

# ASI Standards Committee

Greenhouse Gas Emissions (SC-GHG) sub-committee  
Teleconference #3 Minutes

7 January 2021

# Antitrust Compliance Policy

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*Attendees are kindly reminded that ASI is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted a Competition Policy, compliance with which is a condition of continued ASI participation.*

*Failure to abide by these laws can have extremely serious consequences for ASI and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals.*

*You are therefore asked to have due regard to this Policy today and in respect of all other ASI activities.*



# Acknowledgement of Indigenous People

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*ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our members operate. We aim to respect cultural heritage, customs and beliefs of all Indigenous people and we pay our respects to elders past, present and emerging.*



# ASI Ways of Working

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*ASI is a multi-stakeholder organisation. Dialogue is at the heart of everything we do. It is critical to ensure that the organisation delivers on its mission. We welcome all participants and value the diversity of backgrounds, views and opinions represented in this meeting. We recognise that we have different opinions; that is the heart of healthy debate and leads to better outcomes. To ensure our meetings are successful, we need to express our views and hear the views of others in a respectful and professional way, protecting the dignity and safety of all participants and enabling full participation from all attendees.*

# Agenda: SC-GHG meeting #3

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	Topic	Lead	Time
1	a. Introduction & Apologies b. Objectives c. Documents Circulated d. Previous Minutes	ASI	5 mins
2	Overview – the key requirements/outcomes of the new criterion	ASI	5 mins
3	The revised Principle 5 criteria	ASI	~ 45 mins
4	a. Agreed upon actions for Committee members b. Agreed upon actions for the Secretariat c. Close	ASI	5 mins

# 1a Introduction & Apologies

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**Attendees:** Annemarie Goedmakers (Chimbo)  
Catherine Athenes (Constellium)  
Guilia Carbone (IUCN)  
Jessica Sanderson (Novelis)  
Jostein Søreide (Hydro)  
Justus Kammüller (WWF)  
Steinunn Steinsen (Nordural)  
Rosa Garcia Pineiro (Alcoa)

**ASI:** Cameron Jones (facilitator)  
Marieke van der Mijn  
Camille Le Dornat  
Kamal Ahmed

**Apologies:** None

# 1b,c Objectives & Documents Circulated

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## b) Objective

1. Agree to the revised wording for Principle 5 criteria

## c) Documents Circulated

1. ASI SC-GHG Teleconference meeting minutes 10Dec20
2. ASI-SCMemberApptProxyForm 7Jan21

# 1d Previous Minutes

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- d) Previous SC-GHG Minutes 10 December 2020 circulated on 12/12/20 – no comments received.
- Resolved to accept the 10 December 2020 SC-GHG Meeting Minutes



## 2 Overview – the key requirements/outcomes of the new criterion

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- **Auditable**
- **Inclusive**
- Maintains **integrity**
- Maintains **credibility**
- **Risk-based** (materiality) approach (i.e. smelters)
- All Members to reduce emissions
- **Early and material reduction** of emissions
- **No singular commitment** to one methodology
- Stronger **public disclosure**
- **A stricter standard/criteria**
- **Flexibility** to revise criteria in future.
- Provides a upper **threshold** (i.e. a minimum performance requirement)
- Emissions **reduction targets** and plans.



### 3 Criterion 5.1

(agreed by SC previously)

#### **5.1 Disclosure of GHG emissions and energy use.** The Entity ~~must~~ shall:

- a. Account for and publicly disclose material GHG emissions and energy use by source on an annual basis.
- b. Ensure that all publicly disclosed GHG emissions data are ~~must be~~ independently verified.

- **Note: slight wording revisions to ensure consistency with ‘Standard language’.**

# 3 Discussion

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- No comments were made on Criterion 5.1

### 3 Criterion 5.2

#### 5.2 Aluminium Smelting.

a) *Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter is in production up to and including 2020, the Entity shall demonstrate that ‘mine to metal’<sup>#</sup> emissions from the production of Aluminium:*

- i. Are at a level below 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium or
- ii. If at a level above 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium, demonstrate a minimum 10% reduction of ‘mine to metal’<sup>#</sup> emissions over the previous three year period.

b) *Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter started ~~starting~~ production after 2020, the Entity shall demonstrate that all ‘mine to metal’<sup>#</sup> emissions from the production of Aluminium are at a level below 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium.*

<sup>#</sup> Scope 1, 2 AND 3 emissions

- **Note: slight wording revisions (italics) to ensure consistency with ‘Standard language’.**



# 3 Discussion

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- One participant asked if in ii.) we were talking about a 10% emission intensity reduction. This was confirmed, and it was suggested to include “per metric tonne Aluminium” in the wording to remove this ambiguity.
- It was suggested to clarify in the criterion headline that this is for smelters and not smelting, since Scope 3 emissions are included.
- It was suggested to also clarify in the headline that this is a performance criterion.
- A participant raised that this is a good criterion that addresses the weakness of the current criteria, which is that if you are operating a smelter, you have nothing to do until 2030. With this new wording, we keep the same performance levels, it is equally inclusive, but it is now also required to show a 10% reduction. The history of the criteria is kept and tightened.
- One participant wanted to confirm that we mean 10% over three years and not 10% per year. It was agreed to clarify this in the Guidance.

# 3 Discussion

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- The criterion was approved, as follows:

## 5.2 Aluminium Smelting performance.

a) *Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter is in production up to and including 2020, the Entity shall demonstrate that 'mine to metal'<sup>#</sup> emissions from the production of Aluminium:*

- Are at a level below 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium or*
- If at a level above 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium, demonstrate a minimum 10% reduction of 'mine to metal'<sup>#</sup> emissions per metric tonne Aluminium over the previous three year period.*

b) *Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter started ~~starting~~ production after 2020, the Entity shall demonstrate that all 'mine to metal'<sup>#</sup> emissions from the production of Aluminium are at a level below 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium.*

<sup>#</sup> Scope 1, 2 AND 3 emissions

## 3 Criterion 5.3

### 5.3 GHG emissions reductions

a) Entities with Aluminium smelters where ‘mine to metal’<sup>#</sup> emissions from the production of Aluminium are above 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium, establish an GHG emissions reduction pathway that ensures ‘mine to metal’<sup>#</sup> emissions are at a level below 16 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by end 2025 and below 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by end 2030.

b) All Entities shall establish a GHG emissions reduction plan that ensures a reduction pathway consistent to the achievement of 2050 average global aluminium sector intensities of 2.5\* tonnes of CO<sub>2</sub>-eq per tonne of primary aluminium, or 1.5\* tonnes of CO<sub>2</sub>-eq per tonne of semi-fabricated product. *(or we say “consistent with a ‘below 1.5 degree warming scenario’” (and explain what this means in the Guidance?)).*

The Entity’s reduction pathway must include intermediate targets covering a period no greater than five years.

- i. These targets shall address all emissions from mine to “saleable product”.
- ii. These targets shall be developed using a science-based approach.
- iii. These targets shall be publicly disclosed.
- iv. Progress against these targets shall be publicly disclosed annually.

- **Could 5.3 be incorporated as 5.2a (ii)? – this may provide better linkage between the requirements.**

# 3 Discussion

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- It was raised that a) reflects well the previous discussions.
- One participant raised several concerns:
  - The IAI targets are related to a 2 degree scenario, which is not necessarily consistent with a 1.5 degree scenario – while this is what we are aiming for.
  - The 1.5t figure is based on rough cut assumptions and it means that 50% of the consumption would come from recycling of post-consumer scrap at 0 emissions. But certain markets have very long-lasting products (building), making this target very challenging to achieve.
  - This would require a lot of investment in recycling and technically speaking, to reach 0 emissions, this would require a global electricity switch.
  - Going further, we don't know how this would work for further downstream players.
- The participant hence suggested to add a possibility for an intermediate solution until we have a pathway in line with SBT available.





# 3 Discussion

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- It was confirmed that the 2.5t and 1.5t figures come from IAI working on a below 2 degree scenario. It was added that at the time the 1.5 degree scenario was not available and that IAI is now working on the 1.5 degree scenario but we don't know when the numbers will be available.
- A participant proposed to keep the wording displayed and elaborate in the Guidance with figures for semi-fabricated products in particular. This was agreed to by another participant.
- It was asked whether the Guidance can be more easily adapted than the Standard. The Secretariat replied that it hasn't been done in the past, but it will probably be moving forward. It was said that IAI may have more methodologies available in the next 6 months, so there should be the option to update the Guidance in due course. The option of updating every 8-12 months when new material comes in was raised.

# 3 Discussion

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- A participant suggested to make an exception and for this specific criteria make the Guidance mandatory to look at by auditors when assessing. This was supported by other participants and the Secretariat said it will be discussed internally.
- Another participant raised it would be a problem if the Guidance becomes the reference and suggested alternatively to have something like a reference protocol that would be regularly updated and would not be optional.
- It was suggested to change the wording in blue “of 2.5\* tonnes of CO2-eq per tonne of primary aluminium, or 1.5\* tonnes of CO2-eq per tonne of semi-fabricated product.” by the purple text “consistent with a ‘below 1.5 degree warming scenario”.
- It was raised that the Guidance should help companies as well. It was said that the key question is in terms of timing because the Standard will be finalized soon and if there’s no SBT approach available for the companies’ activities, how are they going to be able to certify?

# 3 Discussion

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- This is why a participant suggested to add a sub criterion (v.) ‘In the absence of an appropriate target setting method for the aluminium sector, the Entity shall develop, publicly disclose, and annually report on progress towards an ambitious GHG reduction target.’
- A participant added that it is also a matter of making it impossible for companies to stick with the old approach when the methodologies are available.
- The Secretariat suggested to add in the Guidance “in the absence of methodology...”, as this is done with the Life Cycle Assessment (LCA) criterion for example. This was agreed to by a participant.
- It was said that if we have an extra protocol, it needs to be referenced for the auditor and mention that its revision process goes through the Standards Committee.

# 3 Discussion

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- The Secretariat suggested that rather than ASI developing a protocol, we could use one developed by IAI. It was added that when there's an update it can be communicated in the Members and Auditors newsletters. This was agreed to by participants.
- A participant raised that the problem is that we have agreed that the Guidance is not mandatory while we want to make that protocol/guidance normative. To address that concern, the Secretariat suggested to include a \* in the criterion, directing to a list of methodologies recognised by ASI and that could be regularly updated.
- This was agreed to and the following language was included in b) “\*using ASI-endorsed methodologies”.
- It was said that the process could be flexible: when something new turns up, the SC endorses it if we think it is a good methodology.

# 3 Discussion

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- The sentence “The Entity’s reduction pathway must include intermediate targets covering a period no greater than five years.” was discussed and it was said that 10 years targets are not very precise as these include uncertainty, and those beyond 10 years are not realistic. It was said that the goal is to have something auditable, therefore the “no greater than 5 years” wording. The intent is to show how you plan to make the change between now and 2050.
- A concern was raised about a jump between 2030 and 2050. It was suggested to call them milestones and not targets, as the level of detail changes over time and that’s what we need to capture.
- It was said that SBTi is short term (15 years), raising how to reconcile this with the long-term objective. A science based approach is not only about the final figure, but also about the speed.

# 3 Discussion

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- The Secretariat said that those scenarios would need to be addressed in the Guidance.
- A participant said that milestones are different than targets and suggested to have a definition of “target”.
- It was said that this criterion requires to have a plan for the whole period, and to make it auditable to have intermediate targets no greater than 5 years. This leaves space to develop a new plan after the initial 5 years.
- The 4 sub criteria of b) were changed to singular.
- It was added that this can be complemented through the Guidance. There could be a clear description that a reduction pathway needs to have several milestones and not just one number.
- It was suggested to remove the first “consistent” in b).

# 3 Discussion

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- A concern was raised about ii: It was said that before we have the endorsed methodologies, there must be an allowance for something else that should also apply to this 5-year target. If we keep the wording “science based” while it is not yet available, it will dilute its meaning. The participant expressed preferring to wait until a real science based methodology is available.
- It was thus suggested to add “if available”. This was agreed to.
- It was said that to make sure people do not misuse this, we need to include somewhere what a plan would look like and propose specific guidance or auditing references to assess the pathway.
- It was recommended to agree to key principles for the Guidance, that go together with this criterion. The Secretariat will go through the minutes and write those key principles down.

# 3 Discussion

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- It was said that target is not defined yet.
- “reduction” was added to “intermediate ... target”
- It was suggested to replace pathway by target in 5.3a).
- A participant raised that companies have different targets to follow a pathway: for sourcing, producing, selling, etc. which compose a set of targets. and said that by using singular target we may be limiting ourselves.
- It was replied that this will be addressed in the Guidance.
- The criterion was approved, as displayed on the next slide.
- **ACTIONS** – The ASI Secretariat to gather the key principles for the Guidance.



# 3 Discussion

## 5.3 GHG emissions reductions

a) Entities with Aluminium smelters where ‘mine to metal’# emissions from the production of Aluminium are above 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium, establish an-GHG emissions reduction pathway targets that ensures ‘mine to metal’# emissions are at a level below 16 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by end 2025 and below 12 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by end 2030.

b) All Entities shall establish a GHG emissions reduction plan that ensures a reduction pathway consistent ~~to the achievement of 2050 average global aluminium sector intensities with a below 1.5 degree warming scenario\*. of 2.5\* tonnes of CO<sub>2</sub>-eq per tonne of primary aluminium, or 1.5\* tonnes of CO<sub>2</sub>-eq per tonne of semi-fabricated product. (or we say —“consistent with a ‘below 1.5 degree warming scenario’” (and explain what this means in the Guidance?)).~~

The Entity’s reduction pathway must include an intermediate reduction targets covering a period no greater than five years.

- i. These targets shall address all emissions from mine to “saleable product”.
- ii. These targets shall be developed using a science-based approach, if available\*.
- iii. These targets shall be publicly disclosed.
- iv. Progress against these targets shall be publicly disclosed annually.

\* - using ASI-endorsed methodologies.

## 3 Criterion 5.4

(agreed by SC previously)

**5.3 Aluminium Smelting.** An Entity engaged in Aluminium Smelting shall: Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to limit the Direct GHG emissions.

**5.4 GHG emissions management.** ~~All~~The Entities ~~must~~ shall demonstrate implementation of the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.3 (a) and (b).

- **Note: slight wording revisions to ensure consistency with ‘Standard language’.**
- **Could 5.4 be moved up to be 5.3c? – this would be a more preferable numbering situation.**

# 3 Discussion

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- There was a preference amongst the group to keep the criteria separate in order to separate performance, targets and management components.

## 4 Agreed Upon Actions & Close

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- a. Agree actions (if any)
- b. Secretariat thanks to all participants and close of meeting
- c. Upcoming Meetings for SC:
  - 13 January: PS 5. **All decisions made by this date.**
  - 21 January: **Final Review and All documents Approved for Consultation**
  - February: Review of consultation documents and planning for SC process for post consultation
  - March: Benchmarking/Indicators/Verifiers Discussion

The SC-GHG discussions will be the start for the Guidance, which the GHGWG will start developing in March.

Thank you

**asi** Aluminium  
Stewardship  
Initiative