



# United Nations Global Compact

## From the CEO

Alcoa Corporation remains committed to upholding the principles of the UN Global Compact. Our 2022 Communication on Progress shows our continuous work to improve on how we are upholding these principles in practice across our operations.

*While this Communication on Progress was completed in June 2023, there were delays to formal submission due to technical issues with the Global Compact platform. We plan to submit our report promptly once these issues are resolved and the platform has reopened.*

### United Nations Global Compact 2022 Progress

Principles	Actions
<p><b>Human Rights</b></p> <p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p><b>Principle 2:</b> make sure that they are not complicit in human rights abuses.</p>	<p><b>Assessment, Policy and Goals</b></p> <ul style="list-style-type: none"> <li>• We support the Universal Declaration of Human Rights at all Alcoa-controlled operations.</li> <li>• Our <a href="#">Values</a> include “Care for People,” which entails treating all people with dignity.</li> <li>• Our <a href="#">Human Rights Policy</a> is comprehensive and transparent and acknowledges our commitments to internationally proclaimed human rights.</li> <li>• The <a href="#">Alcoa Social Policy</a> incorporates community rights and interests in our everyday activities in a systematic manner.</li> <li>• As stated in our <a href="#">Indigenous Peoples Policy</a>, we recognize and respect the diversity, cultures, customs and values of the Indigenous and other Land-Connected Peoples where we operate and acknowledge their needs, concerns and aspirations regarding their heritage and traditions.</li> <li>• The <a href="#">Alcoa Code of Conduct</a> and <a href="#">Supplier Standards</a> mandate respect of human rights.</li> <li>• We plan to expand the integration of our social performance management system (SP360) across our portfolio in 2023.</li> <li>• We plan to implement an Onsite Supplier Collaboration Framework (including a human rights audit protocol) beginning in 2023.</li> <li>• We established a human rights practice area team in our legal department to monitor human rights regulatory developments.</li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• All employees receive annual training on the <a href="#">Alcoa Code of Conduct</a>.</li> <li>• The Alcoa Human Rights Council defines and supports the implementation of tools and systems that enable us to respect and support individual and collective human rights impacted by our operations.</li> <li>• By the end of 2022, we completed human rights impact assessments (HRIAs) for 18 operating locations, and we are addressing the general and location-specific risks identified by our individual HRIAs.</li> </ul> <p><i>(Continued on next page)</i></p>

## Principles

## Actions

### Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

*(Continued)*

### Implementation

- In 2022, we began implementing the core tenants of the [Voluntary Principles on Security and Human Rights](#) (VPSHR) at our Brazilian operations.
- The Alcoa Global Security Team began providing training on the VPSHR to our leadership teams, contract security forces and public security forces in our operating areas in Brazil.
- We established a human rights practice area team in our legal department to monitor human rights regulatory developments.
- We formalized our commitment to Indigenous, First Nation and Land-Connected Peoples in our Innovate [Reconciliation Action Plan](#) (RAP), our second RAP, which was endorsed by Reconciliation Australia in July 2022.
- We implemented our social performance management system (SP360) in Australia and Brazil to help us manage stakeholder engagement, and process community risks, opportunities and feedback.
- All Alcoa locations must undertake proactive, planned engagement with all primary community and local stakeholders. Depending on the type of site, the minimum required frequency of engagement can range from once a month to every six months.
- Our Global Supplier Sustainability Program, which we conduct in partnership with [EcoVadis](#), assesses key suppliers against sustainability indicators that include human rights.
- Our Responsible Sourcing Program was enhanced in 2022 through expanding our reporting through EcoVadis 360 Watch to track and monitor human rights controversies.
- We engage with [Trace International](#) to support our supplier due-diligence program and further manage risk in our supply chain, including assessing 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.

### Measurement of 2022 Outcomes

- We had zero reported human rights violations in our operations.
- We uncovered two potential human rights controversies with suppliers through our Responsible Sourcing Program.
- In 2022, 9,702 suppliers participated in our Supplier Sustainability Program, with 1,016 completing our Stage 2 Due Diligence, which is the EcoVadis Ratings Audit. Of those that completed the audit 99 percent met our minimum performance requirements.
- In 2022, 12 percent of the submissions to the [Integrity Line](#) resulted in disciplinary action, and 52 percent were inquiries or other matters that did not require investigation or substantial follow-up. Most submissions (70 percent) were employment related, with the remainder related to business integrity, health and safety, human rights and general inquiries.
- In 2022 we had 169 community complaints raised through local grievance mechanisms: 105 in Australia, 55 in Brazil, 5 in Europe, and 4 in North America.

### Additional Resources

- [2022 Alcoa Sustainability Report](#) (See the [Human Rights, Ethics and Good Governance](#), and [Supply Chain Management](#) sections.)

## Principles

### 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.

## Actions

### 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.
- Delivering the second Alcoa of Australia [Modern Slavery Statement](#). Alcoa of Australia identified no incidents of modern slavery during the reporting period.
- In 2022, we had diversity targets to increase the number of women globally.
- We plan to expand the integration of our social performance management system (SP360) across our portfolio in 2023.
- Our Global Inclusion, Diversity and Equity Policy and [Equal Employment Opportunity Policy](#) address Principle 6.
- We launched our Everyone Culture Framework, which will be implemented by Alcoa’s Inclusion Groups in 2023.

### 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.
- In 2022, we substantially retooled our critical-control field verifications, developing new checklists that are specific to unique risk profiles to improve worker safety.
- We have three inclusion groups that advocate on behalf of LGBTQ, women and racial-ethnic equality.
- Our annual incentive compensation is linked to balancing our gender equality and diversity.
- Our Global Supplier Sustainability Program assesses key suppliers against sustainability indicators that include labor practices.
- Our due-diligence program with Trace International 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 2022 Outcomes

- 51.26 percent of new hires were from underrepresented groups in 2022 with women representing 18.48 percent of our workforce.
- We achieved a 2 percent gender pay gap for pay within band (equal pay for same job level). The gender pay gap for overall equity and earnings in 2022 was 17 percent.
- We had zero reported human rights violations in our operations.
- We had 1 serious injury at one of our sites, with a total recordable incident rate of 1.30 per 100 full time workers across our global operations.
- We had 31 labor agreements in place that covered approximately 70 percent of our global workforce.
- In 2022, 9,702 suppliers participated in our Supplier Sustainability Program, with 1,016 completing our Stage 2 Due Diligence, which is the EcoVadis Ratings Audit. Of those that completed the audit 99 percent met our minimum performance requirements.
- In 2022, 12 percent of the submissions to the [Integrity Line](#) resulted in disciplinary action, and 52 percent were inquiries or other matters that did not require investigation or substantial follow-up. Most submissions (70 percent) were employment related, with the remainder related to business integrity, health and safety, human rights and general inquiries.

### Additional Resources

- [2022 Alcoa Sustainability Report](#) (See the [Human Rights](#), [Supply Chain Management](#), [Inclusion, Diversity and Equity](#), [Talent Attraction, Retention and Development](#), and [Safety and Health](#) sections.)

Principles	Actions
<p><b>Environment</b></p> <p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</p> <p><b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and</p> <p><b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.</p>	<p><b>Assessment, Policy and Goals</b></p> <ul style="list-style-type: none"> <li>• Protecting the environment is an integral part of our three <a href="#">Values</a> and our <a href="#">EHS Policy</a>.</li> <li>• We support the precautionary principle.</li> <li>• The <a href="#">Alcoa Code of Conduct</a> and <a href="#">Supplier Standards</a> explicitly indicate protection of the environment.</li> <li>• We have long-term reduction goals for greenhouse gas emissions, water consumption, landfilled waste and other environmental areas. (See the <a href="#">Strategic Long-Term Goals</a> section of our <a href="#">2022 Alcoa Sustainability Report</a> for specific goals.)</li> <li>• We have internal environmental standards to manage all material aspects of our operations.</li> <li>• Our Waste Management Standard requires all sites to have a waste management plan; an inventory of all waste streams generated onsite; onsite waste storage areas that meet all local regulations; a comprehensive waste training program; and tracking of non-hazardous and hazardous waste metrics.</li> <li>• Our <a href="#">Climate Change Policy</a> furthers our commitment to understanding and managing climate- and carbon-related risks and opportunities within our operations.</li> <li>• Our <a href="#">Global Impoundment Policy</a> ensures our impoundments comply with our internal standards and guidelines, the <a href="#">Global Industry Standard on Tailings Management</a>, or the laws and regulations of the country in which a facility is located (whichever are higher).</li> <li>• Our <a href="#">Biodiversity Policy</a> encapsulates the requirements set out in our corporate Biodiversity Standard.</li> <li>• Our <a href="#">Water Stewardship Policy</a> and Water and Wastewater Management Standard outline our vision and priorities for water.</li> <li>• We have committed to not explore, mine, or otherwise operate in World Heritage Sites and to avoid developing operations within protected areas under <a href="#">International Union for Conservation of Nature</a> (IUCN) categories Ia, Ib, II or III.</li> <li>• Our goal is to maintain a corporate-wide running five-year average ratio of 1:1 or better for active mining disturbance (excluding long-term infrastructure) to mine rehabilitation.</li> <li>• We began reviewing our water stress assessment in 2022 and plan to complete catchment and operational water risk assessments in 2023.</li> <li>• <a href="#">Alcoa Foundation</a> invests in global programs addressing climate change and biodiversity conservation.</li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• All new employees receive training on environment, health and safety requirements.</li> <li>• Employees have ongoing access to training on environmental issues.</li> <li>• We have a comprehensive corporate environmental management system that is certified to the ISO 14001 standard.</li> <li>• In 2022, we established three new Centers of Excellence, two of which are focused on environmental protection: one on Climate Change and one on Biodiversity. These Centers bring together a range of experts to provide strategic environmental leadership and advice.</li> <li>• We hired a third party consultant to perform a review of our Scope 3 inventory. Based on this review, we expanded our inventory to include all fifteen Scope 3 categories.</li> <li>• We have initiated a global review of our assets to enhance our understanding of how the physical impacts of climate change may impact their resilience over time.</li> <li>• Our Sustana™ line of aluminum products is produced with low-carbon emissions or recycled content.</li> <li>• Our Technology Roadmap supports Alcoa's vision to reinvent the aluminum industry for a sustainable future. Through this roadmap we invest in R&amp;D to create new technologies, products and processes that will reduce the industry's environmental impact.</li> <li>• Our secondary minerals team seeks alternative uses for coproducts and byproducts from our production process.</li> </ul> <p><i>(Continued on next page)</i></p>

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<p><b>Environment</b></p> <p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</p> <p><b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and</p> <p><b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.</p> <p><i>(Continued)</i></p>	<p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• As of the end of 2022, 17 of our operating facilities were certified to the <a href="#">Aluminium Stewardship Initiative's</a> Performance Standard.</li> <li>• Global and location-specific initiatives reduce our environmental impact. (See the <a href="#">Environment</a> section of our <a href="#">2022 Sustainability Report</a> for details.)</li> <li>• In 2022, we launched water projects for improved monitoring and metering, discharge management and water use reduction.</li> <li>• In 2022 the Alcoa Foundation partnered with the IUCN to explore how ecosystem restoration projects can enhance biodiversity and generate community benefits in different environmental and social contexts. The collaboration intends to create a model for increasing the effectiveness of restoration projects.</li> </ul> <p><b>Measurement of 2022 Outcomes</b></p> <ul style="list-style-type: none"> <li>• We reduced our carbon dioxide equivalent emissions by 4.6 percent and emissions intensity by 1.7 percent.</li> <li>• See the <a href="#">Air Emissions</a> section of our <a href="#">2022 Sustainability Report</a> for outcomes related to air emissions and pollution.</li> <li>• We achieved a 37.6 percent reduction in landfilled waste from our baseline and a 2.5 percent reduction from last year.</li> <li>• We had a 4.1 percent reduction in overall energy use from last year, with an increase in energy intensity of 0.9 percent.</li> <li>• 86 percent of our global smelting portfolio's power consumption is renewable.</li> <li>• Our locations in water-stressed areas reported a 5.3 percent reduction against our baseline and a 2.3 percent increase from the previous year for water use intensity, and they had a 4 percent reduction in overall water use from the previous year.</li> <li>• We have 8 operating sites within or adjacent to protected areas or areas of high biodiversity value</li> <li>• Our land rehabilitation to active mining ratio for the 2018 to 2022 period was 0.82:1, which indicates that there were more areas rehabilitated or transferred to other land users than new disturbed land for active mining.</li> <li>• In 2022, Alcoa generated 112.2 thousand metric tons of hazardous waste, and had zero major spills.</li> </ul> <p><b>Additional Resources</b></p> <ul style="list-style-type: none"> <li>• <a href="#">2022 Alcoa Sustainability Report</a> (See the <a href="#">Climate Change, Energy Use and Efficiency</a>, <a href="#">Water Stewardship</a>, <a href="#">Impoundment Management</a>, and <a href="#">Circular Economy and Waste Management</a> sections.)</li> </ul>
<p><b>Anti-Corruption</b></p> <p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p><b>Assessment, Policy and Goals</b></p> <ul style="list-style-type: none"> <li>• Our <a href="#">Values</a> include "Act with Integrity."</li> <li>• We have an <a href="#">Anti-Corruption Policy</a> and supporting procedures for intermediaries; gifts, hospitalities and travel; and charitable contributions.</li> <li>• The <a href="#">Alcoa Code of Conduct</a> and <a href="#">Supplier Standards</a> specifically address corruption.</li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• We do not operate any facilities in countries with the lowest rankings on Transparency International's Corruption Perception Index.</li> <li>• All employees receive annual training on the <a href="#">Alcoa Code of Conduct</a>.</li> <li>• All salaried employees are required to complete anti-bribery training and the annual Business Conduct Survey.</li> <li>• We have an established and comprehensive <a href="#">Ethics and Compliance Program</a>.</li> </ul> <p><i>(Continued on next page)</i></p>

Principles	Actions
<p><b>Anti-Corruption</b></p> <p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p> <p>(Continued)</p>	<p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• Our global network of Integrity Champions helps communicate and reinforce ethical behavior at each of our locations.</li> <li>• We have established procedures and tools for ethics investigations and risk assessments.</li> <li>• Our locations worldwide use the Alcoa Self Assessment Tool (ASAT) to validate that internal controls are in place and functioning as designed to protect the company from risks, including ethics and compliance.</li> <li>• Our third-party supplier due-diligence program includes assessment of anti-bribery and corruption, trade compliance and criminal history.</li> <li>• We have an <a href="#">Integrity Line</a> for employees, suppliers and the general public to report ethical and human rights violations.</li> <li>• All Alcoa locations must undertake proactive, planned engagement with all primary community and local stakeholders. Depending on the type of site, the minimum required frequency of engagement can range from once a month to every six months.</li> </ul> <p><b>Measurement of 2020 Outcomes</b></p> <ul style="list-style-type: none"> <li>• In 2022, 12 percent of the submissions to the <a href="#">Integrity Line</a> resulted in disciplinary action, and 52 percent were inquiries or other matters that did not require investigation or substantial follow-up. Most submissions (70 percent) were employment related, with the remainder related to business integrity, health and safety, human rights and general inquiries.</li> <li>• In 2022, 9,702 suppliers participated in our Supplier Sustainability Program, with 1,016 completing our Stage 2 Due Diligence, which is the EcoVadis Ratings Audit. Of those that completed the audit 99 percent met our minimum performance requirements.</li> </ul> <p><b>Additional Resources</b></p> <ul style="list-style-type: none"> <li>• <a href="#">2022 Alcoa Sustainability Report</a> (See the <a href="#">Ethics and Good Governance</a> section.)</li> </ul>