



Alcoa Vision
To be the best company in the world—in the eyes of our customers, shareholders, communities, and people

Alcoa Values
Integrity | Environment, Health & Safety | Customers | Excellence
People | Profitability | Accountability

We live our values and measure our success by the success of our customers, shareholders, communities, and people

BUSINESS
ENVIRONMENT
COMMUNITY

2nd Annual Alcoa Report to the Community
Alcoa Warrick Operations



COMMITMENT TO SUSTAINABILITY

At Alcoa, sustainability is defined as using our values to build **financial success**, **environmental excellence**, and **social responsibility** through partnerships in order to **deliver net long-term benefits** to our shareowners, employees, customers, suppliers, and the communities in which we operate.

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COMMUNITY ADVISORY BOARD MEMBERS

<p>Rev. Gerald Arnold NAACP</p> <p>Bruce Baker Newburgh Health Care</p> <p>Vaneta Becker Indiana State Senator</p> <p>Suzanne Crouch Indiana State Representative</p> <p>Jan Davies Girl Scouts of Raintree Council</p>	<p>Andy Goebel Evansville Regional Business Council</p> <p>Mayor Pam Hendrickson Boonville</p> <p>Alvin Holder Warrick County School Board</p> <p>Richard Kuhn Self-Employed</p> <p>Barbara Miller Albion Fellows Bacon Center</p>
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COMMUNITY ADVISORY BOARD MEMBERS

Don Mottley
SOLE

Jack Pate
Evansville Courier & Press

Stu Phillips
Industrial Woodkraft

Alice Rademacher
Wesselman Nature Society

Councilman Greg Richmond
Warrick County

Jon Ruthenburg
Gray Loon Marketing Group

Dan Schenk
Ivy Tech Community College

Dr. Jeff Seyler
University of Southern Indiana

Councilwoman Shari Sherman
Newburgh

Russ Stilwell
Indiana State Representative

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AGENDA

Milestones Since 2006 Alcoa Report to the Community

About Alcoa & Warrick Operations

Sustainability Report Card
Business | Environment | Community

Sustaining Our Business

Questions/Answers

Breakout/Feedback

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Alcoa Warrick Operations

Rotary furnace is latest investment at Warrick Operations

Alcoa plant continues to grow

MILESTONES
SINCE 2006 ALCOA REPORT TO THE COMMUNITY

BUSINESS ENVIRONMENT COMMUNITY

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MILESTONES
SINCE 2006 ALCOA REPORT TO THE COMMUNITY

Contract Agreement Reached

- 4-year contract, through May 31, 2010
- Improves competitiveness of Warrick and other locations
- Preserves standard of living for employees
- New health care plan that is more competitive in today's market
- Continues to provide health care coverage for retirees while limiting the company's long-term liability

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MILESTONES
SINCE 2006 ALCOA REPORT TO THE COMMUNITY

BOONVILLE STANDARD, Thursday, August 18, 2016

Alcoa recognized as Indiana Employer of Veterans

Leaders from the American Legion announced that Alcoa Warrick Operations has won the 2016 Indiana Employer of Veterans Award for large employers and is recognized by the national Veterans Affairs and Rehabilitation Commission for their achievements in hiring and employing veterans. The award is one of the highest for the National Employer of Veterans Awards, that will be presented later this year.

American Legion, 1100 State Road 134, Boonville, announced Warrick Operations for the past several years for its advertising opportunities provided and for actively hiring veterans. In 2015, 44.7% of the 76 employees hired at Warrick Operations were veterans. Currently nearly 17% of all Warrick employees are veterans.

"The statistics supporting Alcoa's application are impressive," said Michael Smith, 5th District Vice Commander. "Warrick Operations has high level Legion members of experience, and we have been able to actively partner with the company to provide a pool of talented, hard-working employees."

"We're truly honored by this recognition," said Amy White, Vice President & General Manager for Regal Packaging. "These veterans have given significantly to their country and continue to be a valuable contribution to the community and to our workforce at Alcoa. We appreciate the possibility that we've had and we thank you for the award."

Alcoa's commitment to hiring veterans is demonstrated by

Luther Meier, a retired employee and Executive Chairman of the Legion, 1100 State Road 134, Boonville. "They have actively been giving me work and other jobs for me."




Luther Meier, Executive Chairman of the American Legion, 1100 State Road 134, Boonville, presented the award to Warrick Operations Vice President & General Manager for Regal Packaging, Amy White, at the American Legion meeting gathered together.




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MILESTONES
SINCE 2006 ALCOA REPORT TO THE COMMUNITY



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MILESTONES
CEO & GLOBAL PRIMARY METALS LEADERS VISIT

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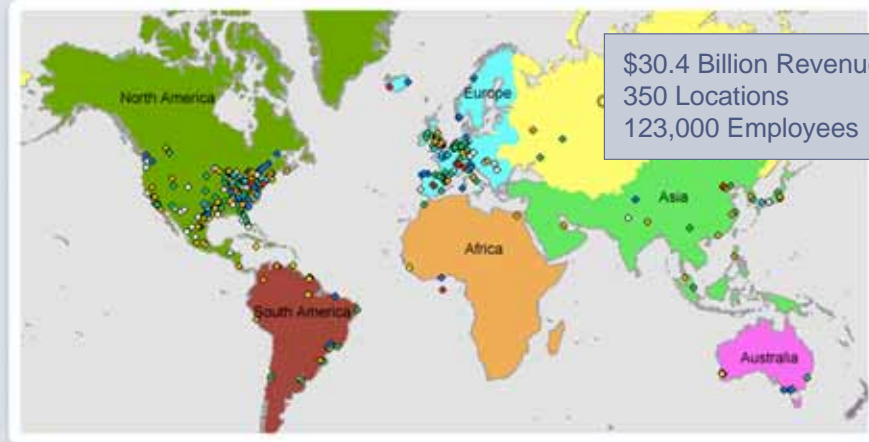
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ABOUT ALCOA & WARRICK OPERATIONS

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OPERATING LOCATIONS



BUSINESS

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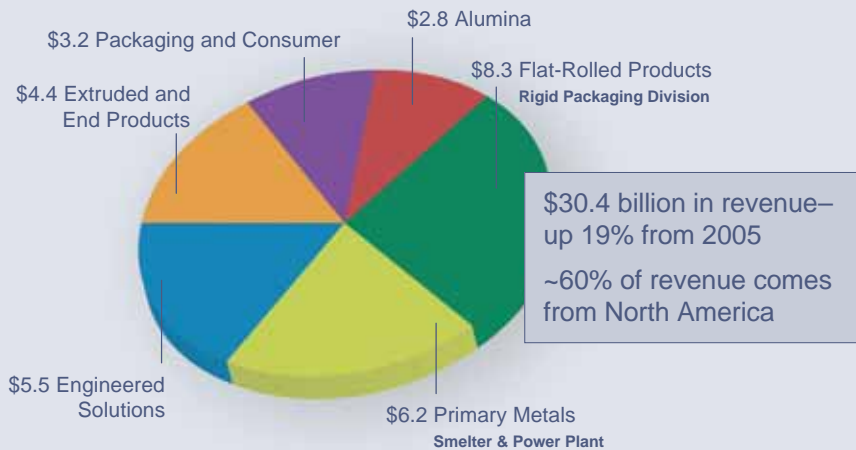
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2006 REVENUE BY SEGMENT



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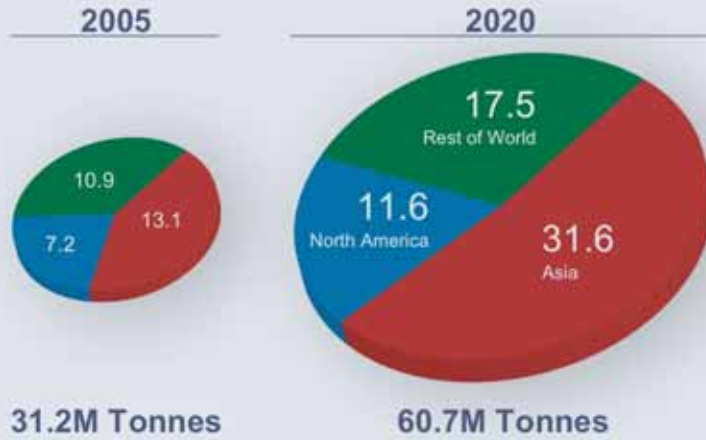
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GLOBAL ALUMINUM CONSUMPTION BY REGION



Source: McKinsey



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ALCOA WARRICK OPERATIONS



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ALCOA WARRICK OPERATIONS

2,100 employees

\$1 million per day impact
on local economy

Coal-fired power plant

Smelter

Ingot, rolling, and finishing



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ALCOA WARRICK OPERATIONS

Business Challenges

- Implementing capital improvements
- Cost-competitiveness
- High aluminum prices



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ALCOA WARRICK OPERATIONS

Market Conditions

- North American beverage market growth in beverages, not in cans
- Must add new products
 - Aluminum bottle
 - Lithographic sheet
- Must grow
 - Export business in growing regions
 - Global market share



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END PRODUCTS FROM WARRICK METALS



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KEY STRATEGY FOR SUCCESS
EMPLOYEE ENGAGEMENT

Increased metal demand requires a fully-engaged workforce

Alcoa Business System creates a path to sustainability

- TPM: Total Productive Maintenance
- Kaizen
- Daily management
- Suggestion system
- Communication
- Problem-solving
- Reward & recognition

Goal: Improve business results
while making people's jobs better



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KEY STRATEGY FOR SUCCESS
EMPLOYEE ENGAGEMENT



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KEY STRATEGY FOR SUCCESS
EMPLOYEE ENGAGEMENT



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KEY STRATEGY FOR SUCCESS
EMPLOYEE ENGAGEMENT



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OVERVIEW
SUSTAINABILITY IN A GLOBAL MARKET

- Competitive Challenges
- Engaged Workforce
- Significant Investment



...Bright Future

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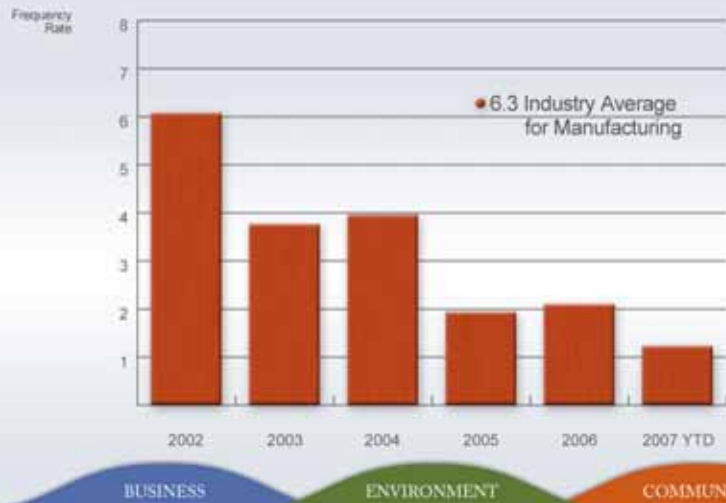


SUSTAINABILITY REPORT CARD
BUSINESS

BUSINESS ENVIRONMENT COMMUNITY

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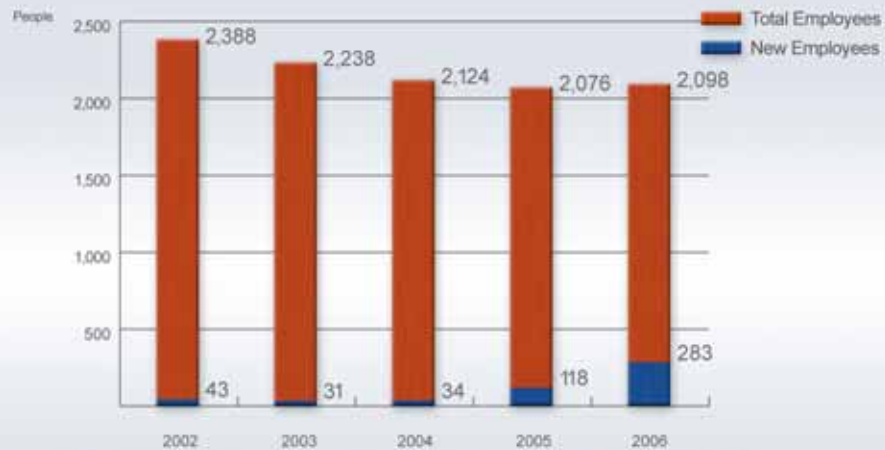
SAFETY - TOTAL RECORDABLE INJURY RATE



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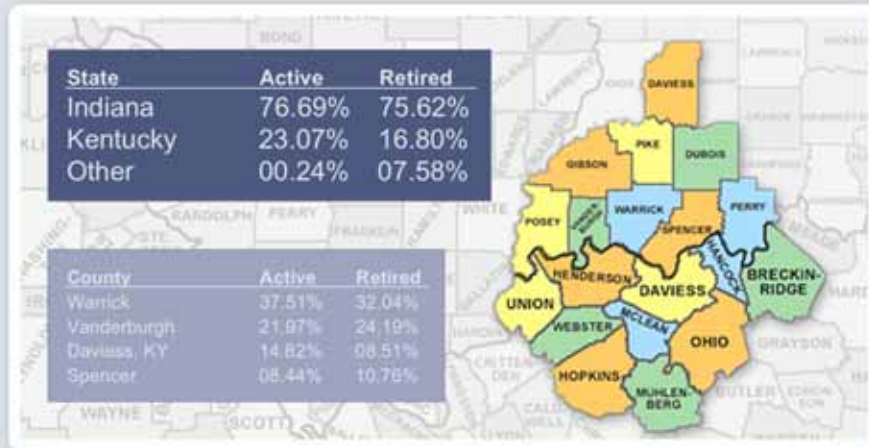
EMPLOYMENT



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WHERE EMPLOYEES LIVE



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LIFE! EVENTS



BUSINESS

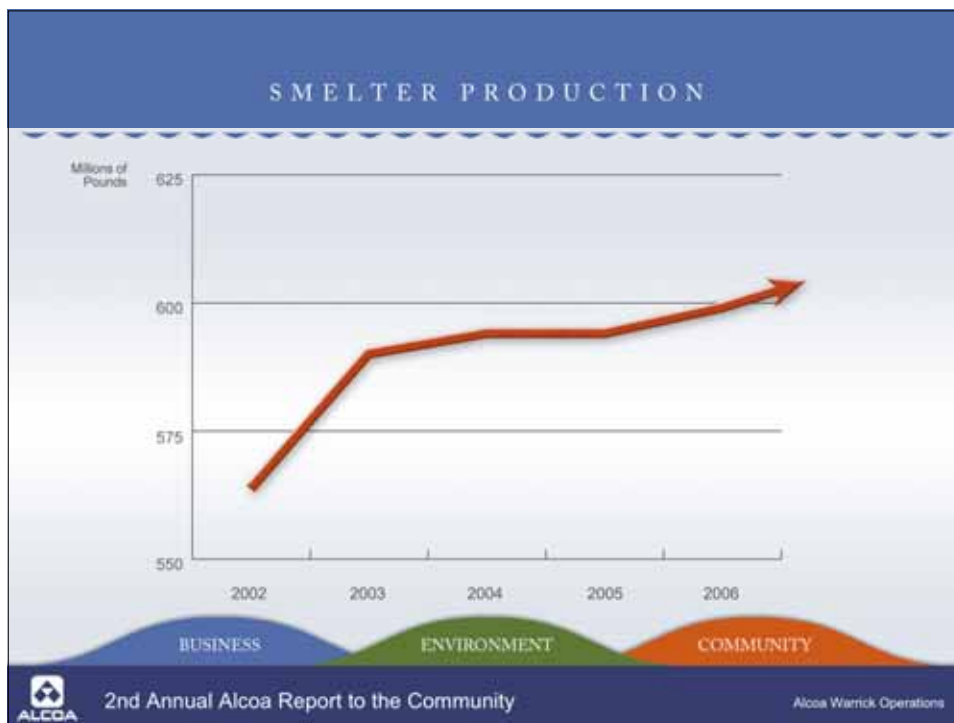
ENVIRONMENT

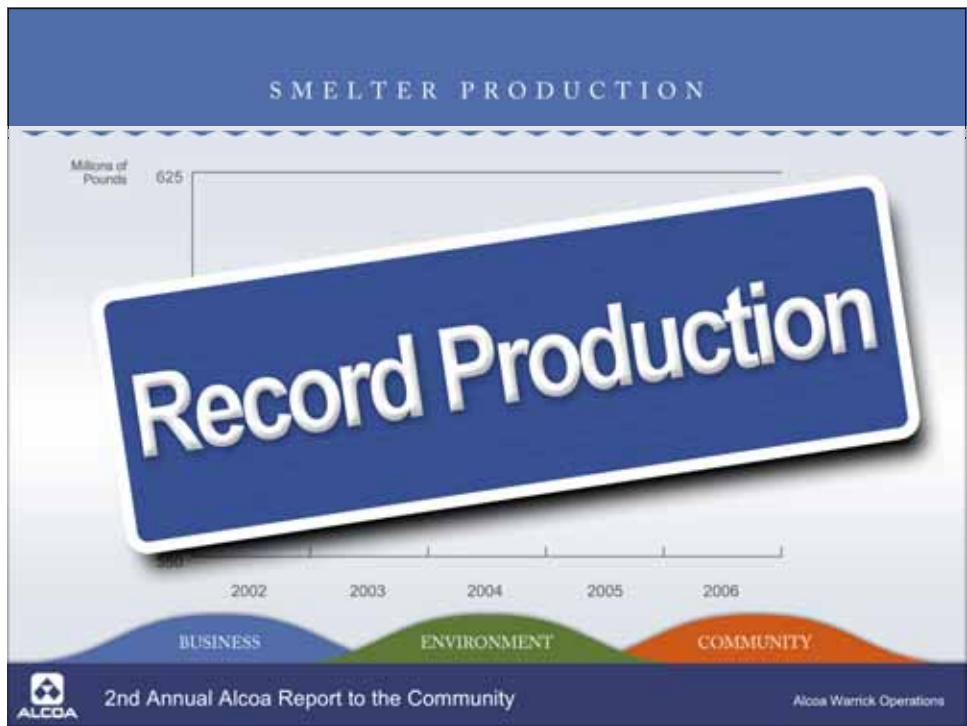
COMMUNITY

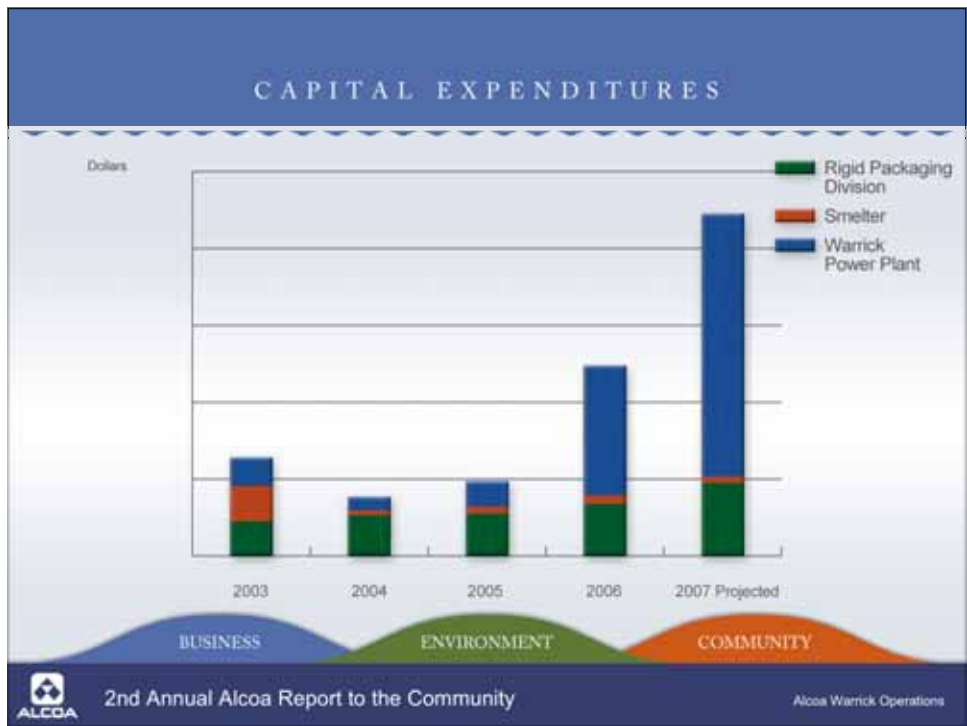


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ALCOA ENVIRONMENT, HEALTH & SAFETY
VALUE & POLICY

Environment, Health & Safety Value

We will work safely in a manner that promotes the health and well-being of the individual and the environment.

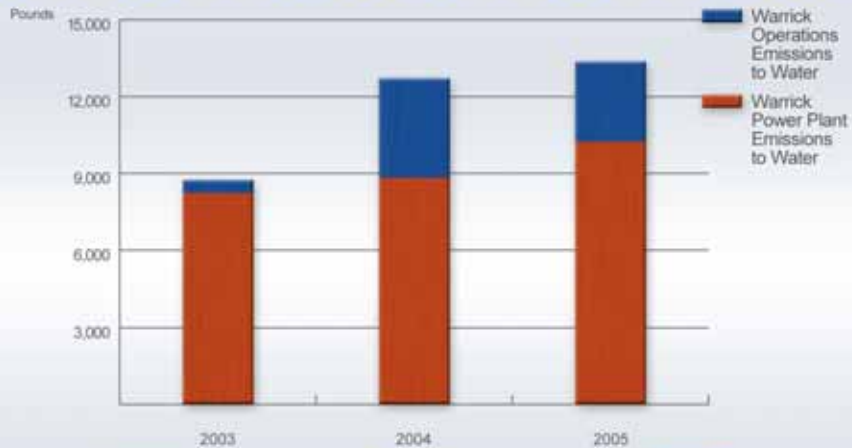
Environment, Health & Safety Policy

We will not compromise our Environment, Health & Safety Value for profit or production.

BUSINESS ENVIRONMENT COMMUNITY

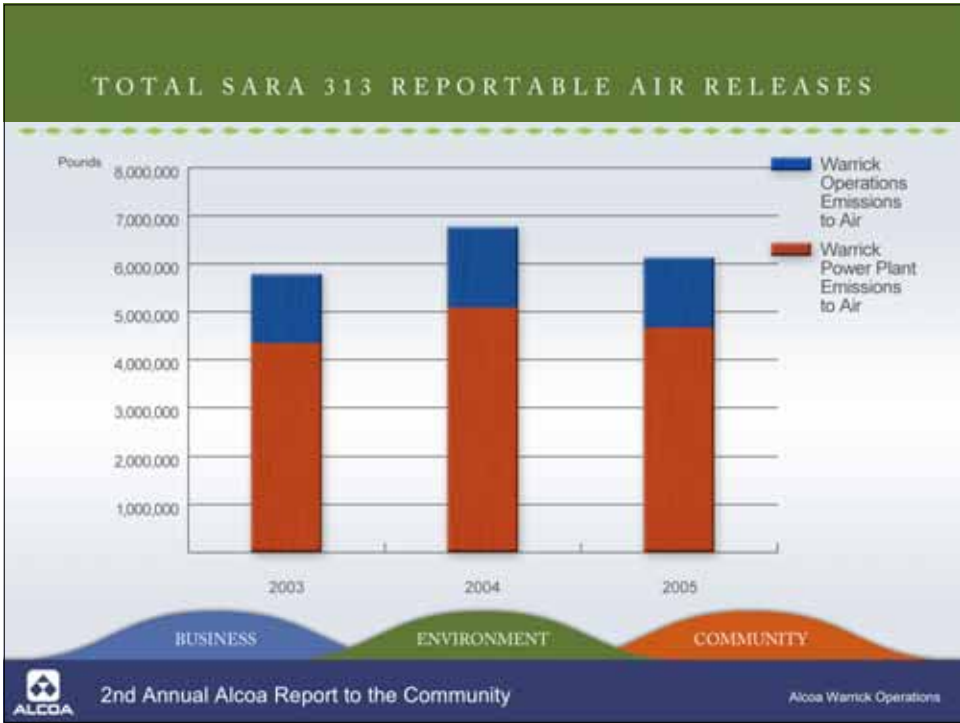
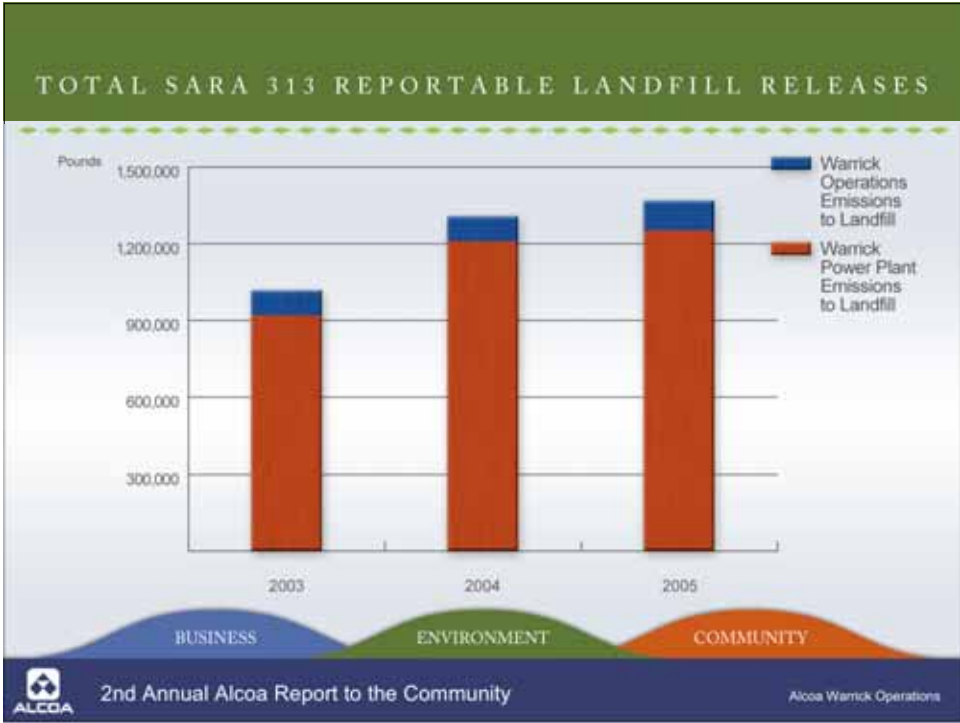
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TOTAL SARA 313 REPORTABLE WATER RELEASES



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TOTAL SARA 313 REPORTABLE AIR RELEASES

Water: 663-pound increase
Landfill: 61,338-pound increase
Air: 649,450-pound reduction

Overall reduction in SARA 313 releases from 2004 to 2005

587,449 pounds

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CLIMATE CHANGE

Founding Member



“Though the challenge is significant,
I believe we can all grow and prosper in a greenhouse gas constrained world.
Actually, I believe there is no other option.”

ALAIN BELDA

ALCOA CHAIRMAN AND CHIEF EXECUTIVE OFFICER

BUSINESS

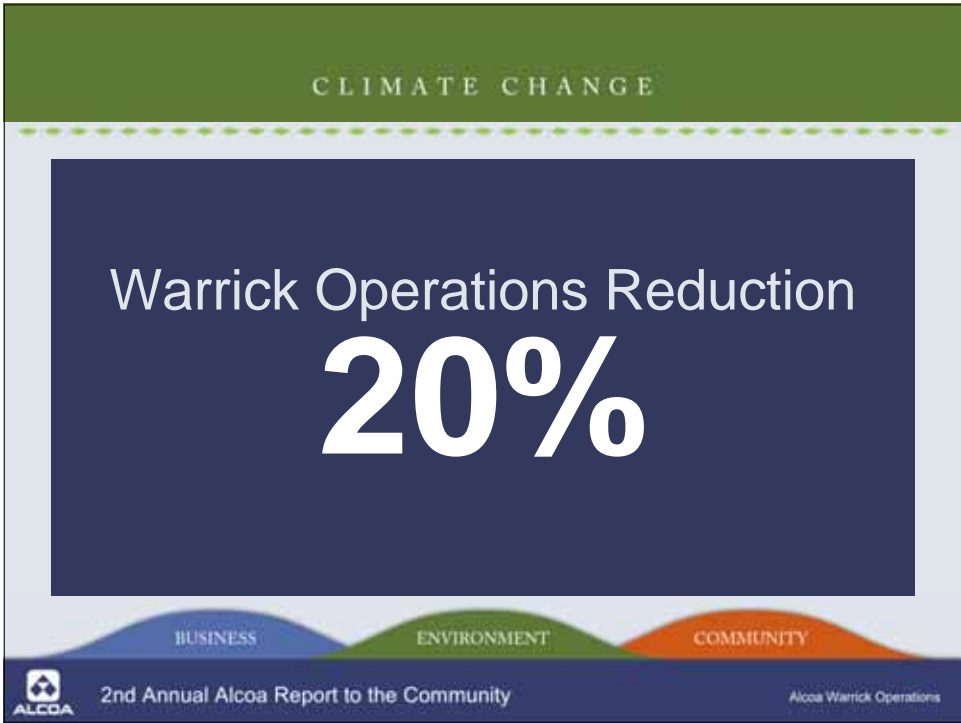
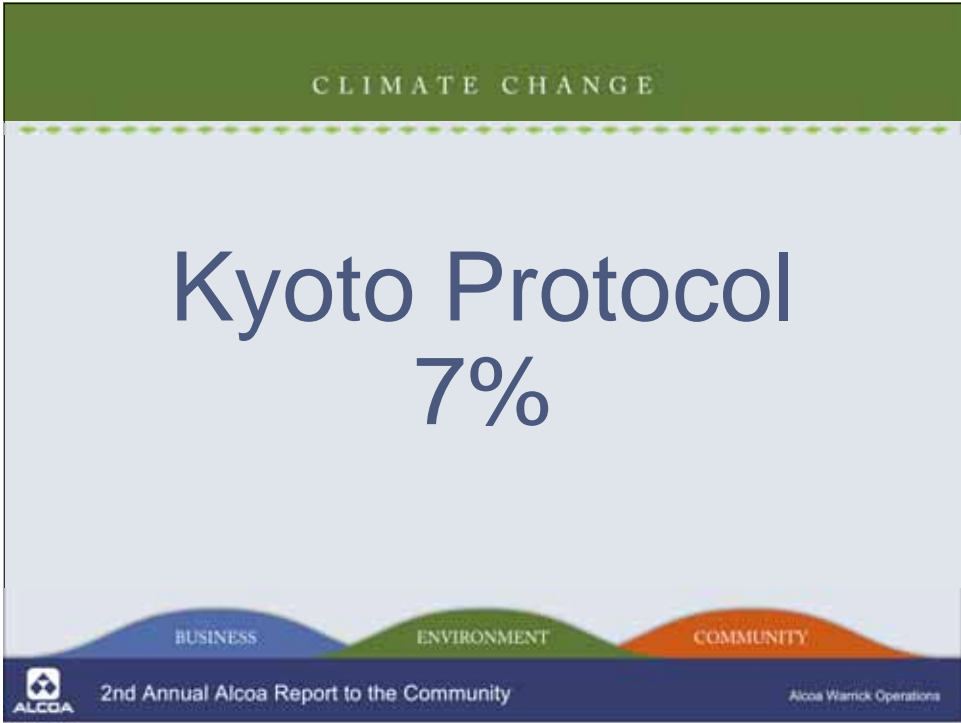
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AWARD-WINNING ACTIONS
SLOTTED ANODE PROJECT

Governor's Environmental Excellence Award Winner

Saves...

- 59,400 megawatts of electricity
- 900 tons of SO₂
- 100 tons of NOx
- 30 tons of particulates



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HOUSEHOLD HAZARDOUS WASTE DAY



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AWARD-WINNING ACTIONS
HOUSEHOLD HAZARDOUS WASTE DAY

Southwest Indiana Chamber of Commerce
Environmental Excellence Award Winner

2006 Results

- Pounds Collected – 166,022
 - Pounds Reused – 86,043
 - Pounds Recycled – 61,544
 - Pounds Incinerated – 17,195
 - Pounds Disposed – 1,240
- Cars – 1,374

Habitat for Humanity made \$500+

from items donated, such as printer cartridges and cellular phones, which get recycled, and electronics that can be sold in their Home Store



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SUSTAINABILITY REPORT CARD
SOCIAL / COMMUNITY

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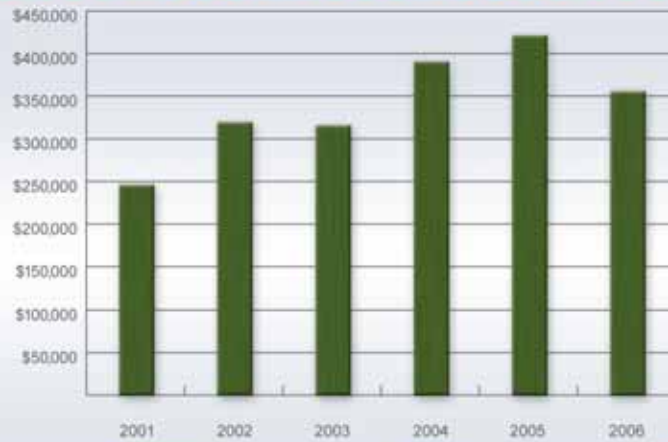
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ALCOA FOUNDATION GIVING



2006 Giving

Foundation Allocation
\$290,000

Corporate Gifts
\$30,000

ACTION Grants
\$12,000

Bravo! Grants
\$11,250

UE, USI, Ivy Tech
Gift Matching
\$13,796

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VALUES IN ACTION MONTH OF SERVICE



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VALUES IN ACTION
SAFETY SCHOOL

BUSINESS ENVIRONMENT COMMUNITY

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VALUES IN ACTION
ENVIRONMENTAL OPEN HOUSE

BUSINESS ENVIRONMENT COMMUNITY

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VALUES IN ACTION
AMERICA RECYCLES DAY



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SUSTAINING OUR BUSINESS

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WARRICK POWER PLANT INVESTMENT

\$439 million project
\$80 million from Vectren

11 Alcoans

~200 construction workers
in April 2007

700+ construction jobs
over the 5 years

25 new permanent employees



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WARRICK POWER PLANT INVESTMENT



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WARRICK POWER PLANT INVESTMENT

Positive Impact of Scrubbers on Air Emissions

Compound	2005 Air Emissions	Expected Emissions After Scrubbers (Based on 2005 Data)	Expected Percent Change
Sulfur Dioxide (tons)	82,029	3,117	-96.2%
Sulfuric Acid (pounds)	2,832,098	1,416,049	-50.0%
Hydrochloric Acid (pounds)	1,565,987	15,660	-99.0%
Hydrofluoric Acid (pounds)	227,487	2,275	-99.0%
Mercury (pounds)	313	125	-60.0%

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LITHOGRAPHIC LINE INSTALLATION

- **\$46 million taxable investment**
- Online August 2007
- **40 new jobs**
- Part of overall global strategy
- Global market: \$1 billion/year
- Only high-quality lithographic sheet produced in North America—a 200-million-pound market



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LITHOGRAPHIC LINE INSTALLATION



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OVERVIEW
SUSTAINABILITY IN A GLOBAL MARKET

- Competitive Challenges
- Engaged Workforce
- Significant Investment



...Bright Future

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WHEN WE DO IT RIGHT

\$1 million per day impact on the local economy

- 2,100 employees
- \$7+ million in property taxes
- \$100+ million in regional purchases
- Economic engine for Warrick County since 1956



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WHEN WE DO IT RIGHT

\$350,000+ in Alcoa Foundation and corporate charitable gifts

Community support vital to Alcoa investment

\$500 million Alcoa investment:

- Environmental improvement
- Production capability
- Permanent jobs



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QUESTIONS / ANSWERS

Thank You for Your Interest

BUSINESS

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BREAKOUT / FEEDBACK

Business / Financial News
Environmental Impact
Social Commitment

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BREAKOUT / FEEDBACK

What did you hear that you liked?
What did you hear that you didn't like?
What do you want to know more about?

Thank you for your time and feedback!

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