

# Holding Alcoa Accountable for its Sustainability Goals

by Jenny Gitlitz, CRI Research Director, and author of the report, "Trashed Cans: The Global Environmental Impacts of Aluminum Can Wasting in America."

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**Background:** On September 30, 2002, Alcoa Executive Vice President John Pizzey addressed the Aluminum Association at its annual meeting in Nemacon, Pennsylvania. On the surface, his speech (see footer for link to full text) was a strong endorsement of Alcoa's environmental practices and goals, and a pitch to other aluminum companies to adopt them as well.

We are heartened by Alcoa's acknowledgement that global climate change is a reality, and applaud its on-going R&D efforts on inert anodes—technology which would dramatically reduce greenhouse gas emissions from smelting. We also applaud Mr. Pizzey's recognition of the need to clean up the industry's environmental practices in general, and to undertake "cradle-to-cradle" LCAs (lifecycle analyses). That said, we are concerned about other aspects of Mr. Pizzey's speech, including things he did not say.

- ❖ **Alcoa Vice President Mr. Pizzey says:** "Sustainability requires environmental excellence, economic success and social responsibility. ... At Alcoa, we have developed a strategic framework that allows each of our businesses worldwide to develop its own goals and action plans within that framework."
- ❖ **CRI responds:** Use of the word "sustainability" without concrete, well-defined goals and policies is not meaningful. Further, we fear that by allowing each of its businesses worldwide to set and attain their own sustainability goals and action plans, people and natural habitats in countries with weak environmental laws will lose out.
- ❖ **Alcoa Vice President Mr. Pizzey says:** "The set of goals we have established will serve as milestones along the way to our ultimate vision of a company where... **"the environment is fully integrated into manufacturing."**
- ❖ **CRI responds:** How will the environment fare in places like Iceland, Brazil, Chile, and Mozambique, where **irreplaceable wilderness areas are threatened** by proposed dams, smelters, and other elements of the megalithic aluminum manufacturing infrastructure?

Once a rainforest has been inundated by a series of hydroelectric dams and reservoirs, there is no environment left to "integrate." Once a deep scenic canyon is flooded, it is gone. Once wetlands or estuaries have been drained, filled or contaminated as a result of smelter construction or operation, they no longer serve as breeding grounds for waterfowl or habitat for marine life. Once archaeological treasures have been buried by rising waters, they are lost to history. Once agricultural lands have been subsumed by mines or tailings ponds, there is no going back.

The construction of new dams, smelters, and strip mines is not compatible with environmental protection, period. No matter how it is couched--the constant addition of bauxite and aluminum production capacity through greenfield construction is not sustainable.

The full text of Mr. Pizzey's speech is available at [http://www.alcoa.com/global/en/environment/further\\_reading.asp](http://www.alcoa.com/global/en/environment/further_reading.asp)

❖ **Alcoa Vice President Mr. Pizzey says:** "By 2020, 50 percent of our products, except raw ingot that we would sell to others directly, will be made from recycled aluminum"

❖ **CRI responds:**

- 1) **This statement is unclear**, and is not clarified on Alcoa's website. Does it mean that these products will be wholly made from recycled aluminum, or partially, and if so--what percent? Will the recycled aluminum be "new scrap," which has always been recycled, or "old scrap," which is truly post-consumer? *The industry has played fast and loose with recycled content terminology and percentages before; we must be vigilant about what these goals really mean.*
- 2) **2020 is not soon enough.** Irreplaceable ecosystems and human communities will be swallowed by the industry's great maw if 18 years transpire before a modest—and vague—50% goal is met. In the last decade, cans and other products have been introduced in many markets lacking recycling infrastructures. With \$22.9 billion in annual revenues, Alcoa has investment capital at its disposal to build greenfield plants in remote, often inaccessible regions. The company must **act now**, using all its powers of persuasion, to convince investors to develop a global recycling infrastructure.

❖ **Alcoa Vice President Mr. Pizzey says:** "[A]pproximately two-thirds of aluminum ever produced—440 million tons of 680 million tons manufactured since 1886...is still in use."

❖ **CRI responds:**

- 1) We would like to see **data to corroborate this statement.** Data on current and historic recycling rates suggest that the percentage of aluminum "still in use" may be much lower.
- 2) If it is true that two thirds of the aluminum ever made is still in use, the converse must also be true: one third, or at least **220 million tons of valuable aluminum, have been wasted** over the past century: dumped, landfilled, incinerated, or littered. This represents an energy waste equivalent to more than 6 billion barrels of crude oil (yes, billion, not million)--enough to keep all 200 million American passenger cars and light trucks on the road for over two years.\*
- 3) **The wasting of valuable aluminum continues.** For each ton of metal landfilled, another ton must be made from virgin materials to take its place. Aluminum can waste in the United States alone was 760,000 tons in 2001, as the domestic UBC recycling rate dropped to 49%--the lowest rate in 15 years.† In 2001, 50.7 billion cans were wasted—up from 45.8 billion wasted the previous year.

### **Alcoa and its industry colleagues must address the wasting problem now:**

Declining aluminum can recycling rates and increasing beverage can **wasting can and must be reversed, by adopting deposit laws**, or "bottle bills." By placing a refundable deposit (historically a nickel) on cans and bottles, these systems have routinely achieved beverage container recycling rates of 70% or more, even though a nickel today is worth less than half of what it was 20 years ago when most deposit laws were passed. In Michigan, where the deposit is a dime, the rate exceeds 95%. Rates in non-deposit states range from 20-40%.

**Yet despite this evidence, the Aluminum Association has opposed bottle bills**, favoring "voluntary" and taxpayer-funded programs, which have failed to achieve high recycling rates.

If Alcoa is serious about encouraging recycling to meet broad sustainability goals, **it must come out in favor of deposit legislation**, and must persuade its industry colleagues to do the same.

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\* Based on an average of 12,000 miles per year at 20 miles per gallon.

† The U.S. EPA estimated that 2.3 million tons of aluminum were wasted in 2000, including 1.6 MT from non-can sources.