

Interim Policy for ASI Members' Material Conversion Facilities

This Policy was adopted by the ASI Board on 19 November 2019

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 the scope of 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 interim policy, adopted by the ASI Board and arising from ASI's 2019 Governance Review, is applicable to ASI Members with Material Conversion facilities that are seeking ASI Certification.

Material Conversion is defined as a specific supply chain activity in the ASI Performance Standard (2017) as follows:

Further processing (for example cutting, stamping, bending, joining, forging, product casting, packaging production etc) of Casthouse Products or semi-fabricated aluminium products, into products or components that are used in or sold for final assembly or filling and sale to end consumers.

This interim policy is effective from the date of adoption until the publication of a new version of the ASI Performance Standard, anticipated at the end of 2021.

3. ASI Governance Review 2019 – Context

The ASI Board conducted a formal Governance Review during 2019. One of the matters addressed was to make governance-level changes that would decouple the definition of membership classes in the Constitution from the applicability of ASI Standards at a critical level.

Changes in the ASI Constitution to membership class definitions for 'Production and Transformation' and 'Industrial User' members will clarify these points and also provide increased flexibility of choice of membership class in future, so as to best represent the overall nature of the member's activities in the aluminium supply chain.

Under the ASI Performance Standard (2017), there are currently two approaches to ASI Certification for Material Conversion facilities. For 'Production and Transformation' members, the full Performance Standard applies; for 'Industrial User' members, section 4 of the Performance Standard applies. This reflected the desire

for different levels of implementation of the Performance Standard by various stakeholders, thus a ‘choice’ was created for Material Conversion facilities only.

Currently access to this choice for Material Conversion facilities is tied to membership classes. Companies that undertake Material Conversion are generally eligible for either membership class; however if they undertake other defined supply chain activities, they may be tied to one or other of the two membership classes.

This means that the choice of how much of the ASI Performance Standard applies to a given Material Conversion facility was tied to *what other supply chain activities* the Member also undertakes. This is an artificial distinction linked to the ASI membership structure, which has had the unforeseen result of similar facilities having differential access to choice.

4. Board’s determination to create equitable access to the ASI Performance Standard

The ASI Board has therefore determined that it will adopt this interim policy as an outcome of the 2019 Governance Review to:

- Enable choice for ASI Members with Material Conversion facilities during this period, irrespective of their membership class.
- Complete the decoupling of criteria-level standards applicability from ASI membership classes at the governance level, thus enabling the scheduled 2020-2021 Standards Revision process to focus on the applicability of ASI Standards at the supply chain activity level.

The Board anticipates that during the Standards Revision process, matters relating to Material Conversion facilities will be further discussed and resolved at the level of the ASI Performance Standard itself.

5. ASI Members with Material Conversion facilities seeking ASI Certification

This interim policy sets out that:

- ASI Members in both ‘Production and Transformation’ and ‘Industrial User’ membership classes, where seeking ASI Certification for a Material Conversion facility, may choose to implement *either* the full Performance Standard (as applicable) *or* Section 4 of the Performance Standard.
- This means that access to the choice is equitable irrespective of the ASI membership class:
 - ‘Production and Transformation’ members may choose to implement Section 4 of the Performance Standard for a given Material Conversion facility.
 - ‘Industrial User’ members may choose to implement the full Performance Standard for a given Material Conversion facility.
- The choice will be implemented through elementAI in the member’s Self Assessment for a given Material Conversion facility/ies.
 - If you have any questions on how to apply this, contact the elementAI Manager (carolyn@aluminium-stewardship.org)
- For Surveillance and Re-Certification Audits undertaken during or at the end of a Certification Period, where this is within the effective dates of this interim policy, the same choice can also apply.
 - Note that where the Certification Scope is changed, for example through moving application of the Performance Standard to the Material Conversion facility/ies from Section 4 to full Standard or vice versa, the ASI Certificate will be updated accordingly.
 - As Performance Standard requirements for Material Conversion facilities are anticipated to change during the Standards Revision, Members should take into account the direction these appear to be taking if deciding any changes to their Certification Scope.