TERMS OF REFERENCE FOR A STRATEGIC IMPACT ASSESSMENT REPORT FOR ALCOA HUNTLY AND WILLOWDALE OPERATIONS UNDER THE EPBC ACT

On 18 February 2026 Alcoa of Australia Limited (**Alcoa**) entered into an agreement (**the Agreement**) with the Commonwealth Minister for the Environment (**the Commonwealth Minister**), pursuant to section 146(1) of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**), to undertake a strategic assessment of the impacts of an action or a class of actions to be taken to conduct mining operations and ancillary activities for the Huntly and Willowdale Mines in a defined strategic assessment area in Western Australia (**Strategic Assessment Area**), on matters protected by a provision of Part 3 of the EPBC Act (**Protected Matters**).

The Agreement requires Alcoa to, among other requirements, prepare the following documents which will be considered by the Commonwealth Minister:

- A draft report (**the Report**) on the impacts to which the agreement relates. The Report must include:
    - a description of the environment to which actions under the Plan relate;
    - an assessment of the impact of implementing the Plan on Protected Matters; and
    - details of how likely or potential impacts will be avoided, mitigated and offset (where necessary or appropriate) to make sure that Protected Matters are protected and managed in the long term.

- A draft Plan (**the Plan**). The Plan must describe:
    - the action, or class of actions that will be undertaken to conduct mining operations and ancillary activities within the Strategic Assessment Area;
    - the objective of the Plan, and any commitments and/or outcomes that will be achieved for each Protected Matters, that will be or are likely to be impacted by an action or class of actions under the Plan, in accordance with the requirements of the EPBC Act.

These Terms of Reference specify the information that must be included in the Report to address the impacts, including cumulative impacts, of an action or a class of actions to which the Agreement relates. The Commonwealth Minister must be satisfied that the Terms of Reference will provide for a Strategic Impact Assessment Report that adequately addresses the impacts of implementing the Plan.

Steps or processes in the assessment of the impacts of the actions to be taken in accordance with the Plan under Part 10 of the EPBC Act may be done concurrently with any Western Australian environmental impact assessment process under Part IV of the *Environmental Protection Act 1986* (WA) as provided for in Clause 5 of the Agreement.

1. DEFINITIONS

1.1. Unless otherwise stated, the definitions, meanings, and terms in the EPBC Act apply to these Terms of Reference.

1.2. In these Terms of Reference:

Agreement means the Strategic Assessment Agreement entered into by the Parties on 18 February 2026 and includes any attachments and any variations.

Approval Holder means the person or entity responsible for implementing the endorsed Plan identified and granted such status by an approval decision and ensuring the conditions attached to the strategic assessment approval are met, including the delivery of commitments for the protection of the Protected Matters.

Commonwealth Minister means the Minister with responsibility for administering the EPBC Act and includes a person to whom that Minister's power under section 146(1) of the EPBC Act has been delegated.

Environment has the meaning given by section 528 of the EPBC Act.

EPBC Act means the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), as amended from time to time.

Operations means bauxite mining operations and ancillary activities undertaken in the Strategic Assessment Area as set out in Attachment 3 of the Agreement.

Parties means Alcoa and the Commonwealth Minister.

Plan means the document (which constitutes a 'policy, plan or program' pursuant to section 146 of the EPBC Act) to be prepared by Alcoa, under which the action or class of actions will be taken.

Protected Matter means a matter protected by a provision of Part 3 of the EPBC Act. The specific matter protected by each provision is set out in section 34 of the EPBC Act.

Report means the Strategic Impact Assessment Report to be developed to assess the impact of implementing the Plan.

Strategic Assessment Area means the area identified as the Strategic Assessment Area in the map at Attachment 1 of the Agreement.

2. PURPOSE OF THE REPORT

2.1. The purpose of the Report is to assess the impacts of implementing the Plan, including the impacts of actions or classes of actions proposed under the Plan on all relevant Protected Matters.

2.2. The Report will enable the Commonwealth Minister to evaluate the ability of the Plan to ensure the protection and conservation of all relevant Protected Matters.

2.3. The Report must demonstrate how the Plan has been developed to meet the requirements of the Agreement, including the endorsement criteria (Attachment 2 of the Agreement).

3. DESCRIPTION OF THE ENVIRONMENT TO WHICH THE AGREEMENT RELATES

3.1. The Report must describe the nature of the Environment to which actions under the Plan relate. This must include, at a minimum:

a) A description and map of current and historical land use.

b) A description of the extent, type and quality of vegetation present.

c) A description of the condition of natural and physical resources, ecological processes, and current and plausible threatening processes.

d) A description of the landscape scale values, such as habitat connectivity, habitat fragmentation, and ecological processes.

e) A description of heritage values in the Strategic Assessment Area.

f) A map or maps of areas that are protected (including national parks, nature reserves, and known offset areas) under Commonwealth and/or Western Australian State legislation.

3.2. The Report must identify and describe all Protected Matters to which actions under the Plan relate, and specify those Protected Matters which do not relate to actions under the Plan; including, but not limited to:

a) The location of any declared World Heritage properties and/or National Heritage places within or relevant to the Strategic Assessment Area, including a description of the associated heritage values (Part 3, Division 1, Subdivision A and AA).

b) A description of the ecological character of any Ramsar wetland within or relevant to the Strategic Assessment Area (including Ramsar wetlands within the same catchment as the Strategic Assessment Area) including the biological, physical and chemical components of the wetland ecosystem, and their interactions, which maintain the wetland and its products, functions, and attributes (Part 3, Division 1, Subdivision B).

c) A description of, and spatial information for EPBC Act-listed ecological communities found within or relevant to the Strategic Assessment Area, outlining their known and potential extents (in hectares), condition, listing status, threatening processes, habitat quality and landscape context (Part 3, Division 1, Subdivision C). The Report must also consider matters that are potentially eligible for listing as a result of inclusion in a final priority assessment listing held by the Commonwealth, or a recommendation to the Commonwealth Minister for listing by the Threatened Species Scientific Committee, prior to the Report being submitted.

d) A description of, and spatial information for listed threatened and/or migratory species within or relevant to the Strategic Assessment Area. Details are to include listing status, documented habitat type and documented or surveyed estimates of population size or abundance and distribution, habitat presence quality and area (in hectares), landscape context and existing threatening processes (Part 3, Division 1, Subdivision C and D). The Report must also consider matters that are potentially eligible for listing as a result of inclusion in a final priority assessment listing held by the Commonwealth, or a recommendation to the Commonwealth Minister for listing by the Threatened Species Scientific Committee, prior to the Report being submitted.

e) The identification of critical or important areas for Protected Matters, including consideration of the importance of areas of habitat, habitat connectivity, position in the landscape and areas likely to be important for maintaining ecological processes.

f) Maps detailing habitat type and extent for the listed threatened species, migratory species and ecological communities that are known, likely or may occur within or relevant to the Strategic Assessment Area.

g) A description of the Environment within or relevant to the Strategic Assessment Area (Part 3, Division 1, Subdivision E and F, and Part 3, Division 2, Subdivision A and B).

h) Justification as to the suitability of the methodologies, surveys or processes used to identify/estimate the presence/absence and potential extent of Protected Matters within the Strategic Assessment Area.

i) Details of any information gaps or uncertainties in identifying the Protected Matters found within the Strategic Assessment Area, including any further studies or measures required to address these gaps.

3.3. The Report, in identifying the Protected Matters potentially impacted by the Plan, must:

a) Be compiled and assessed with regard to relevant Commonwealth statutory documents and policies, including but not limited to: recovery plans, conservation advice, threat abatement plans and referral guidelines.

b) Be compiled and assessed in accordance with the mitigation hierarchy (in line with the *EPBC Act Environmental Offsets Policy*, 2012[1]).

c) Describe how uncertainty will be dealt with in accordance with the precautionary principle, up to and including worst-case scenarios.

4. ASSESSMENT OF THE IMPACTS PROTECTED MATTERS AND CONTROLLING PROVISIONS TO WHICH THE AGREEMENT MAY AFFECT

4.1. The Report must describe and assess the likely direct, indirect and cumulative impacts on Protected Matters of implementing the Plan. The detail provided will be proportionate to the level of likely severity of impacts to each Protected Matter in consideration of intensity, scale, duration and frequency of the potential impact.

4.2. The Report must describe and provide justification for the method used to assess impacts to all Protected Matters arising from actions proposed to be taken under the Plan. The method must:

[1] Published by the former Department of Sustainability, Environment, Water, Population and Communities. As amended from time to time, or any other Commonwealth policy or National Environmental Standard that replaces, supersedes or supplements this policy.

a) Be appropriate for assessment at the temporal and spatial scales as applicable to the proposed actions and consider the intensity, scale, duration and frequency of the potential impact of implementing the Plan.

b) Rely on the best available information including by collection of site-specific data (e.g. field surveys).

c) Discuss uncertainty, including by reference to the data and information sources relied upon. Identify where there is a high degree of uncertainty (in line with the precautionary principle).

d) Detail the approach to the assessment of impacts, including, a detailed risk assessment of the Plan, that details potential impacts, their likelihood and consequence.

4.3. The Report must identify:

a) The duration, extent, area and likely severity of the impacts of implementing the Plan and whether any impacts are likely to be unacceptable impacts.

b) How impacts to Protected Matters will be avoided.

c) How impacts to Protected Matters will be mitigated, including a description of mitigation measures that will be implemented and their likely effectiveness to reduce impacts to Protected Matters.

d) How residual impacts to Protected Matters that cannot be avoided or mitigated will pass the net gain test, including but not limited to, being offset in accordance with the principles of the *EPBC Act Environmental Offsets Policy*, 2012[2].

e) The proposed funding arrangements and timeframes for the delivery of avoidance, mitigation and offset requirements.

f) Environmental outcomes and commitments for the management and conservation of Protected Matters for the life of the Plan.

4.4. The Report should also consider matters that are potentially eligible for listing as a Protected Matter as a result of inclusion in a final priority assessment listing held by the Commonwealth, or a recommendation to the Commonwealth Minister for listing by the Threatened Species Scientific Committee, prior to the Report being submitted, to ensure that all Protected Matters listed at the time of the endorsement decision have been considered.

4.5. The Report must provide evidence as to the adequacy and likely effectiveness of the environmental outcomes and commitments proposed in the Plan in conserving and managing Protected Matters. To do this, the Report must:

a) Demonstrate how the environmental outcomes and commitments will effectively protect and manage Protected Matters for the life of the Plan.

[2] As above.

b) Demonstrate how environmental outcomes and commitments for Protected Matters are to be documented, delivered and adequately resourced throughout the life of the Plan.

c) Demonstrate the anticipated effectiveness of implementation frameworks (including other permitting and future licencing requirements), funding arrangements and administrative processes to deliver the environmental outcomes and commitments proposed in the Plan.

d) Outline how the proposed environmental outcomes and commitments will be tracked and managed to improve their implementation, especially in situations where monitoring demonstrates the delivery of the outcomes and commitments is not leading to the effective management and conservation of Protected Matters.

e) Identify how new information relating to Protected Matters, including legislative changes, will be assessed and accounted for in the implementation of the Plan.

f) Provide evidence to demonstrate how the proposed outcomes and commitments will be enforced and administered to third-parties to ensure Protected Matters are managed and protected over the life of the Plan.

4.6. The Report must detail the plausible future climatic conditions of the Strategic Assessment Area in the assessment of impacts on Protected Matters of implementing the Plan (where such data exists). This should include, but not be limited to:

a) How changes in climate would affect the impacts of implementing the Plan on Protected Matters over time, and what (if any) effect this would have on the outcome for Protected Matters.

b) Discussion of loss, fragmentation, or drying of potential climate refugia for threatened species or communities as a result of the proposed Plan – consider the potential impacts of removing or otherwise impacting this climate refugia for the long-term survival of the species in the region.

4.7. Discussion of changes in the frequency and intensity of extreme weather events that may exacerbate impacts to Protected Matters within and downstream of the Strategic Assessment Area.

4.8. The Report must consider the extent to which the impacts from actions proposed under the Plan on Protected Matters would be consistent with the requirements and objectives of the EPBC Act, in accordance with Part 10, Division 1, Subdivision C. The Report must consider the extent to which the impacts from actions proposed under the Plan on Protected Matters would be consistent with new provisions of the EPBC Act introduced by the Environment Protection Reform Bill 2025, including:

a) Consistency with any national environmental standard prescribed by the regulations for the purposes of section 146FA of the EPBC Act.

b) No unacceptable impact (section 146FB).

c) Approval for action or class of actions with residual significant impact must pass net gain test (s146FC).

d) Not be inconsistent with any protection statement for the purpose of section 146K(2c).

5. IMPLEMENTATION, ASSURANCE AND OFFSETS FRAMEWORK

5.1. The Report must assess the effectiveness and efficiency of the proposed implementation framework and assurance framework, as required by sections 4a and 4b of the Endorsement Criteria for the Plan, to explain how:

a) If applicable, the administrative process that will be used to track the use of the Commonwealth Minister's Part 10 Approval by persons who are undertaking an action in accordance with the Plan.

b) Third parties undertaking actions under the Commonwealth Minister's Part 10 Approval are informed of, and understand, their obligations under the Plan and approval.

c) Outcomes and commitments for Protected Matters will be monitored, documented, delivered, and adequately resourced throughout the life of the Plan.

d) Governance arrangements will be developed to implement the Commonwealth Minister's Part 10 Approval, including the roles and responsibilities of the Parties and the named Approval Holder throughout the life of the Plan.

e) The named Approval Holder will monitor, evaluate, review and manage the effectiveness of proposed regulatory, administrative and Protected Matter outcomes, commitments and approval conditions; this must include a process for auditing and reporting to provide transparency for stakeholders.

5.2. The Report must assess the effectiveness and efficiency of the proposed offsets framework, as required by section 4c of the Endorsement Criteria for the Plan, by explaining:

a) The appropriateness of the proposed offsets in the context of evolving or approved policy, including (but not limited to) Commonwealth threat abatement plans, recovery plans, conservation advices and other relevant policy statements.

b) Details of proposed direct and indirect offsets.

c) Timing of the establishment of offsets.

d) Mechanisms to ensure the security and long-term management of offset sites.

e) Where appropriate, information on offsets showing the location, amount (hectares), quality and type of habitat for the relevant Protected Matters, including the provision of maps.

6. EVALUATION OF THE OVERALL OUTCOMES

6.1. The Report must evaluate the overall conservation commitments and environmental outcomes for Protected Matters, taking into account likely impacts to Protected Matters from implementing the Plan. The evaluation must include:

a) The extent to which Protected Matters are represented in the Strategic Assessment Area.

b) The extent to which Protected Matters are represented in areas to be protected or managed under the Plan.

c) The extent to which any areas to be protected or managed under the Plan will provide for the long-term protection of each Protected Matter within the Strategic Assessment Area, including maintaining the function of key ecosystem services needed for the viability of Protected Matters.

d) Whether there will be serious and irreversible impacts to any Protected Matters.

e) The extent to which the outcomes and commitments proposed under the Plan address vulnerabilities of Protected Matters including climate change projections modelled under plausible climate change scenarios.

f) The likely effectiveness of the outcomes and commitments of the Plan in protecting and managing Protected Matters and any risks and uncertainties.

g) An assessment of how the Plan meets the endorsement criteria, as set out in Attachment 2 of the Agreement.

h) An analysis and justification, with regards to matters the Commonwealth Minister must consider, as to why Alcoa considers that the impacts to Protected Matters of implementing the Plan are acceptable.

6.2. The Report must evaluate how the Plan meets the objectives of the EPBC Act.

7. ADAPTIVE MANAGEMENT, ADDRESSING UNCERTAINTY AND RISK

7.1. The Report must identify key uncertainties and risks associated with implementing the Plan, responses to these and proposed adaptations to changing circumstances. Key uncertainties may include:

a) Knowledge gaps in scientific understanding and responding to new knowledge.

b) Assumptions made in assessing potential impacts and benefits.

c) How changes to Commonwealth, Western Australian State and relevant local government legislation, policies, plans and advice are to be accounted for in the management of the Strategic Assessment Area.

d) The capability and capacity of the Approval Holder to make sure that the Plan is implemented.

7.2. The Report must also provide details of:

a) Key risks associated with implementation of management measures (e.g. to timing or effectiveness of measures).

b) Responses to address key risks.

c) Triggers for review and modification of the measures and strategies (e.g. new information or significant change to applicable standards).

8. AUDITING AND REPORTING

8.1. The Report must assess the suitability and likely effectiveness of:

a) the monitoring and public reporting process and timeframes identified for the Plan.

b) the commitments for independent, third-party auditing of the implementation of the Plan by a suitably qualified person(s), including timing and scope of auditing.

9. INFORMATION SOURCES

9.1. The Report must identify:

a) The sources of information and data relied upon including the reliability and currency of the data.

b) Any other relevant supporting information.

9.2. If sources of information, data, or other relevant supporting information are publicly available, the Report will provide details of where they are publicly available.