

Vision & 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.

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

2009 Communication on Progress

The following overview of our 2009 progress against the 10 principles is supplemented by references to information contained on our external website, <http://www.alcoa.com/>.

Principles	2009 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	<p>Vision & Values → go</p> <p>Principles → go</p> <p>Human Rights Policy → go</p>

	<p>with dignity and respect is one of our core values. We value diversity and inclusion in all of our operations.</p> <p>Ten percent 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 are developing online compliance training modules regarding human rights for more than 12,000 key Alcoa managers. The programs will be partially deployed during 2010 and fully implemented in 2011.</p>	<p>Inclusion → go</p>
<p>2. Make sure that they are not complicit in human rights abuses.</p>	<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 began supplier sustainability programs in Canada and Latin America in 2009 to ensure compliance by our suppliers with a broad set of sustainability practices and principles, including human rights standards.</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</p>	<p>Human Rights Policy → go</p> <p>Purchasing Standards → go</p> <p>Community Consultation → go</p>

	<p>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.</p> <p>At the end of 2009, more than 90% of our locations had implemented the framework and met with key stakeholders to review common initiatives, including human rights protections.</p>	
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 2009, 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 began supplier sustainability programs in Canada and Latin America to ensure compliance by our suppliers with a broad set of sustainability practices and principles, including human rights standards.</p>	<p>Human Rights Policy → go</p> <p>Purchasing Standards → 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</p>	<p>Human Rights Policy → go</p> <p>Purchasing Standards</p>

	<p>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 began supplier sustainability programs in Canada and Latin America to ensure compliance by our suppliers with a broad set of sustainability practices and principles, including human rights standards.</p>	<p>→ 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 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>Ten percent 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</p> <p>→ go</p> <p>Inclusion</p> <p>→ go</p>
Environment		
7. Businesses should support a precautionary approach to environmental challenges.	<p>We support the precautionary approach to environmental challenges.</p> <p>During 2009, we achieved a 43% reduction in total greenhouse gas emissions against a 1990 baseline.</p> <p>We set new aggressive goals to drive our environmental performance for 2020 and</p>	<p>Climate Change</p> <p>→ go</p> <p>Strategic Sustainability Targets</p> <p>→ go</p>

	<p>2030, against a new 2005 baseline.</p> <p>We also reset our targets for reducing our water usage and for eliminating landfill waste. In 2008-2009, we deployed a course, Environmental Stewardship, for our leadership that emphasizes environmental awareness at work, including efficient water use, environmentally-friendly packaging and labeling, and wastewater issues.</p>	
8. Undertake initiatives to promote greater environmental responsibility.	<p>We commissioned a Global Sustainability Committee and an executive-level Global Sustainability Steering Team. We also named a chief sustainability officer reporting directly to our chairman and chief executive officer.</p> <p>We developed 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.</p> <p>We developed an annual greenhouse gas reduction target as a component of our 2010 incentive compensation program.</p> <p>Alcoa Foundation contributed 32% of its total giving dollars to environmentally focused programs around the world. (Among all corporations, the average allocation is 4%.)</p> <p>We completed 90 multi-year fellowships with universities and non-governmental</p>	<p>Sustainability Approach → go</p> <p>Strategic Sustainability Targets → go</p> <p>Biodiversity → go</p> <p>Climate Change → go</p> <p>Conservation Investments → go</p> <p>Conservation & Sustainability Fellowship Program → go</p> <p>Month of Service → go</p> <p>Ethics & Compliance Program → go</p> <p>Life Cycle Assessments → go</p> <p>Product Design → go</p> <p>Make an Impact → go</p> <p>Consumer Awareness → go</p>

	<p>organizations (NGOs) focused on various aspects of environmental sustainability and totaling \$9.2 million.</p> <p>In 2009, 22,000 employees from 23 countries participated in our Month of Service employee outreach campaign. Many of the 800 activities were focused on the environment, including the planting of 11,000 trees.</p> <p>In 2009, more than 45,000 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>We agreed to test a 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>We piloted a "design for sustainability" product strategy for consumer electronics.</p> <p>We continued the U.S. rollout of our Make an Impact program to help employees and our communities reduce their carbon footprints. Begun in 2006 in Australia, the program now reaches 16 U.S. cities across 13 states. In the</p>	<p>Purchasing Standards</p> <p>→ go</p> <p>Case Studies</p> <p>→ go</p>
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	<p>U.S. alone, total identified carbon dioxide annual savings from the 1,000 calculator users through 2009 was: 2,000,000 million pounds/US\$900,000 energy savings; and 2,000 pounds, or US\$900 per household.</p> <p>We supported various consumer recycling programs across the United States.</p> <p>We initiated pilot supplier sustainability processes in Canada and Latin America and started development on a global supplier sustainability process.</p>	
9. Encourage the development and diffusion of environmentally friendly technologies.	<p>We initiated 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>Red Sand Case Study → go</p> <p>Oxalate Case Study → 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>In 2009, we began updating 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</p>	<p>Ethics & Compliance Line → go</p> <p>Ethics & Compliance Program → go</p>

	<p>ensure that company intermediaries are in full compliance with global 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.</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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