

ASI Standards Committee

Teleconference

2 April 2024, 1300 CEST

asi  Aluminium
Stewardship
Initiative

Before we begin...

Anti Trust Compliance

Compliance with *ASI Antitrust Policy (February 2021)* is a condition of continued participation in ASI activities. Participants should have due regard to this Policy today and in all other ASI activities. Feel free to raise concerns or questions with the Secretariat and/or Chair(s).

- https://aluminium-stewardship.org/wp-content/uploads/dlm_uploads/2017/10/ASI-Antitrust-Compliance-Policy-02-2021-.pdf

Acknowledgement of Indigenous People

ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our Members operate. We aim to respect the cultural heritage, customs and beliefs of all Indigenous People and we pay our respects to Elders past and present.

Ways of Working

- We are a multi-stakeholder organisation.
- Dialogue is at the heart of everything we do.
- We welcome all participants and enable the full participation of all attendees
- We value diversity of backgrounds, views and opinions, which lends itself to healthy debate and improved outcomes.
- We express our views and listen to the views of others in a respectful and professional way

Agenda

Topic	Lead	Documents Circulated/Linked	Time (mins)	Objective
1. Welcome, Introduction & Apologies	Chairs	2. ASI - SCMemberApptAlternateForm 2April2024.doc 3. ASI - SCMemberApptProxyForm 2April2043.doc	5	
2. Previous Meeting Minutes	CB	4. DRAFT Minutes_ASI SC Sept 2023.pdf	5	SC decision: approve publication on website
3. Previous meetings ACTIONS	CB			SC update
4. Assurance Manual Update	VT/LB	5. DRAFT ASI Assurance Manual V2.1 2024.docx	25	SC discussion/decision
5. Claims Guide Update	VT	6. Proposal for Standard Committee_ASI Claims Guide .pdf	20	
6. GHG Pathways Method Update	CB	https://aluminium-stewardship.org/drive-change/sustainability-priorities/climate-change	20	SC update on recent work SC discussion on DRAFT Conformance Guidance SC decision on Method incorporation into PS Guidance
7. PS Guidance Update (v.3.2)	CB	7. DRAFT 08-03-2024_ASI Performance Standard Guidance V3.1.1 TC.docx	10	SC decision on text changes to DRAFT PS Guidance (v.3..2) SC decision on recommendation to ASI Board for publication in May 2024
8. Thank you to current Committee and preview of 2024-2026 cohort	CB/FS		10	
9. Introducing ASI's new Director of Standards, Chelsea Reinhardt	CB		10	SC update and Q&A
10. ACTIONS, AOB & close	Chairs		5	

1. Welcome, Introduction & Apologies, Conflicts of Interest

Attendees (<https://aluminium-stewardship.org/about-asi/asi-standards-committee/>)

- Abu Karimu (Settle Ghana – CS)
- Andy Doran (Novelis – PT)
- Gesa Jauck (Trimet – PT)
- Guilbert Ebune (Arconic – IU)
- Hugo Rainey (Independent – CS)
- Ioannos Koufoupanos (Elval – PT)
- José Rubio (FFI – CS)
- Kendyl Salcito (CHAIR) (Nomogaia – CS)
- Louis Biswane (KLIM – IPAF)
- Margriet Biswane (Village Alfonsdorp, IPAF)
- Marina Wangurra (IPAF)
- Nadine Schaufelberger (Ronal AG – IU)
- Nicholas Barla (IPAF)
- Oliver Néel (Constellium – PT)
- Patrick Brading (Hydro – PT)
- Piet Wit (Daridibó – CS)

Apologies

- Alexander Leutwiler (Nespresso – IU)
- Marcel Pfitzer (Mercedes-Benz Group AG – IU)
- Sinika Lein (Otto-Fuchs – IU)
- Steven Bater (EGA – PT)

ASI Secretariat (<https://aluminium-stewardship.org/about-asi/asi-team/>)

- Cameron Jones, Director of Assurance
- Chelsea Reinhardt, Standards Director
- Chinelo Etiaba, Membership Director
- Chris Bayliss (CB), Climate Change & Decarbonisation Director
- Debora Logo, Assurance Coordinator
- Dr. Fiona Solomon (FS), CEO
- Dr. Gabriel Carmona-Aparicio, Circularity Research Manager
- Jessica Pereira, Human Rights Specialist
- Klaudia Michalska, Supply Chain Analyst
- Laura Brunello, Standards Coordinator
- Marieke van der Mijl, Director of Partnerships
- Mark Annandale, Director of Research & IPAF Adviser
- Penda Diallo, Qualitative Research Manager
- Rhiannon Prescott, Learning Coordinator
- Vicky Tran (VT), Assurance and Accreditation Manager
- Wen Zhang, Assurance and Benchmarking Manager

2. Previous Meeting (25–29 September 2023) Minutes

- Propose the Committee accept minutes for publication on ASI website

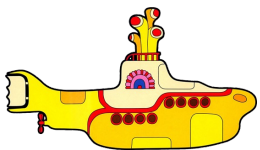
- For decision:
 - The Committee accepted the DRAFT minutes of the last meeting unchanged, for finalisation and publication on the ASI website.

3. Previous Meeting (25–29 September 2023) ACTIONS

Topic	ACTIONS
Previous Meeting Minutes	<ul style="list-style-type: none"> Approved; Secretariat to publish to website [COMPLETE]
Assurance Manual Updates	<ul style="list-style-type: none"> Actions as per outcomes of meeting of 25–29 September 2024 [ON TODAY'S AGENDA]
GHG Pathways Method	<ul style="list-style-type: none"> Recommend to the ASI Board (15 Nov 2023) endorsement of the proposed GHG Pathways method [COMPLETE] Publish endorsed method and tool and audit/implementation guidance as stand-alone document in January 2024. [COMPLETE] Incorporate into Guidance v3.2 (with SC oversight) in April 2024 [ON TODAY'S AGENDA] ASI Secretariat to work on: <ul style="list-style-type: none"> Integrated process slopes (Oct 23) [COMPLETE] Training, communication & rollout (from Q4 2023) [COMPLETE & ONGOING] Bx and Al₂O₃ sectoral slopes (2024, post publication) [OPEN] Land use emissions (2024, post publication) [OPEN] Any updates to sector slopes, method or guidance (based on changing science and/or assurance/implementation experience requires (as usual) Standards Committee (and thence Board) decision [ONGOING]

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
1 General and editorial updates Editing, formatting, new graphics	EDITORIAL UPDATES: removal of redundancies and repetitions of information already found elsewhere, capitalization and correct articulation of Glossary terms including formatting. UPDATED New graphics (text remained the same)
2 Update references to ElementAL Instructions Screenshots of elementAL 2,0	UPDATED 3.3. ASI Assurance Platform, elementAL
3 Update and include the Force Majeure Policy	INCLUDED Appendix 1 – ASI Force Majeure Policy



4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
<p>4 Managing reprisal risks and their impacts on audit quality</p> <p>The Human Rights Working Group found that implementing interview best practices for auditors helps protect stakeholders from reprisal risks. The management of reprisal risks and auditor interviews are interrelated, as both are essential in ensuring the efficiency, integrity, and ethical conduct of the Audit process.</p>	<p>FOR AUDITORS:</p> <p>INCLUDED Auditor’s decision to leave an Audit based on their “professional judgement <i>and list of ‘tools’ and mechanisms for the Auditor (not an infographic) when an Audit is terminated.</i></p> <p>9.18. Audit Termination Due to Potential Reprisals</p> <p>UPDATED 12.2. Triggers for Disciplinary Proceedings</p> <p>FOR WORKERS, AFFECTED POPULATIONS AND ORGANISATIONS ETC: <i>Two-tier approach for interview guidance and managing reprisal risks, i. General Guidance and ii. interview guidance for vulnerable and at-risk individuals and groups. Added youth, disability and gender diverse groups and individuals to the guidance.</i></p> <p>INCLUDED 9.12.3. Interviews with Workers 9.12.1. Interviews with Vulnerable or At-Risk individuals and Groups > Minimising Reprisal Risks for Workers and Vulnerable or At-Risk Individuals and Groups</p>

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
<p>5 8.5. The Audit Team: Audit Teams Compositions</p> <p>Recommendation that IPAF/IPs should be included in the audit team, where applicable</p> <p>Use of Registered Specialists where possible.</p>	<p>INCLUDED</p> <p>9.5.3. Use of IPAF Representative in the Audit Team 9.5.2. Use of an ASI Registered Specialist in the Audit Team</p> <p>UPDATED</p> <p>9.5. The Audit Team</p>
<p>6 5.3 Risk Factors:: Auditors should evaluate risk separately from what Members report as a risk</p> <p>The pre-Audit Risk Assessment should be prominent and clear on how Auditors should incorporate the information with the Pre-Audit Assessment as part of their Audit planning.</p>	<p>INCLUDED</p> <p>5.2.1. Pre-Audit Risk Assessment conducted by ASI Secretariat 9.10. Mandatory Review of Audit Plan Review by ASI Secretariat for upstream Supply Chain Activities > Pre-Audit Risk Assessment</p> <p>UPDATED</p> <p>9.3. Gather and Review Information 9.4. Define the Audit Scope > 9.4.1. Audit Scope Factors for Consideration</p>
<p>7 5.9: Lack of Objective Evidence: Clarify the process</p> <p>Clarify the process when there is lack of Objective Evidence Auditors should consider other forms of Objective Evidence such as interviews.</p>	<p>UPDATED</p> <p>5.8. Lack of Objective Evidence 9.12. Obtaining Objective Evidence > Interviews as Objective Evidence</p>

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
<p>8 6.2 Not Applicable Ratings: More clarity required</p> <p>Principle 9 & 10, When IP and LC are present. It is the responsibility of the Entity to demonstrate why they are not present rather than simply stating the Criterion is Not Applicable.</p>	<p>INCLUDED 9.21. ASI Audit Reports – Minimum Mandatory Content > Stakeholder Engagement Sampling Methodology</p> <p>UPDATED 6.2. Not Applicable Ratings</p>
<p>9 8.4.2. Multi-Site Entity Selection Guidelines for the Audit Scope: Review the number of samples of like Facilities for Multisite Sampling for Audits (Table 16 /17)</p> <p>Guidance on which sites (location) should be sampled such as geographic spread and taking a risk-based approach</p>	<p>INCLUDED 9.4.3. Multi-Site Selection Factors for Consideration</p> <p>UPDATED Table 15 – Minimum Multi-Site sampling requirements for ASI Performance Standard (including Principles 1-4 only Audits) and Chain of Custody Audits</p>
<p>10 8.4.3 Selecting External Parties to Interview</p> <p>Identify and communicate with IP and LC in their preferred language Consider involving a Registered Specialist. Auditors should follow best practices by completing the Stakeholder Methodology, ensuring engagement methods are appropriate, and addressing unsuccessful attempts.</p>	<p>INCLUDED 9.5.2. Use of an ASI Registered Specialist in the Audit Team 9.21. ASI Audit Reports – Minimum Mandatory Content > Stakeholder Engagement Sampling Methodology</p> <p>UPDATED 9.4.4. Selecting Affected Populations and Organisations and other External Parties to Interview</p>

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
<p>11 8.6. Estimate Audit Time Requirements: Further guidance on interviews*</p> <p>Focus on high-risk topics/areas during interviews rather than running through the general questions</p> <p>Provide guidance on interview principles, design, conduct for both individual and group interviews, and ensure the protection of interviewees.</p> <p>Consider referencing or adopting the SMETA audit technique for worker interviews (Sedex Members Ethical Trade Audit – SMETA – Best Practice Guidance).</p>	<p>INCLUDED</p> <p>9.12.3. Interviews with Workers 9.12.1. Interviews with Vulnerable or At-Risk individuals and Groups</p> <p><i>Guidance on how to engage external Affected Populations and Organisations <u>prior</u> to an Audit (giving sufficient time, providing information in a transparent way about ASI Audit and ASI Certification)</i></p> <p>8.4. Pre-Audit – Engaging External Affected Populations and Organisations</p> <p><i>Two-tier approach for interview guidance and managing reprisal risks, i.. General Guidance and ii. interview guidance for vulnerable and at-risk individuals and groups.</i></p> <p>9.12.3. Interviews with Workers 9.12.1. Interviews with Vulnerable or At-Risk individuals and Groups > Minimising Reprisal Risks for Workers and Vulnerable or At-Risk Individuals and Groups</p>
<p>12 8.6: Estimate Audit Time Requirements: Emphasis on reporting time required</p> <p>Information for Auditors to allow more time for the post-audit process: Entering the Audit report in ElementAL. Responding to Secretariat queries</p>	<p>UPDATED</p> <p>9.6. Estimation of Audit Time Requirements > Off-site time and Post-Audit Activities</p>

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
<p>13 8.11 Obtaining Objective Evidence: Worker Interviews</p> <p>Highlight the importance of interviews for gathering information. Cross-reference interview findings with documented evidence and implementation of controls by the Entity.</p> <p>Emphasis on the use or best practice use of IPAF as part of the Audit Team</p>	<p>UPDATED</p> <p>5.8. Lack of Objective Evidence 9.12. Obtaining Objective Evidence > Interviews as Objective Evidence 9.5. The Audit Team</p> <p>INCLUDED</p> <p>9.12.3. Interviews with Workers 9.5.3. Use of IPAF Representative in the Audit Team</p>
<p>14 8.19 ASI Audit Reports – Minimum Mandatory Content:</p> <p>Auditors to Report on their engagement efforts according to 8.11.2 Conducting Engagement with Community Members</p>	<p>INCLUDED</p> <p>9.21. ASI Audit Reports – Minimum Mandatory Content > Stakeholder Engagement Sampling Methodology</p>
<p>15 Information on the ‘Additional Context’ for Certificate and Audit Reports</p>	<p>NOT INCLUDED</p> <p>9.22. Public Audit Reports</p>

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

ITEM	ASSURANCE MANUAL UPDATE
<p>16 Managing conflict of interest: Conducting Conformance assessments in conjunction with Witness Assessment Audits</p> <p>Standard Committee approves the implementation of 'Conformance Assessments':</p> <p>The Secretariat will not implement this out in 2023 but explore formalizing the assessment in 2024 within the Witness Assessments Framework</p> <p>The Assurance team will work out the logistical details.</p> <p>We can observe other schemes' conformance assessments for insights before implementation such attending as an observer.</p> <p>Action items:</p> <p>Look at other financial conformance processes such as the IFC and ARB.</p> <p>Contact Assurance Service International to observe their Conformance Assessments</p>	<p>ON HOLD</p> <ul style="list-style-type: none">• We're ramping up the frequency of Witness Assessments, prioritising their momentum• We'll turn our attention to the Conformance Assessments towards the end of the year and into 2025.

4. Assurance Manual Updates: Actions taken since 25–29 September meeting

➤ For decision:

- The Standards Committee agreed to:
 - Recommend to the ASI Board the changes to the Assurance Manual as circulated, for approval;
 - Roll out of the published Manual (pending Board agreement) at the Secretariat's schedule, aligned with Auditor training, communication plan and launch of updated elementAL (likely Q3 2024).

5. ASI Claims Guide i

ITEM	ASI Claim Guide
1 General and editorial updates	<ul style="list-style-type: none">• Refine existing information• Editing and formatting
2 elementAL claims process	<ul style="list-style-type: none">• New online elementAL claims approval process
3 Align with ISEAL Code of Good Practice	<ul style="list-style-type: none">• Align with revised ISEAL Code of Good Practice (if required)
4 Restriction of ASI claims for Members with Provisional Certification	<ul style="list-style-type: none">• CoC Material cannot be offered by Members who have Provisional Performance Standard Certification• Will be included in the next CoC Standard revision process
5 2.5. Overview of ASI Logos: Use of logos	<ul style="list-style-type: none">• Add information that the ASI organisational logo can only be used by the ASI Secretariat not Members or any other third parties.• Clarification the use of Member, Certification etc logos by Members vs. a Non-Member
6 7.1. On-Product Claims by Members: Use of Certification Number	<ul style="list-style-type: none">• Including the Certification Number with the 'ASI Responsible Aluminium Sourcing On-Product logo' is optional

5. ASI Claims Guide ii

ITEM	ASI Claim Guide
7 Performance claims: GHG emissions	<p>Guidance around making Performance Claims according to pathway scope for:</p> <ul style="list-style-type: none">i. GHG Emissions reductionsii. Achieved performance against Intermediate Targetsiii. Demonstrating 1.5-degree alignment. <ul style="list-style-type: none">• Claims can be made according to pathway scope• Not applicable to Chain of Custody material and products <p>Discussion point How can 'Aluminium can manufacturers' make claims about regarding upstream GHG emissions reductions?</p>
8 Appendix 2 – Member examples used with permission	<ul style="list-style-type: none">• Update and add anonymised examples of artwork

5. ASI Claims Guide iii

ITEM

ASI Claim Guide

<p>9 Glossary: Updating glossary definition of Transformation of a product</p>	<p>Updating glossary definition of Transformation of a product We receive several enquiries regarding what is not considered as a transformation of a Product especially for downstream customers of Entities who perform some 'light work' and want to leverage claims.</p>
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Current	Proposed
<p>Transformation of a product</p> <p>Changes in composition, physical integrity, or shape of the material or Product, (i.e., refining Bauxite into Alumina, smelting Alumina into liquid Aluminium, remelting scrap into Aluminium, the addition of alloying elements to Aluminium, changing shape by rolling, extrusion, or foundry). Transformation does not refer to re-packaging of the Product or sealing, gluing, filling, or assembling the final Product (e.g., filling and sealing beverage containers, assembling aluminium parts with other non-Aluminium elements into a final product).</p>	<p>Transformation of a product</p> <p>Changes in the composition, physical integrity, or shape of the material or Product. This can include refining Bauxite into Alumina, smelting Alumina into liquid Aluminium, remelting scrap into Aluminium, or adding alloying elements to Aluminium. Changing the shape of the material by rolling, extrusion, or casting.</p> <p>Transformation does not include re-packaging a Product, or sealing, gluing, filling, or assembling the final Product. For example, filling and sealing of beverage containers or assembling Aluminium parts with other non-Aluminium elements into a final Product. <u>Activities like drilling or sawing that produce negligible amounts of scrap and are not large enough to be classified as Eligible Scrap for reintroduction into production are also not considered transformation.</u></p>

Discussion point:
Volume or form? Swarf?

5. ASI Claims Guide – Industrial users (Downstream) leveraging claims iv

ITEM	ASI Claim Guide
10 7.3. Product-related claims by non-Members Industrial users (downstream) who want to leverage claims	Industrial users (Downstream) who are customers of Certified Members who want to leverage claims Guidance and requirements for Industrial users (Downstream) who are customers of Certified Members may leverage a claim. See Appendix 1

Industrial users (Downstream) who do not hold ASI CoC Certification but are customers of ASI CoC Certified Members may leverage a claim if:

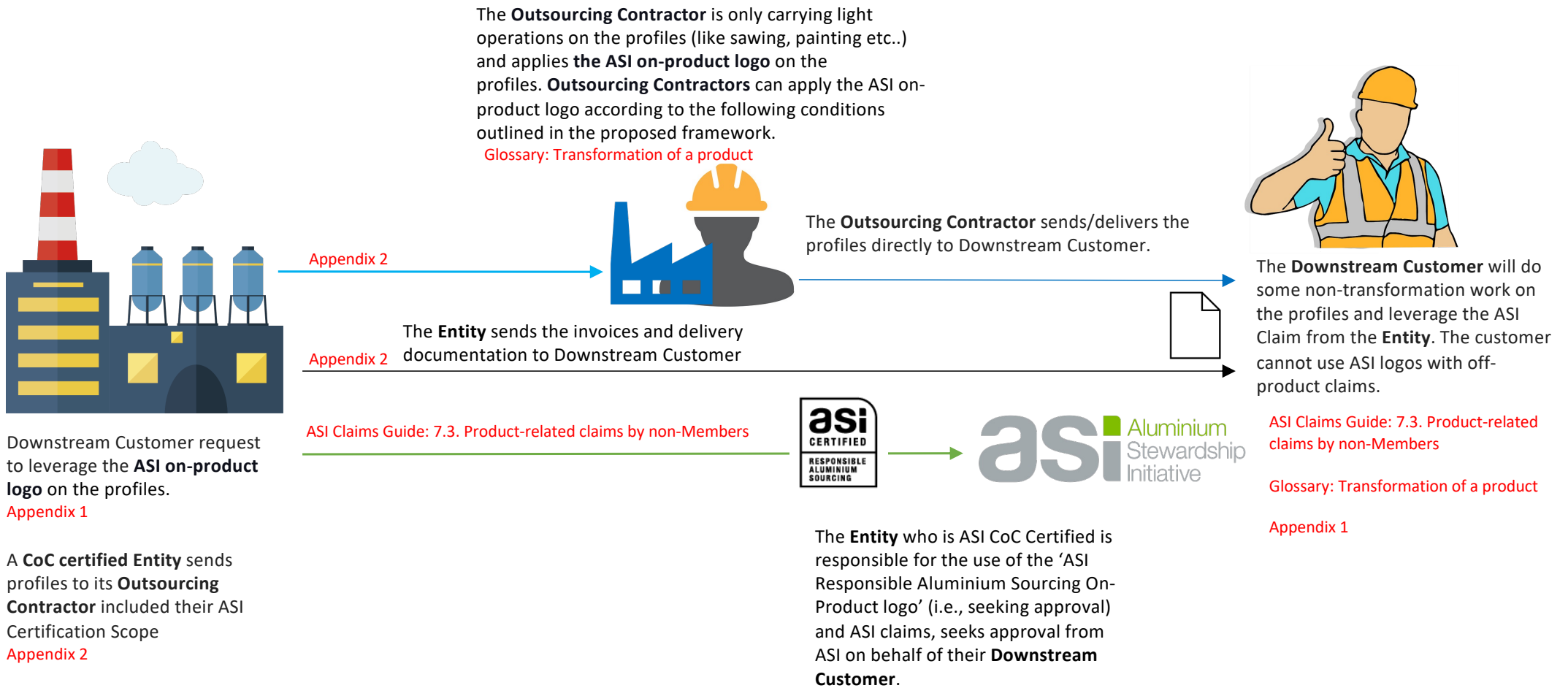
1. They do not transform the products according to ASI's glossary term of 'Transformation of a Product' (ASI Glossary).
2. (Pre-Consumer) Scrap generated by subsequent processes, after claims have been leveraged, CANNOT be designated as Eligible Scrap as the Material is not exiting a CoC Entity's Certification Scope. Unless they are part of a close-loop system with the Entity (criterion 4.2, ASI CoC Standard).
3. The ASI CoC Supplier is the direct and last Entity within the CoC Supply Chain directly supplying or selling to the Downstream customer, and its details appear on the CoC Document received. This means the unique CoC Certification Number on shipping documentation/CoC Documents (criterion 9.2, ASI CoC Standard).
4. The CoC Certified Entity takes on the responsibility and risk for passing on the claims to Downstream customers who want to leverage the claim. If used, the 'ASI Responsible Aluminium Sourcing On-Product logo', along with maintaining appropriate records. (criteria, 9.2, & 11.1, ASI CoC Standard).
5. Downstream customers must include the unique CoC Certification Number of an Entity from which they received a CoC Material on shipping/sales documentation (including with the 'ASI Responsible Aluminium Sourcing On-Product logo', or pallet labels etc...) when sold for final assembly or filling and sale to the final customer (criteria 9. Issuing CoC Documents and 10. Receiving CoC Documents).

5. ASI Claims Guide – physical application of ‘ASI Responsible Aluminium Sourcing On-Product logo’ by Outsourcing Contractors on behalf of an Entity v

ITEM	ASI Claim Guide
11 7.3. Product-related claims by non-Members	Physical application of ‘ASI Responsible Aluminium Sourcing On-Product logo’ by Outsourcing Contractors
Physical application of ‘ASI Responsible Aluminium Sourcing On-Product logo’ by Outsourcing Contractors	Guidance and conditions for the physical application of ASI ‘ASI Responsible Aluminium Sourcing On-Product logo’ to ASI CoC Material or Aluminium (containing) products by Outsourcing Contractors on behalf of an Entity.
	See Appendix 2

1. The Entity conforms to Section 2. **Outsourcing Contractors**
2. The Outsourcing Contractor is included within the **scope of certification** of the Entity (**criterion 2.1**).
3. The Entity ensures that all the conditions of **criterion 2.2** relating to the **control of the CoC Material** are met.
4. The Entity **records in their Material Accounting System** the volumes of CoC Material sent to the Outsourcing Contractor and from the Outsourcing Contractor to the Entity to which the product(s) is shipped (**criteria 2.3, 2.4, 2.5**).
5. The Entity **records the number of product claims** applied on the product by the Outsourcing Contractor on behalf of the Entity. (**criterion 11.1b**).
6. **CoC Documents**, including invoice/sales and delivery documents with the ASI Claims, can be **sent by the Entity or the Outsourcing Contractor** (**Criterion 9. Issuing CoC Documents and 10. Receiving CoC Documents**).
7. The Entity must ensure that the **logo meets the requirements** outlined in the ASI Performance and ASI CoC Standard and ASI Claims Guide by submitting an approval request (**Criterion 11 Claims and ASI Claims Guide**).

5. ASI Claims Guide: How the proposals fit in with the ASI Claims Guide vi



5. ASI Claims Guide



ACTION

- Secretariat to include claims and ASI Claims Guide update on agenda of the face-to-face Standards Committee meeting in September 2024, as part of Chain of Custody Standard revision process.

6. GHG Pathways Method Update

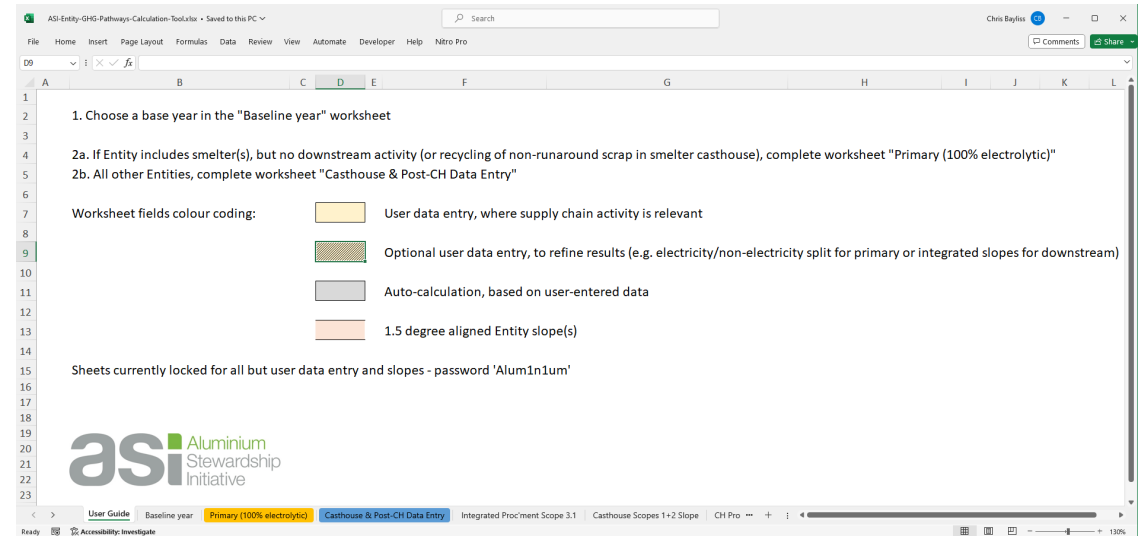
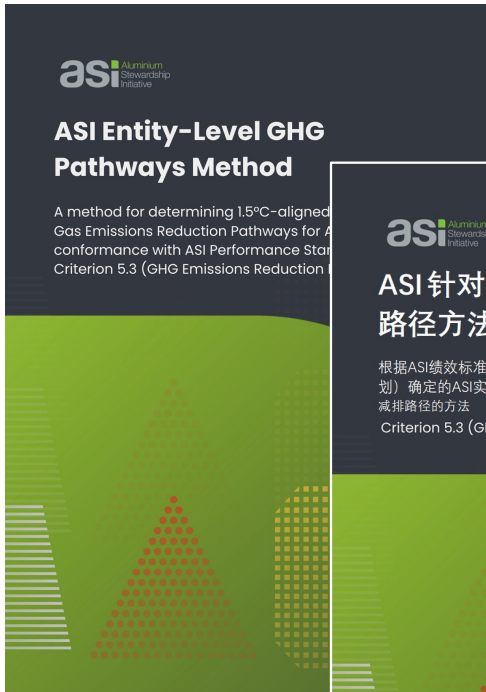
1. Developments and releases over the last 6 months
2. DRAFT Conformance Guidance
3. Next steps – incorporation into Guidance

ASI Performance Standard v3.0 (2022) Criterion 5.3



The Entity shall:

- a. Establish a GHG Emissions Reduction Plan and ensure a GHG Emissions Reduction Pathway consistent with a 1.5°C warming scenario, **using an ASI endorsed methodology when available.**
- b. Ensure that the GHG Emissions Reduction Pathway includes an Intermediate Target covering a period no greater than five years, which:
 - i. Addresses all Direct and Indirect GHG emissions.
 - ii. Is developed using a Science-Based Approach endorsed by ASI, if available.
 - iii. Is publicly disclosed.
- c. Review the GHG Emissions Reduction Plan annually.
- d. Review the GHG Emissions Pathway on any changes to the Business that alter baselines or targets.
- e. Publicly disclose:
 - i. The latest version of the GHG Emissions Reduction Pathway
 - ii. The latest version of the GHG Emissions Reduction Plan.
 - iii. Progress against the GHG Emissions Reduction Plan on an annual basis.



- <https://aluminium-stewardship.org/wp-content/uploads/2024/02/ASI-Entity-GHG-Pathways-Method.pdf>
- <https://aluminium-stewardship.org/wp-content/uploads/2024/02/ASI-Entity-GHG-Pathways-Calculation-Tool.xlsx>



GHG Pathway Method

0% COMPLETE

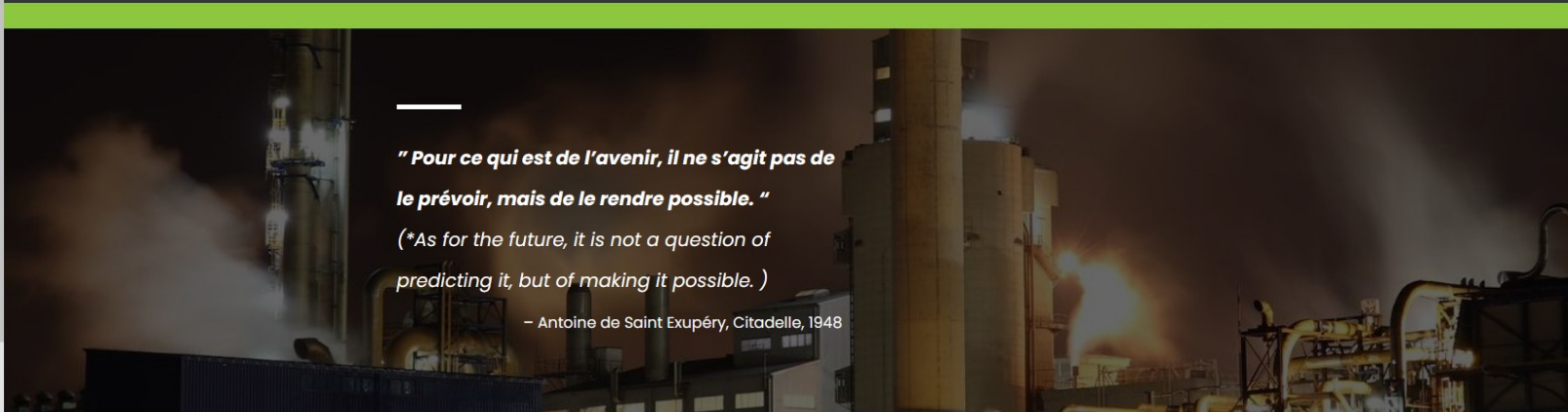
INTRODUCTION

- Introduction
- ASI Performance Standard V3 (2022) Criterion 5.3
- Aluminium sector emissions today
- A sector 1.5-degree scenario
- Decarbonising the sector

ASI GHG PATHWAYS METHOD

- ASI GHG Pathways Method
- How & why ASI developed it
- What it is and what it is not
- A 'Sectoral Decarbonisation Approach' (SDA)

Introduction



" Pour ce qui est de l'avenir, il ne s'agit pas de le prévoir, mais de le rendre possible. "

*(*As for the future, it is not a question of predicting it, but of making it possible.)*

– Antoine de Saint Exupéry, Citadelle, 1948

Welcome to this ASI online learning module on 1.5-degree aligned GHG Emission Pathways. This course aims to equip ASI certifying Entities and ASI Auditors with the knowledge required to implement and provide assurance against ASI Performance Standard Criterion 5.3, specifically the articulation of GHG Emissions Reduction Pathways, using an ASI-endorsed method.

The aluminium sector is responsible for 2% of global anthropogenic greenhouse gas emissions, and while its products are critical for the energy transition and decarbonisation of other parts of the global economy, the industry itself must reduce its emissions by over 90% by mid-century under a 1.5 degree aligned future – a scenario to which ASI committed itself in 2019 and embedded in version 3 of its Performance Standard in 2022.

Usage & Feedback

Entities & Auditors have started to explore the tool:

- Identified issue with older versions of Excel not parsing dynamic array formulae and spilling to subsequent fields; ASI Secretariat has generated a modified version (replaced the dynamic arrays with vlookup functions, all else the same):
 - https://aluminium-stewardship.org/wp-content/uploads/2024/03/ARRAY_FIX_040324_UPLOAD_FINAL-CLEAN-ASI-Entity-GHG-Pathways-Calculation-Tool-20-10-2023.xlsx
- Questions on applicability to smelters; some confusion over when to use the Casthouse method versus the Primary method;
- Questions on what emissions to include in scope (this is defined in the method – see following)
- Questions on changing casthouse product mix, for example:
 - In our opinion ASI shall give Entities an opportunity to adjust the production mix of different products with different CO₂ intensities, which changes the conditions on which the original Pathway for that Entity was calculated. This flexibility is also requested by our customers and these realities need to be taken into account. Maybe a solution would be: An exceedance or adjustment of the Pathway is in exceptional cases acceptable, if the product mix has changed or it can be reasonably justified in a sustainable context.
 - ASI Secretariat: exceedance is already allowed within annual periods; casthouse (procurement) scope is INPUT not OUTPUT, so product mix should not be relevant, though such choices would impact the Entity performance; worth exploring if such an allowance impacts the sectoral numbers [PROPOSE SECRETARIAT TO EXPLORE BUT NO GUIDANCE AT THIS TIME]



45 MINUTES ON

asi Aluminium Stewardship Initiative

ASI's Entity-Level GHG Pathways Method and Calculation Tool

February 29, 2024

Session 1: 6AM London • 5PM Melbourne

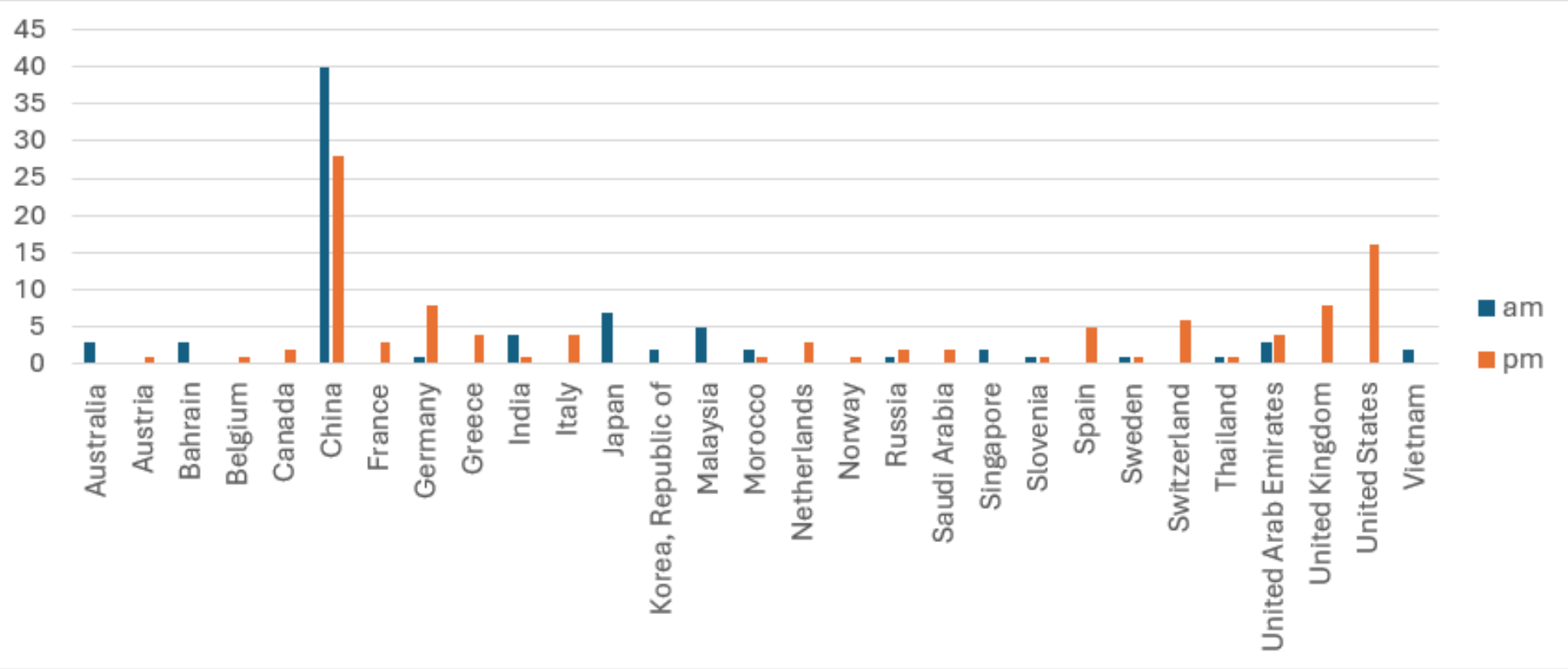
With:

Chris Bayliss
ASI Decarbonisation Adviser

<https://www.youtube.com/watch?v=LxUOBhFsIOM>

<p>The last member newsletter stated, that the tool will be made mandatory as of May 2024. For companies that have committed to SBTi this could mean having to use two different tools in parallel, once SBTi comes forward with a sector pathway for the aluminium industry. How would ASI prevent double work for such member companies?</p>	<p>ASI has been in close contact with SBTi on their plans for an aluminium sector SDA (ASBTi Head of Standards Emma Watson is an ASI Standards Committee Civil Society representative. SBTi have said that an aluminium SDA is not on their agenda for 2024, so the earliest we might expect a sectoral pathway from the initiative is likely 2026. Such an SDA may also only be applicable to certain parts of the aluminium value chain (e.g. primary production). Interestingly, SBTi are exploring alternative approaches to sectoral method approaches...including the use or adaptation of externally generated methods, so the hope is (and ASI will push for this) that SBTi will use AI method either wholesale or as the basis of an SDA, thus reducing work for SBTi, for ASI and for ASI members.</p>
<p>How aligned is your pathway method is to the IAI pathways and Mission Possible Partnership Aluminium pathways. Please articulate similarities and differences. Thanks.</p>	<p>The Entity Pathways method is based on the sectoral 1.5 degree scenarios developed by IAI, further adapted by MPP and incorporated into the Center for Climate Aligned Finance Sustainable Aluminium (for primary), for downstream processes, IAI method is applied, with some adaptation to generate annual data. such data is all interrogable in the excel workbook (worksheet "Sectoral Slopes") and explained in the method doc (pp 11-17)</p>
<p>Do we have to use this tool in the future? We have already installed an other process (pathway) together with an external partner, which cost a lot of money. It would be really a pity when we can't use it anymore.</p> <p>In the XLS, for the recycling gate-to-gate: the start value for 2016 is at 0.4tCO2e/t. What is actually included in the processes (e.g. billets homogenisation, etc...)? Is this value not too favorable to represent a worldwide average -. In absence of LCA, in Europe a value of 0.5 is often mentioned as default value for the gate-to-gate emissions for recycling aluminium scrap into slabs or billets.</p>	<p>I am not aware of any other 1.5 degree aligned entity-level pathway for the aluminium value chain - if it existed I would have used it! So I would like to see it before making a determination, but use of ASI method is simple and free, so should not increase the administrative burden on the Entity (and if 1.5 aligned, should be similar in terms of slope).</p>
<p>As per my understanding, it is related to product GHG NOT corporate</p> <p>What would be your recommendation to a smelter, who has no visibility for upstream mining and refinery emissions to calculate its cradle-to-gate footprint. Before supplier engagement works out, how to fill in the data gaps?</p>	<p>scrap sorting and pre-treatment excluded - as per page 17 of https://climatealignment.org/wp-content/uploads/2023/11/RMI-Sustainable-Aluminium-Finance-Framework_report_3111623.pdf (the COAF data was used for recycling as it is annual, IAI data is periodic)</p> <p>It is corporate accounting (GHG Protocol), applied across the portfolio of aluminium products (denominator)</p>
<p>For emissions intensity from smelter, are you considering CH production or Hot metal production ?</p> <p>What is your vision on aluminium commodity traders, can they use this pathway tool for checking their alignment/misalignment with the industry's net zero progress?</p> <p>For primary is casthouse output suitable, if you remelt your own scrap? For example butts from ingots?</p> <p>Is the other method only for external scrap?</p> <p>Sorry, I lost the first 10 minutes... Did I get it right, that if we are going to be certified we have to use ASI's tool and not one external?</p>	<p>Use IAI scope 3 guidance and tool: https://international-aluminium.org/resource/iai-scope3-calculation-tool-and-guidance/</p> <p>Casthouse production (for the 100% electrolytic worksheet - yellow); unless the smelter casthouse also uses recycled material, or cold metal inputs, in which case the value is the INPUT to the casthouse, so mass weighted average of hot metal+cold metal+scrap (with a yield applied to scrap inputs) and the worksheet would be the Casthouse & Post-CH Data Entry worksheet (blue)</p> <p>Yes, the tool can be used by all market participants to assess 1.5 degree alignment (net zero), not just ASI Entities seeking conformance with criterion 5.3</p> <p>the other methods is only for external scrap - run a round scrap will already be accommodated via the increase in casthouse emissions, associated with scrap remelt. So if a smelter casthouse is only remelting its own scrap, use of the 100% electrolytic worksheet is required.</p>
<p>where can we get these proxy data ?</p> <p>(we are a high pressure die casting foundry) can I ask which is the database used to build your tool (GABI, COVENT => which are used in automotive, or ??)</p>	<p>yes</p> <p>Use IAI scope 3 guidance and tool: https://international-aluminium.org/resource/iai-scope3-calculation-tool-and-guidance/</p> <p>It is IAI/MPP data - you can find this within the tool. There is no sectoral emissions data available for fabricators, hence why only a procurement slope is required for this supply chain activity. The IAI data is made up of industry data and GABI data for auxiliary materials (NaOH, fossil fuel extraction and transportation etc.)...</p> <p>GHG Protocol - is this a question about GWP? The majority of Aluminium sector emissions are CO2 these days so GWP normalisation is less of an issue</p>
<p>For corporate GHG, which assessment report we need to follow ? ARS or AR6</p> <p>Hi Chris. In addition to the start date, when you already have at hands several checkpoints (2022, 2025, 2030 etc...) how do you insert those dates (and values) to create a more representative curve for the considered asset?</p>	<p>you would do that separately - I can build that into the tool for future tracking but at the moment this tool outputs the forward looking curve only.</p>
<p>how to get this cradle to gate emission intensity ?</p> <p>The production we have to enter in the Primary (100% electrolytic) tab is in molten metal or in cold metal ?</p> <p>A recycler, using scrap, drosses and very little primary metal we would need to use the casthouse tab, right?</p>	<p>ask your suppliers</p> <p>cold metal output of casthouse</p> <p>yes</p>
<p>How we can contact you ?</p> <p>do we get the recording of it?</p> <p>From May, how Entity can prove they use the tool (e.g uploading self-assessment ?)</p> <p>May I ask if GHG verification by third part is mandatory for PS?</p>	<p>chris@aluminium-stewardship.org+44 7947 922 295</p> <p>will be posted on ASI website in due course - go to https://aluminium-stewardship.org/knowledge-hub/webinar-video</p> <p>Provide to auditors at Audit</p>
<p>As a can manufacturer, what does our procurement team have to be aware of?</p> <p>If a primary aluminium smelter currently powered by fossil fuel power, buys renewable energy from the grid to reduce its GHG emissions below 11 kg/t without shutting down its fossil fuel fired power plant is this smelter compliant? What purpose is achieved?</p>	<p>yes, under criterion 5.1, all publicly disclosed ghg data must be verified; 5.3 asks for disclosure of the pathway and annual performance - hence requires verification the mass weighted emissions intensity of procured aluminium in the baseline year (for pathway generation) and ongoing intensity of procured metal at or below the generated slope</p> <p>yes, that power offsets the need for the smelter to use fossil power, it is allowed.</p> <p>smelter casthouse using 100% electrolytic (and run around scrap) - the denominator is OUTPUT, all other casthouses, the denominator is INPUT</p>
<p>In the casthouse, what is the denominator - input material or saleable production output?</p> <p>We are located in Xiamen, China. To calculate the process scope 1+2 intensity (tCO2e/tAI), we need to choose emission factors for primary aluminium, entity internal scrap, purchased pre-consumer scrap, purchased post-consumer scrap, electricity respectively. Since there are many sources, e.g. IAI, The Aluminium Association, China's related authorities, for these emission factors, which sources would ASI recommend? And if more than one source is recommended, what is ASI's preference order?</p>	<p>scope 1 and 2 are your own emissions, so should be available to you from your own process systems and energy suppliers; scope 3 should come from suppliers with IAI scope 3 proxy data used for less material emissions gaps</p>
<p>Scope 3 calculation is now mandatory for casthouse and semi-fabrication, material conversion ?</p> <p>How comprehensive the procurement list to be incorporated</p>	<p>scope 3, category 1 yes</p> <p>all aluminium procurement, not including for instance plastic materials for flexible packaging producers</p>
<p>1. Can you cover how this method/tool applies to a brand/design company that does not own any manufacturing? (Scope 3)</p> <p>2. How does ASI monitor the energy reduction initiatives of ASI registered primary aluminium smelter, secondary aluminium facility</p>	<p>I need more information on this example - but if the brand is procuring metal (scope 3 cat 1), it would use the fabrication procurement field</p> <p>we do not, that is for the Entity to do and show evidence to the auditor (and publicly disclose performance)</p>
<p>3. As per the excel version tool, it includes scope 3. Is Scope 3 calculation now mandated by the Entity ?</p> <p>4. What kind of carbon-related disclosures are needed when doing ASI certification?</p> <p>For a primary smelter who was accredited in 2023 and used IAI to determine emissions reduction pathway, what else is required?</p>	<p>yes, cradle to gate</p> <p>see criterion 5.1</p>
<p>Terá tradução em Português?</p> <p>When will auditors be auditing against this requirement? Will operators be given time to comply?</p> <p>We hav casthouse + rolling mills (semi fabrication) -> Do we need 4 goals (casthouse, seams, +2x purchasing ?</p>	<p>Nothing until the next certification audit</p> <p>we will explore alternative languages</p> <p>from publication of the Guidance (May 2024)</p> <p>4 or 3 as you can have an integrated procurement slope for casthouse and semis if you choose - see the method report for details</p>

Topic	Actual Start Time	# Registered	Unique Viewers	Total Users
45 minutes on ASI's Entity-Level GHG Pathways Method and Calculation Tool (0600 GMT)	Mar 1, 2024 12:43 AM	155	103	125
45 minutes on ASI's Entity-Level GHG Pathways Method and Calculation Tool (1400 GMT)	Feb 29, 2024 4:49 PM	131	78	101



ASI endorsed Method Timeline

May 2022	ASI Publishes Version 3 of the ASI Performance Standard with a requirement for 1.5°C-aligned GHG Emission Reduction Pathways from all Certifying Entities	<input checked="" type="checkbox"/>
2021 – 2023	ASI explores opportunities to leverage existing or developing methods (e.g. SBTi, Center for Climate Aligned Finance) but none is able to meet its specific requirements	<input checked="" type="checkbox"/>
Jan – Sept 2023	ASI Climate Change Working Group and Standards Committee begin work in earnest to deliver an ASI-developed method	<input checked="" type="checkbox"/>
September 2023	ASI Standards Committee agrees to recommend the method to ASI Board	<input checked="" type="checkbox"/>
November 2023	ASI Board endorses the recommended method	<input checked="" type="checkbox"/>
February 2024	Publication of the method and associated calculation tool, development of training materials, to allow Entities and Auditors to prepare for implementation/audits	<input checked="" type="checkbox"/>
 May 2024	Incorporation of method into Performance Standard Guidance (all ASI Performance Standard Audits from this point must seek evidence that the method has been used)	<input type="checkbox"/>
2024	Further research and development by the ASI Secretariat, Standards Committee and Working Groups regarding bauxite & alumina specific methods and land-use change emissions.	<input type="checkbox"/>

Proposal for additional clarifying text (not included in circulated draft)

“Intensity-based Intermediate Targets and measures of performance should include ALL in-scope emissions in the numerator and related activity data in the denominator.

Emissions from “non-normal operational activities” (e.g. unintended shutdowns, emergency maintenance, etc) should not be excluded from the emissions inventory (numerator) of the Entity.”

DRAFT Conformance Guidance - DISCUSSION

The Entity shall:	Conformance	Minor NC	Major NC
<p>a. Establish a GHG Emissions Reduction Plan and ensure a GHG Emissions Reduction Pathway consistent with a 1.5°C warming scenario, using an ASI endorsed methodology when available.</p>	<ul style="list-style-type: none"> GHG Emissions Reduction Plan established GHG Emissions Reduction Pathway (using ASI method) in place for specific Supply Chain Activity/ies Base Year rules followed Applicability rules followed For those with Base Year >3 years prior to first certification, demonstration of performance in line with pathway between Base Year and year prior to Audit For those with Base Year <3 from first audit, from recertification audit, demonstration of performance in line with pathway between Base Year and year prior to recertification Audit 	<ul style="list-style-type: none"> Base year rules not aligned with ASI method For those with Base Year >3 years prior to first certification, no demonstration of performance in line with pathway between Base Year and year prior to Audit 	<ul style="list-style-type: none"> No GHG Emissions Reduction Plan No GHG Emissions Reduction Pathway articulated Pathways not 1.5 degree aligned (not using ASI endorsed method) For those with Base Year <3 from first audit, from recertification audit, no demonstration of performance in line with pathway between Base Year and year prior to recertification Audit
<p>b. Ensure that the GHG Emissions Reduction Pathway includes an Intermediate Target covering a period no greater than five years, which:</p> <ol style="list-style-type: none"> Addresses all Direct and Indirect GHG emissions. Is developed using a Science-Based Approach endorsed by ASI, if available. Is publicly disclosed. 	<ul style="list-style-type: none"> Intermediate Target (generated using ASI method) < 5 years from date of Audit Public disclosure of Intermediate Target 	<p>Intermediate Target scope not aligned with:</p> <ul style="list-style-type: none"> IAI Good Practice for Calculation of Primary Aluminium and Precursor Product Carbon Footprints v2.0 (2021) (primary aluminium), or GHG Protocol scope 3 category 1 for procured aluminium (for all other Supply Chain Activities) 	<ul style="list-style-type: none"> No Intermediate Target No public disclosure of Target
<p>c. Review the GHG Emissions Reduction Plan annually.</p> <p>d. Review the GHG Emissions Pathway on any changes to the Business that alter baselines or targets.</p> <p>e. Publicly disclose:</p> <ol style="list-style-type: none"> The latest version of the GHG Emissions Reduction Pathway The latest version of the GHG Emissions Reduction Plan. Progress against the GHG Emissions Reduction Plan on an annual basis. 	<ul style="list-style-type: none"> Annual review of Plan Review of Pathway on Business changes Public disclosure of Pathway Public disclosure of Plan Public disclosure of progress (annual) 	<ul style="list-style-type: none"> Review of Plan less regular than annual Public disclosure of Pathway, but not latest Public disclosure of Plan, but not latest Public disclosure of progress (> annual) 	<ul style="list-style-type: none"> No review process No public disclosure of Plan, Pathway and/or progress

ASI Secretariat Proposal – FOR DECISION



Reference published ASI Entity GHG Pathways Method version 1.0 (2024) in Performance Standard Guidance as the only current ASI endorsed method (and thus mandate its use by all Entities), but do not copy text wholesale into Guidance

- PROs:
 - Flexibility to update method (and/or endorse alternatives)
 - Simplified document management
 - Avoid bloat
- CONS
 - (Perceived) lack of control
 - Version control complexity

ASI Standards Committee retains full oversight and authority over any amendments and publication to the Method document

Alternative approach: cut and paste Method into Guidance verbatim – requires Guidance update with every Method amendment

7. Performance Standard Guidance v3.1.1

	ACTION	STANDARDS COMMITTEE	COMMITTEE DECISION
1	Text changes as per '7. DRAFT 08-03-2024_ASI Performance Standard Guidance V3.1.1 TC.docx' (dependent on previous discussion)	DECISION	Accepts the proposed changes and additions to the ASI Performance Standard Guidance as circulated.
2	Amendments/additions to text '7. DRAFT 08-03-2024_ASI Performance Standard Guidance V3.1.1 TC.docx' Clarifying text re non-normal operations	DISCUSSION & DECISION	Accepts the addition of text re non-normal operations to the ASI Performance Standard Guidance, as proposed in the meeting. No further additions.
3	Inclusion of Conformance Table (as written/with amendments?)	DISCUSSION & DECISION	Not to include the (DRAFT) Conformance Table in the revised Performance Standard Guidance at this stage, communicate through other means (e.g. Auditor training/newsletters etc.)
4	Recommendation to ASI Board for Publication May 2024	DECISION	AGREE

8. Thank you!

- Guidance updates
- Significant updates to Assurance Manual and Claims Guide
- GHG Pathways Method
- Audit reports content
- Direction for next Standards update:
 - Inclusion of outcomes-based elements
 - Chain of custody
 - Staying ahead of dynamic regulatory space (human rights due diligence, supply chain due diligence, value chain GHG emissions) and market expectations (traceability, recycled content, value chain GHG emissions)

Process and timing

Nominations from interested candidates opened on 20 February and closed on 8 March 2024.

Where the number of nominations exceed the number of vacancies, **elections** will take place from 18 to 29 March 2024.

Results will be advised shortly after the close of the elections and presented to the Standards Committee at this Meeting.

PROPOSAL:

- Recommendation of Mike Danielson from SBTi as a non-member rep (civil society)
- IPAF “observers” process

ACTION:

- The ASI Standards Committee agreed to recommend to the ASI Board:
 - Mike Danielson from SBTi as a non-member Civil Society representative on the Committee
 - The inclusion of 2 IPAF observers (in addition to and acting as alternates for existing IPAF representatives) within the Standards Committee.

9. ASI Welcomes new Director of Standards



An opportunity to introduce the new Director and for Standards Committee to ask questions of them and of the CEO.

10. ACTIONS, AOB & Close

- Any other business
 - In response to a question on further v2 certifications in the Audit pipeline, the Secretariat noted that there are no further v2 Audits (which ceased to be carried out in June 2023, as per the one-year transition period) requiring oversight and thus no further v2 Certificates would be issued. However, existing PSv2 Certifications will run their full duration (i.e. 3 years), so by late 2026 there will be no active PSv2 Certifications remaining, and all will have transitioned to PSv3.
 - The Secretariat referred a question on due diligence process for prospective ASI Members to <https://aluminium-stewardship.org/wp-content/uploads/2023/12/ASI-ConstitutionConsolidatedNovember2023.pdf> and to <https://aluminium-stewardship.org/wp-content/uploads/2022/01/ASI-Member-Recruitment-and-Information-Management-Policy-V2-Nov2021.pdf> noting that the ASI Assurance process is the mechanism by which conformance with the Performance Standard is measured and that *a priori* judgement on Member performance is not made ahead of the certification process. However, ASI reserves the right to suspend the admission of a new member to ASI following the outcome of the due diligence process at the point of entry.
- Agree any final post-meeting actions and timeframes for Committee members
 - The next in-person Standards Committee meeting will be held in Amsterdam, Netherlands from 18-20 September 2024.
- Agree actions for Secretariat
- Chairs and Secretariat thanks to all participants and close of meeting