THE ACT RATING

The ACT rating is based on 3 scores (performance, narrative and trend) as shown in the diagram below.

PERFORMANCE SCORE
Alignment measured with KPIs

NARRATIVE SCORE
Summary of the whole assessment

TREND SCORE
Forecast of future rating changes

The maximum achievable rating is 20A= and the minimum is 1E=. To achieve the maximum score, a company must be completely aligned with the low-carbon transition.

ALIGNED STATE FOR A COMPANY IN THE ALUMINIUM SECTOR

The company understands where in the value chain most of its embedded emissions are. Therefore, the company discloses a transition plan that details operational steps to achieve their objectives to decrease GHG emissions of these sources.

Clear evidence of reducing operational emissions, and a strong track record of successful intervention in the value chain that highlights the company’s ability and willingness to enact change beyond its direct emissions.

The company has set science-based emissions reduction targets on the major segments of its value chain. These objectives are aligned with a relevant time horizon, which reflects the lifetime of the company assets.

The investment strategy for refurbishment, new production capacity and R&D places clear focus on low-carbon alternatives or decarbonisation technologies.

The company’s targets, transition plan, present action and past legacy show a consistent willingness to achieve the goals of low-carbon transition. The company operates as a strong actor in the circular economy during all the life cycle stages of the product.
According to IEA, the aluminium industry is currently responsible for 2% of global GHG emissions (1.1 Gt/year), aluminium being the second most-used metal in the world after iron. As aluminium is a key metal, especially in the context of the low-carbon transition, its production is thus expected to grow. A low-carbon world therefore requires a low-carbon transition of the aluminium sector.

The ACT methodology considers all companies producing alumina and/or aluminium, including remelters and refiners. The indicators and their weightings vary depending on the type of activities covered by the company and the significance of its upstream indirect emissions.

The methodology rewards companies that implement low-carbon processes, that foster circular economy (ecodesign, scrap collection and sorting, recycling) and for smelters that contribute to new low-carbon power generation and/or a more flexible grid.

**BENCHMARK**

The ACT aluminium methodology uses the low-carbon scenario developed by the International Aluminium Institute (see Figure 1).

This scenario is disaggregated per step of the aluminium value chain (bauxite mining, alumina refining, anode production, electrolysis, casting, internal scrap remelting, semis production, recycling), enabling a granular assessment of a company’s activities.

The benchmark considers different types of emissions: process (CO₂ and non-CO₂ GHG), electricity, ancillary materials, thermal energy, transport.

The benchmark is applicable in a Sectoral Decarbonisation Approach.

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1 IAI, Aluminium sector greenhouse gas pathways to 2050, 2021