Aluminium Stewardship Initiative - Overview

October 2015



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

The aim is to encourage and recognise responsible production, sourcing and stewardship of aluminium.

Material stewardship

Responsible sourcing



Sustainability

Growth of standards for metals and extractives

Responsible Jewellery Council

3TG Due Diligence

+ Sustainability / CSR

RESPONSIRI F

COUNCIL

Energy













EQUITABLE ORIGIN



The aluminium value chain



ASI – a brief history

- 2009 Multi-stakeholder group on 'responsible aluminium'
- 2010 Report from Track Record recommending third-party certification system
- 2011 Agreement to develop ASI work program
- 2012 IUCN appointed as co-ordinator for ASI standardssetting process
- 2014 ASI Performance Standard launched
- 2015 ASI Executive Director appointed and ASI incorporated



C Rio Tinto



ASI members and participants

ASI members include:

- Aleris
- AMAG/Constantia Flexibles
- Audi
- Ball Corporation
- BMW Group
- Coca-Cola Enterprises
- Constellium
- Council for Aluminium in Building
- Jaguar Land Rover
- Hydro
- IGORA
- IUCN
- Nestlé Nespresso SA
- Novelis
- Regain Materials
- 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 Cooperative for Aluminium Recycling
- 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



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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

Coverses	
Governance	

- 1. Business Integrity
- 2. Policy and Management
- 3. Transparency
- 4. Material Stewardship
- 5. Greenhouse Gas Emissions
- 6. Emissions, Effluents and Waste
- Environment 7. Water
 - 8. Biodiversity
 - 9. Human Rights
 - Social
- 10. Labour Rights
 - 11. Occupational Health and Safety



ASI Chain of Custody Standard

- A Chain of Custody Standard is also being developed that can be used as a responsible sourcing tool for aluminium
- A mass-balance model is being proposed, which can be applied at the company and/or facility level
- Will accommodate both primary and secondary sources
- Further work to revise and finalise the draft standard in 2015-2016, alongside development of the ASI assurance model





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

- 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.





Who/what drives and implements improved practices?

Who/what are the enablers and key influencers? Approaches and activities that standards systems use to effect change.

Can include standards development and implementation, assurance, incentives, outreach, training, and advocacy.

Key Actors

ASI Strategies

Expected Outcomes

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Positive long-term effects, resulting from the implementation of a standards system

Key Actors

ASI Strategies

Expected Outcomes





Key Actors

ASI Strategies

Expected Outcomes



Setting and Supporting

ASI Strategies

Key Actors



Reduced environmental impacts from processing

Enhanced biodiversity

Practices that implement business' responsibility to respect human rights

Increased material stewardship by all actors in

Low barriers to entry that enables wide uptake by

Relevant, practical and consistent assessments

Efficiency and continual improvement of system

Enhanced ability to demonstrate impact and

Expected Outcomes

Standards

Sustainability and human rights principles are increasingly embedded in aluminium production, use and recycling

Uptake

Companies increasingly invest in and reward improved practices and responsible sourcing for aluminium

Reputation

Aluminium continues to improve its sustainability credentials with stakeholders

Future ASI membership structure





ASI Membership classes – full and associate





Proposed ASI governance model





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 company and supply chain good practices





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Key milestones to ASI certification platform

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



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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IUCN IUCN & the Aluminium Stewardship Initiative

- IUCN coordinated the standard setting process for the development of Version 1 of the ASI performance standard (released 12/2014)
- During this process IUCN ensured that the standard:
 - Addresses relevant sustainability issues in the Aluminium value chain
 - Is designed based on multi-stakeholder participation and balanced decision-making from industry and civil society stakeholders
 - Is based on consensus between a diverse range of organisations
 - Incorporated input from two rounds of public consultations
- IUCN followed ISEAL's standard-setting code and guidance
- IUCN looks forward to being a member of ASI and will continue to emphasise the importance of multi-stakeholder participation and decision-making