

Alcoa of Australia

2014 and 2015 Sustainability Highlights



CONTACT INFORMATION AND FEEDBACK

For further information or to provide feedback on our 2014 and 2015 Alcoa of Australia Sustainability Highlights Report contact:

Director Corporate Affairs

Alcoa of Australia Limited
181-205 Davy Street, Booragoon, Western Australia
PO Box 252, Applecross, Western Australia, 6953
T: +61 (0)8 9316 5111
E: info@alcoa.com.au | W: www.alcoa.com.au

As part of our commitment to reduce waste this sustainability report is only available online.

Alcoa of Australia Limited
ACN 004 879 298

Cover picture: For nearly 20 years, Alcoa of Australia has partnered with the Department of Parks and Wildlife's Western Shield wildlife conservation program to help protect native animals, such as this Western Pygmy Possum, in selected areas of Western Australia; \$2.8 million has been committed during this time.



See glossary on back page for acronym and measurement descriptions.

About this report	3
Chairman and Managing Director message	4
Overview of Australian operations	6
Awards and recognition	7
Our sustainability performance	8
Sustainability governance and approach	9
Stakeholder engagement and material issues	10
Economic performance	16
Protecting our resources	17
Enhancing our workplace	22
Sustaining our communities	24

FORWARD-LOOKING STATEMENTS

Certain statements in this report by Alcoa of Australia Limited or Alcoa Inc (together Alcoa) relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (US). Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "hopes," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," or other words of similar meaning. All statements that reflect Alcoa's expectations, assumptions, or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts concerning global demand for aluminium, end-market conditions, supply/demand balances, and growth opportunities for aluminium in automotive, aerospace and other applications; targeted financial results or operating performance; statements about Alcoa's strategies, outlook and business and financial prospects; and statements regarding the acceleration of Alcoa's portfolio transformation, including the expected benefits of acquisitions. These statements reflect beliefs and assumptions that are based on Alcoa's perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Forward-looking statements are subject to a number of risks, uncertainties and other factors and are not guarantees of future performance. Alcoa disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law.

Important factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: (a) material adverse changes in aluminium industry conditions, including global supply and demand conditions and fluctuations in London Metal Exchange-based prices and premiums, as applicable, for primary aluminium, alumina and other products, and fluctuations in index-based and spot prices for alumina; (b) deterioration in global economic and financial market conditions generally; (c) unfavourable changes in the markets served by Alcoa, including aerospace, automotive, commercial transportation, building and construction, packaging, defence, and industrial gas turbine; (d) the impact on costs and results of changes in foreign currency exchange rates, particularly the Australian dollar, Brazilian real, Canadian dollar, euro and Norwegian kroner; (e) increases in energy costs or the unavailability or interruption of energy supplies; (f) increases in the costs of other raw materials; (g) Alcoa's inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations (including moving its alumina refining and aluminium smelting businesses down on the industry cost curves and increasing revenues and improving margins in its midstream and downstream segments) anticipated from its restructuring programs and productivity improvement, cash sustainability, technology and other initiatives; (h) Alcoa's inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions (including achieving the expected levels of synergies, revenue growth, or EBITDA margin improvement), sales of assets, closures or curtailments of facilities, newly constructed, expanded or acquired facilities, or international joint ventures, including the joint venture in Saudi Arabia; (i) risks relating to operating globally, including geopolitical, economic, and regulatory risks and unexpected events beyond Alcoa's control, such as unfavourable changes in laws and governmental policies, civil unrest, imposition of sanctions, expropriation of assets, major public health issues, and terrorism; (j) a downgrade of Alcoa's credit ratings; (k) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; (l) adverse changes in discount rates or investment returns on pension assets; (m) the impact of cyber-attacks and potential information technology or data security breaches; (n) unexpected events, unplanned outages, supply disruptions, or failure of equipment or processes to meet expectations; (o) the risk that acquisitions will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (p) the loss of customers, suppliers and other business relationships as a result of acquisitions, competitive developments, or other factors; (q) the potential failure to retain key employees of Alcoa or acquired businesses; (r) failure to successfully implement, to achieve commercialization of, or to realize expected benefits from, new or innovative technologies, equipment, processes, or products, whether due to competitive developments, changes in the regulatory environment, trends and developments in the aerospace, metals engineering and manufacturing sectors, or other factors; and (s) the other risk factors summarized in Alcoa's Annual Report or Form 10-K for the years ended December 31, 2014 and 2015 and other reports filed with the Securities and Exchange Commission. Market projections are subject to the risks discussed above and other risks in the market.

ABOUT THIS REPORT

This is the 14th year of sustainability reporting for Alcoa of Australia Limited (Alcoa of Australia), which is 60 per cent owned by Alcoa Inc (Alcoa) and 40 per cent owned by Alumina Limited. Alcoa is a publicly listed company on the New York Stock Exchange. Alumina Limited is listed on the Australian Securities Exchange.

While Alcoa of Australia has been producing local sustainability reports since 2001, the global Alcoa business has been setting sustainability goals and publicly reporting its progress against these goals since 1993 in order to communicate its performance to stakeholders in an open and transparent way.

This report is for the 24-month period 1 January 2014 to 31 December 2015. It covers mostly the activities of Alcoa of Australia with minor references to Alcoa's other Australian businesses - Alcoa Australia Rolled Products Pty Ltd, Alcoa Wheel Products Australia Pty Ltd and Alcoa Fastening Systems Australia Pty Ltd, all of which are wholly owned by Alcoa.

This report can be read in conjunction with the 2014 and 2015 global Alcoa sustainability reports (www.alcoa.com/sustainability/en). In addition, the information in this report is supplemented by other Alcoa reports and documents, including the Alcoa Annual Report, Alcoa of Australia Environmental Improvement Plans and Alcoa of Australia website (www.alcoa.com.au).

There were no significant changes regarding structure or ownership of the company during the reporting period, however operations reduced in size as a result of the permanent closure of the Point Henry aluminium smelter (August 2014) and Anglesea coal mine and power station (August 2015). Alcoa also closed its Alcoa Australia Rolled Products businesses (December 2014); these include Point Henry rolling mill in Victoria and Yennora rolling mill and recycling facility in New South Wales.

Financial figures are in Australian dollars unless otherwise specified. For further information about Alcoa of Australia and our parent company Alcoa please go to www.alcoa.com.au.

ASSURANCE

PricewaterhouseCoopers (PwC) Australia is the independent auditor of Alcoa of Australia and has audited the 2014 and 2015 financial statements. In addition, the global business continued to work with PwC to obtain limited assurance on our consolidated Scope 1 and Scope 2 greenhouse gas emissions data under the American Institute of Certified Public Accountants' attestation standards, of which Alcoa of Australia's greenhouse gas data is a subset.



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

In 2014 and 2015, Alcoa of Australia endured turbulent market conditions with significant price declines in alumina and aluminium and exchange rate variations that placed additional challenges on our operations.

Despite the tough times, our focus remained the same: maintain a safe, successful and sustainable business for our employees, shareholders, customers, suppliers and the communities in which we operate.

I am extremely proud of what we achieved. We had to make some difficult decisions along the way to maintain our focus on generating cash, reducing costs, delivering productivity and at the same time keeping our people engaged and motivated.

While the long-term future for aluminium is positive, with demand expected to grow six per cent in 2016 and double between 2010 and 2020, a number of Australian assets were deemed no longer globally competitive or financially viable. In 2014 our Point Henry smelter was closed along with the Alcoa Inc-owned Point Henry and Yennora rolling mills and Yennora recycling facility. In 2015 the Anglesea coal mine and power station (which supplied 40 per cent of Point Henry's power needs) was also closed after a buyer for the facility could not be found.

We recognise how deeply the decisions impacted employees at the affected facilities and we supported them through the transition. We also assisted the Geelong and Anglesea communities transition to a future without Alcoa. Alcoa of Australia and the Alcoa Foundation proudly committed nearly \$6 million in community grants and a contribution to the Geelong Region Innovation and Investment Fund. Learn more in *Sustaining our communities* on page 24.

On the back of closing facilities, we welcomed the support of both major Australian political parties to exempt the aluminium smelting industry from the Renewable Energy Target (RET) scheme. The RET liability was estimated to be in the range of \$70 to \$80 million a year and likely to increase. This now assists in enabling the industry to remain internationally competitive and a significant employer.

In Western Australia, we also welcomed government approval to undertake a bauxite export trial. As part of efforts to create a globally competitive commodity business, our mining team will explore opportunities to optimise the value of our mineral lease by exporting bauxite to third parties. This will allow us to increase production at our mines without significant capital cost and, given economies of scale, lower our operating costs.

In April 2015, we announced we had secured a new 12-year gas supply agreement which, combined with a number of smaller agreements, means we have secured approximately 75 per cent of our Western Australia natural gas requirements to replace existing long-term contracts that start to roll off toward the end of the decade and expire during 2020.

2015 also saw the commencement of construction of an innovative technology known as residue filtration at our Kwinana alumina refinery. Multiple business and environmental benefits will be realised as a result of this exciting new development. Learn more in *Waste management* on page 20.

Safety is central to the way we do business and we continue to strive for a mindset and behaviours that lead us to a zero harm workplace. However, we tragically had a fatality at our Kwinana refinery at the end of 2015. This was a sobering reminder that we must never compromise on safety and always remain vigilant.

While it's hard to be positive about our safety record following the fatality, pleasingly we did see all our key health and safety metrics improve in 2014 and 2015.



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR *continued*

Although challenging, 2014 and 2015 also brought us moments and milestones to celebrate. Alcoa of Australia for the 14th consecutive year was recognised as an Employer of Choice for Gender Equality by the Federal Government's Workplace Gender Equality Agency; Wagerup refinery celebrated 30 years of operation in 2014; in January 2015 Kwinana refinery received its 300 millionth wet tonne of bauxite supplied by Jarrahdale and Huntly mine sites since 1963; this incredible achievement follows the significant milestone celebrated in December 2014 when Wagerup refinery received its 200 millionth wet tonne of bauxite from Willowdale mine. Totalled together, we are on track to reach a major milestone of one billion tonnes mined in early 2016.

Our people also excelled with eight employees winning individual industry, education and community awards (see *Awards and recognition* on page 7); and our longest serving employee, Kwinana refinery's Rod Cumming, officially retired after an epic 50 years at Alcoa.



Former Chairman and Managing Director Alan Cransberg also retired after 35 years of distinguished service in September 2015. Alan was an iconic leader who made a tremendous difference to the company and earned the respect of employees, as well as community, business and political leaders. We thank him unreservedly for his commitment to Alcoa.

2016 is set to be an exciting year for the global Alcoa business as the company announced in September 2015 a plan to separate into two industry-leading public companies. While it will be business as usual for Alcoa of Australia, the separation will see us with a new parent company (Alcoa Corporation).

I am extremely proud to lead Alcoa of Australia. Despite recent challenges, our focus for 2016 and beyond continues to be on creating long-term stability and sustainability for our business and our industry. We have exceptional people and high quality assets, with favourable market conditions forecasted; I am excited about the future and all that we will achieve.

Michael Parker

**CHAIRMAN AND MANAGING DIRECTOR
ALCOA OF AUSTRALIA LIMITED**

OVERVIEW OF ALCOA'S AUSTRALIAN OPERATIONS

In 2014 and 2015 Alcoa's Australian operations represented the world's largest integrated bauxite mining, alumina refining and aluminium smelting and rolling system.

Alcoa of Australia operates the mines, refineries and smelters, while Alcoa Australia Rolled Products operates the rolling mills and recycling operation. Together, these businesses support approximately 5,500 direct jobs, predominantly in regional Australia.

Alcoa's principle Australian operations in the reporting period include:

- Two bauxite mines in Western Australia (Huntly and Willowdale)
- Three alumina refineries in Western Australia (Kwinana, Pinjarra and Wagerup)
- Two aluminium smelters in Victoria (Point Henry and Portland [55 per cent])
- Two aluminium rolling mills in Victoria and New South Wales (Point Henry and Yennora)
- An aluminium recycling plant in New South Wales (Yennora)
- A coal mine and power station in Victoria (Anglesea)
- Two dedicated port facilities in Western Australia (Kwinana and Bunbury)
- Alcoa Farmlands, located across three sites in Western Australia (Pinjarra, Wagerup and Boddington)
- The Marrinup Nursery in Western Australia



Alcoa's other operations in Australia are Alcoa Wheel Products Australia which distributes aluminium truck wheels and Alcoa Fastening Systems Australia which manufactures and distributes specialist fasteners. Alcoa of Australia also has 20 per cent ownership of the Dampier to Bunbury Natural Gas Pipeline in Western Australia.

Alcoa of Australia's Victorian smelters and Western Australian refineries produce approximately 20 per cent of Australia's aluminium and approximately 42 per cent of the country's alumina, meeting approximately nine per cent of world alumina demand. Most of the alumina produced by Alcoa of Australia is exported to key markets, including China and the Middle East. Alcoa businesses also export non-metallurgical alumina and aluminium ingots.

In 2015:

4,433

Alcoa of Australia employees

\$715.5m

paid in wages and benefits

\$395m

paid in taxes, royalties, rates and charges to Australian governments

\$5.05m

Alcoa of Australia and Alcoa Foundation community investments

5,588 visitors

toured Western Australian operations

Employer of Choice for Gender Equality

14th consecutive year awarded by Workplace Gender Equality Agency

AWARDS AND RECOGNITION

We received a number of awards in 2014 and 2015 in recognition of our commitment to sustainable business and environmental conservation:

2014

Workplace Gender Equality Agency
Employer of Choice for Gender Equality (13th year)

Pride in Diversity
Australian Workplace Equality Index
Bronze Tier Employer

Celebrate Western Australia
Special Recognition Award

Healthier Workplace Western Australia
Silver Status Healthy Workplace Award
Western Australian Mining Operations

Nursery and Garden Industry Australia
Best Propagation Nursery Award
Marrinup Nursery

University of Queensland
Doctor of Medicine Award
Director of Health and Chief Medical Officer
Dr Michael Donoghue

Member of The Order of Australia
President Global Mining Centre for Excellence
Kim Horne

Engineers Australia
Kwinana Alumina Refinery's Paula West:

- Western Australian Young Professional Engineer of the Year
- National Young Professional Engineer of the Year

Peel Chamber of Commerce and Industry and
Rotary Club of Mandurah
Pride in Workmanship Award
Pinjarra Alumina Refinery's Damian Keeley

South West TAFE (Victoria)
First Year Apprentice of the Year
Portland Aluminium Smelter's Michael Matthews

2015

Workplace Gender Equality Agency
Employer of Choice for Gender Equality (14th year)

Pride in Diversity
Australian Workplace Equality Index
Bronze Tier Employer

Royal Australian Chemical Institute
RK Medal
Alcoa Global Refining Technology Delivery Group's
Dr Ian Harrison

South West Institute of Technology (WA)
Process Plant Operator Trainee of the Year
Wagerup Alumina Refinery's Donna McKee

South West TAFE (Victoria)
Koorie Achiever of the Year Award
Portland Aluminium Smelter's Sam Couzens



OUR SUSTAINABILITY PERFORMANCE

<u>INPUT</u>	<u>UNIT</u>	Mining	Mining	Refining	Refining	Smelting	Smelting	Angelsea CM & PS	Angelsea CM & PS
		<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Electricity imported	MWh	Obtained from Refining	Obtained from Refining	305,365	299,040	5,965,278	4,376,483	222	225
Natural gas	TJ	n/a	n/a	83,301	84,420	677	502	n/a	n/a
Steam	TJ	n/a	n/a	11,984	12,954	n/a	n/a	n/a	n/a
Diesel and fuel oil	KI	38,856	37,230	4,779	4,064	977	632	2,001	1,381
Fresh water	ML	1,022	963	14,906	15,392	507	372	3,966	2,922
Land cleared	Ha	827.7	756.0	n/a	n/a	n/a	n/a	1.2	0
<u>OUTPUT</u>	<u>UNIT</u>								
Bauxite mined	BDMT	31.4 million	31.7 million	n/a	n/a	n/a	n/a	n/a	n/a
Smelter grade alumina (including alumina chemicals) rated capacity	Kt	n/a	n/a	8,979	8,979	n/a	n/a	n/a	n/a
Aluminium rated capacity	Kt	n/a	n/a	n/a	n/a	100%= 548 55%= 387	100%= 358 55%= 197	n/a	n/a
Coal produced	T	n/a	n/a	n/a	n/a	n/a	n/a	1,054,380	658,019
Electricity exported	MWh	n/a	n/a	50,713	104,907	n/a	n/a	1,177,891	731,943
Land rehabilitated	Ha	613.5	557.8	n/a	n/a	n/a	n/a	2.4	0
<u>WASTE OUTPUT</u>	<u>UNIT</u>								
CO ₂ emissions (CO ₂ e) – Scope 1 (Direct)	Kt	104.0	99.6	4286.9	4345.2	744.1	535.9	1398.8	890.1
CO ₂ emissions (CO ₂ e) – Scope 2 (Indirect)	Kt	88.5	84.3	801.2	828.4	7016.7	5054.3	0.26	0.27
Bauxite residue stored	Kt	n/a	n/a	18,247	18,266	n/a	n/a	n/a	n/a
Bauxite residue used	T	n/a	n/a	2.5	15.1	n/a	n/a	n/a	n/a
Spent pot lining to storage	T	n/a	n/a	n/a	n/a	-4,306	-13,850	n/a	n/a
Spent pot lining recycled	T	n/a	n/a	n/a	n/a	13,108	20,318	n/a	n/a

See glossary on page 26

SUSTAINABILITY GOVERNANCE AND APPROACH

Alcoa's values guide our behaviour at Alcoa of Australia and all directors, executives and employees are required to conduct business in compliance with Alcoa's business conduct policies.

Board of directors

Alcoa of Australia is an unlisted public company. Its board members at 31 December 2015 were:

- Michael Parker, Chairman and Managing Director, Alcoa of Australia Limited
- Mark Hunter, Director Finance, Alcoa of Australia Limited
- Simon Butterworth, Chief Operating Officer, Alcoa Refining
- Peter Wasow, Chief Executive Officer, Alumina Limited
- Chris Thiris, Chief Financial Officer, Alumina Limited

Alcoa's governance structure applies to Alcoa of Australia and includes a comprehensive global ethics and compliance program to ensure all employees understand and comply with corporate policies and the regulations governing the business.

Our approach

At Alcoa of Australia, sustainability is defined as using our values to build financial success, environmental excellence and social responsibility. We do this in partnership with all stakeholders in order to deliver long-term benefits to our shareholders, employees, customers, suppliers and the communities in which we operate.

We integrate sustainability into our business strategy using a multi-layered approach. We also contribute toward the long-term goals and objectives developed by Alcoa's global sustainability team.

Our Director Environment and Sustainability is part of the Alcoa of Australia senior leadership team and is responsible for integrating strategies that realise responsible environmental stewardship. Specific Alcoa of Australia leaders are accountable for strategic management of employee engagement, training, development and diversity; health and safety; community engagement and social investment; financial performance; and business governance.

To ensure the integration of sustainability into our core business strategies, pay for performance KPIs are established annually in relation to sustainability objectives. These sustainability targets focus on safety and carbon dioxide emission reductions through process improvements and improved energy efficiency. Managers also have a diversity target.



STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES

Identifying and understanding the issues that matter to our business requires ongoing and meaningful engagement with stakeholders. We engage with a wide variety of people in different ways, depending on the impact of our operations.

Our key stakeholders include our shareholders; customers, suppliers and employees; the public agencies that regulate our businesses; the non-governmental organisations interested in what we are doing; and the people who live in the communities where we operate.

Key stakeholders engaged in 2014 and 2015 (excluding government bodies)			
AMIRA International	City of Greater Geelong	Geelong Manufacturing Council	Shire of Harvey
ANGAIR	City of Kwinana	Give Where You Live Geelong	Shire of Murray
Angelsea Surf Life Saving Club	City of Mandurah	Glenelg Shire Council	Shire of Waroona
Australasian Industrial Research Group (2014 only)	City of Portland	Greening Australia	South West Development Commission
Australian Aluminium Council	Committee for Economic Development of Australia	Gunditj Mirring Traditional Owners Aboriginal Corporation	South West Institute of TAFE
Australian Business Arts Foundation (2014 only)	Committee for Geelong	International Aluminium Institute (2015 only)	South West Regional Waste Group (2014 only)
Australian Centre for Corporate Social Responsibility (2014 only)	Committee for Portland	Kwinana Industries Council	Swan River Trust
Australian Council of Recycling (2014 only)	Commonwealth Scientific and Industrial Research Organisation	Mandurah Performing Arts Centre	The American Chamber of Commerce, Victoria (2014 only)
Australian Industry Greenhouse Network (2014 only)	Conservation Volunteers Australia (2014 only)	Minerals and Energy Research Institute of Western Australia	The Chamber of Minerals and Energy of Western Australia Inc.
Australian Industry Group	Consulate General of the United States, Perth	Minerals Council of Australia	The Workplace Gender Equality Agency
Australian Institute of Management	Corporate Volunteer Council of Western Australia (2014 only)	Munda Biddi Trail Foundation (2015 only)	United Way Glenelg
Australian Renewable Energy Agency (2015 only)	Curtin University of Technology	Murdoch University	University of Western Australia (2015 only)
Australian Mines and Metals Association (2014 only)	Deakin University	Northern Land Council (2015 only)	Volunteering WA
Barwon Regional Waste Management Group (2014 only)	DomGas Alliance	Perth Region Natural Resource Management	Western Australian Chemistry Centre (2015 only)
Bunbury Wellington Economic Alliance	Fairbridge Western Australia Inc.	Portland District Health	WA Renewable Energy Alliance (2014 only)
Business Council of Australia	G21 Alliance (Geelong)	Royal Melbourne Institute of Technology University	Western Australian Museum (2014 only)
Celebrate WA	Geelong Chamber of Commerce	Scitech	Winda-Mara Aboriginal Cooperation (2015 only)
Chamber of Commerce and Industry of Western Australia Inc.	Geelong Environment Council	Sculpture by the Sea	Youth Focus

STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES *continued*

Community consultation

Community consultation and engagement forums exist in all Alcoa of Australia locations. Following is a list of all community consultative groups for 2014 and 2015. Groups comprise numerous stakeholders including local councils, state government bodies, representatives from local community groups, industry members, community members and Alcoa of Australia representatives.

- Alcoa Myara Mining Community Forum
- Anglesea Heath Consultative Committee
- Beelie Regional Parks Community Advisory Committee (2014 only)
- City of Kwinana Art Advisory Group (2014 only)
- Community Advisory Board - Point Henry
- Community Advisory Network - Portland
- Community Consultative Networks - Pinjarra, Wagerup, Anglesea and Yennora
- Dwellingup Community Compact (2015 only)
- Environmental Improvement Plan Advisory Groups - Kwinana and Pinjarra
- Environmental Improvement Plan Advisory Groups - Western Australia Mining (2014 only)
- Keysbrook Hills Community Group
- Kwinana Communities and Industries Forum
- Kwinana Long-Term Residue Management Strategy Stakeholder Reference Group
- Macropod Management Plan Stakeholder Group (2015 only)
- Mine Management Planning and Liaison Group
- Pinjarra Long-Term Residue Management Strategy Reference Group (2015 only)
- Point Danger Committee of Management
- Portland Heathland Management Committee (2014 only)
- Port of Portland Environment Lead (2015 only)
- The Far South West Koala Stakeholder Working Group (2015 only)
- Traditional Owners of Howard and Elcho Islands in East Arnhem Land (2015 only)
- Wagerup Environmental Improvement Plan Stakeholder Reference Group (2014 only)
- Wagerup Long-Term Residue Management Strategy Stakeholder Reference Group (2014 only)

Material issues

The following key issues were raised by or discussed with stakeholders in 2014 and 2015.

2014 Stakeholder issues		
Location	Issue	Action/Response
Anglesea, Victoria	Following the closure of Point Henry smelter, the Surf Coast Air Action Group mounted a campaign to have the Anglesea coal mine and power station shut down.	When we announced the closure of Point Henry, we actively sought a buyer for the Anglesea coal mine and power station. We worked through the sale process and made a decision on the future of the Anglesea operations in 2015 – see below 2015 issue for further actions.
Kwinana, Western Australia	Two residential developments have been proposed less than 1.5 kilometres from the Kwinana refinery's residue storage area. The majority of these developments fall within the extended Kwinana Industrial (including air-quality) Buffer adopted by the Western Australian Planning Commission in September 2010.	We opposed the developments and were successful in proceedings before the State Administrative Tribunal, which recommended to the Western Australia Minister for Planning that the subdivision proposals be refused.

2014 Stakeholder issues *continued*

Location	Issue	Action/Response
Point Henry, Victoria Yennora, New South Wales	We announced in February 2014 the Point Henry smelter and adjacent rolling mill, plus a rolling mill in Yennora, would be permanently closed. The smelter closed in August and the rolling mills in December.	As part of the transition and support for the local community, Alcoa Foundation granted US\$559,000 to six Geelong-based organisations. Alcoa also made a \$10 million contribution to the Geelong and Yennora communities to help stimulate new jobs and fund training programs in the regions.
Wagerup, Western Australia	Alcoa of Australia was fined \$68,000 plus costs in November 2014 after an earlier guilty plea to an offence under the Mines Safety and Inspections Act at our Wagerup refinery.	<p>The charge of failing to provide and maintain a working environment in which contractor employees were not exposed to a hazard was related to the tragic death of a Transpacific Industries employee in September 2009.</p> <p>The offence to which we pleaded guilty did not allege we caused the death of the contractor employee. At the time of the accident, hazard identification was, and remains, an important component of our safety management system. We have since further improved our safety procedures.</p>
Wagerup, Western Australia	In June 2012, we were granted approval by the Western Australia Minister for Environment to allow noise emissions to exceed or vary from the prescribed standard. This approval does not allow increased noise emissions from our Wagerup refinery, but rather brings current noise levels within the regulations.	<p>We were granted approval by the Minister for Environment under Regulation 17 of the Noise Regulations in June 2012. This approval, which was announced in December 2013, does not allow us to increase noise emissions from the refinery but rather brings current noise levels within the regulations.</p> <p>The amended noise approval requires us to establish a noise-monitoring program to monitor compliance and implement a plan to provide noise insulation for dwellings on noise-affected land. In 2014, we submitted a noise amelioration plan that included a land management plan setting out the procedures for our purchase of noise-affected dwellings and for the noise insulation program.</p>
Western Australia Mining Operations	Exploration drilling near the Dwellingup township has the potential to cause concern among landowners.	<p>We invited all 388 nearby landholders to attend a Community Information Day in November 2014, with 100 community members attending the event. An additional five consultations were held during 2014.</p> <p>We provided community members with information on how and when the drilling program would be conducted and gave a commitment to further consultation throughout the drilling program, due to commence in 2015.</p>

2015 Stakeholder issues

Location	Issue	Action/Response
Alcoa of Australia	The Australian Conservation Foundation released a report examining the top 10 greenhouse gas (GHG) emitters in Australia. The report used the latest publicly available GHG emissions data for each company. Alcoa of Australia was seventh.	<p>We received no formal inquiries from our stakeholders regarding the report.</p> <p>By its nature, aluminium production is energy intensive, creating a significant greenhouse footprint. For more than two decades, we have been actively engaged in efforts to reduce our GHG emissions.</p>
Anglesea, Victoria	Following the closure of our Point Henry smelter in 2014, some members of the Anglesea community called for the Anglesea coal mine and power station to be shut down instead of sold. The power station provided power to the smelter.	<p>Consultation occurred via community meetings, face-to-face meetings with key stakeholders, and newspaper advertorials to keep interested community members informed of progress relative to the sales process. After a sale could not be concluded, we shut down the mine and power station in August 2015.</p> <p>We provided grants totaling \$225,000 to 14 long-term community partners to help them transition to a future without Alcoa. This was in addition to the \$5 million we contributed in 2014 to the Geelong Region Innovation and Investment Fund to support job creation projects to strengthen and diversify the regional employment base, and the US\$559,000 the Alcoa Foundation granted to six Geelong-based community organisations.</p> <p>We will continue to engage with the local community in 2016 regarding the final mine closure plan.</p>
Booragoon, Western Australia	Australian Manufacturing Workers' Union members protested over employee re-rostering and claims we had instructed our suppliers on how to approach contract negotiations for enterprise bargaining agreements.	We refuted the union's claims through formal meetings and written correspondence. We stated that re-rostering had been carried out in accordance with labour agreements and we do not interfere in negotiations between suppliers and their employees.
Kwinana, Western Australia	<p>Two residential developments were proposed less than 1.5 kilometres from our Kwinana refinery's bauxite residue storage area and mostly within the Kwinana Industrial (including air-quality) Buffer adopted by the Western Australian Planning Commission in September 2010.</p> <p>In 2014, we opposed the residential developments and were successful in proceedings before the State Administrative Tribunal, which prevented progress of the development. This outcome is now subject to a further legal challenge by the property developers.</p>	<p>In 2015, we held briefings with local and state government representatives, the Kwinana Industrial Council (KIC), and the KIC community consultative committee to call for greater controls to protect the industrial area from development.</p> <p>Via a public statement on our website, we welcomed the State Government's proposed legislation to formalise a protection area around the western trade coast industrial area, which includes the Kwinana refinery.</p> <p>We stated the legislation is an important planning tool that will help protect the state's valuable Kwinana industrial assets and avoid future land-use conflicts. We have endorsed the legislation, which will be introduced in 2016.</p>

2015 Stakeholder issues *continued*

Location	Issue	Action/Response
Kwinana and Pinjarra, Western Australia	Two separate potential low-level asbestos-exposure incidents involving contractors occurred at the Kwinana and Pinjarra refineries. These resulted in an audit of our asbestos-management procedures by the Department of Mines and Petroleum, which recommended minor modifications to further strengthen our asbestos-management controls.	Our Director of Health and Chief Medical Officer said in workforce meetings and media statements that the risk of any health impact to the contractors working on the jobs was considered extremely low. This was due to their limited exposure to asbestos-containing material, the type of asbestos and the short duration of the tasks undertaken.
Pinjarra, Western Australia	The Australian Manufacturing Workers' Union started a petition calling for WorkSafe to conduct an inquiry into alleged workplace bullying at Pinjarra refinery. This issue and mental health concerns were also raised in the Western Australian Parliament.	We highlighted to the unions and employees via face-to-face and written communications the avenues available to report workplace bullying and complaints. We also promoted the many initiatives, services, and employment conditions in place to help equip employees and their families to deal with various work and life challenges. In addition, we provided mental health awareness training to all employees.
Portland, Victoria	<p>To reduce costs at the Portland Aluminium smelter, we decided to sell our 27-year-old MV Portland vessel and secure a license to use foreign-flag vessels for 12 months.</p> <p>After the MV Portland's final voyage in November 2015, members of the Maritime Union of Australia refused to sail the ship to Singapore to be sold.</p> <p>The Australian Fair Work Commission and the Australian Federal Court ordered the industrial action to stop. Despite this, the MV Portland remained stranded in the Port of Portland at the end of 2015.</p>	<p>To resolve the issue, we met with and wrote to the union and ASP Management, the crew's employer.</p> <p>To explain the issue, we sent letters to Portland businesses, published open letters to the community in the local newspaper and issued media releases.</p>
Portland, Victoria	Due to its electricity intensity, the aluminium smelting industry would be greatly impacted by the Australian federal government's Renewable Energy Target (RET) scheme to a far greater extent than any other Australian industry. Estimates show the RET liability associated with Australian aluminium smelting to be in the range of \$70 to \$80 million a year and likely to increase.	After formally engaging relevant stakeholders through face-to-face meetings and written correspondence, we welcomed support from both major political parties to exempt the aluminium smelting industry from RET. This will enable the industry to remain internationally competitive and a significant employer in regional Victoria.

2015 Stakeholder issues *continued*

Location	Issue	Action/Response
Wagerup, Western Australia	In June 2012, we were granted approval by the Western Australia Minister for Environment to allow noise emissions to exceed or vary from the prescribed standard. This approval does not allow increased noise emissions from our Wagerup refinery, but rather brings current noise levels within the regulations.	<p>A noise monitoring program required as part of the approval showed refinery noise emissions during 2014 and 2015 were demonstrably lower than those recorded at the same locations during 2002 and 2003.</p> <p>We were also required to undertake noise monitoring during weather conditions most conducive to noise propagation to measure refinery noise levels compared to the assigned levels. This monitoring found refinery noise was lower than the assigned levels most of the time. Elevated noise levels were recorded on a small number of occurrences in specific areas of the refinery. We are implementing action plans to address the noise at the source.</p> <p>We shared the results of the monitoring program with the Wagerup Community Consultative Network, the Department of Environment Regulation and interested parties through face-to-face meetings, advertisements in local and state newspapers and publication on our website.</p>
Western Australian Mining Operations	Exploration drilling near the township of Dwellingup commenced in 2015 following consultation with nearby landholders at the end of 2014. The initial phase of the program resulted in some concern about disturbance of the forest in drilled areas.	<p>We committed to modify our drilling practices, where safe and practical, to reduce the disturbance and visual impact of drilling. We also committed to restoring formal paths and tracks impacted by the movement of drilling equipment. We communicated these measures to landholders in a July 2015 letter.</p> <p>We have continued to communicate one-on-one with interested neighbours as needed. The results of the exploration program will be shared with the community in the second half of 2016.</p>
Western Australian Operations	<p>Energy security and access to long-term, competitively priced natural gas is a strategic risk for our refining assets in Western Australia. We are the state's largest user of natural gas, consuming approximately 25 per cent of total domestic supply.</p> <p>Our key Western Australia gas contracts start to roll off toward the end of the decade and expire during 2020. Limited competition and a focus on exporting the state's gas as liquefied natural gas made it difficult to secure new long-term contracts for the volume of gas we need.</p>	Following extensive negotiations, we announced in April 2015 we had secured a new 12-year gas supply agreement. Commencing in 2020, the agreement is for an initial supply of 120 terajoules per day of natural gas. Combined with a number of smaller agreements, this means we have secured approximately 75 per cent of our Western Australia natural gas requirements to replace the existing long-term contracts.

ECONOMIC PERFORMANCE

As one of Australia's leading exporters and employers, Alcoa of Australia is a major contributor to local, state and national economies. We share our success with employees, customers, government and communities through jobs, business opportunities, taxes, dividends and partnerships.

In 2015, Alcoa of Australia's operations injected approximately \$395 million into Australia's federal, state and local governments through the payment of taxes, royalties, rates and charges.

Other economic contributions, both direct and indirect, include:

- Employee wages, which have flow-on benefits for local businesses and communities.
- Procurement of goods and services, which in turn support business operators and flow-on employment.
- Charitable contributions, sponsorships and partnerships, both financial and in-kind, by the business, employees and Alcoa Foundation, which support education, health care, environment and recreation program delivery by recipient organisations.

Alcoa of Australia	2013 Investment (AU\$)	2014 Investment (AU\$)	2015 Investment (AU\$)
Net profit after tax	\$259.5 million	\$215.7 million	\$645.5 million
Sales revenue	\$3,675.5 million	\$3,866.2 million	\$4,117.0 million
Income tax paid	\$73.9 million	\$185.5 million	\$237.3 million
Wages and benefits	\$766.9 million	\$799.8 million	\$715.5 million
Procurement spend (including rail and road transport; excluding shipping and energy)	\$1,679 million	\$1,421 million	\$1,158 million
Alcoa of Australia and Alcoa Foundation community investment	\$4.9 million	\$4.6 million	\$5.05 million

PROTECTING OUR RESOURCES

Environmental management

Protecting and preserving the environment are core elements of Alcoa's values and commit us to the highest standards of environmental performance.

Alcoa of Australia is acknowledged as a leader in a number of environmental management areas and we strive for continual improvement as evidenced through the [Environment Improvement Plans](#) we voluntarily produce for all operations.

Energy

Energy is a key issue for Alcoa of Australia, both from a supply and cost perspective. Energy represents between 20-30 per cent of our operating costs and reliable, secure, long-term energy supplies at a competitive price remain essential to our business success.

In April 2015, we announced a new 12-year gas supply agreement to power our Western Australian alumina refineries. Commencing in 2020, the agreement, combined with a number of smaller agreements, means Alcoa of Australia has secured approximately 75 per cent of its natural gas requirement to replace existing long-term contracts that expire at the end of the decade. While the contract alleviates most medium term need, the business continues to pursue options to ensure 100 per cent of our Western Australian energy requirements are met as soon as possible.

Energy consumption

Source	2014 Purchased electricity * <i>Megawatt hour</i>	2015 Purchased electricity * <i>Megawatt hour</i>	2014 Direct energy consumption <i>Terajoule</i>	2015 Direct energy consumption <i>Terajoule</i>
Coal (some of this electricity comes from the grid so is a mixture of sources)	9,634,514	8,307,983		
Natural gas			83,978	84,923
Steam			11,984	12,954
Diesel and fuel oil			46,613	43,306

*Includes power produced from Anglesea power station.

Energy intensity

	Gigajoules per metric ton of aluminium produced
2011	76.26
2012	76.20
2013	75.61
2014	74.75
2015	75.03

PROTECTING OUR RESOURCES *continued*

Emissions

The production of primary aluminium is a significant contributor to greenhouse gas emissions due to relatively high energy consumption, particularly in the smelting stage.

Alcoa of Australia is committed to investigating the most energy-efficient and low-emission ways of doing business; so much so, an energy efficiency key performance indicator is associated with senior management remuneration.

Since 2008, Alcoa of Australia has publicly reported its emissions and energy consumption under the National Greenhouse and Energy Reporting System.

Greenhouse gas emissions – refineries

	Greenhouse gas emission intensity <i>Metric tons of CO₂ equivalents per ton of production</i>	Direct (Scope 1) greenhouse gas emissions <i>Metric tons of CO₂ equivalents</i>	Indirect (Scope 2) greenhouse gas emissions <i>Metric tons of CO₂ equivalents</i>
2011	0.542	4,260,706	621,639
2012	0.545	4,295,196	711,464
2013	0.554	4,276,673	810,335
2014	0.548	4,286,879	801,198
2015	0.557	4,345,169	828,423

Increase in Scope 1 emissions from 2014 to 2015 due to Wagerup refinery's increased alumina and electricity production. Increase in Scope 2 emissions from 2014 to 2015 attributable to Pinjarra refinery's increase in steam consumption generated through the cogeneration process.

Greenhouse gas emissions – smelters and Anglesea coal mine and power station

(includes 55 per cent share of Portland Aluminium smelter)

	Greenhouse gas emission intensity <i>Metric tons of CO₂ equivalents per ton of production</i>	Direct (Scope 1) greenhouse gas emissions <i>Metric tons of CO₂ equivalents</i>	Indirect (Scope 2) greenhouse gas emissions <i>Metric tons of CO₂ equivalents</i>
2011	20.333	2,083,061	5,168,330
2012	20.347	2,078,882	5,204,132
2013	19.808	1,906,878	5,099,318
2014	19.402	1,906,115	3,306,293
2015	18.880	1,184,898	1,889,948

Reduced emissions from 2014 to 2015 attributable to the shutdown of Point Henry smelter and Anglesea coal mine and power station.

Greenhouse gas emissions - mine sites (WA)

	Greenhouse gas emission intensity <i>Metric tons of CO₂ equivalents per ton of production</i>	Direct (Scope 1) greenhouse gas emissions <i>Metric tons of CO₂ equivalents</i>	Indirect (Scope 2) greenhouse gas emissions <i>Metric tons of CO₂ equivalents</i>
2011	0.0050	99,976	73,318
2012	0.0050	100,426	74,118
2013	0.0055	105,037	83,133
2014	0.0055	103,975	88,492
2015	0.0054	99,643	84,306

Scope 1 emissions decreased from 2014 to 2015 due to decrease in haul road distances as a result of moving the Myara crusher.

PROTECTING OUR RESOURCES *continued*

Air emissions

	Mercury Kilograms	SO ₂ Thousands of metric tons	NO _x Thousands of metric tons	Fluoride Kilograms
2011	1,026	49,662.78	8,749.31	195,511
2012	1,108	45,492.54	8,957.91	189,363
2013	987	45,998.23	8,266.93	201,295
2014	1,166	50,690.45	9,061.33	187,523
2015	1,270	27,641.96	7,051.07	119,270

Mercury increase from 2014 to 2015 attributable to typical fluctuations in the refining chemical process. Other 2014 to 2015 emission reductions attributable to Point Henry smelter and Anglesea coal mine and power station closure.

Water

Water is essential to our operations; it is also a scarce resource in Western Australia where our mining and refining operations are located.

The majority of our water needs are met by collecting surface water runoff from our own and adjacent properties, streams and catchments, groundwater accessed via licensed bores, recycled water from local wastewater treatment plants and freshwater purchased from water service providers.

We are committed to conserving this valuable resource through strategic water management, recycling and innovative technology (see *residue filtration* on page 20).



In 2014 and 2015 total freshwater consumption decreased year on year, however in 2015 surface water abstraction and rainwater collection were limited in Western Australia due to low rainfall. Supply was made up from other sources including groundwater supplies and other water providers. Municipal water usage decreased due to improved water efficiency measures at Pinjarra refinery and the closure of Point Henry smelter and Anglesea coal mine and power station. As agreed with the regulator and as a gesture of goodwill, we continued to supply water to the Anglesea River from September 2015 to March 2016.

	Surface water (m ³)	Ground water (m ³)	Municipal water supply (m ³)	Other (water provider) (m ³)	Freshwater total (m ³)	Rainwater collected (m ³)	Wastewater from third party (m ³)
2011	3,691,500	13,489,061	3,553,059	4,409,000	25,142,620	9,765,369	248,359
2012	3,143,100	13,003,114	2,064,619	2,834,500	21,045,333	8,167,853	281,876
2013	6,338,388	11,758,665	1,145,197	2,045,400	21,287,650	10,047,247	313,399
2014	4,930,826	11,646,576	965,495	2,857,104	20,400,001	11,680,335	372,229
2015	1,119,619	12,355,139	859,353	5,315,566	19,649,677	5,486,792	325,953

PROTECTING OUR RESOURCES *continued*

WASTE MANAGEMENT

Bauxite residue management

Bauxite residue is a by-product of alumina refining and consists primarily of iron and silica minerals, with approximately half a coarse sand fraction (red sand) and half a fine silt fraction (red mud). Much of the sand is reused to construct residue drying areas which are eventually capped and revegetated. We continue to explore opportunities to use bauxite residue as a source material for a variety of applications.

Our global refining research and development team has identified a number of possible sustainable uses including Red Sand™, a product that can be developed as a filler for industrial land development, for turf top dressing, as bunker sand or as a material suitable for use in road base construction. As soon as a regulatory framework is established we are keen to see Red Sand™ commercialised.

Long-term residue management strategies exist for each refinery and can be found on our website.

	Bauxite residue stored <i>Kilotonnes</i>	Bauxite residue used <i>Tonnes</i>
2011	18,341	338
2012	18,089	0
2013	17,914	2.9
2014	18,247	2.5
2015	18,266	15.1

Increase in bauxite residue used from 2014 to 2015 due to a trial undertaken by a soil company.

Spent pot lining

Spent pot lining (SPL) is generated when the carbon and refractory lining of a smelting pot reaches the end of its serviceable life. We continue to make progress in converting SPL, a hazardous waste, from our smelting process into an energy and mineraliser resource for cement kilns. In 2014 and 2015 we took a significant amount of SPL out of storage for recycling thus we recycled more than we generated.

	Spent pot lining to storage <i>Tonnes</i>	Spent pot lining recycled / reused <i>Tonnes</i>
2011	407	5,607
2012	1,950	3,003
2013	-93	8,365
2014	-4,306	13,108
2015	-13,850	20,318

Residue filtration



In 2015, innovative residue filtration equipment was constructed at Kwinana alumina refinery. With this technology, bauxite residue is forced through very large filters that squeeze the water from the mud, with the water being recycled in the refining process. As a result, the refinery will not need to construct another 30-hectare residue storage area for at least 20 years compared to every five years previously. The system also reduces freshwater use by more than one gigalitre annually.

PROTECTING OUR RESOURCES *continued*

Mine closure and rehabilitation

Alcoa of Australia's mining operations occur within areas of high biodiversity value such as the jarrah forest on the Western Australian Darling Range Plateau and the Anglesea Heath in Victoria.

In 2015, 756 hectares were mined and 558 hectares rehabilitated at the Huntly and Willowdale bauxite mines. We are a recognised world leader in mine site rehabilitation with our key objective being to re-establish a self-sustaining jarrah forest ecosystem that fulfils forest land uses that include conservation, timber production, water catchment and recreation.

In 2015, after 46 years of operation, the Anglesea power station was powered down for the final time. Alcoa has considerable Australian and international expertise in mine rehabilitation and industrial site remediation and has estimated \$US40 - \$US45 million for asset retirement and land rehabilitation.

Total Mining* land disturbed/land rehabilitated (hectares)

	Open mine area <i>Cumulative as of year end</i>	Area disturbed <i>Annual</i>	Area rehabilitated <i>Annual</i>
2011	4665	1168	672
2012	4540	680	806
2013	4741	890	714
2014	4968	829	616
2015	5052	756	558

** Includes Anglesea coal mine and Huntly and Willowdale bauxite mines.
One hectare equals approximately 2.5 acres.*



ENHANCING OUR WORKPLACE

To be a high performing organisation and to attract, motivate and retain the best people, we provide a work environment that encourages continuous learning and emphasises integrity, respect, excellence, health and safety.

We aim to be an employer of choice and are proud of our 14th consecutive year of recognition as an Employer of Choice for Gender Equality through the Federal Government's Workplace Gender Equality Agency.

Further to this, in 2014 and 2015 Alcoa of Australia ranked as a Bronze Tier Employer in the Australian Workplace Equality Index, the national benchmark for lesbian, gay, bisexual, transgender and intersex workplace inclusion.

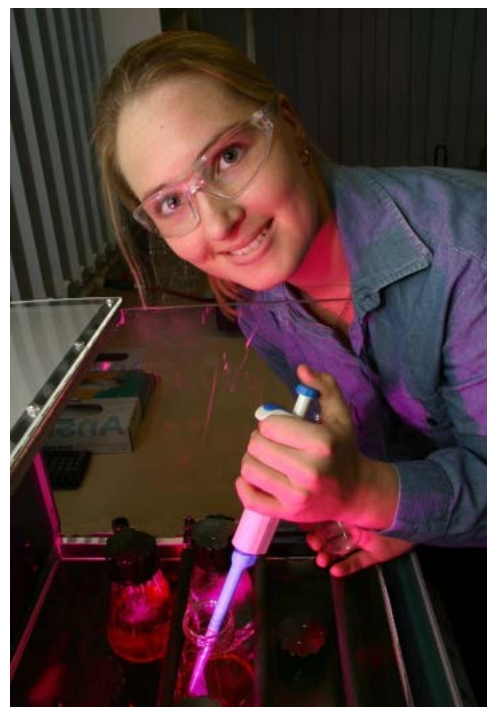
Our people

Our people are key to our success. We seek and employ talented, enthusiastic people who want to make a difference within our business and contribute to our future direction. We are thrilled for eight of our people who won individual industry, education and community awards in 2014 and 2015 (see *Awards and recognition* on page 7).

The majority of our operations are based in Western Australia with more than 2,000 employees living in the Peel region in the south-west of the state.

We recognise we are a male-dominated industry but want to significantly increase female participation – from the operator level through to senior leadership – as we recognise the business benefits of gender diversity. It is an ongoing challenge to increase the number of women who work for Alcoa, which was at approximately 13 per cent at the end of 2015.

In 2014 and 2015, 66 per cent of our employees were covered by enterprise bargaining agreements certified by Fair Work Australia.



	2014 at 31 December	2015 at 31 December
Victoria	642	529
Western Australia	3,904	3,904
Total employees	4,546	4,433

Workforce by job classification and gender (at 31 December 2015)			
Job classification	Total workforce	Gender	
		Female	Male
Administration	328	188	140
Middle management	193	30	163
Production	2,885	151	2,734
Professional	1,004	204	800
Senior management (including leadership team)	23	2	21
Total	4,433	575	3,858

Workforce by gender and contract and employment type (at 31 December 2015)					
Gender	Total workforce	Contract type		Employment type	
		Permanent	Limited term / contract	Full-time	Part-time
Male	3,858	3,846	12	3,821	37
Female	575	562	13	426	149
Total	4,433	4,408	25	42,47	186

ENHANCING OUR WORKPLACE *continued*

Health and safety

Tragically, in November 2015 a contractor was fatally injured in a fall at Kwinana refinery. The entire Alcoa workforce was affected by the loss of our colleague and employees are reminded constantly to never lose their focus on safety.

We are committed to improving our safety record each year toward a zero rate across our key health and safety metrics: Lost workday incident rate; Days away, restricted or transferred rate (DART); and Total recordable incident rate. All rates decreased in 2014 and 2015 with our 2015 DART rate falling to 0.22 – the lowest in our history.

	Fatalities <i>Employee/contractor</i>	Lost workday incident rate	Days away, restricted or transferred rate	Total recordable incident rate
2011	0	0.44	1.57	3.21
2012	0	0.41	1.22	2.30
2013	0	0.36	0.98	2.10
2014	0	0.35	0.65	1.92
2015	0/1	0.22	0.41	1.27

In 2015, all Australian operations reached Human Performance (HP) Level Four, a significant milestone in proactively managing and improving safety performance. HP is a program designed around the interactions between people, processes, programs, equipment and environment. It develops employee and contractor knowledge of how their behaviour influences safety outcomes.

Our third Healthwise cancer and mortality study was released in 2015. Healthwise is a long-term study investigating if there are any links between work and health among the employees of Alcoa of Australia. The study is run by independent researchers from Monash University and the University of Western Australia. Results are reported to an Advisory Board, consisting of independent scientific advisors and representatives from the unions and Alcoa of Australia. The latest findings showed there was no cause for concern when it comes to employee health and workplace exposures.

High profile safety programs in 2014 and 2015 focused on hearing conservation, hand and finger safety and fatality prevention.



SUSTAINING OUR COMMUNITIES

We continued our commitment to sustainable community development and provided support to reputable non-profit and community based organisations delivering partnership and initiatives with long-term community benefits.

Each year we invest in a wide variety of community programs at the local, state and national level. We also dedicate hundreds of hours in people time and in-kind support which is supported by the global Alcoa Foundation.

Our strategic focus remains on partnerships targeting one or more of the following categories:

- Sustainable environment
- Community health and safety
- Community capacity and resilience
- Tomorrow's workforce and leaders

To underline Alcoa's proud 51-year history in Geelong, and to help make the transition to a future without Alcoa easier following the closure of Point Henry smelter and rolling mill, the Alcoa Foundation granted US\$559,000 to [six community partners](#) in Geelong.

The Alcoa Foundation community grants follow Alcoa's \$5 million commitment to the Geelong Region Innovation and Investment Fund, announced earlier in the year, and the multi-million dollar program we implemented to equip employees with the skills and support needed to secure sustainable alternative employment in the region.

Similarly, \$225,000 in grants were presented to [14 long-term community partners](#) in Anglesea at the closure of the 46-year-old coal mine and power station.

At the 2014 Western Australian of the Year Awards, Alcoa of Australia received a special recognition award in acknowledgment of our 36-year partnership with Celebrate WA plus our leadership, support of the community, commitment to sustainability and for advancing Western Australia.

Portland Aluminium celebrated ten years of their successful Future Leaders of Industry program which aims to unlock education and employment opportunities for local youth. Each year 21 students in grades 10 through to 12 are awarded a \$500 scholarship to assist with schooling needs. Recipients are also introduced to various aspects of industry through structured events and an assigned mentor.

At the end of 2015, new Alcoa Foundation partnerships valued at more than \$1 million were announced to benefit young people and schools in Western Australia's Peel region and Portland, Victoria. The Aspire UWA program, Scitech's Alcoa Maths Enrichment Program and GP down south's Peel Youth Medical Service were the beneficiaries.

We continued our more than 40-year association with Fairbridge which through the Fairbridge Indigenous Sustainable Employment and Life Outcomes Initiative provides at risk indigenous youth with training in construction, conservation and management, outdoor recreation, hospitality and administration.

Each week free public tours of our Western Australian operations occur with more than 200 tours conducted annually. In 2015, 5,588 people participated in a tour, up 18 per cent on 2014.

	Community investments including Alcoa of Australia and Alcoa Foundation grants
2013	\$4,885,175
2014	\$4,594,755
2015	\$5,045,886

These amounts do not include in-kind values for goods and services provided by the company.



SUSTAINING OUR COMMUNITIES *continued*

Employee engagement

Volunteering and community engagement are critical aspects of how we do business and are integral to how we live the Alcoa values outside the workplace.

Our Australian workforce continued to get behind Alcoa's signature volunteering programs ACTION and Bravo!, generating thousands of dollars in community funding each year. The funding benefits all aspects of the community, from emergency services and health care, to the environment, conservation projects and schools.

Employees also give back to the community by participating in the global Month of Service volunteering initiative held each October. In 2015, some 2,000 Australian employees donated more than 10,000 volunteer hours to community projects and non-profit organisations during the tenth Month of Service.

In total, 42,848 employee-volunteering hours were donated in 2015.

	Employee volunteer hours
2013	74,724
2014	38,185
2015	42,848



GLOSSARY

Acronym / Unit of measure	Description
BDMT	Bone Dry Metric Tons
CM	Coal Mine
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide equivalent
GHG	Greenhouse Gas
GL	Gigalitre
Ha	Hectare
HP	Human Performance
Kl	Kilolitre
KPI	Key Performance Indicator
Kt	Kilotonne
M	Metre
M ³	Cubic metres
ML	Megalitre
MWh	Megawatt hour
NOx	Nitrogen Oxide
PS	Power Station
RET	Renewable Energy Target
SO ₂	Sulfur Dioxide
SPL	Spent Pot Lining
T	Tonne (Metric Ton in the United States)
TJ	Terajoule