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United Nations Global Compact

Alcoa is a values-based company, and we uphold the highest standards of respect for the protection of human rights for all stakeholders.


In 2009, we became a participant in the [United Nations Global Compact](#). The compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment, and anti-corruption.

Statement of Support

Alcoa is fully committed to the United Nations Global Compact. Integrity and respect for people are core values for Alcoa, and we believe that financial success, social responsibility, and protection of the environment are totally aligned and absolutely essential for long-term sustainability.

Our [Business Conduct Policies](#) outline our commitment to be open, honest, and trustworthy in all of our dealings with all stakeholders. Our policies and procedures specifically incorporate our commitment to human rights, freedom of association, and excellence in environment, health, and safety. Our policies clearly communicate that we will not tolerate forced, compulsory, or child labor, discrimination of any kind, or any forms of corruption and bribery in our global operations.

Our corporate policies apply to Alcoa-controlled operations globally.



Klaus Kleinfeld
Chairman and Chief Executive Officer

2010 Communication on Progress

The following overview of our 2010 progress against the 10 principles is supplemented by references to information contained on our external website, www.alcoa.com.

Principles	2010 Progress	References
Human Rights		
1. Businesses should support and respect the protection of internationally proclaimed human rights.	Alcoa's Human Rights Policy is available in 20 languages on our corporate intranet and internet sites. We respect all internationally proclaimed human rights standards in our operations throughout the world. Treating each person with dignity and respect is one of our core values. We value diversity and inclusion in all of our operations.	<p>Vision & Values → go</p> <p>Principles → go</p> <p>Human Rights Policy → go</p>

	<p>In 2010, 10% of incentive compensation for managers and executives was based on progress in achieving diversity and inclusion objectives in each of our businesses and in every region throughout the world.</p> <p>We developed and deployed mandatory online compliance training modules regarding human rights for more than 12,000 key Alcoa managers.</p>	<p>Inclusion → go</p> <p>Human Rights Policy → go</p>
2. Make sure that they are not complicit in human rights abuses.	<p>We seek to understand fully all aspects of how business is conducted where we have our operations throughout the world. Our standard is to contractually require our contractors and suppliers to adhere to the same internationally proclaimed human rights protections and guarantees to which we hold ourselves.</p> <p>We conducted supplier sustainability pilot programs in Canada, Latin America, and the United States to ensure compliance by our suppliers with a broad set of sustainability practices and principles, including human rights standards. We will implement a Global Supplier Sustainability Program in 2011.</p> <p>We continued the global implementation of the Alcoa Community Framework, which requires each of our locations to engage with key stakeholders in and around our facilities. We seek to ensure that we understand clearly their issues and concerns and that we are operating in a manner consistent with the best interests of the communities. Human rights is a critical component of the framework, which we updated in 2010.</p> <p>At the end of 2010, 95% of our locations had implemented</p>	<p>Human Rights Policy → go</p> <p>Supply Chain Management → go</p> <p>Community & Stakeholder Consultation → go</p>

	the framework and met with key stakeholders to review common initiatives, including human rights protections.	
Labor Standards		
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<p>We fully support an employee's right to choose whether or not to join a union.</p> <p>In 2010, we worked cooperatively and in good faith with many labor unions that represent groups of our employees in various facilities throughout the world.</p>	<p>Human Rights Policy → go</p> <p>Employee Relations → go</p>
4. The elimination of all forms of forced and compulsory labor.	<p>We forbid the use of any forced or compulsory labor within our own operations and the operations of our suppliers and contractors. We have policies and procedures in place to ensure that our recruitment practices are fully consistent with our human rights requirements in this regard.</p> <p>During 2010, we conducted supplier sustainability pilot programs in Canada, Latin America, and the United States to ensure compliance by our suppliers with a broad set of sustainability practices and principles, including human rights standards. We will implement a Global Supplier Sustainability Program in 2011.</p>	<p>Human Rights Policy → go</p> <p>Supply Chain Management → go</p>
5. The effective abolition of child labor.	<p>We forbid the use of any child labor within our own operations and the operations of our suppliers and contractors. We have policies and procedures in place to ensure that our recruitment practices are fully consistent with our human rights requirements in this regard.</p> <p>During 2010, we conducted supplier sustainability pilot programs in Canada, Latin America, and the United States to ensure compliance by our suppliers with a broad set of sustainability practices and principles, including human rights standards. We will</p>	<p>Human Rights Policy → go</p> <p>Supply Chain Management → go</p>

	implement a Global Supplier Sustainability Program in 2011.	
6. The elimination of discrimination in respect of employment and occupation.	<p>Alcoa's recruitment processes and practices ensure the protection and respect for all people and ensure that no individual is discriminated against on the basis of sex, religion, ethnicity, or political persuasion. We value diversity and inclusion throughout our worldwide operations, and we have set aggressive targets to improve the diversity of our workforce.</p> <p>In 2010, 10% of our incentive compensation for managers and executives was based on meeting targets to improve the diversity of our workforce with respect to representation of women and protected class employees in our global operations.</p>	<p>Human Rights Policy → go</p> <p>Inclusion → go</p>
Environment		
7. Businesses should support a precautionary approach to environmental challenges.	<p>We support the precautionary approach to environmental challenges.</p> <p>We implemented new aggressive 2020 and 2030 goals to drive our environmental performance against a 2005 baseline.</p> <p>During 2010, we achieved a 37% reduction in total greenhouse gas emissions against a 1990 baseline. Our Global Primary Products business lowered its carbon dioxide (CO2) intensity by 7% over 2009 levels and achieved a 22% reduction over 2005 levels.</p> <p>We reduced our freshwater-use intensity (consumption per unit of production) by 19% versus 2005 levels, exceeding our 2020 goal of 10%.</p>	<p>Strategic Sustainability Targets → go</p> <p>Climate Change → go</p> <p>Water → go</p>
8. Undertake initiatives to promote greater environmental responsibility.	We commissioned a Global Sustainability Working Team and an executive-level Global Sustainability Steering Team. We also named a chief sustainability officer reporting	Sustainability Approach → go

	<p>directly to our chairman and chief executive officer.</p> <p>We implemented a new set of strategic sustainability targets to drive progress in our businesses to 2020 and, for some areas, to 2030.</p> <p>We initiated development of a requirement for all locations with substantive land holdings to develop biodiversity management plans by 2015. We began piloting plans at two locations during 2010.</p> <p>We included an annual energy-efficiency target as a component of our 2010 incentive compensation program.</p> <p>In 2010, Alcoa Foundation contributed 33% of its total giving dollars to environmentally focused programs around the world. (Among all corporations, the average allocation is 5%.)</p> <p>More than 29,000 employees from 24 countries participated in our 2010 Month of Service employee outreach campaign. Many of the activities were focused on the environment, including 16,000 trees planted and 250 rivers, parks, and recreation areas rehabilitated.</p> <p>In 2010, thousands of shop-floor employees participated in a mandatory instructor-led or self-directed multiple-language course, Environmental Awareness in Manufacturing, as part of our ethics and compliance program. The program addressed environmental, health, and safety aspects of water quality, waste water, air quality, hazardous materials, and solid and hazardous wastes, in addition to record keeping and public reporting.</p> <p>Alcoa and Alcoa Foundation</p>	<p>Strategic Sustainability Targets → go</p> <p>Biodiversity → go</p> <p>Climate Change → go</p> <p>Alcoa Foundation → go</p> <p>Month of Service → go</p> <p>Ethics & Compliance Program → go</p> <p>Life Cycle Assessments</p>
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	<p>became founding members of The Sustainability Consortium.</p> <p>We pilot tested a draft protocol being developed by the World Resources Institute and World Business Council for Sustainable Development for accounting and reporting greenhouse gas emissions across a product's life cycle.</p> <p>Nearly one quarter of our Australian workforce and more than 1,500 of our U.S. employees were registered as part of our Make an Impact program. The program has helped families identify more than 4.6 million metric tons of carbon dioxide savings through 2010.</p> <p>We supported various consumer recycling programs across the United States and launched an iPhone recycling application.</p> <p>We conducted pilot supplier sustainability processes in Canada, Latin America, and the United States and will implement a Global Supplier Sustainability Program in 2011.</p>	<p>→ go</p> <p>Life Cycle Assessments → go</p> <p>Make an Impact → go</p> <p>Consumer Awareness → go</p> <p>Supply Chain Management → go</p> <p>Case Studies → go</p>
9. Encourage the development and diffusion of environmentally friendly technologies.	<p>We continued commercialization of Red Sand™, which is derived from bauxite residue.</p> <p>We commissioned a process that uses naturally occurring microbes to eat oxalate, which is an unwanted impurity in the alumina refining process.</p> <p>We developed a novel ecological water treatment (NEWT) system that uses bauxite residue for wastewater polishing, eliminates chlorine, and reduces water use by 8%, energy use by 40%, and operating costs by 60%.</p>	<p>Red Sand Case Study → go</p> <p>Oxalate Case Study → go</p> <p>NEWT Case Study → go</p>

		Case Studies → go
Anti-Corruption		
10. Businesses should work against corruption in all its forms, including extortion and bribery.	Our global Ethics and Compliance Line provides employees and external stakeholders with the opportunity to report confidentially any potential violations of law or company policy.	Ethics & Compliance Line → go
	We updated Alcoa's Anti-Corruption Policy and due diligence procedure for contracting with intermediaries. The enhanced policy now prohibits facilitation, or "grease" payments, and commercial bribery in addition to bribery of public officials. The updated procedure is designed to ensure that company intermediaries are in full compliance with anti-corruption laws around the globe, including those based upon the OECD Convention and the Foreign Corrupt Practices Act. The procedure includes an annual training and compliance certification process for all company intermediaries. Both the enhanced policy and procedure were issued to company employees in April 2010 accompanied by a letter from CEO Klaus Kleinfeld in which he emphasized Alcoa's commitment to preventing corruption in our global operations.	Ethics & Compliance Program → go
	Since the 1990's, our Legal Department has offered formal preventative law training programs and brochures covering numerous topics, including gifts, conflicts of interest, anti-corruption, and anti-bribery practices. Two awareness courses on the FCPA and OECD's anti-bribery provisions are made available electronically to employees.	

Archived Reports

[2009 Communication on Progress](#)

