

ASI CERTIFICATION CHAIN OF CUSTODY STANDARD



PRESENTED TO

Kobe Steel, LTD. Moka Works

CERTIFICATE NUMBER

379

ASI STANDARD

CHAIN OF CUSTODY
(V2 2022)

CERTIFICATION LEVEL

FULL
CERTIFICATION

ASI ACCREDITED
AUDITING FIRM

ERM CERTIFICATION
AND VERIFICATION
SERVICES

DATE OF ISSUE

24 JUNE 2024

DATE OF EXPIRY

23 JUNE 2027

CERTIFIED SINCE

24 JUNE 2024

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. Hall', with a long horizontal line extending to the right.

Aluminium Stewardship Initiative Ltd
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*Validity of this Certificate is subject to
continued conformance with the
applicable ASI Standard and can be
verified at
www.Aluminium-stewardship.org*

CERTIFICATION SCOPE

Manufacture of Aluminium products at
Moka Works, Tochigi, Japan.

AUDIT REPORT

CHAIN OF CUSTODY

STANDARD

OVERVIEW

MEMBER NAME	Kobe Steel, Ltd.
ENTITY NAME	Kobe Steel, LTD. Moka Works
CERTIFICATION SCOPE	Manufacture of Aluminium products at Moka Works, Tochigi, Japan.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesPost-Casthouse
ASI STANDARD	<ul style="list-style-type: none">Chain of Custody Standard V2
AUDIT TYPE	<ul style="list-style-type: none">Initial Certification Audit
AUDIT FIRM	ERM Certification and Verification Services
AUDIT DATE	<ul style="list-style-type: none">17 – 19 April 2024
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">1 June 2024
AUDIT SCOPE	<p>The Audit Scope includes the manufacture of Aluminium products at Moka Works, Tochigi, Japan.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesPost-Casthouse <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p>
AUDIT OUTCOME	Certification
AUDIT METHODOLOGY DECLARATION	<p>The Auditors confirm that:</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this Report.<input checked="" type="checkbox"/> The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.<input checked="" type="checkbox"/> The Audit Scope and Audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.<input checked="" type="checkbox"/> The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
CERTIFICATION PERIOD	24 June 2024 – 23 June 2027

NEXT AUDIT TYPE Surveillance Audit

NEXT AUDIT DUE DATE 23 December 2025

CERTIFICATE NUMBER 379



If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://Aluminium-stewardship.ethicspoint.com/>

EthicsPoint is a comprehensive and confidential reporting tool that enables complaints to be securely raised, managed and responded to. This enables anonymity to be maintained where desired by complainants, or as relevant to whistleblowing situations.

Information is available in five languages – English, French, Chinese, German and Portuguese (Brazil). Translation services provided by EthicsPoint enable complaints and correspondence to be managed in multiple languages.

ENTITY OVERVIEW

The Kobe Steel Group has annual sales of approximately 1.7 trillion yen, operating in nine facilities across Japan and supported by a series of sales and administrative offices throughout the country. As the main plant of the Steel and Aluminium Business Division, the Moka Works (the 'Entity') commenced operation in 1969 and is solely responsible for manufacturing Aluminium sheeting used in aeroplanes, Shinkansen trains, beverage cans, hard disk drives, automobiles and other applications. The Entity's rolling plant is considered to be one of the most efficient in the industry, with one of the highest production volumes of any such facility in Japan. The advanced rolling technology used by the Entity since the operation commenced has resulted in high-quality products which are lightweight, non-toxic, durable, and recyclable.

The base material contains Primary Aluminium material and various Scrap materials (recycled metal).

The Entity is located in the Moka-5 industrial park in Moka City, Tochigi Prefecture, Japan and has approximately 1,020 employees.

MATURITY RATINGS

A rating of maturity (low, medium or high) determined by the Auditor that provides a general assessment in terms of systems, Residual Risk and performance assigned to a Sustainability Component.

Maturity ratings are not a direct assessment of conformance to the Standard.

	OVERALL
SYSTEMS	Medium
RISKS	Medium
PERFORMANCE	Medium
OVERALL	MEDIUM

FINDINGS

CRITERION	RATING	COMMENT
1. MANAGEMENT SYSTEM AND RESPONSIBILITIES		
1.1 ASI Membership	Conformance	The Entity has been an ASI member in the Production and Transformation class since May 2022. https://aluminium-stewardship.org/about-asi/members/Kobe-Steel-Ltd-
1.2 CoC Management System	Conformance	The Entity has developed its CoC Management Manual and established a Management System which complies with the applicable requirements of the ASI Chain of Custody Standard for the facilities within its CoC Certification Scope.
1.3 CoC Management System Monitoring	Conformance	The Entity has established an annual review of its Chain of Custody Management System to ensure its suitability, adequateness, and effectiveness.
1.4 Management Representative	Conformance	The Entity has appointed the Moka Works General Manager as the Management Representative with overall responsibility and authority for the Entity's conformance with all applicable requirements of the ASI CoC Standard.
1.5 Communications and Training	Conformance	The Entity has communicated and trained relevant personnel in the planning department regarding the ASI CoC Standard to meet their assigned responsibilities under the Standard.
1.6 Records Management	Conformance	The Entity maintains up-to-date records that comply with all applicable requirements of the ASI CoC Standard and retains these for at least five years as required.
1.7a Reporting to ASI (Inputs and Outputs of CoC Material)	Conformance	<p>The Entity defines how to report information regarding CoC materials to the ASI Secretariat through the CoC Material Balance Management Procedure.</p> <p>The Entity's provision for annual reporting to the ASI Secretariat is documented in a procedure. Reporting includes Input and Output Quantities of CoC Material/s to/from the Certified Entity over the calendar year. A report has not yet been issued however, as the Entity had not managed CoC material at the time of the initial audit.</p>
1.7b Reporting to ASI (Inputs and Outputs of Eligible Scrap)	Conformance	The Entity's provisions for annual reporting to the ASI Secretariat are documented in a procedure. Reporting includes Input and Output Quantities of Eligible Scrap to/from the Certified Entity over the calendar year. A report has not yet been issued, as the Entity had not managed CoC material at the time of the initial audit.
1.7c Reporting to ASI (Inflows and Outflows of Non-CoC Material)	Conformance	The Entity's provision for annual reporting to the ASI Secretariat are documented in a procedure. Reporting includes the Inflow and Outflow Quantities of Non-CoC Material/s to/from the Certified Entity over the calendar year. A report has not yet been issued, as the Entity had not managed CoC material at the time of the initial audit.
1.7d Reporting to ASI (Positive Balance carried over)	Conformance	The Entity's provision for annual reporting to the ASI Secretariat are documented in a procedure. Reporting includes the Positive Balance carried over to the subsequent Material Accounting Period, if any. A

CRITERION	RATING	COMMENT
		report has not yet been issued, as the Entity had not managed CoC material at the time of the initial audit.
1.7e Reporting to ASI (Positive Balance used)	Conformance	The Entity's provision for annual reporting to the ASI Secretariat is documented in a procedure. Reporting includes any Positive Balance used within the calendar year. A report has not yet been issued, as the Entity had not managed CoC material at the time of the initial audit.
1.7f Reporting to ASI (Internal Overdraw drawn down)	Conformance	The Entity's provisions for annual reporting to the ASI Secretariat are documented in a procedure. Reporting includes the Internal Overdraw within the calendar year, if any. A report has not yet been issued, as the Entity had not managed CoC material at the time of the initial audit.
1.7g Reporting to ASI (Intra-Entity Flows)	Conformance	The Entity's provision for annual reporting to the ASI Secretariat is documented in a procedure. Reporting is designed to include the Quantities of CoC Material/s transferred between supply chain activities within the CoC Certified Entity (Intra-Entity Flows) over the calendar year.

2. OUTSOURCING CONTRACTORS

2.1 Certification Scope	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
2.2a Control of CoC Material (Legal ownership or control)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
2.2b Control of CoC Material (No further outsourcing)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
2.2c Control of CoC Material (Risk assessment)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
2.3 Information on Quantity of CoC Material Output and Returned	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
2.4 Consistency in Inflow and Outflow Quantity of CoC Material to/from Outsourcing Contractor	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
2.5 Error (Outsourcing Contractor)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

3. PRIMARY ALUMINIUM: CRITERIA FOR ASI BAUXITE, ASI ALUMINA AND ASI ALUMINIUM

3.1a ASI Bauxite (CoC Certification Scope)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
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CRITERION	RATING	COMMENT
3.1b ASI Bauxite (Performance Standard)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.1c ASI Bauxite (Bauxite sourcing)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.2a ASI Alumina (CoC Certification Scope)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.2b ASI Alumina (Performance Standard)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.2c ASI Alumina (Bauxite sourcing)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.3a ASI Aluminium (CoC Certification Scope)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.3b ASI Aluminium (Performance Standard)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.3c ASI Aluminium (Alumina sourcing)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

4. RECYCLED ALUMINIUM: CRITERIA FOR ELIGIBLE SCRAP

4.1a Recycled Aluminium (CoC Certification Scope)	Conformance	The ASI Aluminium produced at Moka Works comes from its own recycling facilities, which are included in the ASI CoC Certification Scope, and from other can manufacturing companies.
4.1b Recycled Aluminium (Performance Standard)	Conformance	The Entity is certified against the ASI Performance Standard, certificate number 364, issued on 29 May 2024.
4.2a Eligible Scrap (Pre-Consumer)	Conformance	The Entity defines Eligible Scrap only as Pre-Consumer Scrap with Chain of Custody documentation, according to its CoC Manual.
4.2b Eligible Scrap (Post-Consumer)	Conformance	The Entity defines Eligible Scrap only as Pre-Consumer Scrap (and not Post-Consumer) with Chain of Custody documentation, according to its CoC Manual.
4.2c Eligible Scrap (Dross)	Conformance	The Entity defines Eligible Scrap only as Pre-Consumer Scrap (and not Post-Consumer) with Chain of Custody documentation, according to its CoC Manual.
4.3a Records Management for Direct Suppliers of Recyclable Scrap Material (Suppliers)	Conformance	The Entity has implemented a Supplier Management System which identifies and records all Scrap suppliers, which is managed by the Raw Materials Procurement Department.
4.3b Records Management for Direct Suppliers of	Conformance	The Entity's payments for Scrap purchases are made through bank transfer only, not cash. Suppliers and their transactions are registered in the Entity's internal system.

CRITERION	RATING	COMMENT
Recyclable Scrap Material (Financial transactions)		
5. CASTHOUSES: CRITERIA FOR ASI ALUMINIUM		
5.1a ASI Aluminium (CoC Certification Scope)	Conformance	The Entity's Casthouse operations, which produce ASI Aluminium, are included in the Moka Works ASI CoC Certification Scope.
5.1b ASI Aluminium (Performance Standard)	Conformance	The Entity's Casthouse operations, which produce ASI Aluminium, are included in the Moka Works ASI CoC Certification Scope. The Entity is certified against the ASI Performance Standard, certificate number 364, issued on 29 May 2024.
5.1c ASI Aluminium (Aluminium sourcing)	Conformance	The Entity's method of accounting for ASI Aluminium is defined according to the ASI Chain of Custody Standard requirements.
5.2 Unique Identification	Conformance	The cast products at Moka Works are slabs which are identified by the slab number. In the post-casting process, they are identified by the coil number which is linked to the slab number. The association between coil numbers and CoC Materials is managed using the material accounting sheet specified in the CoC accounting, documentation, and display regulations.
6. POST-CASTHOUSE: CRITERIA FOR ASI ALUMINIUM		
6.1a Post-Casthouse ASI Aluminium (CoC Certification Scope)	Conformance	The Entity's Casthouse operations, which produce ASI Aluminium, are included in the Moka Works ASI CoC Certification Scope.
6.1b Post-Casthouse ASI Aluminium (Performance Standard)	Conformance	The Entity's Casthouse operations, which produce ASI Aluminium, are included in the Moka Works ASI CoC Certification Scope. The Entity is certified against the ASI Performance Standard, certificate number 364, issued on 29 May 2024.
6.1c Post-Casthouse ASI Aluminium (Aluminium sourcing)	Conformance	The Entity ensures that its Post-Casthouse Facility sources only ASI Aluminium originating from its Casthouse and other ASI CoC-Certified Entities, directly or via a Trader. When using a Trader, the Entity confirms that the source of the ASI Aluminium can be identified through a verified CoC Document.
7. DUE DILIGENCE FOR NON-COC MATERIAL, COC MATERIAL ACQUIRED THROUGH A TRADER AND RECYCLABLE SCRAP MATERIAL		
7.1a Responsible Sourcing Policy (Anti-corruption)	Conformance	The Entity communicates its CSR procurement Policy to its suppliers. This Policy includes Anti-Corruption requirements. https://www.kobelco.co.jp/english/sustainability/files/csr-procurement-basic-Policy_e.pdf
7.1b Responsible Sourcing Policy (Responsible sourcing)	Conformance	The Entity communicates its CSR procurement Policy to its suppliers. This Policy includes Responsible Sourcing requirements. https://www.kobelco.co.jp/english/sustainability/files/csr-procurement-basic-Policy_e.pdf

CRITERION	RATING	COMMENT
7.1c Responsible Sourcing Policy (Human rights due diligence)	Conformance	The Entity communicates the CSR procurement Policy to its suppliers. This Policy includes Human Rights Due Diligence requirements. https://www.kobelco.co.jp/english/sustainability/files/csr-procurement-basic-Policy_e.pdf
7.1d Responsible Sourcing Policy (Conflict-affected and high-risk areas)	Conformance	The Entity communicates the CSR procurement Policy to its suppliers. This Policy includes Conflict-Affected and High-Risk Areas requirements. https://www.kobelco.co.jp/english/sustainability/files/csr-procurement-basic-Policy_e.pdf
7.2 Risk Assessment and Mitigation	Conformance	The Entity conducts risk assessments based on its Procurement Policy. Since 2022, the Entity has been evaluating suppliers on corporate governance, Human Rights, Labour, environment, quality, information security, supply chain, and co-existence with local communities, using an initial survey based on GCNJ SAQ, which is followed up with a second survey on the suppliers' procurement Policy against major business partners.
7.3 Complaints Resolution Mechanism	Conformance	The Entity has established a complaint resolution mechanism, which is available at the Entity's website: https://www.kobelco.co.jp/inq/form/index.php?m=Mailform&no=089

8. MASS BALANCE SYSTEM: COC MATERIAL AND ASI ALUMINIUM

8.1 Material Accounting System	Conformance	The Entity has established a Material Accounting System. The tool was developed based on CoC Material.
8.2 Material Accounting Period	Conformance	The Entity has defined a 12 month accounting period (January to December) as specified in the CoC Material Balance Management Procedure.
8.3 Input and Inflow Quantities	Conformance	The CoC Material Balance Management Procedure specifies how the Entity records Input and Inflow volume Quantities.
8.4 Output Quantities of CoC Material	Conformance	The Entity has a procedure that defines the input amount of each CoC Material used to determine the available amount of CoC Material for output by mass in proportion to the total inflow of CoC and Non-CoC Materials.
8.5 Indivisibility of CoC Material	Conformance	The Entity has specified with a documented procedure that the Output Quantity of CoC Material shall be designated as 100% CoC Material by CoC Material Balance Management Procedure.
8.6 Output Quantity of Eligible Scrap	Conformance	The Entity's appropriate percentage of Scrap will be designated as eligible Scrap using the same percentage as ASI Aluminium production as per the CoC Material Balance Management Procedure.
8.7 Consistency Between Input Percentage and Total Output	Conformance	The Entity's total production of CoC Material and/or eligible Scrap shall not proportionately exceed the input percentage of CoC Material and/or eligible Scrap over the material accounting period as per the CoC Material Balance Management Procedure.

CRITERION	RATING	COMMENT
8.8a Internal Overdraw (Not exceed 20%)	Conformance	According to the Entity's CoC Material Balance Management Procedure, internal overdrafts should not exceed 20%.
8.8b Internal Overdraw (Not exceed force majeure situation)	Conformance	The Entity has defined that its internal overdraw shall be controlled below the amount of CoC Material affected by any Force Majeure event as per the CoC Material Balance Management Procedure.
8.8c Internal Overdraw (Made up within subsequent Material Accounting Period)	Conformance	It is specified that the Entity's Internal overdrafts are to be settled within the next material accounting period as per the CoC Material Balance Management Procedure.
8.9a Positive Balance (Carry over)	Conformance	The Entity has defined how to identify its positive balance on the material accounting sheet as per the CoC Material Balance Management Procedure.
8.9b Positive Balance (Expiry)	Conformance	The Entity identifies the positive balance on the material accounting sheet. It should be reported in the annual report submitted to ASI as per the CoC Material Balance Management Procedure.
9. ISSUING COC DOCUMENTS		
9.1 CoC Document	Conformance	The Entity has developed documents and records to track the CoC Material Inputs and Outputs. To record the shipment or transfer of CoC Material, the Entity uses an email, which also includes the production number.
9.2a CoC Document Content (Date of issue)	Conformance	The Entity's CoC Documents include its issue date.
9.2b CoC Document Content (Reference number)	Conformance	The Entity's CoC Documents include a reference number for the CoC Document linked to the Entity's Material Accounting System for verification purposes.
9.2c CoC Document Content (Issuing Entity)	Conformance	The Entity's CoC Documents include the Entity's address, identity and CoC Certification number.
9.2d CoC Document Content (Receiving customer)	Conformance	The Entity's CoC Documents include the identity and address of the customer receiving the CoC Material, and if it is another CoC Certified Entity, their CoC Certification number.
9.2e CoC Document Content (Responsible employee)	Conformance	The Entity's CoC documents include the name of the employee responsible for verifying the CoC document.
9.2f CoC Document Content (Conformance statement)	Conformance	The Entity's CoC Documents include a statement confirming that "The information provided in the CoC Document is in Conformance with the ASI CoC Standard."
9.2g CoC Document Content (Type of CoC Material)	Conformance	The Entity's CoC Documents include the type of CoC Material in the shipment.

CRITERION	RATING	COMMENT
9.2h CoC Document Content (Mass of CoC Material)	Conformance	The Entity's CoC Documents include the mass of CoC Material in the shipment.
9.2i CoC Document Content (Mass of total material)	Conformance	The Entity's CoC Documents include the total mass of the CoC Material in the shipment.
9.3a Sustainability Data (optional) - Carbon footprint	Conformance	If requested by the client, the Entity provides the relevant information on the carbon footprint of the CoC Material.
9.3b Sustainability Data (optional) - Origin information	Conformance	If requested by the client, the Entity provides information on Sustainability Data regarding the Materials origin.
9.3c Sustainability Data (optional) - Recycled content	Conformance	The Entity provides recycled content on Sustainability Data upon the client's request.
9.3d Sustainability Data (optional) - Post-Casthouse ASI Certification status	Conformance	The Entity provides clients upon request with information on Post-Casthouse activities, including ASI Certification Status for the ASI Performance Standard,.
9.4 Supplementary Information (optional) - Objective evidence	Conformance	Upon client request, the Entity provides the relevant information on Objective evidence.
9.5 Verification of Information	Minor Non-Conformance	The responsibilities and processes for responding to verification requests are documented in CoC Material Balance Management Procedure. However, there is no procedure for managing requests for the verification of CoC Documents.
9.6 Error (Shipping)	Conformance	The Entity has a process for recording errors, analysing root causes, and taking relevant corrective actions to prevent any recurrence.
10. RECEIVING COC DOCUMENTS		
10.1 Verification of CoC Documents	Conformance	The Entity has established a procedure which defines the responsibility and process for verifying information within the Chain of Custody document.
10.2 Verification of Consistency Between CoC Documents and CoC Material	Conformance	The CoC Material Balance Management Procedure documents the responsibilities and processes for verifying the consistency of received CoC Documents.
10.3 Verification of Supplier's ASI CoC Certification	Conformance	The responsibilities and processes for verifying the supplier's CoC Certification status are documented in the CoC Material Balance Management Procedure.

CRITERION	RATING	COMMENT
10.4 Error (Reception)	Conformance	The Entity has a process for recording errors, analysing root causes, and taking relevant corrective actions to prevent recurrence as per the CoC Material Balance Management Procedure.
11. CLAIMS AND COMMUNICATIONS		
11.1a Claims and Communications (ASI Claims Guide)	Conformance	The Entity has established a system to ensure that any claims and/or representations about CoC Material outside of CoC Documents are consistent with the ASI Claims Guide.
11.1b Claims and Communications (Verifiable evidence)	Conformance	The Entity has established that verifiable evidence shall be prepared to support representations or statements stipulated in its CoC Material Balance Management Procedure.
11.1c Claims and Communications (Employee training)	Conformance	The Entity has established that relevant employees shall receive training regarding Claims and Communications as prescribed in its CoC Material Balance Management Procedure.

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DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	24 June 2024	Initial Certification Audit – Full Certification