ASI Circularity Working Group – Call 3

13.00 - 14.30 BST 22 July 2025

Participants:

Mickaël Faliu (Ball Corporation)
Olivier Néel (Constellium)
John Revess (Independent)
Donna Kopecky (Kaiser Aluminum Corporation)
Marcel Pfitzer (Mercedes-Benz)
Fatma Maatar (Nemak)
David Wagger (Recycled Materials Association – ReMA)
Adrian Mullins (Rio Tinto)
Samuel Stämpfli (SEREO / IGORA)
Thomas Payer (Speira)
Daniil Ukhanov (UC Rusal)

ASI Secretariat:
Gabriel Carmona Aparicio
Chelsea Reinhardt

Agenda points:

1. Welcome & Framing (5 mins)
2. Current Status (10 mins)
3. Review of Pre-Comments (10 mins)
4. Breakout Groups and Plenary Discussion (60 mins)
5. AOB & Next Steps (5 mins)

For further context, refer to the attached presentation.

Discussion Notes:

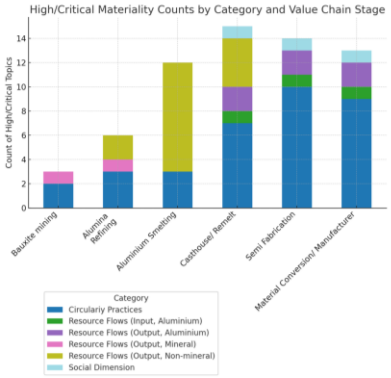
1 Welcome & Framing

- The focus of this meeting was feedback on updated criteria related to process scrap, end-of-life (EoL) recovery, extended producer responsibility (EPR), and responsible sourcing of aluminium scrap.
- The Secretariat opened the meeting, noting that although the session had been structured to include breakout groups, the smaller group size allowed all topics to be discussed in plenary.
- Participants were reminded that Chatham House Rule applies.

2 Current Status and Review of Pre-Comments

- ASI presented an overview of changes in the early revision draft of the Circularity criteria, compared to the current V3 Performance Standard. There are 30 proposed circularity-related requirements at **minimum level**, up from 20 in the current version.
  - The majority of the additions relate to: Circularity Strategy and Performance, Product and Process Design, and Aluminium Process Scrap.
- A participant noted the need to keep the number and scope of requirements aligned with material risks. They cautioned against overcomplication and stressed that proportionality and relevance should guide further development of the criteria.
  - ASI showed how the proposed new requirements under Circularity map to different stages of the value chain.

Level	Mining	Refining	Smelting	Recyc./ Remelting	Fabricating (incl semi-fab)
Min	9	11	23	22	19
Lead	8	12	14	16	15
Total	17	23	37	38	34
% Min	30%	37%	77%	73%	63%
% Lead	35%	52%	61%	70%	65%
% Total	32%	43%	70%	72%	64%



- Smelting: Process Scrap, SPL, Dross
- Remelt: Process Scrap, EoL Recovery, Dross
- Fabrication: Process Design, EoL Recovery

Figure 1. Requirements vs Materiality per LC Stages

- A comment raised the need for streamlined and targeted requirements. It was suggested that some of the draft text could be moved into guidance or excluded altogether.
  - ASI confirmed that a filtering process is planned and invited participants to flag specific criteria that may be better suited to guidance or that may need adjusted applicability.
- It was proposed that some policy and procedural requirements (e.g. strategies, plans) might be better integrated into the existing management system criteria rather than as stand-alone documentation. There was concern about requiring additional layers of documentation and the need to minimise duplication.
  - ASI noted that this is already being trialled in the Circularity section, such as removing the requirement for a separate waste strategy and or a separate recycling strategy, and instead embedding relevant policies within broader management systems.
- A question was raised about auditor expectations: whether integrated documentation across management systems would be acceptable, and how auditors would be trained to assess these new or integrated approaches.
  - The Secretariat acknowledged this and confirmed that auditability and assurance consistency will be addressed through both the revision process and upcoming assurance system updates.

3 Review of Pre-Comments

- ASI summarised key feedback received on the early draft criteria ahead of the meeting, focusing on the three areas related to scrap.

- It was reiterated that the scope of the ASI Performance Standard remains focused on aluminium when referring to materials embedded in products, and will not expand to cover circularity of other materials in product systems. Other materials beyond aluminium are considered at the entity or process level.
- One participant asked whether responsible sourcing of aluminium more broadly, not just scrap, should be considered a foundation of circularity.
    - The Secretariat clarified that sourcing of primary aluminium is addressed under the existing Responsible Sourcing section. The Circularity criteria are meant to add further focus on sourcing of recycled material, due to the distinct risks and opportunities associated with secondary aluminium.
- Another participant raised the issue of flexibility in how reductions are demonstrated, particularly in relation to process scrap. It was suggested that guidance may be needed for auditors to account for different baseline conditions or production contexts.
    - The Secretariat acknowledged this point and noted that interpretation and auditability will continue to be addressed as part of the criteria refinement and assurance discussions.

4 Breakout Groups & Plenary Discussion

4.1 Discussion on Aluminium Process Scrap

- There was general agreement that introducing additional requirements on process scrap was a positive step. However, members emphasised the need for flexibility and for setting expectations that reflect the diversity of production contexts.
- While most companies are actively working to reduce scrap, some felt that the current draft may be too rigid. It was noted that design or production changes can, in some cases, lead to a short-term increase in scrap for valid reasons, such as achieving longer-term environmental or performance benefits.
    - An example was given of switching from a simpler product with no use-phase benefit to a more complex product that enables downstream environmental benefits. While this shift could increase process scrap, it may still support broader circularity outcomes.
    - ASI clarified that decisions related to product design and their downstream implications, such as use-phase benefits, are addressed under Criterion 3 (Product and Process Design).
- A view was expressed that this criterion may not be strictly necessary, as scrap management is already incentivised by cost and operational efficiency. However, if retained, the group highlighted the need for clear guidance to help auditors assess conformance, especially where local optimisation could result in trade-offs at the system level.
- One participant noted that new technologies, such as lower carbon anodes in smelting, can also affect scrap generation and complicate year-on-year comparisons. Changes in products, technologies, or processes may all influence scrap levels.
- ASI underlined the relevance of scrap management to overall carbon emissions reduction efforts, particularly in relation to the energy intensity of primary aluminium. It was suggested that criteria may need to distinguish between operational inefficiencies and process-related scrap.

- It was also noted that although most companies have internal targets to reduce process scrap, it remains unclear whether those targets are consistently met or whether they lead to measurable improvements.
- Another participant raised the question of scope, particularly regarding runaround scrap. As this material is returned to the process loop and does not constitute waste, its impact may already be captured under energy or emissions metrics.
- There were concerns that annual reduction targets could disadvantage high-performing entities or those with limited opportunity for further optimisation, while favouring those with less efficient baselines. A more flexible, context-driven approach was suggested.
- ASI explained the intention behind the concept of advanced process optimisation, noting that it refers to efforts beyond routine efficiency improvements. This may include data-driven process control, innovation in material flow management, or integration of emerging technologies. Additional clarification will be provided through guidance.
- Regarding Criterion 4.3.2 on recycled content, participants noted that multiple methods currently exist for calculating recycled content, which can hinder comparability and create challenges for third-party verification.
    - ASI explained that the aim is not to prescribe a single methodology but to require transparency in the method and data used.
- It was suggested that ASI could play a role in developing or aligning with a standardised methodology to support greater consistency across the sector.
- Some members observed that commercial contracts often already address recycled content levels, and that any ASI criteria should be aligned with those existing practices where possible.
- On Criterion 4.3.3, it was suggested that guidance should include not only third-party verification of data, but also consistency in communication, ensuring that claims are aligned with the underlying methodology.
- Participants questioned the distinction between Criteria 4.3.2 and 4.3.3 and asked whether they could be merged or clarified, as the key difference seems to be the verification requirement.

4.2 Discussion on End-of-Life Recovery and EPR:

- Participants discussed the scope and intent of the draft criteria addressing End-of-Life (EoL) recovery and Extended Producer Responsibility (EPR), noting both opportunities and limitations in how upstream and midstream actors can influence post-consumer outcomes.
- It was noted that while collection is a key first step toward recycling, it does not guarantee that materials will actually be recycled or reused. Demand for recycled content and incentives in the system also play a critical role. One example raised was the recycling of used beverage cans (UBCs), where economic or regulatory mechanisms (e.g. deposit or tax schemes) may be needed to increase recovery.
    - ASI clarified that the primary audience for ASI certification is companies, and expectations should be grounded in what certified entities can reasonably influence. In many cases, recycling decisions are made downstream or by actors not in scope for certification.
- Participants highlighted the importance of collaboration in achieving EoL recovery outcomes. It was emphasised that such efforts often depend on broader system-level action and that criteria should reflect this shared responsibility. It was suggested that collaboration expectations need to be clearly framed for auditors.

- The group discussed differences in recovery potential depending on product lifespan. For example, long-lived products (e.g. building materials with 50-year use phases) may not yield measurable EoL recovery outcomes in the near term. Participants questioned whether the criteria should differentiate between short- and long-lifecycle products.
- Concerns were raised about the feasibility of applying certain requirements, particularly Criterion 5.1.1, to upstream actors such as smelters and casthouses. It was noted that these entities often lack visibility into where their material will be used or recovered and that such criteria may be more relevant to downstream manufacturers.
- The issue of influence over recovery was raised in cases where a company manufactures intermediate products (e.g. beverage cans) but does not control the product's entry into or removal from the market. In such cases, the ability to directly influence recovery outcomes is limited.
    - It was noted that construction materials offer an opportunity to improve circularity, but this would require addressing existing building stocks as well as future material flows.
    - Participants referenced existing EU regulatory instruments (e.g. digital product passports) as mechanisms already in place and suggested avoiding duplication with these requirements.
- Regarding Criterion 5.1.3 (Leading Practice), one participant stressed the value of raising expectations, even if full traceability is not currently feasible. Asking questions and driving engagement on recovery and downstream impacts was seen as a meaningful step, even where data is partial or uncertain.

4.3 Discussion on Responsible recycling of scrap

- Participants expressed concerns around the feasibility of implementing due diligence expectations specifically for aluminium scrap. It was noted that responsible sourcing of scrap can be complex, particularly where traceability is limited and the number of intermediaries is high.
- There was a question as to whether a separate criterion on scrap is necessary, or whether this topic could be more effectively addressed within the broader due diligence requirements already present in the Performance Standard. Several participants suggested that integration into the general due diligence criteria may be preferable, provided it is made explicit that those provisions apply to scrap as well.
- ASI explained that the rationale for introducing a standalone criterion is that scrap is often underexamined in current audits. The Secretariat noted that responsible sourcing practices tend to focus on primary material flows, and that evolving policy and regulatory frameworks increasingly include recycled materials. Including a distinct requirement was seen as a way to elevate this issue within assurance and performance systems.
- It was acknowledged that sourcing data for scrap is often more limited or less detailed than for primary inputs, which may require adaptation in how expectations are implemented and audited.

5 AOB & Next Steps

- The current draft of the circularity criteria has been sent for an auditability review to assess clarity, consistency, and practical implementation from an assurance perspective.
- The revised draft for the Responsible Sourcing criteria is available for Working Group review and can be accessed here: Responsible Sourcing_Draft_July_2025_SC.docx

- An updated version of the Circularity draft, incorporating feedback from the July session and auditability input, will be shared ahead of the September meeting.
- The next three Circularity Working Group meetings have been confirmed:
  - Call 4 (23-Sep-25 12:30 – 14:00): High impact resources: Bauxite Residue, SPL, Dross, Others.
  - Call 5 (14-Oct-25 12:30 – 14:00): Review 'pre-consultation' feedback and suggested changes.
  - Call 6 (18-Nov-25 12:30 – 14:00): Final comments on consultation draft and questions for consultation
- Participants are encouraged to review draft materials in advance and continue to provide comments directly in SharePoint. Any questions or clarifications can be shared ahead of the sessions to help guide focused discussion.