ASI Chain of Custody (CoC) Standard – Guidance

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ASI Chain of Custody Standard – Guidance

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Introduction

1. Introducing Chain of Custody

The Aluminium Stewardship Initiative (ASI) has developed Chain of Custody (CoC) Certification to support Businesses in the Aluminium value chain that wish to provide their customers and stakeholders with independent assurance of responsible production and sourcing of Aluminium.

A 'Chain of Custody' is a documented sequence of custody of material as it is transferred along the supply chain. Chain of Custody systems can provide an important point of differentiation and confidence in the Business practices involved in the various stages of production.

Certification of these systems provides recognisable assurance to customers, consumers and stakeholders against a known Standard. This can add value to a company's products and help protect and enhance reputation.

Depending on the type of Business, ASI CoC Certification may provide value to Businesses in the Aluminium value chain, when seeking to:

- Support responsible Bauxite Mining, Alumina Refining and Aluminium Smelting practices.
- Support responsible recycling and stewardship of Aluminium.
- Reduce Business liability costs.
- Enhance reputation through responsible sourcing.
- Conduct Due Diligence of the supply chain.
- Access reliable data on sustainability metrics of Aluminium.
- Respond to the requests of customers, both Business to Business and retail.
- Expand markets and increase customers or defend existing markets.
- Meet or prepare for regulatory Compliance requirements.

Participating in a Chain of Custody program is an individual Business decision. The costs and benefits of introducing Chain of Custody systems within a Business are usually linked to:

- The optimisation of Business Activities and supply chains;
- The development and implementation of new CoC systems;
- The speed at which benefits can be realised to make the investment viable.

ASI CoC Certification is optional for ASI Members, though encouraged, because of ASI's commitment to Compliance with anti-trust laws, while a commitment to ASI Certification against the **ASI Performance Standard** is compulsory for Businesses in the ASI membership classes 'Production and Transformation' and' Industrial Users'. ASI Members seeking CoC Certification are required to be certified against the **ASI Performance Standard** first or, if active only in Post-Casthouse activities, demonstrate that they will achieve **ASI Performance Standard** certification within two years of joining ASI.

The **ASI Performance Standard** aims to promote responsible production of Aluminium, including Bauxite Mining, Alumina Refining and Aluminium Smelting at the start of the primary production supply chain. The **ASI Performance Standard** covers a range of key issues for these supply chain activities including Greenhouse Gas emissions, management of Bauxite Residue, Dross and Spent Pot Lining (SPL), Biodiversity and Ecosystem Services management, and Human Rights, especially gender, Labour Rights and Indigenous Peoples' rights. In addition to 'material stewardship', these issues are considered by ASI to be the current 'hotspot issues' in the Aluminium value chain when setting the **ASI Performance Standard**. The **ASI CoC Standard** is designed to drive increased uptake of the **ASI Performance Standard** and thus drive good practice in these areas.

ASI's long-term objective is to increase the supply of, and demand for, ASI Aluminium through the global value chain to improve the industry's performance and provide independent assurance of responsible production, sourcing and stewardship of Aluminium, through implementation of the **ASI CoC Standard** .

2. Key Sections for ASI Chain of Custody

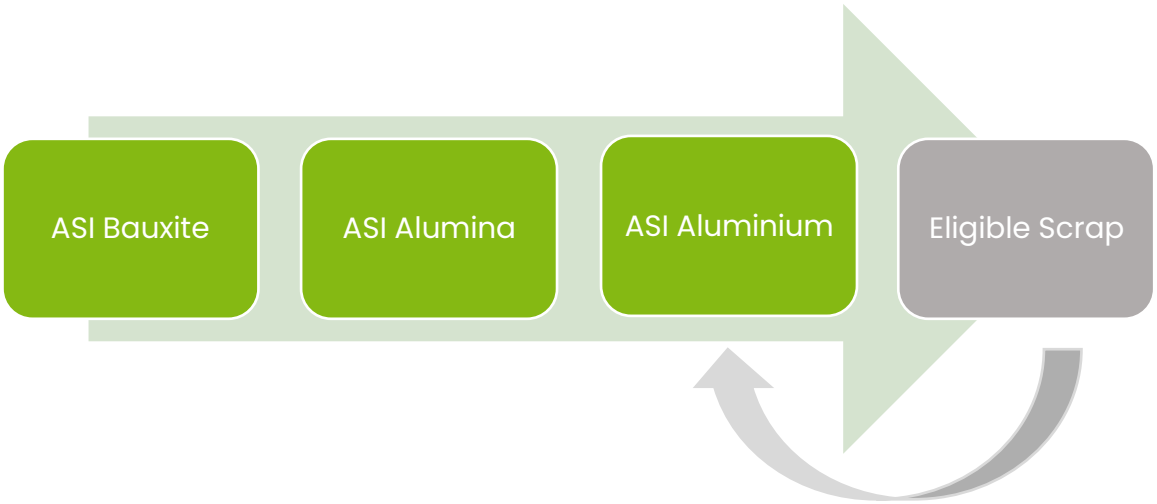
The ASI Chain of Custody (CoC) Standard has been designed around the following key principles:

- CoC Certification can be sought by Entities at a Business or Facility level.
- Primary Aluminium and Recycled Aluminium metal flows are specifically addressed.
- The main focus is on the flow of CoC Material, rather than on the stock of Material at any point in the supply chain.
    - Criteria for confirming eligible Inputs of CoC Material into the Certification Scope of a CoC Certified Entity are set out.
- Non-CoC Material is subject to Due Diligence addressing key aspects of the ASI Performance Standard.
    - A Mass Balance System allows for CoC and Non-CoC Material to be mixed over a defined period, and at any stage in the supply chain without loss of CoC Material status. CoC Documents are used to transfer required and optional information about CoC Material to the next Entity.
- The overall aim is to recognise and reward uptake of the ASI Performance Standard through diverse Aluminium supply chains.

3. What is CoC Material?

CoC Material is a collective term for ASI Bauxite, ASI Alumina and ASI Aluminium produced by ASI CoC Certified Entities in accordance with the **ASI CoC Standard**.

Figure 1 – Types of CoC Material



At various points in the **ASI CoC Standard**, the term 'CoC Material' may be used to mean any of these, or one of the specific terms above may be used instead. Eligible Scrap is another kind of Input/Output but is not CoC Material until it is designated ASI Aluminium by the relevant Entity, so is referred to separately.

Throughout this **ASI CoC Standard** the use of the terms Input and Output, Inflow and Outflow, Intra-Entity Flow are used.

Input and **Output** refer specifically to the flow of CoC Material into and out of an Entity's Certification Scope.

Intra-Entity Flow is used when the CoC Material moves between supply chain activities within an Entity's Certification Scope.

Inflow and **Outflow** is the flow of all material, encompassing both CoC and Non-CoC, into and out of an Entity and/or its supply chain activities.

4. CoC Systems in the ASI CoC Standard

The Mass Balance System is a very common approach for commodity supply chains where segregation of CoC and Non-CoC Material is impossible or prohibitively costly. It also makes sense where there is no physical difference between CoC and Non-CoC Material (such as Aluminium but unlike, for example, organic agricultural produce), and the aim, as for ASI, is to support responsible production practices at an industry rather than a product level.

In the Mass Balance System, mixing of CoC and Non-CoC Material is allowed over a defined period, and at any stage of the production process. This means that CoC status is allocated to a share of CoC Material after each stage of mixing, equivalent to the share of CoC Material entering the mixing process, so there is no guarantee of 'certified product' at an atomic level. However, the CoC Material quantities are monitored through a Material Accounting System to ensure that these are in proportion. Every stage where further processing or mixing occurs requires CoC Certification to retain CoC status for eventual Output from the Entity's Certification Scope.

Under a Mass Balance System, the key internal controls involve:

- Determining which Inflows and/or Outflows are eligible to be CoC Material (Sections 3, 4, 5 and 6)
- Performing the relevant accounting and reconciliation over the defined period, to determine Inputs of CoC Material and how these can be allocated to Outputs (Section 8)
- Collecting and passing on relevant data for CoC Documents and related claims (Sections 9, 10 and 11).

5. Key Stages for Material Flows in the Aluminium Value Chain

The **ASI CoC Standard** defines three key stages for the flow of Material through supply chains. These stages can involve quite different kinds of Entities responsible for handling raw materials, metal production, and further fabrication and manufacturing into final products:

- **Primary Aluminium**: Bauxite mine to Alumina refinery to Aluminium smelter to Aluminium casthouse.
- **Recycled Aluminium**: Collected Scrap to Aluminium Casthouse.
- **Semi-fabrication and manufacturing**: Cast Aluminium to Semi-Fabrication to manufacturing into final product.

Figure 2 – Key Stages for Material Flow, Centred Around the Casthouse

The Casthouse

Casthouses (for both primary and recycled production) represent the common starting point for Post-Casthouse Semi-Fabrication of Aluminium and subsequent downstream manufacturing.

Casthouse Inflows can include Aluminium in Liquid Metal form, tapped from electrolytic pots in Aluminium smelters or fromrefiner/re-melter processes or in the form of Cold Metal, such as remelt ingots and alloying elements.

Casthouse products come in a variety of shapes, weights and alloy specifications, depending on customer or market requirements, and include:

- Remelt ingots – non-alloyed metal used as the input to alloy casting;
- High purity ingots (from 99.99% to 99.9999% Aluminium content by mass) – used for the manufacture of super purity and other products;
- Foundry alloy ingots – for subsequent melting and secondary casting (sand, permanent and die casting), particularly in the automotive sector;
- Wrought alloys:
    - Rolling and sheet ingots, blocks and slabs – for the production of plates, strip and foil;
    - Extrusion billets – for extruded profiles;
    - Wire rod – for high voltage cable and wire production;
    - High purity in various shapes – for electronics and technical applications.
- In some cases, alloys shipped directly to a customer in Liquid Metal form for direct shapes casting, without the need for further remelting of a Cold Metal ingot.

Some Casthouse Products may be used for further in-house Semi-Fabrication processes, delivered directly to external customers (including other casthouses), or indirectly delivered to customers via Third Party warehouses, Traders or exchanges. The sections below focus on the Entities in each of these stages which *transform* physical material through the Aluminium value chain.

a. Primary Aluminium

Two thirds of the world's Aluminium Semi-Fabrication demand is currently met from Primary sources[1].

Primary Aluminium activities are globally distributed. In 2020, Bauxite Mining was concentrated in Australia, Brazil, China, Guinea, India and Indonesia, which collectively accounted for around 90% of global Bauxite production[2]. The majority of Alumina Refining takes place in Australia, Brazil, China and India, which in 2020 represented more than 80% of global Alumina production[3]. Aluminium Smelting is an activity predominantly undertaken in China, which alone accounted for almost 60% of global Primary Aluminium production in 2020. The Gulf Cooperation Council (GCC) region is the second largest producer at almost 10% of global supply, with Eastern and Central Europe, North America and Western Europe producing a further 5-6% each.[4]

The concentration of Primary Aluminium production in a few regions is echoed in the relative concentration in ownership of the sector, with the top ten producer companies accounting for almost 50% of global Primary Aluminium production in 2020[5].

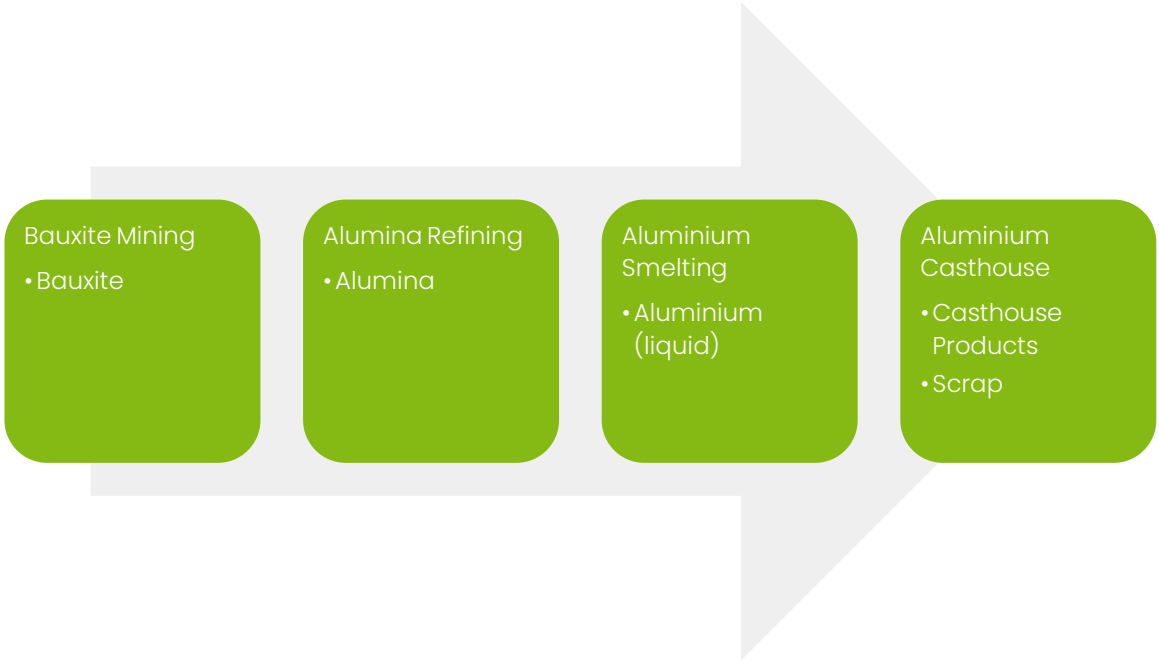
Historically Bauxite Mining, Alumina Refining and Aluminium Smelting stages of the Aluminium value chain were vertically integrated. Bauxite was transported from resource rich areas to nearby Alumina refineries, which shipped Alumina to areas with plentiful, long-term and competitively priced power, large quantities of which are required by Aluminium smelters. These produced a generally globally priced commodity, the whole supply chain under the control of an owner or consortium of owners. In recent years, in particular driven by and in response to the growth of the Chinese Aluminium industry, seaborne Bauxite transportation has expanded rapidly, with Alumina Refining not necessarily co-located with Bauxite mines. Differential pricing of Bauxite and Alumina as commodities in their own right has followed dis-integration of the Primary Aluminium supply model. Today the sector is much more heterogeneous than in the 20th century, with vertically integrated producers sitting alongside pure Bauxite miners, Bauxite miner-Alumina refiners and Aluminium smelters (some of which are beginning to re-integrate upstream to secure access to raw materials).

Usually, though not always, Aluminium smelters operate co-located casthouses, which cast the liquid metal tapped from the electrolytic Aluminium Smelting process into solid (sometimes alloyed) forms. It is important to note that casthouses attached to Aluminium smelters often have an Inflow of Cold Metal in addition to electrolytic Liquid Metal. For production reasons, this may come from other Aluminium smelters or re-melters/refiners than those that provide the Liquid Metal Input. Smelter casthouses may also re-melt Internally Generated Scrap, such as off-specification production or offcuts, and may add Liquid Metal internally recovered from Dross from the melting and holding

[1] https://alucycle.international-aluminium.org/
[2] https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-bauxite-alumina.pdf
[3] https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-bauxite-alumina.pdf
[4] http://www.world-aluminium.org/statistics/primary-aluminium-production/ (2020 data)
[5] Calculated from https://www.statista.com/statistics/280920/largest-aluminum-companies-worldwide/ (2020 data) and http://www.world-aluminium.org/statistics/primary-aluminium-production/

furnaces. Externally generated Recyclable Scrap Material, such as Pre-Consumer Scrap from nearby semi-fabricators, may also form part of the Inflow to smelter casthouses.

Figure 3 – Primary Aluminium



b. Recycled Aluminium

In 2019, recycling of Recyclable Scrap Material met more than one-third of global demand for Aluminium[6]. Recycling Inflows can be pre-consumer, such as from processing and manufacturing of Aluminium and Aluminium-containing products (e.g. Dross), and post-consumer, including from packaging (e.g. used beverage cans and flexible, mixed-material applications), transport (e.g. shredded automobile bodies or engine blocks), building and construction applications such as window frames or curtain walling and durable consumer items like mobile phones.

Unlike Primary Aluminium production, the Recycled Aluminium value chain is in fact a number of chains, often tied to specific types of Recyclable Scrap Material, alloy or form of metal product. Many of these chains are highly fragmented, with tens of thousands of entities, including large companies through to small to medium enterprises (SMEs) as well as public sector municipal collection programs, involved at various stages. A large proportion of Post-Consumer Scrap has historically

[6] IAI (2021) IAI Material Flow Model – 2021 Update https://international-aluminium.org/resource/iai-material-flow-model-2021-update/

been collected, sorted and recycled in the informal sector, with success in terms of metal recovered, but with the potential for less control over environmental, social and governance risks.[7]

While some applications (e.g. packaging) have short product in-use lifetimes before being recycled, others (e.g. cars, building windows) have much longer lifetimes lasting in the tens of years. Overall, the global market demand for Aluminium is growing, so primary production is still needed since the available quantity of End-of-Life Aluminium falls considerably short of demand. Recycling of Aluminium brings considerable environmental benefits and Aluminium's ready recyclability is one of its key benefits.8 One third of the world's Aluminium Semi-Fabrication demand is currently met from Recycled Aluminium, 20 million tonnes of Post-Consumer and 14 million tonnes of Pre-Consumer Scrap in 20199.

Casthouses for Recycled Aluminium, in addition to scrap, often have an Inflow of Cold Metal which may be sourced from other casthouses. Casthouses may also re-melt Internally Generated Scrap, such as off-specification production or offcuts, and may add metal internally recovered from Dross from the melting and holding furnaces, though these neither leave nor enter the Certification Scope boundary and are thus not relevant in a mass-balance system.

The Aluminium recycling industry is not a singular or homogenous sector but its players, in addition to the collectors, dismantlers, shredders, scrap metal merchants and waste management companies that enable recycling to happen, can broadly be categorised as re-melters or refiners. Re-melters tend to be larger enterprises and closer in corporate structure to Primary Aluminium producers. They process well sorted Post-Consumer and Pre-Consumer Scrap into mostly wrought alloys, remelting scraps of a certain alloy type to produce metal with the same alloy specification. These wrought alloys are used in producing rolled and extruded products and this process lends itself well to Closed Loop Recycling systems. Refiners on the other hand tend to be smaller enterprises and they take in scrap of mixed types and produce (mainly casting) alloys to order. Refiners will often also process Dross and produce deoxidation metal for use in the steel industry.[10]

c. Semi-fabrication and Manufacturing

There is significant variability in the type of downstream sectors and segments that process and use Aluminium.

Semi-Fabrication of Aluminium is usually the first step in the Post-Casthouse supply chain activity as defined by the ASI CoC Standard, in the form of extrusion, rolling, casting of shapes and other

[7] An ISO process has *developed ISO IWA 19 Guidance Principles for the Sustainable Management of Secondary Metals* as a means to help stimulate formalisation of such enterprises and the development of enabling government Policy frameworks: http://www.iso.org/iso/home/store/catalogue_tc/catalogue_detail.htm?csnumber=69354

[8] IAI (2018) Aluminium Recycling http://recycling.world-aluminium.org/

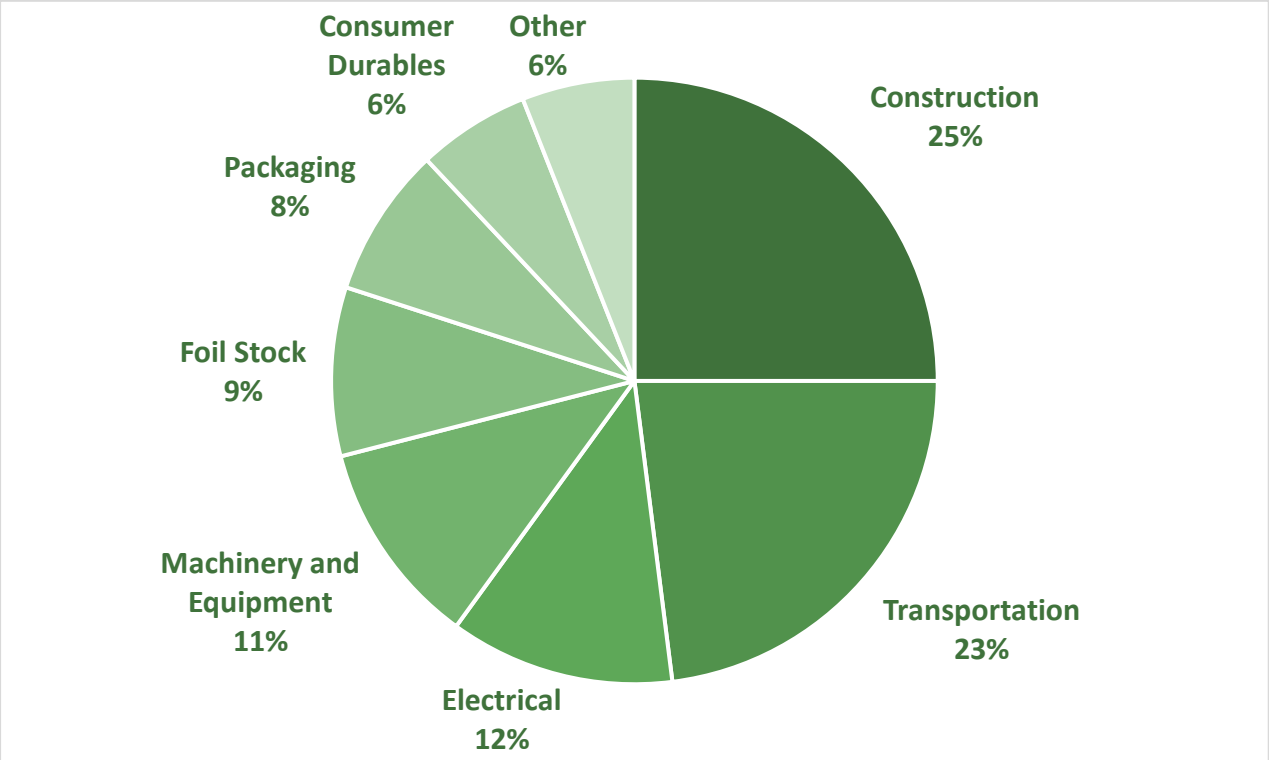
[9] IAI (2021) The Global Aluminium Cycle https://alucycle.international-aluminium.org/

[10] IAI (2009) Global Aluminium Recycling: A Cornerstone of Sustainable Development https://www.world-aluminium.org/media/filer_public/2013/01/15/fi0000181.pdf

speciality processes (for example, to produce powders, flakes and pastes) that can create a very wide range of products as inputs to subsequent manufacturing.

Semi-Fabrication processes can include, but are not limited to, shape-casting foundries, sheet- and foil- producing rolling mills, extrusion presses, forging and stamping plants and cable producers. These turn Cold or Liquid Metal forms from casthouses into products that are used by downstream manufacturers and fabricators prior to final product producers. All these processes and types of Business are encompassed in the Post-Casthouse supply chain activity.

Figure 4 – Aluminium Semis Demand by Consuming Segment (2020)



d. Traders

Traders cannot be certified under the ASI Constitution – they do not transform physical material and so do not have obligations under the **ASI Performance Standard** or **ASI CoC Standard.** However, CoC Material that moves through the control of Third Parties, including Traders but also shipment companies and warehouses, must be identifiable and linked to CoC Documents, as per Section 9, sufficient to verify the corresponding shipment.

Some producers of Bauxite, Alumina and/or Aluminium also trade in these materials without transforming them. In these instances, they would be considered a Trader under the Standard for their trading activities (criteria 3.1 c(ii), 3.2 c(ii), 3.3 c(ii), 5.1 c(ii), 6.1 c(ii). For their transforming activities they would be subject to the criteria relating to sourcing and production.

6. ASI Aluminium Eligibility

The **ASI CoC Standard** sets out the Management Systems required to confirm eligible Inputs of CoC Material (ASI Bauxite, ASI Alumina and ASI Aluminium) and Eligible Scrap. Non-CoC Material (including Recycled Scrap Material that is not Eligible Scrap) is material that does not meet the requirements of Section 3, 4, 5, and 6 of the CoC Standard, therefore is subject to Due Diligence as described under Section 7.

Under the Mass Balance System, these various Inflows can be mixed at each stage (although not between types of CoC Material – i.e. ASI Bauxite, ASI Alumina, ASI Aluminium and Eligible Scrap cannot be mixed with each other), and the quantities of CoC Material Output are controlled according to the requirements in Section 8 of the **ASI CoC Standard**.

Inputs of CoC Material to the Certification Scope of an Entity can only be from supplier Entities certified against both the **ASI Performance Standard** and the **ASI Chain of Custody Standard**, unless the supplier Entity is active only in Post-Casthouse activities and can demonstrate that they will achieve **ASI Performance Standard** Certification within two years of joining ASI.

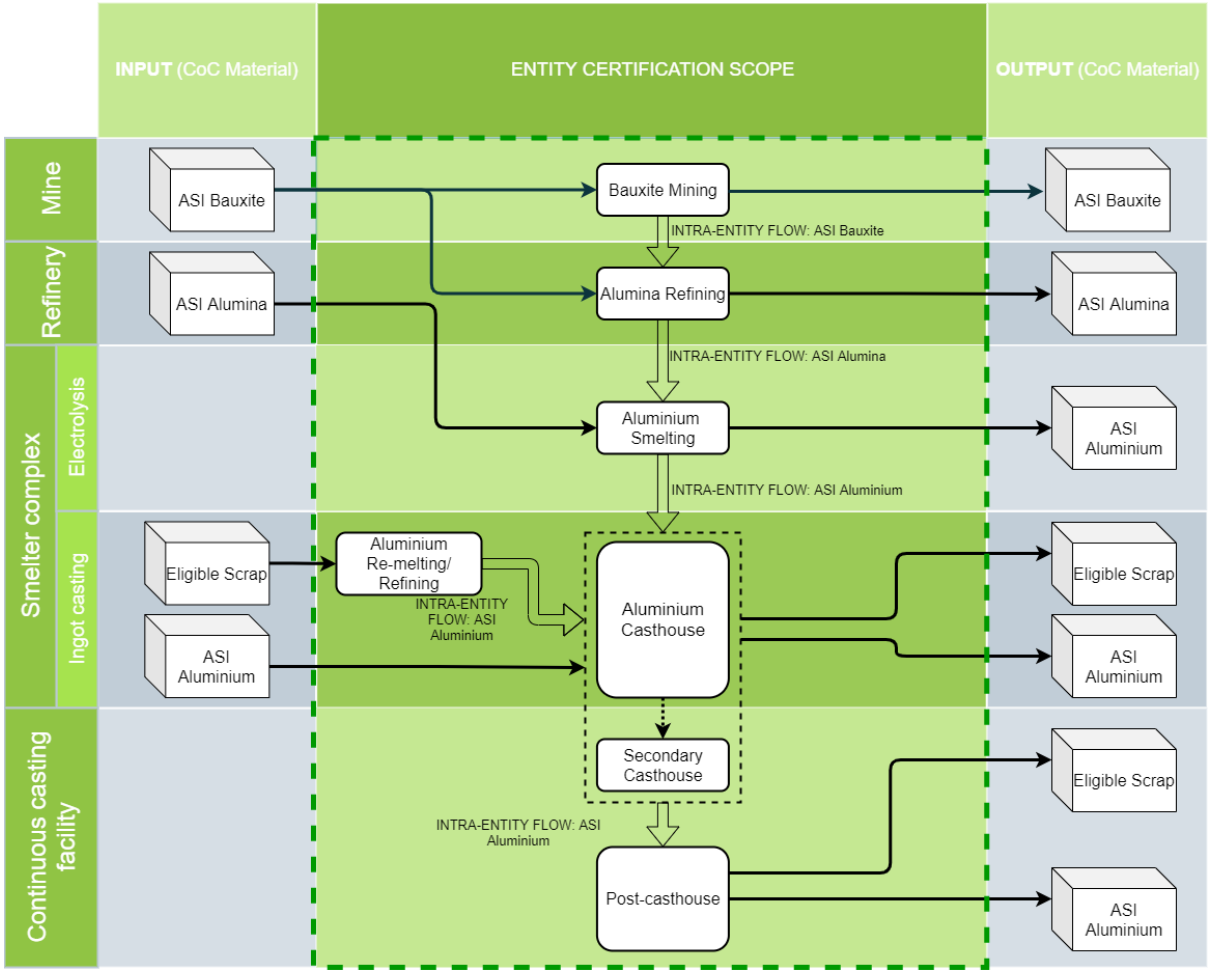
This means that CoC Material and Eligible Scrap comes from Facilities that are:

- Certified against the ASI Performance Standard, with exception of Entities active only in Post-Casthouse activities as mentioned above, 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.

Sections 3, 4, 5, and 6 focus on sourcing of CoC Material, to support a Chain of Custody for this material as it is transferred to successive Entities. However, unlike CoC Material, Non-CoC Material and Recyclable Scrap Material does not necessarily come with information about provenance, so is subject to Due Diligence requirements in Section 7.

Figure 5 illustrates flows for an Entity with multiple Facilities and multiple supply chain activities within its CoC Certification Scope. Due Diligence can be applied at a whole of Entity level or at a Facility/supply chain activity level for Non-CoC Material, including Recyclable Scrap Material, directed to Non-CoC Certified suppliers outside of the Entity's Certification Scope.

Figure 5 – Flows of CoC Material and Eligible Scrap for a Theoretical Entity with Certification Scope Across Multiple, Integrated Supply Chain Activities (Inflows and Outflows of Non-CoC Material, while not shown, follow the same flows as CoC Material and Eligible Scrap Inputs and Outputs).



Joint Venture

Joint Venture arrangements involving multiple shareholders are common in the Aluminium industry, due to the significant capital investment required to establish new facilities and historical strategies to secure supplies of metal for fabricating sectors. These facilities are often operated on a tolling basis, whereby the shareholders are entitled to a share of production output.

For the ASI CoC Standard, an ASI Member with ASI Performance Standard Certification that has equity in, but not Control of, a Joint Venture Entity may receive a share of physical material Output, which they would Control from the point of receipt. The CoC Certified Entity that Controls the Joint Venture would need to ensure that such Output in the form of CoC Material to Joint Venture partners is accounted for in their Material Accounting System.

From the point of receipt and in order to pass on CoC Material and associated claims to their own customers, the non-controlling partner would need to achieve ASI CoC Certification in their own right. This will require ASI membership in the Production and Transformation or Industrial User membership class. The Joint Venture partner's CoC Certification Scope will refer to the CoC Certified Joint Venture Entity from which they receive their share of production. In this way, the material accounting and information flow for this production share continues to fall under the requirements of the ASI CoC Standard and is audited accordingly.

The ASI CoC Standard is a Mass Balance Model, so CoC status is 'allocated'. Joint Venture parties must thus determine how CoC Material status is to be distributed to each party's production share. CoC Material may be allocated proportionally according to equity or production share, or any other way to be agreed. This is a matter to be determined by the parties under the Joint Venture agreement.

ASI CoC Certification is not relevant for non-controlling Joint Venture shareholders that do not take receipt of CoC Material.

ASI Chain of Custody (CoC) Standards Guidance

About this Guidance

The **ASI CoC Standard** outlines the requirements for CoC Certification. This **ASI CoC Standard Guidance** has been developed as a resource to assist ASI Members seeking CoC Certification, and for ASI Accredited Auditors carrying out independent Third Party Audits. It provides general guidance to Businesses wishing to implement systems and procedures that can comply with the **ASI CoC Standard.**

The **ASI CoC Standard** and **ASI CoC Standard Guidance** is structured in three sections:

A. **Sections 1– 2. General CoC Management:** Management System and Responsibilities; Outsourcing Contractors.
B. **Sections 3 – 7. Confirming Eligible Inputs:** Primary Aluminium; Recycled Aluminium; Casthouses; Post-Casthouse; Due Diligence.
C. **Sections 8 – 11. CoC Accounting, Documentation and Claims:** Material Accounting System; Issuing CoC Documents; Receiving CoC Documents; Claims and Communications.

Like the **ASI Performance Standard**, the **ASI CoC Standard** sets out requirements for what a Business must be able to do but does not prescribe how systems and procedures are designed and implemented to achieve this. The **ASI CoC Standards Guidance** therefore offers background, explanation and points to consider for implementation, however the guidance is not normative and should be seen as a starting point for information and support where required. The **ASI CoC Standard** is the final point of reference.

Summary of Applicability

In Table 1 below, the top row sets out relevant stages in the Aluminium supply chain and the left-hand column sets out the eleven sections in the **ASI CoC Standard**. The shading highlights applicable requirements for each stage. Out of the eleven sections, a subset is applicable to an individual supply chain activity, as highlighted in green and orange (where relevant). An Entity may have more than one supply chain activity in their CoC Certification Scope.

Table 1 – Applicability of Sections in the ASI CoC Standard to Various Stages in Aluminium Supply Chains

Code:

Applicable	Applicable if relevant	Not Applicable

Supply Chain Activity Sections	Bauxite Mining	Alumina Refining	Aluminium Smelting	Aluminium Re-Melting/ Refining	Casthouses	Post-Casthouse
1. Management System and Responsibilities						
2. Outsourcing Contractors						
3. Primary Aluminium						
4. Recycled Aluminium						
5. Casthouses						
6. Post-Casthouse						
7. Due Diligence						
8. Mass Balance System						
9. Issuing CoC Documents						
10. Receiving CoC Documents						
11. Claims and Communications						

A. General CoC Management

1. Management System and Responsibilities

Section 1 outlines the general elements of Management Systems an Entity needs to implement effectively the ***ASI CoC Standard****. An Entity may consist of a single Facility or multiple Facilities but must be under the Control of an ASI Member to link to the ASI's membership obligations and the* ***ASI Complaints Mechanism****. The criteria in this Section can usually be integrated into existing Management Systems relevant to managing sales, procurement and inventory.*

Background

The ability for a Member/Entity to conform with the **ASI CoC Standard** will typically require a Management System in place to address all applicable parts of the Standard.

For a Management System to work effectively:

- People must be trained and competent to understand their responsibilities.
- Processes must be established to define what tasks and work activities need to be carried out.
- Appropriate data and records management is required to ensure consistent, measurable and traceable results.

In practice, the Management Systems that will be developed for the **ASI CoC Standard** will take many different forms depending on a range of factors, such as:

- The nature of Business Activities.
- The types of materials being handled.
- The number, size and scale of relevant Facilities.
- The level of integration with IT systems.
- The degree of automation of processes.

Depending on these factors, an appropriate Management System for a given CoC Certification Scope might be:

- Implemented at a Facility level and/or at an Entity (whole of business) level.
- Developed as a new Management System, or extended or adapted from existing Management System/s.

The Entity can consider how best to design its Management System to meet the **ASI CoC Standard**, noting that it may evolve over time and with implementation experience.

Note that ASI is bound by its **ASI Anti-Trust Compliance Policy** and **ASI Confidentiality Policy** in dealing with commercially sensitive information. These policies are available on the ASI website at https://aluminium-stewardship.org/about-asi/legal-finance-policies/

What is the 'Entity'?

*The **ASI CoC Standard** puts responsibilities on the 'Entity'.*

An Entity can therefore be an ASI Member as a whole, or under the Control of an ASI Member, such as a division of the Business, a group of related Facilities or a single Facility.

*The CoC Certification Scope needs to set the boundaries for the Inputs and Outputs of all CoC Material across the Entity (including any Outsourcing Contractors). The Entity defines what is in its CoC Certification Scope as part of the initial Self-Assessment process. For more information on how to do this, see the **ASI Assurance Manual**.*

Implementation

1.1 ASI Membership

The Entity seeking CoC Certification shall be an ASI Member in good standing in the Production and Transformation or Industrial Users membership classes, or under the Control of such an ASI Member, thereby committing to comply with ASI's membership obligations and the ASI Complaints Mechanism.

Application

This criterion applies to all Facilities.

Implementation

ASI Members in the Production and Transformation and Industrial Users membership classes are the only types of organisations eligible to seek ASI Certification.

ASI membership covering the Entity seeking CoC Certification means that the Entity has committed to ASI's membership obligations, which include:

- Being bound by ASI's Constitution.
- Agreeing to support ASI's mission.
- Not engaging in any activity which would be likely to bring ASI into disrepute.
- Agreeing that ASI membership and/or Certification may be terminated, withdrawn or suspended due to its actions or omissions, including as a result of the outcomes of any ASI Complaints Mechanism process.

- Agreeing to comply with the ASI Anti-Trust Compliance Policy.
- Agreeing to comply with ASI's requirements regarding the use of ASI's logo and ASI-related claims.

Current ASI Members and their Certification Status are listed on the ASI website in their membership class at: http://aluminium-stewardship.org/about-asi/current-members/.

If there is any question as to whether the Entity falls within the Control of an ASI Member, contact the ASI Secretariat: info@aluminium-stewardship.org.

1.2 CoC Management System

The Entity shall have a Management System that addresses all applicable requirements of the ASI CoC Standard, in all Facilities within the Entity's CoC Certification Scope that take Custody of CoC Material.

Application

This criterion applies to all Facilities.

Implementation

A Management System can take many different forms; however, it should be effective across the defined CoC Certification Scope of the Entity seeking CoC Certification.

The applicable requirements of the **ASI CoC Standard** can often be integrated into existing Management Systems relevant to managing sales, sourcing, process flow and/or inventory and used to fulfil quality management requirements such as for ISO 9001.

Supporting procedures for CoC Management Systems should reflect the scale and complexity of the operations to which they will apply and be available at the point of use.

Implementation - Material Accounting System

Note that for all Entities, the Management System must include a Material Accounting System (see Section 8).

1.3 CoC Management System Monitoring

The Entity shall ensure that the Management System for criterion 1.2 is periodically reviewed and updated in light of implementation experience and to address potential areas of Non-Conformance.

Application

This criterion applies to all Facilities.

Implementation

Management Systems should be regularly reviewed: at least every five years is recommended though this may be done more frequently as required.

Personnel should be encouraged to identify potential improvements to the CoC Management System.

Revisions should strive for continuous improvement and take account of:

- The company's experience gained during implementation.
- The findings of internal reviews or audits.
- Recommendations from ASI Audits.
- The introduction of new or revised requirements in ASI Standards.
- The need for additional training and/or communications measures.

1.4 Management Representative

The Entity shall have at least one Management Representative with overall responsibility and authority for the Entity's Conformance with all applicable requirements of the ASI CoC Standard.

Application

This criterion applies to all Facilities.

Implementation

Make sure there is a clear designation of a responsible manager with appropriate responsibility and authority for the **ASI CoC Standard**.

This should be someone who can effectively interface with all the relevant parts of the Business that will have responsibilities for Conformance with the **ASI CoC Standard**.

The Entity may consider how internal co-ordination can be enhanced, for example through an internal working group or committee, and/or by including it on the agenda of regular management meetings.

1.5 Communications and Training

The Entity shall establish and implement communications and training measures that make relevant personnel aware of and competent in their responsibilities under the ASI CoC Standard.

Application

This criterion applies to all Facilities.

Implementation

The responsible manager in criterion 1.4, or their delegate, will usually oversee training and communications for relevant personnel.

It is good practice to keep records of training material, and a register of when training and/or communications were delivered, to which personnel.

1.6 Records Management

The Entity shall maintain up to date records covering all applicable requirements of the ASI CoC Standard and shall retain them for a minimum of five years.

Application

This criterion applies to all Facilities.

Implementation

Records may be kept for longer than five years in accordance with regulatory requirements or the Entity's internal Policy.

1.7 Reporting to ASI Secretariat

The Entity shall report the following information (as applicable) to the ASI Secretariat, via the appropriate reporting form, by 30 June of the year following the end of each calendar year:

a. Input and Output Quantities of CoC Material/s to/from the Certified Entity over the calendar year.
b. Input and Output Quantities of Eligible Scrap to/from the Certified Entity over the calendar year.
c. Inflow and Outflow Quantities of Non-CoC Material/s to/from the Certified Entity over the calendar year.
d. Positive Balance carried over to the subsequent Material Accounting Period, if any.
e. Positive Balance used, if any.
f. Internal Overdraw drawn down from the subsequent Material Accounting Period, if any.

For Entities with more than one type of CoC Material Output:

g. Quantities of CoC Material/s transferred between supply chain activities within the CoC Certified Entity (Intra-Entity Flows) over the calendar year.

Application

This criterion applies to all Facilities.

Criterion 1.7(d) only applies to Entities that carry over a Positive Balance.

Criterion 1.7(e) only applies to Entities that draw down a Positive Balance from the previous year.

Criterion 1.7(f) only applies to Entities that draw down an Internal Overdraw.

Background

The ASI Secretariat requires reporting of this required information to enable oversight of **ASI CoC Standard** implementation at a whole of value chain-level, to:

- Detect potentially fraudulent or non-conformant behaviour through the identification of anomalies in aggregate Inputs and Outputs.
- Support ASI's Monitoring and Evaluation program designed to assess ASI's overall impacts and progress towards desired changes in the **ASI Theory of Change**.

The individual data reported to the ASI Secretariat will be kept secure and confidential and will not be made publicly available. It will be used to support aggregate reporting where relevant.

- Note that ASI is bound by its **ASI Anti-Trust Compliance Policy** and **ASI Confidentiality Policy** in dealing with commercially sensitive information. These policies are available on the ASI website at https://aluminium-stewardship.org/about-asi/legal-finance-policies/

Implementation

Data reporting is via a reporting form administered by the ASI Secretariat, with submitted data due on the 30th June after the end of the reporting calendar year.

As the submitted data needs to be reviewed by the ASI Secretariat and potentially corrected by the Entity, it is recommended that the Entity initiates the reporting process by the beginning of June at the latest.

An Entity is free to choose its own Material Accounting Period, however the ASI Secretariat requires reporting of the information in criterion 1.7 on a calendar year basis. This may be a consideration for your choice of Material Accounting Period and/or the design of your Material Accounting System, to enable streamlining of reporting.

Calendar year is 1st January to 31st December inclusive.

Material quantities should be accurately recorded and available from the Entity's Material Accounting System, and if necessary, re-calculated for the calendar year where this is different from the Entity's defined Material Accounting Period.

Input and Output Quantities are the mass of CoC Material that enter or leave the boundaries of a Certification Scope. Given that Certification Scopes can include activities with multiple CoC Material types (ASI Bauxite, ASI Alumina or ASI Aluminium), with a non-linear relationship in terms of relative mass, Non-CoC quantities are also required to be reported.

Intra-Entity Flows, that is to say quantities of CoC Material that move between supply chain activities within an Entity's Certification Scope, are also required to verify that Outputs do not exceed Inputs when multiple supply chain activities are within an Entity's Certification Scope and in visualisation of sector-wide CoC Material flows.

Implementation – Reporting

Criteria 1.7(a), 1.7(b) and 1.7(c) require Entities to report Input and Output Quantities of CoC Material and Eligible Scrap (where relevant) and Non-CoC Material Inflows and Outflows. This means reporting:

- When Bauxite mine/s in Certification Scope:
    - Input Quantity of ASI Bauxite to the Entity from ASI Certified Bauxite mine/s outside the Certification Scope of the Entity.
    - Bauxite production of the Entity.
    - Quantity of non-ASI Bauxite to the Entity from Bauxite mine/s outside the Certification Scope of the Entity.
    - Output Quantity of ASI Bauxite from the Entity to Bauxite mine/s or Alumina refinery/ies outside the Certification Scope of the Entity.
    - Bauxite mass is expressed in dry tonnes.

- When Alumina refinery/ies in Certification Scope:
    - Input Quantity of ASI Bauxite to the Entity from Bauxite mine/s outside the Certification Scope.
    - Quantity of non-ASI Bauxite to the Entity from Bauxite mine/s outside the Certification Scope of the Entity.
    - Output Quantity of ASI Alumina from the Entity to Aluminium smelter/s outside the Certification Scope of the Entity.
    - Bauxite mass is expressed in dry tonnes.

- When Aluminium smelter/s in Certification Scope:
    - Input Quantity of ASI Alumina to the Entity from Alumina refinery/ies outside the Certification Scope.
    - Quantity of non-ASI Alumina to the Entity from Alumina refinery/ies outside the Certification Scope of the Entity.
    - Output Quantity of ASI Aluminium (Liquid Metal) from the Entity to casthouse/s outside the Certification Scope of the Entity.

- When re-melter/refiner/s in Certification Scope
    - Input Quantity of Eligible Scrap (Post-Consumer and Pre-Consumer) to the Entity from Businesses outside the Certification Scope of the Entity.
    - Quantity of Recycled Scrap Material that is Eligible Scrap to the Entity from Businesses outside the Certification Scope of the Entity.
    - Output Quantity of ASI Aluminium (Liquid Metal) from the Entity to casthouse/s outside the Certification Scope of the Entity.
    - Where possible, the Post-Consumer and Pre-Consumer share of Input Quantities of Eligible Scrap, should be reported.
    - This data will be used for ASI impacts reports to communicate Pre-Consumer and Post-Consumer flows, alongside flows of Primary ASI Aluminium.

- When casthouse/s in Certification Scope:
    - Input Quantity of ASI Aluminium to the Entity from Aluminium smelter/s, re-melter/refiners and/or casthouse/s outside the Certification Scope of the Entity.
    - Quantity of non-ASI Aluminium to the Entity from Aluminium smelter/s, re-melter/refiners and/or casthouse/s outside the Certification Scope of the Entity.
    - Output Quantity of ASI Aluminium from the Entity to casthouse/s and/or post-casthouse Facilities outside the Certification Scope of the Entity.
    - Output Quantity of Eligible Scrap (Pre-Consumer) from the Entity to casthouse/s outside the Certification Scope of the Entity.

- When post-casthouse/s Facilities in Certification Scope:

- Input Quantity of ASI Aluminium to the Entity from casthouse/s outside the Certification Scope of the Entity.
- Quantity of non-ASI Aluminium to the Entity from casthouse/s outside the Certification Scope of the Entity.
- Output Quantity of ASI Aluminium from the Entity.
- Output Quantity of Eligible Scrap (Pre-Consumer) from the Entity to Businesses outside the Certification Scope of the Entity.

The Positive Balance an Entity would like to carry over to the next year from a current calendar year or use from the previous year should be reported to ASI for each CoC Material separately.

As an Internal Overdraw can occur only under a Force Majeure situation, it should not be a common occurrence. An Internal Overdraw is where the Entity's Material Accounting System allows the Output Quantity to temporarily exceed the Input Quantity in a Material Accounting Period. For more guidance on Internal Overdraw, consult criterion 8.8.

Criterion 1.7(g) requires Entities to report quantities of CoC Material flowing between supply chain activities *within* an Entity's Certification Scope, when more than one type of CoC Material is Output by the Entity.

Auditing

For the Certification Audit, the ASI Accredited Auditor would look at readiness of the Entity's systems for future reporting to the ASI Secretariat at the end of the first calendar year.

From the Surveillance Audit onwards, the actual reporting to the ASI Secretariat would be checked by the Auditor. Absent or inadequate reporting of required information to the ASI Secretariat would mean a Non-Conformance being raised against this criterion.

2. Outsourcing Contractors

Outsourcing Contractors are encouraged to become CoC Certified in their own right. However, it is recognised there are often challenges in uptake of CoC Certification in long or flexible supply chains, or by smaller Businesses. Section 2 provides Entities seeking CoC Certification with the ability to outsource processing, treatment or manufacturing of CoC Material that they own or control to non-CoC Certified Outsourcing Contractors, by including them in their own CoC Certification Scope.

Background

Outsourcing occurs when a business pays an outside supplier to provide goods and services, rather than doing the work in-house. Many Businesses, large and small, rely on Outsourcing Contractors. Outsourcing Contractors cover a wide range of Businesses, from small workshops or fabricators to large volume manufacturers.

Outsourcing Contractors that handle an Entity's CoC Material are encouraged to become CoC Certified in their own right. However, this may not always be easy to achieve so for Audit purposes section 2 of the **ASI CoC Standard** allows for non-CoC Certified Outsourcing Contractors to be included in the Entity's CoC Certification Scope.

Identifying Outsourcing Contractors

Note that the identity of Outsourcing Contractors included as part of an Entity's Certification Scope may be commercial-in-confidence information. At the Entity's or Contractors' request identifying information can be withheld from publicly available information on the Entity's Certification Status published on the ASI website. However, the details must be included in the Audit Report to ASI.

The Outsourcing Contractors section **does not** apply to tolling arrangements or similar where the type of CoC Material is changed through the activity of the Third Party Business (e.g. transforming ASI Bauxite into ASI Alumina, ASI Alumina into ASI Aluminium or Eligible Scrap into ASI Aluminium). These supply chain activities must be certified against the **ASI Performance Standard** and **ASI Chain of Custody Standard** in their own right.

Outsourcing Contractors **do not** include companies such as Traders, warehouses and transportation companies that do not make physical changes to material.

For instance, a heat treatment Business which modifies the physical characteristics of cast Aluminium billets prior to downstream processing (extrusion) might be included within the billet producing Entity's Certification Scope, as an Outsourcing Contractor. The CoC Aluminium would continue to be controlled by the Entity, even as Custody is passed to the heat treatment Business and back to the Entity, prior to delivery to the extrusion customer. Or the heat-treated billet could be passed directly to the customer by the Outsourcing Contractor (with appropriate CoC Documents), at which point it would Output from the Entity's Certification Scope, and the Outsourcing Contractor's custody. The Entity retains ownership of the ASI Aluminium but needs to establish controls to ensure that the quantities sent to and received from the heat treatment Business balance.

Entities may not include CoC Material suppliers within their Certification Scope as Outsourcing Contractors; CoC Material should enter the Control and Custody of the Entity (Input) prior to treatment or processing by the Outsourcing Contractor. The Outsourcing Contractor may receive Input CoC Material from suppliers on behalf of the Entity (with appropriate recording in the Entity's Material Accounting System), but Control would at all times sit with the Certifying Entity. The Outsourcing Contractor may also Output CoC Material from the Entity's Certification Scope by sending it directly to customers (with appropriate recording in the Entity's Material Accounting System and issuing of CoC Documents).

Table 1 - Examples of Situations in which a Business may be Considered an Outsourcing Contractor or not.

Example	Outsourcing Contractor?	Action Required
An Entity has an arrangement where a heat treatment Business modifies the physical characteristics of the Aluminium prior to extrusion.	The heat treatment Business can be considered an Outsourcing Contractor.	The heat treatment Business must be included in the Entity's CoC Certification Scope in order to retain the Chain of Custody of the material. If the heat treatment Business is not included in the Entity's Certification Scope the material will no longer be eligible to be CoC Certified.
An Entity stores its CoC Material in a nearby storage facility that it owns but which is outside of the CoC Certification Scope or is owned by a Third Party.	The storage facility is not considered an Outsourcing Contractor as the material is not being processed, treated or manufactured.	Where an Entity sells a CoC Material to a Third Party warehouse, Trader rules would apply to that Third Party,, see section 5d of the Chain of Custody Standard Guidance Introduction. Key stages for material flows in the Aluminium value chain – Traders, and criteria 3.1 c(ii), 3.2 c(ii), 3.3 c(ii), 5.1 c(ii), 6.1 c(ii). The Entity must manage its Material Accounting System as per section 8.

An Entity contracts out shipping of the CoC Material to its customer.	The shipping company is not considered an Outsourcing Contractor as the material is not being processed, treated or manufactured.	The Entity must ensure that the CoC Material is shipped with the CoC Documents.
An Entity has an Alumina refinery and Aluminium smelter in its Certification Scope. The smelter is undergoing upgrades and one of the production lines is not operating. The Entity enters into a tolling arrangement with a nearby uncertified smelter to process the excess Alumina.	The uncertified smelter cannot be considered an Outsourcing Contractor.	The Entity cannot consider the Aluminium produced in the uncertified smelter as CoC Material.
An Entity purchases Aluminium from uncertified Company Y which carries out Semi-Fabrication activities. Company Y purchased CoC Material from Company X.	Company Y cannot be considered an Outsourcing Contractor as they are a supplier.	Company Y must be ASI Certified in their own right.
Certified Entity A sells CoC Material to a Trader who then sells the CoC Material to CoC Certified Entity B.	The Trader is not considered an Outsourcing Contractor as the material is not being processed, treated or manufactured.	The Material can be considered CoC Material so long as Entity B is able to verify the CoC Documents with Entity A. Entity B must conduct Due Diligence of the Trader under Section 7.

In essence, if this section of the Standard is applied, the CoC Certified Entity internalises the risks presented by an Outsourcing Contractor by including them in their own CoC Certification Scope. The Standard thus requires a risk assessment and oversight by the Entity, because ultimately the

contractor's errors could jeopardise their Certification. ASI Auditors would also have the ability to Audit the Contractor's activities in accordance with identified risk/s. Ideally this section (and inclusion of the Outsourcing Contractor in a Certifying Entity's Certification Scope application) is applied as part of a transition towards the Contractor implementing ASI Standards and becoming a Certified Entity in their own right.

Implementation

2.1 Certification Scope

Any Outsourcing Contractor without CoC Certification that takes Custody of an Entity's CoC Material for the purposes of further processing, treatment or manufacturing, shall be identified in the Entity's CoC Certification Scope.

Application

This criterion applies where the Entity uses Outsourcing Contractors that takes Custody of CoC Material that they own or Control.

Implementation

The reason for including Outsourcing Contractors in an Entity's CoC Certification Scope is to be able to continue a Chain of Custody for CoC Material which the Outsourcing Contractor will be handling.

- Usually this relates to a desire to pass on a CoC claim to a subsequent customer of the Entity, or to extend an Entity's own material accounting controls to cover the outsourced process/es.
- If it is a related or allied company that is already within the Control of the same ASI Member e.g. within the same group as the Entity, there is no need to consider it as an 'Outsourcing Contractor'. Related companies under the same Control can already be included within the CoC Certification Scope.

The conditions in criterion 2.2 need to be met before the Outsourcing Contractor can be included in the Entity's CoC Certification Scope. Inclusion in the CoC Certification Scope will mean the Outsourcing Contractor is subject to Audit – more information is included in the **ASI Assurance Manual.**

If the conditions in criterion 2.2 are not met, then the material received by an Outsourcing Contractor ceases to be 'CoC Material', since there are no appropriate systems of accounting and Control to support any subsequent claims.

2.2 Control of CoC Material

Entities that wish to include Outsourcing Contractors within their CoC Certification Scope shall ensure that each of the following conditions is met:

a. The Entity has legal ownership or control of all CoC Material used by Outsourcing Contractors.
b. Any Outsourcing Contractor shall not outsource any processing, treatment or manufacturing of CoC Material to any other contractor.
c. The Entity has assessed the risk of potential Non-Conformance with the ASI CoC Standard resulting from the engagement of each Outsourcing Contractor included within the CoC Certification Scope and determined that the risk is acceptable.

Application

This criterion applies where the Entity uses Outsourcing Contractors that takes Custody of CoC Material that they own or Control.

Implementation

Ownership or Control of the CoC Materials being outsourced is retained by the Entity. 'Control' of CoC Material could be demonstrated through quality Management Systems, customer specifications and/or contractual agreements.

Control can be demonstrated by establishing documented processes to reconcile the processing, treatment or manufacturing services commissioned match with the end result. This includes reconciliation of the quantity of material on the dispatch dockets with quantities noted on the transport certificates when the material is returned.

Implementation – Risk assessment

In situation, when an Entity finds the risks of potential Non-Conformance with the **ASI CoC Standard** resulting from the engagement of each Outsourcing Contractor, assessment and acceptance of the risk should be authorised by a responsible person and recorded.

- The risk assessment should be based on a reasonable level of familiarity with each Outsourcing Contractor, which may require site visits.
- The risk assessment should be regularly updated: at least every 12-18 months is recommended, in preparation for Certification and Surveillance Audits, or more frequently as required.
- If the risks of one or more Outsourcing Contractor/s are determined to not be acceptable, the Entity can investigate options for mitigating the risks. These could include capacity building with

the Outsourcing Contractor, investigating alternative suppliers, or taking a staged approach to building CoC supply chains.

The addition of Outsourcing Contractors to an Entity's CoC Certification Scope is addressed in the **ASI Assurance Manual**. In general terms, all changes require notification to the Auditor and ASI Secretariat. Usually this would form part of the next assessment, but there could be provision for desk-based approval by the Auditor based on the Entity's risk assessment of the Outsourcing Contractor. The ability to do this would be tied into the Overall Maturity Rating for the Entity.

2.3 Information on Quantity of CoC Material Output and Returned

The Entity shall ensure that the Outsourcing Contractor provides information on Output Quantity of CoC Material and the Quantity of CoC Material returned to the Entity at the conclusion of the Entity's Material Accounting Period (or more frequently as required by the Entity).

Application

This criterion applies where the Entity uses Outsourcing Contractors that takes Custody of CoC Material that they own or Control.

Implementation

The Outsourcing Contractor must report to the Entity the necessary material accounting information for the Entity's systems under Principle 8 of the **ASI CoC Standard**.

Clearly communicate to the Outsourcing Contractor information they need to record and report back to the Entity.

- The Output Quantity is CoC Material that leaves Custody of the Outsourcing Contractor (and thus exits the Entity's CoC Certification Scope) on delivery to a customer. The Outsourcing Contractor's products do not have to be physically returned to the Entity before delivery to the customer.
- The quantity returned is CoC Material that is delivered to the Entity by the Outsourcing Contractor (remaining in the Custody of the Entity).

Consider providing the Outsourcing Contractor with a template and/or specific guidance on the nature and format of appropriate records and reporting back to the Entity.

See Sections: 9 Issuing CoC Documents and 10 Receiving CoC Documents as these requirements apply to Outsourcing Contractors in Entity's CoC Certification Scope for CoC Material physically delivered either to the Entity (returned) or directly to a subsequent customer (Output). The Entity should consider the mechanisms by which it will control CoC Documents issued by an Outsourcing Contractor to a subsequent customer on behalf of the Entity.

2.4 Consistency in Inflow and Outflow Quantity of CoC Material to/from Outsourcing Contractor

The Entity shall have systems in place to verify that the Quantity of CoC Material Output or returned by Outsourcing Contractor is consistent with the Quantity of CoC Material provided to the Outsourcing Contractor and shall record Quantities in the Material Accounting System.

Application

This criterion applies where the Entity uses Outsourcing Contractors that takes Custody of CoC Material that they own or Control.

Implementation

A reliable understanding of the material flows in the outsourced process will inform whether the Output and returned quantities are consistent with the quantity provided to the Outsourcing Contractor, taking into account expected material losses from processing.

If there are unreasonable inconsistencies, such as unexplained weight changes or inability to reconcile in-flows and out-flows or inconsistencies outside of the boundaries of normal production variables, then the Contractor's systems are inadequate. In this case, the quantities of material supplied to the Outsourcing Contractor can no longer be considered CoC Material.

The risk assessment in criterion 2.2(c) should be updated accordingly and measures to address the situation put in place. This may include removing the Contractor from the CoC Certification Scope, or temporarily removing the Contractor from handling CoC Material until their systems have improved.

Implementation – Material Accounting System

The CoC Material quantities handled by the Outsourcing Contractor need to be recorded in the Entity's Material Accounting System, since the Outsourcing Contractor falls within the Entity's CoC Certification Scope.

The Entity should record the quantities of CoC Material supplied to the Outsourcing Contractor, Output quantities and the quantity of CoC Material physically returned to the Entity.

2.5 Error (Outsourcing Contractor)

If an error is discovered after CoC Material has been shipped, the Entity and the Outsourcing Contractor shall document the error and the agreed steps taken to correct it and implement actions to avoid a recurrence.

Application

This criterion applies where the Entity uses Outsourcing Contractors that takes Custody of CoC Material that they own or Control.

Implementation

Where CoC Material has been shipped to a subsequent customer who has purchased it in good faith (Output), the Entity may need to consider the overall balance of Input to Output material for the Material Accounting Period. For example, other CoC Material not affected by the error may need to be allocated through the Outsourcing Contractor to the customer, who has already received what they expected to be CoC Material.

The cause of the error should be investigated and appropriate Corrective Actions identified and implemented. These should aim to address the root cause of the error/s in order to prevent future recurrences. Implementation of these Corrective Actions should also be reviewed for effectiveness.

The risk assessment in criterion 2.2(c) should be updated accordingly and measures to address the situation put in place. This may include removing the Contractor from the CoC Certification Scope, or temporarily removing the Contractor from handling CoC Material until their systems have improved.

B. Confirming Eligible Inputs of CoC and Non-CoC Material

3. Primary Aluminium: Criteria for ASI Bauxite, ASI Alumina and ASI Aluminium

A Chain of Custody must have a starting point, and in the case of Aluminium this is either Primary or Recycled. Section 3 is focused on Primary Aluminium and requires that ASI Bauxite comes from Bauxite Mines and is further processed through Alumina refineries and Aluminium Smelters, that are also certified against the ***ASI Performance Standard****.*

Implementation

3.1 ASI Bauxite

An Entity engaged in Bauxite Mining shall have systems in place to ensure that ASI Bauxite is produced only from Bauxite mines that are:

a. Within the Entity's CoC Certification Scope and/or in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity.
b. Certified against the ASI Performance Standard.
c. Sourcing ASI Bauxite either:
    i. directly from another ASI CoC Certified Entity, or
    ii. via a Trader, where the ASI CoC Certified Entity that is the source of the ASI Bauxite can be identified and can provide a verified CoC Document.

Application

This criterion applies to bauxite mines.

Implementation

In most cases, the ownership and physical location of mines means that the source of a particular bauxite supply is known.

Where a Bauxite mine sells or transfers all of its production without mixing it with Non-CoC Material, CoC Certification should be very straightforward. In these cases, a CoC Certified mine can claim 100% of its production as ASI Bauxite.

However, for some mining operations, there may be points where production from several mines, CoC and Non-CoC Certified, is mixed.For example transporting production from Non-CoC Certified mines with own Bauxite production in the same shipment, or processing of ore from Non-CoC Certified mines at the Entity's on-site processing Facilities. In these situations, the amount of ASI Bauxite in a shipment may be less than the total shipment.

In both cases, CoC Documents (See Section C. CoC Accounting, Documentation and Claims9) will record the relevant amount of CoC Material being transferred accurately.

3.2 ASI Alumina

An Entity engaged in Alumina Refining shall have systems in place to ensure that ASI Alumina is produced only from Alumina refineries that are:

a. Within the Entity's CoC Certification Scope, and/or in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity.
b. Certified against the ASI Performance Standard.
c. Sourcing ASI Bauxite either:
    i. directly from another ASI CoC Certified Entity, or
    ii. via a Trader, where the ASI CoC Certified Entity that is the source of the ASI Bauxite can be identified and can provide a verified CoC Document.

Application

This criterion applies to Alumina refineries.

3.3 ASI Aluminium

An Entity engaged in Aluminium Smelting shall have systems in place to ensure that ASI Aluminium is produced only from Aluminium Smelters that are:

a. Within the Entity's CoC Certification Scope, and/or in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity.
b. Certified against the ASI Performance Standard.
c. Sourcing ASI Alumina either:
    i. directly from another ASI CoC Certified Entity, or

ii. via a Trader, where the ASI CoC Certified Entity that is the source of the ASI Alumina can be identified and can provide a verified CoC Document.

Application:

This criterion applies to aluminium smelters.

Implementation

This criterion focuses on the direct Output of the Aluminium Smelting process in the form of Liquid Aluminium that is tapped from pots and transferred to a Casthouse, usually, but not necessarily, associated with the smelter (and within or outside of the Entity's Certification Scope) or directly to a customer in Liquid Metal form.

4. Recycled Aluminium: Criteria for Eligible Scrap

*Recycled Aluminium is the second potential starting point for Chain of Custody for ASI Aluminium. The **ASI CoC Standard** anticipates that the first Entity in the Chain of Custody of recycled CoC Material will be engaged in Aluminium Re-melting and/or Refining (Aluminium Refining includes, but is not limited to, recovery and refining of Aluminium from Dross and other aluminium containing wastes). Section 4 requires that 'know your customer' principles apply to suppliers of Recyclable Scrap Material (and the Due Diligence requirements of Section 7 also apply). This Section sets the **ASI CoC Standard's** requirements for Entities producing Recycled Aluminium from Recyclable Scrap Material.*

Background

From a Chain of Custody point of view, the point of origin for Recyclable Scrap Material is considered to be the point at which it is generated at a product's End-of-Life (Post-Consumer) or is diverted from the Waste stream from a manufacturing process or similar (Pre-Consumer and Aluminium recovered from Dross or other Aluminium containing Wastes).

The ASI CoC Standard identifies Entities transforming Recyclable Scrap Material as Aluminium re-melters/refiners. These Entities are required to exert Due Diligence, as outlined in Section 7, towards all their suppliers to identify and manage any supply chain risks associated with Recyclable Scrap Material, an approach that is widely used in Audit and Certification programs in the metals sector. Aluminium re-melters and/or refiners may be dedicated Facilities for Recycled Aluminium production or may be part of a broader set of processes for metal scrap recycling.
There are a wide range of direct and indirect suppliers of Recyclable Scrap Material to Aluminium re-melters/refiners. These could include:

- Municipal collection and sorting systems;
- Informal collection and sorting systems, particularly in developing countries;
- Scrap metal merchants, Traders and scrapyards;
- Dismantlers and shredders;
- Primary Aluminium production Facilities;
- Casthouses;
- Salt Slag and Dross processors;
- Manufacturing Facilities which generate Pre-Consumer Scrap during production processes;
- More specifically, CoC Certified Entities which provide CoC Material in the form of Pre-Consumer Scrap.

While Re-melting/Refining processes are often integrated with Casthouses, for the purposes of the ASI CoC Standard the two activities are treated as separate and so for re-melter/Refiner Entities with Casting Facilities within their Certification Scope Section 5 also applies.

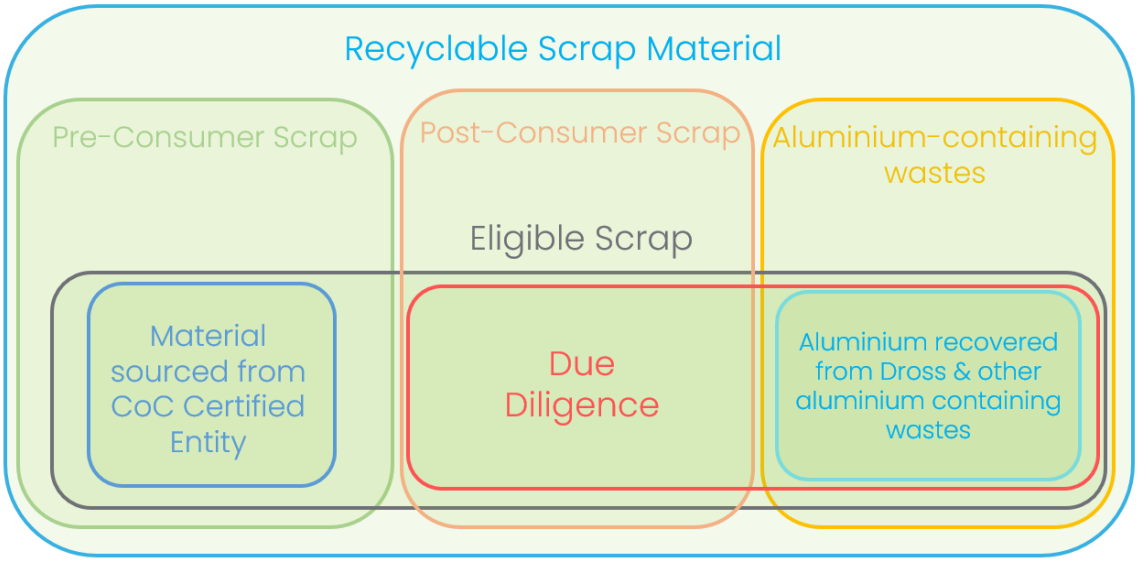
The only Inflows to a Casthouse are ASI Aluminium as Liquid Metal and Cold Metal (not Recyclable Scrap Material).

The only Inflows to a re-melter/refiner are Recyclable Scrap Material and the only Outflows are ASI Aluminium in Liquid Metal form.

An important role of Entities producing Recycled Aluminium is to determine what can be accounted for as Eligible Scrap among all the Recyclable Scrap Material that may be sourced. Eligible Scrap is part of the Input Quantities calculations of Section 8, which is then used to determine how much ASI Aluminium is produced at the Casthouse.

Eligible Scrap as defined within Section 4.2 is illustrated in the following figure.

Figure 6 – Relationship Between Recyclable Scrap Material and Types of Eligible Scrap



Implementation

4.1 Recycled Aluminium

An Entity engaged in Aluminium Re-Melting/Refining to produce Recycled Aluminium shall have systems in place to ensure that ASI Aluminium is produced only from Facilities that are:

a. Within the Entity's CoC Certification Scope, and/or in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity.
b. Certified against the ASI Performance Standard.

Application

This criterion applies to Aluminium re-melters/refiners.

Implementation

This criterion focuses on the direct Output of the Re-Melting and/or Refining process in the form of Liquid Metal (molten Aluminium) that is taken to a Casthouse or is part of the Casting process itself, where *Section 5* would apply to the post-Liquid phase (e.g. remelting furnace).

4.2 Eligible Scrap

An Entity engaged in Aluminium Re-Melting/Refining shall account for Eligible Scrap in their Material Accounting System as only:

a. Pre-Consumer Scrap that is:
    i. subject to supplier Due Diligence as per Section 7 and assessed as being designated ASI Aluminium Output from the Entity's Certification Scope, traced through an uncertified Facility and back in to the Entity's Certification Scope as Scrap in a Closed Loop, or
    ii. supplied directly from another ASI CoC Certified Entity with the accompanying CoC Document, or
    iii. supplied via a Trader, where the ASI CoC Certified Entity that is the source of the Eligible Scrap can be identified and can provide a verified CoC Document.
b. Scrap that is assessed by the Entity to be Post-Consumer in origin and subject to supplier Due Diligence as per Section 7.
c. Aluminium recovered from Dross and other aluminium containing wastes that is subject to supplier Due Diligence as per Section 7.

Application

This criterion applies to Aluminium re-melters/refiners.

Implementation

Under the Mass Balance System in the ASI CoC Standard, various Inflows can be mixed and it is not required to segregate Eligible Scrap from other Recyclable Scrap Material. However, the Entity's Material Accounting System must properly account for the various types of Inflow and Outflow.

The Entity's Material Accounting System in Section 8 needs to accurately record and account for volumes of Post-Consumer Scrap and Pre-Consumer Scrap (criterion 8.3) that is designated as Eligible Scrap.

Pre-Consumer Scrap that is designated as Eligible Scrap should be accompanied by a CoC Document from a CoC Certified Entity.

Implementation - Pre-Consumer Scrap – closed loops

A Certified Entity could sell 100 tonnes of ASI Aluminium to an uncertified Facility and receive 40 tonnes of Pre-Consumer Scrap back. These 40 tonnes of Pre-Consumer Scrap may be considered Eligible Scrap by the Certified Facility so long as Due Diligence is conducted on the uncertified Facility and the CoC Material can be traced through that Facility and back. The uncertified Facility may not sell their output to a Third Party as CoC Material.

Figure 7: Closed-Loop Recycling Material Flow

Implementation - Dross and other Aluminium containing Wastes

Inputs to the Certification Scope comprising Aluminium from Dross and other Aluminium containing Wastes is included as Eligible Scrap in support of the ASI Performance Standard, which specifically seeks to maximise recycling of these materials using additional and often more complex processing to recover Aluminium.

Note that 4.2(c) does not require that the Entity tracks internally processed Dross or other Aluminium containing Wastes in its Material Accounting System, although the Entity may wish to do so.

Implementation - Mix of Pre- and Post-Consumer Scrap

Entities often receive scrap to their Facilities in a mixed form, where Pre-Consumer Scrap and Post-Consumer Scrap are not segregated and the relative mix cannot be determined with precision. Shipments of Post-Consumer Scrap and Pre-Consumer Scrap of unidentified origin may arrive mixed from scrap yards, scrap metal merchants or other suppliers. To assist with determination of the relative amounts of Pre-Consumer Scrap and Post-Consumer Scrap in shipments, one or more of the following should be implemented:

- Request suppliers to provide an approximate percentage breakdown of Pre-Consumer and Post-Consumer Scrap in shipments, based on their knowledge of the Inputs. For example, the Institute of Scrap Recycling Industries (ISRI) publish annually a Scrap Specifications Circular which provides internationally accepted specifications for the nature of non-ferrous scrap in commercial transactions. These specifications could be used to infer whether the material can be considered Pre- or Post-Consumer Scrap under the ASI CoC Standard.
- Conduct a visual inspection of incoming shipments to generate a determination of the approximate percentage breakdown of Pre-Consumer and Post-Consumer Scrap.
- The minimum granularity for percentage estimates by visual inspection and/or supplier information should be at 25% intervals: in other words 0%, 25%, 50%, 75% or 100% Post-Consumer or Pre-Consumer Scrap. If more confidence in the estimate is possible, for example +/-5% or +/-10% instead of +/-25%, this should be implemented.
- Consider how this process can be integrated into existing quality control processes.

4.3 Records Management for Direct Suppliers of Recyclable Scrap Material.

An Entity engaged in Aluminium Re-Melting/Refining shall have systems in place to record:

a. The identity, principles and place/s of operation of all direct suppliers of Recyclable Scrap Material.
b. All financial transactions with direct suppliers of Recyclable Scrap Material, ensuring that cash payments are within the lower of the relevant defined financial threshold under Applicable Law or US$10,000 (or equivalent), where the transaction is carried out in a single operation or in several operations that appear to be linked.

Application

This criterion applies to Aluminium re-melters/refiners.

Background

Scrap metal markets are commonly cash based, which can present risks of money laundering. Money laundering is the process by which the financial proceeds of crime are disguised to conceal their illegal origin.

Implementation

In addition to the general Due Diligence requirements in Section 7, basic 'know your customer' principles are to be applied to suppliers of Recyclable Scrap Material. These principles were established to combat money laundering and finance of terrorism and to avoid trading with entities subject to government sanctions.

Most developed countries have strict regulations covering cash transactions, which may have associated reporting requirements for some types of Entities. These usually include setting a financial threshold or limit for cash-based transactions, which is either a hard limit and/or beyond which transactions must be reported to the relevant designated authority.

To combat illegitimate sources of scrap metal and money laundering practices that are present in some parts of the metals sector, the ASI CoC Standard sets limits on cash transactions.

Entities may consider implementing processes to verify the legitimacy of cash transactions and limit cash transactions to an appropriate maximum. Some jurisdictions have local limits, for example, some countries within the European Union set a €10,000 limit and the United States has set a US$10,000 limit. Consider whether the local limit is appropriate and if there is no local limit consider the equivalent of US$10,000.

Implementation - Policies

To facilitate awareness of these requirements, Entities should have a Policy on cash payments and communicate it to suppliers of Recyclable Scrap Material.

Auditing

Collection and maintenance of supplier data is an ongoing process. If some information is missing, ASI Auditors will take into account the extent and nature of any missing information, the reasons why it is missing, and whether it demonstrates weaknesses in the Entity's Management System.

5. Casthouses: Criteria for ASI Aluminium

For both Primary and Recycled Aluminium, Casthouses are the point at which Aluminium is formed into solid metal forms for subsequent Material Conversion and/or manufacturing. Section 5 deals with the Certification requirements for Casthouses and both the Liquid Metal and Cold Metal Inflows and Outflows that are part of the Casting process.

Background

Casthouses are the point at which Aluminium is formed into Casthouse Products.

Casthouses may be located on the site of an Aluminium smelter (primary), or an Aluminium re-melter or refiner (recycled). Alternatively, it may be a standalone Facility shared by a number of Businesses, or in some cases, operating as part of a downstream company that receives Liquid Metal directly, for example for Casting directly into components.

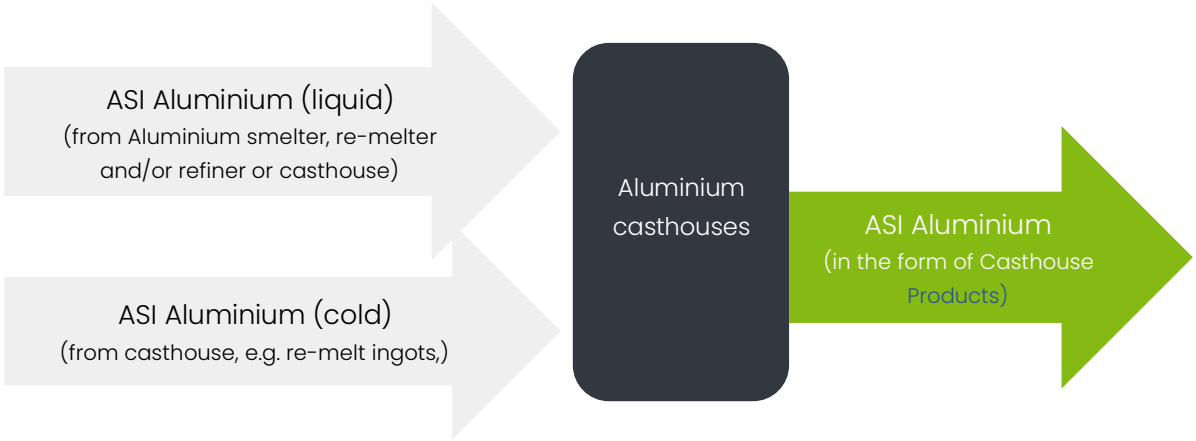
For nearly all Casthouses, Liquid Metal, Cold Metal and Recyclable Scrap Material are all Inflows to the Casting process, but for the purpose of this ASI CoC Standard and the Mass Balance System, Recyclable Scrap Material is an Inflow to a separate Re-melting/Refining process. In a real-life situation, these processes may be combined into a single process step (e.g. ASI Aluminium and Eligible Scrap in, ASI Aluminium out). Under the ASI CoC Standard, for Casting Entities with Re-melting/Refining Facilities within their Certification Scope Section 4 will also apply.

The only Inflows to a Casthouse are ASI Aluminium as Liquid Metal and Cold Metal (not Recyclable Scrap Material).

The only Inflows to a Re-melting/Refining are Recyclable Scrap Material and the only Outflows are ASI Aluminium in Liquid Metal form.

In nearly all cases, Casthouse Products have unique identification or batch numbers stamped or printed on or associated with the products, to ensure traceability for quality and customer reference purposes, often relating to alloy composition, production dates and/or the producing Casthouse.. These identification systems can usually easily be extended to accommodate relevant CoC information maintained by the Entity.

Figure 8 – Casthouse Inflows and Outflows



Implementation

5.1 ASI Aluminium

An Entity engaged in producing Casthouse Products shall have systems in place to ensure that ASI Aluminium is produced only from Casthouses that are:

a. Within the Entity's CoC Certification Scope, and/or in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity.
b. Certified against the ASI Performance Standard.
c. Sourcing ASI Aluminium either:
    i. directly from another ASI CoC Certified Entity, or
    ii. via a Trader, where the ASI CoC Certified Entity that is the source of the ASI Aluminium can be identified and can provide a verified CoC Document.

Application

This criterion applies to casthouses.

Implementation

This criterion focuses on the direct output of the Casting process in the form of ASI Aluminium.

5.2 Unique Identification

For traceability purposes, the Material Accounting System of an Entity engaged in producing Casthouse Products shall have systems in place to ensure that unique identification numbers, either physically stamped and/or printed on or with ASI Aluminium by the Entity, correspond to the Input Quantities of CoC Material for that Entity's Material Accounting Period.

Application

This criterion applies to casthouses.

Implementation

Casthouses need to have systems in place so that unique identification numbers physically stamped and/or printed on specific batches of ASI Aluminium products or their packaging can be linked to the corresponding volumes of Input CoC Material for that Material Accounting Period.

6. Post-Casthouse: Criteria for ASI Aluminium

Casthouse Products are destined for a wide range of Semi-Fabrication pathways and subsequent Material Conversion, downstream manufacturing and use. Supply chains from the Casthouse onwards ('Post-Casthouse') are often highly diverse and/or fragmented. Section 6 applies to Post-Casthouse Entities that source physical ASI Aluminium directly from Casthouses or via another downstream Entity and use the ***ASI CoC Standard*** *to make claims about their own production of ASI Aluminium.*

Background

In the ASI CoC Standard, activities which transform Casthouse Products, but which are not themselves Casthouses, are termed Post-Casthouse. Post-Casthouse supply chains can be highly diverse and/or fragmented.

Entities that only have Post-Casthouse activities within their Certification Scope are given a more flexible timeframe for achieving ASI Certification against the applicable parts of the ASI Performance Standard, than Entities up to and including the Casthouse which must be Certified against the ASI Performance Standard before or at the same time as their CoC Certification.

The ASI CoC Standard is positioned to be a driver for uptake and implementation of the ASI Performance Standard by downstream users of Aluminium, and in the shorter term, stimulate early demand for ASI Aluminium.

Implementation

6.1 Post-Casthouse ASI Aluminium

A Post-Casthouse Entity that sources ASI Aluminium shall have systems in place to ensure that it is itself producing ASI Aluminium only from a Facility/ies:

a. Within the Entity's CoC Certification Scope, and/or in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity;
b. That can demonstrate that they will certify against the ASI Performance Standard within two years of joining ASI.
c. Sourcing ASI Aluminium either:
    i. directly from another ASI CoC Certified Entity, or
    ii. via a Trader, where the ASI CoC Certified Entity that is the source of the ASI Aluminium can be identified and can provide a verified CoC Document.

Application:

This criterion applies to post-casthouse Facilities.

Implementation

This criterion focuses on any Output from fabrication or manufacturing processes in the form of ASI Aluminium or final products containing Aluminium.

Post-Casthouse Entities that produce products containing ASI Aluminium must be committed to achieving Certification against the ASI Performance Standard within 2 years of joining ASI. A way of demonstrating the commitment could include a plan or pathway by the Entity to prepare for Certification. A longer timeframe (i.e., it does not need to be achieved before CoC Certification) is offered for ASI Performance Standard Certification to be achieved, given that the initial focus for Post-Casthouse Entities may be on responsible sourcing.

7. Due Diligence for Non-CoC Material, CoC Material Acquired through a Trader and Recyclable Scrap Material

Section 7 requires Entities to conduct Due Diligence of suppliers of Non-CoC Material, CoC Material acquired through a Trader and Recyclable Scrap Material for potential environmental, social or governance risks, and take reasonable action to prevent or mitigate risks. This aligns with ASI's mission to promote responsible sourcing. It does not preclude Entities sourcing from non-ASI certified suppliers.

Background

Due Diligence in minerals and metals supply chains is becoming an important expectation from stakeholders and is increasingly subject to regulation. Legislation on 'conflict minerals' in both the United States and the European Union, while initially covering tin, tungsten, tantalum and gold, is expected to cover a wider range of metals in future years. The OECD has developed the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the third edition (April 2016) recommends its application to all mineral resources, not just 'conflict minerals'.[11] The London Metal Exchange (LME) requires application of the OECD Due Diligence Guidance by its Listed Brands, including Aluminium, as part of its Responsible Sourcing requirements[12].

Due Diligence is understood as an 'ongoing, proactive and reactive process' through which companies can identify and assess risks, and design and implement a strategy to respond to identified risks. For ASI, the risks that are typically addressed through supply chain Due Diligence have also been addressed in the **ASI Performance Standard** through the following criteria:

- 1.2 Anti-Corruption
- 2.4 Responsible Sourcing
- 9.1 Human Rights Due Diligence
- 9.8 Conflict-Affected and High-Risk Areas.

Some parts of the supply chain may have specific or higher risks of adverse environmental, social and Human Rights risks due to their location, activities, or working environment. Understanding these

Sourcing Non-CoC Material

Note the ASI CoC Standard does not require ASI Members or Entities to source their materials only from other ASI Members, or at all. The individual sourcing and supplier decisions of each Business are made according to their own judgments and in their sole discretion. See the ASI Anti-Trust Compliance Policy on the ASI website.

https://aluminium-stewardship.org/about-asi/legal-finance-policies/

[11] http://www.oecd.org/corporate/mne/mining.htm. In addition, the China Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exporters (CCCMC) has cooperated closely with the OECD in preparing the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains, which were designed to cover all minerals. The Guidelines are available in English and Chinese at: https://mneguidelines.oecd.org/chinese-due-diligence-guidelines-for-responsible-mineral-supply-chains.htm

12 https://www.lme.com/en-GB/About/Responsibility/Responsible-sourcing

risks and impacts will help inform decisions organisations make regarding responsible sourcing of Aluminium.

Section 7 of the **ASI CoC Standard** requires all Entities seeking CoC Certification to establish appropriate Due Diligence systems for suppliers of Non-CoC Material, CoC Material acquired through a Trader, and Recyclable Scrap Material. These systems include Policies, risk assessment and mitigation, and Complaints Mechanisms directed towards Aluminium supply chain risks.[13] Entities should not accept Non-CoC Material, CoC Material acquired through a Trader, and Recyclable Scrap Material under the **ASI CoC Standard** from suppliers that they determine to exceed a level of risk based on the criteria in this Section.

While the focus of the **ASI CoC Standard** is primarily on CoC Material, which evidences and supports implementation of the **ASI Performance Standard**, the Due Diligence criteria in Principle 7 help to enhance the credibility of broader Aluminium supply chains for all CoC Certified Entities. Note that Non-CoC Certified suppliers do not become ASI Certified or otherwise recognised by ASI after an Entity's Due Diligence process.

For more information on establishing Due Diligence systems, see the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. While this Guidance (and two sector specific supplements) were originally drafted specifically for the context of 'conflict minerals' in and around the Democratic Republic of Congo, they are increasingly a general reference point for mining, minerals and metals supply chains. In a nutshell, the *Due Diligence Guidance* advocates a risk-based Due Diligence approach. For downstream companies that already implement Due Diligence for 'conflict minerals', consider integrating the requirements of the **ASI CoC Standard** into these existing approaches.

Smaller Business and Due Diligence

The UN Guiding Principles on Business and Human Rights - Principle 14 provides insight about how Businesses can respect Human Rights. All Businesses regardless of their size, sector, operational context, ownership and structure have a responsibility to respect Human Rights. Nevertheless, the scale and complexity of the means through which a Business meets that responsibility may vary according to these factors and with the severity of the Business' adverse Human Rights impacts. The means through which a Business meets its responsibility to respect Human Rights will be proportional to, among other factors, its size. Small Businesses may have less capacity as well as more informal processes and management structures than larger companies, so their respective Policies and processes will take on different forms. But some small Businesses can have severe Human Rights impacts, which will require corresponding measures regardless of their size.

[13] Note that all ASI members are bound by the **ASI Anti-Trust Compliance Policy**, available at https://aluminium-stewardship.org/about-asi/legal-finance-policies/

Implementation

7.1 Responsible Sourcing Policy

The Entity shall adopt and communicate to suppliers of Non-CoC Material, Recyclable Scrap Material and CoC Material supplied through a Trader a responsible sourcing Policy covering Aluminium, which as a minimum takes account of the following criteria in the ASI Performance Standard:

a. 1.2 (Anti-Corruption).
b. 2.4 (Responsible Sourcing).
c. 9.1 (Human Rights Due Diligence).
d. 9.8 (Conflict-Affected and High-Risk Areas).

Application

This criterion applies to all Facilities.

Implementation

The Entity needs to develop or extend a responsible sourcing Policy so that it addresses or includes Aluminium within its scope. It will be useful to specify what forms of material are relevant, for example:

- For Bauxite mines, any Bauxite supply from other mines.
- For Alumina refineries, Bauxite supply, and where applicable, Alumina supply.
- For Aluminium smelters, Alumina supply.
- For Aluminium re-melters and/or refiners, Recyclable Scrap Material supply.
- For Casthouses, Liquid Metal and Cold Metal supply.
- For Post-Casthouse Entities, Aluminium supply.

For Entities, that have more than one of the above activities, consider how to best frame the Policy taking into account the level of vertical integration of the company and/or Joint Venture partners.

While ASI Members in the Industrial Users membership class may not necessarily have these requirements as applicable to them under the **ASI Performance Standard** v2.0 they do under the **ASI Performance Standard** v3.0 (e.g. criteria 2.4, 2.6, and 9.8) and need to consider these risks for suppliers of Non-CoC Material, CoC Material acquired through a Trader, and Recyclable Scrap Material under the **ASI CoC Standard**.

Further guidance on implementation for these risk issues can be found in the **ASI Performance Standards Guidance**. The Policy can of course consider other specific risk areas. An understanding of materiality of issues to different supply chain stages will help inform the development of your Policy

and the assessment of risks of Non-Conformance with it. The Entity may consider additional issues above the minimum specified, such as:

- Biodiversity management, in relation to Bauxite Mining and/or Alumina Refining.
- Tailings management in relation to Bauxite Mining.
- Bauxite Residue management in relation to Alumina Refining.
- GHG emissions in relation to Alumina Refining and Aluminium Smelting.
- Health and safety in relation to scrap collection and sorting.
- Environmental management and track record generally.
- Regulatory compliance.
- Specific risks associated with scrap collection, sorting and/or recycling in the informal sector in developing countries and emerging economies.14

The Entity may consider taking into account the Applicable Law related to responsible sourcing in their areas of operation, when developing the Policy.

- For example, the Norwegian Transparency Act, obliging large and mid-size companies to conduct Human Rights and decent work Due Diligence throughout all business relationships in their value chain. The UK Modern Slavery Act 2015 and Australian Modern Slavery Act 2018 require transparency on supply chain Due Diligence undertaken, with global reach; the California Transparency in Supply Chains Act (2012) requires mid-sized to large companies to report on their specific actions to eradicate slavery and Human Trafficking in their supply chain; and France's 2017 'corporate duty of vigilance' law requires large French companies to publish annual, public vigilance plans on how they assess and address the adverse impacts of their activities on people and the planet.

Purchasing practices can be a Significant Risk factor for adverse environmental, social and Human Rights impacts. For example, unplanned or last-minute changes to requirements on suppliers can impact the way the suppliers deliver your needs such as breach labour, safety or environmental Standards. The Entity should consider how the Policy commitments are stated so as to avoid these possible adverse impacts.

Good practice is that the Policy should be communicated to all relevant suppliers, irrespective of CoC status.

An effective Policy may be quite simple and high level, or highly detailed, as suits the organisation and the nature of its supply chains.

Auditing

ASI Members in the Production and Transformation membership class will already be addressing issues in criterion 7.1, under their Certification for the **ASI Performance Standard**.

[14] An ISO process has developed ISO IWA 19 Guidance Principles for the Sustainable Management of Secondary Metals as a means to help stimulate formalisation of such enterprises and the development of enabling government Policy frameworks: http://www.iso.org/iso/home/store/catalogue_tc/catalogue_detail.htm?csnumber=69354

External links

The Resource Mineral Initiative has developed a resource sourcing and Due Diligence toolkit. Additionally, European Aluminium has developed a responsible sourcing toolkit which is available to ASI Members and can be found in the *elementAI* platform, in the Downloads tab.

7.2 Risk Assessment and Mitigation

The Entity shall assess the risks of non-compliance with its responsible sourcing Policy by, at minimum, its direct (tier 1) suppliers (including Traders) of Non-CoC Material, Recyclable Scrap Material and CoC Material and Eligible Scrap supplied by a Trader, document the findings, and undertake measurable risk mitigation where risks of adverse impacts are identified.

Application

This criterion applies to all Facilities.

Background

Informal or very small scrap dealers may present particular challenges for Due Diligence. This can involve both identifying and mitigating 'worst practices', where present, but there is also a potentially valuable role that Entities can play in supporting the formalisation and improvement of this sector.[15]

- Worst practices identified in the ISO IWA 19 Guidance include illegal shipments, dangerous manual dismantling practices, dangerous metallurgical processing, uncontrolled incineration and uncontrolled disposal.
- In some contexts, there may be risks of Forced or Child Labour, or health and safety risks in addition to those above.
- Benefits of engagement with informal or small scrap dealers can include improved safe and healthy working conditions, improved environmental protection, improved Local Community outcomes and improved recovery of scrap resources.

Implementation

The responsible sourcing Policy shall be applied to direct (tier 1) suppliers.

- The Entity may consider assessing and/or mitigating risks beyond tier 1 through a Due Diligence process, or by requesting suppliers to in turn assess their own suppliers.
- Due Diligence should be scaled to the size and significance of the supplier.

Many Businesses have existing processes for risk assessment of their Business partners, and the requirements of criterion 7.2 can be integrated or expanded as needed. These may include pre-

qualification requirements and risk weighting of suppliers, for example, which will be directly relevant to the requirement of 7.2.

Make sure the findings from the risk assessment are documented, (i.e., how the risks were assessed and what was found), plus any subsequent risk management or mitigation processes.

Where available, existing certification and audit programs may help support risk mitigation efforts.

- For example, for scrap recycling companies, the RIOS Certification program covers key attributes of environmental management, quality and Occupational Health and Safety applicable to this sector.

Where risks of adverse impacts are identified, measurable action needs to be taken to prevent or mitigate the identified risks.

- The OECD Due Diligence Guidance[16] advises companies to devise a strategy for risk management by either (i) continuing trade throughout the course of measurable risk mitigation efforts; (ii) temporarily suspending trade while pursuing ongoing measurable risk mitigation; or (iii) disengaging with a supplier after failed attempts at mitigation or where a company deems risk mitigation not feasible or unacceptable.
- The OECD Due Diligence Guidance aims to promote significant and measurable improvement within six months of the adopted risk management plan. It is acknowledged that some situations have higher degrees of complexity than others.
- The risk assessment and opportunity to mitigate the risks will depend on the Entity's sphere of influence. For example, when sourcing Aluminium from Traders, it may not be possible to directly trace the provenance of the Aluminium. In these cases, the risk mitigation measures may be limited to communication of the Entity's responsible sourcing Policy to its Traders, and where adverse risks are identified, that these are communicated to the Entity.

Risks for Recyclable Scrap Material

Risks relating to origin and suppliers of Recyclable Scrap Material can vary significantly. A risk assessment could consider the following factors:

- *• The origin of the material;*
- *• The supplier;*
- *• The type of material;*
- *• The value of the transaction;*
- *• Unusual circumstances.*

For Recyclable Scrap Material, the origin is considered to be the country in which scrap is generated, or are first given up to be recycled, e.g. Post-Consumer Scrap. Supplier information is collected under Principle 4 of the ASI CoC Standard.

[16] http://www.oecd.org/corporate/mne/mining.htm. In addition, the China Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exporters (CCCMC) has cooperated closely with the OECD in preparing the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains. These are available in English and Chinese at: https://mneguidelines.oecd.org/chinese-due-diligence-guidelines-for-responsible-mineral-supply-chains.htm

Auditing

Due Diligence may be a new activity for Businesses, or it may be an extension of current practices or indeed a fundamental risk practice already in place. However, Auditors should understand that this is an area of evolving practice in supply chains.

- If an Entity is not conducting any Due Diligence for Non-CoC Inputs or Recyclable Scrap Material, then this would be a Major Non-Conformance against the **ASI CoC Standard** and would prevent the Entity from being CoC Certified.

If an Entity is conducting some form of Due Diligence for these Inputs, but there is room for improvement, this would be considered as a Minor Non-Conformance, and would be subject to a Corrective Action Plan but would not prevent CoC Certification.

Further reading

Entities may use a supplier's checklist to assess the risks of non-compliance.

Appendix 1 in the **ASI Performance Standard Guidance** provides links to assessment tools and a list of potential questions which an Entity may consider using if developing a supplier's checklist. Each supply chain has specific risks, therefore there is no 'one size fits all' checklist to supply chain Due Diligence. Entities should develop their assessment tools specific to the risks in their supply chain.

External links

NomoGaia has built a Human Rights Due Diligence screening process as another point of reference: https://nomogaia.herokuapp.com.

7.3 Complaints Mechanism

The Entity shall establish a Complaints Resolution Mechanism as per criterion 3.4 in the ASI Performance Standard, that is appropriate to the nature, scale and impact of the Business and that allows interested parties to voice concerns about non-compliance with its responsible sourcing Policy in its Aluminium supply chain.

Application

This criterion applies to all Facilities.

Implementation

The OECD Due Diligence Guidance recommends companies establish a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system. ASI's Complaints Resolution Mechanism does not replace the need for the Entity to have its own separate mechanism under the **ASI CoC Standard**.

The Entity's Complaints Resolution Mechanism should be publicly available, so that interested parties can be aware that a formal mechanism is in place.

The document should describe the types of complaints that are admissible and are not admissible, and the procedures followed in investigating and addressing complaints.

- For Entities that already have a Complaints Resolution Mechanism established for their own operations under the **ASI Performance Standard** (Production and Transformation Members), consider how this can be extended or adapted to cover supply chain concerns regarding the Entity's responsible sourcing Policy.

Smaller Businesses may only need a simple procedure documented.

For Entities without a relevant company website, or that are not consumer-facing, a contact point for the Complaints Mechanism could be included in CoC Document, to enable customers and suppliers to raise concerns. Other interested parties could access information about the Complaints Resolution Mechanism on request.

Note that concerns raised about any CoC Material must also be drawn to the attention of ASI so they can be investigated by the **ASI Complaints Resolution Mechanism**.

C. CoC Accounting, Documentation and Claims

8. Material Accounting System: CoC Material and ASI Aluminium

The Mass Balance System requires each successive Entity handling CoC Material to be CoC Certified to create an unbroken Chain of Custody. It allows for CoC Materials to be mixed with Non-CoC Material over a defined period, at any stage in the value chain. The Entity's Material Accounting System is used to verify that the Output of CoC Materials from an Entity does not proportionally exceed the Input to its Certification Scope. Note that the ***ASI CoC Standard*** *stipulates that the Output of CoC Material cannot be allocated as 'partially CoC' – so if 20% of Outflow is 'CoC', that 20% is 100% CoC (and not all Outflow is "20% CoC").*

Background

A Chain of Custody is managed through an Entity's internal control of the material it sources and/or supplies. ASI Chain of Custody Standard uses Mass Balance approach to account for the Inflows and Outflows of CoC and Non-CoC Material throughout the supply chain.

A critical component for administering a Mass Balance Model is for each Entity to have a Material Accounting System. This is the part of the Entity's Management System (Section 1) used for controlling and accounting for the Inputs and Outputs of CoC Material. They may be stand-alone systems or integrated with purchasing, process flow, inventory, accounting, or other systems.

Most Businesses in the Aluminium value chain already have 'Material Accounting' Systems in place that record most or all of the relevant information for Inflows to and/or Outflows of production. These systems are used to facilitate effective inventory management and workflow, create traceability systems for quality control purposes, and support the Business's financial accounting system. In many cases, such inventory and quality systems can be readily adapted for a CoC Material Accounting System.

The simplest situation for a Business is to source and/or supply only CoC Material. This would be the case for most mines, for example, where CoC Certified mines not sourcing Non-CoC Material could sell all of their production as ASI Bauxite. These types of Entities will require relatively simple records of (Inflow and) Outflow quantities that will not require percentage-based calculations, since the percentage in and/or out will be fixed at 100%. However, the vast majority of Businesses have multiple suppliers and more complex supply chains, sourcing and/or supplying a mix of CoC and Non-CoC Materials.

Section 8 sets out the material accounting controls to record and calculate the Input and Output of CoC Materials. These are provided in some detail so as to support consistency of approach across all Entities handling CoC Material. Members and Auditors should define appropriate tolerances by taking into account, for example:

- Accuracy of scales, for example calibration to the nearest 1 tonne, or 1kg;
- Requirements of customers (internal or external);
- Normal industry practice.

Implementation

8.1 Material Accounting System

The Entity's Management System shall include a Material Accounting System that safeguards the integrity of CoC Material and Eligible Scrap Mass Balance within the Certification Scope.

Application

This criterion applies to all Entities.

Background

ASI developed CoC Material Accounting Tool (CoC MAT) to support CoC Certifying Entities, in building their own CoC Material Accounting Systems. The Tool was designed to be ready to use for all types of Entities, regardless of their size and position along the aluminium value chain. Entities can choose to use the CoC MAT to manage their own Material Accounting System or incorporate elements of it in their existing systems if they wish. Use of the Tool is optional.

Implementation

The purpose of the Entity's Material Accounting System is to ensure that the total Output of CoC Material and/or Eligible Scrap does not proportionally exceed the Input Percentage of CoC Material and/or Eligible Scrap over the Material Accounting Period, across the whole Certification Scope, thus enabling implementation of criterion 8.7.

Implementation - Elements of Material Accounting System

The Entity should consider:

- How existing purchasing, process flow, inventory, accounting, or other systems could be adapted to act as, or be linked to, the Material Accounting System for the **ASI CoC Standard**.

- How to link and capture Inflow and Outflow data that is included in CoC Documents (Section 9). The systems need to be able to ensure that:
    - Incoming shipments of CoC Material are consistent with accounting data for purchased materials.
    - Outgoing shipments of CoC Material are consistent with accounting data of sold materials
    - This data can support mass balance reconciliations as per criterion 8.8.
- The Material Accounting System records, at a minimum:
- Incoming and outgoing shipments (Input and Output Quantities) of each CoC Material and Non-CoC Material type to and from the Entity's Certification Scope,
    - Record quantities in an appropriate form of measurement for the material. e.g. mass in tonnes.
- Incoming and outgoing shipments (Input and Output Quantities) of Eligible Scrap.
- CoC Material Intra-Entity Flows and Non-CoC Material flows between supply chain activities, if applicable.
- Reference numbers for the CoC Documents of each shipment (criterion 9.2).
- Unique identification numbers of Casthouse Products as mentioned under criterion 5.2.
- Positive Balance that is drawn down in the current Material Accounting Period.
- Mass of alloyoing elements introduced at Casthouse to be able to calculate the Output Quantities that can be designated as CoC Material.

Good practice would be to include all other information included in CoC Documents.

Implementation - Calculations of CoC Material volumes

Input Quantity and Output Quantity are the sum of all (same CoC Material type) Inputs to and Outputs from the Certification Scope over the Material Accounting Period. These will be reliably determined by recording information contained in each incoming and outgoing CoC Document.

Calculation of Input Percentages will require common units of measurement for Inputs and Outputs of CoC Material – in most cases this will be mass.

- Where Output mass needs to be determined, net mass of CoC Material contained in Products (not including packaging material or other non-Aluminium materials,) may need to be calculated. Record assumptions used in any such calculations.
- For Activities up to and including the Smelter, Inflows to and Outflows from the processes are not the same type of CoC Material, thus Input and Output Quantities (and derived percentages) for Entities with multiple types of Output can only be verified through the tracking and reporting of Intra-Entity Flows, as required under criterion 1.7(g).
- Post-Casthouse Entities may be sourcing multiple forms of Input ASI Aluminium. For example, an automotive company may source engine blocks, radiator tubing, alloy wheels, and sheet. The Input quantities of each could be separately recorded. Under the Mass Balance System, mixing can occur and this could include re-allocation of 'CoC Material' status from one kind of Input to a different kind of Output. criteria 8.7 will apply overall.

- When the mass of a Product is variable (for example, as may be the case in can production) an average weight of the Product may be used for the CoC Documentation.

Implementation - Alloys

Note that for the purposes of material accounting, alloys at less than 10% by mass and coatings will be treated as CoC Material.

Thus, any necessary mass calculations do not need to take into account the variable purity of CoC Material Inputs or Outputs (but as noted above, must be net mass of Aluminium, not counting packaging or other materials). The majority of Aluminium alloys have an alloy composition which is immaterial and is in almost all cases less than 10% of the total product by mass. In a few instances the Aluminium alloy has an Aluminium content greater than 10%; these alloys are used almost exclusively in the automotive industry. When alloying elements form more than 10% of the Entity's Output by mass, the following fractions of the total alloy mass are to be assigned CoC Material:

- Alloying elements 10-20% of Entity Output by mass; CoC Material: 90%
- Alloying elements 20-30% of Entity Output by mass; CoC Material: 80%
- Alloying elements 30-40% of Entity Output by mass; CoC Material: 70%
- etc.

Auditing

The Entity may consider testing the Material Accounting System with test Input and Output Quantities, where these are not yet formally designated CoC Material (before CoC Certification is granted).

External links

ASI developed CoC Material Accounting Tool (CoC MAT) available for download on ASI website.

The overview video of the Tool is available on ASI YouTube channel.

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8.2 Material Accounting Period

The Entity's Material Accounting System shall specify a Material Accounting Period, which shall not be longer than 12 months.

Application

This criterion applies to all Entities.

Implementation

A Material Accounting Period is a period of time during which CoC Material and/or Eligible Scrap Inputs and Outputs are accounted for and reconciled.

The Material Accounting System needs to set this parameter to allow Input Quantities to be averaged over a given period (e.g. monthly, quarterly or annually).

The Entity can decide how long to set their Material Accounting Period, which can be up to a maximum of twelve months. When establishing the Material Accounting Period, the Entity should consider:

- The variability of CoC Material vs Non-CoC Material supply, and what timeframes may work best to plan for and manage potential demand for CoC Material Output and/or claims.
- The implications of criterion 8.9 which allows Positive Balances to be carried over for just one Material Accounting Period.
- CoC criterion 1.7 which requires annual reporting to ASI for the calendar year.

A one-year period provides apparent flexibility, which is not intended for a situation where the Entity is waiting for Third Party CoC Material supply to materialise. Outputting CoC Material before having received a guarantee of CoC Material Input and planning to compensate this later in the Material Accounting Period presents a risk of Non-Conformance if the mass balance accounting does not reconcile at the end of the year.

A short-term negative mass balance is possible if the supply is anticipated from an Entity that is already CoC Certified and will not result in a negative mass balance at the end of the accounting period. The Entity should be aware of the risks of Non-Conformance if supply does not materialise and have the ability to adjust future delivery commitments if required.

In such situations, which are not categorised as Force Majeure, the use of Internal Overdraw (see criterion 8.8) is not applicable.

8.3 Input and Inflow Quantities

- The Entity shall, over a given Material Accounting Period, record the Quantities of each CoC Material and Eligible Scrap Input and the Quantities of Non-CoC Material and Recyclable Scrap Material Inflow to the Certification Scope.
- The Inflow Quantity of Eligible Scrap and Recyclable Scrap Material shall be based on an assessment of Aluminium content.

Application

This criterion applies to all Entities.

Implementation

The Input Quantities apply for a given Material Accounting Period. Input applies to all CoC Material and Eligible Scrap crossing Certification Scope boundary only. Knowing the Input Quantity of CoC Material and Eligible Scrap, as well as the total Recyclable Scrap Material and Non-CoC Material allows calculation of an Input Percentage, which is the proportion used to verify Output.

- Depending on the types of CoC Material handled by the Entity and their desired approach, this could be an overall Input/Output, or types of CoC Material could be differentiated. For example,
- Post-Casthouse Entities involved in various types of Semi-Fabrication may wish to implement a more detailed level of accounting. The same principles apply at the detailed level or at an aggregate level.
- Intra-Entity Flows should be identified, as required under criterion 1.7(g).

Units in the numerator and denominator need to be consistent.

While the Material Accounting System needs to record a final Input Percentage for a Material Accounting Period, regular tracking during the Period will be useful for managing a variable supply and demand of CoC Material during this time.

Equation to calculate the Input Percentage across whole Certification Scope:

$$\textit{Input Percentage} = \frac{\left(\frac{\textit{CoC Bauxite Input}}{\textit{Bauxite to Alumina yield}}\right) + \left(\frac{\textit{CoC Alumina Input}}{\textit{Alumina to Aluminium yield}}\right) + \textit{CoC Aluminium Input} + \textit{Eligible Scrap}}{\left(\frac{\textit{CoC Bauxite Input}}{\textit{Bauxite to Alumina yield}}\right) + \left(\frac{\textit{CoC Alumina Input}}{\textit{Alumina to Aluminium yield}}\right) + \textit{CoC Aluminium Input} + \textit{Eligible Scrap} + \left(\frac{\textit{Non-CoC Bauxite Input}}{\textit{Bauxite to Alumina yield}}\right) + \left(\frac{\textit{Non-CoC Alumina Input}}{\textit{Alumina to Aluminium yield}}\right) + \text{Non} - \textit{CoC Aluminium Input} + \text{Non} - \textit{Eligible Scrap}} \; x \; 100\%$$

Bauxite mines that are eligible to sell all of their production as ASI Bauxite are considered to have an Input Percentage of 100%. Where their production is mixed with other production before shipment, the other sources should be categorised into either 'Input Quantity of CoC Material' or 'Inflow Quantity of Non-CoC Material' as appropriate, in order to calculate the applicable Input Percentage.

Note that for Re-melting/Refining processes, only Recyclable Scrap Material is eligible to enter the process.

Incoming scrap material may come in a variety of forms and levels of purity, and in some cases may be mixed with other metals and non-metals. The Input Quantities for both Eligible Scrap and Inflow of Recyclable Scrap Material should be determined based on a reasonable assessment of the Aluminium content of the incoming scrap materials.

- This could be based on knowledge of the materials where it is a consistent quality (usually the case for Pre-Consumer Scrap, and sometimes for Post-Consumer e.g. used beverage cans).

- Alternatively, it may need to be calculated after further processing, or after melting and assaying.
- As noted under criterion 8.1, Aluminium purity does not need to be considered, but Aluminium content vs other non-Aluminium materials does. In other words, Aluminium alloys can be considered all Aluminium from an 'Aluminium content' perspective for this criterion.

8.4 Output Quantities of CoC Material

Over the given Material Accounting Period the Entity shall use the Input Quantities for each CoC Material to determine the available Quantities of CoC Material for Output, proportional to total Inflows of CoC and Non-CoC Materials, by mass.

Application

This criterion applies to all Entities.

Implementation

The Output Quantity is determined using the Input Percentage. As the system is based on a Mass Balance approach, the Input Percentage is the same as the Output percentage. So, if 30% of the total Inflow is CoC Material, then 30% of the total Outflow can be designated as CoC Material.

For Entities with multiple Outputs (e.g. ASI Bauxite and ASI Alumina and ASI Aluminium) application of a singular Input Percentage to Output is not possible. In such cases Inputs, Outputs and Intra-Entity Flows are used to verify that Outputs do not exceed Inputs across multiple activities. For Entities engaged in activities up to and including the Smelter, such data is reported under criterion 1.7(g) to allow verification of Input/Outputs.

The equation below, which also considers Positive Balance carried over into the next year and Internal Overdraw used last year required to be drawn down in the current one, should be used to calculate Outflow percentage and further allocate appropriate CoC Material Output Quantities:

$$\textit{Outflow Percentage} = \frac{CoC\ Material\ Outputs + Intra\ Entity\ Flows + Positive\ Balance + Internal\ Overdraw}{CoC\ Material\ Outputs + Intra\ Entity\ Flows + Positive\ Balance + Internal\ Overdraw + NonCoc\ Material}\ x\ 100\%$$

For example, an Entity had an Inflow to their Certification Scope consisting of 80% of CoC Material Inputs. Their Material Accounting System recorded 500 tons of CoC Material Outputs, 200 tons of Intra-Entity Flows, 100 tons was carried over to the next year as a Positive Balance, and 200 tons of

Non-CoC Material Inflows. The Outflow percentage equals 80% and Output percentage 50% which is allowed under the Mass Balance and the percentage-based calculation method.

Where Output mass needs to be determined, net mass of CoC Material contained in Products (not including packaging material or other non-Aluminium materials) may need to be calculated. Record assumptions used in any such calculations. See Guidance under criterion 8.1 for treatment of alloying elements.

- Using a percentage-based approach automatically takes into account material losses during processing.

8.5 Indivisibility of CoC Material

The Output Quantity of CoC Material, which may be a subset of total production, shall be designated as 100% CoC Material.

Application

This criterion applies to all Entities.

Implementation

The Output Quantity of CoC Material is designated as all CoC Material (i.e., 100%) and not partially so.

In other words, the percentage-based model cannot be used to claim that all production is "part-ASI", for example "all our billets are 50% ASI".

Figure 9 – How to Designate CoC Material Outputs

Where Output Quantity is counted by item rather than mass, partial amounts should be rounded down to a whole item.

8.6 Output Quantity of Eligible Scrap

If the Entity generates Scrap and wishes to designate the relevant proportion as Eligible Scrap, the Entity shall, for the given Material Accounting Period, use the same percentage share as for its Output of ASI Aluminium.

Application

This criterion is only applicable to Entities that produce Pre-Consumer Scrap from their processing and want to designate it as Eligible Scrap as an Input to another CoC Certified Entity, accompanied by a CoC Document (see Section 9).

Eligible Scrap criteria are not applicable to Internally Generated Scrap. It only applies when it crosses Certification Scope boundaries.

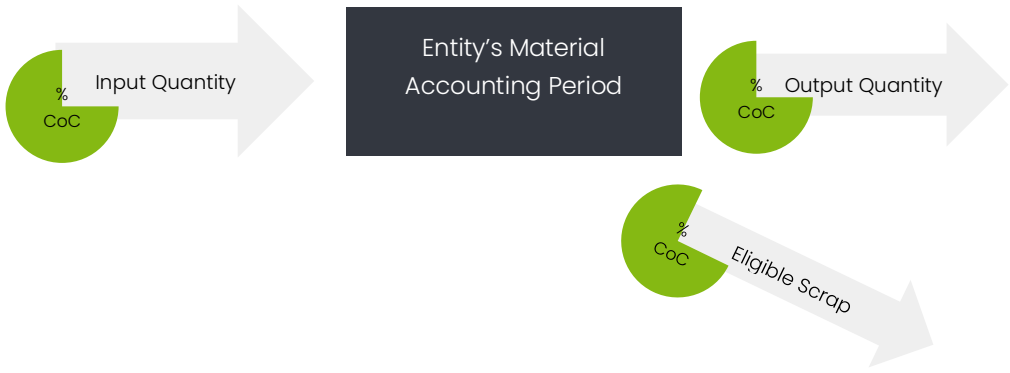
For CoC Certified Entities it is not required to report quantities of the Internally Generated Scrap under the criterion 1.7 related to annual CoC Material Flow reporting.

Implementation

Determining the amount of Eligible Scrap uses the same calculation of Input Quantities from criterion 8.3 and applies it to the total amount of Pre-Consumer Scrap produced by the Entity.

Output percentage of ASI Aluminium and Eligible Scrap will equal the Input Percentage.

Figure 10 – How to Designate Eligible Scrap



Eligible Scrap is then used as an Inflow to an Aluminium Re-Melting/Refining process to another CoC Certified Entity.

8.7 Consistency Between Input Percentage and Total Output

The Entity's Material Accounting System shall ensure that the total Output of CoC Material and/or Eligible Scrap does not proportionally exceed the Input Percentage of CoC Material and/or Eligible Scrap over the Material Accounting Period.

Application

This criterion applies to all Entities.

Implementation

One of the main principles of the Mass Balance System is that Outputs of CoC Material and/or Eligible Scrap must be proportional to the Inputs of CoC Material and/or Eligible Scrap.

It is an essential control responsibility for the Entity that the Outputs of CoC Material must be calculated using the Input Percentage and the Outflow percentage (criterion 8.4) and must not proportionally exceed Inputs of CoC Material.

Undertaking regular reconciliations of Inflows and Outflows will help keep the Entity on track over the Material Accounting Period.

8.8 Internal Overdraw

Where CoC Material is under contract for delivery to an Entity within a given Material Accounting Period, but is subject to a Force Majeure situation, the Entity's Material Accounting System may draw down an Internal Overdraw from the subsequent Material Accounting Period.

a. The Internal Overdraw shall not exceed 20% of total Input Quantity of CoC Material for the Material Accounting Period.
b. The Internal Overdraw shall not exceed the amount of CoC Material affected by the Force Majeure situation.
c. The Internal Overdraw shall be made up within the subsequent Material Accounting Period.

Application

This criterion applies to all Entities.

Implementation

An Internal Overdraw is where the Entity's Material Accounting System allows the Output Quantity to temporarily exceed the Input Quantity in a Material Accounting Period.

An Internal Overdraw is only permitted when CoC Material has been contracted to be delivered to the Entity, but a Force Majeure situation has prevented timely delivery.

- A Force Majeure situation is one that is out of the Entity's control which prevents timely delivery and could include closure of the supplier, or delay in an anticipated delivery through accident, strike, adverse weather, pandemics or similar.

Additionally, the Internal Overdraw concept is only relevant where the Force Majeure situation means that previously contracted delivery to a subsequent customer of CoC Material to be produced by the Entity cannot now be supplied.

An Internal Overdraw, if used, must be able to be made up in the subsequent Material Accounting Period, and in terms of size, must not be more than 20% of total Input Quantity of CoC Material for the current Material Accounting Period.

- This limit is to prevent a situation where Internal Overdraws cannot be subsequently made up.
- Internal Overdraw should be accounted in the next year's CoC Material Outflow quantities and Outflow percentage (criterion 8.4).

8.9 Positive Balance

Where an Entity has a Positive Balance of CoC Material at the end of a Material Accounting Period, this may be carried over to the subsequent Material Accounting Period.

a. The Entity's Material Accounting System must clearly identify any carry over of a Positive Balance.
b. A Positive Balance generated in one Material Accounting Period and carried over to the subsequent Material Accounting Period shall expire at the end of that Period if not drawn down.

Application

This criterion applies to all Entities.

Implementation

A Positive Balance is the net difference, where an Entity's total CoC Material and/or Eligible Scrap Inputs are higher than the Entity's total CoC Material transferred to another Entity at the end of a Material Accounting Period.

- This situation could arise where there are insufficient customers for CoC Material produced by the Entity in that period. In other words, supply is higher than demand.

Positive Balances of CoC Material must expire at the end of the subsequent Material Accounting Period, if not drawn down during that time.

The Material Accounting System must document the draw down of a Positive Balance that is carried over.

Positive Balance should be accounted in the CoC Material Outflow quantities and Outflow percentage (criterion 8.4).

9. Issuing CoC Documents

*The Material Accounting System is supported by accurate CoC information accompanying shipments of CoC Material. In the **ASI CoC Standard**, the set of required CoC information is referred to as CoC Documents (a template is in Appendix 1). Entities often integrate CoC information into their usual shipment processes, such as sales invoices or shipping documentation. Additional data and information may also be included in CoC Documents at the discretion of the Business but must be accurate and verifiable.*

Background

As physical Aluminium is shipped from one Entity to another, a mechanism is needed to initiate or continue a Chain of Custody. A CoC Document is used to record relevant information about a shipment of CoC Material and the sequence of Custody as it is transferred along the supply chain, to thus create the Chain of Custody.

The information contained in CoC Documents must be supported by the Entity's Material Accounting Systems in Section 8 of the **ASI CoC Standard**. Under the Mass Balance System, a calculated percentage of Outflow over a given Material Accounting Period can be designated as 'CoC Material'. The relevant information about this CoC Material needs to be passed on to the next customer in the value chain.

Businesses may also wish to pass on additional data and/or information that is relevant to their customers. The **ASI CoC Standard** categorises these into two types: Sustainability Data and Supplementary Information.

CoC Documents are aimed at Business to Business transfers of CoC Material, including to and from Traders. For more general marketing and communication, including to consumers, see Section 11 of the Standard.

Implementation

9.1 CoC Document

The Entity shall ensure that a CoC Document accompanies each shipment or transfer of CoC Material dispatched to other CoC Certified Entities or Traders.

Application

This criterion applies to all Facilities that ship CoC Material to another Entity.

Implementation

Where a Chain of Custody is to be maintained between different Businesses, a CoC Document needs to be issued. This can be a stand-alone document (a template is contained in Appendix 1 of the **ASI CoC Standard Guidance**), or alternatively the required information can be integrated into the Entity's normal invoice or shipping documentation.

Ideally the CoC Document should physically accompany each shipment or transfer of CoC Material. Where this is not possible, the CoC Document must be supplied separately (e.g. by email or secure website download) and relevant information to enable the receiving Entity to link the CoC Document with the relevant CoC Material will need to be included in the CoC Document.

For example, the CoC Document could note specific reference numbers attached to the shipment itself or contained in accompanying shipping documentation.

If an Entity is just interested in sourcing CoC Material but does not intend to pass on any claims to subsequent Entities, then a CoC Document is not required to be issued as there is no further trail of CoC Material beyond them.

However, there is nothing preventing a CoC Certified Entity from providing CoC Documentation to uncertified Entities, so long as the CoC Material is accounted for in their Material Accounting System.

A CoC Document is optional for an internal transfer within an Entity, including to and from Outsourcing Contractors, providing the relevant Facilities are within the same CoC Certification Scope.

- Depending on the nature of the Entity's internal systems, issuing a CoC Document for internal transfers may help to support the requirements for proper record-keeping and accounting, or it may be redundant.

Implementation – Outsourcing Contractors

Where an Outsourcing Contractor ships CoC Material onwards to another customer, the Entity will need to ensure that the required procedures for CoC Documents are clearly understood and followed by the Outsourcing Contractor.

- As the Outsourcing Contractor is within the Entity's CoC Certification Scope, the Entity is responsible for their Conformance.

9.2 CoC Document Content

The Entity shall ensure that CoC Documents include at least the following information:

a. Date of issue of the CoC Document.
b. Reference number for the CoC Document, which is linked to the Entity's Material Accounting System for verification purposes.
c. The identity, address and CoC Certification number of the Entity issuing the CoC Document.
d. The identity and address of the customer receiving the CoC Material, and if it is another CoC Certified Entity, their CoC Certification number.
e. The responsible employee of the Entity who can verify information in the CoC Document.
f. A statement confirming that "The information provided in the CoC Document is in Conformance with the ASI CoC Standard."
g. Type of CoC Material in the shipment.
h. Mass of CoC Material in the shipment.
i. Mass of total Material in the shipment.

Application

This criterion applies to all Facilities that ship CoC Material to another Entity.

Implementation

An Entity may use its own format rather than the template in Appendix 1 of the **ASI CoC Standard**, providing it includes all of the required elements.

Implementation – Material Accounting System

The Entity's Material Accounting System needs to record an internal reference number for all CoC Documents issued (9.2(b)). This is for traceability purposes.

- There may be a range of already existing reference numbers that can be used, and an Entity should decide which works best for them. For example, production tracking numbers, order numbers, or sales document/invoice numbers could be relevant. The key is to choose a reference that can help to control and account for volumes to ensure that you are not claiming more CoC Material than you are entitled to.

Implementation

Where different forms of CoC Material are being shipped in the same shipment (e.g. different types of Casthouse Products), the various forms should be noted. This will enable the receiver to check the shipment against the CoC Document/s.

Where products are made from multiple materials, the mass of Aluminium (9.2(h) and 9.2(i)) will be a subset of the total mass of the shipment. Consider including information in your Material Accounting

System on the mass of Aluminium per mass of standard Product to help automate individual shipment calculation:

(m*n)/M

Where:

M = total mass of the shipment,

m = Aluminium mass of the Product,

n = number of items

The mass of CoC Material is then determined by the number of Products allocated to different shipments/customers out of the Material Accounting System balance.

Where batch or invoice documents are used for mass balance purposes and/or for CoC Document reference it is acceptable to send mass/batch CoC Documents to the customer so long as there is a clear link between the shipment mass and the mass in the CoC Document.

An employee responsible for the Entity needs to be nominated. They have the responsibility to oversee the issuing of CoC Documents, and to be the point of contact for requests for verification.

- Some Entities may wish to include additional authorisation information in CoC Documents, e.g. a signature or e-signature, however this is not compulsory.

9.3 Sustainability Data (optional)

The Entity may also include the applicable Sustainability Data in the CoC Document for that CoC Material:

a. The average (preferably cradle-to-gate) carbon footprint of the CoC Material and accounting method applied.
b. Information to support the origin of Aluminium as per ASI Performance Standard criterion 9.8.
c. Recycled content, including methodology regarding Pre-Consumer Scrap and Post-Consumer Scrap, of the CoC Material.

Where engaged in Post-Casthouse activities:

d. ASI Certification Status for the ASI Performance Standard for the Entity and/or Facility issuing the CoC Document.

Application

This criterion applies to Facilities that ship CoC Material to another Entity.

Implementation

In addition to information about the respective parties and the CoC Material, an important feature of the **ASI CoC Standard** is its ability to provide relevant Sustainability Data, where available. The **ASI CoC Standard** focuses on GHG intensity and Post-Casthouse Certifications.

As this is an optional criterion, compliance or non-compliance will not be assessed to obtain Certification.

Post Casthouse Entities should also include either a link to their ASI Certification information for the **ASI Performance Standard** (where already certified), or the date of their applicable deadline for this Certification. The latter is within two years of joining ASI.

External links

For criterion 9.3(a) Entities producing bauxite, alumina and Primary Aluminium are recommended to follow the methods described in International Aluminium Institute (2021) *Good Practice Guidance for Calculation of Primary Aluminium and Precursor Product Carbon Footprints* https://international-aluminium.org/resource/good-practice-for-calculation-of-primary-aluminium-and-precursor-product-carbon-footprints/

9.4 Supplementary Information (optional)

If the CoC Document includes Supplementary Information about the Entity or CoC Material, the Entity shall ensure that the Supplementary Information can be supported by Objective Evidence.

Application

This criterion applies to Facilities that ship CoC Material to another Entity and includes Supplementary Information in the CoC Documentation.

Background

Examples of Supplementary Information include:

- Where the CoC Document does not physically accompany the shipment (for example in 6.1(c)), the Supplementary Information could be shipping identification or casthouse marks and/or reference numbers so that the receiving Entity can connect the CoC Document with the relevant CoC Material when received.

- Any additional certifications or accreditations (beyond ASI Certification) to a recognised national or international Standard and applying to the CoC Material or Entity. The applicable Standard should be identified, and the Entity will need to record Objective Evidence of such Conformance,
- e.g. the applicable Certification documentation. For example, ISO Certifications or similar could be relevant to some customers.
- Additional claims about origin, source or practices in the supply chain will be audited by ASI Accredited Auditors so must be truthful and supported by clear and unambiguous Objective Evidence. Examples could include country of origin of CoC Material, approaches to material stewardship of Aluminium, use of carbon offsets etc.
- Any other relevant information to the recipient of the CoC Document, for example website links to the Entity's responsible sourcing Policy, contact information for the Entity's Complaints Mechanism where this not made available via a website (criterion 7.3), publicly available reports (e.g. sustainability reports), or general information about the Business.

Implementation

Supplementary Information can be included in a CoC Document at the Entity's discretion. Generally, such information would be relevant to ASI Standards. See Appendix 1 for an example of a CoC Document with optional information.

All Supplementary Information needs to be supported by Objective Evidence that is communicated in the CoC Document and/or retained by the Entity and made available to an ASI Accredited Auditor when requested.

Misleading or deceptive claims pose a Significant Risk to company reputation and may raise legal Compliance issues under Applicable Laws that prohibit false and deceptive advertising or reporting and impact on Members' ASI membership rights. Any issues with Supplementary Information identified by Third Parties should be brought to the attention of ASI. See the **ASI Claims Guide** for general principles on claims.

9.5 Verification of Information

The Entity shall have systems in place to enable it to respond to reasonable requests for verification of information in CoC Documents issued by the Entity.

Application

This criterion applies to all Facilities that ship CoC Material to another Entity.

Implementation

The responsible employee identified in the CoC Document will often be the first point of contact for an inquiry.

Consider preparing a procedure in advance for how requests for verification of CoC Documents will be handled.

Note that the Entity may need to supply a copy of a CoC Document, or verify information that it contains, particularly where it has not physically accompanied a shipment.

Where a customer seeks additional copies of CoC Documents because of poor internal record keeping, this may indicate a problem with their systems. Where such requests become unreasonable, the Entity is not obliged to respond in each case. These types of situations should be brought to the attention of ASI.

9.6 Error (Shipping)

If an error is discovered after CoC Material has been shipped, the Entity and the receiving party shall document the error and the agreed steps taken to correct it and implement actions to avoid a recurrence.

Application

This criterion applies to all Facilities that ship CoC Material to another Entity.

Implementation

Occasionally an error may be discovered by the Entity or by the receiving party after CoC Material has been shipped.

Any errors found by the supplier should be promptly reported to the receiving Business and remedied by both parties agreeing to the steps taken to correct it. Options include:

- A return of the shipment and voiding of the CoC Document.
- Retaining the shipment and voiding the CoC Document.
- A voiding of the initial document and replacement by a corrected CoC Document.

A complete set of records covering any errors and the agreed correction must be maintained by both parties for future Audit purposes.

The cause of the error should be investigated and appropriate Corrective Actions identified and implemented. These should aim to address the root cause of the error/s in order to prevent future recurrences. Implementation of these Corrective Actions should also be reviewed for effectiveness.

10. Receiving CoC Documents

Entities that receive CoC Material will also receive the accompanying CoC Document (Section 9) issued by their suppliers. Checking and recording this information supports the accuracy and reliability of the Material Accounting System.

Background

CoC Documents issued by CoC Certified Entities (Section 9) are received by customers with the shipped CoC Material.

In order to continue a Chain of Custody for that material, the receiving Entity needs to check and record relevant information in the CoC Documents. Checking and recording relevant information supports the accuracy and reliability of the Entity's material accounting for CoC Material. The following types of checks need to be carried out when receiving CoC Documents:

- Completeness;
- Consistency;
- Verification.

It is important to keep records of all received CoC Documents. Missing documents could be retrieved from the Entity that issued the document, but that Entity would have to be satisfied with the reasons why a copy was needed and would not be obligated to provide a copy in all situations. During an Audit, evidence of missing documentation for CoC Material, or persistent losses and requests for copies of previously issued documents, could provide evidence of a Major Non-Conformance and loss of Certification.

Implementation

10.1 Verification of CoC Documents

The Entity shall verify that all required information in received CoC Documents, as set out in criteria 9.2, 9.3 (optional) and 9.4 (optional), has been included.

Application

This criterion applies to all Facilities that receive CoC Material.

10.2 Verification of Consistency Between CoC Documents and CoC Material

The Entity shall verify the consistency of received CoC Documents with the accompanying CoC Material or Eligible Scrap before recording information in their Material Accounting System.

Application

This criterion applies to Facilities that receive CoC Material.

Implementation

Once the consistency (criterion 10.1) and completeness checks are finalized, then the Entity should record this information in their own Material Accounting System as an Input of CoC Material.

In the case of a physical swap during transit of CoC Material where the delivery is not consistent with the order, then criterion 10.4 applies.

10.3 Verification of Supplier's ASI CoC Certification

The Entity shall check the ASI website on a regular basis to verify the validity and scope of the supplier's ASI CoC Certification for any changes that might affect the status of the supplied CoC Material or Eligible Scrap.

Application

This criterion applies to Facilities that receive CoC Material.

Implementation

Verify that the supplier's ASI Certification is up to date and that the scope covers the type of material and/or supplying Facility.

Current ASI Members and their Certification Status are listed on the ASI website in their membership class at: http://aluminium-stewardship.org/about-asi/current-members/

The Entity's internal procedures could specify a mandatory check for the first shipment, and then periodically (for example, every n^{th} shipment, or quarterly), as well as around the time of the expected renewal of the Certification.

In some situations, a supplier's Certification (**ASI Performance Standard** and/or **ASI CoC Standard**) may be suspended or discontinued. The date of effect for this change of Certification Status is the

date of suspension, or end of the relevant Certification Period (whichever is applicable). The impact of this on the ability of the Entity to supply CoC Material will be communicated on the ASI website.

- CoC Materials supplied prior to the date of effect are not affected by this change in the Entity's Certification Status, as the Certification was still valid at the time in which that CoC Material was supplied. Subsequent Entities in the supply chain are not expected to retrospectively 'deduct' this prior CoC Material from their Material Accounting Systems.
- However, material supplied by the Entity from that date onwards is not supported by ASI Certification until such time as the relevant Certification/s are renewed.

10.4 Error (Reception)

If an error is discovered after CoC Material or Eligible Scrap has been received, the Entity and the supplying party shall document the error and the agreed steps taken to correct it and implement actions to avoid a recurrence.

Application

This criterion applies to Facilities that receive CoC Material.

Implementation

Criterion 10.4 for receiving parties mirrors criterion 9.6 for issuing parties.

Here, it addresses situations where checks by the receiving party identify errors. This may include inconsistent information, omission of information, changes to the supplier's Certification, or physical swaps in transit, that affects the status of supplied CoC Material.

Any errors found by the receiver should be promptly reported to the supplying Business and remedied by both parties agreeing to the steps taken to correct it. The potential for double counting of CoC Material must be avoided (this particularly applies to physical swaps). Options include:

- A return of the shipment and voiding of the CoC Document;
- Retaining the shipment and voiding the CoC Document;
- A voiding of the initial document and replacement by a corrected CoC Document.

A complete set of records covering any errors and the agreed correction must be maintained by both parties for future Audit purposes.

The cause of the error should be investigated and appropriate Corrective Actions identified and implemented. These should aim to address the root cause of the error/s in order to prevent future recurrences. Implementation of these Corrective Actions should also be reviewed for effectiveness.

If potentially fraudulent behaviour is identified, this must be reported immediately to ASI.

11. Claims and Communications

CoC Certified Entities are encouraged to communicate with their customers and consumers about their support for responsible supply chains. All marketing and communications claims or representations, beyond what is contained in CoC Documents, are to be consistent with the assurance provided by the relevant ASI Standards and with the ***ASI Claims Guide****.*

Background

CoC Certification supports claims to customers, consumers and stakeholders about the Standards and assurance behind CoC Material and associated Products. Beyond CoC Documents, which are designed to be Business to Business (B2B) tools, CoC Certified Entities are encouraged to communicate more broadly about their efforts towards responsible supply chains. For some Entities, this may include claims or communications to consumers where this is relevant and appropriate to their Business.

Claims and representations, whether public/consumer-facing or B2B, usually relate to one or more of:

- The intent or mission of the Standards system;
- Participation in a Standards system;
- Compliance with a Standard;
- The impacts of the system;
- General marketing or promotional claims.[17]

Logos are the most recognisable forms of sustainability claims. For the purposes of ASI, a 'claim or representation' is documented and consists of one or more of:

- Use of an ASI logo;
- Use of an ASI Certification number;
- A text claim relating to ASI, which may be inside and/or alongside the logo, or standalone;
- Access to further information to support the claim, such as a website link.

As claims are frequently relied upon by Business partners and ultimately consumers, it is essential that they are not inaccurate or misleading. In some jurisdictions, certain terms and concepts like 'sustainable', 'green', 'low carbon' and 'recycled' have legal restrictions associated with them when used in marketing. Claims that appear absolute or imply performance levels beyond what is actually required or assured in a Standard may be accused as 'greenwashing'.

[17] ISEAL Alliance, *Sustainability Claims Good Practice Guide*, May 2015. Accessed: www.iseal.org/claims

ASI has a clear responsibility to control all relevant ASI-related claims to ensure they are both credible and accurate. ASI requires that all communications and marketing claims are consistent with the assurance provided by the relevant ASI Standards and with the **ASI Claims Guide**.

Section 11 focuses on claims or representations made by the Entity about CoC Material outside of the pre-defined format and content requirements of CoC Documents.

Implementation

11.1 Claims

Where the Entity makes claims and/or representations about CoC Material outside of CoC Documents the Entity shall have systems in place to ensure that:

a. These are made in a manner and form consistent with the ASI Claims Guide.
b. There is verifiable evidence to support the claims and/or representations made.
c. Appropriate training is provided for relevant employees to properly understand and communicate the claims and/or representations.

Application

This criterion applies to all Entities making claims or representations about CoC Material outside of CoC Documents.

Implementation

On-Product claims and some of product-related claims require ASI approval. List of these are included in the **ASI Claims Guide.**

Entities wanting to make an additional claims or representations about CoC Material (apart from issued CoC Documents covered under Section 9) are required to collect necessary documentation to verify validity of claims.

The volumes of CoC Material for which a claim is being made should never exceed the volumes of CoC Material held by an Entity in that Material Accounting Period.

Consider how to integrate this into internal Management Systems to ensure appropriate review and approval of new claims and representations about CoC Material.

Keep records of approved claims linked to their supporting CoC Documents and approval documentation from ASI.

Make sure relevant staff have a copy of the ASI Claims Guide and follow its procedures.

If an Entity due to the Force Majeure situation used Internal Overdraw, they or their customers are allowed to make a claim for that CoC Material, given that the CoC Material is compensated in and draw down from the next Material Accounting Period.

- It is very important that the claim does not state or imply information about Products, their sources and/or practices that cannot be verified through documented evidence maintained by the Entity.
- Where relevant claims rely on specific information or assurance outside of ASI Certification requirements for the **ASI Performance Standard** or **ASI CoC Standard**, this must be made available to the Auditor for verification.
- When considering potential claims, ensure that the verifiability of these claims over time and in changing circumstances is taken into account.
- Make sure internal control systems involve appropriately knowledgeable people who can review draft claims against the supporting evidence to make sure they align.

Making a claim for more than one Product or a group of related Products**.** ASI seeks to support an efficient approvals process, so where groups of related Products can be covered under the one approval request process, this is encouraged.

Implementation - Resources

Consider which employees have roles that may include making claims or representations about CoC Material or ASI Certification more generally.

Develop internal training so that these employees are aware of the requirements of the ASI Claims Guide and are kept updated on any internal changes to the Entity's Certification Status (e.g. adding new Facilities to the Entity's Certification Scope, or suspensions).

Implementation – Procedure to apply for On-Product or product-related claims

Step 1: Consult-the ASI Claims Guide first to determine what type of On-Product and product-related claims can be made that are applicable to Entities' or their customer needs.

Step 2: Submit the claims approval request using the appropriate form (See example, ASI Claims Guide, Appendix 1 – Claim Approval Requests). Members can seek approval on behalf of their clients/customers (non-Members) who will be leveraging On-Product claims.

Step 3: ASI aims to review the claim's request and send the initial response within 10 working days in most circumstances.

Step 4: If approved, the Member may proceed with the use of the claim. If not, the text and/or design will need to be adjusted and re-submitted. The re-submitted design will be reviewed within ten working days in most circumstances.

Step 5: For auditing purposes Members shall keep confirmation of approved claim's request, supporting documentation, and volumes of CoC Material used with the claim in their records, see Section 11.
Step 6: Entities making product-related claims may wish to report associated volumes of CoC Material to the ASI Secretariat on a periodic basis.

Claims content or designs should not be finalised or printed for commercial application until approval is granted by ASI.

Implementation – Claims' renewals

Claims valid for a period of 12 months from the date of approval, or the date of launch of the Product/s, whichever is most relevant.

ASI will contact Members regarding the renewal of approved claims approximately one month in advance of the end of a twelve month-approval period, to confirm:

- Whether the claim is still being used 12 months after approval.
- Whether a renewal of the approval for the next 12 months is sought.
- Whether any changes to the claim are requested.

If the claim is not renewed, it must be removed from all use promptly and no later than one month after the end of the approved claim validity. Without a current claim approval, no On-Product, Product-related, or aluminium sourcing claims can be used.

Implementation - Examples

Examples of relevant claims or representations could include:

- Claims about Products for sale making a link to ASI Certification e.g. through written reference, use of ASI logo/s.
- Claims about specific practices for Products explicitly related to ASI Performance Standard and Chain of Custody criteria.

Examples of claims and representations that are not within scope of the CoC Standard and should not be associated with ASI:

- Claims about the place of assembly or manufacture of a Product e.g. 'component made in the USA'.
- Claims about a Product containing ASI material being 'low-carbon' or 'climate-friendly'.
- Claims about technical specifications or quality e.g. alloy specifications, reliability.
- General corporation communications, marketing themes and imagery applied at the level of an Entity or Facility that do not specifically relate to, or are not documented in direct association with, Products or materials offered for sale.
- Claims about specific sources of Products e.g. country of origin, mines of origin.

In some cases, judgement may need to be applied to determine whether a claim or representation falls within the scope of Section 11, such as through the use of suggestive imagery or written descriptions that are implied but not explicit.

- This should be determined on the basis of whether the claim would reasonably be interpreted by the purchaser as applying to the physical Products, their sources and/or practices.
- In this case, Section 11 would be applicable to such claims.

Auditing

Conformance with this requirement will be checked in Surveillance and Re-Certification Audits, and Non-Conformances could result in loss of CoC Certification or other sanctions.

Appendix 1 – ASI CoC Document – Template and Examples

This can be used as a template for stand-alone CoC Documents under the ASI Standard. Alternatively, Entities may integrate the required information into their own preferred format.

ASI CoC Document ***The information provided in this CoC Document is in Conformance with the*** *ASI CoC Standard.*			
Date of issue:		**Reference number:**	
Issuing Entity		**Receiving Customer**	
Name of company:		Name of company:	
Address:		Address:	
ASI CoC Certification number:		ASI CoC Certification number *(if applicable)*:	
Responsible person:		Responsible person:	
CoC Material – Type *(check which applies)*			
	ASI Bauxite		
	ASI Alumina		
	ASI Aluminium		

	Pre-Consumer Scrap		
CoC Material			
Form of Material	Mass of CoC Material in shipment:	Mass of total shipment:	Unit of measurement
Sustainability Data (optional)			
Average (preferably cradle-to-gate) carbon footprint of the CoC Material, including methodology *(tonnes of CO_2 –eq per tonne Al).*			
Information to support the origin of ASI Aluminium			
Post-Casthouse – ASI Certification status *(**for ASI Performance Standard**)*			
Post-Casthouse – recycled content, including methodology regarding Pre-Consumer and Post-Consumer Scrap, of the CoC Material			
Supplementary Information (optional)			

Example of a CoC Document for a Fictional Alumina Refinery

ASI CoC Document The information *provided in this CoC Document is in Conformance with the ASI CoC Standard.*			
Date of issue:	11 July 2020	**Reference number:**	5840390
Issuing Entity		**Receiving Customer**	
Name of company:	Acme Alumina	Name of company:	The 1886 Smelting Company
Address:	1000 Element Rd, Peel WA, Australia	Address:	2 Hall-Heroult Avenue, Crystal Falls, Quebec, Canada
ASI CoC Certification number:	C00015	ASI CoC Certification number (*if applicable*):	C00037
Responsible person:	Jan Rogers, VP Sales	Responsible person:	Pierre Thiebault, Receiving Department
CoC Material – Type (*check which applies*)			
	ASI Bauxite		
X	ASI Alumina		
	ASI Aluminium		
CoC Material			
Form of Material	Mass of CoC Material in shipment:	Mass of total shipment:	Unit of measurement

Alumina	100,000	200,000	Tonnes
Sustainability Data (optional)			
Average carbon footprint of the CoC Material			
Information to support the origin of ASI Aluminium			
Post-Casthouse – ASI Certification status (for ***ASI Performance Standard***)			
Post-Casthouse – recycled content, including methodology regarding Pre-Consumer and Post-Consumer Scrap, of the CoC Material			
Supplementary Information (optional)			
Acme Alumina has achieved ISO14001 certification. Our responsible sourcing Policy is available at: www.acmenalumina.com/responsiblesourcing/.			

Example of a CoC Document for a Fictional Casthouse Associated with a Smelter

ASI CoC Document *The information provided in this CoC Document is in Conformance with the ASI CoC Standard.*			
Date of issue:	29 July 2020	**Reference number:**	98904280
Issuing Entity		**Receiving Customer**	
Name of company:	The 1886 Smelting Company	Name of company:	Rollers United
Address:	2 Hall-Heroult Avenue, Crystal Falls, Quebec, Canada	Address:	Lot 1100, Metals Park, Dearborn, MI, USA
ASI CoC Certification number:	C00037	ASI CoC Certification number (*if applicable*):	C00059
Responsible person:	Pierre Thiebault, Receiving Department	Responsible person:	Matthew Johnson
CoC Material – Type (*check which applies*)			
	ASI Bauxite		
	ASI Alumina		
X	ASI Aluminium		
CoC Material			
Form of Material	Mass of CoC Material in shipment:	Mass of total shipment:	Unit of measurement

Rolling Slab	2000	2000	Tonnes
Sustainability Data (optional)			
Average carbon footprint of the CoC Material		5.7 t CO2e/t Al	
Footprinting method used		IAI 2021 for Primary Aluminium (100%) input	
Information to support the origin of ASI Aluminium			
Post-Casthouse – ASI Certification status *(for **ASI Performance Standard**)*			
Post-Casthouse – recycled content, including methodology regarding Pre-Consumer and Post-Consumer Scrap, of the CoC Material			
Supplementary Information (optional)			
Our responsible sourcing Policy is available at: www.1886smelting.com/responsiblesourcing/.			

Glossary

The Glossary has been moved to the **ASI Glossary** global document.

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