

ASI Joint Ventures Policy

This Policy was last modified on 19 February 2019 and is available at: www.aluminium-stewardship.org/about-asi/policies/

1. What is ASI?

The Aluminium Stewardship Initiative (ASI) is a global, multi-stakeholder, non-profit standards setting and certification organisation. ASI's objectives are to:

- Define globally applicable standards for sustainability performance and material chain-of-custody for the aluminium value chain
- Promote measurable and continual improvements in the key environmental, social and governance impacts of aluminium production, use and recycling
- Develop a credible assurance and certification system that both mitigates the risks of non-conformity with ASI standards and minimises barriers to broad scale implementation

2. What is this Policy?

ASI recognises that there are many sizes and types of business entity in the aluminium value chain and aims to be inclusive in its membership structure and certification program. This policy summarises how Joint Ventures can participate in ASI.

3. What is a Joint Venture?

Joint Ventures are usually formed where two or more independent parties come together to jointly execute a particular business activity or project. The arrangement between the parties is typically formalised in one of the following ways (with the specifics governed by Applicable Law):

- A corporation
- A partnership
- An unincorporated contractual arrangement.

4. ASI Members and Joint Ventures

In order for a Joint Venture to participate in ASI's membership structure and (where applicable) the ASI certification program, at least one Joint Venture party, or the Joint Venture entity itself, must be an ASI member.

The ASI Constitution does make provision for 'Joint holding of a membership in ASI' under clause 5.9, where two or more bodies corporate may jointly hold a membership in any class of membership in ASI. A body corporate may be a Joint Membership Holder in respect of one membership in ASI only. To discuss this option further, please contact the ASI Chief Executive Officer.

5. Seeking ASI Certification

Companies seeking ASI Certification join ASI as a 'Production and Transformation' or 'Industrial User' member. Members in these classes must achieve certification against applicable requirements of the ASI Performance Standard for at least one facility or product line within two years of joining ASI.

In the event that the entity or facility seeking ASI Certification is in a Joint Venture arrangement, the concept of 'Control' is important. The ASI Assurance Manual (V1, 2017, p28) notes the following:

'Control' by an ASI Member and Joint Venture arrangements

A Business, Facility or Product/Program to be included within a Member's Certification Scope must be within the Control of that Member. 'Control' means direct or indirect ownership, direct or indirect power to remove, nominate or appoint at least 50% of the members of the Board or management, day-to-day executive management, or any legally recognised concept analogous to these (see Glossary definition).

It is the responsibility of the Member to demonstrate 'Control' of Entities and/or Facilities nominated to be part of their Certification Scope to the satisfaction of the Auditor. This should be done as part of the Self Assessment process when Certification Scope is defined, and prior to the audit planning stage.

An Entity seeking Certification that is structured as a joint venture could have equity vested in more than one ASI Member and/or organisations that are not members of ASI. The controlling operator of the Entity (one of the joint venture partners) must be an ASI Member, or the joint venture Entity itself could be an ASI Member, in order to seek ASI Certification.

An ASI Member that has equity in a joint venture Entity, but not Control, cannot include that Entity in their own Certification Scope. However, where Performance Standard Certification is achieved by a joint venture Entity in which an ASI Member has equity, it can count towards that Member's commitment to achieve Certification for at least part of their business, even if that Member is not the controlling operator. It can also be linked to the Member's page on the ASI website.

6. Managing the ASI Certification process in elementAI

ASI Members manage their Certification process in ASI's online assurance platform, *elementAI*. Each ASI Member in 'Production and Transformation' and 'Industrial Users' membership classes has its own secure login area (Member account) where it can work on Self Assessments and liaise with ASI Accredited Auditors. There is no limit to the number of individual users (User accounts) per Member account.

If one or more ASI Members are part of a Joint Venture, the controlling Member/s would be able to manage ASI Certification workflows relating to the Joint Venture in their Member account on *elementAI*. User accounts can be given access to the Joint Venture data in *elementAI* by the ASI Secretariat, at the request of the controlling ASI Member.

Member and User accounts can be established in *elementAI* to address the following situations:

Joint Venture structure	elementAI options
<ul style="list-style-type: none">• The Joint Venture entity is an ASI Member in its own right	<ul style="list-style-type: none">• The Joint Venture entity has its own Member account
<ul style="list-style-type: none">• One ASI Member is the controlling entity in the Joint Venture and one or more additional ASI Members are Joint Venture parties	<ul style="list-style-type: none">• The Joint Venture data can be managed in the controlling Member's account• Individual user accounts can be created with access to only the Joint Venture data (including from personnel not within the controlling Member)
<ul style="list-style-type: none">• One ASI Member is the controlling entity in the Joint Venture and one or more additional Joint Venture parties are not ASI members	
<ul style="list-style-type: none">• One ASI Member is the controlling entity in the Joint Venture, one or more additional ASI Members are Joint Venture parties, and one or more additional Joint Venture parties are not ASI members	
<ul style="list-style-type: none">• Two ASI Members share equal control of the Joint Venture	<ul style="list-style-type: none">• The Joint Venture data can be managed from both controlling Members' accounts• Individual user accounts can be created with access to only the Joint Venture data (including from personnel not within the controlling Member)

<ul style="list-style-type: none"> • ASI Members are not the controlling entity in the Joint Venture 	<ul style="list-style-type: none"> • ASI Certification can only be sought when the controlling entity is an ASI member.
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7. The ASI Chain of Custody Standard and Joint Ventures

ASI Chain of Custody (CoC) Certification is designed to support businesses in the aluminium value chain that wish to provide their customers and stakeholders with independent assurance for responsible production and sourcing of Aluminium. ASI CoC Certification is voluntary for ASI Members, though encouraged. The ASI CoC Standard is structured into three sections, which set the necessary framework for managing robust Chain of Custody systems:

- **Sections 1– 2.** General CoC Management: Management System and Responsibilities; Outsourcing Contractors.
- **Sections 3 – 7.** Confirming Eligible Inputs: Primary Aluminium; Recycled Aluminium; Casthouses; Post-Casthouse; Due Diligence.
- **Sections 8 – 12.** CoC Accounting, Documentation and Claims: Mass Balance System; Issuing CoC Documents; Receiving CoC Documents; Market Credits System; Claims and Communications.

The ASI CoC Standard explicitly addresses Joint Venture situations. The ASI CoC Standard Guidance (V1, 2017, p27) notes the following:

Section 3 of the CoC Standard supports the uptake of the ASI Performance Standard by specifying that CoC Material (in the form of ASI Bauxite, ASI Alumina and/or ASI Liquid Metal) comes from Facilities that are:

- Certified against the ASI Performance Standard (or a comparable Responsible Mining Standard, where this has been recognised by ASI), and
- Within an Entity’s CoC Certification Scope, or
- Those in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity, so as to accommodate joint venture situations.

Joint venture arrangements involving multiple shareholders are common in the upstream aluminium industry, due to the significant capital investment required needed to establish new facilities. These facilities are often operated on a tolling basis, whereby the shareholders are entitled to a percentage of the production in accordance with their financial investment.

8. What kind of claims about ASI can be made by Joint Venture partners?

The ASI Claims Guide sets out the rules and supporting guidance for the types of claims that may be made regarding ASI Certification and Membership. These include:

- Claims relating to ASI Membership
- Claims relating to the ASI Performance Standard
- Claims relating to the ASI Chain of Custody Standard
- Use of ASI Logos and QR Code
- Monitoring, enforcement and complaints

The Claims Guide (V1, 2017, p8) also addresses Joint Venture situations, noting the following:

Organisations that are not members of ASI may be able to make general marketing claims that make reference to ASI, subject to the applicable requirements of this Guide.

In the aluminium value chain, non-members may include:

- Organisations with a non-Controlling interest in a joint venture or similar arrangement that is covered by ASI Certification. The Entity in Control of the joint venture would need to be an ASI Member in order to seek and achieve Certification (in a jointly controlled JV, only one of the controlling parents needs to be an ASI Member for this purpose). Any separate claims made by non-members must be in conformance with

the general principles set out [in the Claims Guide] in section 3, and with section 5 and/or 6 on ASI Certification.

9. Questions?

If you have any questions about a particular Joint Venture situation and how it can participate in ASI, please contact info@aluminium-stewardship.org and a member of the ASI Secretariat will respond.