

# ALCOA CORPORATION 2021 COMMUNICATION ON PROGRESS



**United Nations Global Compact**



# Our Commitment



Alcoa Corporation is committed to supporting and upholding the principles of the United Nations Global Compact.

In this Communication on Progress, we again demonstrate how we are transforming these principles into actions within our global operations.

## **ROY HARVEY**

President and Chief Executive Officer,  
Alcoa Corporation







## 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.



## Assessment Policy and Goals

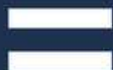
- We support the Universal Declaration of Human Rights Policy at all Alcoa-controlled operations.
- Our Values include "Care for People," which entails treating all people with dignity.
- Our Human Rights Policy is comprehensive and transparent and acknowledges our commitments to internationally proclaimed human rights.
- The Alcoa Human Rights Standard operationalizes the Human Rights Policy and defines clear roles and responsibilities for different layers of the organization.
- The Alcoa Social Policy incorporates community rights and interests in our everyday activities in a systematic manner.
- As stated in our Indigenous Peoples Policy, 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.
- In 2021, we launched our Indigenous and Land-Connected Peoples Standard and Cultural Heritage Management Standard for engaging with Indigenous and Land-Connected Peoples and managing cultural heritage.
- Our security standard is incorporated in our contracts with private providers in charge of local protection to manage the interface between the vendors, community and our employees.
- The Alcoa Code of Conduct and Supplier Standards mandate respect of human rights.
- Our goal is to have a social management system implemented in all operating locations by the end of 2022.

## Implementation

- All employees receive annual training on the Alcoa Code of Conduct.
- 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.
- A three-year human rights implementation plan ensures that the right level of due diligence is applied across all company functions and external interactions.
- We launched SP360, which is the Alcoa social performance management system, in 2021 for implementation by the end of 2022.
- In 2021, we completed human rights impact assessments (HRIAs) at our Bécancour and Deschambault smelters in Canada and our Massena smelter in the United States following methodology adapted from the Danish Institute for Human Rights. Over the last three years, we conducted HRIAs at 17 of the 19 locations we operate worldwide.
- We applied to join the Voluntary Principles on Security and Human Rights in 2021 and received confirmation of acceptance in March 2022.







## 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.



Discover one example of how we're giving voice throughout the value chain in the mining region of Guinea.

## Implementation Continued

- In 2021, Alcoa of Australia delivered its first Modern Slavery Statement in accordance with the reporting requirements of Australia's Modern Slavery Act.
- We developed our second Reconciliation Action Plan (RAP) in Australia to further guide us toward a more coordinated, deliberate and meaningful approach to reconciliation.
- In 2021, we expanded our responsible sourcing program to environmental, social and governance (ESG) risk screening of our supply base.
- We required suppliers with an overall ESG risk rating of high, strategic suppliers and higher-spend suppliers to complete further due diligence by undertaking an audit that uses the EcoVadis Ratings Assessment.
- We engaged 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 any follow-up tracked by our Ethics & Compliance organization.

## Measurement of 2021 Outcomes

- We had zero reported human rights violations in our operations.
- In 2021, we assessed more than 11,600 suppliers (95 percent of our global supply base) for ESG risk.
- Of the more than 800 suppliers undertaking the EcoVadis Ratings Assessment, 98 percent met our minimum requirements.

## Additional Resources:

2021 Alcoa Sustainability Report (See the Human Rights, Governance, Ethics and Compliance, and Supply Chain sections.)





## 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

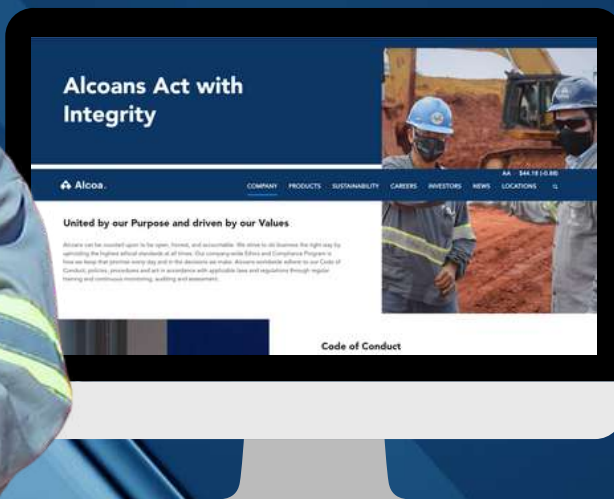
Principle 6: The elimination of discrimination in respect of employment and occupation.

## 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 global Equal Employment Opportunity Policy prohibits employees, contractors and applicants from being discriminated against or treated unfairly based on non-job-related characteristics.
- Our 2021 inclusion and diversity target represented 10 percent of our incentive compensation formula and included two diversity metrics focused on increasing the percentage of new hires from underrepresented populations and the percentage of women in our global employee population.
- Our goal is to have a social management system implemented in all operating locations by the end of 2022.

## 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 2021, we offered training in inclusion and diversity topics that included unconscious bias, how to be an ally, microaggressions and sexual harassment (trusting workplaces).
- Our inclusion groups advocated on behalf of LGBTQ, women, racial-ethnic equality and people with disabilities.
- We launched our Everyone Matters self-identification initiative in 2021 to build a more complete picture of our workforce.
- Our Global Supplier Sustainability Program assessed key suppliers against sustainability indicators that include labor practices.
- Our due-diligence program with Trace International assessed child and slave labor and human trafficking.
- Our Integrity Line allowed employees, suppliers and the general public to report ethical and human rights violations.
- We launched SP360, which is the Alcoa social performance management system, in 2021 for implementation by the end of 2022.



## Our Purpose

Turn Raw Potential  
Into Real Progress

## Our Values

Act with Integrity  
Operate with Excellence  
Care for People  
Lead with Courage







## Labor

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Principle 4: The elimination of all forms of forced and compulsory labor;

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Principle 6: The elimination of discrimination in respect of employment and occupation.

## Measurement of 2021 Outcomes

- We had zero reported human rights violations in our operations.
- We increased the percentage of women in our global employee population from 15.6 percent to 17.17 percent and the percentage of new hires from underrepresented populations from 27.3 percent to 38.1 percent.
- We had 31 labor agreements in place that covered approximately 75 percent of our global workforce.
- At our San Ciprián location in Spain, smelter and refinery employees initiated strike actions that blocked shipments from the facilities. On December 29, 2021, Alcoa and the workers' representatives reached an agreement aimed at resolving ongoing challenges that stem from exorbitant energy prices for the aluminum smelter.
- Of the more than 800 suppliers undertaking the EcoVadis Ratings Assessment, 98 percent met our minimum requirements.



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Reported human rights violations in our operations

31

Labor agreements in place, covering 75% of our global workforce

17.2%

Of our global employees are women

## Additional Resources

[2021 Alcoa Sustainability Report](#) (See the [Strategic Sustainability Targets](#), [Human Rights](#), [Supply Chain](#), [Our People](#), and [Safety and Health](#) sections.)





## Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.



Discover our EHS Excellence Award Winners



## Assessment, Policy and Goals

- Protecting the environment is an integral part of our four [Values](#) and our [EHS Policy](#).
- We support the precautionary principle.
- The [Alcoa Code of Conduct](#) and [Supplier Standards](#) explicitly indicate protection of the environment.
- We have long-term reduction goals for greenhouse gas emissions, water consumption, landfilled waste and other environmental areas. (See the [2021 Alcoa Sustainability Report](#) for specific goals)
- We have internal environmental standards to manage all material aspects of our operations.
- Our [Climate Change Policy](#) furthers our commitment to understanding and managing climate- and carbon-related risks and opportunities within our operations.
- Our [Global Impoundment Policy](#) ensures our impoundments comply with our internal standards and guidelines, the [Global Industry Standard on Tailings Management](#), or the laws and regulations of the country in which a facility is located (whichever are higher).
- Our [Biodiversity Policy](#) encapsulates the requirements set out in our corporate Biodiversity Standard.
- Our [Water Stewardship Policy](#) and Water and Wastewater Management Standard outline our vision and priorities for water.
- [Alcoa Foundation](#) invests in global programs addressing climate change and biodiversity conservation.

## Implementation

- All new employees receive training on environment, health and safety requirements.
- Employees have ongoing access to training on environmental issues.
- We have a comprehensive corporate environmental management system that is certified to the ISO 14001 standard.
- Our Centers of Excellence—mining, refining, smelting and casting—advance our knowledge and ensure continuous improvement through technology and engineering, best practice sharing and core operation standards.
- Our Sustana™ line of aluminum products is produced with low-carbon emissions or recycled content.
- Our secondary minerals team seeks alternative uses for coproducts and byproducts from our production process.
- As of the end of 2021, 15 of our operating facilities were certified to the [Aluminium Stewardship Initiative's](#) Performance Standard. We also had 14 operating locations certified to the Chain of Custody Standard. At the end of June 2022, we had 17 locations certified to both the Performance Standard and Chain of Custody Standards.
- Global and location-specific initiatives reduce our environmental impact. (See the [2021 Alcoa Sustainability Report](#) for details.)







## Environment

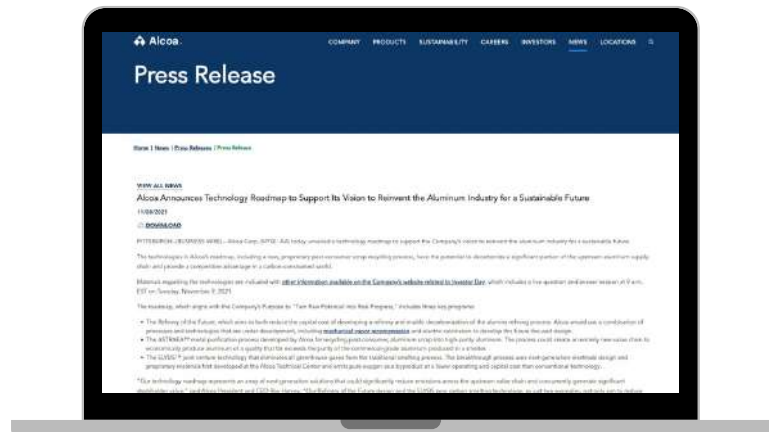
Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

### Measurement of 2021 Outcomes

- We reduced our carbon dioxide equivalent emissions by 9.1 percent, energy intensity by 0.4 percent, landfilled waste by 15.4 percent and water use by 3.7 percent compared to 2020.
- In 2021, we recycled or reused 65.9 percent of our waste, excluding bauxite residue, refining process waste and fly ash.
- We had 68 percent of our locations certified to the ISO 14001:2015 (environmental management systems) standard.
- In 2021, we launched a [Technology Roadmap](#) to pursue innovative technologies that have the potential to decarbonize a significant portion of the upstream aluminum supply chain and provide a competitive advantage in a carbon-constrained world.



### Additional Resources

- [2021 Alcoa Sustainability Report](#) (See the [Strategic Sustainability Targets](#), [Enhancing Product Value](#) and [Improving Our Footprint](#) sections.)







## Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



## Assessment, Policy and Goals

- Our Values include “Act with Integrity.”
- We have an Anti-Corruption Policy and supporting procedures for intermediaries; gifts, hospitalities and travel; and charitable contributions.
- The Alcoa Code of Conduct and Supplier Standards specifically address corruption.



## Implementation

- We do not operate any facilities in countries with the lowest rankings on Transparency International’s Corruption Perception Index.
- All employees receive annual training on the Alcoa Code of Conduct.
- All salaried employees are required to complete anti-bribery training and the annual Business Conduct Survey.
- We have an established and comprehensive Ethics and Compliance Program.
- Our global network of Integrity Champions helps communicate and reinforce ethical behavior at each of our locations.
- We have established procedures and tools for ethics investigations and risk assessments.
- 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.
- Our third-party supplier due-diligence program includes assessment of anti-bribery and corruption, trade compliance and criminal history.
- We have an Integrity Line for employees, suppliers and the general public to report ethical and human rights violations

## Measurement of 2021 Outcomes

- In 2021, the Integrity Line fielded 185 submissions, with zero related to corruption issues. Of the total submissions received, 28 percent resulted in disciplinary action, and 53 percent were inquiries or other matters that did not require investigation or substantial follow-up.







HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

## Advancing Sustainably

As an integrated upstream aluminum company, Alcoa provides the building blocks for a better tomorrow. While our products are essential for modern life, our industry has an opportunity to accelerate the pace of change and prioritize responsible production practices.

We trace our legacy to the invention of the aluminum industry in 1886, and this history of innovation inspires our vision to reinvent the aluminum industry for a sustainable future.

Guided by our purpose to turn raw potential into real progress, our processes, products and people are helping progress toward our vision, reinventing for a better tomorrow for our business and our stakeholders, including employees, customers, communities and investors.

Alcoans across the world are leading with courage to chart a more sustainable future for the aluminum industry and we made significant progress toward that goal in 2021.



# HELPFUL LINKS AND RESOURCES



[2021 ALCOA SUSTAINABILITY REPORT](#)

[OUR VALUES](#)

[HUMAN RIGHTS POLICY](#)

[ALCOA CODE OF CONDUCT](#)

[SUPPLIER STANDARDS](#)

[EQUAL EMPLOYMENT OPPORTUNITY POLICY](#)

[INDIGENOUS PEOPLES POLICY](#)

[EHS POLICY](#)

[CLIMATE CHANGE POLICY](#)

[GLOBAL IMPOUNDMENT POLICY](#)

[BIODIVERSITY POLICY](#)

[WATER STEWARDSHIP POLICY](#)

[ANTI-CORRUPTION POLICY](#)

[ETHICS AND COMPLIANCE PROGRAM](#)

[VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS](#)

[MODERN SLAVERY STATEMENT](#)

[GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT](#)

[INTEGRITY LINE](#)

[ALCOA FOUNDATION](#)

[ALUMINIUM STEWARDSHIP INITIATIVE](#)

[TECHNOLOGY ROADMAP](#)



