

Rio touts ethics as it plans Nespresso responsibly sourced aluminium deal

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Rio Tinto has moved to burnish its ethical credentials with a deal to supply Nespresso with responsibly-sourced aluminium for its coffee pods.

Under the proposed agreement Nespresso, which is owned by Swiss consumer goods giant Nestlé, will work with its capsule manufacturers to make sure they use metal certified by the Aluminium Stewardship Initiative.

Rio was the first producer to be certified by the ASI, a body seeking to promote sustainable supplies of the lightweight metal.

The deal marks the latest move by Rio to prove aluminium has a part to play in a low-carbon economy and change perceptions of the industry, which its chief executive Jean-Sébastien Jacques has said is one of the least trusted on the planet.

"This is an important step towards the use of responsibly sourced aluminium across manufacturing industries," said Alf Barrios, the chief executive of Rio Tinto Aluminium.

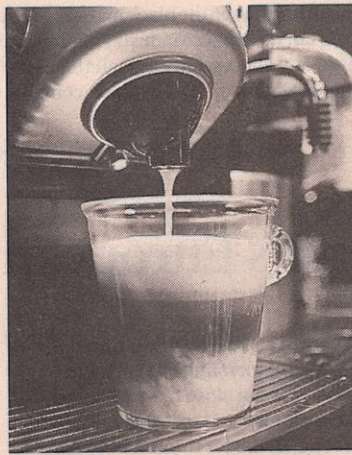
In May, Rio joined forces with arch-rival Alcoa to develop a new aluminium smelting technology that produces no greenhouse gases. The joint venture, called Elysis, has attracted funding from the Canadian government as well as Apple, which plans to use the "carbon free" metal in its iPhones and laptop computers.

Aluminium is often referred to as solid electricity because of the large amounts of power required to transform its key

ingredient, alumina, into refined metal. It takes between 14,000 and 16,000 kilowatt hours of electricity to produce one tonne of aluminium from two tonnes of alumina.

Rio has a much lower carbon footprint than many of its rivals because its Canadian Alcan unit is almost exclusively powered by hydro-electricity. As a result, its smelters generate less than 4 tonnes of CO₂ for every tonne of metal output compared, with the industry average of 11.5 tonnes.

As well as CO₂ emissions, the ASI's



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standards cover broader environmental, governance and social criteria, including the rights of indigenous people. It also has a traceability mechanism that allows consumers to follow the metal at each stage of the production process.

Rio hopes its aluminium will command a premium to uncertified metal as consumers demand to know how the products they buy are produced and what impact they have on the environment.

"We expect this will shape the industry and that certification has potential to drive demand and premiums in the long term," said Mr Barrios.

For Nespresso, the deal will help the company meet a goal of sourcing 100 per cent sustainable aluminium by 2020.

The company has been accused of wasting resources because its capsules are not biodegradable. Nespresso says aluminium is not the problem as it can be recycled but concedes it needs to do more to encourage the recycling of pods. "Everything you offer to the consumer has to be ethically sourced . . . and that starts with traceability," said Nespresso chief executive Jean-Marc Duvoisin. "We had that in coffee but we didn't have it in aluminium."

While Nespresso has tried alternatives to aluminium none of them protects the coffee as well from exposure to the air – thereby preserving its aromas – and none can withstand the pressure of the Nespresso machines. It uses around 1 gramme of aluminium in each capsule.