



## 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.

We are 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

### 2012 Communication on Progress

The following overview of our 2012 progress against the 10 principles is supplemented by references to information contained on our external website, [www.alcoa.com](http://www.alcoa.com).

Principles	2012 Progress	References
<b>Human Rights</b>		
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.	Vision & Values → <a href="#">go</a>
		Human Rights Policy → <a href="#">go</a>
	In 2012, 10% of incentive compensation for managers and executives was based on	Inclusion → <a href="#">go</a>

	<p>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 expanded the training population to include the majority of our salaried employees.</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>Our Global Supplier Sustainability Program 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.</p> <p>At the end of 2012, 95% of our manufacturing locations had implemented the framework and met with key stakeholders to review common initiatives, including human rights protections.</p>	<p>Human Rights Policy → go</p> <p>Supply Chain → go</p> <p>Stakeholder Engagement → go</p>
<b>Labor Standards</b>		
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>Human Rights Policy → go</p>

	We worked cooperatively and in good faith with many labor unions that represent groups of our employees in various facilities throughout the world.	Employee Relations → go
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>Our Global Supplier Sustainability Program 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>Our Global Supplier Sustainability Program 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.	<p>Alcoa's recruitment processes and practices ensure the protection and respect for all people and that no individual is discriminated against on the basis of race, color, religion, national origin, disability, sexual orientation, gender identity/expression, veteran status, genetic information, sex, or age (within statutory limits).</p> <p>Our company values, restated in 2012, continue to include "respect"—we treat all people with dignity and provide a diverse, inclusive work environment</p>	<p>Human Rights Policy → go</p> <p>Vision &amp; Values → go</p>

	<p>Environment</p> <p>In 2012, 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>We met our 2012 goals to have women comprise 19% of our global leadership and 16% of U.S. minorities hold leadership positions.</p> <p>We earned the prestigious Catalyst Award in early 2013 in recognition of our progress on recruiting, developing, and advancing women in the workplace.</p> <p>The Human Rights Campaign named Alcoa an LGBT Best Place to Work for the fourth consecutive year in 2012.</p>	<p>Inclusion</p> <p>→ go</p>
<b>Environment</b>		
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 2012, 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 24% versus 2005 levels.</p>	<p>Strategic Sustainability Targets</p> <p>→ go</p> <p>Climate Protection</p> <p>→ go</p> <p>Water</p> <p>→ 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>Sustainability Strategy</p> <p>→ go</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>We included an annual carbon dioxide reduction target as a component of our 2012 incentive compensation program.</p> <p>Alcoa Foundation invests roughly one third of its total annual funding to environmentally focused programs around the world.</p> <p>Sixty percent of our employees participated in the 2012 Month of Service employee outreach campaign. Many of the activities were focused on the environment, including planting trees and recycling more than 265,455 aluminum cans.</p> <p>The Green Works program supports employee efforts to address critical environmental issues.</p> <p>Alcoa and Alcoa Foundation invested more than US\$5 million between 2007 and 2012 to develop community-based recycling programs.</p> <p>In 2012, we organized and hosted the Action to Accelerate Recycling Summit, an unprecedented event for some 70 industry representatives, non-governmental organizations, thought leaders, and subject matter experts to explore voluntary collaboration to address lower-than-desired U.S. recycling rates for packaging.</p> <p>At the September 2012 meeting of the Clinton Global</p>	<p>Strategic Sustainability Targets → go</p> <p>Sustainability Strategy → go</p> <p>Energy → go</p> <p>Alcoa Foundation → go</p> <p>Month of Service → go</p> <p>Green Works → go</p> <p>Recycling → go</p>
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	<p>Initiative, Alcoa and Alcoa Foundation announced funding for some US\$2 million in recycling outreach activities in partnership with Keep America Beautiful.</p> <p>Our Global Supplier Sustainability Program assesses the performance of key suppliers against varied criteria that include environmental performance.</p>	<p>Supply Chain → <a href="#">go</a></p> <p>Case Studies → <a href="#">go</a></p>
9. Encourage the development and diffusion of environmentally friendly technologies.	<p>We continued commercialization of ReadyGrit™ (formerly known as Red Sand™), which is derived from bauxite residue.</p> <p>Our EcoWise™ aluminum sheet reduces the carbon footprint of consumer electronics.</p> <p>Reynobond® with EcoClean™ is the first coil-coated architectural panel that helps clean itself and the air around it.</p> <p>A new line of forged truck wheels we introduced in Europe in 2012 are up to 44% lighter than steel equivalents, helping improve the fuel efficiency of commercial fleets.</p>	<p>Bauxite Residue → <a href="#">go</a></p> <p>Consumer Electronics → <a href="#">go</a></p> <p>Reynobond with EcoClean → <a href="#">go</a></p> <p>Transportation → <a href="#">go</a></p> <p>Case Studies → <a href="#">go</a></p>
<b>Anti-Corruption</b>		
10. Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Our global Ethics and Compliance Line and web reporting capability provide employees and external stakeholders with the opportunity to report confidentially any potential violations of law or company policy. This is in addition to employees and stakeholders being able to report by sending letters to management, contacting the Compliance organization by fax or email, and submitting</p>	<p>Ethics &amp; Compliance Line → <a href="#">go</a></p>

	<p>issues through <a href="http://alcoa.com">alcoa.com</a>.</p> <p>Our Anti-Corruption Policy prohibits facilitation, or “grease” payments, and commercial bribery in addition to bribery of public officials.</p> <p>The Alcoa <a href="#">Guide to Business Conduct</a> and <a href="#">Alcoa Supplier Standards</a> include information on anti-corruption.</p> <p>From January 2003 through December 2012, Alcoa employees and select contractors completed more than 30,000 anti-corruption and anti-bribery courses through our online ethics and compliance training program.</p> <p>Online training is supplemented by live anti-corruption training programs conducted for higher risk employees by the Compliance and Legal groups.</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.</p>	<p>Anti-Corruption Policy → <a href="#">go</a></p> <p>Ethics &amp; Compliance Program → <a href="#">go</a></p>
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#### Archived Reports

[2011 Communication on Progress](#)

[2010 Communication on Progress](#)

[2009 Communication on Progress](#)