ASI Climate Working Group – Call 2

06 May 2026 12:00 BST

Attendance

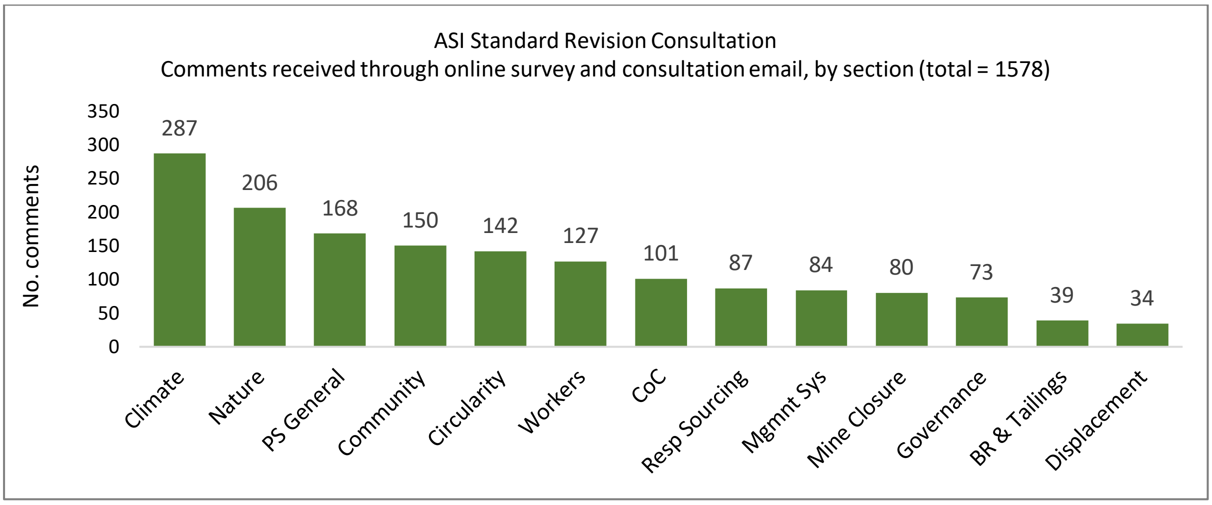
• Noura Al Naqbi	Emirates Global Aluminium
• Fernando Antonanzas	Alcoa
• Chris Bayliss	ASI
• Marlen Bertram	IAI
• Fynn Clive	CarbonChain
• Gesa Jauck	Trimet
• Morgan McConnell	Alvance British Aluminium
• Faizan Mehmood	Qatalum
• Klaudia Michalska	ASI
• Chris Moore	Alcoa
• Nadia Morais	Aluminérie Alouette
• Olivier Néel	Constellium
• Thomas Payer	Speira
• Frederic Picard	Rio Tinto
• Chelsea Reinhardt	ASI
• Lisa Scharinger	AMAG
• Gangaa C Sharma	Cetizion Verifica
• Sabine Sigle	NEMAK
• Jostein Søreide	Hydro
• Alexey Spirin	UC RUSAL
• Panagiotis Tserolas	Elval
• Mikko Samuli Vaija	Chanel
• Andy Vernon	Rio Tinto
• Lyndsey Vipond	Novelis
• Piet Wit	Chimbo
• Sarah Zhu	Shandong Innovation Group

Agenda points:

1. Welcome & post-consultation timeline (5 mins)
2. Overview of public consultation feedback (25 mins)
    - General (4)
    - Disclosures (4.1)
    - Smelter thresholds (4.2)
    - Climate transition planning – target setting and performance (4.3.1 – 4.3.2)
3. Group discussion (30 mins)
    - Options for non-1.5 aligned target setting & minimum performance expectations
4. Overview of public consultation feedback (continued) (10 mins)
    - Climate transition planning – finance, avoided emissions & removals (4.3.3 – 4.3.5)
    - Climate risk management (4.4)
5. Group discussion (15 mins)
    - Balancing streamlining with credibility in the climate section
6. Close (5 mins)

Discussion Notes:

1. Welcome and Overview
    - ➢ ASI provided a summary on the public consultation and feedback received on the DRAFT PS V4
    - ➢ The Climate section received the most comments (by number



- ➢ Key points of feedback, dominated in number by industry (up- mid- and downstream) were:
    - o The number of criteria is overwhelming and duplicative;

- Overly complex requirements;
  - Inconsistent requirements across supply chain activities;
  - New criteria and requirements will not necessarily drive change;
  - Divided opinions on performance expectations – industry feeling these are two high, with civil society viewing them as weak
- One participant in the meeting expressed that, in his view, the number of criteria is not worrying, since we have been in a phase of drafting and expansion, and he expects the streamlining to begin from this point forward. The Excel mapping tool provided to stakeholders has been helpful to filter the requirements by materiality/ applicability and this would continue to be useful through the drafting phase and into the development of self-assessment and assurance tools.

2. Discussions on Climate-related Criteria;

- Disclosures - ASI shared a summary of consultation themes , which emphasised that the focus should be on corporate (as opposed to asset-level) disclosures; future work was requested on Scope 2 Guidance.

- Smelter thresholds – opinions were divided, but a majority of respondents want to see some upper threshold maintained, likely around the existing 11 t CO_2e/t Al
  - Clear rules are needed on methods and especially Scope 3 data, which often has a corporate scope, broader than an individual smelter, and can be of lower quality if not primary supply chain data
  - On leading practice thresholds, some felt the proposed 5 t/t was too restrictive and should be higher; others proposed 8 t/ t to align with LME
  - It was asked why this was set for liquid electrolytic aluminium – this is because it excludes recycled content introduced at the casthouse (reflecting the fact that the original thresholds were designed to benchmark smelters on the emissions from primary production only, essentially excluding new coal-fired assets from certification)

- Target Setting – Consultation feedback was clear that SBTi should not be mandatory. While downstream companies supported use of SBTi for targets, there was some opposition from mid and upstream companies
  - Some respondents wanted to see 1.5 degree aligned targets moved to leading practice for all supply chain activities
  - Two alternative options were proposed for consideration:

Option 1:
• (MIN) 4.3.1.1 Publicly disclose a credible climate transition plan in line with the Paris Agreement.

• (Leading) Publicly disclose aluminium value chain-specific ASI Method (1.5 degree) aligned GHG pathways
Option 2 • (MIN) 4.3.1.1 Publicly disclose a credible climate transition plan in line with the Paris Agreement. • 4.3.1.2 [MINIMUM FOR ALL] Publicly disclose aluminium value chain-specific ASI Method (1.5 degree) aligned GHG pathways.

- The group discussed the options, noting the following points:
    - Companies don't have control (or have variable control) over upstream Scope 3 which makes this challenging for downstream Entities in particular. One option is to set a plan based on best information from suppliers, but what kind of control will companies have? What can companies act on – control over Scope 1 and to some extent scope 2. But, we know this will take time and the technology is not always available yet, so then the question is what to focus on for the next 10 years.
    - Increasing recycling will help, but then again, will need to use more energy to melt more metal, which is another challenge. ASI responded that while this plays a role at the Entity level, from a sectoral perspective it is the smelter emissions and energy source that are the main drivers of decarbonisation over the next 10 years.
    - It was recognised that this is a key dilemma – setting ambitious targets vs delivering on these in practice, and finding a balance between remaining implementable and credible. It is important to think about what ASI standards can do to drive change around decarbonisation
    - Flexibility in approach is needed as all companies are in different contexts
    - Within EU, companies need to include a climate transition plan under CSRD, these should be aligned and should not be duplicated under ASI standard (with CSRD verified plans being accepted as evidence of conformance)
    - It was asked whether the climate related requirements are still more ambitious than other sections of the Performance Standard (as was the case historically). This may be changing with the PS V4 especially as other sections are strengthened
    - Recommendation to consider Smelter emission reductions separately - based on materiality and impact. Suggestion to look at one criterion but with separate target expectations based on value chain activity (or regionalisation)?

- Emissions reduction performance - PS V4 consultation proposal of differentiated emissions reductions were largely not supported by industry, who felt they are not achievable. However, civil society feel these are too weak

- Working Group will be asked to feed in on timeframe for near term targets (currently 5 years from baseline) – many companies have already set targets and are unlikely to change them just to meet ASI standard
- ASI proposed a set of potential changes which would remove requirements around differentiated emissions reductions and replace with:
    - <u>Minimum requirement</u> (for all) to demonstrate performance (within 20% buffer) of the targets as specified in the Paris aligned climate transition plan.
    - <u>Leading practice</u> (for all) to demonstrate performance within 20% of the 1.5 degree aligned GHG pathways method
- This was discussed by the group and while the general concept of streamlining and removing requirements was supported, it was noted that this puts the question of how much reduction back to the targets section
- ASI asked WG participants to consider whether these changes would be more achievable than the PS V4 consultation draft – as in target years, companies would still need to demonstrate achievement within the 20% of the target.
    - As an example, an annualised 1% minimum intensity performance on a 7.0 t/t baseline upstream entity between 2025 and 2030, with a 20% buffer would mean 2030 emissions of below 6.5 t/t in 2030- to be in conformance! Use the following tool to plug in your own numbers:

targets%20tool.xlsx

- **Climate finance** – consultation feedback recommended to move this under the climate transition plan. Some support to recognize investments e.g. in R&D that might lead to decarbonization in future – but this may also be challenging to assess (how much is enough investment?)
    - It was noted that under CSRD, climate transition plans will already require some mandatory reporting. It is important that any verified climate transition plans can also be used to apply towards the ASI Standards, without additional work or duplication
    - Company perspective was shared that they would not publish anything too ambitious or not achievable, so they would not want to publicly disclose targets that cannot be met

- **Climate removals** – strongly opposed by industry respondents across the value chain. ASI proposes they remain but as leading practice

- **Climate risk management** – consultation recommend that this should sit under the general Section 2 Management system; guidance can help ensure this aligns with international standards

Updates to the ASI Pathways Method: ASI explained that the ASI Pathways Method would be updated in future based on updates to IEA and IAI data – this may be a project for the Climate Working Group in future

Next Steps

- Another meeting may be set up before mid June when the ASI Standard Committee has their in person meeting: https://doodle.com/group-poll/participate/aOXB98gb
- Following meeting will be week of 20 July: https://doodle.com/group-poll/participate/dwy4gEma