

# RED

Regional economic  
development

Rio Tinto Alcan



# Catalysing regional economic development and diversification

**As a large company, Rio Tinto can provide a strong foundation for development and diversification of the communities surrounding its operations.**

Rio Tinto has long recognised the importance of engaging with local communities with this in mind. It develops its business strategy in concert with the development needs of the communities in which it operates and has a thorough approach that covers all elements of community development.

Rio Tinto Alcan's experience spans more than a century and has taught us much about partnering with communities and stakeholders to deliver a sustainable future.

We've learned how to leverage our local presence and global capabilities to catalyse greater regional prosperity. Our proven Regional Economic Development (RED) framework is aimed specifically at contributing to the economic development and diversification of the regions where we operate across the lifecycle, from development to closure.

When local communities are asked what is most important to them, they emphasize their economic development.

Rio Tinto Alcan has been partnering with its operating communities for 50-100 years.

**Rio Tinto Alcan Regional Development Framework**

Our vision for RED is to contribute to the economic and social development of our host communities in order to sustain their long-term growth and diversification. We do so by engaging and partnering via job creating, business-led initiatives that are focused on sectors where the community can demonstrate a sustainable competitive advantage.

# A proven RED framework

Rio Tinto Alcan has leveraged its extensive experience in developing and executing projects to elaborate a proven, robust and flexible RED framework, which structures the thinking process and maps out an approach to foster economic development and diversification.

## Scope and plan

Based on the business unit's objectives and the region's local context, we establish a preliminary intent for a regional economic development strategy.

We then share the intent with stakeholders, agree on common objectives and decide on the best path forward.

## Establish baseline

We work with stakeholders to develop and agree upon a thorough understanding of the local context and the potential for local economic development and diversification; as well as, the barriers to overcome.

## Develop tailored strategy and multi-year plan

In developing the strategy/plan, we work with stakeholders to determine what needs to be done to foster the economic development and diversification of the community; as well as, how and by whom. We pay particular attention to regional suppliers, their development and how we can maximise regional supply throughout the lifecycle.

## Implement and deploy

In partnership with regional stakeholders, we establish a sound implementation approach that is tuned into the local context and is supported by appropriate measures.

## Monitor and audit

We monitor and audit progress against key performance indicators and adjust the plan as necessary.

## RED's guiding principles

The guiding principles below are fundamental to the way we operate; however, we remain open to learning and adjusting as we go.

- Engage multiple stakeholders
- Align objectives
- Forge partnerships
- Build upon job-creating, business-led initiatives
- Remain attuned to local context and business realities



# The RED team is on the ground with their regional colleagues

After ensuring alignment between the development objectives of the community and the strategic plan of our regional business, RED practitioners leverage Rio Tinto Alcan skill and capability to deliver tangible, sustainable, results. Below are examples of success.

## **Maximising use of local suppliers during operation and construction of our aluminium smelter Edea, Cameroon**

RED is working with the smelter's regional team to maximise use of local suppliers. We are conducting capability assessments of suppliers; developing procurement strategies; and working with local authorities to establish a small-medium enterprise (SME) upgrading programme.

## **Coaching local entrepreneurs with their business development Saguenay–Lac-Saint-Jean, Quebec, Canada**

RED is coaching local entrepreneurs in their business development. We are also putting these entrepreneurs in touch with key organisations and/or service providers to develop business opportunities. Ultimately, their businesses benefit from Rio Tinto Alcan's involvement.

## **Identifying and helping create new industries and employment opportunities Anglesey, Wales**

RED is partnering with government agencies to identify and help create new industries and employment opportunities via alternative uses of Rio Tinto Alcan's infrastructure and land holdings, eg using Rio Tinto Alcan's infrastructure to boost the existing cruise ship industry.

## **Lannemezan, France**

RED initiated creation of a local economic diversification committee, which has led to creation of 300+ jobs in glass-fibre insulation, carbon products, general manufacturing, etc.

## **Leveraging Lean Six Sigma capability to support local economic development Saguenay–Lac-Saint-Jean, Quebec, Canada**

By leveraging Rio Tinto Alcan's Lean Six Sigma practitioners, RED supported development of 'blackbelts' and 'greenbelts' in local SME's and economic development organisations. We coached them while they deployed Lean Six Sigma improvement initiatives.

## **Developing and reinforcing local economic development organisations Kitimat, British Columbia, Canada**

RED is working with economic development organisations and local governments to support development of local SME's; in particular, indigenous.

## **Set up dedicated economic development funds Quebec, Canada**

In partnership, RED initiated set up of a dedicated fund aimed at supporting development of SME's in growth sectors related to the aluminium industry.

## **Catalysing strategic development initiatives Edea, Cameroon**

RED is working with a local non-governmental organisation (NGO) to provide micro-financing to those entrepreneurs that would not otherwise be eligible. We worked with another NGO to assess and develop micro-energy projects aimed at rural electrification.

## **Shawinigan, Quebec, Canada**

RED led the development of a multi-stakeholder, integrated organisation for economic development in energy efficiency and new energy technologies.

**Top**  
The RED programme at Anglesey (Wales) provided support (facilities and skills) for a cruise ship simulator.

With over 22,000 employees in 27 countries, Rio Tinto Alcan is the aluminium product group of Rio Tinto. The Rio Tinto Group is a leading international mining company headquartered in the UK. Rio Tinto employs about 77,000 people in more than 40 countries. Its business is finding, mining and processing mineral resources. Other major products are copper, diamonds, coal, gold, industrial minerals, iron ore and uranium.



Note: RED could potentially be deployed anywhere Rio Tinto operates.

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Design and production: tmdesign.ca  
Printed in Canada  
© Rio Tinto Alcan  
April 2011