

Vision and Values

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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.

The [Alcoa Guide to Business Conduct](#) outlines 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

2011 Communication on Progress

The following overview of our 2011 progress against the 10 principles is supplemented by references to information contained on our external website, www.alcoa.com.

Principles	2011 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>Human Rights Policy → go</p>

	<p>In 2011, 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 have a mandatory human rights training course that key managers must complete as part of their standard curriculum. In 2012, we are rolling out human rights training to supervisor-level employees who have direct supervisory management over employees in our plants.</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 implemented a Global Supplier Sustainability Program in 2011 that assesses the performance of key suppliers against varied criteria that include human rights components.</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. Human rights is a critical component of the framework, which we further refined in 2011 to raise the standards for compliance.</p> <p>At the end of 2011, 61% of our manufacturing locations had implemented the framework and met with key stakeholders to review common initiatives, including</p>	<p>Human Rights Policy → go</p> <p>Supply Chain → go</p> <p>Stakeholder Engagement → go</p>

	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 2011, 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>We implemented a Global Supplier Sustainability Program in 2011 that assesses the performance of key suppliers against varied criteria that include labor practices and human rights.</p>	<p>Human Rights Policy → go</p> <p>Supply Chain → 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>We implemented a Global Supplier Sustainability Program in 2011 that assesses the performance of key suppliers against varied criteria that include labor practices and human rights.</p>	<p>Human Rights Policy → go</p> <p>Supply Chain → go</p>
6. The elimination of discrimination in respect of employment and occupation.	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 race, color, religion, national origin, disability, sexual orientation, gender identity/expression,	Human Rights Policy → go

	<p>veteran status, genetic information, sex, or age. 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 2011, 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>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 have aggressive 2020 and 2030 goals to drive our environmental performance against a 2005 baseline.</p> <p>During 2011, we achieved a 23% reduction in carbon dioxide intensity against a 2005 baseline in our Global Primary Products business.</p> <p>We reduced our freshwater-use intensity (consumption per unit of production) by 21% versus 2005 levels, exceeding our 2020 goal of 10%.</p>	<p>Strategic Sustainability Targets → go</p> <p>Climate Protection → go</p> <p>Water → go</p>
8. Undertake initiatives to promote greater environmental responsibility.	<p>We have a Global Sustainability Working Committee and an executive-level Global Sustainability Steering Team. Our chief sustainability officer reports directly to our chairman and chief executive officer.</p> <p>We have aggressive 2020 and 2030 goals to drive our environmental performance against a 2005 baseline.</p> <p>We use Sustainability Scorecards to measure each business' progress against key near-term sustainability metrics.</p>	<p>Sustainability Strategy → go</p> <p>Strategic Sustainability Targets → go</p> <p>Sustainability Strategy → go</p>

	<p>We included an annual carbon dioxide reduction target as a component of our 2011 incentive compensation program.</p> <p>In 2011, Alcoa Foundation contributed 44% of its total giving dollars to environmentally focused programs around the world. (Among all corporations, the average allocation was 4% based on a 2010 survey conducted by the Committee Encouraging Corporate Philanthropy.)</p> <p>More than 31,000 employees from 24 countries participated in our 2011 Month of Service employee outreach campaign. Many of the activities were focused on the environment, including planting 34,000 trees, conducting 130 environmental workshops, and recycling more than 87,300 aluminum cans.</p> <p>We participated in the development of the Product Life Cycle Accounting and Reporting Standard published in October 2011 by the World Resources Institute and World Business Council for Sustainable Development. The standards cover accounting and reporting greenhouse gas emissions across a product's life cycle.</p> <p>Alcoa and Alcoa Foundation are founding members of The Sustainability Consortium.</p> <p>More than one quarter of our Australian workforce and 3,500 of our U.S. employees were participating in our Make an Impact program at the end of 2011. The program empowers our employees, their families, and their neighbors to actively reduce their carbon footprint.</p> <p>We supported various consumer recycling programs</p>	<p>Energy → go</p> <p>Alcoa Foundation → go</p> <p>Month of Service → go</p> <p>Product Design and Life Cycle → go</p> <p>Product Design and Life Cycle → go</p> <p>Make an Impact → go</p> <p>Recycling → go</p>
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	<p>around the world.</p> <p>In March 2011, we announced a US\$10 million investment in Electronic Recyclers International (ERI), one of the nation's largest collectors of electronics waste (e-waste).</p> <p>We implemented a Global Supplier Sustainability Program in 2011 that assesses the performance of key suppliers against varied criteria that include environmental performance.</p>	<p>Supply Chain → 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 introduced EcoWise™ aluminum sheet, which reduces the carbon footprint of consumer electronics.</p> <p>We also introduced Reynobond® with EcoClean™, the first coil-coated architectural panel that helps clean itself and the air around it.</p>	<p>Red Sand Case Study → go</p> <p>Consumer Electronics → go</p> <p>Reynobond with EcoClean → go</p> <p>Case Studies → go</p>
Anti-Corruption		
10. Businesses should work against corruption in all its forms, including extortion and bribery.	<p>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.</p> <p>Our Anti-Corruption Policy prohibits facilitation, or "grease" payments, and commercial bribery in addition to bribery of public officials.</p> <p>Through the end of 2011, employees and select contractors have completed</p>	<p>Ethics & Compliance Line → go</p> <p>Anti-Corruption Policy → go</p> <p>Ethics & Compliance Program → go</p>

	<p>more than 26,000 anti-corruption and anti-bribery courses through our online ethics and compliance training program.</p> <p>At the time of hire, all employees are expected to complete "Do What's Right!" training, which contains anti-corruption elements.</p> <p>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.</p>	
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