

# Sustainability and the Aluminium Stewardship Initiative

September 2015

# 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.

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

*3TG Due Diligence*



*+ Sustainability / CSR*



*Energy*



# ASI – a brief history

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- 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 standards-setting process
- 2014 ASI Performance Standard launched
- 2015 ASI Executive Director appointed and ASI incorporated



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# ASI participants

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## Member companies:

- 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

# Setting up a sustainability standards system

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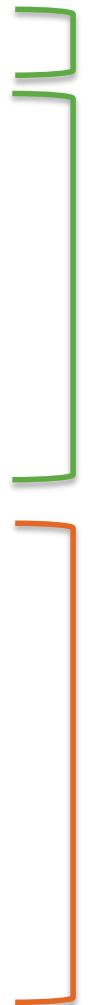


# Priority issues for ASI standards

- 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

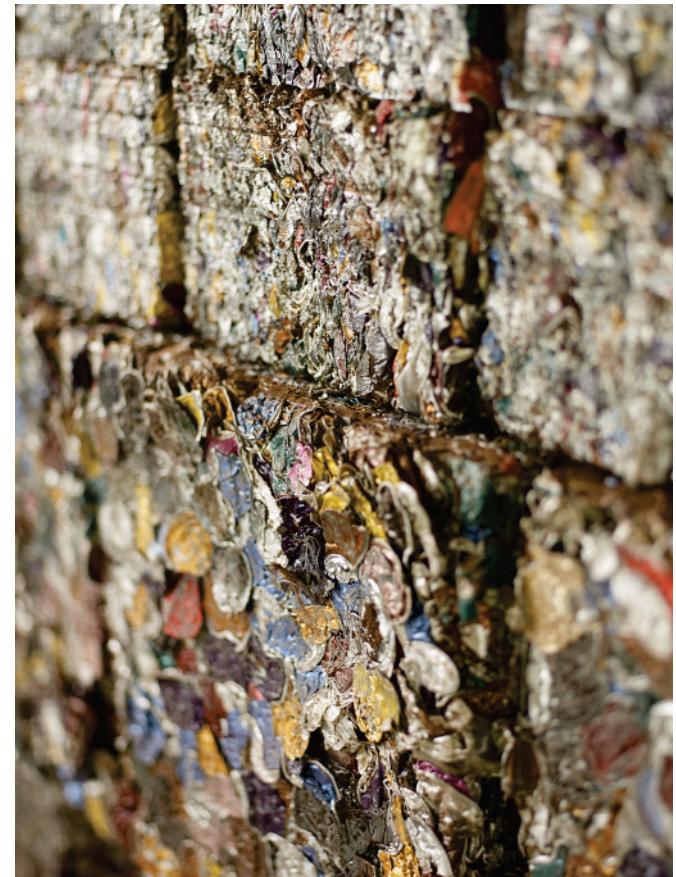
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- Governance**
  - 1. Business Integrity
  - 2. Policy and Management
  - 3. Transparency
  - 4. Material Stewardship
  
- Environment**
  - 5. Greenhouse Gas Emissions
  - 6. Emissions, Effluents and Waste
  - 7. Water
  - 8. Biodiversity
  
- Social**
  - 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 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 be undertaken in 2015-2016, alongside development of the ASI assurance model



# Assurance model – design approach

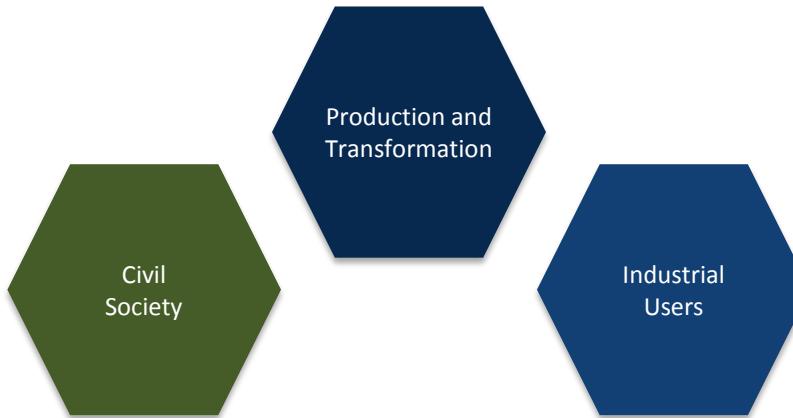
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1. Costs of certification need to be minimised to ensure ASI is accessible through the value chain.
2. Third-party assurance is central, with company self-assessment as a foundation for this framework.
3. A risk-based or materiality approach to auditing 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.

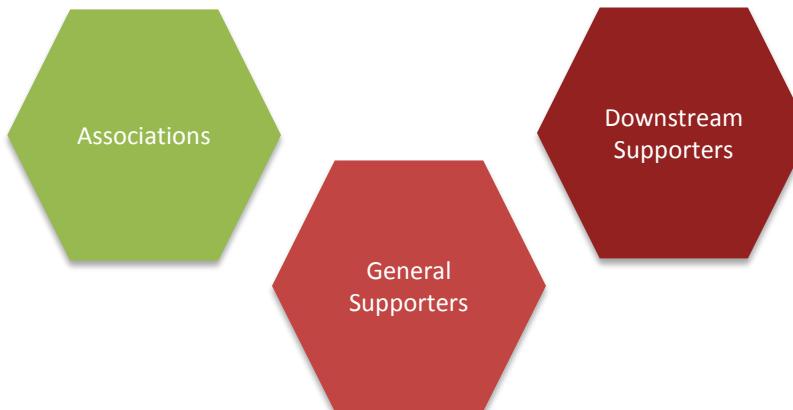
# ASI Membership classes – full and associate

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Full members



Associate members



# Benefits of participating in ASI

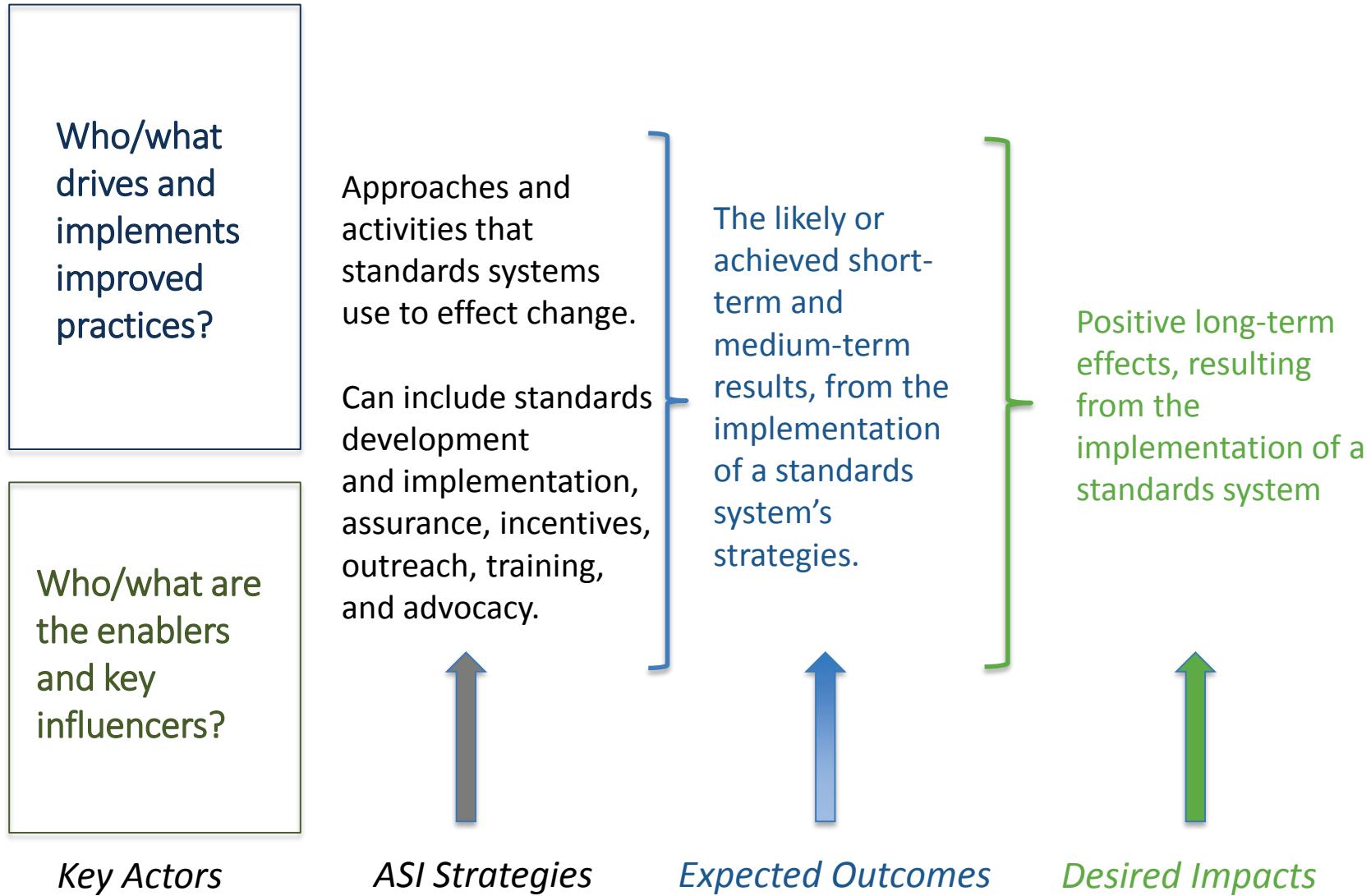
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- Network with a wide range of stakeholders in a constructive dialogue about sustainability and responsible sourcing of aluminium
- Contribute to the development of a credible third-party certification program for the aluminium value chain
- Help shape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

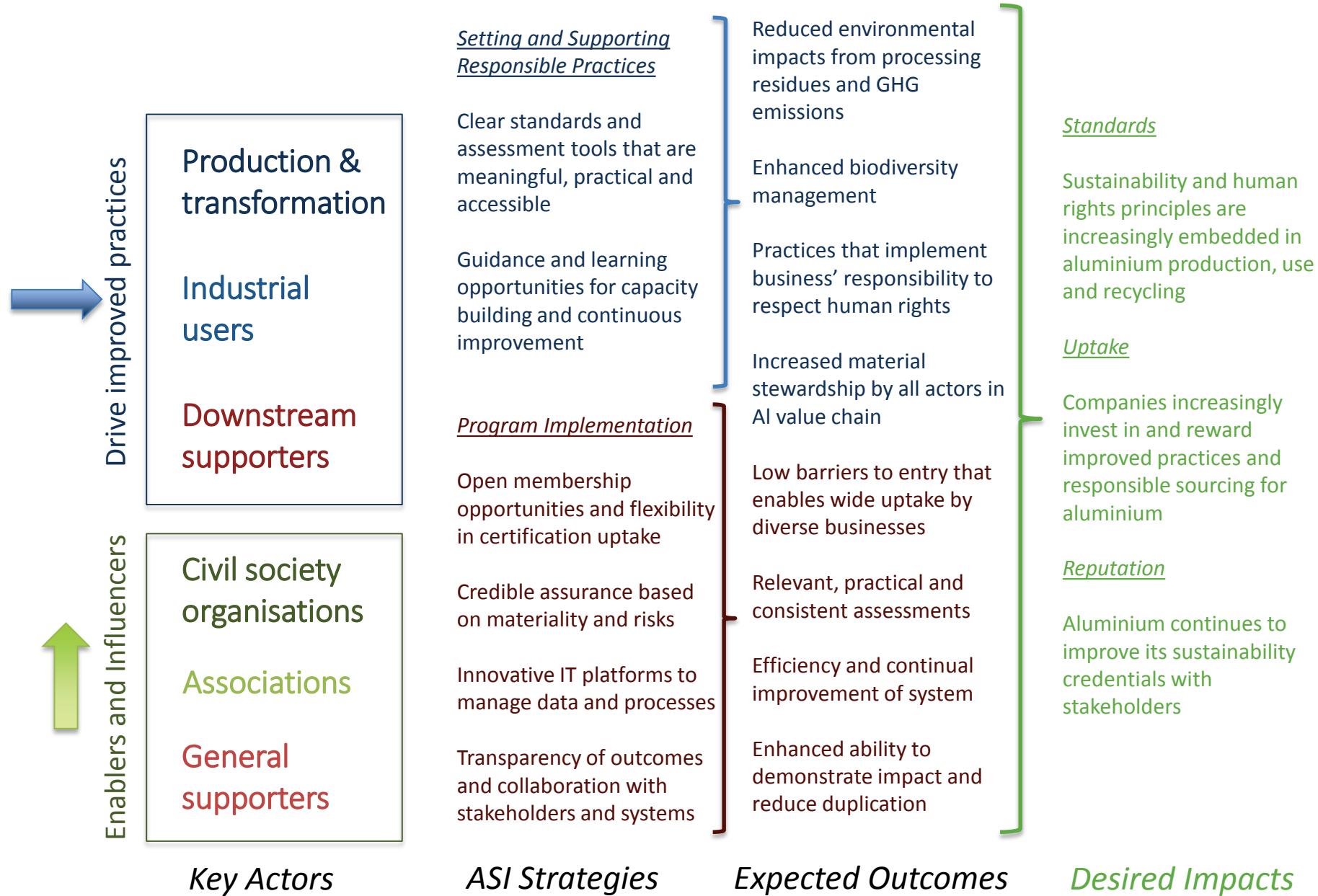


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# Theory of change – strategies, outcomes, impacts



# ASI Theory of change



# 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
- Market and regional 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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Dr Fiona Solomon  
ASI Executive Director  
[fiona@aluminium-stewardship.org](mailto:fiona@aluminium-stewardship.org)

Website:  
[www.aluminium-stewardship.org](http://www.aluminium-stewardship.org)

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

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21 September 2015  
Vancouver

# RioTinto

## Introduction to Rio Tinto and our Strategy in Aluminium

# Rio Tinto : mining the future

Rio Tinto's business is **finding, mining, and processing** mineral resources. Activities span the world and are strongly represented in Australia and North America with significant businesses in Asia, Europe, Africa and South America.



## Aluminium

Leading position in:

- bauxite
- alumina
- aluminium

**13 BUS\$**



## Copper and Coal

Leading position in:

- copper

**10 BUS\$**



## Diamonds & Minerals

Leading position in:

- titanium dioxide
- diamonds
- Salt
- Uranium

**5 BUS\$**



## Iron Ore

Leading position in:

- seaborne iron ore

**26 BUS\$**

***"Sustainable development is at the heart of everything we do"***

# Aluminium: The right strategy for each business



## Bauxite: 42 Mt

Our access to the largest and best quality bauxite in the world is a real advantage. We are focusing on making the most of our bauxite resources by growing our export business.



## Alumina: 8 Mt

On alumina, we will focus on our balanced position, driving operational excellence to provide competitive security of supply to our smelters.



## Aluminium: 3,6 Mt

We have Long life low cost expandable Smelters and assets

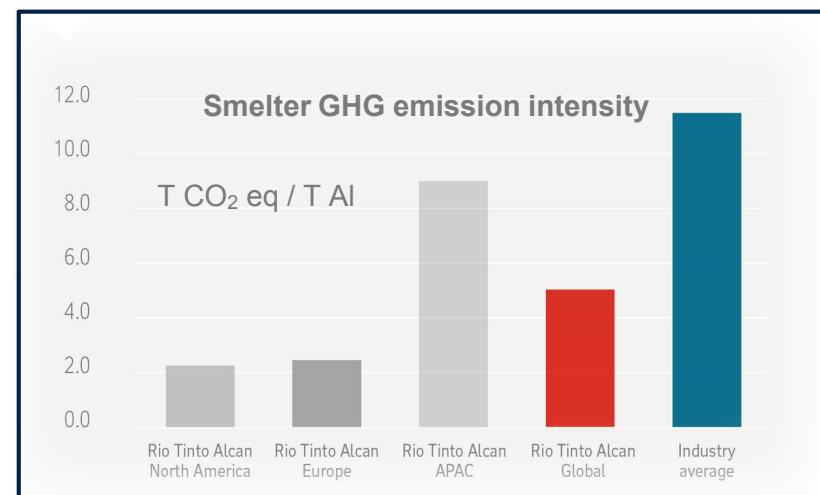
We focus on Low Co2 sources of energy (80% hydro based) to develop a responsible future

We partner with customers to stay at the forefront of market developments and remain the supplier of choice

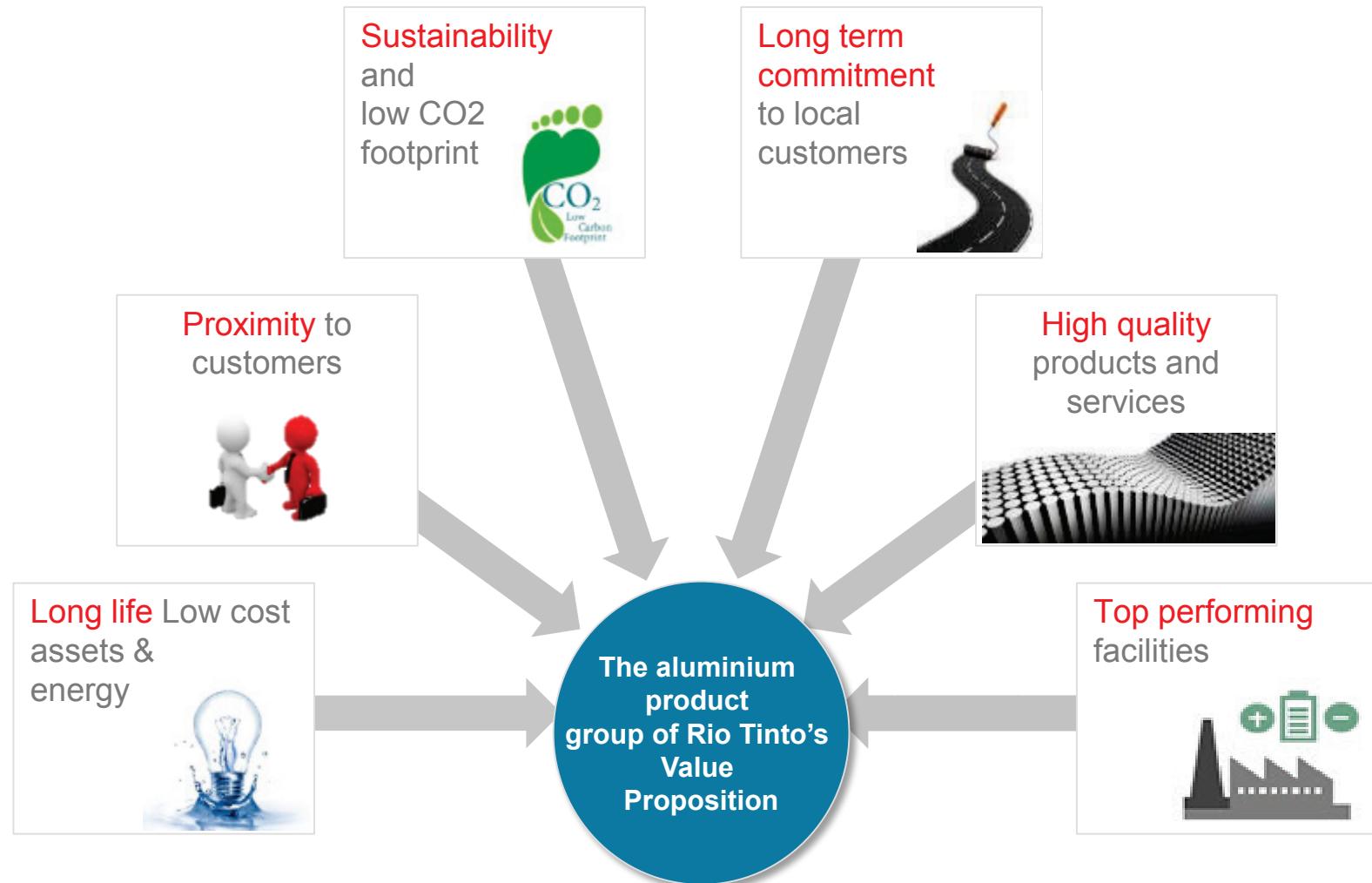
## Commercial and trading:

These three businesses are supported by a single global commercial organisation focused on maximising value from mine to market, while consistently providing innovative solutions to customers.

# Commitment to sustainable development: Rio Tinto is a partner of choice



# The aluminium product group of Rio Tinto : value proposition to customers: Sustainability is at the heart of it



21 September 2015  
Vancouver

# RioTinto

## Why the Aluminium product group of Rio Tinto joined ASI

# As a material, aluminium contributes to solving some of the world's most challenging issues

Lowering GHG emissions through lighter vehicles and through its recyclability



Bringing energy efficiency for cities and buildings in an energy constrained world



Preserving food and medicine through its unique barrier properties



# Why Rio Tinto joined the ASI

- **Rio Tinto is one of the founding members of ASI**
- Across the globe, society awareness on sustainability issues is ever increasing, emerging demand for “responsibly sourced materials”
- Reputational risks for primary aluminium
- Sustainability was a behaviour of the Aluminium product group of Rio Tinto in terms of production, but was not shared with the Market (need to influence value chain)
- Make sure of the awareness of the whole value chain
- Sustainability as a source of differentiation



HUMAN  
RIGHTS



21 September 2015  
Vancouver

# RioTinto

Benefits / value of participation, and/or  
the future ASI certification program

# Value of participation to ASI and the future ASI certification program for the Aluminium product group of Rio Tinto



Further than our isolated action as an upstream company, we believe in accountability and performance across the Aluminium value-chain, worldwide

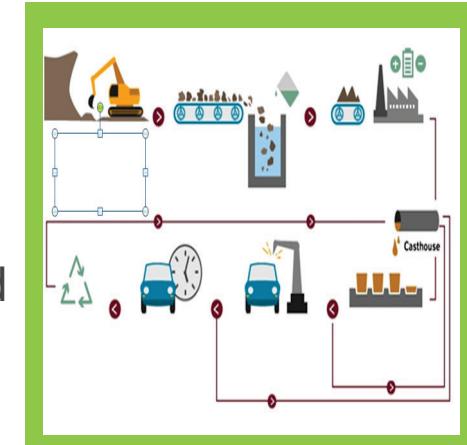
Global reputation of the Aluminium Industry matters to Rio Tinto

Setting a certification standard will give credibility of criteria for assessing companies and materials

A Collaborative platform is also a basis for credibility

Include values we believe in as a company and contribute to lead progress in Business ethics, Human rights, Social responsibility and environmental performance

Inspires improvements in industry practices



ASI needs more members to make sure our influence for a more responsible Aluminium Supply Chain grows further!



Thank you !



**RioTinto**  
*Delivering a  
responsible  
future*

# Tetra Pak & ASI





# Tetra Pak's environmental ambitions are built on a solid foundation

*“A package should save more than it costs”*

Avoiding food to be wasted

Access to safe food everywhere

Efficient use of materials



# Environment is a strategic priority for Tetra Pak

Sustainable, profitable growth





# Our environmental ambitions make us more competitive

## Tetra Pak Objectives



Reduce environmental footprint across value chain



Develop sustainable products



Increase recycling

Create value for our customers

&

Strengthen our environmental credentials

environmental  
credentials



# We can only drive excellence by being open and working with others

## Performance Updates

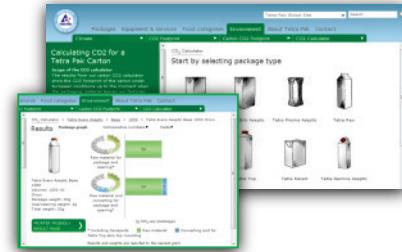


## Cooperation & partnerships



ENVIRONMENT  
Drive environmental excellence

## Public tools



## Engaging & Informing





# Thank you!





# SUSTAINABILITY AS A BUSINESS DRIVER

*Our 2020 Journey*



**NESPRESSO®**



Between 2009 and  
2015 the population  
increased by 1 Billion

The same amount of people who  
lived on the earth between Lucie  
and 1920



CURRENT CONSUMPTION PATTERNS ARE UNSUSTAINABLE WITH 5 BIO MIDDLE CLASS BY 2030

Consumption intensity rises and brings supply constraints and adverse environmental impacts

In August 2015,  
the planet reaches its annual  
natural capacity to recover



2015 IS THE UN'S YEAR TO ALIGN THE DEVELOPMENT AND CLIMATE AGENDA



There is no plan B, because  
we do not have a planet B

Ban Ki Moon Climate week Sept 2014

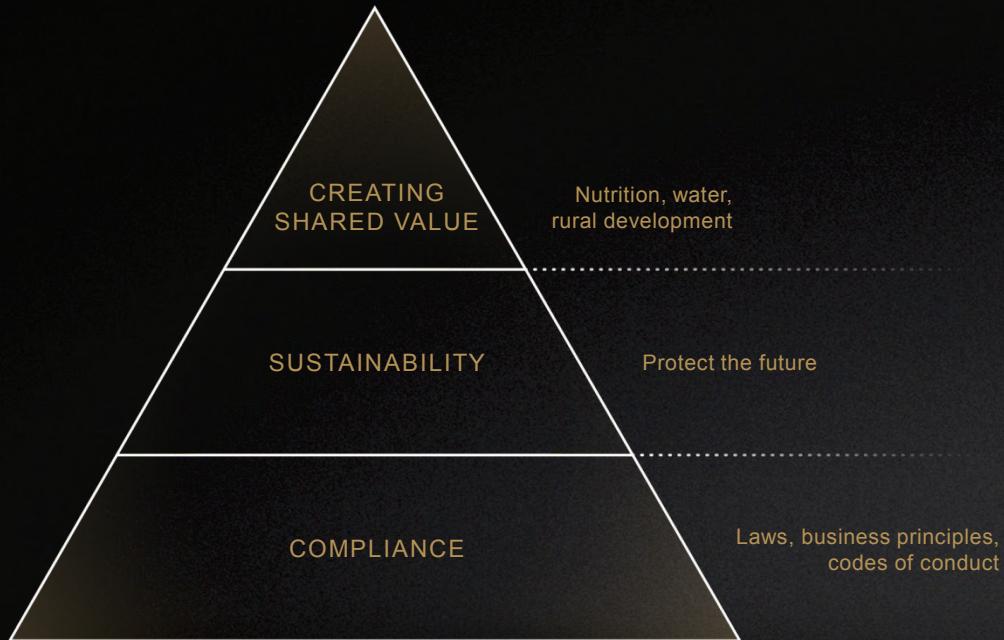




Are we part of the problem or do we want to be **PART** of the solution?

... You have to speak up **NOT** out of convenience, but out of conviction!

Paul Bulcke, EAT Forum June 2015



“ It's our fundamental belief that for a company to be successful over the long term and create value for shareholders, it must also create value for society ”

Paul Bulcke | CEO Nestlé



# THE POSITIVE CUP STRATEGY

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BUILDING A MEANINGUL BRAND



## 2020 Ambition

“ To be the highest quality and most sustainable coffee brand...  
...and to be recognized as such ”

Jean-Marc Duvoisin | CEO *Nespresso*

Jean-Marc Duvoisin  
CEO  
Nestlé Nespresso





## OUR STRATEGY IS COMMUNICATED AROUND 3 KEY COMMITMENTS



100% coffee sustainably sourced



100% responsibly managed aluminium



100% Carbon efficient operations



It is also questionable, if actor George Clooney is clear about the fact that he is promoting a product that is not just producing tons of waste but **accelerating the destruction of the rain forest** by its high demand for aluminum. Furthermore, it is in question, if he knows that the product is responsible for taking ancestral areas from numerous of people and for **warming up the global climate** due to the enormous release of carbon during the clearing of the rainforest and methane emissions from the reservoirs. Clooney is acting as a UN-Ambassador in the field of climate protection. "Rettet den Regenwald e.V." **appeals to Nespresso to abolish the aluminum capsule for the future.**



### 100% responsibly managed aluminium

- 100% aluminium sourced in a sustainable way



100% responsibly managed aluminium

- 100% aluminium sourced in a sustainable way
- Increase recycling capacity and rate

### the guardian

#### The good, the bad and the ugly: sustainability at Nespresso

The single-serve coffee maker supports growers, but also creates a lot of waste. It's story illustrates the power and limitations of corporate sustainability programs

Marc Gunther

Wednesday 27 May 2015 17.21 BST

The sustainability story at Nespresso, a company that sells coffee machines and single-serve capsules, is a mix of the good, the bad and the ugly.



## HOW OUR COMPETITORS ARE ADDRESSING THE PROBLEM





REVEALING OUR BRAND'S MEANINGFULNESS  
REINFORCE SUSTAINABILITY LEADERSHIP & CREATE  
DIFFERENTIATION

NESPRESSO®

MEANINGFUL ATTRIBUTES ARE BUILDING TODAY'S BRANDS



ZERO EMISSIONS



Performance with a clean conscience

“The new luxury is centered on values, experiences, and smart solutions.”

Andrew Benett, Havas Global CEO

MEANINGFUL ATTRIBUTES ARE BUILDING TODAY'S BRANDS



Pleasure with a clean conscience

“The new luxury is centered on values, experiences, and smart solutions.”

Andrew Benett, Havas Global CEO



“ I have a dream “

Christophe Boussemart | Nestlé Nespresso

