

The Element of **Possibility**™

The Ripple Effect of Aluminum Recycling

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Alcoa Corporation is a global industry leader in bauxite, alumina and aluminum products



- **At-a-glance:**
 - 14,000 employees
 - 44 manufacturing locations
 - 10 countries
- Built on a foundation of strong values and operating excellence dating back nearly 130 years
- Invented the aluminum industry, making aluminum an affordable and vital part of modern life

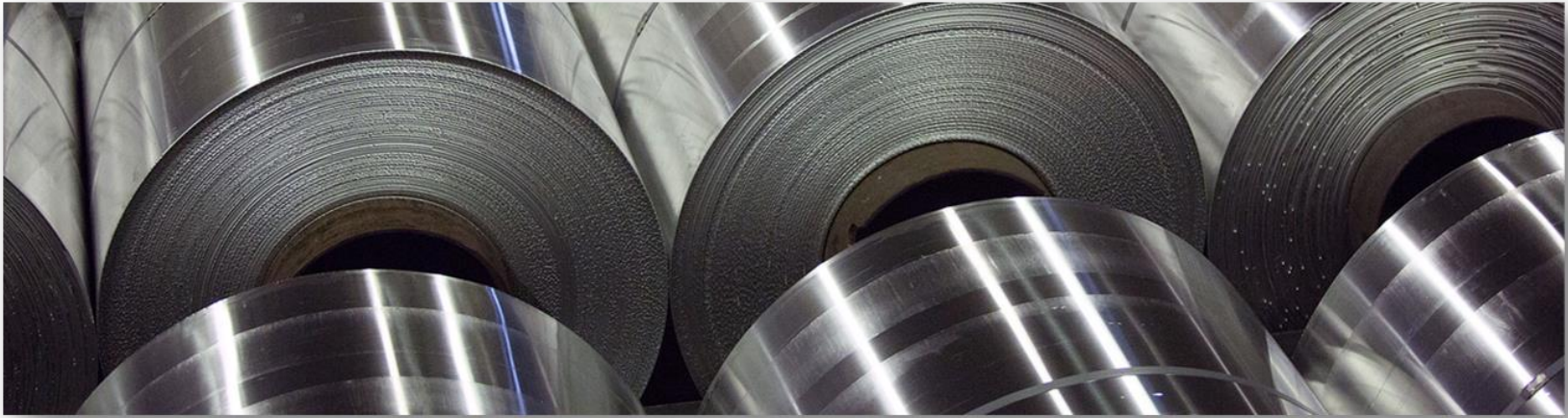
Warrick Operations is a strategic part of Alcoa Corporation's worldwide portfolio



One of the world's largest aluminum fabricating facilities, primarily serving the food and beverage industry with flat-rolled aluminum.

- Located in Newburgh, IN
- Home of one of the world's largest ingot plants
- Rolling mills reduce ingot thickness from 21 inches thick x 30 feet long to 0.007 inches thick x 12 miles long in 12 minutes production time
- Highest coating capacity plant in the world
- Only lithographic sheet producer in North America





Transition to cold metal plant and additional capacity has significantly increased use of scrap aluminum

- Activated two idled furnaces
- Operational metal supply plan in place to meet current and anticipated needs

Aluminum is 100 percent recyclable and retains its properties indefinitely

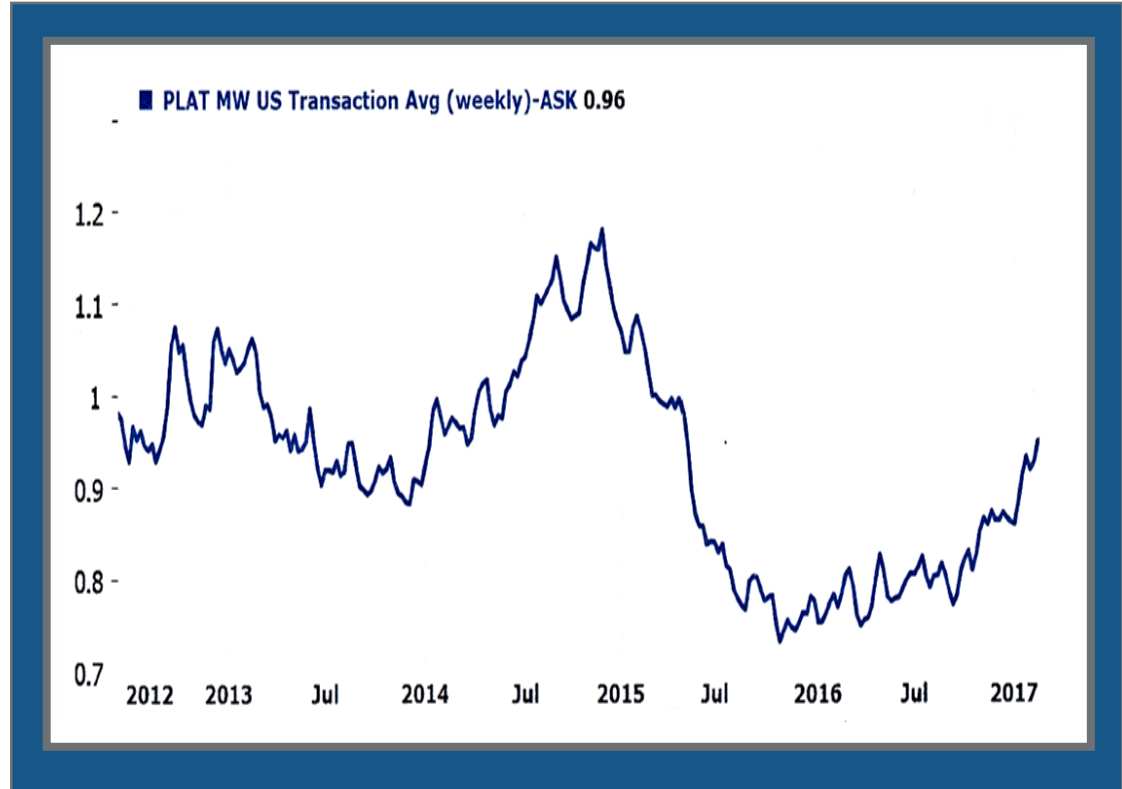


- Nearly 75 percent of all aluminum ever produced is still in use today
- Demand continues to grow
 - Energy drinks
 - Microbreweries
- The U.S. industry can recycling rate is only about 67 percent, which means we are throwing away almost \$1 billion worth of cans every year
- Recycling aluminum saves more than 90 percent of the energy needed to make new aluminum



Ripple effects of 2016 aluminum price decrease continue to affect industry

- 2016 saw sharp decline in aluminum prices
- Low prices drove numerous scrap yard and recycle center closures
- Many Municipal Recycling Facilities (MRFs) stopped can recycling programs and switched to landfills as cheaper disposal alternative
- Lack of available used beverage can (UBC) scrap created increased use of more expensive pure aluminum



Market conditions in 2017 are improving



- Prices up about \$0.15/lb since June 2016
- Underlying commodity price increase helps to support recycling streams
- Flow of scrap aluminum metal has improved with the higher commodity prices
- Additionally, the ferrous markets have stabilized over the last year and the knock-on effect also supports scrap metal flows through scrap yards

Aluminum recycling promotes environmental as well as economic sustainability



- Almost \$1 billion worth of aluminum is buried each year in the U.S., largely due to lack of infrastructure and public education
- Increased aluminum recycling ...
 - helps the industry reduce its environmental footprint
 - supports healthy supply chain
 - diverts resources from landfills
 - saves energy for the future
- Community policies and programs that encourage and enable recycling activity are good for everyone

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Thank you!

