



29 September 2005

Committee Secretary
Parliamentary Joint Committee on Corporations
and Financial Services
Parliament House
Canberra ACT 2600

Dear Secretary

Alcoa World Alumina Australia is pleased to provide a submission to Parliamentary Joint Committee's Inquiry into Corporate Responsibility.

Alcoa in Australia

Alcoa has been Australia's leading producer of aluminium since 1963 and has driven the development of Australia's aluminium industry. Alcoa operates bauxite mining and alumina refineries in Western Australia, aluminium smelters in Victoria, and aluminium rolling mills in Victoria and New South Wales.

This investment has provided essential infrastructure and supported the growth of regional communities. Alcoa is one of Australia's leading regional employers and provides more than 7500 jobs, mainly in regional Victoria and Western Australia.

As one of Australia's leading exporters, Alcoa exports \$2.8 billion of product each year. Around 80 cents in every dollar earned by Alcoa stays in Australia and Alcoa distributed over \$2.5 billion in Australia last year including on wages, local suppliers, royalties, taxes, rates and dividends.

Commitment to corporate responsibility and sustainability

Global businesses like Alcoa are working throughout their operations to ensure environmental, social and economic sustainability. Alcoa is a Values-based company and Alcoa's Values and Principles require Alcoa to meet the highest standards of corporate behaviour in all aspects of business.

Alcoa recognises that being a responsible corporate citizen requires a strong corporate ethic, adherence to strong values and engagement with employees, the community, government, suppliers and customers.

Alcoa is committed to its employees by providing a healthy and safe workplace; promoting education, training and development; providing a flexible work environment that balances work and family; and promoting equal opportunity. Alcoa has one of the lowest lost workday injury rates in Australia and is working towards the ultimate goal of an incident-free workplace.

Alcoa is a recognised world leader in environmental restoration and minesite rehabilitation. It was the first resource company in the world to achieve 100 per cent botanical diversity in its rehabilitated areas. Alcoa was the first mining company in the world to be recognised by the United Nations Global 500 Roll of Honour for environmental performance. As part of a 2020 Global Environment Strategy, Alcoa is working to voluntarily reducing emissions worldwide and is working to improve the environmental performance across all its operations.

Under the banner "Partnering Stronger Communities", Alcoa has formed partnerships and sponsorships to support and strengthen communities. Alcoa provides around \$12 million in community sponsorships and partnerships each year, including community-based training and apprenticeships. Some 250 community partnership and sponsorship programs were supported by Alcoa last year.

Alcoa supports training opportunities for community members, young people, indigenous Australians and women. More than 20,000 young people benefit from Alcoa's youth opportunity and training programs across Australia annually. This directly contributes to social infrastructure and local communities by building skills and encouraging young people to stay.

Alcoa is strongly committed to ensuring its social contribution is a meaningful one and that the company fulfils its social responsibilities.

Please find attached Alcoa's submission to the inquiry and a copy of Alcoa's 2004 Sustainability Report.

Yours sincerely



Peter Poggioli
Corporate Affairs Manager

PARLIAMENTARY INQUIRY INTO CORPORATE SOCIAL RESPONSIBILITY: SUBMISSION BY ALCOA

29 September 2005

A. OVERVIEW

- Alcoa is Australia's largest aluminium and alumina producer and has been contributing to Australian communities for over 40 years.
- Alcoa is a major Australian exporter and exports \$2.8 billion in product.
- Alcoa is a leading regional employer and supports 7500 direct jobs, predominantly in regional Australia.
- 80 cents in every dollar earned by Alcoa stays in Australia. Alcoa distributed over \$2.5 billion in Australia in 2004.
- Alcoa is a Values-based company. Alcoa's Values and Principles require Alcoa to meet the highest standards of corporate behaviour in all aspects of business.
- Alcoa's investment in Australia has provided essential infrastructure and supported the growth of regional communities.
- Alcoa supports employees by providing a healthy and safe workplace; promoting education, training and development; providing a flexible work environment that balances work and family; and promoting equal opportunity.
- Alcoa has one of the lowest lost workday injury rates in Australia and is working towards the ultimate goal of an incident-free workplace.
- Alcoa is a recognised world leader in minesite rehabilitation and was the first resource company in the world to achieve 100 per cent botanical diversity in its rehabilitated areas.
- Under a 2020 Global Environment Strategy, Alcoa is voluntarily reducing emissions worldwide.
- Alcoa achieved a global target of reducing global direct greenhouse gas emissions by 25 per cent from a base year of 1990.
- Alcoa was the first mining company in the world to be recognised by the United Nations Global 500 Roll of Honour for environmental performance.
- Under the banner "Partnering Stronger Communities", Alcoa has formed partnerships and sponsorships to support and strengthen communities.

- \$12 million in community sponsorships and partnerships was provided in 2004, including community-based training and apprenticeships.
- Alcoa supported around 250 community partnership and sponsorship programs in 2004.
- Alcoa supports training opportunities for community members, young people, indigenous Australians and women.
- Under Alcoa's Local Supplier Policy, Alcoa supports local businesses and helps local companies to do business with Alcoa.

B. ALCOA IN AUSTRALIA

1. Alcoa World Alumina Australia has been Australia's leading producer of aluminium since 1963 and has driven the development of Australia's aluminium industry. Alcoa operates:
 - bauxite mines and alumina refineries in Western Australia
 - aluminium smelters in Victoria
 - rolling mills and recycling plants in Victoria and NSW
 - dedicated port facilities in WA and Victoria
 - the Anglesea power station in Victoria
2. These operations comprise the world's largest integrated bauxite mining, alumina refining and aluminium smelting system.
3. Alcoa produces almost 8 million tonnes of alumina and over 546,000 tonnes of aluminium in Australia. This accounts for 13 per cent of total world demand for alumina and around 30 per cent of Australia's aluminium.
4. Alcoa is the only manufacturer of aluminium rolled products in Australia produces 180,000 tonnes of rolled products each year.
5. Alcoa is a major Australian exporter and exports around \$2.8 billion of product each year. Alcoa is Victoria's largest exporter and also accounts for 9 per cent of WA's exports.
6. Alcoa distributed over \$2.5 billion in Australia in 2004, including on wages, local suppliers, royalties, taxes, rates and dividends. 80 cents in every dollar earned by Alcoa stays in Australia.
7. Alcoa's investment in Australia has provided essential infrastructure and supported the growth of regional communities.
8. Alcoa is one of Australia's leading regional employers and provides more than 7500 direct jobs, mainly in regional Victoria and Western Australia.

9. Alcoa's investment in Australia totals over \$12 billion. Alcoa is building on this investment with a \$440 million upgrade of its Pinjarra refinery in Western Australia and a proposed \$1.5 billion expansion of its Wagerup refinery. The projects have the potential to increase Australian exports by \$21 billion.
10. Alcoa World Alumina Australia is owned 60 per cent by Alcoa Inc and 40 per cent by Alumina Limited. Alcoa Inc is the world's leading producer of primary aluminium, fabricated aluminium and alumina.
11. Alcoa Inc has 131,000 employees worldwide and operates in 43 countries. Global markets served include aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets. Revenues for Alcoa Inc totalled US \$23.5 billion in 2004.

Key Facts: Alcoa in Australia

- Australia's leading aluminium and alumina producer since 1963
- World's largest integrated bauxite mining, alumina refining and aluminium smelting system in Australia
- Major Australian exporter with \$2.8 billion in exports
- Leading regional employer supporting 7500 direct jobs
- \$2.5 billion distributed in Australia in 2004
- Investment in Australia totals over \$12 billion

C. VALUES AND ETHICS

Alcoa Values and Business Conduct Policies

12. Alcoa is a Values-based company and Alcoa's Values and Principles provide a common framework for Alcoa decisions, actions and behaviours.
13. These Values and Principles apply to Alcoa's operations worldwide and require Alcoa to meet the highest standards of corporate behaviour in all aspects of business.
14. Alcoa also expects all employees to conduct business in compliance with Alcoa's Business Conduct Policies. These Policies were adopted by the Alcoa Inc. Board of Directors and have been in place for several decades. The Policies are periodically reviewed and revised by the Board as appropriate.

15. The Alcoa Guide to Business Conduct provides practical guidance to employees and contractors on Alcoa Values and Business Conduct Policies. The current edition of the Guide was translated into 16 languages and distributed to 149,000 employees and contractors worldwide in 2002.
16. Alcoa Inc endorses the Business Roundtable Principles of Corporate Governance, which is a comprehensive statement of responsible corporate governance principles dated 2002. These principles provide the foundation on which Alcoa's Corporate Governance Guidelines and Board Committee Charter are based.
17. Alcoa implements numerous national, State and international voluntary agreements and codes of practice.
18. These commit Alcoa to environmental sustainability, working with communities, as well as openness and transparency in Alcoa operations. These codes include:
 - The Australian Minerals Industry Code for Environmental Management
 - International Aluminium Institute Sustainability Principles
 - Australian Greenhouse Challenge Plus
 - EcoRecycle Victoria's Waste-Wise Business Program
 - Western Australia Cleaner Production Statement
 - National Packaging Covenant

Key Facts: Alcoa Values and Ethics

- Alcoa is a Values-based company.
- Values and Principles require Alcoa to meet the highest standards of corporate behaviour in all aspects of business.
- Regular ethics and compliance training for employees and contractors under Ethics and Compliance Program.
- Alcoa Guide to Business Conduct translated into 16 languages and distributed to 149,000 employees and contractors worldwide.
- Key targets and principles incorporated into 30, 60 and 90 day Business Plans.
- 24 hour Ethics and Compliance Hotline

Ethics compliance and training

19. Alcoa expects all employees to comply with Alcoa Values and Business Conduct Policies. These policies apply to employees at all levels of Alcoa Inc. and each subsidiary, partnership, joint venture or other business association that is effectively controlled by Alcoa directly or indirectly.
20. All employees have general responsibility for compliance with Alcoa Values, Principles and Business Conduct Policies. Environmental, health and safety performance is a key criterion in all employee performance agreements.
21. In addition, line managers from the Managing Director down are specifically accountable for ensuring compliance. Management remuneration includes a component directly linked to specific community, market, environmental, health and safety targets.
22. Key targets and indicators for Alcoa Values and Principles, for example environment, health and safety, are incorporated into the 30, 60 and 90 day plans of all Alcoa operating locations and business units. Performance against these targets are regularly reviewed.
23. Alcoa conducts regular ethics and compliance training for employees and contractors under an Ethics and Compliance Program. All managers are responsible for communicating and implementing these policies within their specific areas of supervisory responsibility.
24. Alcoa conducts regular environment, health and safety audits of operating locations. These assess compliance with Alcoa environment, health and safety values.
25. Alcoa conducts regular financial and business process auditing of operating locations. These assess compliance with Alcoa policies regarding business ethics, financial rules, procurement and payables to customers.

Alcoa Ethics and Compliance Hotline

26. The Alcoa Ethics and Compliance Hotline is a 24 hour a day hotline that employees can contact to report suspected criminal conduct, non-compliance with law or Alcoa Business Conduct Policies, or a concern about business or workplace activities that conflict with Alcoa's Values.
27. Any employee can call the hotline 24 hours a day at no cost. The hotline is available in 16 languages across Alcoa's global operations. Employees do not have to give their names and calls can be made confidentially.
28. Calls are handled by an independent company which reports calls to the Alcoa Ethics and Compliance Department for prompt follow-up. Callers

are given a private identification number that allows them to call back for an update related to their call.

29. The Alcoa Guide to Business Conduct makes clear that Alcoa will not tolerate any retaliation against an individual by anyone at any level in the company for doing the right thing. Alcoa prohibits all personnel from retaliating against an employee who reports a concern.

Customers and suppliers

30. Alcoa publishes an 'Alcoa Guide to Business Conduct: Provided to Customers and Suppliers'.
31. The Guide is subset of items provided to Alcoa employees in the Alcoa Guide to Business Conduct and focuses on business conduct issues most likely to exist in relationships with business partners. The Guide asks Alcoa customers and suppliers to report to Alcoa any behaviour by an Alcoa employee that appears to violate these guidelines.
32. Alcoa also requires as part of its general terms and conditions of contract that all suppliers and contractors comply with laws and regulations protecting human life and the environment, comply with Alcoa's environmental, health and safety regulations, and take all measures to prevent injury, illness or death to any person.

D. ECONOMIC CONTRIBUTION

Contribution to exports and local spending

33. Alcoa is Australia's largest alumina and aluminium producer. Alcoa operates the world's largest integrated bauxite mining, alumina refining and aluminium smelting system in Australia.
34. Almost 8 million tonnes of alumina is produced each year at Alcoa's Pinjarra, Kwinana and Wagerup refineries in Western Australia. This accounts for 13 per cent of total world demand for alumina.
35. Alcoa produces over 546,000 tonnes of aluminium at the Portland and Point Henry smelters in Victoria. This accounts for around 30 per cent of Australia's aluminium output.
36. Alcoa is the only producer of aluminium rolled products in Australia and operates rolling mills at Point Henry in Victoria and Yennora in New South Wales. Alcoa is the largest recycler of aluminium in Australia.
37. Around 180,000 tonnes of rolled product is produced each year, half of which is exported. Alcoa also supplies major Australian value-adding industries such as Amcor, Visy, Onesteel and Smorgon.

38. Alcoa is a major Australian exporter and exports around \$2.8 billion of product each year. Alcoa is Victoria's largest exporter and also accounts for 9 per cent of WA's exports.
39. Alcoa distributed over \$2.5 billion in Australia in 2004, including on wages, local suppliers, royalties, taxes, rates and dividends. 80 cents in every dollar earned by Alcoa stays in Australia.
40. Alcoa's investment in Australia totals over \$12 billion. Alcoa is building on this investment with a \$440 million upgrade of its Pinjarra refinery in Western Australia and a proposed \$1.5 billion expansion of its Wagerup refinery. The projects have the potential to increase Australian exports by \$21 billion.

Key Facts: Economic contribution

- Australia's largest alumina and aluminium producer
- Major Australian exporter with \$2.8 billion in exports
- 80 cents in every dollar earned by Alcoa stays in Australia
- \$23 million invested in R&D in Australia each year
- Major contributor to energy, port, road and rail infrastructure

Research and development

41. Alcoa invests more than \$23 million on research and development in Australia each year.
42. Alcoa's global research centre at Kwinana invests around \$20 million annually and employs around 79 scientists and research staff. The centre develops innovative new equipment and processes for cleaner, more efficient production at Alcoa refineries worldwide.
43. The Kwinana team is so highly regarded within Alcoa's worldwide operations that in 1996 it was given total global responsibility for conducting this research.
44. Alcoa supports research partnerships with government, education and research institutions.
45. Alcoa is contributing more than \$5.5 million in support over 7 years to the Co-operative Research Centre for Sustainable Resource Processing.

46. Alcoa also leads the world in minesite rehabilitation research and was the first mining company to successfully return 100 per cent of botanical diversity in its rehabilitated areas.

Regional infrastructure

47. Alcoa's presence in Australia has enabled the development of essential regional infrastructure such as the Dampier to Bunbury Natural Gas Pipeline in WA and Victorian energy infrastructure.

48. Alcoa is a major contributor to regional and State infrastructure, including energy, rail and port infrastructure, which has enabled the growth and sustainability of local and regional communities.

Key Facts: Support for regional infrastructure

- Alcoa's operations underwrote construction of the Dampier-to-Bunbury gas pipeline in Western Australia
- Alcoa will contribute as part of a consortium investing \$450 million to expand the pipeline to meet current and future energy demand
- Cogeneration power plants with Alinta Limited – each plant will supply 140 MW power, enough for 90,000 households
- Biggest rail customer in WA – supported development of rail and road networks for other State users
- Supported growth of Bunbury Port – alumina industry accounts for 80 per cent of port throughput

Energy infrastructure

49. Alcoa's operations underwrote the original construction of the Dampier to Bunbury Gas Pipeline in the 1980's via its take or pay gas contract with SECWA. The pipeline has delivered stable, low-cost energy supplies to businesses and communities in the South West of Western Australia.

50. Alcoa underwrote 50 per cent of the pipeline's debt servicing and capital repayments and contributed over \$1.4 billion over almost 20 years. Alcoa derived no benefit when the State sold the pipeline for \$2.4 billion in 1998.

51. Alcoa is a member of the Consortium which bought the pipeline in 2004 to secure its expansion. The consortium has committed \$450 million to expand the pipeline capacity by 25 per cent over the next 18 months. Continuing expansion of the pipeline will enable further development in the State by meeting existing and future demand for energy.

52. Alcoa and Alinta Limited are partnering to develop cogeneration power units at Alcoa's refineries. The plants produce both electricity and heat from the same fuel source, delivering greenhouse benefits.
53. Each cogeneration unit will supply 140 megawatts of power, enough to provide the power needs of 90,000 households. Energy will be supplied to WA households and businesses directly through the South-West grid.
54. The first power plant at the Pinjarra refinery is scheduled for operation in 2005 and a second unit will be commissioned in Q4 2006. Expansion of the Wagerup refinery could support an additional two cogeneration plants. Alcoa is already the largest cogenerator of energy in Australia.
55. In Victoria, Alcoa's aluminium smelters provided the necessary base load to support the development of the Loy Yang power generation complex. This contributed to Victorian consumers enjoying low cost reliable power supplies.
56. The construction of Alcoa's Portland smelter was the catalyst for the construction of a high voltage line from Geelong to Portland and an interstate interconnector between Victoria and South Australia. Connecting South Australia to the Victorian grid has enabled South Australians to access a more stable and reliable power supply.
57. The Portland smelter also supported construction of a pipeline delivering natural gas to Portland and surrounding communities.

Rail and port infrastructure

58. Alcoa is the biggest rail customer in Western Australia. Australian Western Railroad hauls almost 15 million tonnes for Alcoa each year between Pinjarra, Kwinana and Bunbury.
59. Alcoa operates dedicated port facilities at Bunbury and Kwinana in WA, and at Portland and Point Henry in Victoria.
60. The alumina industry accounts for around 80 per cent of throughput at the Bunbury Port – more than 3 ships a week. The world class port is one of Australia's most efficient and a strategic asset for WA.

E. PEOPLE

61. Alcoa's operations support 7500 direct jobs in Australia, predominantly in regional Australia. Alcoa has a stable workforce with very low staff turnover rates.
62. Over 80 per cent of employees have been with the company for five years or more. Many employees have been with the company for more than 25 years, with some for more than 40 years.

63. Alcoa's Values commit Alcoa to working in an inclusive environment that embraces change, new ideas, respect for the individual and equal opportunity to succeed. Alcoa supports employees by implementing initiatives to:

- Provide a healthy and safe workplace
- Promote education, training and development
- Provide a flexible work environment that balances work and family
- Promote equal opportunity and workplace diversity

Key Facts: People

- Alcoa's operations support 7500 direct jobs, predominantly in regional Australia
- 80 per cent of employees have been with Alcoa for five years or more
- One of the lowest lost workday injury rates in Australia
- \$22 million invested in training each year, including \$6 million on apprentice training
- Commitment to diversity, equal opportunity, and work and family balance

Health and safety

64. Alcoa meets the highest standards of health and safety performance and does not compromise health or safety for profit or production.

65. Alcoa has one of the lowest lost workday injury rates in Australia. Alcoa's performance is better than the mining, construction, agriculture, forestry and fishing, and even retail trade industries.

66. Alcoa is committed to achieving the ultimate goal of an incident-free workplace comprising zero injuries and zero work-related illnesses. Alcoa implements programs to achieve this and over \$13 million was invested by Alcoa on health and safety in 2004.

67. Alcoa's Health and Safety Management System is a comprehensive system used to manage health and safety at all Alcoa locations. The System is aligned with Alcoa's Health and Safety Audit and provides a framework for continuous improvement efforts towards Alcoa's ultimate goal of an incident-free workplace.

68. Alcoa has established key performance targets for all operating locations. These targets are immediate milestones towards the ultimate goal of an incident-free workplace.
69. Alcoa has a highly professional medical service able to focus on the specific medical needs of the Alcoa workforce, and to promote occupational health and safety on-site. All Alcoa locations have on-site medical facilities and professionals.
70. Specialist external advice such as medical specialists and researchers are also engaged by Alcoa. Major global programs include the Healthwise study into the health of Alcoa refinery employees in Western Australia conducted by researchers from Monash University and the University of Western Australia.
71. Other initiatives include the engagement of Yale University to provide independent medical advice on a global basis, and Alcoa's Occupational Environmental Health Advisory Council (OEHAC). These initiatives underline Alcoa's commitment to supporting the independence and quality of the medical advice available to it.
72. In addition to zero injuries and zero work-related incidents, Alcoa implements initiatives to achieve the goal where employees go home healthier when they came to work.
73. Healthy workforce initiatives include medical screenings, health-risk reduction programs, health education and employee assistance.
74. Alcoa also supports off-the-job health and safety activities for families and communities, such as family health and safety fun days.

Education and training

75. Alcoa provides training and career development opportunities to enable employees to be better qualified for their existing positions, and for those positions to which they might seek promotion.
76. This commitment is reflected in Alcoa investing around \$22 million on training each year, including \$6 million on apprentice training.
77. Alcoa spends almost 5 per cent per cent of its payroll on training, which is significantly higher than the national average of 2.5 per cent.
78. Alcoa's training programs include industry and job skills, people skills, management skills, health and safety, and environment.
79. Alcoa also encourages employees to improve professional skills through external study or by acquiring additional qualifications. Alcoa's Education Tuition Aid Policy supports employees by providing time-off and financial support for approved courses.

Diversity, equal opportunity and work and family balance

80. Alcoa is committed to equal opportunity, a more diverse and inclusive workplace, and work and family balance. Alcoa's efforts have been focused on:

- Promoting equal opportunity
- Providing a more flexible workplace, and
- Driving cultural change

Promoting equal opportunity

81. Like other companies in the resource industry, Alcoa faces the challenge that women and other under-represented groups do not see the resources industry as a traditional career choice. Alcoa is working to address this by providing equal opportunity through training and employment.

82. For example, the Alcoa Future Women of Industry program aims to encourage young women to consider careers in industry.

83. Each year, Alcoa provides 50 scholarships to talented young women in senior school who also take part in a mentoring and work experience program. The program has been a success with many participants taking up apprenticeships with Alcoa or going on to further study.

84. The Alcoa Women's Network is a global Alcoa initiative to promote the development and advancement of women in leadership roles. The network has been sponsored by the most senior people in the organisation, including Alcoa Inc Chairman Alain Belda. The Network provides opportunities for:

- networking
- mentoring
- leadership development, and
- a platform to raise equal opportunity and diversity issues.

Providing a more inclusive and flexible workplace

85. Alcoa is working to provide a more inclusive and flexible workplace where employees do not have to choose between a career and family.

86. Work and family policy and flexible work arrangements include:

- Paid parental leave
- Job share
- Part-time work
- Flex time

- Work from home, and
- Flexible start and finish times

87. Alcoa's parental leave policy helps parents stay in touch with the company and have a smooth transition when they return to the workplace.

88. Many employees job-share and work part-time. For example, Alcoa supports women truck drivers who return from maternity leave at mine-sites. Employees are provided the flexibility to work part-time and to nominate the shifts they wish to work.

89. Alcoa supports family and open days for employees, their families and the wider community. The events are important in building understanding of the Alcoa workplace and to keep families engaged.

90. Alcoa also supports older employees through flexible work arrangements. Many Alcoa employees have been with the company for more than 25 years, with some for more than 40 years.

91. To assist older employees, Alcoa introduced programs such as superannuation and retirement plans which cater for part time phasing into retirement. Alcoa also provides access to financial counselling and retirement seminars, as well as insurance benefits.

92. These programs not only promote a diverse workforce, they also help retain valuable corporate experience and memory.

Driving cultural change

93. Alcoa recognises the importance of having a workplace culture that values difference and respects the individual. This requires promoting cultural change in what is traditionally a male-dominated industry.

94. Alcoa's Values commit Alcoa to ensuring a workplace free of discrimination, harassment and bullying. Management and employees participate in regular diversity and equal opportunity training. Contact officers specialising in diversity issues have been trained at all Alcoa locations.

95. Promoting cultural change also requires senior managers to be role models for diversity. Alcoa managers have an obligation to create an inclusive working environment and be the advocate and enabler for these values to be put into practice.

Outcomes

96. While Alcoa's efforts have made progress, Alcoa recognises that equal opportunity and workplace diversity requires long-term commitment.

97. For example, the proportion of women in Alcoa's workforce has increased from around 8 per cent in 1994 to around 11 per cent.
98. What has changed most is the mix of roles that women hold, with more women in senior roles, and in more diverse roles.
99. Alcoa today has around 40 female managers compared to only six in 1995. 18 per cent of Alcoa's managerial positions are now filled by women compared to 3 per cent 10 years ago. Women are in more diverse roles including:
- engineering
 - maintenance
 - mine, refinery and smelter operators
 - lab technicians
 - apprentices, as well as in
 - key management positions
100. Around 50 per cent of Environment Health and Safety positions in refineries and smelters are filled by women. However, there are still very few women in trades and apprentice roles.
101. Retention of female employees remains an issue. Around 40 per cent of our female managers have been with Alcoa for less than five years. Women are also under-represented in Alcoa's executive group.
102. To make the Alcoa workplace more attractive, Alcoa recently doubled paid maternity leave from 6 weeks to 12 weeks, and is continuing to explore how Alcoa can offer meaningful career paths for women in the organisation.

External recognition

103. Alcoa's efforts in promoting equal opportunity and a more diverse workplace have been recognised with a number of national awards.
104. Alcoa was named a national leader by the Federal Government's agency for Equal Opportunity in the Workplace in 2004.
105. Alcoa received the agency's flagship Business Achievement Award, recognising the company's sustained commitment to equal opportunity. Alcoa is an Employer of Choice for Women.
106. Alcoa is also a past winner of the Chamber of Commerce and Industry's Work and Family Gold Award.

F. ENVIRONMENT

107. Alcoa's Environment, Health and Safety Policy commits Alcoa to operate worldwide in a safe, responsible manner that respects the environment and the health of employees, customers and communities. Alcoa does not compromise environmental, health or safety values for profit or production.
108. This Policy applies to all of Alcoa's operations worldwide and ensures that environmental and sustainability considerations are taken into account in all aspects of Alcoa's business.
109. Alcoa is implementing a 2020 Global Environment Strategy. This sets global environmental targets for cleaner air and better use of land and water. Alcoa is working towards its ultimate vision where:
- all wastes have been eliminated
 - products are designed for the environment
 - the environment is fully integrated into manufacturing
 - the workplace is incident-free
 - protecting the environment is a core value of every employee, and
 - all stakeholders recognise Alcoa as a leader in sustainable development
110. In addition, Alcoa has undertaken to voluntarily reduce emissions worldwide and is implementing additional environmental controls to meet these targets. This underlines Alcoa's commitment to achieving a level of environmental management and performance that is well above legislative or regulatory requirements.
111. For example, Alcoa has taken a voluntary global leadership position on addressing climate change and reducing greenhouse gas emissions. Alcoa set a voluntary target of reducing global direct greenhouse gas emissions by 25 per cent by 2010 from a base year of 1990.
112. This goal was achieved in 2003 and Alcoa is now working to maintain that reduction as the company expands.

Environmental restoration and minesite rehabilitation

113. Alcoa is recognised as a world leader in environmental restoration and minesite rehabilitation.
114. Every hectare of forest is rehabilitated after mining to return a self-sustaining forest ecosystem that enhances or maintains water, timber, recreation and conservation values.
115. Alcoa aims to achieve 100 per cent botanical species diversity in its rehabilitated areas and was the first resource company in the world to achieve this in 2000.
116. This can be achieved by replacement of fresh topsoil, maximising the number of plant species in the seed mix, and planting species that produce little or no viable seed.
117. Seed for rehabilitation is collected within 20 kilometres of the area being rehabilitated to ensure the correct genetic material is returned. For species that reproduce by spreading roots, or which produce seeds of low viability, these are propagated through cuttings, divisions and micropropagation at Alcoa's nursery.
118. With over 25 years of research, Alcoa sets comprehensive ecological performance criteria for its rehabilitation, that includes a range of biodiversity and ecosystem measures.
119. The rehabilitated areas are rapidly re-colonised by native insects and, as the areas mature, animals and birds.
120. Alcoa has led research into Jarrah dieback, a fungal disease that has a major impact on the ecology of the forest. As a result of joint research by Alcoa, the West Australian Department of Conservation and Land Management, and Murdoch University, jarrah trees with a high resistance to dieback have been identified and multiplied.
121. Special plantations are being established to produce "resistant" seed. This will be added to the seed mix to further boost dieback resistance in rehabilitated areas. The West Australian State Government recognised Alcoa's achievements with a Golden Gecko award in 2002.
122. Alcoa supports community-based environmental restoration projects. Alcoa has supported Landcare in Australia for over a decade with over \$20 million in community, environmental and landcare projects.
123. A 20 year partnership with Greening Australia has resulted in the planting of over 10 million trees and the rehabilitation of thousands of hectares of degraded land.

124. Alcoa's commitment to environmental rehabilitation have been internationally recognised.
125. Alcoa was the first mining company in the world to be recognised by the United Nations Environmental Program by inclusion in its Global 500 Roll of Honour for its mine rehabilitation in Western Australia.
126. In 2003, the company's leadership in mine rehabilitation in Western Australia won a prestigious international award from the Society for Ecological Restoration International.
127. Alcoa Inc was named one of the top three most sustainable corporations in the world at the 2005 World Economic Forum in Switzerland.
128. Alcoa's partnership with Greening Australia was recognised by a 2003 Prime Minister's Award for Excellence in Community Business Partnerships.

Key Facts: Environmental rehabilitation

- World leader in environmental restoration and minesite rehabilitation
- 100 per cent botanical species diversity in rehabilitated areas in 2002
- Over \$20 million to support Landcare in Australia
- 20 year partnership with Greening Australia resulted in planting of 10 million trees
- First mining company in the world recognised by the United Nations Global 500 Roll of Honour

Responding to climate change

129. Alcoa Inc has taken a voluntary global leadership position on addressing climate change and reducing greenhouse gas emissions.
130. Alcoa established a target of reducing global direct greenhouse gas emissions by 25 per cent by 2010 from a base year of 1990. This was achieved in 2003 and Alcoa is now working to maintain that reduction as the company expands.
131. In Australia, Alcoa is addressing greenhouse gas emissions through energy efficiency, productivity improvements and technological innovation.

132. Alcoa has reduced greenhouse intensity of its alumina refineries by 6 per cent compared to 1990 levels.
133. The on-site Greenhouse intensity of Alcoa's smelting operations has been reduced by 55 per cent compared to 1990 levels (by the end of 2004).
134. Alcoa and Alinta Limited are partnering to develop environmentally-friendly cogeneration power plants at Alcoa's refineries. The plants produce both electricity and heat from the same fuel source, delivering greenhouse benefits.
135. Cogeneration is more than 80 per cent energy efficient, compared with 25 - 50 per cent for other power plants operating in WA.
136. Cogeneration at the Pinjarra and Wagerup refineries could save over 1.6 million tonnes of greenhouse emissions when compared to coal fired electricity generation. This is equivalent to taking 320,000 vehicles off the road in Australia.
137. Aluminium's lifecycle provides significant greenhouse benefits through recycling and the increased use of aluminium in transport.
138. Aluminium is almost endlessly recyclable and recycling saves 95 per cent of the energy it would take to make new metal. Almost 70 per cent of the aluminium ever produced since 1886 is still in use today.
139. Alcoa is the largest recycler of aluminium cans in Australia and recycles around 55,000 tonnes of aluminium and half a billion cans each year.
140. Aluminium motor vehicles offer improved performance and safety, and consume less fuel. Every kilogram of aluminium used in a car saves 20 kg of greenhouse gas emissions over the car's life. Alcoa Inc is working with Boeing, Airbus and the car industry to develop new aluminium alloys for aircraft and motor vehicles.
141. Alcoa has supported Landcare in Australia for over a decade with over \$20 million in community, environmental and landcare projects.
142. Alcoa's 20 year partnership with Greening Australia has resulted in the planting of over 10 million trees and the rehabilitation of thousands of hectares of degraded land.
143. Alcoa is a signatory to Australian and international codes of practice including the Australian Greenhouse Challenge, the WA Cleaner Production Statement and the International Aluminium Institute's Sustainability Principles.

144. Worldwide, Alcoa Inc is leading the aluminium industry's efforts to make aluminium climate neutral. Recycling and the use of aluminium in transport will make aluminium climate neutral by 2017.

Key Facts: Responding to climate change

- Voluntarily reduced global direct greenhouse gas emissions by 25 per cent from base year 1990.
- In Australia, addressing greenhouse gas emissions through energy efficiency, productivity improvements and new technology.
- Largest aluminium recycler in Australia
- Cogeneration plants could save over 1.6 million tonnes of greenhouse emissions compared to coal fired electricity
- Every kilogram of aluminium used in a car saves 20 kilograms of greenhouse emissions over the car's life
- 20 year partnership with Greening Australia has resulted in planting over 10 million trees

G. COMMUNITIES

145. Alcoa has been part of the Australian community for over 40 years. Under the banner "Partnering Stronger Communities", Alcoa has formed partnerships and sponsorships to support and strengthen communities.

146. Contributing to the social, cultural and artistic life of communities; encouraging people to stay and visit; supporting opportunities for young people; is part of Alcoa's long-term commitment to adding value to the communities where it operates. Alcoa does this by:

- Engaging with local communities
- Supporting community infrastructure, services and partnerships
- Supporting local suppliers and businesses
- Supporting employees in their communities, and
- Supporting education and training for young people

Key Facts: Supporting communities

- 40 year history in supporting stronger communities in Australia
- \$12 million in community sponsorships and partnerships in 2004, including community-based training and apprenticeships
- 250 community partnership and sponsorship programs in 2004
- Training opportunities for community members, young people, indigenous Australians and women
- Alcoa Local Supplier Policy supports local businesses
- Alcoa Foundation supports employee volunteers in their local communities
- Community Consultative Networks at all Alcoa locations for ongoing community consultation

Engaging with local communities

147. Community and stakeholder engagement is a key element of Alcoa's sustainability strategy.
148. In 2001, Alcoa developed a Community Framework to help Alcoa locations better understand local issues and engage communities. The Framework identifies ways for Alcoa to build strong relationships with employees and their families, with government agencies, non-government organisations, community-based organisations, neighbours and individuals.
149. Alcoa has established Community Consultative Networks (CCNs) at each of Alcoa's locations in Victoria and Western Australia. These foster ongoing, two-way communication and consultation with the communities in which Alcoa operates.
150. The CCNs include interested community members and meet regularly – either monthly or every six weeks depending on community needs – to discuss issues of importance to the community.
151. These issues include Alcoa's environmental, health and safety performance, and community sponsorship programs. Alcoa works in partnership with the community to respond to issues raised by the community.
152. Alcoa undertakes targeted community consultation on specific issues, such as the development of long-term strategies for bauxite residue management.

153. Community consultation and input is critical in establishing environmental improvement priorities in Alcoa's operating plans. For example, Alcoa's Victorian smelters work closely with local communities to develop Environmental Improvement Plans (EIP). Progress in meeting EIP targets is reported back to those communities.

154. Community consultation also plays a critical role in environmental assessment for major projects, such Alcoa's \$440 million Pinjarra refinery upgrade and proposed \$1.5 billion Wagerup refinery expansion.

Supporting community infrastructure, services and partnerships

155. Alcoa is committed to the long-term sustainability and vibrancy of local communities. Alcoa works with local communities on a wide range of community programs, projects and events, with a focus on building stronger and more sustainable communities.

156. Alcoa's sponsorship program is co-ordinated and managed on different levels. A dedicated budget is set aside at each of these levels to ensure that the company adequately supports corporate, regional and local community projects. These levels include:

- programs that build strong corporate partnerships and make tangible differences to people's lives
- regional programs in Western Australia and Victoria
- local projects and events in communities surrounding Alcoa's operations
- Alcoa Foundation grants
- Alcoa Landcare program grants

157. In identifying potential partners to support, Alcoa has developed a set of sponsorship objectives over the years that have strong community and employee drives. This approach to corporate sponsorships is an integral part of Alcoa's planning processes at all levels – site as well as at corporate level.

158. There are three main ways by which Alcoa identifies organisations and activities to support:

- Alcoa identifies and approaches organisations that will help the company meet its program, sponsorship and partnership objectives
- Employees nominate organisations and activities they believe the company should support

- programs are selected from the many submissions that Alcoa receives as part of its annual sponsorship application process
159. Alcoa's operating locations have dedicated budgets for local sponsorship programs. Alcoa's culture is that locations are a part of the local community and support a wide range of community, environmental, sports, education, arts and culture programs.
160. Alcoa's Community Consultative Networks (CCNs) at all locations also provide a vital role in helping to identify potential partnerships and sponsorships. Alcoa has supported a wide variety of local community programs through this process.
161. Alcoa's support has provided significant benefits to local communities in terms of community infrastructure and services. For example, Alcoa's Wagerup refinery in Western Australia supported:
- construction of the local swimming pool and library
 - building new indoor basketball courts
 - upgrading the local primary school with a new classroom, amphitheatre, computers, video and playground equipment
 - upgrading facilities at the local hospital
 - restoration of historic buildings to promote local tourism
 - building a new health and community centre and new community programs
162. Alcoa also supported numerous local community organisations including the local fire brigade, cricket club, swimming club, bowling club and agricultural society.
163. In addition, Alcoa is sponsoring the Alcoa Research Centre for Stronger Communities at Curtin University in Western Australia. The Centre is undertaking research aimed at having a practical impact on community life, including social and cultural life, by providing real solutions at a community level.
164. The project supports Alcoa's commitment to building community capacity and to undertaking joint research projects relevant to both local communities and the company.
165. In 2004, Alcoa invested over \$12 million in community partnerships and sponsorships, including community-based training, in Australia. These included partnerships on health, safety, diversity, the environment, community development, leadership and education, science and technology.

166. Across Australia, Alcoa participated in over 250 community partnership and sponsorship programs in 2004.

Supporting local suppliers and businesses

167. Alcoa has a specific focus on supporting local and regional businesses. Alcoa's Local Supplier Policy aims to add value to the economy of local communities through:

- the preferred use of local suppliers
- helping local suppliers do business with Alcoa,
- encouraging suppliers to employ locally

168. Alcoa utilises local suppliers extensively. Strong relationships with businesses not only contribute to regional development, but also enhance commercial outcomes for Alcoa.

169. Benefits to local and regional businesses include short and long term purchases, contractual arrangements, and downstream benefits from Alcoa's extensive apprentice training programs and traineeships.

170. Alcoa has worked to ensure that Alcoa growth projects deliver benefits to local businesses and communities.

171. For example, a local company Pinjarra Engineering was awarded the first contract for Alcoa's \$440 million upgrade of the Pinjarra refinery. The company is supplying new and reconditioned valves under a \$1 million contract which has created five new positions for people within the local community.

172. The Pinjarra upgrade project's catering contract with Spotless Services ensures that local suppliers such as Pinjarra Fresh Food Market supplies fruit and vegetables, and Pinjarra Newsagency provides cards and stationary. The contract shows that even when a larger company from outside the local area is awarded an Alcoa contract, Alcoa encourages them to use local businesses.

173. Local suppliers are also taking the opportunity to tender globally and competitively to supply Alcoa contracts on the internet. A local West Australian business won a multi-million contract to supply valves to Alcoa's operations in Jamaica and Suriname.

Supporting employees in their communities

174. Alcoa employees play a key role in the artistic and cultural life of their communities as community members and as volunteers in community associations and organisations.
175. Alcoa supports employees in their local communities through the Alcoa Foundation. The Foundation encourages and supports employee volunteering in their communities through two programs – ACTION and Bravo.
176. ACTION recognises the collective efforts of Alcoa employees in communities where they live and work. The program provides US\$ 3000 grants where employees choose to volunteer their time working together on a special community project.
177. Bravo! recognises the efforts of employees who devote 50 or more personal hours to a community organisation. The program encourages employees to nominate their organisation for a Bravo! grant from the Alcoa Foundation.
178. In 2004, the Alcoa Foundation provided over US\$ 640,000 to local community organisations in Australia.
179. Alcoa also encourages employee giving and donation through the Alcoa PEACH program. The program was established over 20 years ago and encourages employees to contribute to charities through payroll deductions. The company also makes an annual contribution.

Supporting education and training for young people

180. Alcoa supports training opportunities for community members, young people, indigenous Australians, women and disadvantaged youth.
181. This directly contributes to social infrastructure and communities by building regional skills and encouraging young people to stay.

Apprentices and trainees

182. Alcoa invests over \$5 million each year on apprentice training in Australia. Alcoa's apprenticeship program trains people to become qualified in a particular trade and normally take 4 years.
183. The program involves up to 36 weeks off-the-job training and provide participants with a nationally recognised trade certificate. For example, Alcoa is training mechanical trades people, such as fitters and fabricators, as well as electrical instrument trades people.
184. Alcoa draws apprentices exclusively from local communities around its operations and also builds strong links with local schools.

185. Strategies include ongoing mentoring and buddy systems, close collaboration with TAFE to produce strong reporting and project systems, and close tracking of individual progress.
186. In 2005, Alcoa recruited 41 new apprentices - 26 in Western Australia , 13 in Victoria and 2 in New South Wales. Over 120 apprentices are currently being trained by Alcoa across its operations in Australia.
187. Alcoa has trained over 1100 West Australian trades people through its apprentice program - a significant contribution to local communities and businesses. In today's dollars, this represents a \$200 million investment by Alcoa in apprentice training in Western Australia.
188. Alcoa's contribution to apprentice training was recognised by a 2005 Federal Government Award for Excellence.
189. The Award recognised the very high standard of training provided by Alcoa to apprentices which has resulted in a 99 per cent completion rate for participants.

Alcoa traineeships

190. Alcoa invests almost \$1 million each year to support traineeships. Alcoa's program aims to improve employment prospects and widen career options, with Alcoa locations supporting local young people for 12 months or longer.
191. The programs are nationally accredited and provide 13 weeks off-the-job training as well as a Certificate of Attainment. Trainees still at school receive the National Training Wage for their work as well as completing their secondary schooling.
192. All graduates benefit with increased employment, further education and training prospects as well as having paid employment for the duration of the program.

Key Facts: Apprentices and trainees

- \$6 million a year invested on apprentices and trainees in Australia
- 41 new apprentices recruited in 2005 from local communities
- Over 120 apprentices currently being trained by Alcoa across its Australian operations
- Over 1100 West Australian apprentices trained by Alcoa
- Alcoa's apprentice program awarded 2005 Federal Government Award for Excellence

Supporting local youth opportunities

193. More than 20,000 young people benefit from Alcoa's youth opportunity and training programs across Australia annually.
194. These programs include work experience for Year 10 students, year-long traineeships with significant on-the-job training, and engineering internships and scholarships.
195. Alcoa's locations have been instrumental in developing and maintaining education and business partnerships within their communities. For example, Alcoa's Point Henry smelter in Victoria is a partner in the Geelong Regional Vocational Education Council (GRVEC).
196. The Council supports the development of partnerships between businesses, schools and the community, giving young people in the Geelong region the opportunity to develop employability skills. It promotes VET, organises work placements and supports quality off-the-job and on-the-job training.
197. Alcoa's Future Women of Industry program aims to encourage young women to consider careers in industry. Alcoa provides 50 Future Women of Industry scholarships each year for girls in Years 11 and 12. Recipients take part in a mentoring and work experience program. The program has been a success with many participants taking up apprenticeships with Alcoa or going on to further study.
198. Alcoa provides work experience opportunities for Year 10 students who undertake 1 or 2 weeks of supervised work in an area of career interest to them. Alcoa also provides short-term work experience or work assignments for tertiary institutes and employment and rehabilitation agencies.
199. Alcoa is a major supporter of programs providing training opportunities for disadvantaged youth. Programs include:
- Beacon - a program that aims to tackle youth unemployment by providing mentoring, career counseling, support and links to potential employers
 - Fairbridge WA – a program that aims to support 1,500 disadvantaged young people through education and training in life and work skills
 - Alcoa Great Mates – a program that encourages and promotes young indigenous people who demonstrate leadership qualities by putting them in touch with role-models
 - Life Education – a program that provides drug education resources for primary schools across Geelong and the Surf Coast

Key Facts: Supporting local youth opportunities

- More than 20,000 young people benefit from Alcoa's youth opportunity and training programs across Australia
- Education and business partnerships with local communities, such as the Geelong Regional Vocation Education Council
- Work experience opportunities for Year 10 students
- 50 Future Women of Industry Scholarships provided each year to young women in local communities
- Local training opportunities for community members, young people, indigenous Australians, women and disadvantaged youth

I. CONCLUSION

200. Global businesses like Alcoa are working throughout their operations to ensure environmental, social and economic sustainability.
201. Alcoa is a Values-based company and Alcoa's Values and Principles require Alcoa to meet the highest standards of corporate behaviour in all aspects of business.
202. Being a responsible corporate citizen requires a strong corporate ethic, adherence to strong values and engagement with employees, the community, government, suppliers and customers.
203. Alcoa is strongly committed to ensuring its social contribution is a meaningful one and that the company fulfils its social responsibilities.

ATTACHMENT: ALCOA'S VALUES

Integrity Alcoa's foundation is our integrity. We are open, honest and trustworthy in dealing with customers, suppliers, coworkers, shareholders and the communities where we have an impact.

Environment, Health and Safety We work safely in a manner that protects and promotes the health and well-being of the individual and the environment.

Customer We support our customers' success by creating exceptional value through innovative product and service solutions.

Excellence We relentlessly pursue excellence in everything we do, every day.

People We work in an inclusive environment that embraces change, new ideas, respect for the individual and equal opportunity to succeed.

Profitability We earn sustainable financial results that enable profitable growth and superior shareholder value.

Accountability We are accountable – individually and in teams – for our behaviours, actions and results.