

Alcoa Corporation 2016 Communication on Progress United Nations Global Compact



From the CEO

Alcoa Corporation is committed to supporting and upholding the principles of the United Nations Global Compact.

In this, our first Communication on Progress, we demonstrate how we are transforming these principles into actions within our global operations.

Roy C. Harvey
Chief Executive Officer
Alcoa Corporation

Principles	Actions
<p>Human Rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>Assessment, Policy and Goals</p> <ul style="list-style-type: none"> • We support the Universal Declaration of Human Rights at all Alcoa-controlled operations. • Our Values include “Care for People,” which entails treating all people with dignity. • Our Human Rights Policy is comprehensive and transparent. • The Alcoa Code of Conduct and Supplier Standards mandate respect of human rights. <hr/> <p>Implementation</p> <ul style="list-style-type: none"> • All employees receive annual training on the Alcoa Code of Conduct. • Our Global Supplier Sustainability Program assesses key suppliers against sustainability indicators that include human rights. • Our third-party supplier due-diligence program, which manages risk in our supply chain, includes an assessment of various aspects of human rights. • We have an Integrity Line for employees, suppliers and the general public to report ethical and human rights violations. Reports can be made anonymously where permitted by law. All reports are reviewed and, where appropriate, investigated, with recommendations made and follow-up tracked by our Ethics & Compliance organization. <hr/> <p>Measurement of 2016 Outcomes</p> <ul style="list-style-type: none"> • We had zero reported human rights violations in our operations. <hr/> <p>Additional Resources</p> <ul style="list-style-type: none"> • 2016 Alcoa Sustainability Report (See the Human Rights and Supply Chain sections.)

Principles	Actions
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Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

- Our [Human Rights Policy](#), [Alcoa Code of Conduct](#) and [Supplier Standards](#) address all four labor principles.
- Our [Values](#) include “Care for People,” which encompasses providing a diverse, inclusive work culture, working safely and promoting wellness.
- Our [Equal Employment Opportunity](#) statement protects against discrimination.
- In 2016, we had diversity targets to increase the number of women globally and minority employment in the United States in professional and executive positions.
- Our safety goal is zero fatalities, serious injuries and serious illnesses.
- We have internal health and safety standards.

Implementation

- All employees receive training on the Alcoa Code of Conduct and our environment, health and safety requirements.
- We have joint management/union committees that vary by location for safety, equal employment opportunities, diversity and inclusion, civil rights and more.
- We have employee networks that advocate on behalf of LGBTQ, U.S. veterans, women and various cultural, ethnic and generational employees in all regions around the world.
- In 2016, our annual variable compensation plan at the corporate level was linked, in part, to achieving the diversity targets.
- We execute against industry-leading safety and health programs.
- Our Global Supplier Sustainability Program assesses key suppliers against sustainability indicators that include labor practices.
- Our third-party supplier due-diligence program assesses child and slave labor and human trafficking.
- Our [Integrity Line](#) allows employees, suppliers and the general public to report ethical and human rights violations.

Measurement of 2016 Outcomes

- We had zero reported human rights violations in our operations.
- We experienced zero strikes or lockouts in our operations.
- We met our diversity targets for the number of women globally and U.S. minority employment in executive positions and U.S. minority employment in professional positions.
- We experienced one contractor fatality and three serious injuries and illnesses.
- Of the key suppliers assessed through our Global Supplier Sustainability Program, 82 percent were leading or active in sustainability.
- At the end of 2016, more than 60 percent of our targeted suppliers were registered in the third-party supplier due-diligence program.

Additional Resources

- [2016 Alcoa Sustainability Report](#) (See the Strategic Sustainability Targets, Human Rights, Supply Chain, Our People, Safety and Health sections.)

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

- Protecting the environment is an integral part of our three [Values](#).
- We support the precautionary principle.
- The [Alcoa Code of Conduct](#) and [Supplier Standards](#) explicitly indicate protection of the environment.
- We have long-term reduction goals for greenhouse gases, energy, water and waste (see the [2016 Alcoa Sustainability Report](#) for specific goals).
- We have internal environmental standards.
- [Alcoa Foundation](#) invests in global programs addressing climate change and biodiversity.

Implementation

- All new employees receive training on environment, health and safety requirements.
- Employees have ongoing access to training on environmental issues.
- In 2016, our annual variable compensation plan at the corporate level was linked, in part, to achieving carbon dioxide emissions reductions.
- We have a comprehensive corporate environmental management system.
- Our Centers of Excellence—mining, refining, smelting, casting, rolling and energy—advance our knowledge and ensure continuous improvement through technology and engineering, best practice sharing and core operation standards.
- We formed a secondary minerals team to seek alternative uses for coproducts and byproducts from our production process.
- We had 65 percent of our locations certified to the ISO 14001 (environmental management systems) standard.
- Global and location-specific initiatives reduce our environmental impact (see the [2016 Alcoa Sustainability Report](#) for details).
- Legacy Alcoa Foundation provided nearly \$5.5 million in environment-based grants in 2016.

Measurement of 2016 Outcomes

- We reduced our carbon dioxide equivalent emissions by 19 percent, energy intensity by 1 percent, landfilled waste by 38 percent, freshwater-use intensity by 2 percent and area disturbed for mining by 14 percent compared to 2015.
- We introduced the SUSTANA™ line of aluminum products, which we produce with low carbon emissions and recycled aluminum content.
- Our secondary minerals team sold almost 125,000 metric tons of coproducts and byproducts as raw materials or fuel sources for other industries.
- We held Bronze [Cradle to Cradle Certification](#) for our primary aluminum, can sheet and bottle stock.

Additional Resources

- [2016 Alcoa Sustainability Report](#) (See the Strategic Sustainability Targets, Enhancing Product Value and Improving Our Footprint sections.)

Principles

Actions

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

- Our [Values](#) include “Act with Integrity.”
- We have an [Anti-Corruption Policy](#) and supporting procedures for intermediaries; gifts, hospitalities and travel; and charitable contributions.
- The [Alcoa Code of Conduct](#) and [Supplier Standards](#) specifically address corruption.

Implementation

- All employees receive annual training on the Alcoa Code of Conduct.
- All salaried employees receive annual anti-corruption training online.
- We have an established and comprehensive [Ethics and Compliance Program](#).
- Our global network of Integrity Champions raises awareness and offers support to employees regarding ethical issues.
- We have an annual Business Conduct and Conflict of Interest survey and certification, which invite employees to speak with an Alcoa lawyer about any specific concerns.
- We have established procedures and tools for ethics investigations and risk assessments.
- In 2016, we implemented an initiative to review and monitor the ethics and compliance practices of significant joint ventures where we are not the controlling shareholder.
- Our third-party supplier due-diligence program includes assessment of anti-bribery and corruption, trade compliance and criminal history.
- We have an [Integrity Line](#) for employees, suppliers and the general public to report ethical and human rights violations.

Measurement of 2016 Outcomes

- Our online anti-corruption training was completed by 4,234 employees.