

# Aluminium Stewardship Initiative - Overview

July 2015

# Growth of standards for metals and extractives

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## *3TG Due Diligence*



## *+ Sustainability / CSR*



## *Energy*



# Aluminium Stewardship Initiative (ASI)

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ASI is working with stakeholders to develop an **independent third party certification** program for the aluminium value chain.

## History:

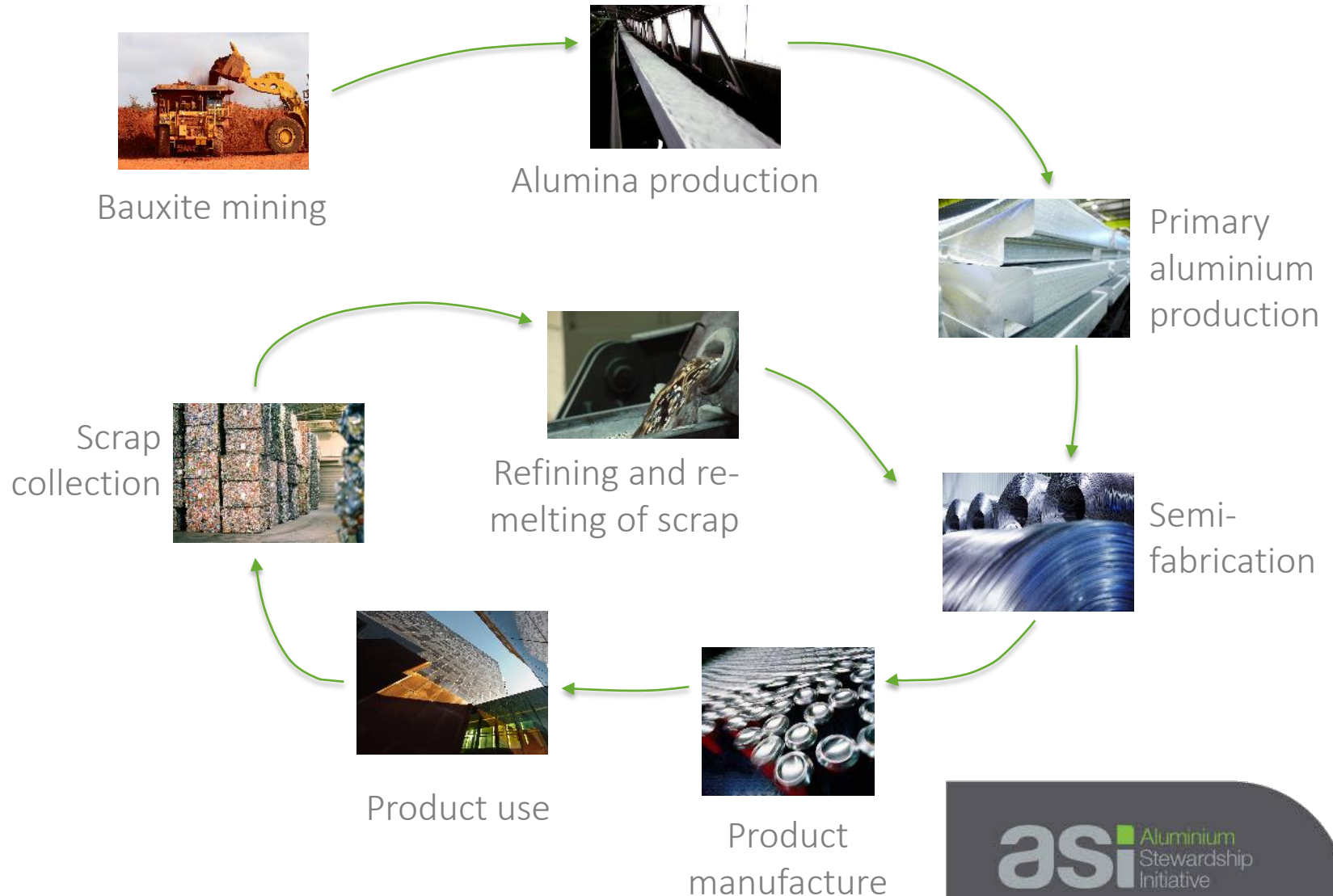
- 2009: multi-stakeholder group on 'responsible aluminium'
- 2010: report from Track Record recommending third-party certification system
- 2011: consultation process on outcomes and agreement to develop ASI
- 2012: IUCN appointed as co-ordinator for ASI standards-setting process
- 2014: ASI Performance Standard launched
- 2015: ASI Executive Director appointed and ASI incorporated



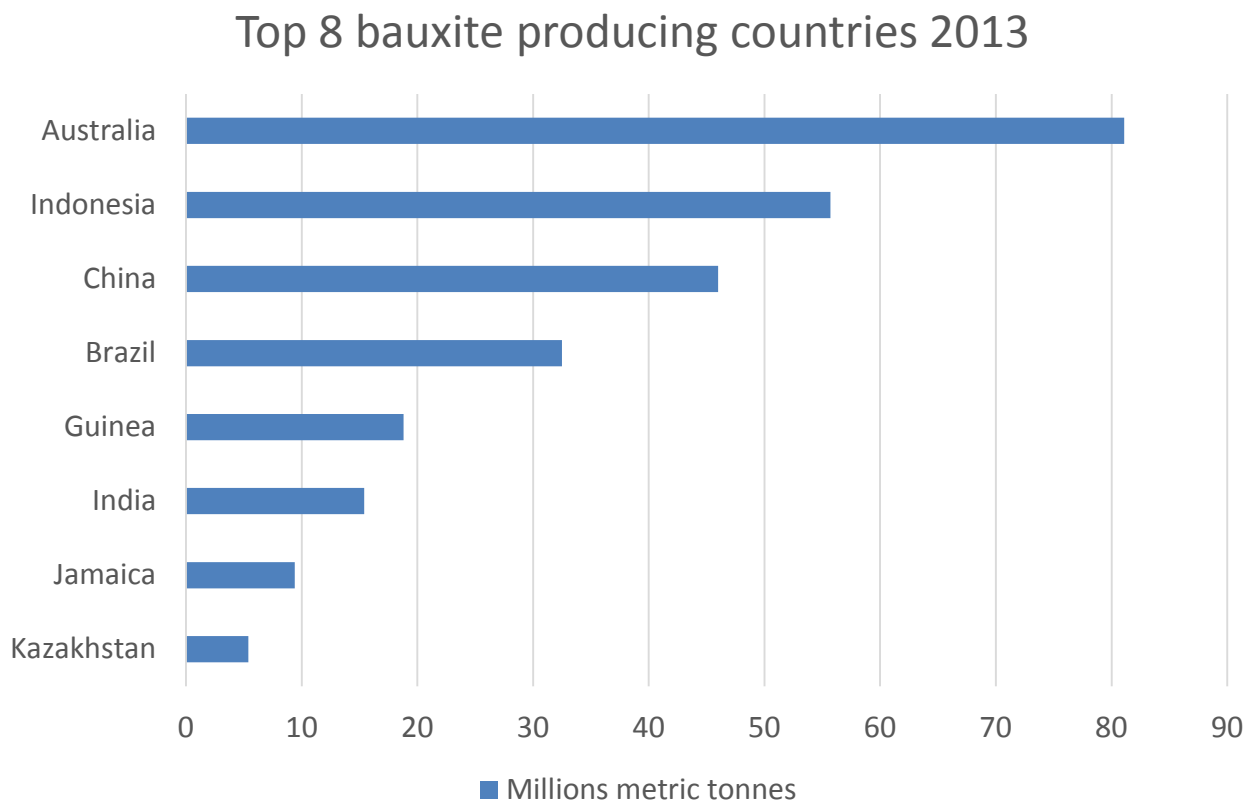
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# The aluminium value chain

Images © Rio Tinto, Novelis and Rexam



# Bauxite production - 2013

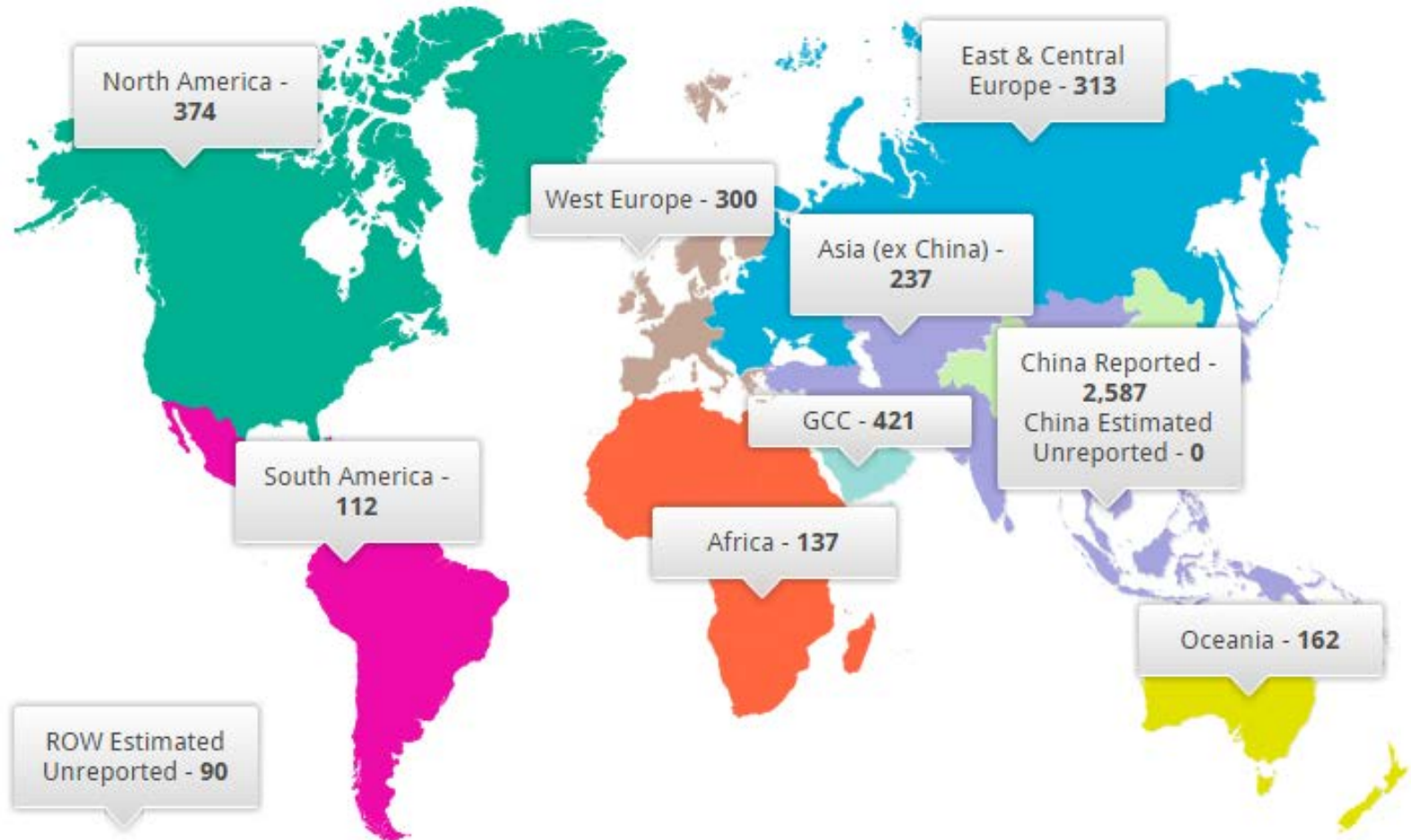


Source:  
<http://minerals.usgs.gov/minerals/pubs/commodity/boxite/myb1-2013-boxi.pdf>

# Primary aluminium production - 2015

<http://www.world-aluminium.org/statistics/>

**Total for Apr 2015: 4,733 thousand metric tonnes of aluminium**





# Aluminium's downstream applications include

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- **Automotive and aerospace:** Lower GHG emissions through lighter vehicles and through recycling post-use
- **Infrastructure:** Bringing energy efficiency for cities and buildings in an energy constrained world
- **Packaging:** Preserving food and medicines through its unique barrier properties



# Setting up a sustainability standards system

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# ASI objectives

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- To define globally applicable standards for sustainability performance and material chain-of-custody for the aluminium value chain
- To promote measurable and continual improvements in the key environmental, social and governance impacts of aluminium production, use and recycling
- To develop a credible assurance and certification system that both mitigates the risks of non-conformity with ASI standards and minimises barriers to broad scale implementation



# ASI participants

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## Companies participating include:

- Aleris
- AMAG/Constantia Flexibles
- AMCOR Flexibles
- Audi
- Ball Corporation
- BMW Group
- Coca-Cola Enterprises
- Constellium
- Jaguar Land Rover
- Hydro
- Nestlé Nespresso SA
- Novelis
- Rexam
- Rio Tinto Alcan
- Schueco
- Tetra Pak

## Stakeholders in Standards Setting Group (SSG)

- As You Sow
- CII - Godrej Green Business Centre, India
- Cleaner Production Centre South Africa
- Ecofys
- EMPA – Materials Science and Technology
- Fauna Flora International
- Forest Peoples Programme
- Fundacion Para la Promocion de Conocimientos Indigenas / Asociacion Indigena Ambiental en Panama
- IGORA
- IndustriALL Global Union
- IUCN
- Transformando Conflictos Partners El Salvador
- Transparency International
- WWF

# Priority issues for ASI standards

Bauxite mining

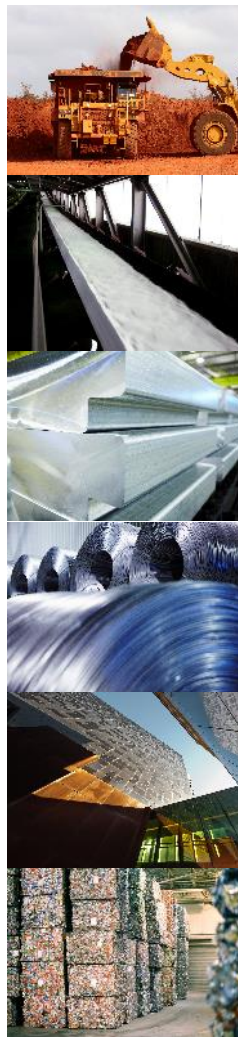
Alumina production

Aluminium production

Semi-fabrication

Product manufacture and use

Recycling



Images © Rio Tinto and Novelis

Biodiversity management

Indigenous Peoples rights

Greenhouse gas emissions  
for refining and smelting

Bauxite residue, spent pot  
lining and dross

Material stewardship

# ASI Performance Standard - structure

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## Governance

1. Business Integrity
2. Policy and Management
3. Transparency
4. Material Stewardship

## Environment

5. Greenhouse Gas Emissions
6. Emissions, Effluents and Waste
7. Water
8. Biodiversity

## Social

9. Human Rights
10. Labour Rights
11. Occupational Health and Safety

# ASI Chain of Custody Standard

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- A Chain of Custody Standard is also being developed that can be used as a responsible sourcing tool for aluminium
- A mass-balance volume-credit model is being proposed, which can be applied at the company and/or facility level
- Draft 2 made available on ASI website in January 2015
- Further work to be undertaken in 2015 alongside development of the ASI assurance model



# ISEAL Alliance and assurance – an evolving vision

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Patrick Mallet, ISEAL Technical Director, February 2015:

*“[In future] certification is less about the audit and more about pulling together data from multiple sources to better understand the risks to sustainable practice at an enterprise level,*

*then using that information to focus capacity building interventions and compliance assessments in the areas that matter most.”*



# Assurance model – design approach

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1. **Costs of certification need to be minimised** to ensure ASI is accessible through the value chain.
2. **Third-party assurance is central**, with company self-assessment as a foundation for this framework.
3. **A risk-based or materiality approach** to auditing and sampling evidence is essential for efficiency and can tie to desired impacts.
4. **Harmonisation and cross-recognition** of parallel standards and systems of controls will reduce unnecessary duplication in ASI assessments.
5. **Online management of assessment data** will reduce direct and indirect costs of the assurance process and can enable a tailored materiality approach.

# Theory of change – strategies, outcomes, impacts

Who/what drives and implements improved practices?

Who/what are the enablers and key influencers?

*Key Actors*

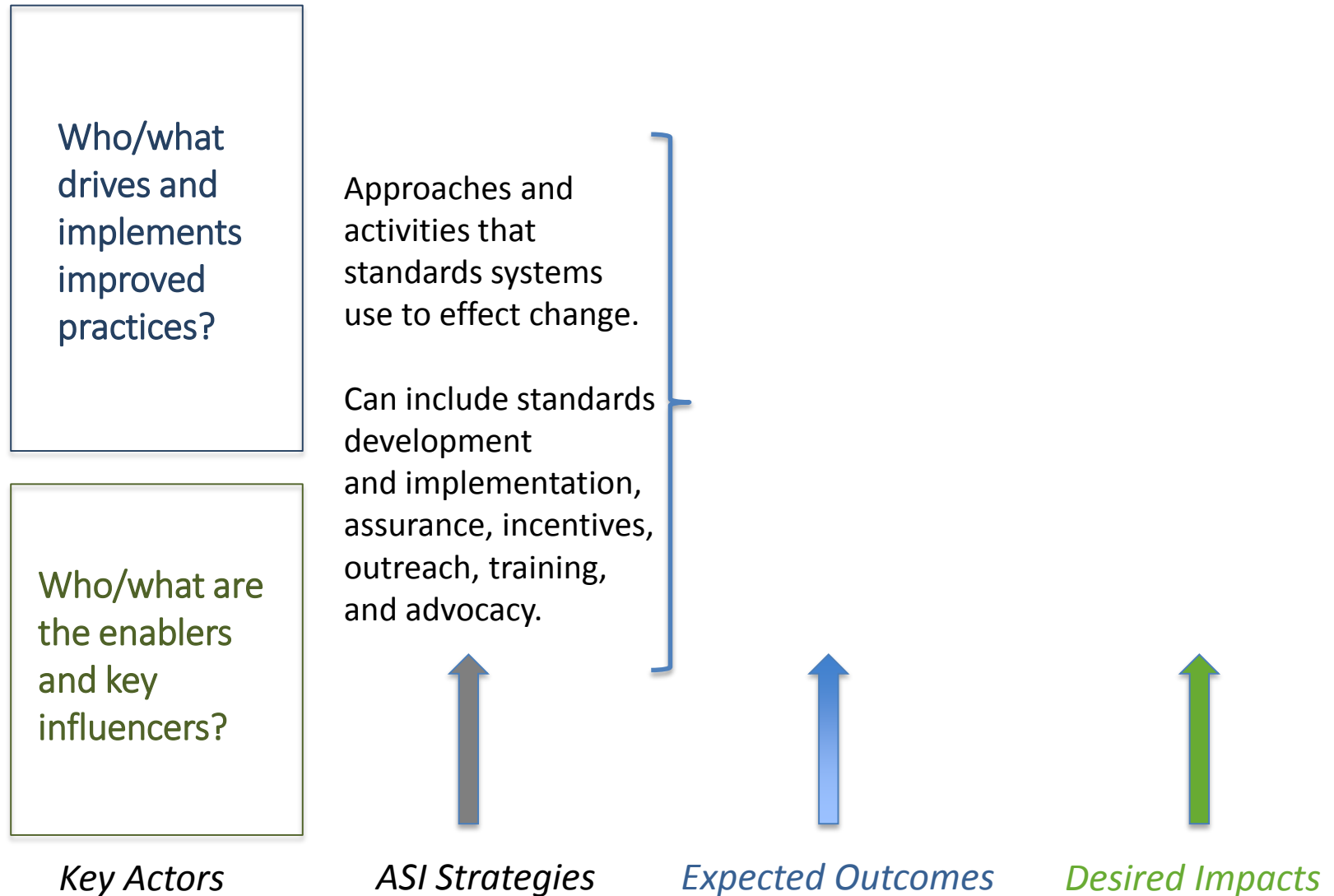
*ASI Strategies*

*Expected Outcomes*

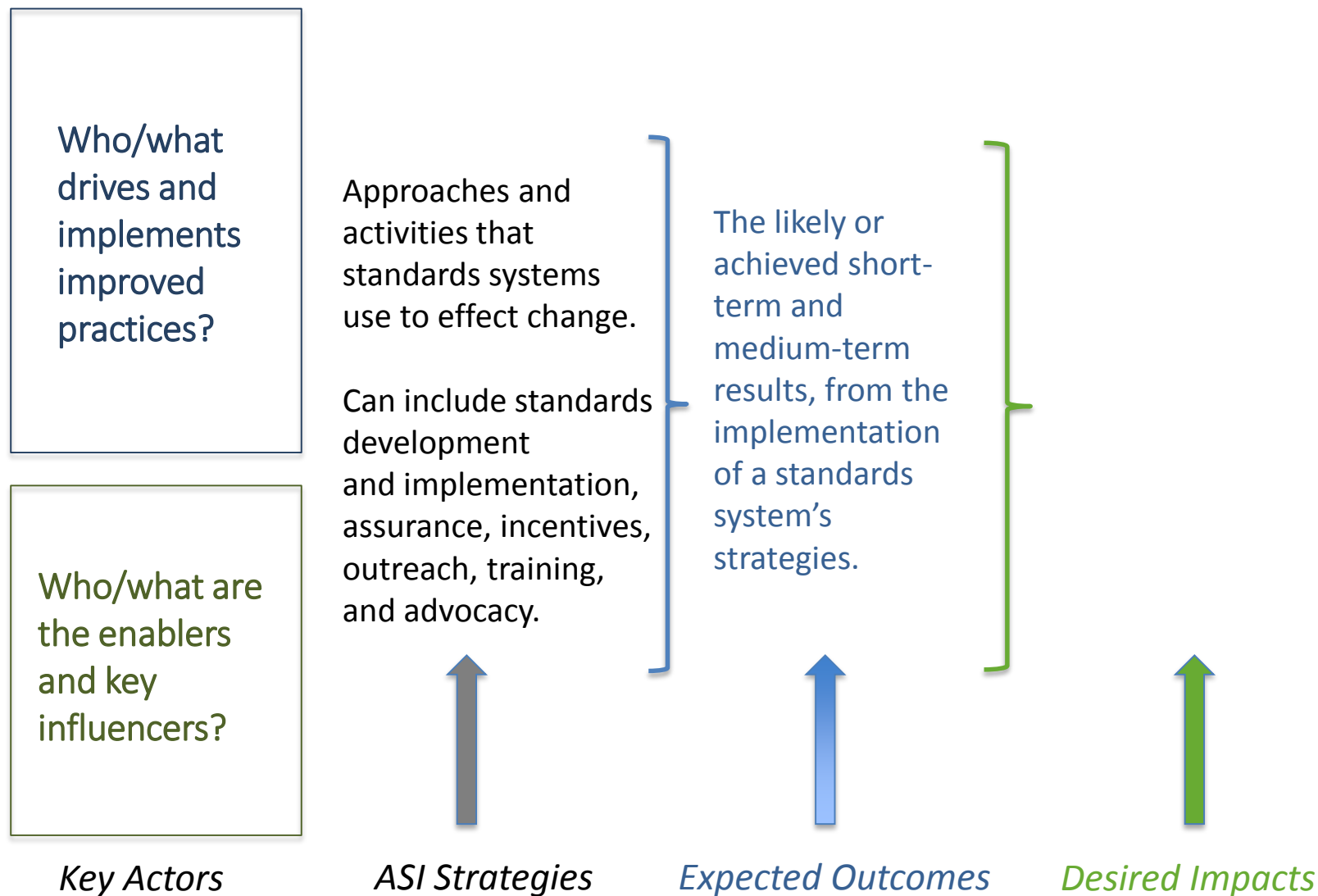
*Desired Impacts*



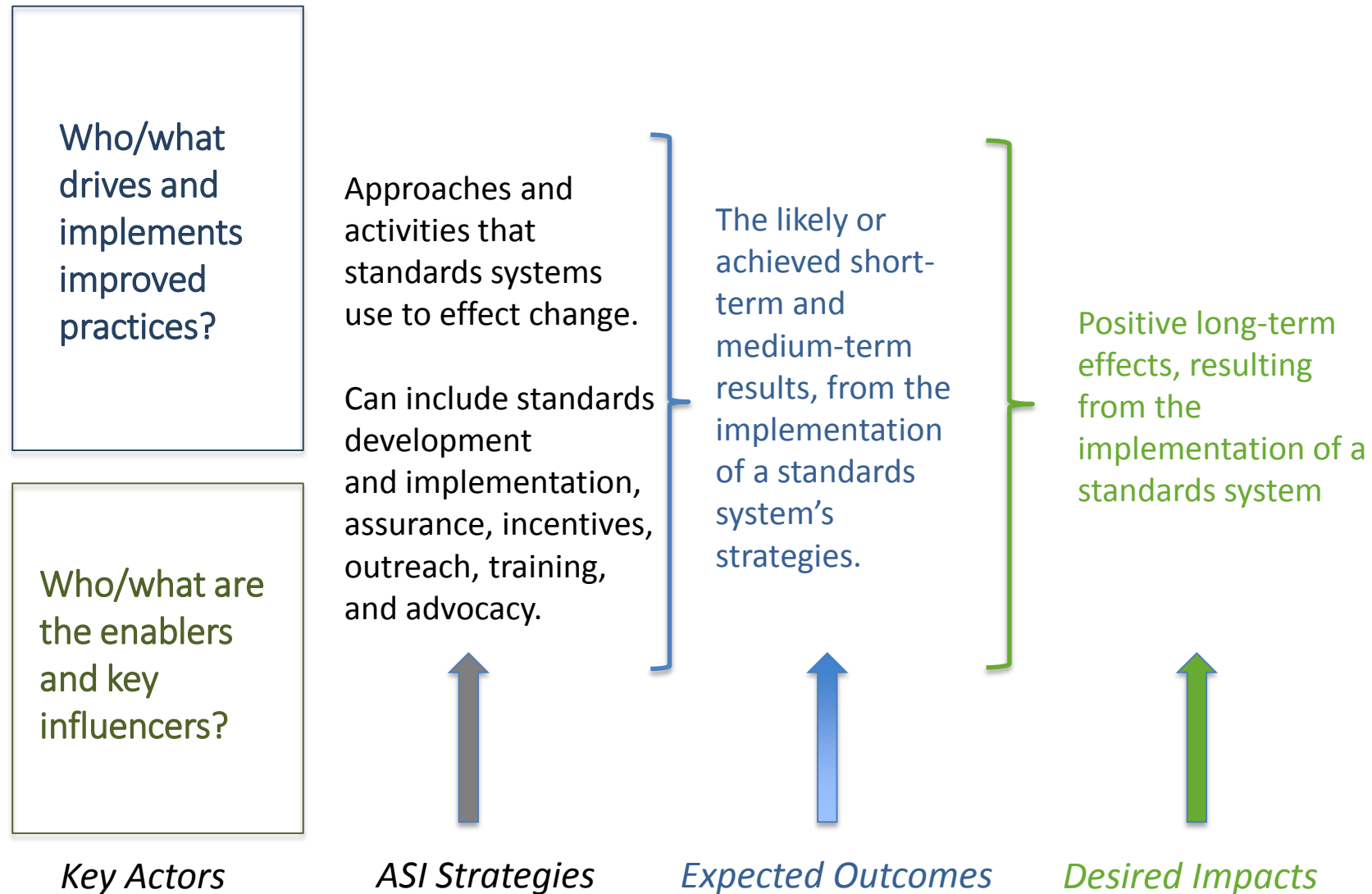
# Theory of change – strategies, outcomes, impacts



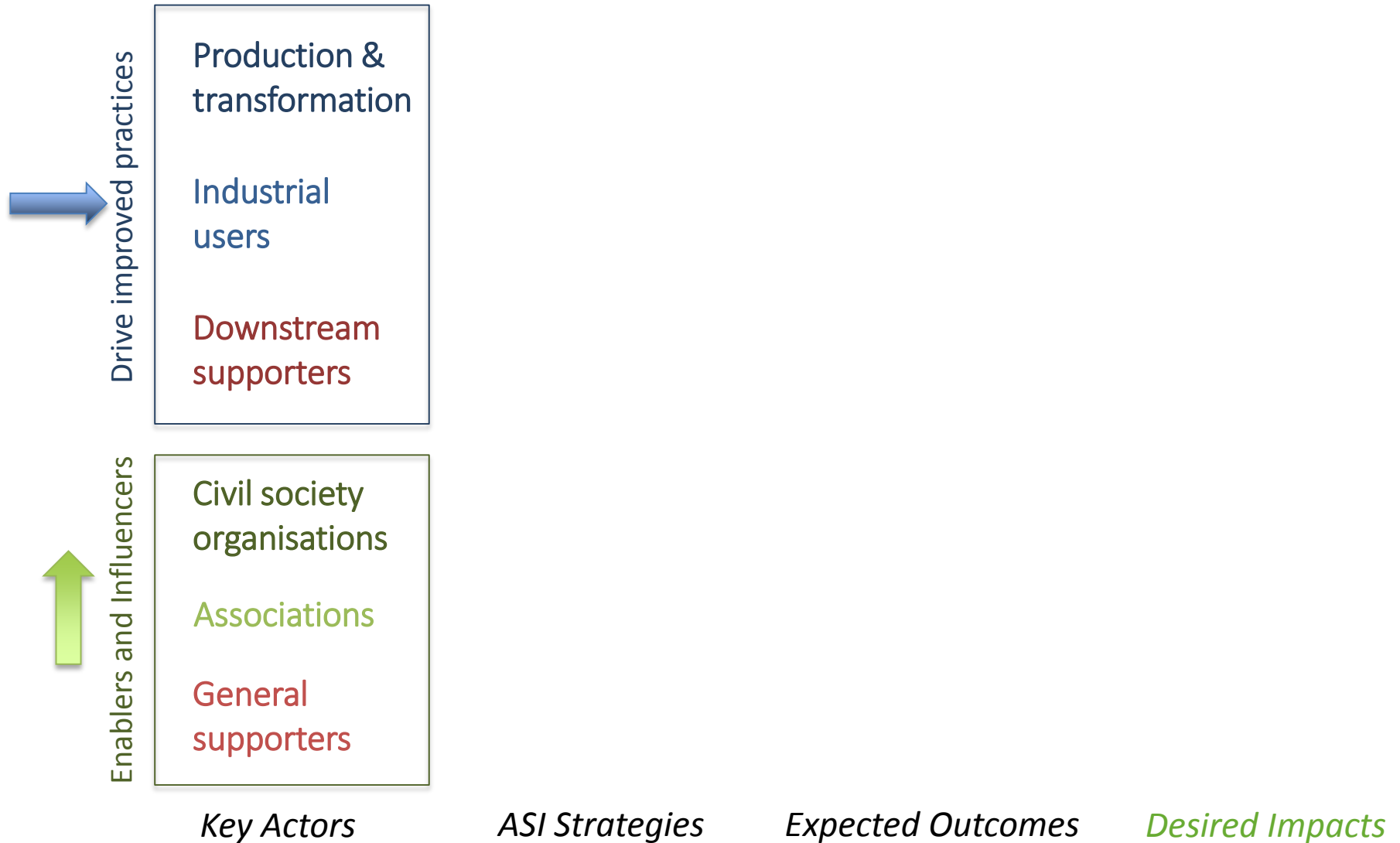
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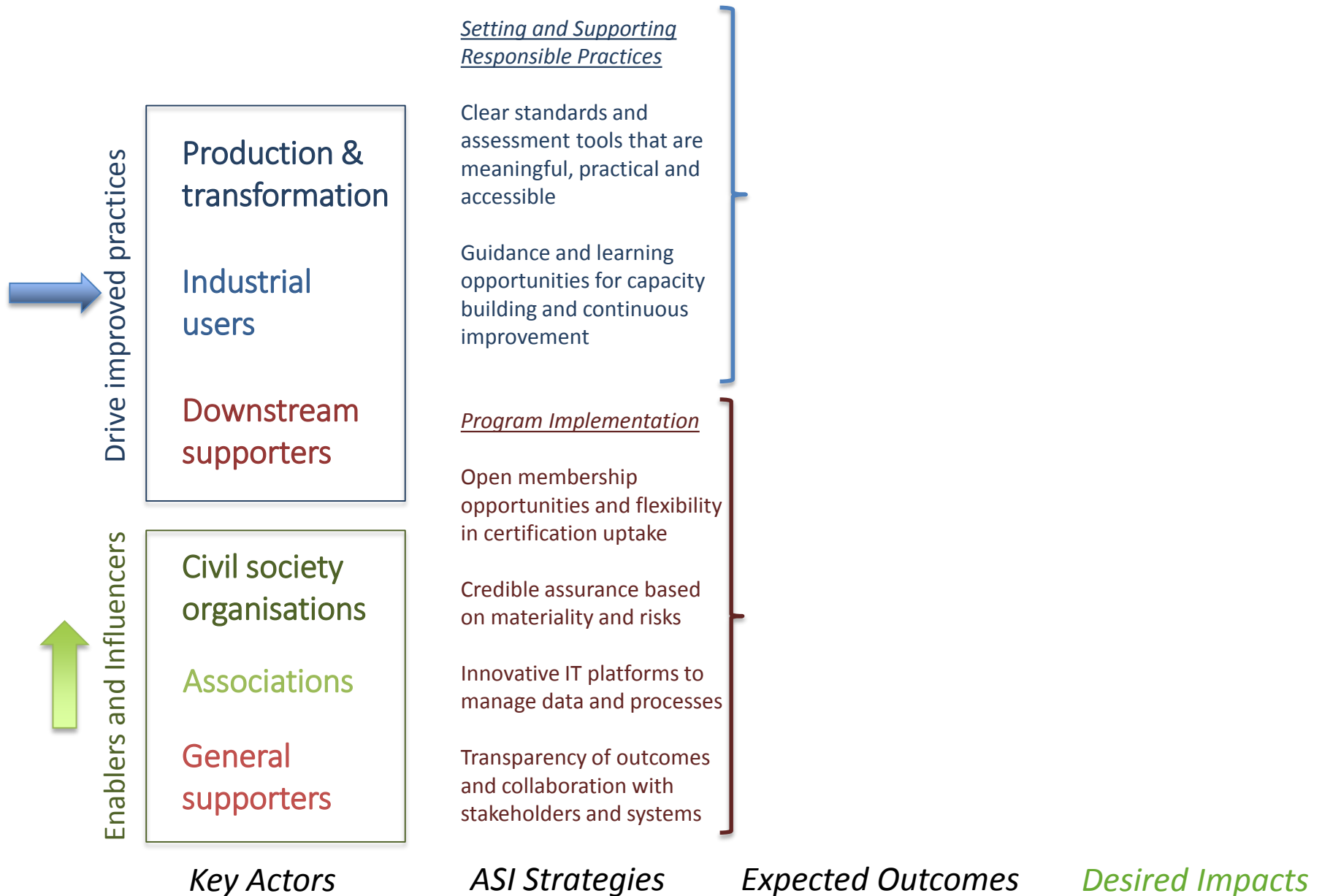


# ASI Theory of change – initial ideas

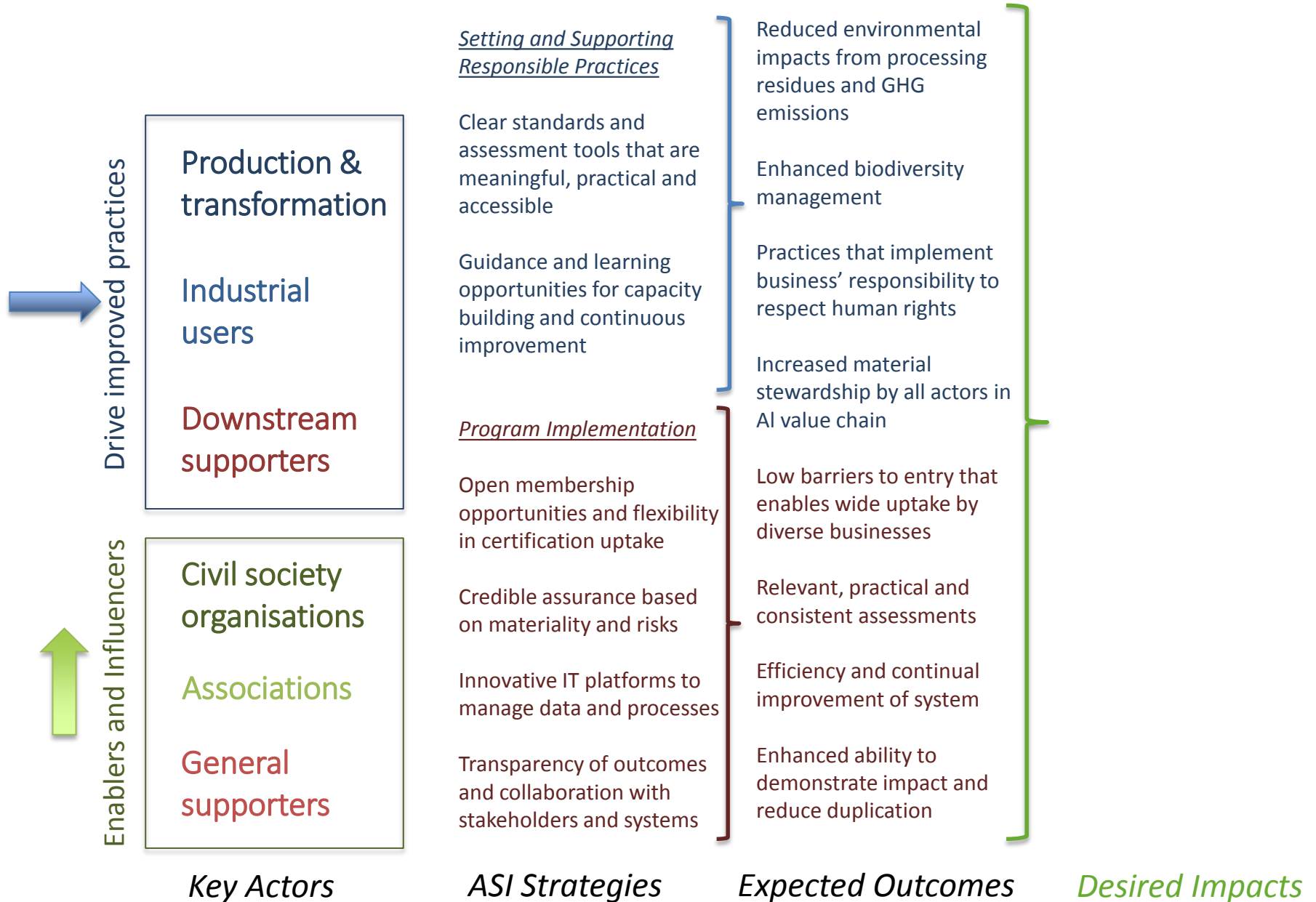




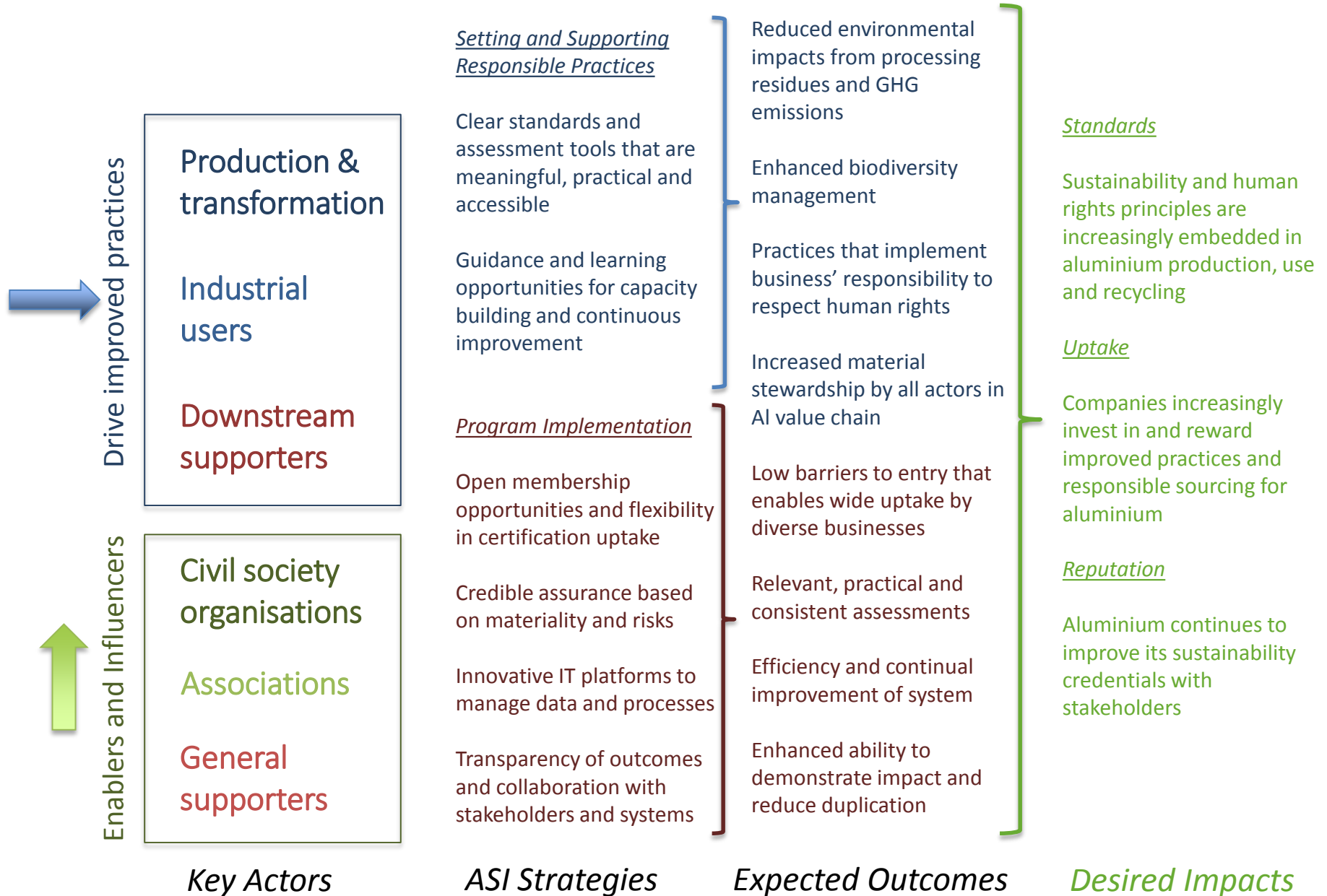
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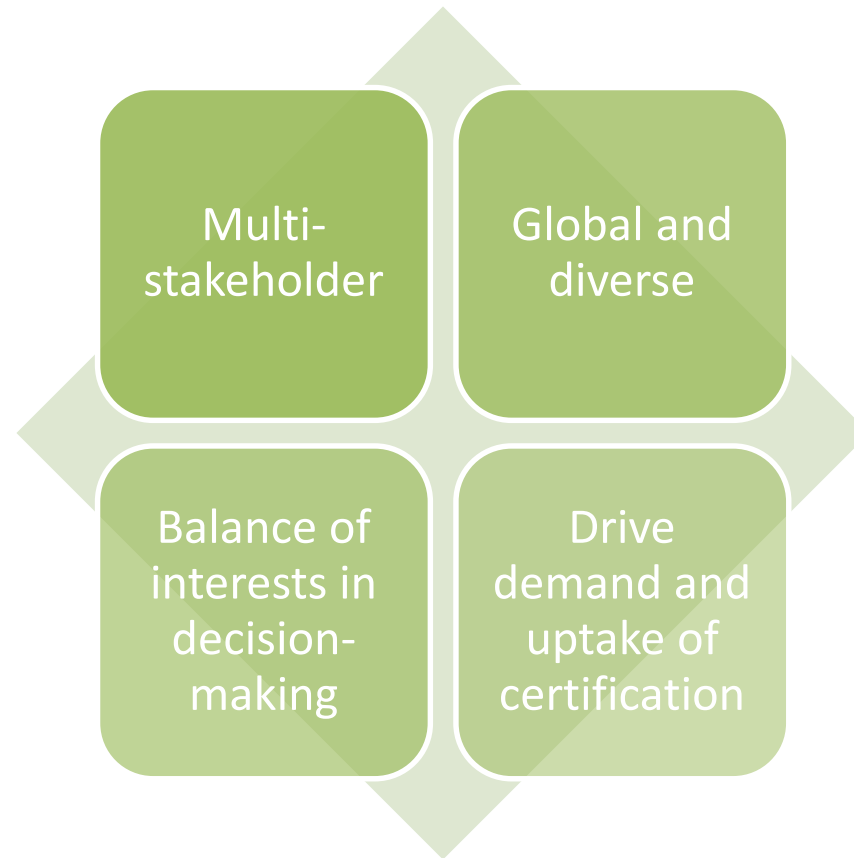


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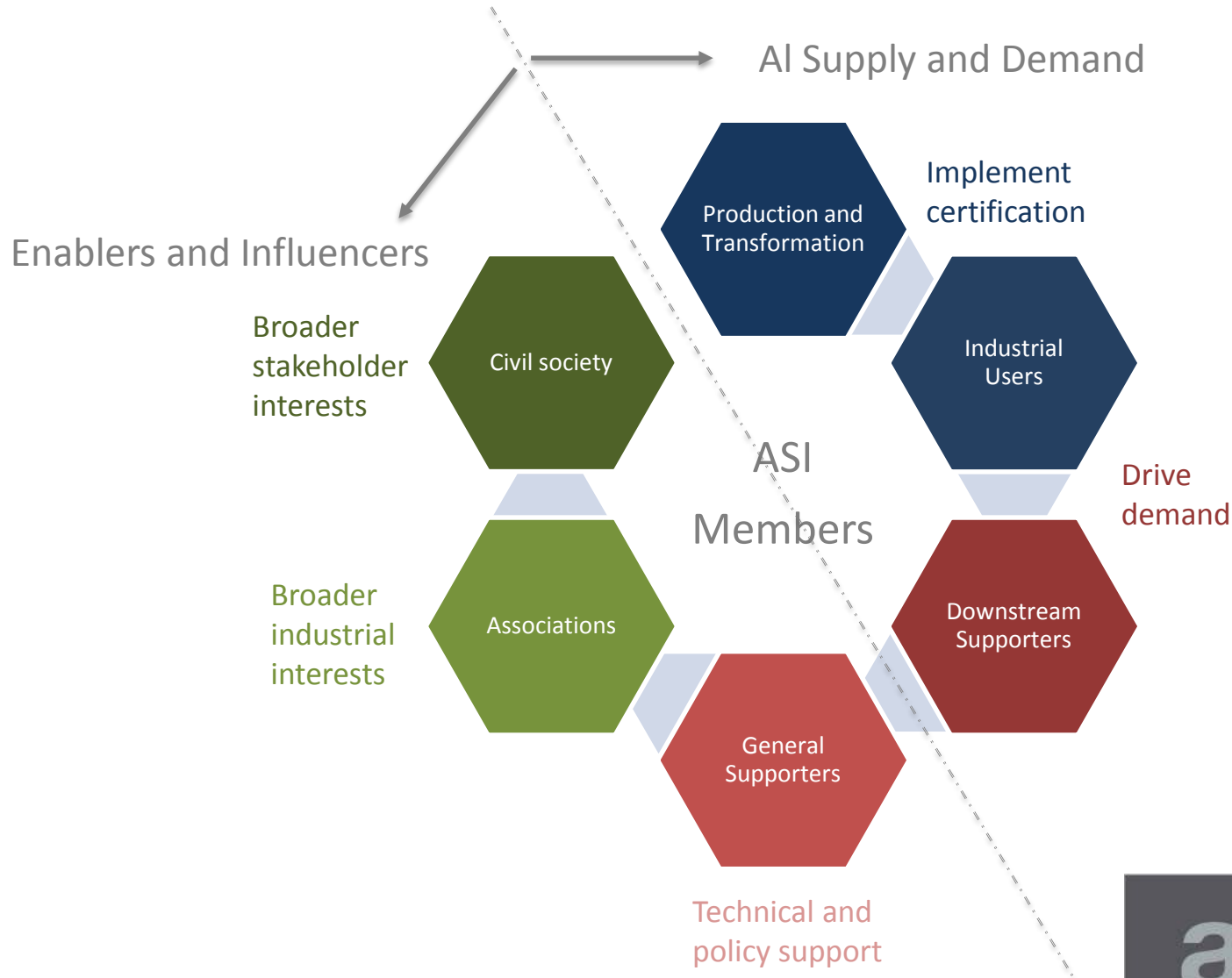


# Future ASI membership structure

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# Proposed ASI Member classes – multi-stakeholder



# Proposed ASI Member classes – full vs associate

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# Benefits of participating in ASI

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- Network with a wide range of stakeholders in a constructive dialogue about sustainability and responsible sourcing of aluminium
- Contribute to the development of a credible third-party certification program for the aluminium value chain
- Help shape the development of tools and resources that support implementation
- Be recognized as a proactive leader and leverage company and supply chain good practices



# Key milestones to ASI certification platform

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## 2015 – General frameworks

- Develop governance and business model
- Develop proposed assurance model
- Further work on CoC standard
- Stakeholder outreach

## 2016 – Implementation model

- Develop online assessment platform
- Develop monitoring and evaluation framework
- Broad stakeholder consultation on CoC standard
- Implement auditor accreditation process
- Pilot testing of standards and assurance model
- Enhanced China engagement

## 2017 – Operation

- Finalisation of all normative documents
- **Mid-late 2017: ASI Certification begins operation**

# Role of voluntary standards

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Credible standards programs can help:

- Companies attain their social and environmental objectives
- Build stakeholder consensus on what are responsible practices
- Bring transparency to supply chains and manage supply chain risks
- Provide independent assurance of systems and performance
- Enhance corporate reputations through their proactive efforts to implement and support standards
- Support relevant regulatory and compliance requirements
- Reduce duplication of effort and costs through standardisation

# Contacts

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Join the ASI mailing list:  
<http://aluminium-stewardship.org/mailing-list/>

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