



# Integrating nature conservation in value chain management

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Business and Biodiversity Programme

IUCN

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# A partnership for conservation of nature



- IUCN = The International Union for Conservation of Nature
- Founded in 1948 as the world's first global environmental organization
- More than 1,200 [member organizations](#) including 200+ government and 900+ non-government organizations
- Almost 11,000 voluntary scientists and experts, grouped in six [Commissions](#) in some 160 countries
- IUCN's work is supported by over 1,000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world. The Union's headquarters are located in Gland, near Geneva, in Switzerland.
- With a mission to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable
- UN Observer Status

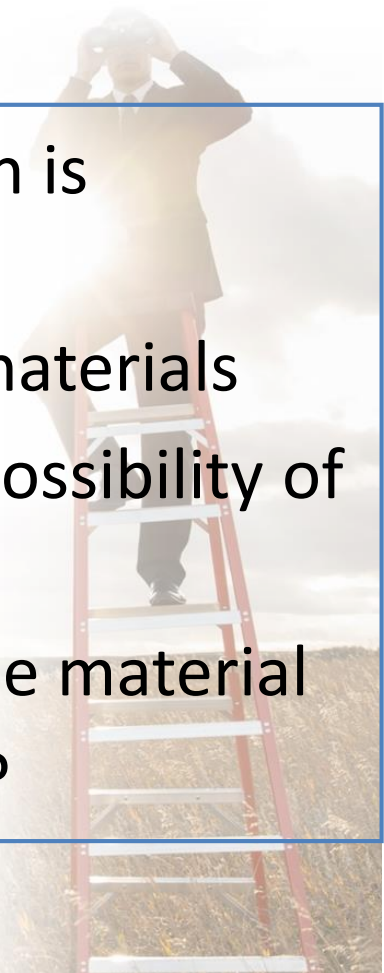


## IUCN conservation movement

**IUCN's work focuses on valuing and conserving nature, ensuring effective and equitable governance of its use, and deploying nature-based solutions to global challenges in climate, food and development. IUCN supports scientific research, manages field projects all over the world, and brings governments, NGOs, the UN and companies together to develop policy, laws and best practice.**



- Managing long and dispersed supply chain is “complicated”
- Commodities traders deal with multiple materials
- Homogenous products benefit from the possibility of swapping
- Often the consumer end product is not the material
- Who really benefits from the Value chain?





# A value chain from the environmental perspective



- Each sector has a dual relationship with nature: it generates impacts but also has dependencies
- A value chain is also a “chain of impacts” but also of opportunities
- Each stage has to manage its impacts but balancing the opportunities it offers to the next stage
- What’s behind the product? More and more consumer facing brands need **to know where** the material comes from and more specifically what are impacts caused by the initial extraction and additional transformations



## UPSTREAM:

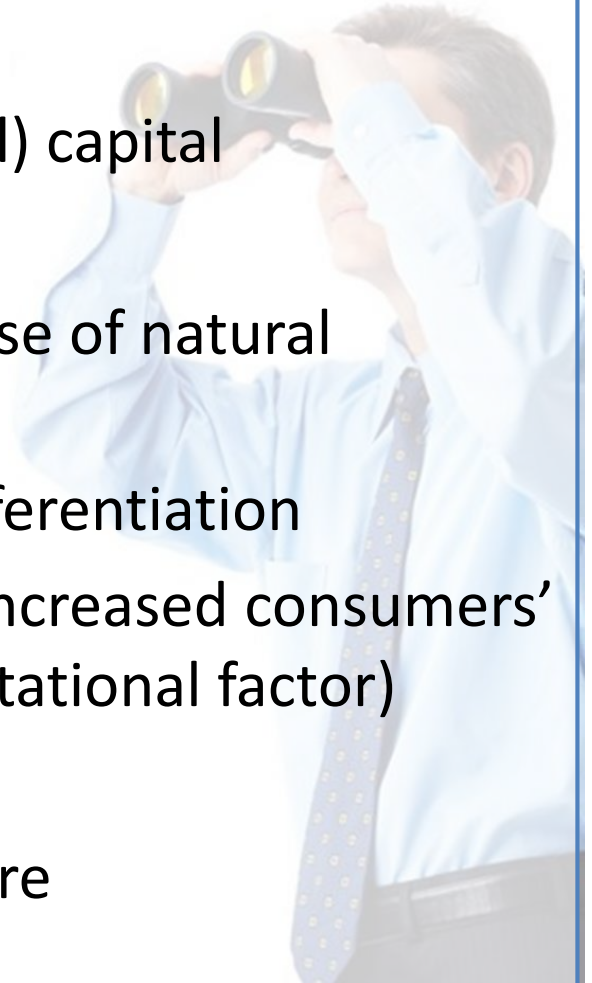
- Obtain the license to operate by addressing civil society's concerns
- Improve access to financial (and natural) capital

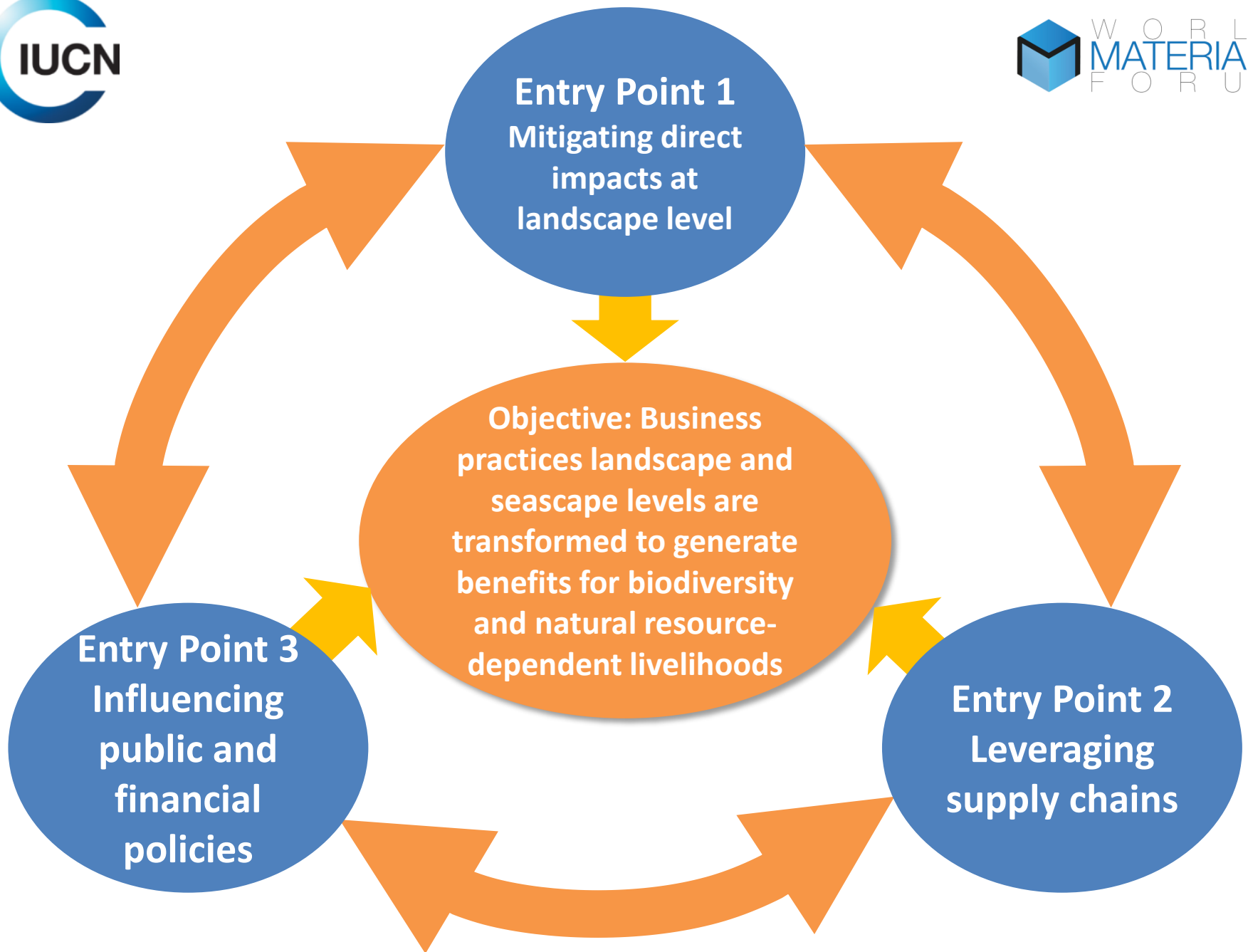
## DOWNSTREAM:

- Make cost savings by a more efficient use of natural resources
- Access new markets due to product differentiation
- Increase revenue by responding to an increased consumers' demand for responsible products (reputational factor)

## ALL:

- Pre-empt regulations and public pressure
- Attract and retain employees







# IUCN Business Engagement Strategy in Action

## Impacts on the ground



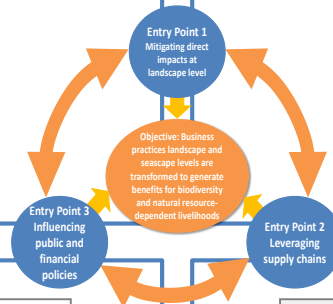
**Figure 1**  
The mitigation hierarchy for managing biodiversity risk

Biodiversity values	Net positive impact		Net zero impact		Additional conservation actions	
	Biodiversity impact	Biodiversity impact	Biodiversity impact	Biodiversity impact	Other	Other
+	Avoidance	Mitigation	Mitigation	Mitigation	Restoration	Restoration
-	Avoidance	Avoidance	Avoidance	Avoidance	Avoidance	Avoidance



## International supply chains








NATURAL CAPITAL COALITION

**Objective: Business practices landscape and seascape levels are transformed to generate benefits for biodiversity and natural resource-dependent livelihoods.**

• Natural Capital Protocol  
• A high-level guide for executives and stakeholders

• Sector guides for Apparel and Food & Beverage  
• Business engagement & pilot testing

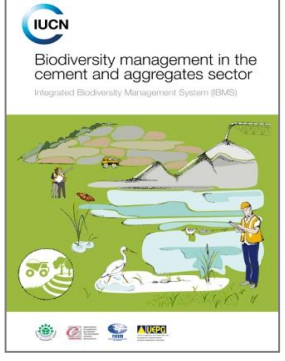


**Scaling up business engagement: Sakhalin case**

• Direct public and financial policy engagement to create a "level playing field" for progressive & sustainable business operations

• Business group to promote robust standards as benchmark

• Leading businesses to champion and promote best practice tools



**Biodiversity management in the cement and aggregates sector**

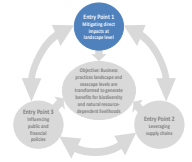
Integrated Biodiversity Management System (IBMS)

## Public policies and finance

## Scaling up IUCN engagement



# Entry Point 1: Triggering changes on the ground



Businesses adopt policies to **manage biodiversity risks** so as to avoid and minimize biodiversity impacts and **seek opportunities for biodiversity conservation** and benefits for **natural resource-dependent people**

## Key interventions:

- Support the integration of biodiversity risk management measures in business operations, e.g. Holcim Independent Panel
- Establish a no net loss/ net positive impact dialogue, e.g. Rio Tinto NPI Review Protocol
- Support stakeholders' participation in decision-making and benefits sharing, e.g. Niger Delta Panel with Shell



# Entry Point 2: Leveraging supply chains

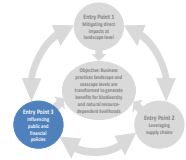


Supply chains apply sustainability standards and safeguards that positively impact biodiversity and local livelihoods

## Key Interventions:

- Support manufacturing companies to better assess their impacts and opportunities at the landscape level, e.g. Ecosystem Service Review for Nespresso
- Assist companies to implement biodiversity and equity sourcing requirements in their supply chain, e.g. Aluminium Stewardship Initiative
- Enhance business skills in communities involved in biodiversity businesses, e.g. Ecotourism with Kuoni

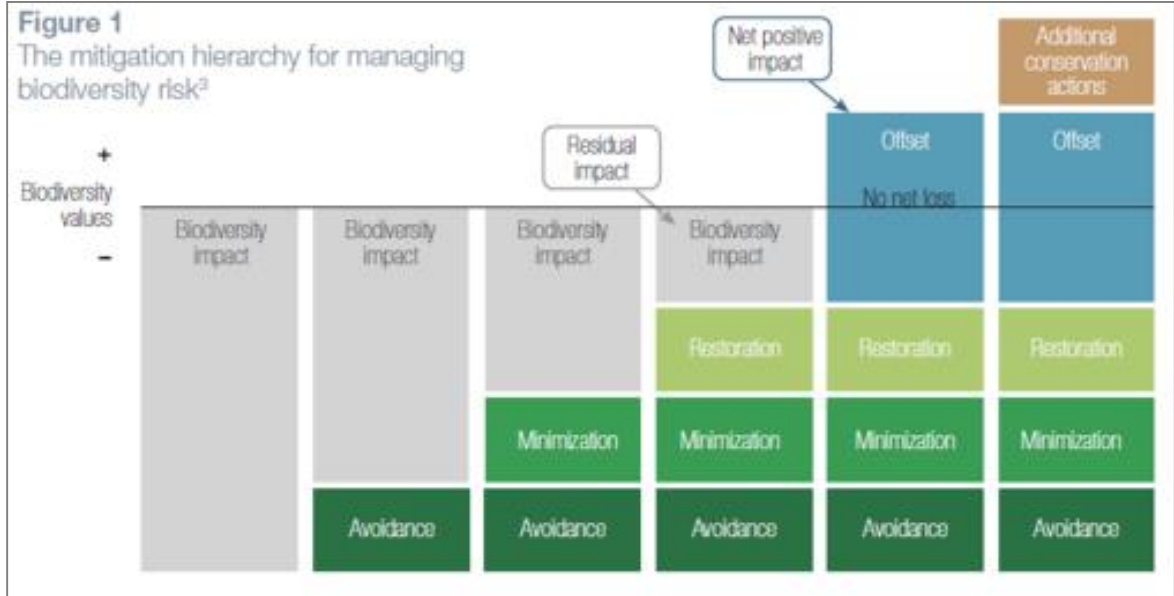
# Entry Point 3: Influencing public & financial policies



Public and financial sector policies promote the integration of biodiversity and livelihood values in business decision-making

## Key Interventions:

- Facilitate alliances and platforms to advance progressive public policy conditions to enable the delivery of effective biodiversity and ecosystem services outcomes, e.g. Holcim supported policy guidelines
- Support the integration of biodiversity criteria in financial institutions' lending requirements, with particular emphasis on emerging economies., e.g. Western Gay Whale Advisory Panel for Sakhalin Energy Corporation
- Directly contribute to public policies that support biodiversity conservation, e.g. CBD engagement





# The building material sector: the IUCN-Holcim engagement



A trilogy of guides on biodiversity management for the cement and aggregates sector:



**Integrated Biodiversity Management System (IBMS):**  
a system for managing biodiversity risks and opportunities in the cement and aggregates sector



**Biodiversity Indicator and Reporting System (BIRS):**  
A habitat-based biodiversity monitoring system for the mineral extraction industry



A guide on regulatory tools for improved biodiversity management in the cement and aggregates sector

# Aluminium Stewardship Initiative :

## A value chain approach

The 'asi' logo is rendered in a large, lowercase, grey sans-serif font. The letter 'i' is unique, with a green square above its stem and a grey stem.



# Why an ASI Performance Standard ?

## **The ASI Performance Standard has been established to:**

- Enable the aluminium industry to demonstrate responsibility and provide independent, credible and verifiable proof of its environmental, social and governance performance;
- Reinforce and promote consumer and stakeholder confidence in aluminium products;
- Provide the basis for a system that would enable the identification of suppliers and materials throughout the supply chain, based on their sustainability;
- Reduce reputational risks concerning aluminium and aluminium industry players; and
- Address the expressed needs by end-use customers and consumers for traceability of aluminium throughout the value chain.



- In 2009 Nespresso, supported by IUCN, convened the “Alu cycle” forum
- In 2012 it became clear that the way forward was a sustainability standard. At the IUCN’s World Conservation Forum, Rio Tinto Alcan, Constellium, Amcor, Amag, Tetra Pak and Nespresso announced the creation of the Aluminium Stewardship Initiative and the partnership with IUCN
- In 2013, 8 additional companies were recruited and the non industry stakeholders invited to the process
- The Standard setting process started in January 2014



- It brings together leaders in the aluminium value chain committed to maximising the value that their product and activities generate while minimising their negative impacts
- Supporting companies are: Aleris, Amcor Flexibles, AMAG/Constantia Flexibles, Audi, Ball Corporation, BMW Group, Constellium, Hydro, Jaguar Land Rover, Nespresso, Novelis, Rexam, Rio Tinto Alcan, and Tetra Pak
- ASI's first goal was the development of the Aluminium Stewardship Initiative Standard (Part 1: principles and criteria and Part 2: indicators and means of verification)



# The Standard Setting process

- ASI's Standard-setting process aimed at being fully multi-stakeholder one, in **line with ISEAL's standard-setting code (V5.0)**, which establishes rules for legitimate and effective standard-setting processes
- The Standard Setting Group is the leading body in the development of the standard
- It includes the 14 companies supporting ASI and 14 non industry representatives (selected by IUCN)
- The Standard Setting Group reviewed the various drafts of the Standards and comments received during the consultation
- The Standard Setting Group signed off on the final version of the ASI Performance Standard (Part 1)



# The Standard Setting Group (1/2)



Organization	Representative's Name
As You Sow	Conrad MacKerron
Cleaner Production Center South Africa	Ndivhuho Raphulu
CII – Godrej Green Business Centre, India	Kiran Ananth
Ecofys	Jeroen Scheepmaker
EMPA – Materials Science and Technology	Rolf Widmer
Fauna Flora International	Pippa Howard
Forest People Programme	Geoff Nettleton
Fundacion Para la Promocion de Conocimientos Indigenas /Asociacion Indigena Ambiental en Panama	Estebancio Castro Díaz
Igora	Rolf Varis
IndustriAll	Glen Mpufane
IUCN	Martin Sneary
Transformandos Conflictos Partners El Salvador	Eva Rodriguez
Transparency International	Jean-Pierre Méan
WWF	Alberto Carrillo

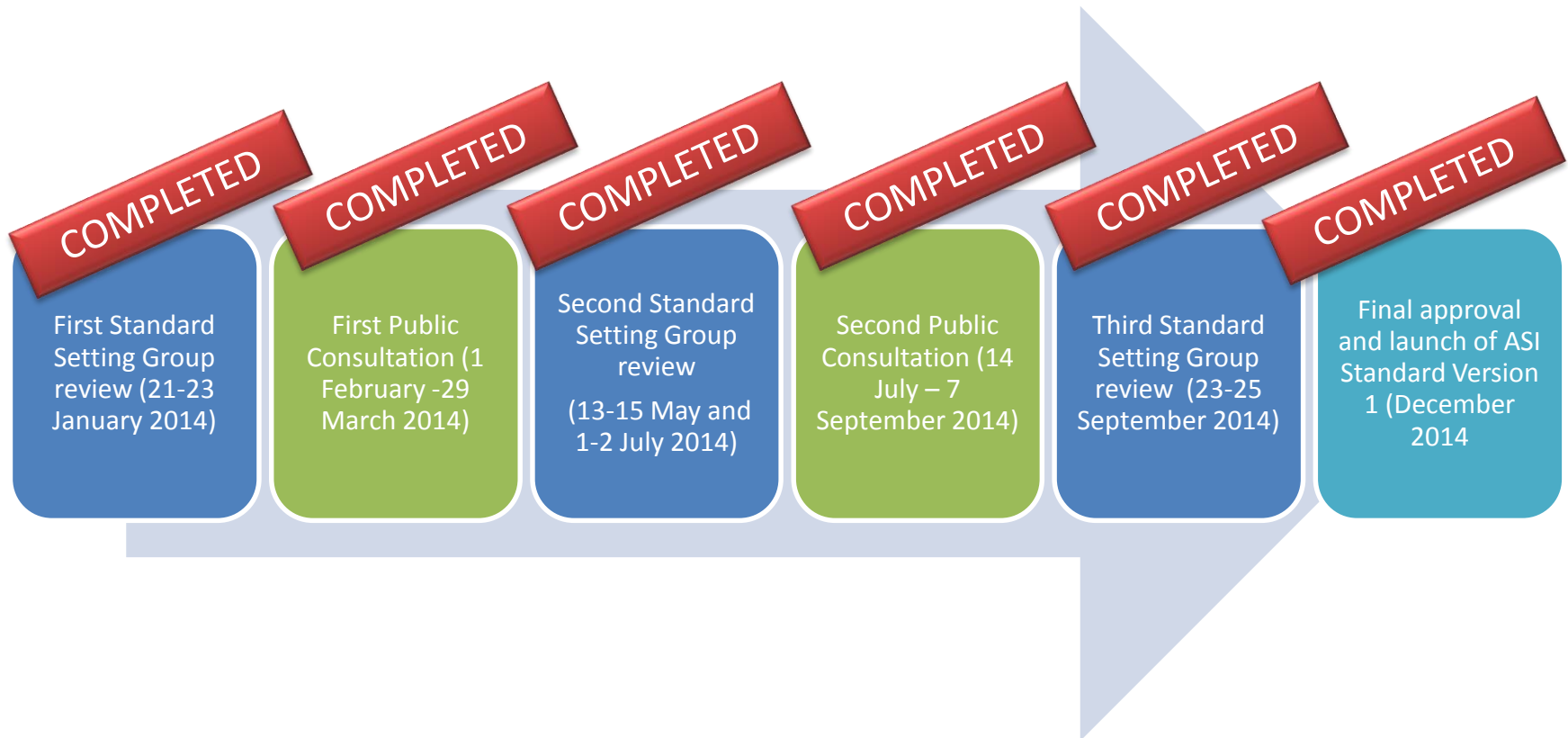


# The Standard Setting Group (2/2)



Company	Representative's Name
<b><i>Primary Producers/Transformers</i></b>	
Aleris	Ralf Luce
Constellium	Catherine Athenes
Hydro	Jostein Soreide
Novelis	John Gardner
Rio Tinto Alcan	Roland Dubois
<b><i>Convertors</i></b>	
AMAG/ Constantia Flexibles	Thomas Greigeritsch
AMCOR Flexibles	Gerald Rebitzer
Ball Corporation	Bjorn Kulmann
Rexam	John Revers
Tetra Pak	Lena Dahl
<b><i>Commercial/Consumer goods producers</i></b>	
Audi	Josef Schoen
BMW Group	Alexander Nick
Jaguar/Land Rover	Adrian Tautscher
Nespresso	Christophe Boussemart

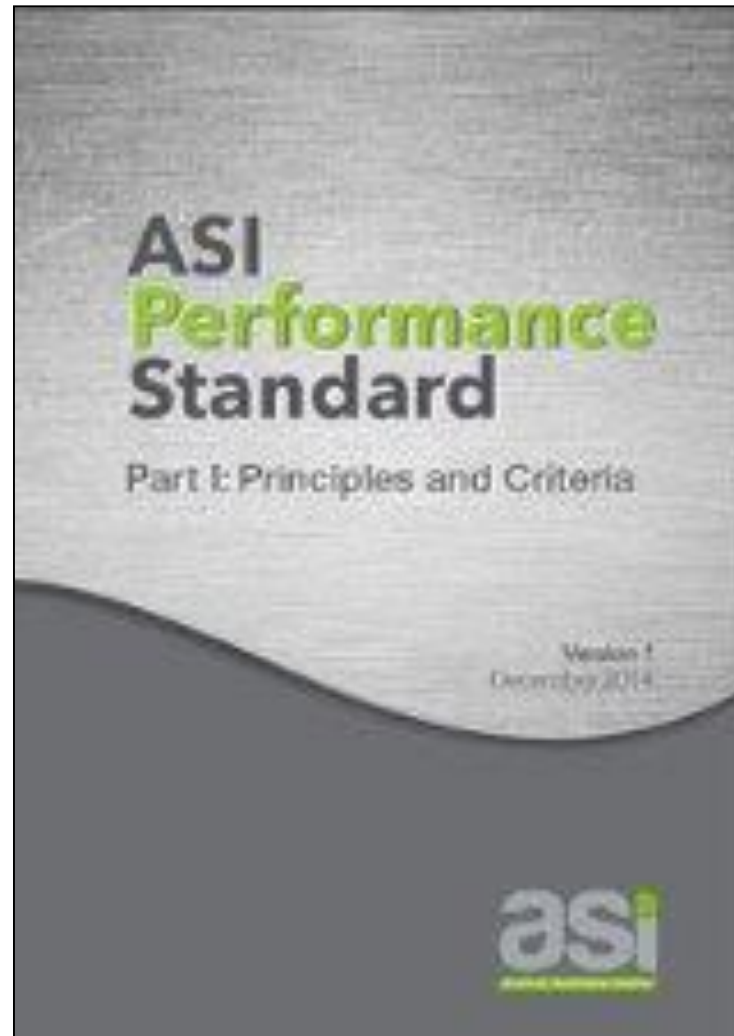
# IUCN The Standard Setting process



The ASI Performance Standard will undergo regular review. The date of the next review has not yet been set, but will be made public through the ASI web site. The review will take place by the end of 2019 at the latest.



# The ASI Performance Standard





# The ASI Performance Standard

- The ASI Performance Standard's Principles and Criteria are applicable to all stages of aluminium production and transformation, specifically: bauxite mining, alumina refining, primary aluminium production, semi-fabrication (rolling, extrusion, forging and foundry), conversion, and refining and re-melting of recycled scrap
- The Performance Standard includes criteria applicable to all actors involved in the aluminium value chain; these criteria can be used to achieve optimal lifecycle management of aluminium-containing products. In particular, the Standard focuses on how material recycling at the end of life of aluminium-containing products can improve resource efficiency and reduce environmental impacts





# The ASI Performance Standard

- The eleven sustainability aspects apply to all stages of the aluminium production value chain
- Certain stages of the value chain have the potential for more defined impacts on certain sustainability aspects (referred to as 'hotspots' in the aluminium value chain)
  1. *Greenhouse gas emissions* for refining and smelting
  2. *Bauxite residues, SPL and dross* for refining, smelting, re-melting and casting
  3. *Biodiversity management* for bauxite mining
  4. *Indigenous rights* for bauxite mining and smelting; and
  5. *Material stewardship* for semi-fabrication, material conversion, re-melting and consumer/commercial goods supplier



# The ASI Performance Standard



- To complement the ASI Performance Standard's Principles and Criteria, the following products will be developed over the next two years
- The ASI Performance Standard's **Indicators, Verifiers and Means of Verification** (Draft 1 by end of 2015)
- The **ASI Chain of Custody Standard Version 1** (end of 2014/early 2015)
- Additional **Guidance documents** (by end of 2016)

- The ASI Chain of Custody Standard will provide coherent and integrated linkage of information between the different stages of the value chain, enabling responsible sourcing of aluminium
- It's a Mass balance system (No physical traceability)
- All material is either ASI compliant or eligible for mixing
- **Only** relevant to the CoC of the **aluminium** which enters a facility for processing or handling and passing onto the next stage of the supply chain

- A value chain approach should support the integration of all costs and benefits occurring along the chain
- Ensure that post consumer phase is also integrated strongly in the value chain and the benefits that this phase can bring to the entire value chain of the product(s) and the material
- Natural resources impacts and dependencies should be accounted for and internalised along the entire value chain
- Start a conversation at a **system level** to find a balancer between maximization of recycling rates and minimization of primary production

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