

# Decarbonizing Aluminum Supply Chain Workshop

*Key Takeaways observed during REBA Institute's Aluminum Workshop | June 16, 2021*

## **Call to Action**

Aluminum is a critical material for the technologies driving the clean energy transition and touches all major sectors of the modern economy. Momentum is growing to decarbonize this industrial commodity with a need and opportunity to align on a unified demand-side signal to the market for low-carbon aluminum. Unlike some of the other harder-to-abate industrial sectors, a large percentage of aluminum emissions come from electricity. As such, the transition to carbon-free energy for a substantial portion of aluminum emissions can be achieved with the technology that exists today.

## **Topline Takeaways**

During the workshop, aluminum stakeholders identified the following challenges that make decarbonizing the aluminum supply chain, specifically, difficult:

- Lack of clear, low-carbon demand signals from customers to justify supplier business case for product differentiation
- Small margins as a commodity, which leads to a perception of higher costs or premiums for low-carbon aluminum
- Need for international collaboration to address global industry and avoid carbon leakage

But these challenges do not mean that efforts to decarbonize aluminum are impossible. The goal of the REBA Institute's Decarbonizing Industrial Supply Chains Energy (DISC-e) program is to build a clear demand-signal for low-carbon industrial commodities. Workshop participants evaluated potential levers of change to decarbonize the industry, including:

- Amplifying demand-signals from the customer and investor communities using procurement tools like RFP language, making public commitments to low-carbon aluminum procurement, and requiring uptake of SBTi goal setting in the industry
- Influencing government policy to support the transition of hard-to-abate sectors, like aluminum, based on driving economic resilience
- Collaborating with supply-side NGOs to establish a consistent industry approach to standards setting and reporting GHG emissions
- Educating aluminum smelters, the largest source of emissions along the supply chain, on clean energy procurement and mechanisms to overcome any financial barriers

Did other takeaways stick with you? Want to stay or get engaged further? Connect with Marielena Alcaraz Rios at [marielena@reba-institute.org](mailto:marielena@reba-institute.org)

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