



# **Aluminium Stewardship Initiative**

## **Chain of Custody Standard**

### **Draft 2 for Pilot Testing**

**January 2015**

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1 **I. Introduction**

2 The Aluminium Stewardship Initiative (ASI), which was launched at the end of 2012 by key players in the  
3 aluminium industry, is supported today by fourteen companies: **Aleris, Amcor Flexibles,**  
4 **AMAG/Constantia Flexibles, Audi, Ball Corporation, BMW Group, Constellium, Hydro, Jaguar Land**  
5 **Rover, Nespresso, Novelis, Rexam, Rio Tinto Alcan, and Tetra Pak.**

6 These companies share a common goal: the development of principles and criteria for aluminium  
7 stewardship to drive responsible environmental, social and governance performance across the  
8 aluminium value chain. The ASI's aim is to design a Standard that can be both a tool for responsible  
9 sourcing of aluminium, and a material stewardship collaborative framework to improve the overall  
10 sustainability performance of the entire value chain of aluminium-containing products.

11 This standard specifies the Chain of Custody (CoC) requirements for the aluminium value chain and can  
12 be used by suppliers to demonstrate to their customers that they have systems in place to source  
13 aluminium in a responsible manner.

14 **CoC Mechanism**

15 In the initial stages of development a range of CoC mechanism options were discussed. The basis for  
16 review was applicability, feasibility (practical and financial) and credibility. It was determined that the  
17 CoC standard should take principally a mass balance volume-credit approach (Annex 2A), which would  
18 allow mixing of ASI compliant material and material deemed Eligible for Mixing (EfM). The EfM material  
19 would meet a set of baseline requirements and non-eligible material could not be mixed with ASI  
20 compliant material. Non-eligible material cannot be accepted into the ASI supply chain.

21 Mass balance CoC mechanisms are ultimately administrative systems which allow companies the  
22 flexibility to allocate credits to meet the needs of their customers. This CoC mechanism does not ensure  
23 physical traceability of material, however in this case there is assurance that all physical material in the  
24 system has met the ASI Minimum Sourcing Provision (MSP) and can therefore be considered EfM,  
25 supporting the credibility of the system.

26 In specific cases, where no product transformation occurs, transfer approaches (segregated) have been  
27 developed. This approach ensures that there is physically traceability of material to allow for the due  
28 diligence system to be implemented by the company buying the material (PartB.2).

29 **Objective**

30 The objective of the ASI CoC mechanism is to provide assurance that at each stage in the aluminium  
31 value chain, materials from ASI compliant facilities are managed and/or mixed under controlled  
32 procedures with eligible sources and that non-eligible sources are identified and eliminated from the  
33 supply chain.

34 **II. Scope**

35 The aluminium value-chain is multi-stage and geographically extensive and therefore it is important that  
 36 the stages of the value chain covered by the ASI Performance Standard and the ASI Chain of Custody  
 37 (CoC) Standard are clearly defined.

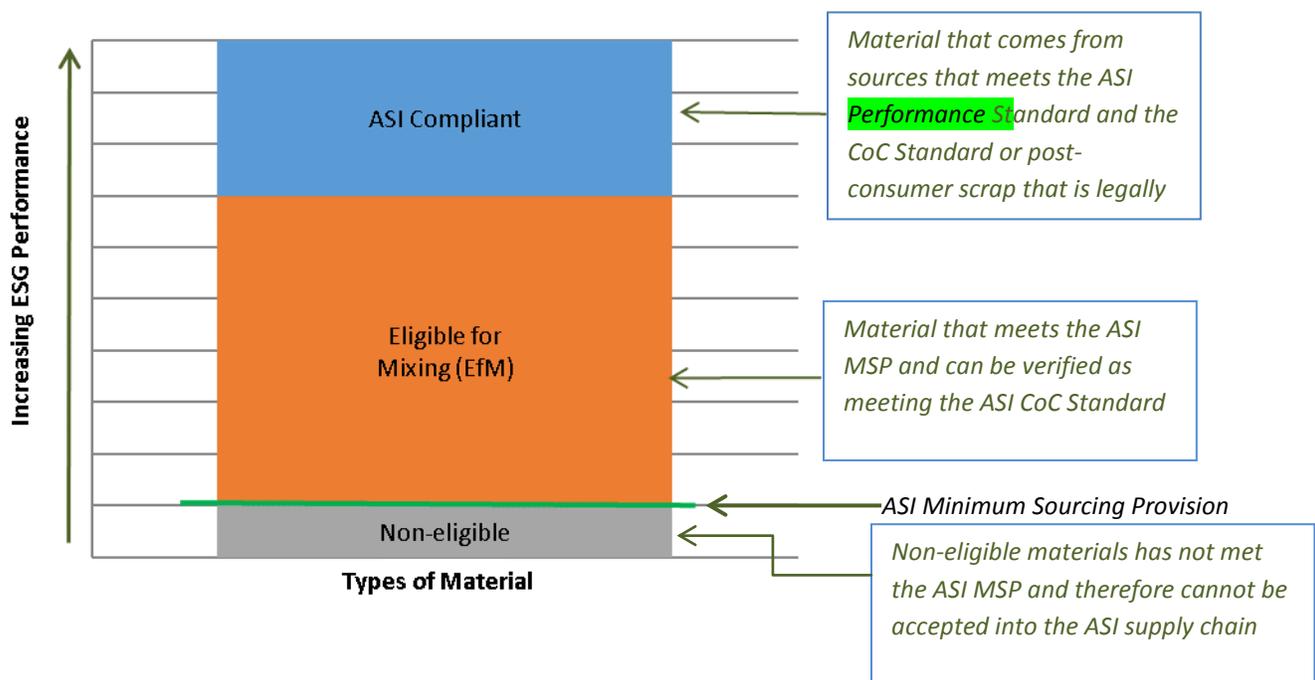
38 This standard shall be applied at company and/or facility level<sup>1</sup> (production plants, trading offices, etc.)  
 39 as required by the standard. This document is only relevant to the CoC of the aluminium<sup>2</sup> which enters  
 40 a facility for processing or handling and passing onto the next stage of the supply chain.

41 If a company has multiple ASI-compliant facilities then the material accounting system can be applied  
 42 across these facilities, non-ASI compliant facilities cannot be included and cannot supply ASI-compliant  
 43 material to buyers (see Part B Multi-facility requirements and examples in Annex 2).

44 **Categorisation of material**

45 A graphical depiction of the three categories of materials described in this Standard is presented below:

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<sup>1</sup> Companies may be involved in the value chain of other metals, this standard is only relevant at the facilities in the Aluminium value chain.

<sup>2</sup> See definitions

51

52 **Company**

53 Within the ASI standards, a company is defined as a cluster of legal entities with a common ownership  
 54 (of at least 50% of the capital) whose activities are principally concerned with the production and  
 55 transformation of aluminium from mine to metal (bauxite, metallurgical alumina, aluminium in metallic  
 56 form -pure or alloyed-), with the assembling or use of aluminium (or aluminium alloys) into products, for  
 57 which aluminium is a key functional element or with the management of aluminium scrap.

58 **Joint Ventures**

59 Joint ventures (JVs) are common in the metals and mining industry. JVs can be found between a metal  
 60 company and non-metal companies, such as financial institutions/ investment companies, regional  
 61 development companies, energy companies and even governments, with the metal company bringing  
 62 all products to the market. If a JV is its own legal entity then it shall be considered as any company  
 63 seeking ASI compliance, though when an ASI company has a majority holding (>50%) then it will not  
 64 have to duplicate the ASI company level performance requirements.

65 The table below list a number of JV situations. Any exception to this rule will be given specific  
 66 consideration on a case by case basis by the ASI based on their circumstances.

67 In case of potential complex legal structures (multiple legal entities involved etc.), the administrative  
 68 work of compliance does not need to be duplicated for every legal entity if this entity is not active in the  
 69 operations (handling, processing or selling the material): the relevant parent company may do the due  
 70 diligence work on behalf of the JV.

Ownership	Requirement for JVs
≥50% ownership by single ASI company: other owners are ASI Companies	<ul style="list-style-type: none"> <li>• All material should meet ASI Minimum Sourcing Provision as all owners are ASI Companies</li> <li>• Facility may become ASI compliant if meets the ASI PS</li> </ul>
≥50% ownership by single ASI company: other owners are not ASI Companies	<ul style="list-style-type: none"> <li>• Require that other owners ensure that all material entering the JV facility meets the ASI LMinimum Sourcing Provision – second or third party verification or other owners supply chains required</li> <li>• Facility may become ASI compliant if meets the ASI PS</li> <li>• Promote ASI membership to the other owners, when relevant</li> </ul>
<50% ownership by single ASI company: other owners are ASI Companies	<ul style="list-style-type: none"> <li>• All material should meet ASI Minimum Sourcing Provision as all owners are ASI Companies</li> <li>• Facility may become ASI compliant if meets the ASI PS</li> </ul>
<50% ownership by single ASI company: other owners are not ASI Companies	<ul style="list-style-type: none"> <li>• Require that other owners ensure that all material entering the JV facility meets the ASI Minimum Sourcing Provision – second or third party verification of other owners supply chains required</li> </ul>

Ownership	Requirement for JVs
	<ul style="list-style-type: none"> <li>• Facility may become ASI compliant if meets the ASI PS</li> <li>• Promote ASI membership to the other owners, when relevant</li> </ul>

71 **III. How to use this document**

72 The requirements set out in the ASI CoC standard shall be implemented by all actors in the aluminium  
 73 value chain who take legal and physical ownership of the material or products and it specifies the CoC  
 74 mechanisms, namely the volume credit mass balance method (see Annex 2) and the transfer system.

75 The document details the requirements that need to be implemented to support these mechanisms.

76 **Part A and B:** To be met by all actors in the ASI supply chain (excluding those that take physical  
 77 ownership but do not perform any product transformation of the material (e.g. traders) and scrap  
 78 dealers/yards – see Part C).<sup>3</sup>

79 **Part C:** To be met by actors who take physical ownership but do not perform any product  
 80 transformation, scrap dealers/yards and further specific guidance for manufacturers of complex end-  
 81 products.

82 This document includes the following components:

- 83 • Part A General Company Level Requirements
- 84 • Part B Facility Level Requirements
  - 85 - Mass balance system chain of custody system
  - 86 - ASI Due Diligence System for avoidance of material from non-eligible sources
  - 87 - Multi-facility requirements: companies which wish to implement the mass balance system
  - 88 across multiple sites.
- 89 • Part C Other systems
  - 90 - Transfer system: requirements for actors who physically handle ASI material but do not
  - 91 undertake any product transformation.
  - 92 - Scrap dealers/yards: requirements for scrap dealers and yards that handle pre-consumer
  - 93 and/or post-consumer scrap
  - 94 - Manufacturers of complex end-products

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<sup>3</sup> For a trader that only takes legal ownership (paper trading), it is the responsibility of the buyer to demonstrate that they have undertaken due diligence to confirm that the product provided is verifiably ASI compliant or EfM material. There are no specific requirements for these actors in this standard.

Actor	Comment
<b>Bauxite Mining</b>	Bauxite mining is the first step of the aluminium value chain and therefore do not have to source materials according to this CoC Standard but must be able to provide the appropriate information and documentation to the next step in the value chain. Potential for mixing ASI-compliant material with either EfM or non-eligible material is highly unlikely (a mining site is either ASI compliant or not).
<b>Alumina Refining</b>	Refineries may source bauxite from different sources. If the refinery intends to mix ASI compliant bauxite with non-ASI material, it is important to implement the ASI Due Diligence System to ensure that it meets the ASI MSP and can therefore be considered as EfM.
<b>Aluminium Smelting, Semi-Fabrication, Material conversion</b>	There may be scope for ASI compliant material or EfM to be mixed with other materials at this stage. It is important to implement the ASI Due Diligence System on the material in scope to ensure that the non-ASI material meets the ASI MSP and can therefore be considered as EfM.
<b>Consumer product manufacturer</b>	There may be scope for ASI compliant or EfM material that is being processed in-house to be mixed with non-ASI materials at this stage. It is important to implement the ASI Due Diligence System on the material in scope to ensure that it meets the ASI MSP and can therefore be considered as EfM.
<b>Re-melter</b>	There may be scope for ASI compliant or EfM material to be mixed with non-ASI materials at this stage. It is important implement the ASI Due Diligence System to ensure that any material that is not from an ASI company source meets the ASI MSP and can therefore be considered as EfM.
<b>Scrapyards</b>	There is scope for mixing of pre-consumer and post-consumer scrap at scrapyards. Designation of material as ASI compliant or EfM is dependent upon the level of segregation and traceability available.
<b>Traders</b>	<p>There may be scope for mixing of ASI compliant material, EfM material and non-eligible material. Traders that take legal and physical ownership of material shall operate the transfer system and not allow mixing.</p> <p>It is the responsibility of the buyer to demonstrate that they have undertaken due diligence to confirm that the product provided by a trader that only takes legal ownership (paper trading) is verifiably ASI compliant or EfM material.</p>

96 **IV. Definitions/Terminology**

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Aluminium	<p>Aluminium refers to the metallurgical compounds commonly used in many applications (like automotive, aerospace, mass transportation, buildings, packaging, consumer goods, electricity conductors, industrial equipment). It can be pure or alloyed with other metals (Mg, Si, Mn, Cu, Zn, Fe, Cr and others). In the context of ASI, the raw materials used to produce the metal (bauxite ore and aluminium oxide commonly called alumina) can also be referred as aluminium in its generic meaning.</p> <p>However, all other forms of chemical compounds containing aluminium, which are not used to produce metallic aluminium, are not included in the definition of aluminium (in the context of ASI) : Al hydroxides, Al oxides (if not used to produce aluminium metal), Al chlorides, Al chlorhydrates, Al sulphates, Al borates, Alu phosphates, Alu acetates, Alu fluorosilicates etc. Those compounds are used commonly in the chemical industry, but not in the metallurgical industry. Any alloy (9x% alu and y% other elements) is accounted as 100% aluminium and sourcing provisions do not apply to alloying elements.</p>
Alumina refining	<p>Alumina, or aluminium oxide, is extracted from the bauxite through refining. Alumina is separated from the bauxite by using a hot solution of caustic soda and lime.</p>
Aluminium Smelting	<p>At the metal plant, the refined alumina is reduced into aluminium. Electric current is passed between a positive anode and a negative cathode, both made by carbon, through the alumina dissolved in an electrolyte. The result of this chemical process is liquid aluminium and the anode reacts with the oxygen in the alumina and form CO<sub>2</sub>. <math>2Al_2O_3+3C= 4Al+3CO_2</math>.</p> <p>The liquid aluminium is transferred to the cast house, where it is then transformed into ingots of different shapes and sizes. Alloying elements may be added, and scrap metal may be re-melted and recast.</p>
ASI Compliant	A facility that has met the ASI Performance Standard and the ASI CoC Standard
ASI Compliant Aluminium	Material/products that come from companies and facilities that meet the ASI Performance Standard and the ASI CoC Standard or post-consumer scrap that is shown to be legally sourced.
ASI Credit (Sustainability data)	The data/credits which accompany the shipments of physical material to demonstrate that it is ASI compliant.
ASI Minimum Sourcing Provision (ASI MSP)	A set of criteria that must be met for material to be considered Eligible for Mixing (EfM)
ASI Standard	The ASI standard is a tool for promoting responsible sourcing of aluminium, and a material stewardship collaborative framework to improve the overall sustainability performance of the entire value chain of aluminium-containing products.
ASI Chain of Custody compliant	A facility that has met the ASI Chain of Custody Standard but not the ASI Performance Standard.
ASI Chain of Custody Standard	The ASI Chain of Custody Standard specifies the Chain of Custody (CoC) requirements for the aluminium value chain and can be used to demonstrate that the aluminium has been sourced in a responsible manner.
Chain of Custody system	The mechanism to demonstrate the link between where the ASI compliant and/or eligible material/product enters the supply chain and the <b>claim</b> about the

	final product
Company	Cluster of legal entities with a common ownership (of at least 50% of the capital) whose activities are principally concerned with the production and transformation of Aluminium from mine to metal (bauxite, metallurgical alumina, aluminium in metallic form -pure or alloyed-), with the assembling or use of aluminium (or aluminium alloys) into products, for which aluminium is a key functional element or with the management of aluminium scrap.
Complex end-products	Complex end-products include cars and electronic products, such as phones, for example. The aluminium within these products may be processed at the product manufacturing facility (e.g. car doors, phone cases), or received with no further processing required; large components (e.g. car radiator) and small components (e.g. nuts, bolts)
Conversion rates	Conversion rates are the ratio between the input material and the output material, e.g. bauxite entering an alumina refining plant and alumina leaving the plant. Conversion rates will be specific to facilities and should be accurately documented in the mass balance system.
Eligible for mixing (EfM)	Material that meets the ASI Minimum Sourcing Provision and can be verified as meeting the ASI CoC standard.
Extrusion	In the extrusion process, the aluminium ingot is heated and pressed through a steel die forming the cross-section of the extrusion or profile.
Facility	A single functional unit of a company or a combination of units situated at one locality, which is geographically distinct from other units.
Forging	Forging is a manufacturing process in which metal is pressed, pounded, or squeezed under great pressure into high-strength parts.
Foundry	Aluminium foundry alloys are cast in different shapes. The metal is re-melted and made into various parts (e.g. wheel rims or other car parts). The content in foundry alloys can be customised to fit their further use.
Internal Control System (ICS)	A set of procedures and processes implemented by the central office to ensure that all sites within the multi-site scope are in compliance with the relevant standards, other normative documents and internal policies.
Joint Venture (JV)	A business arrangement between two or more companies at a facility. (See Section 1.2 Scope for more information about JVs).
Legally sourced	In reference to post-consumer scrap. Verification of name and address and license if applicable. In addition, no significant cash payments (greater than \$200).
Mass Balance	A system for administratively monitoring the inputs and outputs of ASI compliant and EfM material/products throughout the supply chain. It allows for mixing of these materials/products at any stage in the supply chain, provided that the outputs of compliant and/or eligible material/product does not exceed the inputs of compliant and/or eligible products. Material conversion rates and material loss percentages need to be included (see Annex 1 for diagram).
Material	Refers to aluminum or material containing aluminium before it has been formed into a specific product, e.g. material leaving a smelter.
Material Accounting System	The internal mechanism which an organisation uses to track data related to ASI material. This may be a database created exclusively for this purpose or may build on existing systems.
Material conversion	Material conversion is any process that uses semi-fabricated aluminium as input

	and converts it to a finished or intermediate product. This may include combining the aluminium with other materials or forming and processing it further.
Material Loss percentages	Any losses that occur due to processing.
Non-eligible	Non-eligible material has not met the ASI Minimum Sourcing Provision and therefore cannot be accepted into the ASI supply chain.
Post-consumer scrap	Material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or by commercial, industrial and institutional facilities in their role as end-users of the product.
Pre-consumer scrap	Material that is reclaimed from a process of manufacturing or further downstream industry, in which the material has not been intentionally produced, is unfit for end use and not capable of being re-used on-site in the same manufacturing process that generated it.
Product	A specific item that has been produced using aluminium.
Rolling	Sheet ingots are used to make rolled products, such as plates, strip and foil.
Run-around (processing scrap)	Run-around (processing scrap) is not considered to be scrap within this document. Does not leave the facility.
Scrapyards	A location where scrap is received or handled. This may be pre or post-consumer scrap or both.
Second Party Verification	Audit carried out by an organisation on another (which it has some form of business or contractual relationship with) to assess whether set standards are being met.
Semi-fabrication	The semi-fabrication of aluminium comprises several manufacturing processes and technologies, which enables the manufacture of products with specific end-use properties. See: <ul style="list-style-type: none"> <li>- Extrusion</li> <li>- Rolling</li> <li>- Forging</li> <li>- Foundry</li> </ul>
Supplier	The previous supply chain actor in the supply chain that is taking or passing legal and/or physical ownership of the ASI compliant and/or eligible product.
Supply chain	The series of organizations or companies in the supply chain that handle a product during production, processing, shipping and retail.
Supply chain actor	The entity that is handling the ASI compliant and/or eligible.
Sustainability data (ASI credits)	The data/credits which accompany the shipments of physical material to demonstrate that it is ASI compliant.
Third Party Verification	The confirmation by an independent ('third') party that the requirements specified have been fulfilled.
Tier 1 supplier	Direct suppliers to the company.
Trader	A company that takes legal and/or physical ownership of the material but does not undertake any product transformation (any process that would change the dimension/shape/form or chemical composition).

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## 100 **Part A. General Company Level Requirements<sup>4</sup>**

101 Where possible, companies are encouraged to embed the requirements below into existing  
102 management systems as this will improve implementation, improve efficiency and simplify the  
103 assurance process. Facilities may have existing CoC Management Systems in place, or Management  
104 Systems covering ISO 9001, ISO 14001 or OHSAS 18001 which may provide the basis for the  
105 requirements set out in this section.

106 The complexity and scale (e.g. number of sites) of implementation of the ASI CoC standard should be  
107 taken into account when implementing the General Company Level Requirements

### 108 **A.1. Scope**

#### 109 **A.1.1 Policy**

110 A.1.1.1 The company shall put in place a CoC policy applicable to all of their facilities that are part of  
111 their ASI aluminium supply chain (though can be integrated into a CoC policy which covers a wider range  
112 of materials) which identifies the relationship of the CoC with the corporate strategy.

#### 113 **A.1.2 Management System**

114 A.1.2.1 The company shall ensure that appropriate management arrangements are put in place to  
115 support the policy.

### 116 **A.2. Operational Arrangements**

#### 117 **A.2.1 Responsibility and accountability**

118 A.2.1.1 The company shall have an appointed management representative who shall have responsibility  
119 ensuring that a CoC Management System is implemented and is in compliance with the requirements of  
120 this standard.

121 A.2.1.2 The company shall also ensure that the CoC Management System is subject to internal assurance  
122 in line with company processes, which will provide reassurance to Executive Management and the Board  
123 on the robustness of the CoC Management System.

#### 124 **A.2.2 Resources**

125 A.2.2.1 The company shall ensure appropriate resources are made available to establish, implement,  
126 maintain, review and improve the CoC Management System.

127 Such resources should include:

- 128 - Financial resources;
- 129 - Competent employees or contractors to implement and operate the CoC Management  
130 System;
- 131 - Training resources to ensure appropriate employees or contractors remain able to  
132 implement and operate the CoC Management System;

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<sup>4</sup> Derived from World Gold Council Draft Standard for Chain of Custody – for consultation, 16 June 2011.

- 133 - Communication resources to ensure all relevant employees, suppliers and customers are  
134 aware of the requirements of the CoC Management System; and,  
135 - Assurance resources to ensure that appropriate assessments of the robustness of  
136 management controls within the CoC Management System can be undertaken and the  
137 results reported to the Board.  
138

## 139 **A.3 Implementation**

### 140 **A.3.1 Procedures**

141 A.3.1.1 The company shall establish, implement and maintain such procedures as are needed to  
142 implement the requirements of this ASI CoC Standard. The procedures should reflect the complexity and  
143 scale of the facilities to which they will apply.

### 144 **A.3.2 Record keeping**

145 A.3.2.1 The company shall ensure records are maintained and up-to-date covering all relevant  
146 requirements of this ASI CoC Standard.

147 A.3.2.2 The company shall ensure that documents critical to the CoC Management System are identified  
148 and retained for at least five years or for the period stipulated in a company's policy where it is longer  
149 than five years.

### 150 **A.3.3 Communications**

151 A.3.3.1 The company shall confirm that appropriate communications are put in place to ensure:

- 152 - Employees and contractors are aware of their responsibilities;
- 153 - Policies and procedures are available at the point of use;
- 154 - The use of previous versions of policies and procedures is prevented; and,
- 155 - Employees are encouraged to identify improvements to the CoC Management System.

### 156 **A.3.4 Continuous improvement**

157 A.3.4.1 The company shall ensure that the CoC Management System and its supporting procedures are  
158 revised in light of:

- 159 - The company's experience gained during their implementation;
- 160 - The findings of any relevant internal review;
- 161 - The recommendations of any relevant internal or independent assurance; and,
- 162 - The introduction of new or revised requirements.

## 163 **A.4 Review and Assurance**

### 164 **A.4.1 Policy review**

165 A.4.1.1 The company shall ensure the policy is reviewed on at least a three year basis. Where the review  
166 identifies improvements or potential areas of non-conformance, the company shall put in place a plan to  
167 address the issues identified.

168 **A.4.2 CoC Management System review**

169 A.4.2.1 The company shall ensure the CoC Management System is subjected to a review on a three year  
170 basis. Where the review identifies improvements or potential areas of non-conformance, the company  
171 shall put in place a plan to address the issues identified.

172 **A.4.3 Assurance**

173 A.4.3.1 The company shall ensure that the Board of the Company is provided with a review of the  
174 management controls contained within the CoC Management System on at least a three year basis.

175 Companies are encouraged to integrate the provision of assurance with existing assurance processes  
176 such as those required under company listing requirements, financial reporting requirements, ISO 9001,  
177 ISO 14001, or OHSAS 18001.

178 **A.4.4 Complaints**

179 A.4.4.1 All complaints shall be made and handled in compliance with the ASI complaints procedure (*to*  
180 *be developed*)

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## 183 **Part B: Facility Level Requirements**

### 184 **B.1 Mass balance chain of custody system**

#### 185 **B.1.1 Identification of inputs and outputs**

186 B.1.1.1 The receiving facility shall check that the supplier documentation is correct before the material is  
187 recorded into the system.

188 B.1.1.2 For each delivery of material entering the facility, the facility shall obtain from the supplier the  
189 information that is necessary to identify and verify the origin of the material.

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191 The documentation, e.g. invoice or delivery note, associated with each delivery of material shall include  
192 at least the following information:

- 193 (a) The facility's identification as the customer of the delivery;
- 194 (b) Supplier's identification (name and address);
- 195 (c) Product /material identification (e.g. aluminium ingots);
- 196 (d) Total quantity of delivery for material or product covered by the documentation;
- 197 (e) ASI credit associated with the delivery (quantity of ASI compliant and/or EfM Al in material or  
198 product);
- 199 (f) Date of delivery / delivery period / accounting period;
- 200 (g) If applicable, the CoC certificate number or 'identifier' of the supplier's CoC or other document  
201 confirming the supplier's compliant status.

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203 B.1.1.3 For each delivery of material leaving the facility, the facility shall operate a system that allows  
204 any product sold as ASI Compliant material to be linked to the specific sales invoice issued by the facility.

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206 All sales invoices or delivery documentation issued for ASI Compliant or EfM material shall include at  
207 least the following information:

- 208 (a) Supplier's identification (name and address);
- 209 (b) Product(s)/material identification (e.g. aluminium ingots);
- 210 (c) Total quantity of delivery for material or product covered by the documentation;
- 211 (d) ASI credit associated with the delivery (quantity of ASI compliant and/or EfM Al in material or  
212 product);
- 213 (e) Date of delivery / delivery period / accounting period;
- 214 (f) The identifier number of the supplier's CoC certificate or other document confirming the  
215 supplier's compliant status;
- 216 (g) Reference to related shipping documentation and certificate of analysis, sufficient to link the  
217 invoice to the goods received by the customer.

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219 **B.1.2 Material accounting system**

220 B.1.2.1 The facility shall create and manage a credit account in a single measurement unit. The material  
221 accounting system shall include the quantity of the following ASI Compliant material and EfM material  
222 on a monthly basis:

- 223 • Ordered and received from suppliers;
- 224 • Used in processing or stored; and,
- 225 • Sold.

226 **B.1.3 Fixed inventory period**

227 B.1.3.1 The facility shall implement a system that ensures that the output of the ASI Compliant and EfM  
228 material supplied to customers from the facility does not exceed the input of ASI Compliant material and  
229 EfM material received at the facility.

230  
231 The facility shall:

- 232 • Ensure that the quantity of ASI Compliant material inputs and outputs are balanced within a  
233 fixed inventory period which does not exceed one year (12 months);
- 234 • Be able to demonstrate the applicable conversion rates and material loss percentage  
235 calculations used and how they were determined
- 236 • Be allowed to overdraw data when there is evidence that ASI Compliant purchases are under  
237 contract for delivery within the inventory period, to cover the ASI Compliant output quantity  
238 supplied;
- 239 • Ensure that the material accounting system is not overdrawn at the time of the  
240 inventory/reconciliation; and,
- 241 • File a notification in the case of a major exception (e.g. main supplier unexpectedly shuts down  
242 companies), in which case the fixed inventory period may be extended.

243 **B.1.4 Validity of sustainability data (ASI credits)**

244 B.1.4.1 The sustainability data shall remain valid for 24 months after input into the material accounting  
245 system, after which point the ASI credits will be lost.

246 **B.1.5 Outsourcing/Subcontracting**

247 B.1.5.1 If a facility outsources activities to independent third parties (e.g. subcontractors for storage,  
248 transport or other outsourced activities), the facility shall require that the third parties provide sufficient  
249 and reasonable assurance, which may include access to their operations and systems, that they meet  
250 the requirements of the ASI CoC standard.

251 B.1.5.2 The company shall record the names and details of all sub-contractors, involved in processing,  
252 handling, transporting or storing of the ASI or EfM material/product.

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**B.2 ASI Due Diligence System for avoidance of material<sup>5</sup> from non-eligible sources<sup>6</sup>**

**B.2.1 Scope of ASI Due Diligence System**

B.2.1.1 The ASI Due Diligence System shall be applied by all companies for all input material that is not:  
(a) ASI compliant; or,  
(b) ASI Chain of Custody certified; or,  
(c) Post-consumer material (from legal sources).

**B.2.2 Management System**

B.2.2.1 The ASI compliant company’s ASI Due Diligence System to assess Tier 1 non-ASI companies and their supply chains shall be supported by the company’s Management System.

**B.2.3 System implementation**

B.2.3.1 The company shall implement the ASI Due Diligence System in three steps relating to:  
(a) Supplier’s self-declarations of compliance against the ASI MSP (or demonstration of equivalent evidence);  
(b) Risk assessment; and,  
(c) Management of high risk supplies.

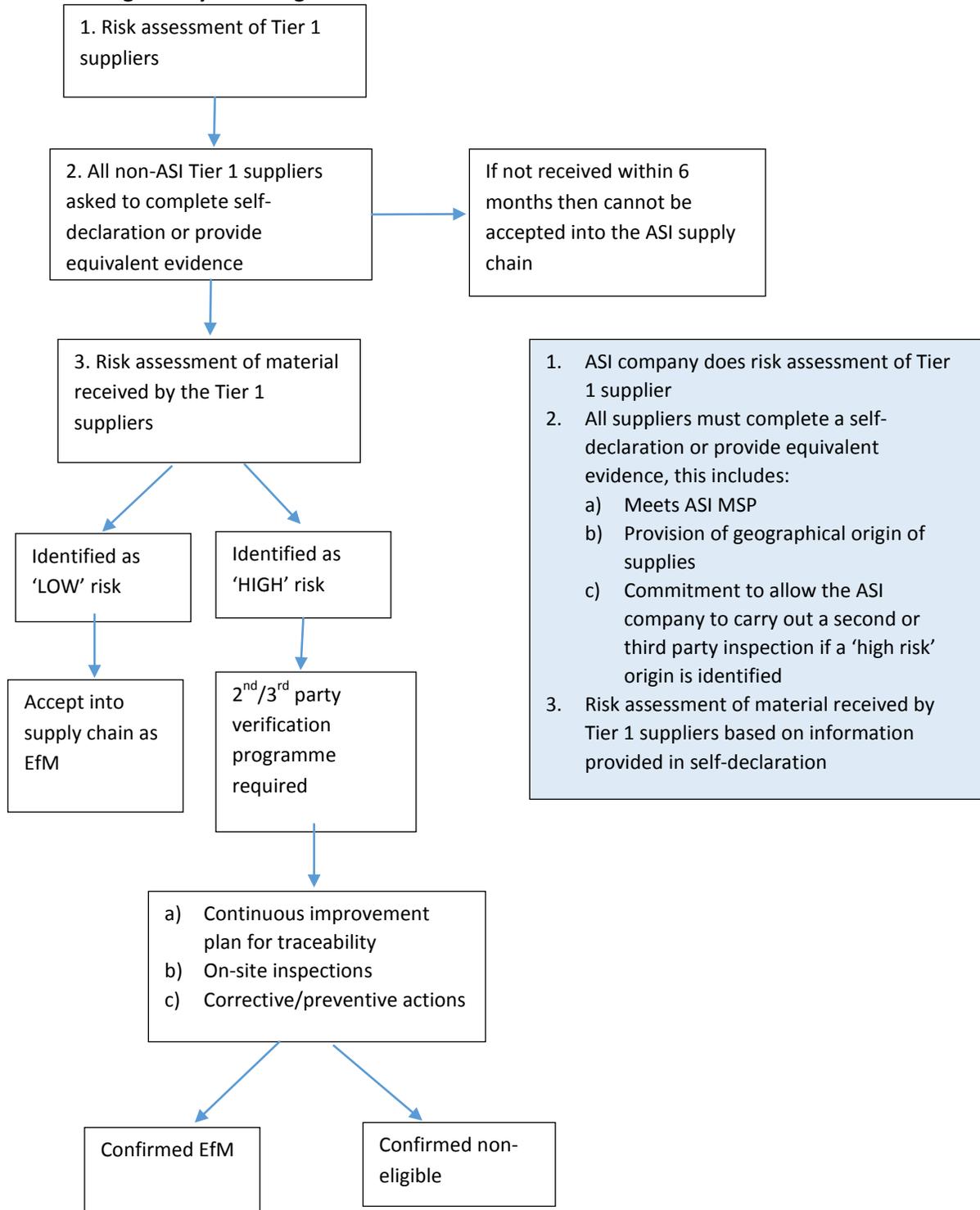
B.2.3.2 The company shall assess each Tier 1 non-ASI company before approval of supply and review the assessment on a three year basis.

---

<sup>5</sup> In scope of the ASI CoC Standard

<sup>6</sup> Adapted from PEFC ST 2002: 2013.

**ASI Due Diligence System diagram**



295

296 **B.2.3 Self-declaration of suppliers**

297 B.2.3.1 The company shall require from all Tier 1 suppliers of material covered by the scope of the ASI  
 298 Due Diligence System, a signed self-declaration or equivalent evidence that the supplied material meets  
 299 the ASI Minimum Sourcing Provision (NOTE: the implementation of this criterion will be affected by the  
 300 decision in relation to B.2.3.1)

301

302 **For the pilot testing phase, the ASI companies will explore the following 3 options for sub-criterion**

303 **B.2.3.1:**

304 **ASI Minimum Sourcing Provision (ASI MSP)**

305 **Option 1:**

- 306 1. The material supplier shall be committed to comply with applicable local, national, international and  
 307 ratified laws and regulations.  
 308 2. The material supplier is not complicit in human rights abuses.  
 309 3. The material supplier shall not engage in or support the use of forced or compulsory labour<sup>7</sup>.  
 310 4. The material supplier shall not use or support the use of child labour<sup>8</sup>.  
 311 5. The material supplier shall effectively prohibit corruption in all its forms, including extortion and  
 312 bribery<sup>9</sup>.  
 313 6. The material supplier shall record all financial transactions for the purchase of all metals and  
 314 materials and no significant<sup>10</sup> cash transactions are undertaken.  
 315 7. The material supplier has identified its direct environmental impacts and is implementing measures  
 316 to prevent, reduce, mitigate and manage these impacts.

317 **Option 2:**

- 318 1. The material supplier shall be committed to comply with applicable local, national, international and  
 319 ratified laws and regulations.  
 320 2. The material supplier shall record all financial transactions for the purchase of all metals and  
 321 materials and no significant<sup>11</sup> cash transactions are undertaken.

322

323 **Option 3:**

324 No Minimum Sourcing Provision and specific indicators to be included in Criterion 2.4 of the ASI  
 325 Performance Standard:

326 ***Criterion 2.4: Responsible sourcing. The Company shall implement a sourcing policy covering***  
 327 ***environmental, social and governance aspects.***

---

<sup>7</sup> as defined in ILO Conventions C 29 and C105

<sup>8</sup> as defined in ILO Conventions C138 and C182

<sup>9</sup> consistent with the guidance provided by the UN Global Compact or the OECD Guidelines for Multinational Enterprises

<sup>10</sup> Greater than \$200

<sup>11</sup> Greater than \$200



328 B.2.3.2 The company shall require that the Tier 1 supplier provide information on the geographical origin  
329 (country/region) of the supplied material which is necessary information for the company's risk  
330 assessment;

331 B.2.3.3 The company shall require that the Tier 1 supplier provide a written commitment that if the  
332 supplier's materials are considered to be from "high" risk origins, the supplier will allow the company to  
333 carry out a second party or a third party inspection of the supplier's company.

334 B.2.3.4 Where the company has signed contracts<sup>12</sup> with its suppliers, the requirements of this standard  
335 shall be covered by the contract documentation.

336

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<sup>12</sup> For new contracts after January 1<sup>st</sup> 2015

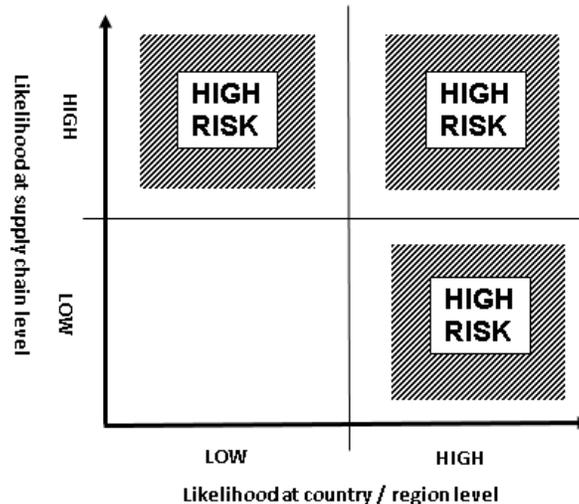
337 **B.2.4 Risk Assessment**

338 B.2.4.1 The risk assessment shall be carried out against the criteria set out in the table ASI Minimum  
 339 Sourcing Provision based on an evaluation of:

- 340 (a) the likelihood that activities defined as non-eligible sources occur in the country / region of the
- 341 supply (hereinafter referred to as the likelihood at country / region level); and,
- 342 (b) the likelihood that the supply chain has not been able to identify a potential non-eligible source
- 343 of supply (hereinafter referred to as the likelihood at the supply chain level).

344 B.2.4.2 The risk assessment shall result in the classification of supplies into the “low” or “high” risk  
 345 category.

346  
 347 B.2.4.3 The company shall determine the risk, based on the combination of the likelihood at country /  
 348 region level and the likelihood at the supply chain level in order to classify all supplies as “high” risk  
 349 where both the likelihood at the country / region level **and/or** the likelihood at the supply chain are  
 350 assessed as “high” (See Figure 5.3.3).



351

352 **Figure B.2.4.3: Determination of “high” risk supplies**

353

354 **B.2.5 Management of high risk supplies**

355 B.2.5.1 The company shall work with their Tier 1 suppliers to establish a verification programme for  
 356 supplies classified as “high” risk. The verification programme shall include:

- 357 (a) Continuous improvement plan for traceability of supply;
- 358 (b) On-site inspection; and,
- 359 (c) Corrective and preventive measures.

360

361 B.2.5.2 The company’s verification programme shall include development of a continuous improvement  
 362 plan for traceability in conjunction with the Tier 1 supplier.

363



364 B.2.5.3 The company's verification programme shall include on-site inspections of suppliers delivering  
365 "high risk" supplies. The on-site inspections can be carried out by the company itself (second party  
366 inspection) or by a third party on behalf of the company. The company may substitute the on-site  
367 inspection with a documentation review where the documentation provides sufficient confidence in the  
368 material origin in eligible sources.

369  
370 B.2.5.4 The company shall define written procedures for implementing corrective measures for non-  
371 compliance for suppliers identified by the company's verification programme.

372  
373 B.2.5.5 The range of corrective measures shall be based on the scale and seriousness of the non-  
374 compliance and may include the following:

- 375 (a) Communication of the non-compliance with a request for improvements;
- 376 (b) Requiring suppliers to define and implement corrective measures relating to compliance with  
377 legal requirements or efficiency of the information flow in the supply chain; and,
- 378 (c) Not being able to accept the material/product into the ASI supply chain until the Tier 1 supplier  
379 can demonstrate their commitment to implementation of risk mitigation measures<sup>13</sup>.

380

381

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<sup>13</sup> If the company wishes to maintain ASI CoC certification at a specific facility then it will need to ensure that all inputs are ASI compliant or EFM

382 **B.3 Multi-facility requirements**

383 The multi-facility requirements allows for the mass balance system to be implemented across multiple  
384 sites under the control of the same company, where there is a central internal control system (ICS) to  
385 ensure that there is appropriate regulation of the global mass balance (output of credits across the  
386 multi-facility does not exceed input of credits) (see Annex 3). A multi-facility mass balance allows a  
387 company to allocate ASI credits where required, supporting flexibility and logistical efficiency.

388 The scope of the multi-facility may include JVs as per the description in the Scope of the document.

389 **B.3.1 Scope of the multi-site CoC**

390 B.3.1.1 The company shall define the number and identity of facilities and the types of operations  
391 covered by the scope of their multi-facility chain of custody system.

392 **B.3.2 Responsibilities**

393 B.3.2.1 The facilities shall demonstrate that they are part of the same Central Office (through signed  
394 consent forms for example)

395 B.3.2.1 The Central Office shall have a centrally administered and documented Internal Control System  
396 (ICS) for the management and implementation of the ASI CoC standard

397 B.3.2.2 The Central Office shall appoint a management representative with overall responsibility for  
398 ensuring that all facilities comply with the ASI CoC standard requirements

399 B.3.2.3 The Central Office shall have a procedure for raising corrective actions when it is found that a  
400 facility is not in compliance with the ASI CoC standard.

401 B.3.2.4 The Central Office shall have the authority to remove participating sites from the scope of the  
402 multi-site system if the requirements of participation, or any corrective actions are not complied with by  
403 the participating site(s).

404 **B.3.3 Training**

405 B.3.3.1 As part of the ICS, the Central Office shall establish and implement training for participating sites  
406 to cover all applicable requirements of the standard.

407 **B.3.4 Records**

408 B.3.4.1 The Central Office shall maintain centralized accurate, complete, up-to-date and accessible  
409 records for all participating sites and shall be responsible for maintaining reports covering all aspects of  
410 the standard.

411 B.3.4.2 The ICS shall keep all documents and records for a minimum period of 5 years.

412 **B.3.5 Internal audits**

413 B.3.5.1 The Central Office shall conduct at least annual internal audits of each participating site to  
414 ensure compliance with the multi-site chain of custody requirements.

415 B.3.5.2 Non-conformances found as part of the internal audit shall be issued corrective action requests

416 B.3.5.3 The outcomes of the internal audit programme shall be subject to review by top management on  
417 an annual basis.

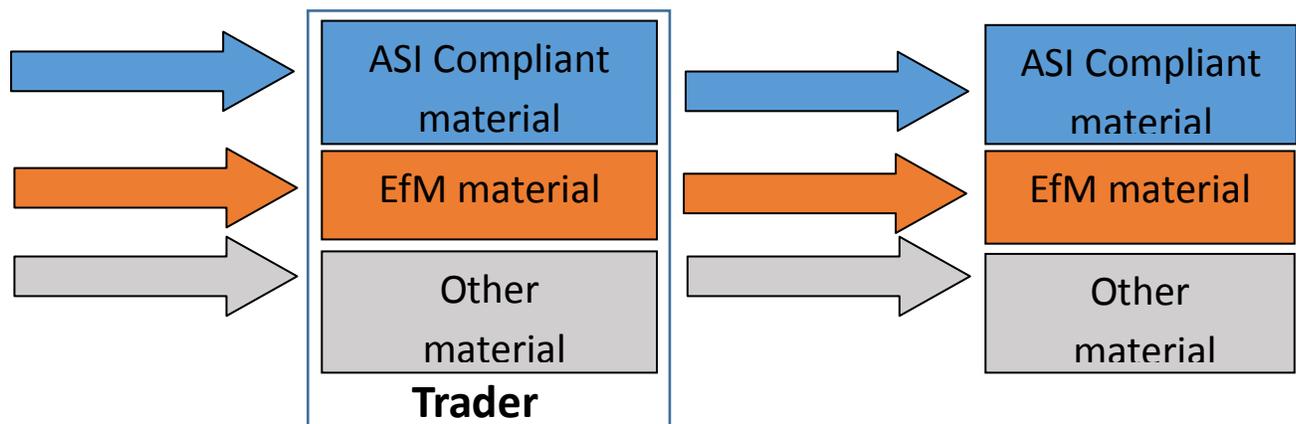
418

## 419 **Part C: Other systems**

### 420 **C.1 Transfer system requirements**

#### 421 **C.1.1 Applicability**

422 C.1.1.1 The requirements of the transfer system shall apply to actor who physically handle ASI compliant  
423 or EfM material but do not undertake any product transformation for example, traders or companies  
424 that are involved in trading activities as part of their wider portfolio (may be involved in production as  
425 well for example). This may also include scrap dealers who do not undertake any product  
426 transformation such as shredding, mixing or cutting.



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434 **C.1.2 Identification of inputs and outputs**

435 C.1.2.1 For each delivery of ASI material or EfM material entering the facility, the facility shall obtain  
436 from the supplier the information that is necessary to identify and verify the category of origin of the  
437 procured material.

438 The documentation, e.g. invoice or delivery note, associated with each delivery of material shall include  
439 at least the following information:

- 440 (a) The facility's identification as the customer of the delivery;
  - 441 (b) Supplier's identification (name and address);
  - 442 (c) Product /material identification (e.g. aluminium ingots);
  - 443 (d) Total quantity of delivery for material or product covered by the documentation;
  - 444 (e) ASI credit associated with the delivery (quantity of ASI compliant and/or EfM Al in material or  
445 product);
  - 446 (f) Date of delivery / delivery period / accounting period;
  - 447 (g) If applicable, the CoC certificate number or 'identifier' of the supplier's CoC or other document  
448 confirming the supplier's compliant status.
- 449

450 C.1.2.2 The facility shall ensure that the ASI material and EfM material leaving the facility is accompanied  
451 by the same documentation that it had when it entered the facility

452 C.1.2.3 All sales invoices or delivery documentation issued for ASI Compliant and/or EfM material shall  
453 include at least the following information:

- 454 (a) Supplier's identification (name and address);
  - 455 (b) Product(s)/material identification (e.g. aluminium ingots);
  - 456 (c) Total quantity of delivery for material or product covered by the documentation;
  - 457 (d) ASI credit associated with the delivery (quantity of ASI compliant and/or EfM Al in material or  
458 product);
  - 459 (e) Date of delivery / delivery period / accounting period;
  - 460 (f) The identifier number of the supplier's CoC certificate or other document confirming the  
461 supplier's compliant status;
  - 462 (g) Reference to related shipping documentation and certificate of analysis, sufficient to link the  
463 invoice to the goods received by the customer.
- 464

465 **C.1.3 Handling of ASI material**

466 C.1.3.1 The facility shall assure and verify through clear procedures and record keeping that the ASI  
467 material or EfM material is kept segregated from non-ASI material.

468 **C.1.4 Record keeping**

469 C.1.4.1 The facility shall ensure records are maintained and up-to-date covering all relevant  
470 requirements of this ASI Standard.



471 C.1.4.2 The company shall ensure that documents critical (e.g. invoices, shipping documents etc.) to the  
472 ASI CoC Standard requirements are identified and retained for at least five years or for the period  
473 stipulated in a company's policy where it is longer than five years.

474 **C.1.5 Provision of information to buyer**

475 C.1.5.1 The facility shall provide sufficient information on the origin/supplier of the non-ASI or EfM  
476 material to allow for the buyer to implement the Due Diligence System and to conduct the risk  
477 assessment.

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480 **C.2 Scrap dealers/yards that perform some level of product transformation**

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**Comment**

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Currently this section is written with the assumption that pre-consumer scrap received by the scrap dealer/yard needs to meet the ASI MSP in order to be considered as EfM (Option 1). However, there are two more options (option2 and 3 ) (see table below) and further discussion is still required.

483

484

<p><b>Option</b></p>	<p>1. Pre-consumer scrap shall be considered as EfM if it meets the ASI MSP<sup>1</sup>. Pre-consumer scrap that does not meet the ASI MSP will be considered non-eligible and will have to be kept segregated from the ASI or EfM material.</p>	<p>2. Pre-consumer scrap shall be considered as EfM if it is legally sourced<sup>1</sup>. Pre-consumer scrap that does cannot be shown to be legally sourced will be considered non-eligible and will have to be kept segregated from the ASI or EfM material.</p>	<p>3. Pre-consumer scrap should sourced according to the requirements indicated in Criterion 2.3 of the ASI Performance Standard.</p>
<p><b>Arguments</b></p>	<ul style="list-style-type: none"> <li>- Why should requirements be lighter for pre-consumer scrap than for bauxite/alumina/primary alumina?</li> <li>- Potential impact on ASI credibility</li> <li>- Important to acknowledge issues in the scrap industry and address during the development/ transitional phase</li> <li>- Ambition to foster change/improvements</li> <li>- Inconsistency - accepting “pre consumer scrap” for EfM would mean we would could exclude ingots from being ASI-compliant but abut yet accept the scrap from these materials</li> </ul>	<ul style="list-style-type: none"> <li>- Having pre-consumer being considered as EfM if legally sourced is consistent with legally sourced post-consumer being considered ASI compliant</li> <li>- MSP will not work for many scrap dealers and if this fosters non - recycling, this would be counter-productive.</li> </ul>	<ul style="list-style-type: none"> <li>- This option would kick in iof this option is selected for the sourcing of materials (see section B.2)</li> </ul>
<p><b>Considerations</b></p>	<ul style="list-style-type: none"> <li>- If the simplified approach was taken in the first instance then it would be more difficult to implement the stricter requirements</li> <li>- Intention of the standard is to improve practices across the industry and could be viewed as lacking credibility by the NGOs etc. if the simplified solution was chosen within further investigation of the challenges.</li> </ul>		

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504 **C.2.2 Identification of scrap inputs and outputs**

505 C.2.2.1 For each delivery of **post-consumer scrap** entering the facility, the facility shall obtain the  
506 following information from the supplier.

507 The documentation, e.g. invoice/delivery note, associated with each delivery of material shall include at  
508 least the following information:

- 509 (a) The facility's identification as the customer of the delivery;
- 510 (b) Supplier's identification (name and address<sup>14</sup>);
- 511 (c) Quantity of delivery covered by the documentation;
- 512 (d) Date of delivery;

513  
514 C.2.2.2 For each delivery of **post-consumer scrap** entering the facility, the facility shall be able to  
515 demonstrate that the scrap is legally sourced.

516 C.2.2.3 For each delivery of **pre-consumer scrap** entering the facility, the facility shall obtain the  
517 following information from the supplier.

518 The documentation, e.g. invoice/delivery note, associated with each delivery of material shall include at  
519 least the following information:

- 520 (a) The facility's identification as the customer of the delivery;
- 521 (b) Supplier's identification (name and address<sup>15</sup>);
- 522 (d) Quantity of delivery covered by the documentation;
- 523 (e) Date of delivery;

524

525 If received from an ASI supply chain

- 526 (f) ASI credit associated with the delivery (quantity of ASI compliant and/or EfM AI in material or  
527 product);
- 528 (g) The CoC certificate number or 'identifier' of the supplier's CoC or other document confirming the  
529 supplier's compliant status.

530 C.2.2.4 For each delivery of **pre-consumer scrap** entering the facility, the facility shall follow the ASI Due  
531 Diligence System for avoidance of material from non-eligible sources in order for the material to be  
532 considered EfM.

533 C.2.2.5 All sales invoices (or equivalent) issued for ASI Compliant or EfM material shall include the  
534 following information:

- 535 (a) The facility's identification as the customer of the delivery;
- 536 (b) Supplier's identification (name and address);
- 537 (c) Product(s) identification (e.g. aluminium ingots ;
- 538 (d) Quantity of delivery for each product covered by the documentation;

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<sup>14</sup> name and address in the form of photo ID and suitable address document from a legally prescribed list

<sup>15</sup> name and address in the form of photo ID and suitable address document from a legally prescribed list



- 539 (e) Date of delivery / delivery period / accounting period;  
540 (f) The formal claim on the material origin (including the volume of compliant material) specifically  
541 for each compliant product covered by the document;  
542 (g) The identifier number of the supplier's CoC certificate or other document confirming the  
543 supplier's compliant status; and,  
544 (h) Reference to related shipping documentation and certificate of analysis, sufficient to link the  
545 invoice to the goods received by the customer.

546 **C.2.3 Handling of ASI material**

547 C.2.3.1 The facility shall assure and verify through clear procedures and record keeping that scrap from  
548 eligible sources is kept segregated from non-eligible sources.

549 **C.2.4 Record keeping**

550 C.2.4.1 The company shall ensure records are maintained and up-to-date covering all relevant  
551 requirements of the ASI CoC Standard.

552 C.2.4.2 For each delivery of post-consumer scrap entering the facility, the facility shall record all financial  
553 transactions for the purchase of all metals and materials and no significant<sup>16</sup> cash transactions shall be  
554 undertaken.

555 C.2.4.3 The company shall ensure that documents critical (e.g. invoices, shipping documents etc.) to the  
556 ASI CoC Standard requirements are identified and retained for at least five years or for the period  
557 stipulated in a company's policy where it is longer than five years.

558 **C.2.5 Material accounting system**

559 C.2.5.1 The facility shall create and manage a credit account in a single measurement unit. The material  
560 accounting system shall include the quantity of the following ASI Compliant material and EfM material  
561 on a monthly basis:

- 562 • Ordered and received from suppliers;  
563 • Sold.

564 **C.2.6 Fixed inventory period**

565 C.2.6.1 The facility shall implement a system that ensures that the output of the ASI Compliant and EfM  
566 material supplied to customers from the facility does not exceed the input of ASI Compliant material and  
567 EfM material received at the facility.

568  
569 The facility shall:

- 570 • Ensure that the quantity of ASI Compliant material inputs and outputs are balanced within a  
571 fixed inventory period which does not exceed one year (12 months);  
572 • Be able to demonstrate the applicable conversion rates and material loss percentage  
573 calculations used and how they were determined

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<sup>16</sup> Greater than \$200



- 574 • Be allowed to overdraw data when there is evidence that ASI Compliant purchases are under  
575 contract for delivery within the inventory period, to cover the ASI Compliant output quantity  
576 supplied;
- 577 • Ensure that the material accounting system is not overdrawn at the time of the  
578 inventory/reconciliation; and,
- 579 • File a notification in the case of a major exception (e.g. main supplier unexpectedly shuts down  
580 companies), in which case the fixed inventory period may be extended.

581 **C.2.7 Validity of sustainability data (ASI credits)**

582 C.2.7.1 The sustainability data shall remain valid for 24 months after input into the material accounting  
583 system, after which point the ASI credits will be lost.

584

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588 **C.3 Manufacturers of complex<sup>17</sup> end-products**

589 **C.3.1 Applicability**

590 The requirements of this section shall apply to manufacturers of complex end-products, including cars  
 591 and electronic items such as phones or electric motors for example.

592 These complex products are made up of a large number of components which vary in dimensions,  
 593 weight, number and whether further processing is required, e.g. nuts, bolts, door panels. It may be  
 594 impossible to ensure that all the aluminium in the smaller components has come from eligible sources.

595 The table below indicates the requirements for each type of component.

Type of component	Requirements
In-house production, e.g. phone cases, door panels. Components which require further processing/transformation, e.g. cutting or stamping.	Follow ASI CoC standard Part B.
Components that do not require any further processing, e.g. car radiator, nuts, bolts	Ensure that Tier 1 supplier meets the ASI Minimum Sourcing Provision – self-declaration (or equivalent evidence) but no risk assessment is required

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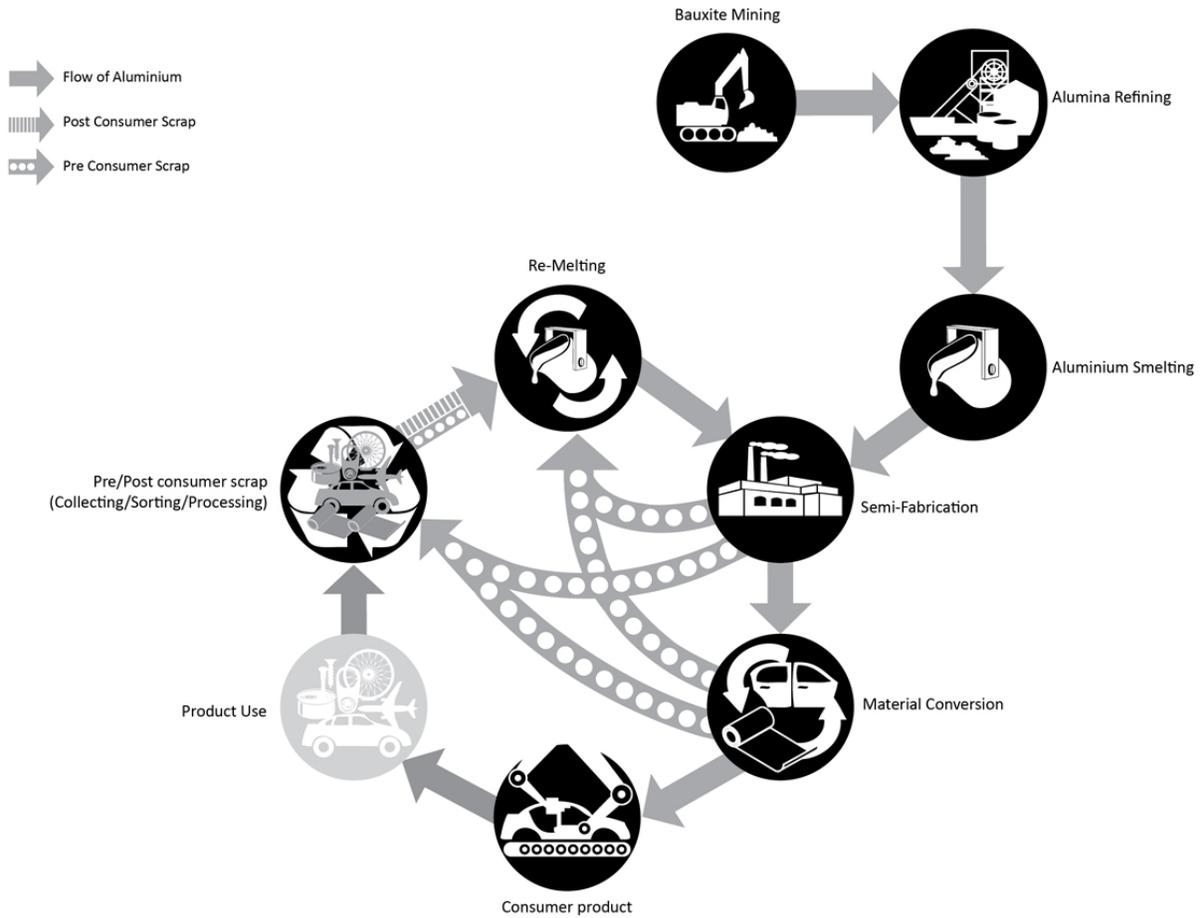
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<sup>17</sup> Some elements of the end-product need further processing in-house and some components are received that do not need further processing

598 **Annex 1. Aluminum Supply Chain**

599 **Annex 1a. Aluminium Supply Chain**

600 Below is a basic illustration of the flow of aluminium through the supply chain

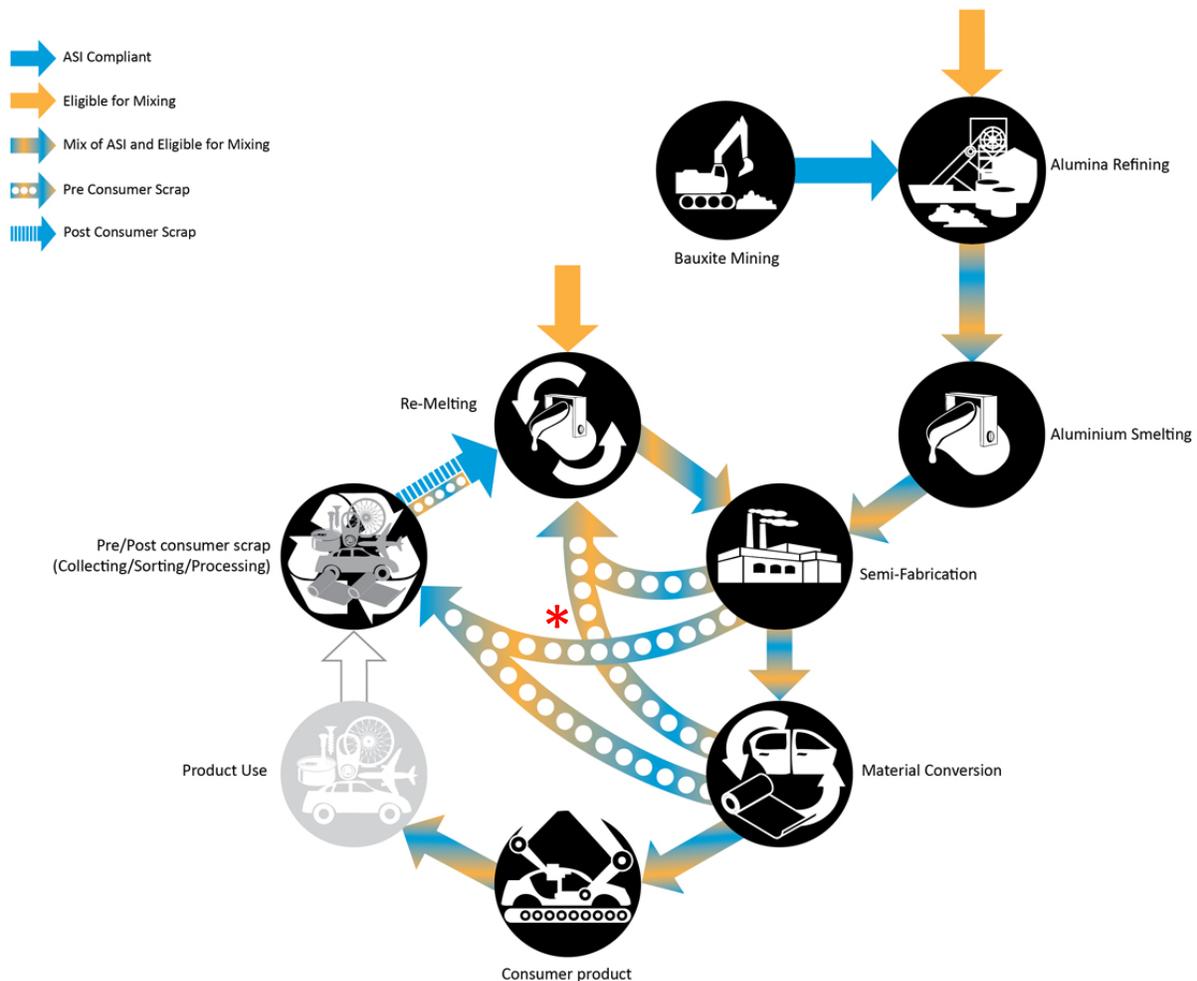


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603 **Annex 1b. ASI Aluminium Supply Chain**

604 Below is a basic illustration of the flow of ASI compliant and EfM material through an ASI aluminium  
 605 supply chain, where each stage has met the requirements in the relevant sections of the ASI CoC  
 606 standard. The mass balance flow of volumes of Al shall accurately record the conversion rates and  
 607 material loss percentages.



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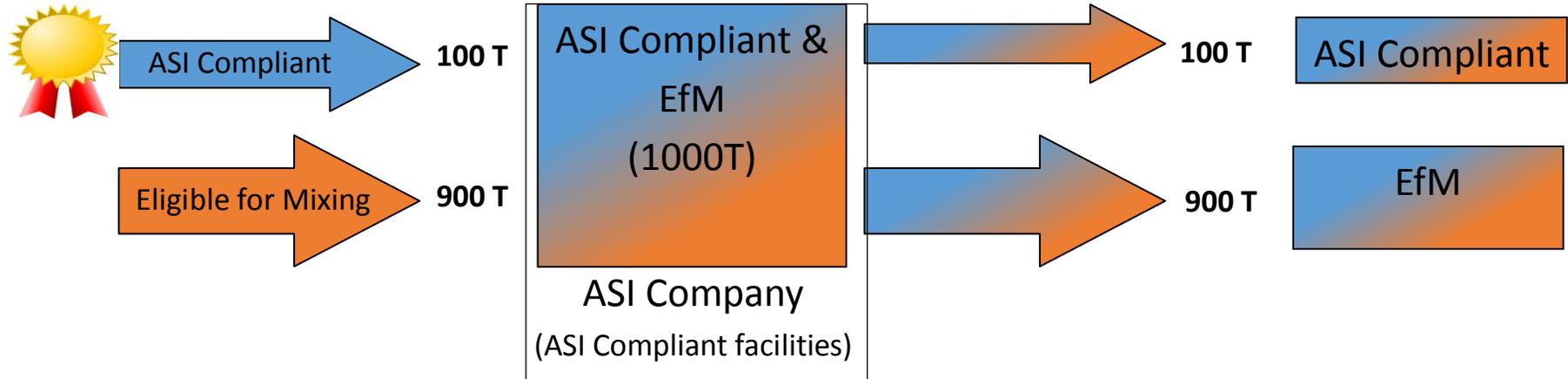
**\*** Volume of credits allocated to pre-consumer scrap must be proportional to the pre-consumer scrap produced.  
 e.g. If 20%/ X tonnes of the material used in the facility over the course of the inventory (12months) leaves the facility as pre-consumer scrap, then 20%/ X tonnes of the ASI credits have to leave the facility with the pre-consumer scrap. Depending upon where the pre-consumer scrap goes and how it is handled will determine whether the credits can be retained in the system.

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611 **Annex 2. Chain of Custody Mechanisms**

612 **Annex 2a. Mass Balance**



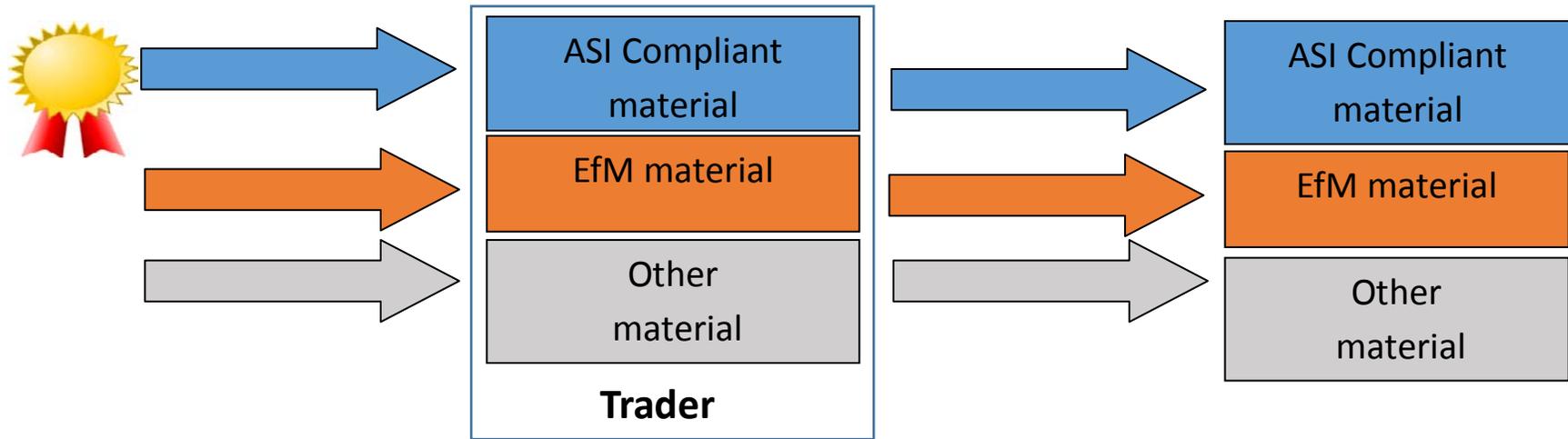
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614 ASI compliant material mixed with EfM material. Non-eligible material is **not** allowed

- 615 • The claims about the 'volumes out' must match the volume of ASI compliant product purchased
- 616 ○ This can be calculated continuously or over a set period of time
- 617 ○ The inventory period has been set at 12 months to allow flexibility
- 618 ○ Balancing of volumes in/out takes into account **conversion rates and material loss percentages**
- 619 ○ No input of non-eligible material
- 620 ○ This is in effect an administrative system – no physical traceability of the actual ASI compliant material

621

622 **Annex 2b. Transfer System for actors who physically handle material but do not perform any product**  
 623 **transformation**



624

625 • Applicable to actors (e.g. the London Metal Exchange) that take legal and physical ownership of ASI Compliant or EfM material but do not perform  
 626 any product transformation (any process that would change the dimension/shape/form or chemical composition) - the output material is the same as  
 627 the input material

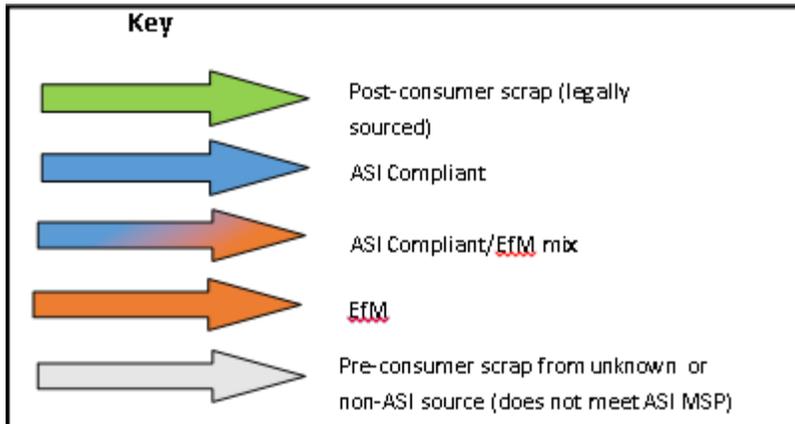
628 • ASI Compliant, EfM and Other material cannot be mixed

629 • Compliance documentation shall remain attached to the material lot

630

631 **Annex 3. Range of potential scenarios at the scrapyards**

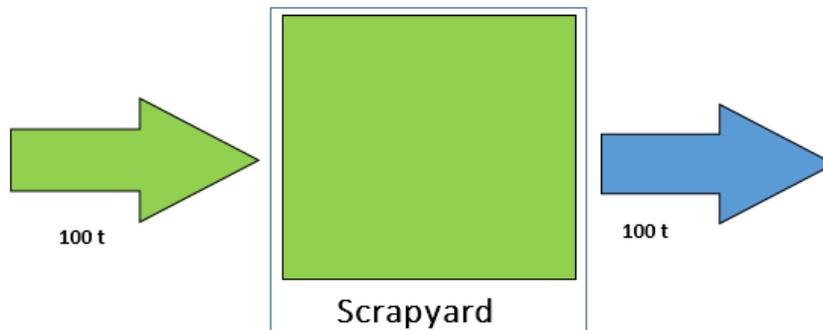
- 632 a) Only post-consumer scrap that is legally sourced
- 633 b) Mix of post-consumer is legally sourced and unknown sources.
- 634 c) Mix of pre-consumer scrap sources. Pre-consumer from ASI Source carrying X volume credits of ASI
- 635 Compliant and X volume EFM, pre-consumer scrap which is from an ASI source that is only CoC certified or
- 636 a non-ASI source that meets the ASI MSP and pre-consumer non-ASI source which meets the ASI MSP.
- 637 d) Mix of sources. Legally sourced post-consumer and unknown sources (non-eligible), pre-consumer
- 638 meeting ASI MSP or with credits and non-eligible sources
- 639



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**a. Only post-consumer scrap that is legally sourced**

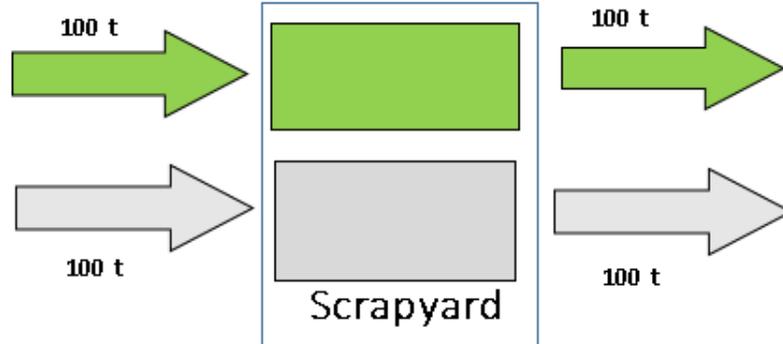
Post-consumer scrap that is legally sourced is considered to be ASI compliant. Scrapyards would need to implement the ASI CoC standard and be able to demonstrate that all material sourced meets the ASI MSP.



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**b. Mix of post-consumer scrap from legal sources and unknown sources.**

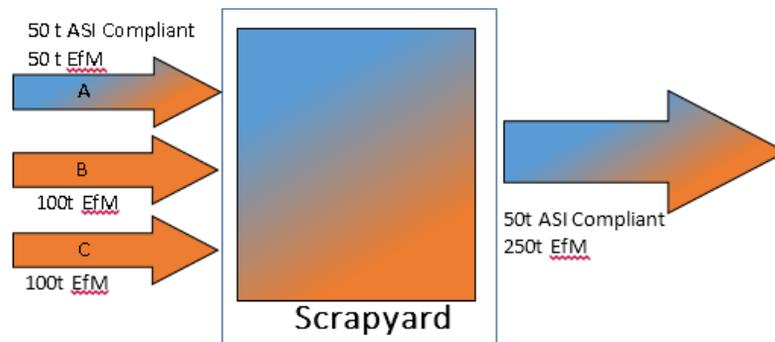
It would be necessary to demonstrate that legally sourced post-consumer scrap is segregated from post-consumer scrap which does not meet the provision and therefore can only be considered non-eligible



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- c. **Mix of pre-consumer scrap from ASI Source carrying X volume credits of ASI Compliant and X volume EFM (A) and pre-consumer scrap which is from an ASI source that is only CoC certified (B) or a non-ASI source that meets the ASI MSP and therefore can be considered EfM (B).**

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It would be necessary to demonstrate that a material accounting system is in place to ensure that the volume of ASI credits entering the system are equal to the volumes leaving the system. It would also be necessary to ensure that the non-ASI source material meets the ASI MSP.



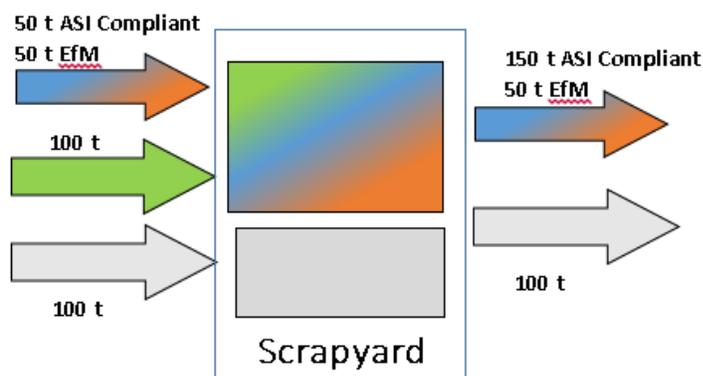
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- d. **Mix of sources. Legally sourced post-consumer and unknown sources (non-eligible), pre-consumer meeting ASI MSP or with credits and non-eligible pre-consumer sources.**

- i) **Segregated within the scrapyard**

The scrapyard can demonstrate that non-eligible material is segregated from other material

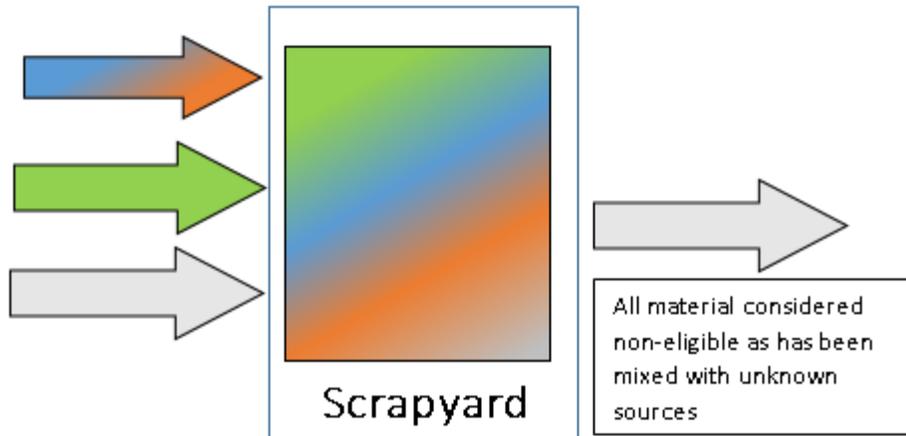
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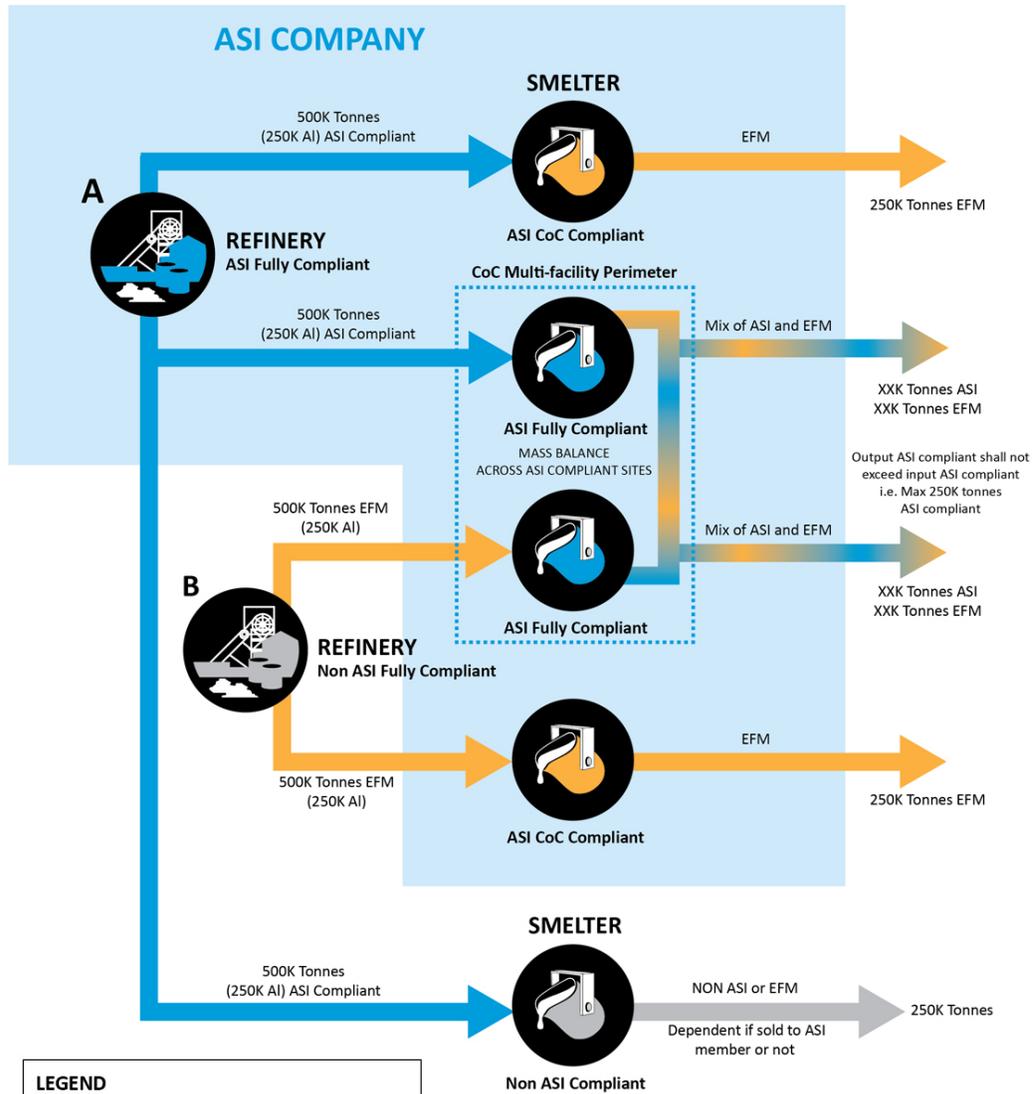
- ii) **No segregation**  
The scrapyards do not segregate non-eligible sources from other material



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674 **Annex 4. Example of MB in the supply chain**



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**LEGEND**

- ASI Compliant
- Eligible for Mixing (EFM)
- Mix of ASI and Eligible for Mixing
- ASI Company

**ASI Fully Compliant**  
Meets production standard and CoC standard

**ASI CoC Compliant**  
Meets CoC standard but not production standard



For More Information Contact

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