

ARCONIC

2019
Sustainability
Report



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On April 1, 2020, Arconic Inc. separated its business into two independent, publicly traded companies – Arconic Corporation and Howmet Aerospace (the new name for Arconic Inc.). Unless otherwise noted, the information and data presented in this report is for Arconic Corporation only.

Forward-Looking Statements: This report contains, in addition to historical information, statements concerning Arconic’s expectations, goals, targets, strategies or future performance. These “forward-looking statements” include such words as “anticipates,” “estimates,” “should,” “will,” or other words of similar meaning and are subject to a number of known and unknown risks and uncertainties. Some of the factors that may cause Arconic’s actual results to differ materially from those expressed or implied in the forward-looking statements include deterioration in global economic or financial market conditions generally, unfavorable changes in the markets served by Arconic, factors affecting Arconic’s operations, such as equipment outages, natural disasters or other unexpected events, changes in the regulatory environment, Arconic’s inability to realize expected benefits from its productivity improvement, sustainability, restructuring, technology and other initiatives and the other risk factors summarized in Arconic Corporation’s Form 10-K for the year ended December 31, 2019, and other SEC reports.

CEO STATEMENT



I am pleased to present Arconic's 2019 Sustainability Report, which details the successes and challenges of our operations globally and our exciting opportunities to make a positive impact on the world. It also highlights our strong values, which are really about who we are and how we interact. Our employees live these values every day, working together to innovate, deliver and operate as a world-class organization.

Each day, our products and innovations are helping advance the sustainability of our customers, who continue to use materials that are lighter weight, durable, strong and recyclable. We help make automobiles, trucks and airplanes lighter and stronger. This not only increases their performance and safety ratings, it reduces their fuel consumption and greenhouse gas emissions. Buildings using our advanced materials are more energy efficient and better protected from the elements.

Our suppliers are key partners in our sustainability journey, helping us meet our goals and those of our customers. We also expect each to act ethically, respect human rights and further embed sustainability into their operations. Of our key suppliers, 77 percent had sustainability programs considered leading or active based on our 2019 assessment.

Within our own operations, we are creating a culture that is defined by integrity and embraces diversity, drives inclusion, and empowers and engages our employees. We are focused on ensuring the health and safety of our employees, reducing our environmental impact, and engaging with stakeholders and the communities in which we operate.

Highlights of our achievements in 2019 include:

- ▶ Zero employee or contractor fatalities, which was the fourth consecutive year that our locations achieved this important milestone;
- ▶ We decreased our greenhouse gas emissions by 9.5 percent and our energy consumption by 3.0 percent compared to 2018; and
- ▶ Recognizing the significance of the Aluminium Stewardship Initiative (ASI) performance standard, which is focused on responsible production, sourcing and stewardship of aluminum, we began our journey by achieving ASI certification at three locations. We started with our rolling mill in Samara, Russia, and our Corporate Center in Pittsburgh in 2019. Our location in Köfém, Hungary, was certified in early 2020.

In 2020, we will be taking a fresh look at sustainability through the lens of Arconic to ensure we remain focused on the issues most relevant to the safety of our employees and our operations, customers and stakeholders. We also will continue our efforts to protect our employees and their families during the COVID-19 pandemic.

We are excited to build upon our strong heritage as a leader in sustainability.

A handwritten signature in black ink that reads "Tim Myers". The signature is fluid and cursive, with the first name "Tim" and last name "Myers" clearly legible.

Timothy D. Myers
Chief Executive Officer

Sustainability at Arconic

Sustainability Approach

Wherever we operate, it's our goal to live our [values](#) and have a significant positive impact on our stakeholders and surrounding communities.

We believe that truly sustainable organizations shape the future. By fulfilling the needs of society now, we can expand opportunities for generations to come.

Our sustainability approach is based on three levers that help advance our efforts:

- ▶ **Operational sustainability:** Keep our people safe, empowered and engaged, reduce our environmental footprint and act on our social responsibility.
- ▶ **Customer sustainability:** Through our products and innovations, enable our customers – and the end users of the products we contribute to – to achieve their sustainability goals.
- ▶ **Supply chain sustainability:** Drive sustainability into our suppliers' processes and practices and

leverage their expertise to achieve our sustainability goals.

We also embarked on a certification journey through the [Aluminium Stewardship Initiative](#), which is a certification program focused on responsible production, sourcing and stewardship of aluminum. ASI has informed our sustainability approach significantly. Our location in Samara, Russia, and our Corporate Center in Pittsburgh were certified to the ASI performance standards in 2019, while our location in Köfém, Hungary, received its certification in early 2020. We will be pursuing certifications for other locations.

We also will refocus our sustainability approach and programs to align with the opportunities and risks specific to our new company profile during 2020. As part of this work, we will evaluate recommendations from the [Task Force on Climate-related Financial Disclosures](#) and [Sustainability Accounting Standards Board](#).

To advance the management of our environment, health and safety (EHS) functions, our EHS management system is aligned with the ISO 14001 environmental management standard and the ISO 45001

occupational health and safety standard. Each of our operating locations meets these internationally recognized standards, which cover nearly all of our employees.

2019 Performance



Reporting

The 2019 Arconic Corporation Sustainability Report was developed in accordance with the core option of the [Global Reporting Initiative Standards](#) and informed by the ASI standards.

Although Arconic Corporation was not an independent public company until April 1, 2020, we developed this report to continue our commitment to sustainability and transparent reporting. Unless otherwise noted, all of the information and data contained in this report pertain only to the former Arconic Inc. operations that now comprise Arconic Corporation.

In developing the report's content and identifying our material sustainability topics, we evaluated both direct and indirect input and guidance from sources that included:

- ▶ Global and local stakeholders;
- ▶ Investors;
- ▶ Customers;
- ▶ Industry associations;
- ▶ Sector standards, such as ASI;
- ▶ Sustainability surveys from ratings organizations;
- ▶ Our leadership;
- ▶ Our employees and their representatives; and
- ▶ Media coverage.

We currently do not seek third-party assurance of our sustainability report. The accuracy and completeness of the information is verified by our internal experts and processes, which include our environment, health and safety internal audit process.

Material Topics

Topic	Boundaries
Energy	Global operations
Water	Global operations
Emissions	Global operations
Waste	Global operations
Environmental Compliance	Global operations
Health and Safety	Global operations
Diversity and Equal Opportunity	Global operations

Economic

Products

Working in close partnership with our customers, we solve complex engineering challenges to transform the way we drive, fly and build.

The global markets in which we compete are increasingly driven by significant challenges – urbanization, climate change, resource scarcity and more. By developing the next generation of innovative products and technologies, we’re enabling our customers to address the challenges and capture the opportunities.

Products made from our advanced materials and technologies are light, strong, efficient, durable and recyclable. They also can use less energy and emit fewer greenhouse gases than products made from other materials.

Through our innovations, we are advancing the sustainability of our customers and the markets that we serve.

Automotive

Automakers continue to focus on lightweighting to improve fuel economy and meet more stringent government regulations. According to Drive Aluminum, a 5 to 7 percent fuel savings can be realized for every 10 percent in vehicle weight reduction when heavier steel is replaced with aluminum.

For electric or hybrid vehicles, lighter weight translates into either increased range per charge or lower costs due to a smaller battery required for a given range. An Aluminum Association study found that reducing vehicle weight could reduce battery size by about 10 percent for the 16 electric vehicles studied.

Our products and technologies are supporting the market's shift to multi-material, aluminum-intensive vehicles.

We developed a new alloy – called C6A1 – that allows automakers to create high-form lightweight design solutions in applications that require strength and durability. The new alloy helped shed approximately 34 kilograms (75 pounds) from the 2018 Jeep® Wrangler model. [Learn more.](#)

We recently developed the first commercial aluminum exhaust gas recirculation (EGR) system, which diverts a portion of an engine's exhaust gases back to the cylinders. This product provides a 40 percent weight reduction and costs 30 percent less compared to a stainless steel EGR.

We also have partnered with the industry leader in aluminum drive shafts – which transfer power from the motor to the rear axle – to develop a single-piece aluminum shaft that weighs up to 50 percent less than a conventional two-piece steel shaft.

A major challenge associated with the mass production of multi-material vehicles has been joining dissimilar materials cost-effectively. For example, conventional spot welding required

new, higher-cost joining technologies that offered lower manufacturing flexibility.

In response, we developed Arconic 951™ bonding technology, which received a prestigious R&D 100 award. The technology creates a molecular link with both the aluminum surface and the structural adhesive for a bond that's nine times stronger than its titanium zirconium predecessor.

Numerous studies have shown the weight savings that could be gained by switching from steel to aluminum for a specific component. A



Jeep® Wrangler

recent study from the Center for Automotive Research indicated an all-aluminum door using advanced material solutions and manufacturing technologies reduced the weight of the baseline door by 46 percent.

Another key sustainability advantage of aluminum's use in automobiles is its recyclability. A 2016 study from Ducker Worldwide confirmed an overall recycling rate of 91 percent for automotive aluminum.

[LEARN MORE ►](#)

Commercial Transportation

As with automobiles, regulations on fuel efficiency and emissions for commercial vehicles continue to tighten around the world.

Technology to make trucks more fuel-efficient tends to add weight, which impacts the amount of payload the truck can carry. Aluminum helps the industry offset the added weight, increase fuel efficiency and reduce emissions:

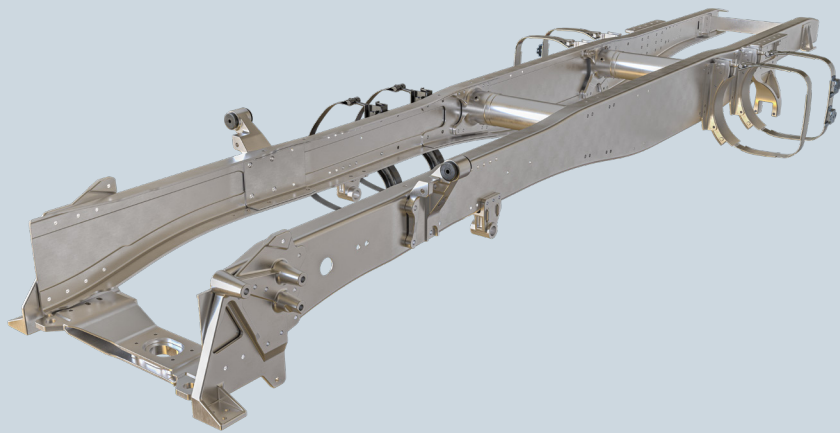
- ▶ Aluminum has the potential to save up to 1,497 kilograms (3,300 pounds) in vehicle weight for a Class 8 truck, which is a popular truck in North America. For example, it saves 27 kilograms (60 pounds) for roof cabs, 25 kilograms (56 pounds) for cab floors, 197 kilograms (435 pounds) for frame rails, 22 kilograms (49 pounds) for cab rear walls and 17 kilograms (38 pounds) for cab cross-members. (Source: U.S. Environmental Protection Agency)
- ▶ For every 10 percent of vehicle weight reduction in a Class 8 truck, drivers can gain up to a 5.5 percent improvement in fuel economy if they do not increase payload. (Source: Ricardo Engineering)

- ▶ Lightweighting with aluminum saves up to 17.9 metric tons of carbon dioxide (CO₂) emissions annually per vehicle. This equates to approximately 10 million metric tons of CO₂ per year for the current U.S. fleet. (Source: SAE International)

Our recent innovations to capture these benefits include a lightweight, all-aluminum frame for Class 8 trucks that will reduce truck frame weight by more than 40 percent compared to steel frames.

Aluminum's benefits extend beyond trucks to other forms of commercial transportation, such as railcars and buses. The use of aluminum in electric buses, for example, extends the range or reduces the size and weight of the battery required. Using electric buses instead of diesel buses for city use significantly reduces particulate emissions in urban centers.

[LEARN MORE ▶](#)



All-aluminum truck frame

Aerospace

Airlines and aircraft manufacturers have a clear need – lighter aircraft that deliver fuel efficiency and reduce emissions. Both will be essential for the industry to meet its goal of stabilizing emissions at 2020 levels, which was set in the historic Carbon Offsetting and Reduction Scheme for International Aviation (CORSA).

Through our product and process innovations, we are supporting the efforts of our aerospace customers.



Lighter aircraft use less fuel, and our latest generation of aluminum-lithium alloys enables lighter, stronger, tougher and larger airframe components. We are the only company capable of producing single-piece aluminum-lithium wing skins for the largest commercial aircraft. Single-piece parts minimize the number of complex joints, making structures stronger, lighter and less expensive.

An emerging trend in the aerospace industry is increased vertical integration. In the past, a part would move from company to company for specific manufacturing steps. Today, we handle many of the manufacturing steps in-house, delivering a product that is more finished while also reducing transportation-related costs, fuel consumption and emissions.

[LEARN MORE >](#)

Building and Construction

The building and construction industry is increasingly focused on products that enhance building performance and sustainability. The industry is also demanding increased transparency into the environmental and health impacts of products used in buildings.

Our wide range of products for the building and construction industry deliver on a number of sustainable criteria, including recyclability, light weight, thermal efficiency and durability. As we look to continually increase the sustainability of our new and existing products, we have trained our product design engineers on sustainable design methodologies and the avoidance of materials included in the International Living Future Institute's [Red List](#) and the [Cradle to Cradle Certified™ Banned List of Chemicals](#).

Our [Insulpour™ Thermal Entrance](#), for example, offers enhanced energy efficiency and superior structural performance. Throughout the development of the door, the design team worked with suppliers to evaluate and select components that would allow the product to qualify for a [Declare label](#). These labels indicate where a product comes from, what it's made of, where it goes at the end of its life and if it complies with the Red List. The entrance's thermal assemblies are also covered under an existing [environmental product declaration](#) (EPD), which outlines the environmental impact of a product.

We offer EPDs for our commercial storefront system, curtain walls and windows as a way to provide increased transparency for our products. Our EPDs, which convey the environmental impact of a product for a variety of categories, have been independently validated and certified by UL Environment. We also have Declare labels for our most sustainable and popular Kawneer products.

We have created a material transparency

summary (MTS) for many of our Kawneer building and construction products. Similar to EPDs, an MTS details the material ingredients in a product, helping us and our customers better understand and evaluate human health impacts.

We also continue to maintain Cradle to Cradle certification on key product categories to demonstrate our commitment to sustainability through the lifecycle of our products.

Our Kawneer 1600 Wall System™ 1 Curtain Wall, Kawneer 1600 Wall System 2 Curtain Wall, Versoleil™ SunShade Outrigger Systems and Versoleil Single Blade Systems are Cradle to Cradle Certified Bronze. These same products also have earned a [Silver-level Material Health Certificate](#) from the Cradle to Cradle Products Innovation Institute.



Photo credit: CJ Berg Photographics

Featuring Kawneer's ultra thermal products and systems, the Colorado State University's Suzanne & Walter Scott, Jr. Bioengineering Building, is LEED Gold®.

Our AA 100 Q HI + Curtain Wall is Cradle to Cradle Certified Silver, and the AA 100 Q Curtain Wall is Cradle to Cradle Certified Bronze. Our RT 72 Reflex, RT 72 HI+ and RT 82 HI+ window and door systems are also Cradle to Cradle Certified Silver, including their hardware and surface treatment.

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Industrial Solutions

With their light weight, corrosion resistance, conductivity and formability, our industrial solutions increase sustainability in a wide range of applications.

Higher productivity and decreased lead times in the injection molding industry have created the need for molds that offer longer lifespans, higher corrosion resistance and faster speeds. Our QC10[®] aluminum mold plate machines eight to 10 times faster than steel. This reduces finishing costs and lead times by 20 to 30 percent while also reducing the energy required to manufacture the same amount of product. Our Alumec[®] aluminum mold plate brings similar benefits to prototyping, extrusion and blow molding.

For the tooling and fixtures market, we produce our Mic6[®] Precision Machined cast aluminum plate with up to 100 percent recycled aluminum. We check this recycled aluminum chemistry throughout the manufacturing process to confirm composition requirements, yielding the most desirable and reliable properties.

Our ability to produce large aluminum 6061 plates is enabling semiconductor manufacturers to use larger production chambers to make

more products in less time. In addition to increased productivity, customer benefits include reduced costs and energy usage.

For appliances, our Sureform[™] brushed aluminum with clearcoat is a sustainable substitute for stainless steel. Its lighter weight translates into reduced transportation-related costs, fuel consumption and emissions.

[LEARN MORE ►](#)

Defense and Space

Security and defense providers are experiencing broader requirements in response to continued and new threats. Defense aircraft must fly farther and carry more payloads. Land vehicles must carry multiple communication and weapon systems. These needs are challenging the industrial base to respond with material solutions that provide higher performance while using less fuel.

We've been listening and innovating. Our solution systems are lighter, stronger, faster and sustainable across the air, land, sea and space defense domains.

Our lightweight armor materials can replace heavier traditional systems, improving mobility and responsiveness while also extending the range of the combat vehicles. For the U.S. Navy's latest ships – Littoral Combat Ship, Ship to Shore Connector and Expeditionary Fast Transport – our corrosion-resistant materials reduce life cycle costs and the need for ozone-depleting coatings.

[LEARN MORE ►](#)



Joint Light Tactical Vehicle

Supply Chain

Sustainability and supply chain have a reciprocal relationship. Our suppliers help us achieve our sustainability goals, and we help them drive sustainability into their processes and practices.

As a global company, we conduct business with more than 11,000 suppliers around the world who demonstrate responsible and sustainable conduct and are expected to follow our [Supplier Standards](#).

Our interactions with them are based on the highest standards of integrity and compliance with all relevant laws and regulations. (See the [Ethics and Compliance section](#) of Arconic’s website for additional information.)

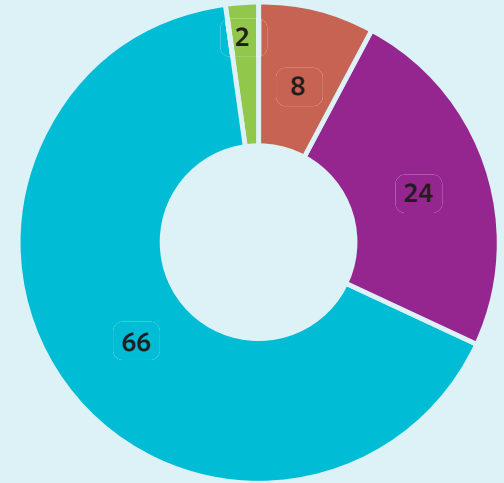
Before considering any potential new supplier, we perform due diligence to ensure the supplier is not in the consolidated database of denied and restricted parties. We do not partner with potential new suppliers who appear on the list.

We are committed to the responsible sourcing of materials and components necessary for the production and functionality of the products we manufacture.

Additional information is available in our most current Specialized Disclosure Report and Conflict Minerals Report, which can be downloaded from Arconic.com.

2019 Spend by Region

Percent

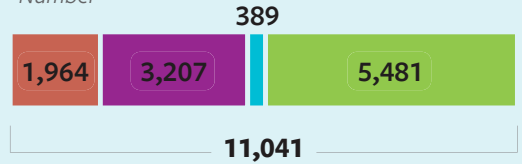


Region

- Asia
- Europe
- North America
- South America

2019 Suppliers by Major Category

Number



- Operational/Capital Expenditures
- Information Technology and Services
- Metals
- Production Materials

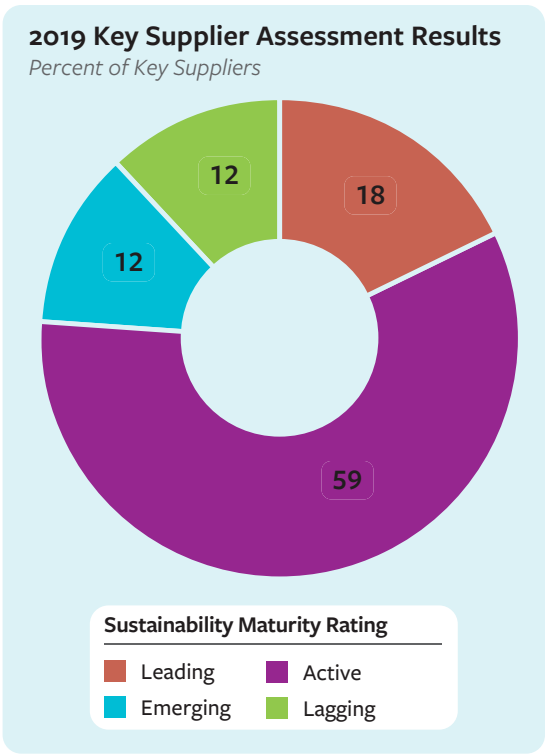
Global Supplier Sustainability Program

We measured the sustainability performance of our key suppliers in 2019 through our Global Supplier Sustainability Program. These suppliers are companies that impact our carbon footprint, possess preferred status, are sole sources of supply, may be located in emerging or high-risk countries, or provide regulated commodities.

The program consists of four components:

- ▶ **Communicate expectations:** Our Supplier Standards outline our expectations regarding supplier sustainability.
- ▶ **Assess suppliers:** We conduct assessments of key suppliers to evaluate the maturity of their sustainability programs and determine where improvement may be needed. In 2019, we significantly expanded the assessment process and brought the breadth and depth of the survey in line with environmental, social and governance expectations that are material to our supplier base.
- ▶ **Develop and educate:** When needed, we provide feedback on a supplier’s sustainability questionnaire results and discuss opportunities for improvement.
- ▶ **Monitor:** We periodically reassess our suppliers to evaluate if any changes have occurred that would influence a supplier’s maturity level rating. It is our expectation that supplier sustainability should improve over time.

The 2019 assessment found that 77 percent of our key suppliers had sustainability programs considered leading or active. For those key suppliers deemed emerging or lagging, we recommunicate our sustainability expectations and, where necessary, work with them to incorporate sustainable practices into their businesses. If we see no improvement, we will look to alternative suppliers that have a proven sustainability track record.





Environmental

Emissions

Our manufacturing operations produce different types of air emissions depending upon the manufacturing process.

Climate Protection

We specialize in lightweight metals engineering and the manufacture of breakthrough products that help solve some of the world's toughest climate challenges. That puts us in a unique position to reduce our own climate impact and help our customers and end-users do the same through the use of our products.

Our greenhouse gas (GHG) strategy in 2019 focused on three main elements – energy management, product sustainability and supply chain management.

We've developed strategic energy-reduction goals and initiatives to minimize our energy use and, in turn, reduce our GHG emissions. (See the [Energy](#) section.)

Products that our customers manufacture from our advanced materials and technologies use less energy and emit fewer GHGs than

those produced from heavier and less recyclable materials. GHG emissions avoided by using and recycling aluminum-based alloys are substantial relative to the emissions generated in the manufacturing phase because of the materials' light weight, infinite recyclability and other emissions-reducing benefits. (See the [Products](#) section.)

Since our most material emissions are related to our purchases of primary metals, it's imperative that we use suppliers that are focused on energy efficiency, renewable energy and advanced technologies to minimize their GHG impact and, in turn, our Scope 3 emissions. For example, one supplier's billet that we use is produced with up to 95 percent less energy. (See the [Supply Chain](#) section.)

Our direct and indirect GHG emissions

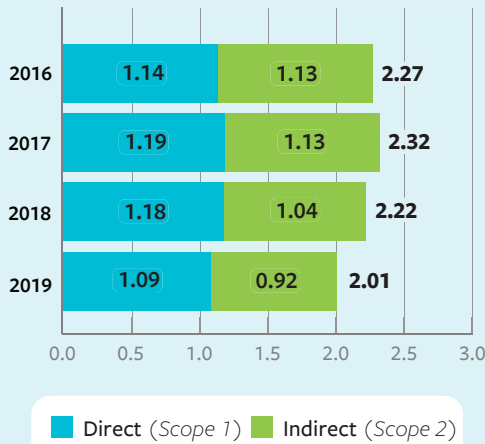
equaled 2.01 million metric tons in 2019 – a 9.5 percent decrease from 2018. Lower production levels and a decrease in indirect emissions contributed to the overall reduction.

Our Global Rolled Products (GRP) segment,

which consumes the most energy among our three segments, reduced its carbon emissions intensity by 30 percent between 2005 and 2019 due to improved energy efficiency and greener electricity supplies.

Greenhouse Gas Emissions

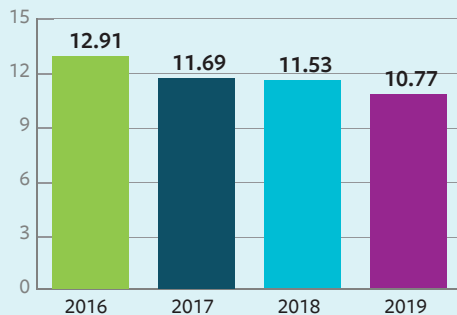
Million Metric Tons of Carbon Dioxide Equivalents



Gases included in the calculations are carbon dioxide, methane and nitrous oxide. We had zero biogenic emissions in 2019. The source of all GHG emissions is energy consumption. We used the WRI GHG protocol methodology based on operational control; regional or country Scope 1 and 2 emission factors; and 4th IPCC Assessment GWP factors.

Scope 3 Greenhouse Gas Emissions

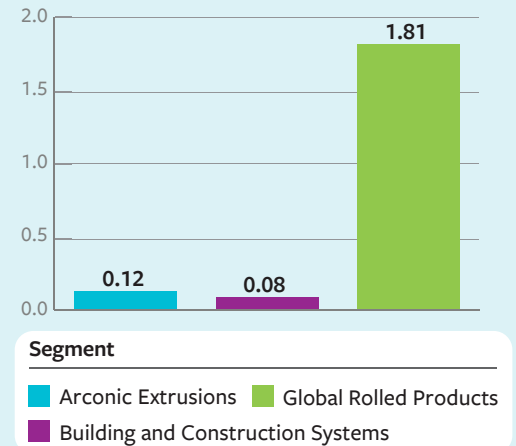
Million Metric Tons of Carbon Dioxide Equivalents



These values are based on WRI Scope 3 methodology for purchased goods, fuel and energy-related activities, upstream and downstream transportation, and end-of-life treatment of sold products.

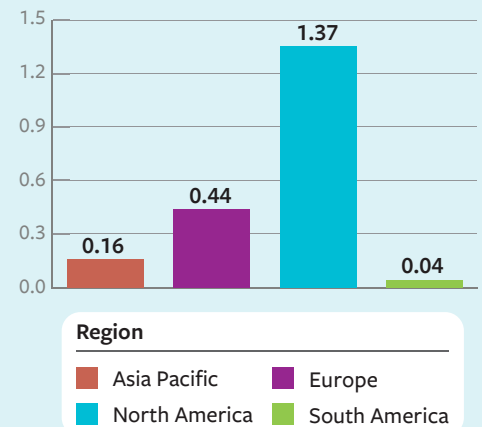
2019 Scope 1 and 2 Greenhouse Gas Emissions by Segment

Million Metric Tons of Carbon Dioxide Equivalents



2019 Scope 1 and 2 Greenhouse Gas Emissions by Region

Million Metric Tons of Carbon Dioxide Equivalents



Air Emissions

In addition to greenhouse gases, other emissions that often are significant to specific operations or regions include nitrogen oxide, volatile organic compounds, particulate matter and toxic air pollutants.

Our approach to controlling and minimizing these emissions is driven by our internal air management standard and the regulatory requirements in the areas where we operate. In regions of the world where there are no regulations, we still impose controls to

minimize emissions that could have an impact on human health and the environment.

Our efforts to minimize or eliminate air emissions include add-on pollution control equipment, changes in work practices, material substitutions or a combination of these strategies.

For 2019, we are continuing to report air emissions data from our Global Rolled Products business. We will examine reporting this data on a global level in upcoming years.

Air Emissions (Global Rolled Products)

	2016	2017	2018	2019
Dioxin/Furan (grams)	9.53	10.00	9.89	8.13
Hydrochloric Acid (metric tons)	121.76	125.64	120.55	94.73
Nitrogen Oxide (metric tons)	1,013.00	1,098.15	1,057.85	1,082.05
Sulfur Oxide (metric tons)	40.23	40.77	28.62	29.86
Particulate Matter (metric tons)	625.63	582.75	539.63	455.43
Volatile Organic Compounds (metric tons)	1,193.22	1,171.50	1,229.87	1,143.98

Energy

The amount and type of energy that we consume have a direct impact on our greenhouse gas emissions.

To reduce our energy consumption, we're investing in energy-efficient equipment and processes at our locations around the world. We're also working to encourage compatible energy policies in regions where we're located.

Our automated Energy Intelligence system allows us to manage energy usage in the moment through access to real-time energy data for each plant and, at most locations, individual meters within a plant. This transparency into our energy consumption provides significant opportunities to identify usage patterns and pinpoint inefficiencies at the plant and department levels. We also can aggregate the data for benchmarking, analytics and tracking of key performance indicators.

We hold four site and multi-site certifications for the ISO 50001 energy management standard. These certifications provide independent assurance on our ongoing energy-efficiency improvements at our operations and underpin our commitment to reduce our Scope 1 and 2 GHG emissions.

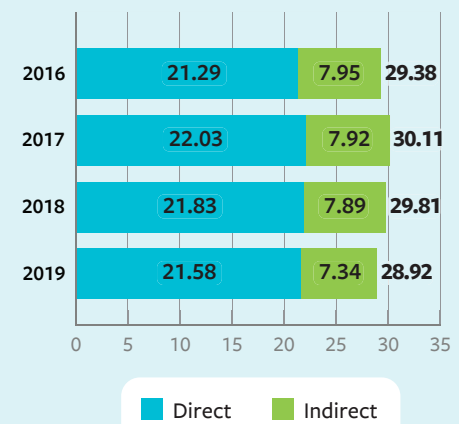
Our current energy goal is a 30 percent reduction in energy intensity by 2030 from a 2005 baseline. We achieved a 14.7 percent reduction through 2019. We will be evaluating the goal in 2020 to ensure it aligns with the product and process portfolio of Arconic Corporation.

Our year-over-year energy intensity increased 9.3 percent in 2019. This was due to the cessation of high-volume can sheet production at our Tennessee Operations and an evolving production portfolio impacted by divestitures and closures – all of which impacted the production denominator used to calculate energy intensity.

Our overall energy consumption was 28.9 million gigajoules in 2019, which was a 3.0 percent decrease over prior year. All of the electricity we consumed during the year came from the grid, and less than 1 percent of our energy was renewable.

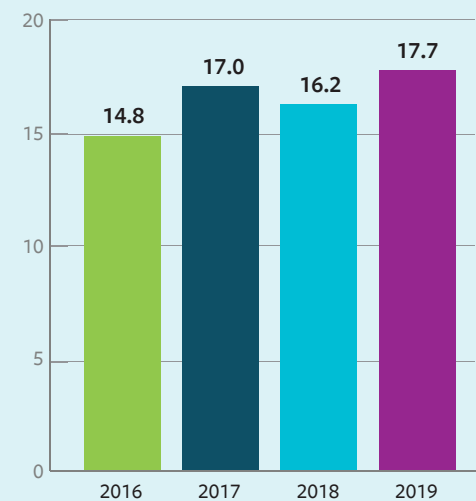
Energy Consumption

Millions of Gigajoules



Energy Intensity

Gigajoules per Metric Ton of Production



Data represents all energy types consumed within Arconic.

CASE STUDY

Hutchinson draws power from the sun

Putting the sun to work, our Aerospace Center in Hutchinson, Kansas, is using a new solar array to produce approximately 30% of the energy required for the location's 12,000-square-foot maintenance building.

Installed by the location's own electricians in August 2019, the 7.7 kilowatt hour (kWh) solar array produces approximately 21.5 megawatt hours of electricity – enough to power 2.5 homes annually. Using solar energy instead of electricity that's produced using coal and natural gas will offset nearly 10.7 metric tons of carbon dioxide emissions per year – equivalent to the emissions consumed by 493 mature trees.

The solar array, which is designed for future expansion, saves approximately \$3,000 in annual energy costs.



Water

Water is significantly valuable – to Arconic and the communities where we’re located around the world. We lessen our impact on local water supplies by consuming and discharging as little water as possible and reusing the water that we do withdraw.

Our casthouses are our largest users of water, followed by our rolling mills. Most of our operations are located in industrialized areas, with the majority using municipal water, surface water or a combination of both. Discharges are to local wastewater treatment plants or directly to surface waters at our larger locations. At all locations, we operate under stringent requirements set forth in regulations and in our permits and consents from governmental agencies. Oversight is provided by various stakeholders, including regulators and community groups that provide comments on our water permits.

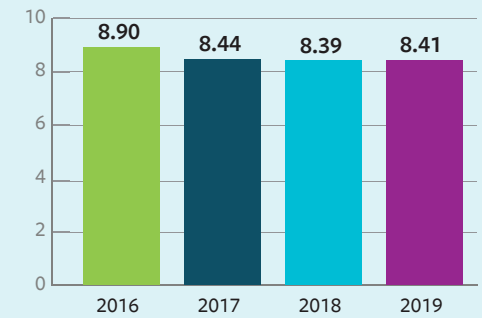
We lessen our impact on water resources by first designing our operations to minimize water consumption. Each of our locations also establishes annual targets to reduce its water footprint in addition to maintaining an updated water-flow balance, which we use to map and track water intake, use and discharge. During the planning phase for equipment or processes changes, a location uses its water balance to identify opportunities to eliminate, minimize or reuse water.

Our global operations withdrew 8.4 million cubic meters (2.2 billion gallons) of fresh water in 2019, which was consistent with our 2018 withdrawal.

In 2019, we initiated development of a Natural Engineered Wastewater Treatment (NEWT™) system at our Lafayette, Indiana, location in the U.S., which is the location’s second such system. We also have an operational NEWT™ system, which uses a natural, green design, at the Arconic Technology Center.

Total Freshwater Withdrawal

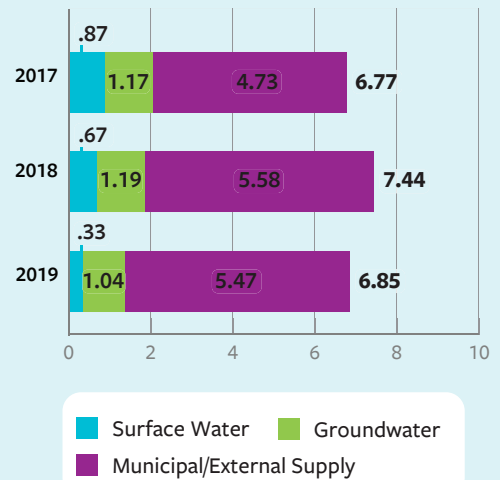
Million Cubic Meters



Rainwater not included.

Water Withdrawal (Global Rolled Products)

Million Cubic Meters

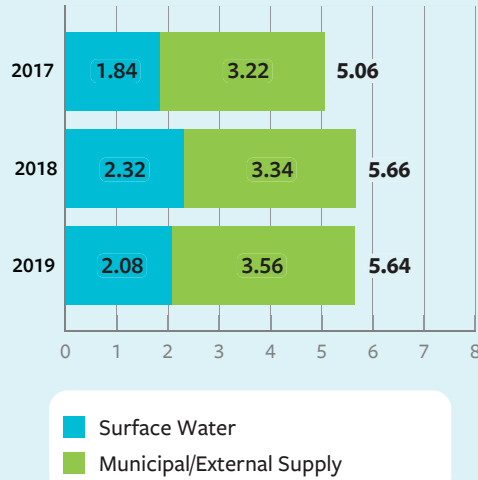


Total dissolved solids concentration is less than or equal to 1,000 milligrams per liter in the total water withdrawn. Data is not available for 2016, as we began collecting more granular water data in 2017.

As part of Arconic Inc., we completed a second [CDP water disclosure](#) in 2019 for the locations that now comprise the Global Rolled Products segment of Arconic Corp. Our score of B- represented an environmental stewardship level of “Management.” We plan to continue reporting against this disclosure as well as looking for ways to increase our environmental stewardship.

Water Discharge (Global Rolled Products)

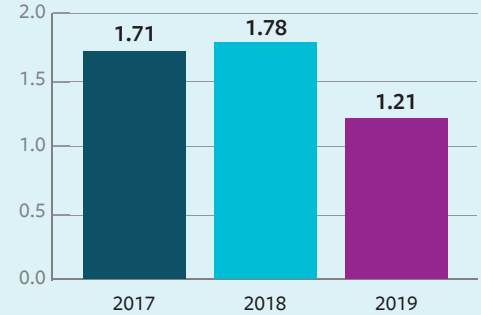
Million Cubic Meters



Total dissolved solids concentration is less than or equal to 1,000 milligrams per liter in the waters receiving the total water discharged. We define priority substances through permitting and follow agency-issued limits. Data is not available for 2016, as we began collecting more granular water data in 2017.

Net Water Consumption (Global Rolled Products)

Million Cubic Meters



Data is not available for 2016, as we began collecting more granular water data in 2017.

CASE STUDY

Drum roll, please

A new step in treating oily process water at Arconic's Tennessee Operations is enhancing the location's sustainability and having the added benefit of reducing costs by approximately \$50,000 annually.

Hot and cold rolling of metal requires significant amounts of lubricants and coolants. Treating the resulting process water involves multiple steps to separate out the oil for recycling and ensure the remaining liquids can meet permit requirements for discharge into the public sewer system following onsite treatment.

The residual solid material in the process

water can build up in the plant's wastewater treatment tanks and pipes, causing corrosion and process upsets. In April 2019, the plant began using a rotary drum with vacuum filtration to separate these residual solids from the liquids.

The added step has resulted in fewer tank and pipe cleanings, which reduces chemical usage, cleaning costs and downtime at the wastewater plant. Eliminating solids from the wastewater stream also extends the life of the treatment plant's equipment and makes the process more efficient, reducing energy use.

Waste and Spills

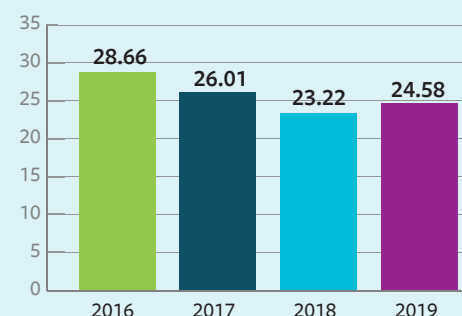
Our responsibility as environmental stewards is to eliminate or minimize our manufacturing waste, find alternative uses and recycling options for what we do generate, and effectively manage the safe disposal of what remains.

We prioritize higher-volume waste and waste that has the potential to significantly impact the environment. As part of our 2019 goal to eliminate landfilled waste by 2030, our locations analyze opportunities to reduce or eliminate such waste.

Dross from our casthouses remains our largest volume by-product. We recycle 100 percent of this material, which is skimmed from the surface of molten metal. Salt cake, which is generated during the recovery of aluminum from dross in rotary furnaces, gets recycled rather than landfilled where possible. Our locations are also finding alternatives to landfilling other materials. These include polishing dust (also known as fluff) that is burned for energy and refractory material that

Landfilled Waste

Thousands of Metric Tons



is used to cover the waste in landfills.

In 2019, we landfilled 24,582 metric tons of waste. The 5.9 percent increase from 2018 was due primarily to more furnace rebuilds, increased production, a decline in waste reuse opportunities and cleanup at curtailed sites.

2019 Waste by Disposal Method (Global Rolled Products and Extrusions)

Metric Tons

	Reuse	Recycling	Composting	Recovery	Incineration	Deep Well Injection	Landfilled
Hazardous	428.19	14,426.49	178.48	2,559.56	1,507.39	0	383.02
Non-hazardous	22,399.81	58,748.76	193.50	768.89	1,329.40	0	14,024.63

Data is provided only for our Global Rolled Products and Extrusions business units due to ASI applicability to certain sites. The waste disposal method was determined by the most effective and/or efficient option available to each facility.

Spills

We use internal standards, safeguards and processes to prevent spills and then respond quickly and effectively to minimize the impact when one does occur.

We have spill-related engineering standards and audit guidelines, and every location has a spill response plan in place. Our locations with volume thresholds for oil or oil products also have a spill prevention control and countermeasure or similar plan in place. These location-specific plans include employee training on spill prevention and response that is provided upon hiring and annually thereafter.

All spills at or above 20 liters (5.3 gallons) and outside of a designated containment area must be reported in our internal incident management system. This system drives an analysis of root cause and contributing factors, and it ensures corrective measures are put

in place to prevent a reoccurrence. It also enhances incident awareness to our leadership and facilitates the sharing of information across facilities, enabling us to leverage the learnings to minimize the likelihood of similar spills occurring in the future

We define a significant spill as one that is in excess of 1,893 liters (500 gallons) and/or meets our definition of a major environmental incident. We had two significant spills in 2019.

Following a comprehensive inventory of sumps, pits and basements that handle oil and other chemicals at all of our plants globally, we conducted a risk assessment for each in 2019 to quantify its risk potential for spills and releases. In 2020, we will continue developing action plans and putting controls in place to address the highest risks.

Significant Spills

	2016	2017	2018	2019
Number	0	0	0	2
Total Volume (liters/gallons)	—	—	—	<ul style="list-style-type: none"> ● 17,000 (4,490) ● 15,520 (4,100)
Material	—	—	—	<ul style="list-style-type: none"> ● Cold mill coolant¹ ● Kerosene
Impact	—	—	—	<ul style="list-style-type: none"> ● Subsurface soil and groundwater ● Subsurface soil and groundwater

¹ Remedial activities are actively ongoing due to historical releases. We identified the recent release during data review. We believe it potentially occurred in 2018 but became aware of it in 2019.

CASE STUDY

Kitts Green achieves zero waste to landfill

After years of focused effort, our Kitts Green facility in the United Kingdom achieved a location first in 2019 – zero waste to landfill. This significant achievement is due to the commitment of our employees and the support of waste management partners who helped us find opportunities to divert waste for recycling or reuse.

Recycling or reusing all waste, including incinerating general waste for energy, diverted 504 metric tons of material from the landfill in 2019 and saved approximately \$60,000 in waste disposal costs. We expect to achieve similar results each year.

The site's top wastes are dross and oily water. The dross is shipped to a supplier that remelts the material to recover the residual aluminum, which is sent back to the Kitts Green site for reuse. What's left is salt, which is used to deice roadways. The oily water is processed by a third party to separate the oil from the water, with the former used primarily to make biofuels.

Some wastes are very complex, which required significant effort to find a non-landfill solution. One challenge was the waste from the site's foundry's fume abatement system. The system's filters are now dosed with powdered lime and carbon to remove acid gas and organic compounds. The result is a caustic powder primarily containing lime that is used for pH control in water treatment facilities.

As we remain focused on zero landfilled waste across the company, we are leveraging the experience and creative solutions to reduce waste at our Kitts Green location and at our other sites around the world.

Environmental Compliance

Our true north is defined in our global [Code of Conduct](#) – Arconic is committed to operating in a way that respects and protects the environment wherever we are located.

This means we will not compromise our environmental values for profit or production. We will respond truthfully and responsibly to questions and concerns about our environmental actions and the impact of our operations on the environment.

As part of our corporate governance, we use an environmental compliance process and environmental management system. Both provide our management and employees with the information, tools and verification they need to ensure our compliance with environmental laws, regulations and our internal standards across the globe.

When an environmental incident occurs, our environmental compliance process helps ensure that we undertake an appropriate technical and legal review. We identify root causes, associated risks and corrective actions necessary to achieve sustainable compliance.

Our senior leaders are kept abreast of our environmental compliance activities and engage in an ongoing dialogue to ensure our commitment to environmental stewardship is a focus throughout the company. They provide the resources and open-door culture that affirms environmental compliance as a top priority for the company.

We follow a six-step process as part of our environmental compliance process and management system:

1. We identify non-compliances through several mechanisms, including internal EHS audits, corporate environmental compliance reviews, self-assessments and external agency reviews, using the following hierarchy:

- ▶ Determine the facts of the situation or incident;
- ▶ Ascertain applicable law and regulation;
- ▶ Apply the law or regulation as well as our internal environmental standards to the particular facts; and
- ▶ If the facts contravene the applicable law or regulation, identify the matter as a non-compliance in our environmental management system regardless of how the matter was discovered.

2. We log the identified non-compliances into our environmental management system and report the matter to internal stakeholders and, when appropriate, external regulators or government agencies.
3. We initiate a root cause analysis and develop a corrective action plan, which includes a schedule to remedy the incident and attain compliance.
4. The action plan is reviewed by internal and, if necessary, external environmental professionals to arrive at a consensus that we are taking appropriate corrective action.
5. We implement the action plan, and our team of environmental professionals monitor and track progress toward completion.
6. We close the matter once we have implemented all corrective actions, achieved compliance and verified that a system is in place to prevent reoccurrence and sustain compliance.

The likelihood or extent of any enforcement action is not a consideration when we identify non-compliances. Whether insignificant or

significant, we log all non-compliances into our environmental management system when identified. In addition, we look for opportunities to leverage the learnings from any non-compliance to prevent future non-compliance at applicable locations.

In 2019, we had one environmental non-compliance incident that resulted in a significant fine, which we define as greater than US\$25,000.

Non-Compliance Performance

	2016	2017	2018	2019
Significant Fines (US\$)	0	0	0	28,750
Number of Significant Non-monetary Sanctions	0	0	1	0
Number of Dispute Resolutions	0	0	0	0

*Non-monetary sanctions include actions that we are ordered to take to ensure our operations return to, or remain in, compliance.
Significant refers to sanctions that we consider high risk based on the costs required to address the issue.*



Social

People

To pursue, attract, develop and retain world-class talent, we've created a culture that embraces diversity, drives inclusion and empowers and engages our employees.

We offer an integrated approach, which we call the People Experience, that enables our employees to own their development and create rewarding careers that draw on their aptitudes and support their ambitions. We provide learning and development opportunities and equip our leaders with the skills and tools to provide ongoing coaching and feedback so employees can maximize their performance and potential, delivering success for Arconic and the individual.

Diversity and Inclusion

We are dedicated to maintaining an environment where everyone feels valued, and we celebrate both the differences and similarities among our people. We also believe that diversity in all areas, including cultural background, experience and thought, is essential in making our company stronger.

Our six employee resource groups (ERGs) – Arconic African Heritage Network, Arconic Hispanic Network, Arconic Next Generation Network, Arconic Veterans Network, Arconic Women's Network and EAGLE (LGBTQ) – reflect an inclusive, respectful and values-based company culture. All of our employees are encouraged to participate in these grassroots, employee-led organizations that:

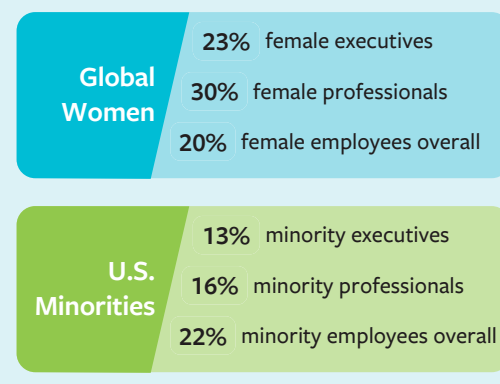
- ▶ Drive employee engagement through community outreach around science, technology, engineering and mathematics (STEM) education;
- ▶ Provide learning and development opportunities for employees;
- ▶ Help position Arconic as a global employer of choice through strategic recruiting activities;
- ▶ Inform company policies around diversity and inclusion; and
- ▶ Reinforce our brand through key external endorsements like the Human Rights Campaign and [Catalyst](#).

In 2019, a member of the Arconic Women’s Network ERG served as a moderator on a panel on diversity and inclusion during the [Association of Women in the Metal Industries \(AWMI\)](#) conference in San Antonio, Texas. The panel discussed recruitment practices, role models, network opportunities and the importance of employee resource groups.

Our former parent company, Arconic Inc., earned a perfect score of 100 on the Corporate Equality Index 2020, a national benchmarking survey and report on corporate policies, benefits and practices related to lesbian, gay, bisexual, transgender and queer (LGBTQ) individuals. The index is administered by the [Human Rights Campaign Foundation](#).

The rating reflects the concrete steps we’ve taken on non-discrimination policies across our company, equitable benefits for LGBTQ employees and their families, internal education and accountability metrics to promote LGBTQ inclusion competency and

2019 Women and U.S. Minority Representation



public commitment to LGBTQ equality.

We remain committed to continuing to foster an inclusive culture for all our employees and have retained the policies, benefits, education and accountability metrics that supported our former parent company’s recognition by the Human Rights Campaign Foundation.

2019 Employees by Employment Contract and Type

	Contract		Type	
	Permanent	Temporary	Full-time	Part-time
Male	12,264	66	12,305	57
Female	3,019	49	3,007	29
Total	15,283	115	15,312	86

2019 Employees by Region and Employment Contract

	Permanent	Temporary
Asia	1,039	6
Europe	5,249	88
North America	8,484	3
South America	511	18

Europe includes Middle East and Africa.

2019 Employee Diversity

	Gender		Age		
	Male	Female	Under 30	30-50	Over 50
Board of Directors	9	1	0	1	9
Officers and Assistant Officers	9	5	0	3	11
Employees	12,330	3,068	1,807	8,188	5,403

Data for the board of directors, officers and assistant officers is for Arconic Inc. Employee data is for Arconic Corp.

2019 New Employee Hires by Age

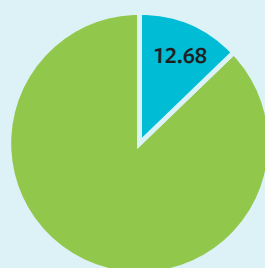
	Male	Female	Total
Under 30	489	113	602
30-50	598	145	743
Over 50	151	44	195

2019 New Employee Hires by Region

	Male	Female	Total
Asia	21	4	25
Europe	233	55	288
North America	954	232	1,186
South America	30	11	41

2019 Overall Turnover Rate

Percent



2019 Employee Turnover by Age

	Male		Female		Total	
	Number	Turnover Rate	Number	Turnover Rate	Number	Turnover Rate
Under 30	341	22.39	91	32.04	432	23.91
30-50	585	8.97	166	9.98	751	9.17
Over 50	612	14.29	157	14.02	769	14.23

2019 Employee Turnover by Region

	Male		Female		Total	
	Number	Turnover Rate	Number	Turnover Rate	Number	Turnover Rate
Asia	41	4.53	22	15.71	63	6.03
Europe	243	6.10	77	5.69	320	6.00
North America	1,194	17.08	288	19.23	1,482	17.46
South America	60	13.25	27	35.53	87	16.45

Labor Relations

We believe in freedom of association. We respect an individual's choice to be represented by – or not be represented by – a union in accordance with the laws of the countries in which we operate.

More than 3,000 employees at our largest U.S. manufacturing facilities in Indiana, Iowa, New York and Tennessee are represented by the United Steel Workers under a single contract. In 2019, these employees ratified a new labor agreement that extends through May 2022.

Where we have a union, we will respect and engage the union in candid discussions regarding the needs of the business and its impact on employees. We also continue maintaining open dialogue with our union representatives and employees, and we work with our unions around the world to achieve safety performance goals and maintain an engaged workforce.

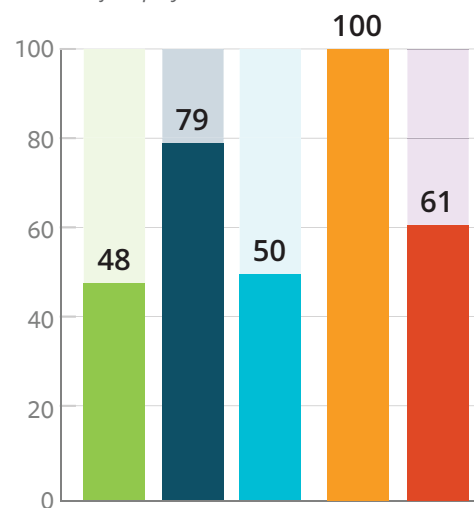
In Europe, our leadership continues to consult and inform the European Works Council (EWC) on key transnational matters through our formally established Arconic Euroforum. The forum, which consists of works council representatives located where we have European facilities, was created more than 20 years ago and has a long history of working

collaboratively with Arconic on important topics for its businesses and employees.

In other regions of the world, such as Asia and Russia, we respect and support the appropriate legal and employee-related consultation processes in close cooperation with the relevant stakeholder groups.

2019 Union Representation

Percent of Employees



Region



Europe includes Middle East and Africa.

Talent Development

We are committed to enabling employees and next-generation leaders to reach their goals through strategic planning, training and leadership development. We support the businesses and resource units throughout our People Experience program, which starts at recruitment and continues throughout career development, advancement and succession planning to enable our people to perform successfully.



We offer our employees the following resources to achieve and enhance their development:

- ▶ **Learn:** All salaried employees have access to Arconic’s global learning management system (LMS), which contains 2,700 active courses. In 2019, more than 5,400 active users completed 36,304 courses. These included required cybersecurity, General Data Protection Regulation (GDPR), safety, and ethics and compliance training in addition to self-directed skill builder courses and frontline supervisory training.
- ▶ **Skill builders:** Each skill builder guides employees through courses available in the LMS system, specifically focused on continuous improvement, smart manufacturing and supervisory skills. It also provides “in practice” activities for applying the new knowledge as well as resources for further learning.
- ▶ **Express Training Program:** We offer biweekly live training sessions on a variety of productivity and development topics that are open to all interested employees. The sessions are presented in a variety of time zones to meet the needs of our global employee population.
- ▶ **Performance management:** Available to all salaried employees, our comprehensive performance management program includes performance and development goal-setting and frequent manager-employee meetings to discuss performance and career planning. All employees are also encouraged to create personal career objective statements.
- ▶ **Talent review and succession planning:** Annual talent review and succession planning ensures next-generation leaders are being recognized and offered appropriate opportunities. The planning also ensures a pipeline of qualified candidates for key roles across the global organization.
- ▶ **Leadership Mirror:** Our custom 360-degree assessment tool provides leaders with actionable feedback on 48 leadership behaviors across 10 competency areas, including diversity and inclusion. Along with the assessment results, leaders receive coaching and develop action plans to improve competencies.

▶ **Leading Others to Excellence Program:**

This program, which is available to all salaried employees, focuses on advancing leadership skills to build high performance and bring out the collective strengths within our teams. Since the program's inception in 2016, more than 1,800 employees have attended at least one course.

▶ **LEAD 2020:** Through a collaborative effort between our Corporate Human Resources and Talent Management functions, we developed an accelerated leadership development program that we launched in early 2020 for more than 50 leaders from various corporate teams. Over four months, the participants completed a variety of developmental experiences aimed at advancing their leadership skills.

Other examples of talent development efforts include professional summer internships and apprentice programs.

Based on business needs, we recruit and hire summer interns from locally and nationally recognized universities to engage in real projects at our facilities. For interns demonstrating an interest and aptitude, we offer return internship experiences as well as full-time positions to fill critical business needs.

Our apprentice programs vary by location. One example is in Lafayette, Indiana, where we are working with a local college on a proposed 2020 apprenticeship class with an upgraded curriculum to better align with today's expertise needs. We're also working with the college on a program focusing on bridging the specific skill and knowledge gaps within current trades. Similar programs are in place at the majority of our larger facilities.

Health and Safety

Our strong health and safety culture empowers our employees and contractors to take personal responsibility for their actions and the safety of their coworkers. This culture is supported by internal policies, standards, rules and procedures that clearly articulate our stringent expectations for working safely in all of our facilities worldwide.

Our health and safety policy and the values contained in our [Code of Conduct](#) set requirements for which our leaders, businesses, employees and facilities are held accountable and measured against. Our leaders, from CEO through line management, set a strong tone at the top regarding safety. They communicate expected behaviors as well as our policies and procedures to all employees and third parties, such as contractors, suppliers and visitors.

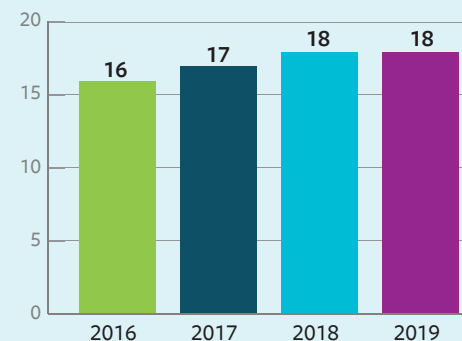
Our employees and third parties value our health and safety culture and demonstrate their commitment to a safe work environment time and time again.

We embed annual health and safety goals and objectives in our operating plan to progress against our ultimate goal of zero incidents. The planning process addresses issues related to audit findings and non-compliances against internal and external standards and regulations. The plan is linked to our EHS management system and reviewed on a regular basis, including quarterly by our Executive Lead Team.

Our EHS management system is key to the successful implementation of our EHS policy. The system aligns with the [ISO 45001](#) (occupational health and safety) and [ISO 14001-2015](#) (environmental management systems) standards. The standards' requirements are incorporated into our site-specific EHS management systems, which cover all of our production sites and our largest office site.

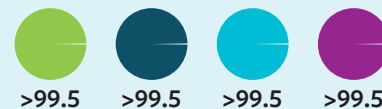
EHS Management System

Number of Certifications



Employees Covered

Percent



Numbers are for ISO 14001 and OHSAS 18001 certifications only. We also have four site and multi-site certifications for the ISO 50001 energy management standard.

Safety

We had zero employee and contractor fatalities in 2019, which was the fourth consecutive year that we achieved this important milestone. We are committed to continuing to achieve zero fatalities and keeping fatality prevention as a major focus.

To ensure our sites remain focused on fatality prevention, each business reviews its program at least once per quarter. We also conducted in-depth fatal and serious injury reviews for six of our highest-risk plants, with corrective actions deployed and tracked.

We have prioritized our risk management processes toward fatality and serious injury potential to focus on the most impactful hazards that have the potential for life-altering outcomes. Mobile equipment is the highest fatality risk within our global operations.

Under our fatality prevention program, multidisciplinary teams chaired by the location

manager identify risk, look for root cause, ensure competent support and address gaps to reduce the risk to acceptable levels. We conduct a monthly call to review incidents that have a fatal or serious injury potential with all of our EHS professionals. Corrective actions are shared and deployed at locations that have applicable issues.

We support and actively encourage a speak-up culture in which employees feel comfortable raising questions and concerns and expressing their views and opinions so we can proactively identify and mitigate actual and potential risks. We believe this active engagement for raising concerns is critical to our safety culture, and our Anti-Retaliation Policy prohibits retaliation for employees who report a concern in good faith.

All of our key safety rates remained significantly below the most recent U.S. industry averages but increased from prior year. At 0.57, our 2019 days away, restricted and transfer (DART) increased by 16.3 percent. We saw a 12.5 percent increase in our lost workday rate, and our total recordable incident rate increased by 2.5 percent.

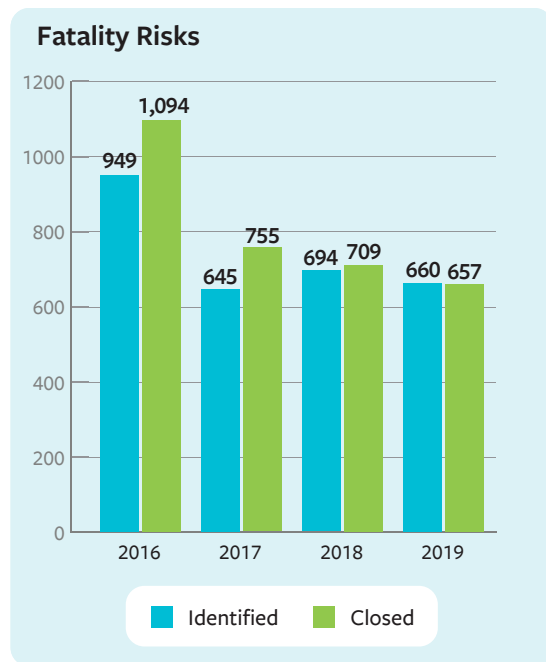
The primary factor impacting our 2019 safety rates was an increase in injuries at three of our locations.

Incident Rates

Employees and Supervised Workers

	2016	2017	2018	2019
Fatalities	0	0	0	0
Days Away, Restricted and Transfer	0.38	0.36	0.49	0.57
Lost Workday	0.10	0.13	0.16	0.18
Total Recordable Incident	0.93	0.93	1.21	1.24

Lost workday rate represents the number of injuries and illnesses resulting in one or more days away from work per 100 full-time workers. Days away, restricted and transfer rate includes lost workday cases plus cases that involve days of restricted duty and job transfer per 100 full-time workers. Total recordable incident rate represents the number of injuries and illnesses resulting in days away from work, job transfer or restriction, medical treatment or other recordables per 100 full-time workers.



The number of risks closed may exceed the number identified due to carryover from the prior year.

All of these sites have aggressive and comprehensive plans to address the issue in 2020.

At the end of 2019, 46.2 percent of our locations globally had worked 12 consecutive months without a DART incident, 59.6 percent without a lost workday and 40.4 percent without a total recordable incident.

Incident Investigation

We have incident reporting and investigation requirements embedded in our policies and standards. When an incident occurs, the location must follow a pre-defined process to ensure root causes are identified and subsequently eliminated. Depending on the severity of an incident, management involvement is escalated.

Our incident performance is reviewed by our Executive Lead Team each quarter and once per year by our Board of Directors. We also

look for opportunities to share learnings from incident reporting and investigations across the sites to mitigate the potential for similar incidents to occur.

Audits

Depending on a location's inherent and controlled risks, we conduct an internal corporate audit every one to five years to provide assurance on the location's implementation of the EHS management system and conformance with regulatory and Arconic requirements.

Audit Safety Results

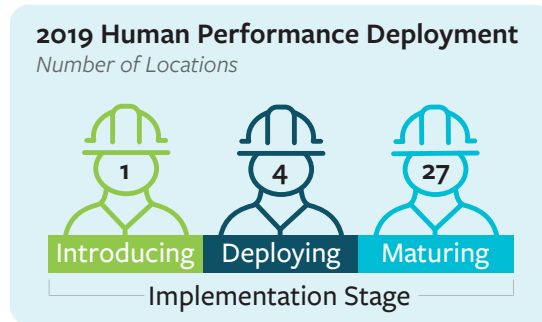
Percentage of Sites Achieving the Level of "Good"

Assessment Category	2016	2017	2018	2019
Fatality Prevention	86	85	90	90
Tagout/Lockout	91	100	95	100
Fall Control	86	90	85	95
Mobile Equipment	100	100	100	100
Confined Space	95	86	90	100
Electrical Safety	73	57	55	55
Combustion System	75	63	74	75
Dusts and Fine Particles	58	70	75	65
Molten Metal	58	50	67	77
Machine Guarding	86	95	85	95
Contractor Safety	95	95	95	100
Crane Safety	86	90	95	95

A good rating is defined as meeting Arconic and government standards. Percentages are rolling based on a location's most recent audit score in each focus area regardless of the year of the audit.

Human Performance

We continued to deploy human performance throughout our operations globally during 2019. This approach teaches employees how to predict and recognize errors or error-likely situations so that they can reduce the likelihood of an error that causes a fatality or serious, life-altering injury.



Human performance is implemented in three stages – introducing, deploying and maturing. All of our locations are expected to work toward the maturing stage, which is an active and sustained human performance system. This system includes ownership, training, supply of resources, task planning, pre-task briefs, incident investigations and root cause analysis, communication and field verification.

At the end of 2019, more than 30 of our manufacturing locations were actively deploying human performance.

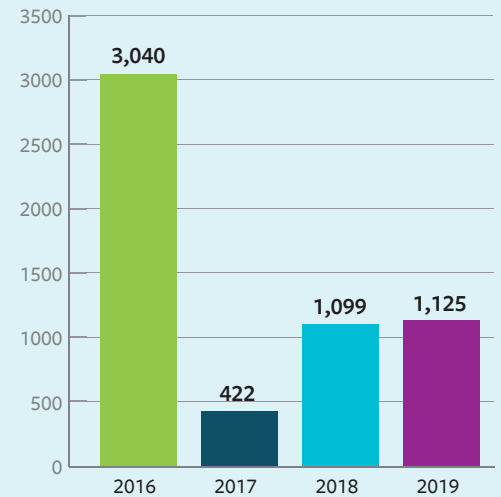
With the success of human performance in health and safety, we are expanding its use to other disciplines, including human resources, finance and quality.

STOP Coin

Our employees have the authority to refuse or stop unsafe work. We expect them to exert that authority, and we reward them when they do through our STOP for Safety Coin Campaign. Our aim is to motivate employees to be vigilant in their work and always stop and seek help when presented with a potential safety hazard.

Employees who refuse or stop unsafe work for themselves or their colleagues are awarded an aluminum STOP coin and receive local and, in some cases, global recognition. We have distributed thousands of STOP coins to these safety advocates since the program's launch in 2016.

STOP Coins Shipped



It's important to inform and educate our employees, contractors and visitors about workplace health and safety. Our training programs are based on a needs assessment that includes input on an individual's exposure, workplace, and legal and other requirements.

In 2019, more than 30 new Arconic leaders attended a two-day intensive course focused on EHS, including fatality prevention. The goal was to better inform and equip our leaders, who are key enablers for successful health and safety management.

Our EHS professionals spent more than 1,000 hours on professional development in 2019 through global Arconic EHS conferences on various topics. In addition, our employees and contractors globally completed more than 400,000 combined hours of EHS training during the year.

At a minimum, we require all contractors to complete training to understand our on-site safety rules and other site-specific precautions. Depending upon the work that the various contractors will conduct at one of our locations, their employers must ensure that each employee has the required training for that role, such as respirator training. Employers also must provide evidence of that training to their Arconic contact.

Health

Regardless of the size of their location, all of our employees have access to occupational medicine services to optimize their health and well-being. These services include regulatory or Arconic risk-based chemical surveillance evaluations, fitness-for-duty assessments, hearing evaluations, lung-function testing, work-related injury and illness evaluation and treatment, substance abuse testing and job-related immunizations.

The key health risks within our operations are hearing conservation, working with chemical substances and ergonomic injuries.

Our manufacturing locations continued their efforts in 2019 to achieve our goal of a hearing shift rate among our employees of 1 percent or lower by 2020. Each location implemented a robust hearing conservation program that builds on detailed noise exposure assessment and provides the correct hearing protection with the right noise-level reduction. Despite their efforts, we fell short of our goal with a 3.0 percent hearing shift rate at year's end.

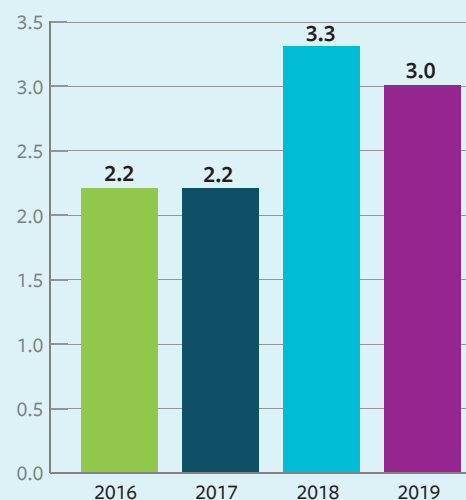
We remain committed to achieving this important health objective and are exploring additional opportunities to support a much lower hearing shift rate than we achieved this year.

During the year, all manufacturing locations completed hearing fit tests on individual employees to ensure hearing protection is

effective and provided custom-molded ear plugs for a higher level of protection when required. Our goal was to have 70 percent of our U.S. locations and 50 percent of all other locations meet the requirement. We exceeded the goal, achieving 88.5 percent.

Hearing Shift Rate

Percent



Our businesses and locations continued efforts to reduce employee exposure to chemicals by:

- ▶ Eliminating specific chemicals;
- ▶ Restructuring workspaces to increase the distance between our employees and chemicals; and
- ▶ Ensuring stringent adherence to requirements for personal protective equipment.

In 2019, each location developed a chemical roadmap to identify and prioritize all chemicals that employees may be exposed to in the manufacturing process. Each location is leveraging its roadmap to systematically eliminate chemicals where possible, starting with those posing the greatest risk to human health. All locations have committed to eliminating at least one noise or chemical exposure in their operations in 2020.

Identifying chemical substitutions is also part of our efforts to meet various customer needs and comply with external regulations, such as the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). We closely partner with our customers to validate a new substance before making a permanent substitution.

We are identifying and eliminating ergonomic risks in our operations through job analyses, workplace surveys and other proactive methods. We eliminated an additional 80 risks in 2019.

Our commitment to health and safety extends beyond the workplace to focus on the physical, mental and social well-being of our employees. Location-based programs and events are specifically designed to address local needs, community expectations and cultural relevance. Activities in 2019 included weight-loss competitions, biometric screenings and walking challenges.

Stakeholder and Community Engagement

We earn our social license to operate through open dialogue with a broad range of stakeholders in an atmosphere of respect and trust and with the highest regard for human rights, economic opportunity and the natural environment.

Our stakeholders include our employees, shareholders, customers, suppliers, lenders who provide our financial capital, the people who live in the communities where we operate, the public agencies that regulate our businesses, government representatives, the general public and the non-governmental organizations (NGOs) that are interested in what we are doing.

Each of our locations defines their key stakeholder groups with which to engage and – taking into account the nature of our facilities – identifies tools and approaches to ensure that collaborations with these key stakeholders are robust, effective and transparent.

[Arconic Foundation](#), which is an independently endowed foundation and the charitable arm of Arconic, had assets of approximately \$150 million as of April 1, 2020. It allocates more than half of its grantmaking each year to our worldwide operating locations so they can partner with nonprofit organizations to develop relevant strategies that address specific community needs and interests.

In 2019, Arconic Foundation partnered with nonprofit organizations around the world to implement our key initiatives. These initiatives include making quality STEM education opportunities available to students; supporting engineering and technical skills training through community colleges, technical schools and universities around the world; and helping create access for underrepresented individuals to the STEM fields.

In addition, our employees volunteered their time, energy and skills in 2019 to community programs and projects to help

local nonprofit organizations. Examples from the year include:

- ▶ **Davenport, Iowa, USA:** Around 150 volunteers recruited and organized by the Arconic Veterans Network helped more than 630 veterans sign up for financial benefits, medical assistance and other benefits that they had earned.
- ▶ **Kitts Green, United Kingdom:** To inspire local students to consider careers in manufacturing, our Kitts Green location partnered with Tile Cross Academy to create a unique three-day work experience complete with job speed dating and challenges focused on math, manufacturing, design and product.



Job speed dating in Kitts Green

- ▶ **Lancaster, Pennsylvania, USA:** Our employees continued to help pot and plant nine varieties of native plants for use in riparian buffers along area streams for habitat improvement.
- ▶ **Kunshan, China:** Arconic volunteers helped host events and shared their experiences as part of the Arconic-Duke Kunshan Home program, which focuses on advanced manufacturing training, career planning and other professional guidance for the local workforce.

Learn more about our community engagement on the [Arconic Foundation website](#).

Ethics, Compliance and Human Rights

As a global company with operations in diverse cultural, political and economic environments, we are committed to conducting business ethically and in compliance with all applicable laws.

Guiding our actions are our [values](#), [Code of Conduct](#) and key corporate policies, including [Anti-Corruption](#), [Human Rights](#), [Anti-Harassment](#), [Anti-Retaliation](#), and [Environmental, Health and Safety](#).

Arconic Integrity Champions provide a local voice and serve as a resource to employees who may have ethical or business questions. They also help ensure integrity and compliance are operationalized at all levels and locations. Employees are nominated for this important role by business leaders based on their integrity, accomplishments and leadership.

Our [Integrity Line](#) is available 24/7 to all employees and external stakeholders who wish to seek advice or raise a concern. In 2019, we received 249 new concerns, questions and comments through this hotline and ensured that each was addressed. As a result of issues raised, we implemented 44 corrective actions



“No matter who we are, where we work or what our job responsibilities are, there is no greater priority than to clearly understand our shared commitment to safety, respect and integrity.”

—Tim Myers, Arconic CEO

during the year. These included discipline, training, coaching and process improvements.

We had zero monetary losses or penalties associated with incidents of corruption, bribery or illicit international trade in 2019.

Our ethics and compliance program is designed to effectively:

- ▶ Foster an organizational culture of integrity, ethical decision-making and compliance with our values;
- ▶ Assure that our directors, officers and employees conduct business with the highest standards of ethics and integrity and in compliance with all applicable laws and regulations; and
- ▶ Prevent and detect unlawful or unethical conduct through our speak-up culture, risk assessments and due diligence.

Consistent with our commitment to the highest ethical standards, the program is designed to be global, sustainable and continuously improving to identify and address our existing and emerging ethical, legal and regulatory risks. Our Board of Directors and senior leaders support and oversee the program and demonstrate a strong commitment to our values and ethical leadership.

We devoted much of 2019 to creating a strong ethics and compliance program for the new

Arconic Corporation. Other new and ongoing initiatives during the year included:

- ▶ A new partnership with a third-party ethics and compliance training vendor that is widely recognized for its award-winning, innovative content;
- ▶ An enhanced New Hire Onboarding Training Program that includes additional training on key policies;
- ▶ The development of mandatory investigations training for employees who assist with internal investigations;
- ▶ Deployment of an annual Conflicts of Interest Survey, which we distributed to salaried employees globally with a 100 percent completion rate;

- ▶ Oversight of third-party intermediary relationships, including risk-based reviews, due diligence, mandatory anti-corruption training and certification, and ongoing monitoring; and
- ▶ Employee communication and training on topics that included the Code of Conduct, inclusion, anti-harassment, speaking up, email do's and don'ts, and anti-corruption..

Additional information on our ethics and compliance program can be found on [arconic.com](https://www.arconic.com).

Global Reporting Initiative Index

This index helps readers compare the information from our sustainability report, annual report and website with the Global Reporting Initiative GRI Standards.

This report has been prepared in accordance with the GRI Standards: Core option.

GRI 102 General Disclosures 2019

Disclosure	Description	Location
Organizational Profile		
102-1	Name of the organization	Arconic Corporation
102-2	Activities, brands, products, and services	About Us
102-3	Location of headquarters	Pittsburgh, Pennsylvania
102-4	Location of operations	Locations
102-5	Ownership and legal form	Arconic Corporation is a publicly traded company listed on the New York Stock Exchange (NYSE: ARNC).
102-6	Markets served	What We Do
102-7	Scale of the organization	Form 10K (pages 3-11)
102-8	Information on employees and other workers	People
102-9	Supply chain	Supply Chain
102-10	Significant changes to the organization and its supply chain	Form 10K (pages 3-11) Supply Chain

Disclosure	Description	Location
102-11	Precautionary Principle or approach	Environmental Management at Arconic
102-12	External initiatives	Stakeholder and Community Engagement
102-13	Membership of associations	Stakeholder and Community Engagement
Strategy		
102-14	Statement from senior decision-maker	CEO Statement
102-15	Key impacts, risks, and opportunities	Form 10K (pages 12-33)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Our Values Human Rights Policy Ethics and Compliance
102-17	Mechanisms for advice and concerns about ethics	Integrity Line
Governance		
102-18	Governance structure	Corporate Governance Form 10K (pages 102-115)
102-19	Delegating authority	Corporate Governance Guidelines (Corporate Citizenship section)
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance Guidelines (Corporate Citizenship section)
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder and Community Engagement
102-22	Composition of the highest governance body and its committees	Board of Directors Board Committees
102-23	Chair of the highest governance body	Form 10K (page 104)
102-24	Nominating and selecting the highest governance body	Form 10K (pages 110-114) Certificate of Incorporation Bylaws Governance and Nominating Committee Charter
102-25	Conflicts of interest	Form 10K (pages 114-115) Governance and Nominating Committee Charter
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Guidelines
102-27	Collective knowledge of highest governance body	Form 10K (pages 103-107)

Disclosure	Description	Location
102-28	Evaluating the highest governance body's performance	Form 10K (pages 103-107) Governance and Nominating Committee Charter
102-29	Identifying and managing economic, environmental, and social impacts	Audit Committee Charter Finance Committee Charter Corporate Governance Guidelines (Corporate Citizenship section)
102-30	Effectiveness of risk management processes	Form 10K (pages 12-33) Audit Committee Charter Finance Committee Charter Corporate Governance Guidelines (Corporate Citizenship section)
102-31	Review of economic, environmental, and social topics	Corporate Governance Guidelines (Corporate Citizenship section)
102-32	Highest governance body's role in sustainability reporting	Corporate Governance Guidelines (Corporate Citizenship section)
102-33	Communicating critical concerns	Form 10K (pages 12-33)
102-35	Remuneration policies for the highest governance body and senior executives	Form 10K (pages 116-129)
102-36	Process for determining remuneration	Form 10K (pages 116-129)
102-37	Stakeholders' involvement in remuneration	Form 10K (pages 116-117)
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder and Community Engagement Arconic Foundation
102-41	Collective bargaining agreements	People
102-42	Identifying and selecting stakeholders	Stakeholder and Community Engagement Arconic Foundation
102-43	Approach to stakeholder engagement	Stakeholder and Community Engagement Arconic Foundation
102-44	Key topics and concerns raised	Grasse River Project
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Form 10K (Exhibit 21) Only those entities included in the consolidated financial statements pertaining to the new Arconic Corporation are included in the sustainability report.
102-46	Defining report content and topic boundaries	Reporting

Disclosure	Description	Location
102-47	List of material topics	Reporting
102-48	Restatements of information	Found throughout the report.
102-49	Changes in reporting	Changes in reporting from prior year are indicated throughout the report
102-50	Reporting period	2019
102-51	Date of most recent report	2018 (Arconic Inc.)
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Anthony Schoedel Director, Environmental Affairs, Compliance and Sustainability
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Global Reporting Initiative Index
102-56	External assurance	Reporting and Materiality

Material Topics

Disclosure	Description	Location
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Form 10K (pages 59-100)
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Energy
302-2	Energy consumption outside of the organization	Energy
302-3	Energy intensity	Energy
302-4	Reduction of energy consumption	Energy
302-5	Reductions in energy requirements of products and services	Energy
GRI 303: Water and Effluents 2018		
303-3	303-3: Water withdrawal	Water
303-4	303-4: Water discharge	Water
303-5	303-5: Water consumption	Water

Disclosure	Description	Location
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Emissions
305-3	Other indirect (Scope 3) GHG emissions	Emissions
305-4	GHG emissions intensity	Emissions
305-5	Reduction of GHG emissions	Emissions
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Emissions
GRI 306: Effluents and Waste 2016		
306-2	Waste by type and disposal method	Waste and Spills
306-3	Significant spills	Waste and Spills
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
403-3	Occupational health services	Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-8	Workers covered by an occupational health and safety management system	Health and Safety
403-9	Work-related injuries	Health and Safety
403-10	Work-related ill health	Health and Safety
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Corporate Governance People

Sustainability Accounting Standards Board Index

As of 2020, our sustainability reporting will begin to align with the metals and mining sustainability accounting standard from the Sustainability Accounting Standards Board. Portions of this current report meet aspects of the standard, and we will work toward reporting on additional disclosures in future reports.

Topic	Accounting Metric	Category	Code	Report Location
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	EM-MM-110a.1	Emissions
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	EM-MM-110a.2	Emissions
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N ₂ O), (3) SOx, (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Quantitative	EM-MM-120a.1	Emissions (partially reported)
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	EM-MM-130a.1	Energy

Topic	Accounting Metric	Category	Code	Report Location
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	EM-MM-140a.1	Water (partially reported)
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	EM-MM-140a.2	Zero incidents in 2019
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Quantitative	EM-MM-150a.1	Not applicable
	Total weight of mineral processing waste, percentage recycled	Quantitative	EM-MM-150a.2	Not applicable
	Number of tailings impoundments, broken down by MSHA hazard potential	Quantitative	EM-MM-150a.3	Not applicable
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	EM-MM-160a.1	Environmental Compliance
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Quantitative	EM-MM-160a.2	Not applicable
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	EM-MM-160a.3	Not applicable
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	EM-MM-210a.1	Not applicable
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	EM-MM-210a.2	Not applicable
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	EM-MM-210a.3	Not applicable
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	EM-MM-210b.1	Stakeholder and Community Engagement
	Number and duration of non-technical delays	Quantitative	EM-MM-210b.2	Zero delays in 2019

Topic	Accounting Metric	Category	Code	Report Location
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Quantitative	EM-MM-310a.1	People
	Number and duration of strikes and lockouts	Quantitative	EM-MM-310a.2	Zero strikes and lockouts in 2019
Workforce Health & Safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Quantitative	EM-MM-320a.1	Health and Safety
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	EM-MM-510a.1	Ethics, Compliance and Human Rights Supply Chain
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	EM-MM-510a.2	We have no production in any of the 20 lowest-ranked countries.



ARCONIC

Arconic Corporation (NYSE: ARNC), headquartered in Pittsburgh, Pennsylvania, is a leading provider of aluminum sheet, plate and extrusions, as well as innovative architectural products, that advance the ground transportation, aerospace, industrial, packaging, and building and construction markets.

For more information: www.arconic.com.

