ASI Standards Revision 2025-27: Terms of Reference

Document: ASI Standards Revision 2025-27 Terms of Reference v1

Approved by: ASI Standards Committee on 11 February 2025

1. Summary

This document sets out the Terms of Reference for the revision of the ASI Performance Standard and Chain of Custody Standard. It describes the scope and purpose of these standards, their intended outcomes and the types of claims they support (currently and potentially in the future). It also explains how ASI works to align with and recognise other standards. Finally, it provides an overview of the expected revision process and timeline.

2. ASI Performance Standard

Scope: The ASI Performance Standard (PS) covers a broad set of environmental, social, and governance topics that are relevant to the aluminium sector. It applies to companies across the full value chain, from bauxite mining operations to refineries, smelters, casthouses, recyclers, semi-fabricators and manufacturers of final products. ASI Members in the Production and Transformation and Industrial Users membership classes are required to have at least one Facility certified against the ASI Performance Standard within two years of joining ASI. The PS is implemented at a Facility Level, but the scope of Certification is flexible, and can include either the full business, part of a business (e.g. specific facilities), or a designated programme/product.[1]

Intended Outcomes: The Performance Standard aims to provide a consistent, credible framework that supports the aluminium sector to work towards more sustainable production of aluminium. As certified Entities implement better management strategies and social/ environmental practices, as set out in the Performance Standard criteria, they reduce negative impacts and enhance positive impacts on local communities, workers, and the environment. The intended outcomes centre around four key impact areas related to aluminium:

1. **Climate** – the standard aims to support decarbonisation at a sectoral level, which is a fundamental yet challenging goal for the hard-to-abate aluminium sector. In addition, the standard ensures that each certified Entity plays their part in committing to a GHG reduction pathway in line with science-based targets and demonstrating progress in emissions reductions over time.
2. **Circularity** – the standard aims to position circularity principles at the core of sustainable business strategies around environmental impacts and resource use. This includes embedding circularity principles into business strategies, repurposing waste materials such as bauxite

[1] For Product/ Program level scope, the Entity must Certify all Facilities involved in the production of the Certified Product/Program. Refer to ASI Assurance Manual section 4.2 for more information

residue, designing products for enhanced circularity, as well as supporting better end of life product responsibility.

3. **Nature positive** – this includes the protection and enhancement of biodiversity and ecosystem services, land rehabilitation, sustainable use of water, and minimizing negative impacts on surrounding environments.
4. **Human Rights –** in line with the UN Guiding Principles, the standard aims to protect fundamental human rights within the scope of the Entity's own operations (e.g. workers and contractors) as well as the rights of affected stakeholders such as Indigenous People and other traditional communities. It also covers the protection of human rights in the value chain, through the Entity's due diligence commitments.

3. ASI Chain of Custody Standard

Scope: The ASI Chain of Custody Standard sets out systems for the sourcing, Custody and/or supply of responsibly sourced Aluminium. The current Chain of Custody (CoC) standard follows a mass balance model, which can be applied at a site or group level. The CoC standard is optional but is required for any Entity making a product related claim, which includes selling material as CoC (ASI certified), making volume or sourcing claims, and/or using the ASI logo or text claims on products.

Intended Outcomes: The original objectives of the Chain of Custody (CoC) standard were to drive uptake of the Performance Standard, and to support credible claims. The first objective has largely been achieved, with steady growth in both PS and CoC certifications over the last six years. However, the demand for ASI (CoC) certified material has largely plateaued and shows significant drop off across the chain, with 26% of bauxite eligible as ASI (CoC) certified, but flowing through to only 1% of manufactured aluminium products. The use of product related claims remains very low, with only 3 ASI Members currently making any on-product claims.

As supply chain transparency and due diligence expectations increase over time, the mass balance approach may no longer meet the needs of ASI Members and could evolve into a different approach. Thus, with the upcoming standard revision, the objectives and nature of the Chain of Custody standard will be re-examined, based on stakeholder input, changing regulatory requirements (especially around supply chain due diligence) and the priorities of ASI Members.

4. Sustainability Claims

The Performance Standard and Chain of Custody standard currently support basic categories of claims such as ASI membership and certification claims, volume and sourcing-related claims, and on-product claims (e.g. ASI logo or text) for ASI certified (Chain of Custody) material. More information can be found in the ASI Claims Guide.

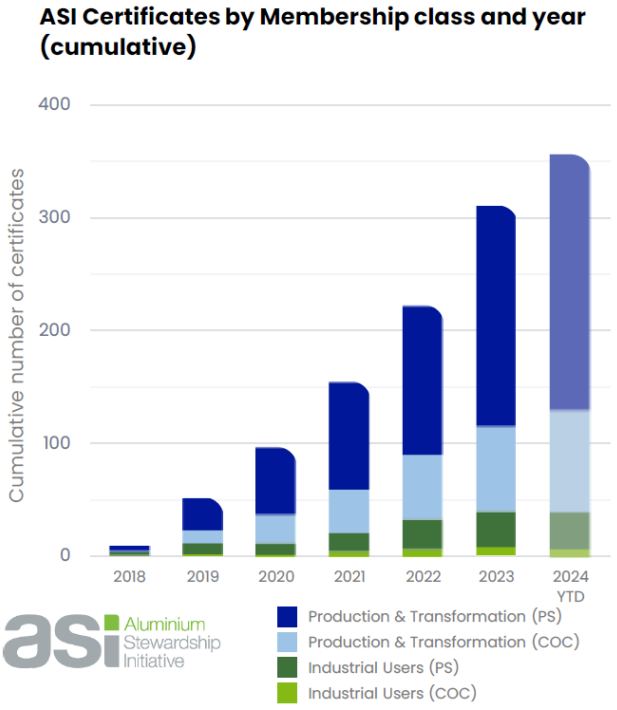
The standards revision will re-examine the current claims offerings, especially use of on-product claims, to establish whether these continue to meet Member needs and whether they remain credible in light of new legislation such as the EU Green Claims Directive. The revision will also be an opportunity to develop potential new types of environmental claims linked to ASI certification. New claims would be designed to better reflect the priorities of downstream ASI members, who in many cases are looking for metrics around product carbon footprinting and recycled content. Based on early stakeholder input through the review phase (September – November 2024), the standard

revision will include development of product carbon footprinting claims first for primary aluminium (phase 1) and later including recycled content (phase 2).

In addition, ASI may consider developing expanded types of impact claims, for example related to GHG emissions reductions, mine rehabilitation, or repurposing of waste material. These areas will need to be further discussed with ASI Members and other key stakeholders through the standards revision and consultation periods.

5. Market need and alignment with other Standards

Certification against the ASI Performance Standard and Chain of Custody standard have grown steadily over the last six years since they first rolled out in 2018. As of November 2024, there were 276 Performance Standard certifications and 100 Chain of Custody certifications.



As the number of standards in the mining and metals space continues to increase, ASI has made it a priority to focus on benchmarking and alignment with other initiatives, to promote harmonization and reduce duplication. The ASI Performance Standard v3.0 already recognises several ISO standards including 14001, 37001, 14044, and 45001 as equivalent to parts of comparable ASI criteria. In addition, the Performance Standard is aligned with the LME Responsible Sourcing requirements, enabling certified Entities to use their ASI Certification as evidence of compliance.

Furthermore, ASI engages regularly with other standard frameworks both upstream (e.g. Consolidated Mining Standard Initiative, CMSI) and downstream (e.g. Drive Sustainability, the Green Building Council of Australia) to promote recognition of the ASI standard by other schemes. Full information on benchmarking and recognition with other standards can be found on the dedicated ASI webpage here: https://aluminium-stewardship.org/get-certified/recognitions. With the upcoming standard revision, ASI intends to go even further, with expanded recognition of key ISO standards within our criteria, and cross- recognition of comparable standards such as the CMSI.

The ASI Performance Standard complements other existing standards because it has been designed specifically for the aluminium sector, which has a unique profile compared to other minerals and metals. For example, aluminium is derived from bauxite ore, which is typically close to the Earth's surface and is extracted through surface mining of large areas of land. This is distinct from other types of mining such as underground and open pit mining and has different challenges and impacts. Two mineral processing stages are required for the creation of primary aluminium metal – alumina refining and aluminium smelting – which also have specific impacts and risks. Aluminium as a sector has a high carbon footprint compared to many other metals – however, it also has very

high recyclability, which creates great opportunities for more circular product design and material flows. A whole of supply chain approach to support circularity and due diligence are also critical roles for downstream supply chain participants. These sector-specific impacts are reflected in the ASI Performance Standard, which continues to make the standard highly relevant for the aluminium value chain.

6. Objectives of the Standard Revision

The objectives of the standard revision have been developed through the review work and consultation carried out between September and November 2024. This included consultation with ASI Members and certified Entities, ASI Auditors and Registered Specialists, and ASI's Standards Committee (including representation from the Indigenous People's Advisory Forum, IPAF). It also included a review of audit reports and non-conformance analysis related to the current Standards.

Based on this input, the Standard Revision aims to:

1. **Enable greater differentiation; recognising different performance levels and creating pathways for continuous improvement**: The revision will likely mean moving away from a 'one size fits all' approach and exploring the introduction of different performance levels or increasing expectations for Entities over time.
2. **Further strengthen credibility of the standards and related assurance:** The Revision aims to ensure that criteria are developed in a clear and consistent way, with strong input from auditors throughout the process.
3. **Improve the relevance of criteria, focusing effort on the most critical areas**: The aim is to maintain the value of a 'broad' sustainability standard, but to ensure that the most critical impacts or risks are prioritised. This might mean more inclusion of materiality or risk assessments.
4. **Strengthen focus on priorities for Indigenous Peoples and other traditional communities:** Strong representation from ASI's Indigenous People's Advisory Forum (IPAF) is central to ASI's governance structure and standard setting procedures. This aims to ensure that the priorities of Indigenous Peoples and other affected communities will be considered throughout the standards revision process.
5. **Enhance the value through certification:** This revision intends to ensure that ASI certification provides clear and measurable value to certified Entities. One area that will be explored is the development of new categories of claims, such as GHG emissions-related claims and product carbon footprinting. These claims may better meet the needs of downstream customers, thus driving more demand for ASI certification throughout the value chain. Another area to be explored is how the ASI Standards can better support Entities to meet their due diligence requirements.
6. **Improve alignment with other standards**: This will build off the foundation of benchmarking and recognition work already in place, but will look at expanded recognition of key ISO certifications, more cross- recognition of comparable certifications, and better alignment with regulatory requirements.
7. **Renew focus on impact:** Meeting ASI criteria should be designed to not only 'tick the boxes' for certification, but also incentivize measurable business changes, which in turn create

positive outcomes for the environment, for workers, and for affected communities. This will be a key guiding principle throughout the revision.

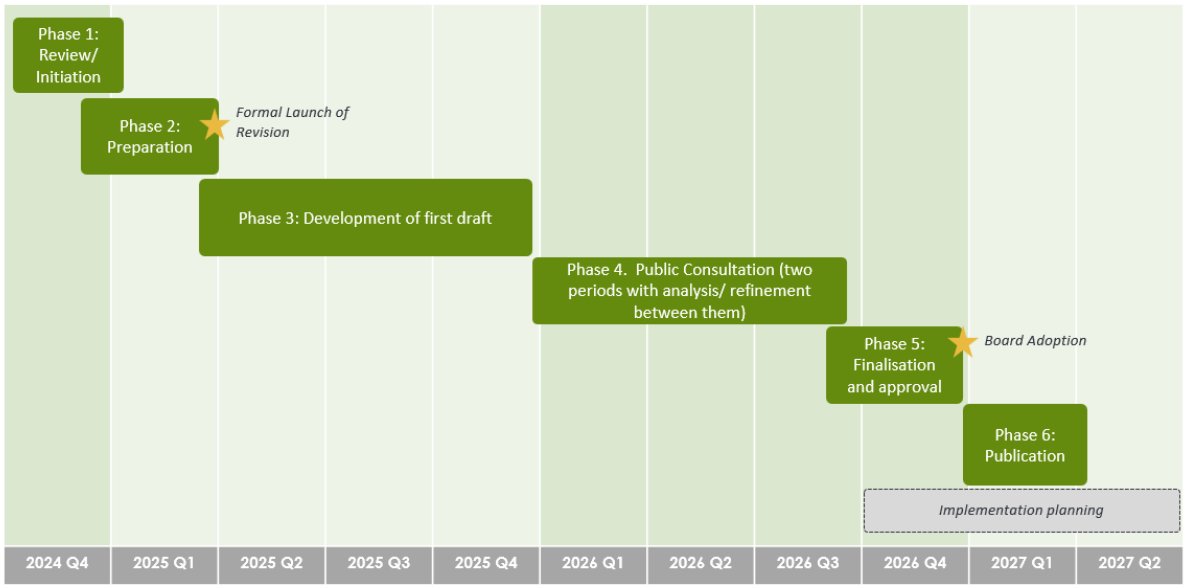
7. Revision Process and Timeline

Phases of revision and proposed timeline

ASI has a defined standard-setting and revision process which is publicly available on our website. There are six main phases, with expected timelines set out below (subject to change, based on the nature of consultation feedback and or scope of content development):

1. *Initiation/ Review*: Proposal for a new Standard or Review of existing Standard: The review phase was carried out from September to November 2024 (incorporating earlier stakeholder consultation).
2. *Preparation*: This phase has been underway from October 2024 and will run until the formal launch of the revision in March 2025. This includes stakeholder mapping, defining the timeline for the standard revision, and drafting this Terms of Reference, based on stakeholder input and outcomes of the review phase.
3. *Development of draft*: Expected to run from March 2025 to December 2025, with thematic sub-groups (Standard Committee members and external experts) and working groups (composed of broader input from ASI Members) providing input on content development.
4. *Public Consultation*: Two public consultation phases are expected, the first from January - February 2026, and the second from August – September 2026.
5. *Finalisation and Approval*: Anticipated final approval by December 2026 or Q1 2027.
6. *Publication*: Expected in Q1 2027, with a transition period to follow.

ASI Standard Revision – Expected timeline



Decision making:

The ASI Standards Committee is a multi-stakeholder governance body that oversees and approves the development of the revised standard, supported by the ASI Secretariat, and in line with the ASI Standard Setting and Revision Procedure. The Standard Committee approves public consultation drafts, considering input from sub-groups/ technical experts, working groups, outcomes of auditability/ feasibility reviews, and legal reviews. The ASI Board must also formally adopt the final revised standard as By-Laws, based on a recommendation from the Standards Committee and an assessment of whether due process has been followed (refer to Section 10 of the Standard setting and Revision Procedure). Approval by the Standards Committee and adoption by the Board are subject to the decision-making and Consensus processes (or voting, if consensus ultimately cannot be reached on a decision) outlined in the ASI Governance Handbook.