



PRESS RELEASE

For immediate release

Traceability of Canadian aluminum: a world first successfully achieved

A strategic project for the future of the Canadian aluminium industry

Montreal, January 28, 2021 — The Aluminium Association of Canada (AAC) is pleased to announce the completion of the initial phase of its strategic traceability project initiated two years ago.

“From the outset, we would like to salute the decisive role of the Honourable Mélanie Joly, Minister of Economic Development and Official Languages, on behalf of the Government of Canada, through the funding provided by Canada Economic Development for Quebec Regions announced on August 19, 2020. This recognition by the government of the strategic importance for our industry of ensuring the traceability of our Canadian production, has enabled us to achieve a world first, tailor-made for our industry”, underlines Jean Simard, President and CEO of the AAC.

The industry is proud to announce today the completion of the pan-Canadian deployment of a cloud-based authentication platform adapted to our industry and developed in collaboration with the Quebec-based Optel Group. Initiated in 2020, following the conclusive results of two pilot projects carried out in 2019-2020 and supported by the Government of Quebec, this traceability project will initially allow the Canadian aluminium industry to certify the authenticity of the Canadian origin of the primary metal.

Back in 2018 the US – Canada tariff dispute raised the issue of the provenance of the metal entering the United States from Canada. It was from this moment on that the AAC worked with the Honourable Chrystia Freeland, then responsible for relations with the United States, to put in place innovative solutions to ensure the authentication and traceability of the aluminum produced in Canada.

“We have succeeded, in collaboration with our members, the governments of Canada and Quebec as well as experts in cloud-based solutions, to deploy a modern digital solution allowing us to initiate traceability, offering protection of the integrity of exports from primary production plants to the authorities concerned, and helping to consolidate the commercial value chain of our strategic markets,” concludes Mr. Simard.

About the Aluminium Association of Canada (www.aluminium.ca/en)

The Aluminium Association of Canada (AAC) is a non-profit organization representing three Canadian world-class aluminium producers: Alcoa, Alouette, and Rio Tinto operating nine smelters in Canada, eight of which are in Quebec, and employing over 8,800 workers. For more information, visit www.aluminium.ca or Twitter [@AAC_aluminium](https://twitter.com/AAC_aluminium).

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Aluminium Traceability Project in Canada

The aluminium traceability project in Canada is headed by the Aluminium Association of Canada in collaboration with the Optel Group and financial support from Canada Economic Development for Quebec Regions.

Initiated in 2020, this traceability project follows the conclusive results of two pilot projects carried out in 2019-2020 and enables the Canadian aluminium industry to certify the authenticity of the Canadian origin of the primary metal crossing the border.

CHRONOLOGY OF THE DEVELOPMENT OF THE TRACEABILITY PROJECT

2018

The 2018 US–Canada tariff dispute raised the issue of the origin of the metal entering the United States from Canada. It is from this moment that the AAC first identified industrial serialization technology (barcode identification), then traceability technology as innovative solutions applicable to its industry.

2019

On May 17, 2019, a joint Canada–US declaration retained the concepts of “surge” and “transshipment” in respect of foreign metal crossing the border from Canada, concepts that make metal traceability more relevant than ever.

On September 1, 2019, the Canadian government adds aluminium to the Import Control List (ICL) a system that provides near real-time visibility to listed imports, but does not provide visibility into Canadian exports to the United States.

AAC and the Optel Group of Quebec assessed the technical feasibility of adapting existing and proven cloud-based solutions in the aluminium smelter environment in Canada. A first pilot project financed by the Government of Quebec is launched in September 2019 with the participation of Aluminerie Alouette.

2020

Once the feasibility was demonstrated by this first pilot, the AAC launched a second pilot project in March 2020 with one of Rio Tinto’s smelter in Saguenay. This project was also financed by the Government of Quebec and Scale AI. The goal was to test the transit of the metal from “smelter to border” through a processor intermediary, adding an additional level of complexity.

Following this successful second pilot, the industry is ready for a nationwide rollout of the concept with the financial support from Canada Economic Development for Quebec Regions.

2020-2021

Pan-Canadian deployment of the authentication platform.

2021-2022

Development of metal traceability towards borders and markets.

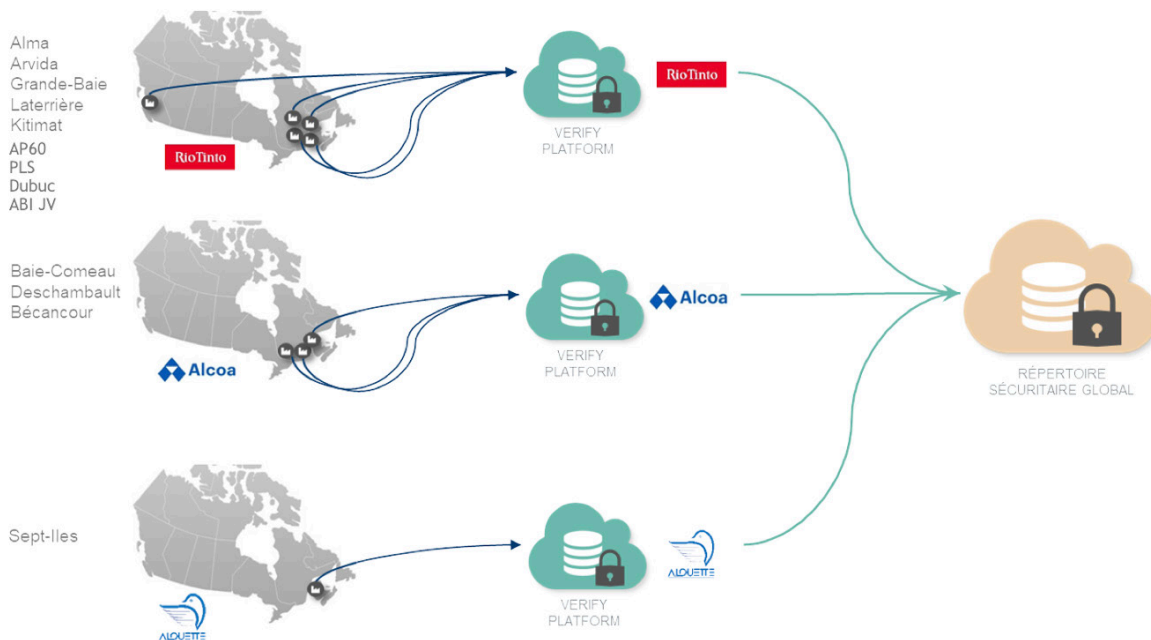


A STRATEGIC PLATFORM FOR THE FUTURE OF THE CANADIAN INDUSTRY

- The Canada traceability project allows our industry to certify the authenticity of the provenance of the metal crossing the US border from our smelters and to document the Canadian origin throughout the value chain.
- The digital platform will facilitate meeting the rules of origin (ROO) documentation requirements and provide the required documentation on the metal market movements with the United States.
- The densification of the “link to market” will help consolidate the commercial value chain of our strategic automotive market, possibly passing through SMEs in Quebec and elsewhere in the country.
- This project will also promote low-carbon aluminium responsibly produced in Canada.

TRACEABILITY FROM SMELTER TO BORDER

Secure and independent platforms for each member supply a central cloud platform for the industry.



Source: Optel Group