What an amazing year to work in aluminum!

2014 was a momentous year on many fronts, not only for the North American industry but also for the Aluminum Association. This fall, the first 2015 Ford F-150s rolled off the production line, making extensive use of military-grade aluminum to shave more than 700 pounds of weight off the most popular vehicle on the road today.

Demand for our metal continues to rebound from the Great Recession and there’s even more exciting news on the horizon as automakers and other manufacturers turn to lightweight, strong, infinitely recyclable aluminum to make innovative products and improve their environmental footprint.

As the domestic manufacturing renaissance continues, our metal is uniquely well-positioned. Aluminum demand is up nearly one-third since 2009 and the industry is making big investments to meet anticipated demand in the years to come. Since the middle of last year, member companies have announced more than $2 billion in domestic plant expansions to capture this growth.

The Aluminum Association team is sharply focused on how to position the industry for even greater success -- from producing vital market data and reports to developing the standards that enable global commerce to driving positive public policy outcomes.
In 2014, the Association:

+ Released a new report by Ducker Worldwide projecting a 20X increase in the use of aluminum auto sheet in North America by 2025.
+ Continued to drive membership growth in the Congressional Aluminum Caucus and managed a successful membership fly-in and policy briefing on Capitol Hill during our fall meeting.
+ Released the Semi-Fabricated Aluminum Life Cycle Assessment Report showing significant environmental gains for the industry in the U.S. and Canada.
+ Saved the industry $3.1 million through a single regulatory advocacy effort around new Secondary MACT rules.
+ Hit a major milestone by welcoming our 100th member company, a record for the Association.
+ Effectively managed member resources and provided a 10 percent dues rebate on membership.
+ Published new editions of The American National Standards (ANSI) H35 on Alloy and Temper Designation Systems and Dimensional Tolerances for Aluminum Mill Products.
+ Launched Aluminum PAC, our industry’s political action committee.
+ Mobilized a successful industry-wide online advocacy effort opposing a product category rule that would unfairly impact aluminum in the Building & Construction market.
+ Published a series of environmental product declarations for aluminum that will strengthen our customers’ ability to make informed choices about using the metal.
+ Released a life cycle assessment study showing significant progress in producing aluminum beverage cans ever more sustainably.
+ Constituted a Heavy Truck Working Group to implement joint action to favorably position aluminum in the heavy duty truck market in advance of new fuel efficiency standards.
+ Launched the all-new www.aluminum.org featuring dramatically improved design, usability and functionality, winning a respected third party award for the work.

This is a sampling of the many efforts and initiatives conducted on behalf of the membership during the past 12 months to keep moving the industry forward. Within this report, you’ll find a series of case studies highlighting some of our major efforts and emphasizing clear, measurable outcomes for the industry at large.

We deeply appreciate your continued engagement with the Aluminum Association and look forward to continued success together in 2015.

Sincerely,

Kip Smith
President & CEO of Noranda & Association Chairman

Heidi Brock
President & CEO of the Aluminum Association
vision & mission

VISION
The Aluminum Association promotes the production and use of aluminum as the sustainable material of choice.

MISSION
The Aluminum Association will:

+ Drive communications that aggressively promote aluminum, while developing stakeholder champions for its sustainability advantages.

+ Provide timely, relevant industry statistics and information on emerging issues for enhanced industry transparency.

+ Create, maintain, monitor and advocate for standards and technical documents that encourage the use of aluminum.

+ Successfully advance regulatory and legislative policy in state, federal and international arenas.

+ Convene forums on emerging and relevant issues in order to strengthen the industry.

+ Facilitate the sharing of best practices in enhancing global health, environment and safety performance.

Approved by the Board of Directors, April 2013
The Aluminum Association team works to support the growth of the industry by providing expertise in the areas of Policy, Public Affairs, Business Information and Standards & Technology.
Aluminum industry executives hit Capitol Hill during the Association’s annual meeting.

Rep. Suzan DelBene, co-chair of the Congressional Aluminum Caucus, addresses industry leaders.
The Association continues to pursue an aggressive policy and engagement strategy in Washington, D.C. designed increase awareness of the industry among federal policy makers in order to create a favorable regulatory and legislative environment.

Partnering with member companies, the Association grew the bipartisan Congressional Aluminum Caucus in 2014. Thirty members in the House of Representatives have joined the Caucus, representing key districts in Kentucky, Indiana, Ohio, Tennessee and Washington, among other states.

The Association held a kick-off event with the Caucus on Capitol Hill in July with seven Caucus members and staff from three other offices; executed a Capitol Hill fly-in for 75 industry leaders who met with 21 House and Senate offices; and launched Aluminum PAC, the industry’s non-partisan political action committee.

Additionally, the Association launched a targeted digital ad campaign designed to raise awareness about the versatile and sustainable values of aluminum with opinion elites in Washington, D.C. The theme — “Rethink Aluminum” — highlights the sustainability and innovation qualities of the metal while encouraging individuals to take an action. During the campaign run, the Aluminum Association saw record website visits and new fans and followers through its social media channels.

Chris Grundler, Director, Office of Transportation and Air Quality at the EPA speaks on the EPA’s greenhouse gas program for light duty vehicles at the Association’s spring meeting.

The Aluminum Association hosted a policy brief on Capitol Hill during its fly-in to update Members of Congress and staff on the state of the industry.

by the NUMBERS

30 OF THE BIPARTISAN CONGRESSIONAL ALUMINUM CAUCUS

Association VP for Policy Charles Johnson with Janet McCabe, Acting Assistant Administrator for the Office of Air and Radiation at the EPA during the Association’s annual meeting.
advancing our policy agenda

In coordination with membership, the Association remains constantly engaged on policy issues that could impact the aluminum industry’s ability to operate competitively. This is particularly true in the regulatory arena, where new climate change rules and updated environmental standards dominated the agenda in 2014.

This year, the Association deepened its relationships and education efforts among key influencers at the Environmental Protection Agency (EPA) and other agencies to help ensure the industry is minimally impacted by new and updated regulations. We also added staff with a deep knowledge of industry manufacturing and how regulatory proposals can impact operations. Strengthening outreach has helped us develop agency champions who understand aluminum's role as a solution to modern energy challenges through light-weighting and recycling.

Now, the Association is working to build upon these cooperative efforts to secure credit for early action the industry has already taken to reduce greenhouse gas emissions. In addition, the Association is ending the year providing input on newly updated draft rules on Primary and Secondary Maximum Achievable Control Technology (MACT) air emissions. We remain sharply focused to ensure this next step by the EPA will result in workable and reasonable MACT rules for our members, capturing the hard-won concessions negotiated with the agency.
As the principal source for statistics and business information in North America, the Aluminum Association strives to ensure its statistical program accurately reflects a dynamic and continuously evolving industry. Over the course of the year, the Association began a modernization effort to remodel and evolve some of the Association’s statistical publications. The weekly Aluminum Highlights received a significant redesign to enhance the use of visuals, and the North American Aluminum Industry Plant Directory and Extrusion Press Directory were reimagined by utilizing visuals to better highlight Association membership.

Projected growth in demand for aluminum in the automotive market — specifically in heat-treatable sheet — led to an enhancement of the Association’s popular Index of Net New Orders of Aluminum Mill Products report. The Orders report is a well-respected source of information on monthly orders placed by the industry’s customers.
The report now provides specific data on heat-treatable versus non-heat treatable sheet orders. This endeavor required a historical data collection effort, as well as alterations to online surveys, internal databases and the report itself. The adjustments will allow the Association to continue providing relevant data that accurately reflects the changing dynamics of the marketplace.

The Association's ability to successfully adapt its statistical offerings will allow the industry at large to make timelier, better informed business decisions.

The Association's statistics program has tracked a steady increase in aluminum demand in recent years.
DRIVING INNOVATION
AUTOMOTIVE ALUMINUM FOR THE MASSES

A survey of automakers conducted by Ducker Worldwide confirms future trucks, SUVs, and sedans will become lighter, safer and more efficient while maintaining size.

BY 2025
WHAT’S COMING?

7/10 NEW PICKUPS WILL HAVE AN ALUMINUM BODY
EVERY LEADING AUTOMAKER WILL HAVE AN ALUMINUM BODY PROGRAM IN PLACE
FORD, GENERAL MOTORS AND CHRYSLER WILL BE THE BIGGEST USERS OF ALUMINUM BODY STRUCTURES

ALUMINUM BODY CONTENT BY SEGMENT

ITALIAN TRUCKS 76%
Jeep 22%
MINIVANS 18%

ALUMINUM PENETRATION

HONDA 85%
TOYOTA 46%
COMPLETE ROBOTS WILL REACH 18%

FIFTY YEARS OF UNINTERRUPTED GROWTH

NORTH AMERICAN ALUMINUM SHEET FOR AUTO BODY AND STRUCTURAL PARTS

GROUNDBREAKING INNOVATION

PRODUCTION VEHICLES FEATURING ALUMINUM BODY STRUCTURES

2015
ALUMINUM EXPERIENCES EXPLOSIVE GROWTH IN HIGH-VOLUME VEHICLES

AUTOMOTIVE GROWTH BETWEEN 2014-2025 WILL BE DRIVEN BY PICKUP TRUCKS, SUVs AND MID-SIZE SEDANS

VEHICLES
EMERGING ALUMINUM CONTENT LEADERS

PICKUP TRUCKS 548.9 LBS.
11% OF PRODUCTION

SUVS 410.3 LBS.
33% OF PRODUCTION

MID-SIZE SEDANS 363.3 LBS.
21% OF PRODUCTION

2015
JAGUAR XJ
AUDI A8

2020
TESLA MODEL S
LAND ROVER RANGE ROVER

2025
JAGUAR F-TYPE
FORD F-150

LEARN MORE ABOUT YOUR FUTURE VEHICLE BY VISITING DRIVEALUMINUM.ORG

FOLLOW US @DRIVEALUMINUM

SOURCES


In June, six months following the introduction of the all-aluminum bodied 2015 F-150, the Aluminum Transportation Group (ATG) released its 2015 Ducker Worldwide survey of automakers, which detailed the estimated aluminum content in light vehicles assembled in North America during the next decade. The ATG set out to assert aluminum’s ascension into high-volume vehicles with a “Big Splash” media campaign that would re-energize the dialogue and media momentum around automotive aluminum mid-year. The campaign’s key headline “Seven Out of 10 New Pickup Trucks Produced in North America Will be Aluminum-Bodied by 2025” did just that.

The study’s details were distilled into a press release, targeted correspondence to media and key influencers/regulators, and the ATG’s first-ever infographic, which visually captured salient data points from 2015 Ducker survey, while also highlighting past automotive aluminum milestones and critical breakthroughs in vehicle applications. The aggressive communications campaign, which disseminated key messages through all media channels to reach automotive aluminum customers, regulators/legislators, industry influencers and consumers, was a true success.

On the heels of the release of the Ducker survey, the ATG continues to educate key stakeholders about aluminum’s performance, safety, durability, efficiency and cost advantages, by speaking at high-profile industry conferences and engaging with audiences online through its website and social media channels – www.drivealuminum.org and @drivealuminum.
advocating for aluminum’s position in the marketplace

An environmental product category rule (PCR) currently under development could unfairly penalize recyclable metals like aluminum in the building and construction market. Through an aggressive online advocacy effort, the Aluminum Association effectively captured the attention of the rule’s authors, leading a change in approach that will help protect the industry’s position in the marketplace.

In December of 2013, environmental nonprofit Earthsure released a draft rule on windows for public comment – the Association provided a detailed response, highlighting why the PCR as written would be bad for the environment and unfair to the metals industry.

When progress stalled, the Association decided that a more robust response was needed and built an online petition to mobilize industry voices. Working through the Building & Construction Committee, the Association placed a bylined article in Metal Architecture magazine to launch the campaign and built a landing page at www.aluminum.org/WindowsPCR where concerned parties could sign their name, opposing the rule draft.

The industry responded resoundingly with more than 120 signatures from dozens of companies delivered to the rule’s author. The effort led directly to an in-person meeting with Earthsure. While work remains, the firm agreed to incorporate the industry’s input into a revised draft rule.

By mobilizing voices throughout the industry using a new technological platform, the Association and its membership helped favorably position aluminum in the marketplace.

by the NUMBERS

120+ EMPLOYEES FROM 55 COMPANIES SIGNED THE WINDOWS PCR PETITION ONLINE
ALUMINUM’S ENVIRONMENTAL FOOTPRINT

The Aluminum Association conducted a life-cycle assessment (LCA) examining the environmental impact of modern aluminum production. We looked at aluminum products from the mining of materials, to making new aluminum through primary production, to the recycling of the metal. The study shows a major decline in energy demand and greenhouse gas emissions for the industry.

To download: www.aluminum.org/LCAReport

by the NUMBERS

37% CARBON FOOTPRINT
26% ENERGY USE IMPROVEMENT
FOR PRIMARY ALUMINUM PRODUCTION SINCE 1995

POWER CONSUMPTION AND PFC EMISSIONS DRIVING DECLINE

ENERGY USE FOR PRIMARY PRODUCTION

PER ➔ 1 METRIC TON ALUMINUM

1995
2005
TODAY

26% REDUCTION

CARBON FOOTPRINT FOR PRIMARY PRODUCTION

PER ➔ 1 METRIC TON ALUMINUM

1995
2005
TODAY

37% REDUCTION

The Association’s sustainability research enabled the creation of aluminum environmental product declarations, a nutrition label on a product’s environmental impact.
delivering vital research on industry sustainability

As stakeholders across the spectrum — from consumers to non-governmental organizations to regulators — demand ever increasing environmental stewardship, the Aluminum Association is uniquely positioned to tell the industry’s sustainability story through high quality research.

In January, the Association released a brand-new life cycle assessment (LCA) report on the production of aluminum which showed a nearly 40 percent drop in greenhouse gas emissions over the last two decades. Voluntary efforts to reduce emissions, as well as technological advances in aluminum plants to conserve energy, helped drive this improvement.

The results of the new LCA provide baseline data for studies across market sectors. For example, the new data informed a report on the environmental impact of aluminum can production, showing significant declines in both energy use and carbon footprint over the last several years.

The Association also used the results to produce a series of environmental product declarations (EPDs), essentially a nutrition label on a product’s environmental impact, for various types of aluminum. EPDs enable customers to make informed choices about using the metal and can even be used to earn LEED points for green building certification.

The Association’s research program enables the industry to communicate clearly and with a single voice on the sustainability advantages of aluminum.
by the NUMBERS

47 & 160+

COMPANIES EMPLOYEES TRAINED ON SAFETY

Images courtesy of SAPA
ensuring industry safety through enhanced training & guidance

For more than 20 years, the Aluminum Association has hosted regionally located semi-annual training on casthouse safety best practices to provide industry employees with the latest information on molten metal management. One of the industry’s premier safety efforts, this year’s program was enhanced in two key ways.

First, this year’s sessions incorporated real-time feedback with interactive polling and quizzes throughout the day. Participants were able to share their experiences working in casthouses and show off their knowledge through Q&As. Additionally, breakout sessions enabled participants to consider real-world scenarios and allowed for inter-company interaction. Group scenarios focused on scrap inspection and charging, as well as sow and direct chill casting in terms of how to avoid potentially hazardous situations, including explosions.

Educational experience and attendee feedback indicates that people learn better when information is presented interactively with immediately applied knowledge. This approach leads to better knowledge retention and application. By offering attendees the opportunity to immediately apply their learnings through the breakout sessions, the Association bolstered engagement, which ultimately leads to better safety practices in casthouse molten metal management.

The Association will continue to find ways to enhance its training program to help ensure that the aluminum industry is a leader on safety in the manufacturing sector.
In the spring of 2014, the Aluminum Association launched a brand-new website at www.aluminum.org. The culmination of a multi-month project spearheaded by the Sustainability & Communications Committee, this was the first major site overhaul for the Association since 2008.

The new site features improved design enabling visual storytelling, streamlined organization for easier navigation and updated functionality like mobile optimization and integrated video. Importantly, the new site lets us better understand our users through improved data analytics. Just one example — the Association used the website as the primary platform to host a new industry identity video — titled “The Aluminum Advantage” — to show how the metal keeps the modern world moving. By year’s end, the video had been viewed more than 13,000 times.

In other areas too, the Association is finding ways to break through the clutter — developing compelling infographics to make complex topics about the industry engaging and understandable. One made a 100+ page life cycle assessment report come alive visually by showing how aluminum producers are ever more efficient; another showed the energy-saving potential of aluminum in buildings.
This compelling online content is making a difference. Visitors are spending more time than ever on aluminum.org. Users today spend on average more than 2 minutes on the site — a 25 percent increase from time spent on the previous site iteration. What’s more, the site won the 2014 Silver Summit Creative Award in the website redesign category.

by the NUMBERS

25% INCREASE IN AVERAGE TIME SPENT BY VISITORS TO THE NEW ALUMINUM.ORG

1 SILVER SUMMIT CREATIVE AWARD FOR WEBSITE REDESIGN
The industry celebrated 60 years of aluminum standards with a special tour of the Udvar Hazy National Air and Space Museum.

by the **N U M B E R S**

**75** Alloy designations in 1954; **520** designations today.
celebrating 60 years of standards excellence

In 1954, The Aluminum Association, through the Technical Committee on Product Standards (TCPS), created a new, standardized alloy designation system for wrought aluminum alloys. This structure, known to many as the Teal Sheets, is recognized globally by the signatories to the declaration of accord representing 23 countries.

When the system was created, the list included 75 unique chemical compositions. Today we have more than 525 registered alloys. This underscores just how versatile and ubiquitous aluminum has become in the modern world.

2014 marked a major milestone for the system. For 60 years, the TCPS group, through the Aluminum Association, has continuously and effectively managed the system in accordance with the American National Standards Institute (ANSI).

The achievement was recognized by the Smithsonian Institution earlier this year. In April, the Association donated a copy of the original Teal Sheets to the Air and Space Museum. The document is now housed in the Smithsonian archives, recognizing the significant role the aluminum industry played in American history.

The alloy designation system continues to play a fundamental role facilitating the production, sale and use of aluminum in the United States and around the world.
providing a solid return on investment

The Aluminum Association continues to wisely invest members’ resources into global standards, business intelligence and industry advocacy in Washington, D.C. Together, we’re growing membership, advancing favorable public policy, producing leading sustainability research and positioning our industry for future success.

Through solid budget management and decreasing pension liability, the Association was in the rare position in 2014 to offer a 10% dues rebate to member companies in good standing. The Finance Committee selected an investment advisor to manage the reserve funds in order to generate additional income to help offset operational expenses.

This year also marked a major milestone with the addition of our 100th member company. This is a first in Association and a sign of a growing and thriving and growing aluminum industry.

We continue to grow non-dues revenue. These additional forms of income – royalty payments, advertising income, and sponsorships and registrations for meetings and safety workshops – help the Association manage costs and supplement our membership dues income.

The Association is projecting a year end surplus of $200,000. The 2014 budget had been approved as a break even and this surplus will help cover the costs related to the dues rebate; estimated as a $360,000 reduction to the reserve funds. The 2015 budget was also prepared as a break even with total revenue and expenses of $6.0M; the core budget is $4.85M, an increase of just 2.4% from the prior year.
The Aluminum Association expresses its sincere appreciation to all members who served in leadership roles and otherwise on Association Committees, Divisions and the Board of Directors and Executive Committee in 2014.

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