



## **Investing in a sustainable future: \$22 million in grants to support climate change solutions**

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Climate change is arguably the most significant sustainability issue of our time. Its effects are being felt around the corner and around the world. And to make a real difference we all need to take action - on all fronts and at all levels, individually and together.

As a business, Alcoa has taken a global leadership position on addressing climate change inside our operations, across our industry and within our communities.

Through a range of global and local outreach programs such as Ten Million Trees, Earthwatch, and Alcoa Foundation's flagship *Conservation and Sustainability Fellowship Program*, Alcoa has been at the forefront of community projects that address critical sustainability issues for decades.

To support and enhance this focus, Alcoa Foundation has funded a portfolio of climate change projects and entered into partnerships with a range of community organizations and NGO's to respond to this critical issue.

In the last three years (2006-2008) Alcoa Foundation has invested more than **\$22 million in climate change related projects to inform public policy, build capacity, raise awareness and mobilize action.**

Additionally, since late 2005, Alcoa Foundation's flagship \$9.2 million Conservation & Sustainability Fellowship Program has been unlocking answers to the most challenging sustainability issues facing the world today - climate change, energy use, water management, accelerated growth and development in all corners of the globe.

"Alcoa Foundation's mission is to be responsive to the needs of the communities in which Alcoa has a presence," said Meg McDonald, President of Alcoa Foundation.

"Currently, there is increased focus by these communities and our stakeholders on understanding climate change, its impacts and implications and how they can begin to take action.

"In response, Alcoa Foundation has partnered a range of organizations working in this area around the world to support public policy development; facilitate community action and mobilize individual response."

### **Partnering on public policy**

Alcoa has taken an active public stand on climate change and is a founding member of the Business Environment Leadership Council, United States Climate Action Partnership, Global Roundtable on Climate Change and founding reporter on The Climate Change Registry. Alcoa Foundation is likewise actively partnering recognized climate change not-for-profits working in the policy arena to engage multi-sector stakeholders, inform policy development, building a broad "green" constituency, and mainstreaming sustainable mitigation practices.

#### **World Resources Institute: \$1.225 million**

A three year, grant to the World Resources Institute is funding research to inform and provide input to the US and international policy community as they develop a global regime to address climate change and advance sustainable development, focusing on 1) improved architecture for economically-efficient, equitable future global agreements 2) critical developing country growth markets (e.g. in China, India, and Brazil) where rapid economic development provide opportunities for reducing greenhouse gas emissions; and 3) responses for Alcoa communities where vulnerability to climate impacts require strategies to prepare for adaptation.



A second grant to WRI's Collaborative Research partnership with Tsinghua University is developing new tools to inform technology transfer, investigate carbon capture and storage techniques, and research emission monitoring and accounting in China.

**Resources for the Future: \$500,000**

A total of \$500,000 in grants to Resources for the Future is assisting funding for the U.S. Climate Policy Forum which convenes stakeholders from across the U.S. to address key climate change issues and RFF research into the effectiveness and efficiency of voluntary environmental programs in developing countries.



**Rainforest Alliance: \$300,000**

A \$300,000 grant to the Rainforest Alliance Climate Change Program (CCP) will assist in developing three pilot projects on carbon offsets and certification/auditing in Central and Latin America, a methodology for carbon accounting and provide training in the science and methods necessary for credible evaluation of carbon calculations.

**Lowy Institute: \$125,000**

This grant will enable research to provide into how the risks of environmental change in the Asia-Pacific region can be addressed through policy settings which will help their governments and countries deal effectively with the challenges. It will also identify key similarities and differences between the positions on climate change between the major Asian states, the US and the EU that will be central to the chances of reaching a global agreement on the response to climate change.

**Pew Center on Global Climate Change: \$100,000**

A grant to Pew is contributing to the development of an international climate change framework by modeling the potential implications of different longer term global policy approaches.

**The Heinz Center: \$100,000**

Project Deforestation and the degradation of forests and peatlands in the tropics of developing nations results in significant carbon emissions. A grant to the Heinz Center will develop a framework to allow terrestrial carbon to be effectively included in the international response to climate change.

**Supporting community response**

Organizations that are working with communities to develop practical approaches is the second focus of the foundation's climate change portfolio.

**Conservation and Sustainability Fellowship Program - \$9.2 million**

Since late 2005, the Foundation's flagship Conservation and Sustainability Fellowship program has been delivering fresh insight into the opportunities and challenges facing the field of conservation and sustainability – environmentally, socially and economically – and linking academia, business, government, and non-governmental organizations around sustainable solutions for joint action.

In partnership with five premier academic institutions and three leading environmental NGOs, the program's 90 academic and practitioner fellows are tackling issues that have local impact and global implications - with a goal of providing government and business leaders with usable information they can apply to meet specific sustainability and conservation challenges.

**Environmental Conservation**

Alcoa Foundation is supporting the efforts of communities and organizations worldwide to understand and adapt to landscape and biodiversity change.



### **Palos Verdes Peninsula Land Conservancy- \$965,000**

Since 2006, a partnership with Palos Verdes Peninsula Land Conservancy has delivered the Research, Education and Community Involvement Program for the Environment (RECIPE) to both deliver conservancy and biodiversity research and local community outreach and education programs across the California region.

### **Peninsula Open Space Trust: \$200,000**

A \$200,000 grant to the Peninsula Open Space Trust is helping 85 conservation groups across California understand and adapt to the important role they play in responding to the effects of climate change.

### **The Heinz Center: \$200,000**

A second grant of \$200,000 to the Heinz Center is directed at creating a more viable approach to meeting the challenges facing coastal areas from climate change. Topics include planning for the impacts of storms, coastal erosion, and flooding on wetlands, beaches, buildings, and infrastructure, as well as the social and economic health of coastal communities

## **Recycling**



As a major sustainability issue around the globe and one with clear connection to our business, Alcoa Foundation has funded over **30 projects** totaling more than **\$1.3 million** in the last three years to assist community based recycling programs in communities from Indianapolis and Morristown in the USA to Arad in Romania, Amorbieta in Spain and across Quebec in Canada and Victoria, Australia.

These projects are working at lifting recycling rates by targeting major sporting venues and schools, using innovative recycling facilities and education campaigns to raise awareness, set targets and measure results.

## **Energy Solutions**

Alcoa Foundation is supporting the development of community-based solutions to climate change through energy efficiency and the use of alternative and renewable energy sources.

Grants totaling **\$415,000** are assisting to reduce reliance on traditional, carbon intensive energy sources in communities across Mexico and Nepal. A grant to **Mexican Fund for Nature Conservation**, launched a solar oven production, distribution and user training program across Mexico. Building on the success of the program in reducing reliance on fossil fuels in local communities, Alcoa Foundation partnered WWF to trial implementation of the hot pot technology across remote communities in Nepal. Both projects are resulting in a reduction in reducing greenhouse gas emissions from the burning of biomass and firewood.



A portfolio of local grants are supporting community awareness around energy consumption and encouraging energy conservation, from encouraging car pooling and alternative transportation through the **Smart Trips Program** in Knoxville, USA; to educating our next generation through alternative energy education programs in Germany, Italy and Switzerland; to encouraging community energy conservation through the **'Save Energy Project'** in Qinhuangdao, China.

## Mobilizing individual action

Growing concern around the environmental impacts of climate change and rising energy costs has prompted many of our employees and neighbours to question what they can do to take action. In response, Alcoa Foundation has provided more than **\$1.9 million** to raising awareness and mobilizing action on climate change in Alcoa communities.



Make an Impact was developed in 2006 through a partnership between Alcoa, Alcoa Foundation and Greening Australia, and launched across the US in 2008 through a partnership with the Pew Centre on Global Climate Change. Make an Impact has created a leading interactive website for Alcoa employees, their families and the local community to families to calculate their carbon footprint and learn about promising practices for GHG reduction.

The program has had take-up by more than 15% of Alcoa employees where it has been launched. Over the next two years, the Make an Impact project will be implemented in other Alcoa locations and communities across the United States and in Canada.

In 2008, the Australian Make an Impact program was further developed and extended to include **Breathe Easy**, a program assisting individuals to offset emissions through biodiverse tree planting. The project will sequester over 50,000 tonnes of CO<sub>2</sub> over 20 years - the equivalent of the yearly carbon emissions of 3,571 average households.

Through a partnership with **Earthwatch**, Alcoa employees are learning how their individual actions impact local surrounding environments, while also contributing to critical environmental research projects.

Through a new grant, Alcoa Foundation will provide opportunities for community leaders to join our employees on these hands-on scientific field research expeditions, providing them with a learning framework to connect that research to the issues they face in their communities and delivering meaningful impact on the environmental and economic health of local communities.



## **BACKGROUND: ALCOA AND ALUMINUM ... PART OF THE SOLUTION**

Alcoa has taken a voluntary global leadership position on climate change and is working within our business and out in the community, to be part of the solution. Here's how...

### **TAKING A STAND**

Alcoa has taken an active public stand on climate change. We are a founding member of the Business Environment Leadership Council, United States Climate Action Partnership, Global Roundtable on Climate Change and founding reporter on The Climate Change Registry.

### **INVESTING IN GREEN TECHNOLOGY**

In the US Alcoa has reduced annual emissions by 13.9 million pounds of CO<sub>2</sub> through renewable energy certificates. Our newest smelter in Iceland runs on 100% hydropower and we are investing further in hydroelectricity in Brazil and the US; while in Australia we are the country's largest thermally efficiency co-generator.

### **DRIVING ENERGY EFFICIENCY**

We set ourselves an aggressive target to reduce our direct global greenhouse gas emissions by 2020 to 25 per cent compared to 1990 levels. We met this target in 2003 – and today our emissions are 33% below our 1990 baseline.

### **INCREASING RECYCLING**

Aluminum can be endlessly recycled and in recycling we save 95% of the energy needed to make new metal. Alcoa has a global goal to manufacture 50% of our products from recycled aluminium by 2020 and to raise the North American used beverage can recycling rate to 75% by 2015. In 2007 alone, we recycled around 14 billion aluminum cans.

### **SUPPORTING LOCAL ACTION**

In the last three years (2006-2008) Alcoa Foundation has invested more than \$22 million in community-based projects to inform public policy, build capacity, raise awareness and mobilize action around global climate change. Additionally, since late 2005, Alcoa Foundation's flagship \$9.2 million Conservation & Sustainability Fellowship Program has been unlocking answers to the most challenging sustainability issues facing the world today - climate change, energy use, water management, accelerated growth and development in all corners of the globe.