

Aluminium Stewardship Initiative

Introduction and Overview

September 2016

Aluminium Stewardship Initiative (ASI)



Responsible
production

Responsible
sourcing

Material
stewardship

ASI is working
with
stakeholders to
develop an

independent
third party
certification
program

for the
aluminium
value chain.

ASI members (33) at 1 September 2016

Production and Transformation

- Alcoa
- Aleris
- AMAG/Constantia Flexibles
- Ball Corporation
- Constellium
- Norsk Hydro
- Novelis
- Rio Tinto Aluminium Division
- Tetra Pak
- UC RUSAL

Industrial Users

- Audi
- BMW Group
- Coca-Cola Enterprises
- Jaguar Land Rover
- Lavit
- Nestlé Nespresso SA
- Schüco

Associations

- Aluminium Federation (Alfed)
- Aluminium Association of Canada
- Associação Brasileira do Alumínio (ABAL)
- Australian Aluminium Council
- A|U|F e.v.
- Council for Aluminium in Building
- European Aluminium
- Gulf Aluminium Council
- IGORA Cooperative for Aluminium Recycling
- The Aluminum Association

Civil Society

- Chimbo Foundation
- Fauna and Flora International
- IUCN
- WWF

General Supporters

- Regain Materials
- Energia Potior

ASI – a brief history

- 2009 Multi-stakeholder group on 'responsible aluminium'
- 2010 Report recommending third-party certification system
- 2011 Agreement to develop ASI work program
- 2012 IUCN appointed as coordinator for multi-stakeholder standards-setting process
- 2014 ASI Performance Standard published
- 2015 ASI incorporated and governance models developed
- 2016 First AGM, Constitution adopted, certification model in development



© Rio Tinto

ASI – what's different today

- **Incorporated entity:** now a not-for-profit public company and registered charity with professional Secretariat
- **Global focus:** previously more Europe-centric, now seeking to engage all relevant regions in the aluminium value chain
- **Beyond standards setting:** now focused on all the elements of an operating certification program
- **Open membership:** no longer restricted to project contract model, membership inclusive of all stakeholders

Voluntary sustainability standards

Having impact in a wide range of sectors and issues:

- **Agriculture:** eg forestry, fisheries, tea/coffee/cocoa
- **Mining:** eg EITI, Voluntary Principles on Security and Human Rights
- **Gold:** eg Responsible Jewellery Council, Fairmined, OECD Due Diligence Guidance

What standards and certification programs can do:

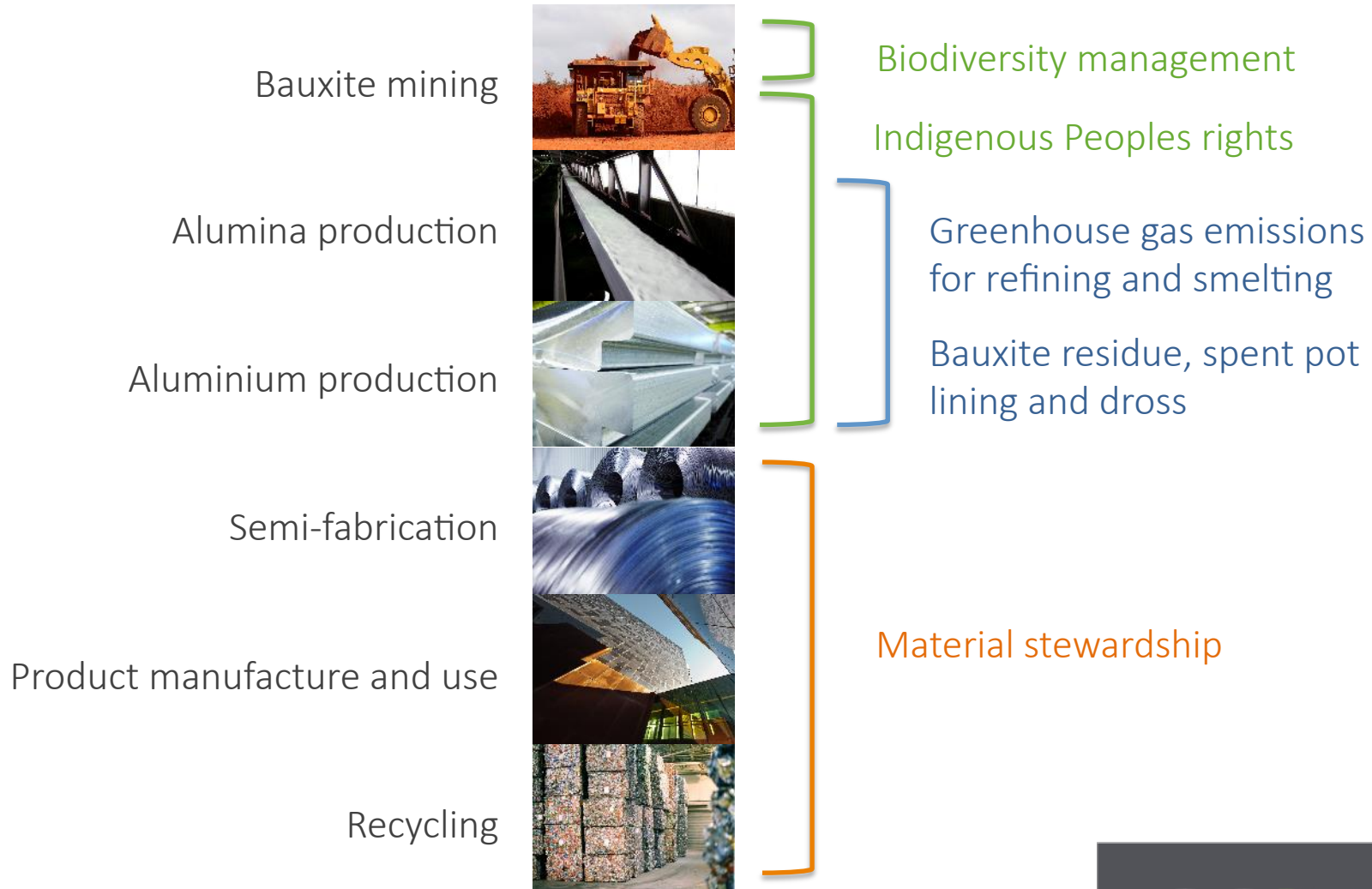
- Help companies attain their social and environmental objectives
- Build multi-stakeholder consensus on what are responsible practices
- Provide independent assurance of systems and performance
- Support relevant regulatory and compliance requirements
- Reduce duplication of effort and costs through standardisation
- Support responsible sourcing and help to “de-risk” supply chains

Business case for sustainability standards

1. **Making complex supply chains more understandable**
 - providing better traceability
 - simplifying what is asked of suppliers by using agreed standards
 - generating better relations with producers
2. **Mitigating risk**
 - outsourcing assurance of responsible practices to local experts helped companies mitigate risks of sourcing from complex supply chains
3. **Ensuring sustainable supply for the whole industry**
 - investment in certification helps strengthen the reputation of, and ensure a sustainable future for, the whole sector
4. **Meeting consumer expectations**
 - increasing consumer awareness of sustainable sourcing
 - creating market differentiation for products
5. **Reflecting a company's values and heritage**
 - aligning goals with values and maintaining stakeholder trust
 - enabling deeper engagement with employees

(ISEAL Alliance research, 2015)

Key sustainability issues for ASI



Images © Rio Tinto and Novelis

ASI Performance Standard (2014)

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

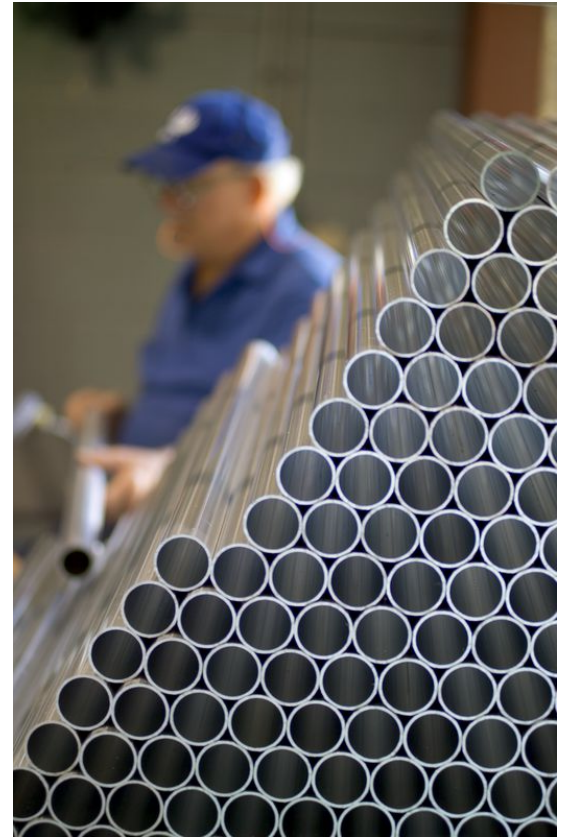
ASI Chain of Custody Standard

- A Chain of Custody (CoC) Standard can be used to demonstrate responsible production and meet responsible sourcing expectations
- A mass-balance model is being proposed, which can be applied at the company and/or facility level
- Accommodates both primary and secondary aluminium
- Public comment period on draft CoC Standard and Guidance will open in October



Desired impacts of ASI

1. Sustainability and human rights principles are increasingly embedded in aluminium production, use and recycling
2. Companies increasingly invest in and **reward** improved practices and responsible sourcing for aluminium
3. Aluminium **continues to improve** its sustainability credentials with stakeholders



Key milestones to ASI certification program

2015 – General frameworks

- Incorporate ASI as not-for-profit entity, now registered Charity
- Develop governance and business model
- Stakeholder outreach

2016 – Implementation model

- Develop assurance model
- Develop **chain of custody** standard with stakeholder consultation
- Develop auditor accreditation process

2017 – Preparing for operation

- Pilot testing of standards and assurance model
- Finalisation of all normative documents
- Target end 2017: ASI Certification ready to begin operation

What will ASI mean for aluminium value chain

Upstream

- Engage with downstream customers and stakeholders that support responsible sourcing
- Develop voluntary standards that when implemented, will enhance long-term sustainability of aluminium (vs other materials)
- Through ASI certification, promote your good practices, continuously improve performance and enhance reputation

Downstream

- Engage with upstream suppliers and stakeholders that support responsible production
- Through ASI certification, demonstrate commitment to end-of-life aluminium recycling and sustainability, through a material stewardship approach
- Use ASI as a due diligence procurement tool to “de-risk” aluminium supply chains and have better data on social and environmental impacts

Membership classes and fees

Membership class	Certification required	Membership fees p.a.
Production and Transformation	Yes	Micro: USD200 Small: USD1000 Medium: USD10,000 Large: USD25,000
Industrial Users	Yes	
Downstream Supporters	No	
Civil Society	No	Micro: USD100 Small: USD500 Medium: USD1000 Large: USD5000
Associations	No	
General Supporters	No	Government or commercial: USD5000 Non-profit or academic: USD500

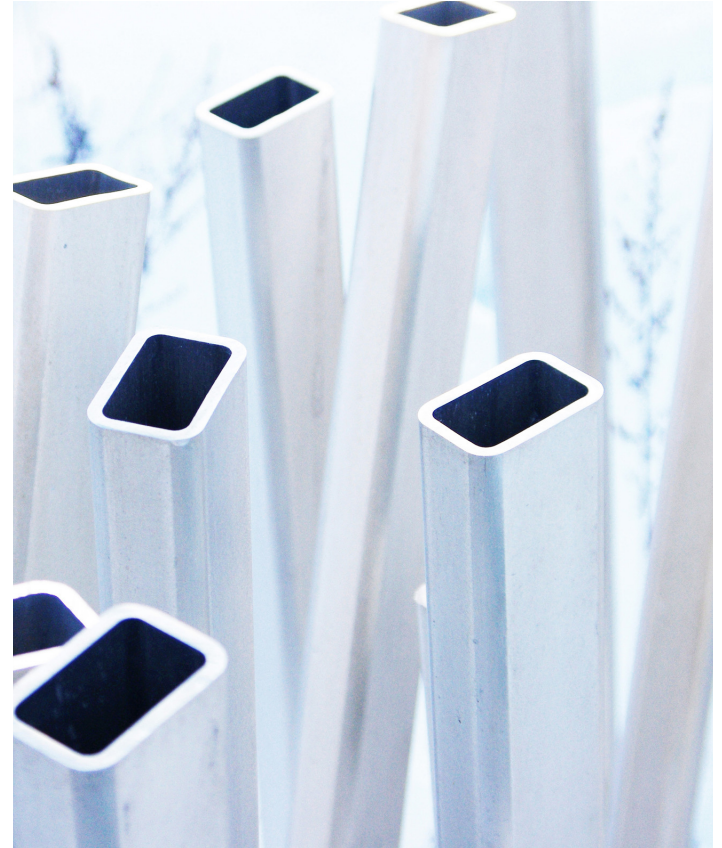
Find more information on ASI membership at:

<http://aluminium-stewardship.org/about-asi/join-asi/>

Benefits of participating in ASI

- 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 your company's good practices

©Rio Tinto



Dr Fiona Solomon
ASI Executive Director
fiona@aluminium-stewardship.org

ASI Website
www.aluminium-stewardship.org

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

