for considering this.
- Have to focus on sustainability for the communities - What would be useful for the working group? Ask them to map out what the stages of rehabilitation look like and some sort of visualisation. There is a need for clarity on timings and actions that happens within that time.
- Time needs to be given to the soil, and to give seedlings time to grow to establish successful rehabilitation.
- Some feedback has been given that the draft of V4 doesn't give enough consideration to relinquishment, in particular around how land is returned to communities, especially those who were displaced for the mine to be developed. It will be challenging as it's so dependent on local regulation and different contexts.

[Second breakout session on Mine Closure]

- The Secretariat shared an overview diagram of the closure plan and rehabilitation plan process: Bauxite extraction, backfilling/ landform reconstruction/ topsoil replacement/ revegetation / replanting → rehabilitation monitoring
  - Timeline: mining finishes in an area (Year 0). Agreed with SC subgroup earlier in the meetings that up to revegetation stages should be about 3 years (with some flexibility required)
- The SC breakout group discussed the process flow and timeline, noting:
  - Local communities should benefit from the rehabilitation process, for example through agricultural revegetation. Community participation is key as they know which species are beneficial
  - Many bauxite mines can rehabilitate but cannot *revegetate* (replace exactly what was there before). Where revegetation cannot be achieved, this needs to be agreed with the community. The wording here needs to be clear. It was noted that in some cases plants will regrow (naturally) but does not meet the objectives of rehabilitation or revegetation.
  - Planning for mine closure can be one of the cases where community and biodiversity interests may not always be aligned, in instances where communities may prefer land uses that promote economic development rather than biodiversity.
    - It was clarified by the Secretariat that currently the no net loss targets would still apply even for adjusted land use
    - Closure objectives will vary and need to be defined through the process of developing the closure plan
    - Secretariat also clarified it is important that community decisions around land uses are 'informed', and technical feasibility information is provided.

- Rehabilitation outcomes should be clearly defined, and focus should shift from compliance-based closure to value driven risk minimised and community aligned mine rehabilitation with clear monitoring and financial assurance

On Free, Prior and Informed Consent (FPIC) for Mine Closure:

- The Secretariat explained that the Standard draft currently requires that where Indigenous Peoples are potentially impacted, FPIC needs to be obtained for the mine closure plan
- Consultation feedback raised the following points: 1) Wording must be clear that FPIC applies to closure planning process, not the decision to close, and 2) Clarity on the scope of planning decisions is important
- One SC participant shared an example of a site where a mine closure plan has been in development for a number of years but has not yet been approved by the government due to a lack of agreement with community priorities. Guidance within the ASI standards on how to manage similar cases will be important
- There are limits to how much can go into the ASI Standard as many things will be determined by local regulation – it was clarified that FPIC should be applied within the legal constraints (e.g. a mining permit is given, but how that happens and how impacts are mitigated would be determined through the FPIC process)
- How will impacts on displaced people be considered? This will likely be determined by the government, but impacts are significant. Clear signposting between this section and *Module 11: Displacement and Resettlement* will be important.
- On current leading practice 9.1.2.2 – it was raised by the SC group that having a 'lead partner' designation for affected Indigenous Peoples is problematic. This could create legal and financial accountability on affected IPs, which is not the intent. Group acknowledged the desire of Indigenous Peoples to have an active involvement in closure beyond consultation, and supported the WG looking at alternative wording
- Future topics for consideration by the new working group on Mine Closure will include relinquishment.