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ALCOA LATIN AMERICA AND THE CARIBBEAN MONTHLY NEWSLETTER- NUMBER 97- JUNE, 2010

● *Alcoa Board in Juruti*

Board enhances good relationship with community

Four years after the last visit, the members of the Institutional Affairs committee of Alcoa's Board of Directors returned to the Juruti Mine and verified that the relationship between the Company and the community has continued to evolve positively

● *Page 3*



● *Estreito Hydroelectric Power Plant*
Alcoa invests in projects to support the development of the Estreito region

● *Page 5*

● *Nick Ashooh*
Global Vice President of Corporate Affairs attends congress in São Paulo

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● *Industria do Conhecimento*
Sponsored by Alcoa, multimedia library is inaugurated in Itapissuma

● *Page 5*

● *ExpoAlumínio 2010*

Sustainability as part of corporate strategy



The diversity of products and Sustainability as an inherent Value of corporate strategy were the main topics of the Company's participation in ExpoAlumínio 2010 (International Aluminum Trade Show)

● *Page 12*

OUR PEOPLE

● Editorial

Beyond social responsibility



FRANKLIN L. FEDER

CEO – Latin America and the Caribbean

“Alcoa’s relationship with communities includes promoting the population’s engagement, understanding local culture and investing in regional development, with the objective of improving the quality of life of the population”

Alcoa’s relationship with the communities where it conducts its business operations is much more than just the participation in social responsibility programs. The company seeks to promote the community’s engagement, to understand local culture’s diversity, and to invest in regional development, with the objective of improving the quality of life in these communities.

The project for the Juruti Bauxite Mine was created on the basis of this relationship with the local community. In line with this focus, the members of the Institutional Affairs Committee of Alcoa’s Board of Directors visited the Mine in May. At the end of the visit, the committee came to a unanimous conclusion: the relationship between the Company and the community has continued to evolve in a positive manner. This evolution is attested to by the survey conducted by IBOPE opinion survey institute at the end of 2009, which pointed out the increase in the number of people with favorable or neutral opinions on Alcoa’s Mine since 2007 (up from 89% to 91%).

Our actions in Juruti are seen as an example. This is attested to by the agreement between the Company and the BNDES (the Brazilian Bank for Social and Economic Development), the objective of which is to create a fund whose resources will be allocated to initiatives simi-

lar to the ones implemented in Juruti with the support of the FUNJUS-Fundo Juruti Sustentável fund. The ultimate objective is to promote regional development in the 12 municipal regions surrounding the Estreito Hydroelectric Power Plant. This is one more commitment taken on by Alcoa to invest in the educational and economic development of the communities where it has business operations.

In our relationship with the different communities, we always seek to emphasize that sustainability is part of our business strategy and of all our actions. This is why, in addition to the products we supply to the industry’s various segments, our participation in the ExpoAlumínio 2010 trade show was an outstanding event. I would like to congratulate all those who represented Alcoa at this event, especially the Research, Development and Innovation Team, for their Project “Selection of Refractory Products for Anode Baking Furnaces”. This project was named as the best Project in the Refractory Products category by the Congress that was held concurrently with ExpoAlumínio 2010.

Finally, the 9th Aluminum Innovation Award is coming up. This initiative attests to the Company’s cultural and educational importance to students and professionals. I am sure that this year, once again, we will see many innovative products that are in line with our focus on Sustainability.

Enjoy your reading!



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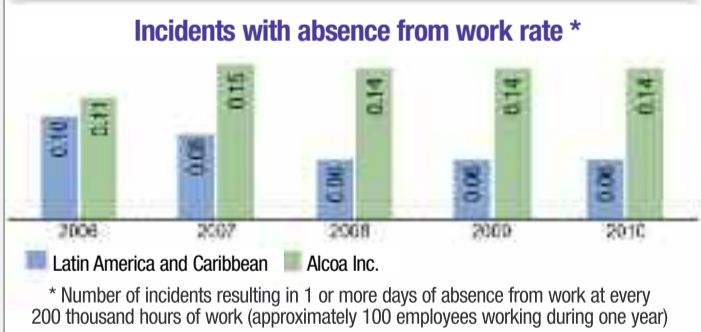
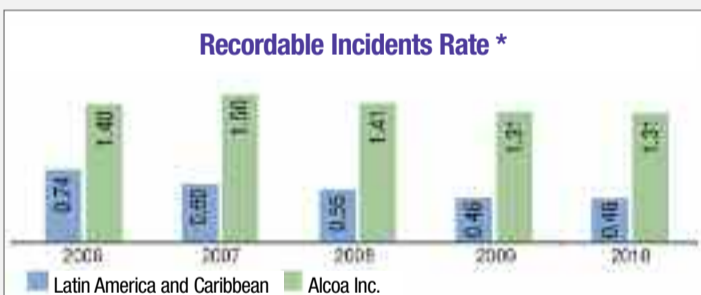
Talk to Us



Your opinion is very important for us. Should you have any question, suggestion or comment, please write to genteacao@alcoa.com.br

Safety Performance

Incident frequency rate until May



Testimonial

Nivaldo Barbato
Job Position: Leader of the Resmelting Yard
Unit: Utinga
Time with Alcoa: 28 years



“An outstanding moment in my life, and which describes what it means to be proud of being an Alcoa, was to have gotten a telephone call from CEO Franklin Feder when I celebrated my 25 years of working at Alcoa. I remember that he said: ‘I took the initiative of calling to congratulate you for all these years of work at the Company and I hope you will celebrate many more anniversaries with us.’ Then, I proudly commented on this telephone call with some work colleagues. They all laughed at me, saying: ‘You’re crazy – you’re delirious – there’s no way the CEO would call you – it was a joke!’ I think this episode really exemplifies the Company’s excellent work environment. The Company provides opportunities to those who are prepared and seek professional growth. And I think those colleagues who at first didn’t believe that I had gotten that call will believe me now.”

People that make History

Tribute to colleagues who contribute to Alcoa’s development



AILTON AUGUSTO DE PAIVA
UTINGA



JOÃO DUARTE CARVALHO
ALUMAR



ALDO ANTONIO BRAGA CAMPOS
ALUMAR



RAIMUNDO BENEDITO MORGADO SILVA
ALUMAR



CARLOS AUGUSTO COSTA SANTOS
ALUMAR



JOSÉ FRANCISCO DOS SANTOS
ALUMAR



EDNALDO DA SILVA DIAS
ALUMAR



LUIS CARLOS FRANCO AZEVEDO
ALUMAR

● Alcoa Board in Juruti

Board members visit the communities and the Mine

As soon as the Mine Project began to be implemented in Juruti, in 2006, three members of the Institutional Affairs Committee of Alcoa's Board of Directors visited the location for the first time, to see the progress of the work and talk to the community. Four years later, the Project having been concluded, the same committee members, along with other members who had not participated in the first visit, returned to the region. Klaus Kleinfeld, Chairman of the Board of Directors and CEO of Alcoa, board members Judith Gueron, Kathryn Fuller, Arthur Collins and Joseph Gorman; Henry Schacht, former board member and current consultant to the Board of Directors; Nick Ashooh, vice-president of Corporate Affairs; Daniel Cruise, director of Government Affairs; and Donna Dabney, vice-president of Alcoa and secretary of the Board of Directors, went to Juruti to see the progress and the results of Alcoa's social-environmental and Sustainability initiatives in the region.

This was a three-day visit. On the first day, the Board members were in Manaus to participate in a meeting and a dinner with corporate partners and with Franklin L. Feder, CEO – Latin America and the Caribbean; Nilson Souza, vice-

president of Primary Products; Nemercio Nogueira, director of Corporate Matters; Carlos Mahfuz, director of the Legal Department; and Suzana Sheffield, vice-president of Instituto Alcoa. The second and third days of the visit started with a tour of the Mine's facilities, including Mining, Processing, Railway and Port and a visit to the Santa Terezinha community, located in the surroundings of the Mine. Then the Board members met with Comunidade Juruti Velho community leaders, with the members of the CONJUS-Conselho Juruti Sustentável board, with the acting mayor of Juruti, with the chairman of the City Council and with the director of the local Trade Association.

At the end of the visit, the Board members unanimously concluded that the relationship between the Company and the Community has continued to evolve positively, thanks to the dedication of Alcoans in Juruti. This is attested to by a survey conducted by IBOPE in the region, at the end of 2009, which pointed out an increase of two percentage points in the number of people favorable or neutral to Alcoa's Mine, in comparison with the survey conducted in 2007 (up from 89% to 91%).



● Meeting with representatives from CONJUS, City Hall, City Council, and Trade Association



● Visit to the Juruti Velho community



● Visitors at Processing's mining area at the Juruti Mine

● Implementation Steps

Workshop discusses best practices for IS

Representatives from all of Alcoa Latin America and the Caribbean Primary Products Units (Poços de Caldas, Alumar, Juruti, Surinam and Jamaica) participated in the IS Deep Dive Workshop. The workshop was also attended by experts on the Implementation Steps system. During the two-day workshop, all the preparation, control and execution systems of the ISs of Poços de Caldas were reviewed and opportunities were identified in relation to how the process is conducted. The improvements include the evolution of corporate goals, the extension of the goals to the plants and departments, and the encouragement of people to have ideas and execute them, all of which is aligned with the Units' ABS management system.

In the opinion of Bill Oplinger, Financial

vice-president of Alcoa, the systems implementation of the Poços de Caldas ISs is quite solid and "the best that has ever been seen in the Primary Products Area. "The employees at Poços showed that they were strongly committed and various best practices were observed. I was very impressed to see how the Plant is well taken care of, with excellent housekeeping."

What is IS?

IS, or Implementation Steps, is a tool used by Alcoa to capture all the initiatives at the Company's Plants that generate financial gains. In addition, this tool shares these initiatives among all Alcoans around the world. IS did not substitute the existing management tools, but integrated with them.



● Participants of the IS Deep Dive Workshop in Poços de Caldas explored opportunities

● VISITS AND EVENTS

1 Global President of Primary Products comes to see progress of ABS in the Region



Jean-Pierre Gilardeau (5th from right to left), Primary Products' global president for North America and Iceland, came to Brazil to visit the Alumar (photo) and Poços de Caldas Units. Jean-Pierre gave priority to the observation of the progress of the ABS system, focused on A3 development at all levels, which is a reference in the Region.

3 IT challenges in Juruti are presented at an information technology event



Alcoa and other big companies participated in the IT Forum 2010, the major information technology meeting in Latin America. The event was held in the State of Bahia. The main topic of the event was "Ethics in Business as the Basis for Sustainable Development." Tânia Nossa, our Operations Manager of the Company's GBS and CIO, represented the Company. She presented a brief history on the IT challenges and on the IT practices implemented at Juruti.



5 Company directors and CEOs that use the Lean System get acquainted with ABS



● Lean Institute: representatives of Alcoa with the visitors

Thirty seven directors and CEOs of 14 big companies that use the Lean System as a management model visited the Poços de Caldas Unit to get acquainted with the ABS. They also attended a lecture on the role of leadership given by Nilson Pereira Souza, vice-president of Primary Products of Alcoa Latin America and the Caribbean. In addition, the visitors had an opportunity to talk to João Bayma, director of ABS and to João Batista Menezes, Operations manager, on the implementation of the System at the Poços de Caldas plant.

2 Students from Extremo Sul Catarinense University spend the Day at the Tubarão plant



Students enrolled in the Materials Engineering course at UNESC-Universidade do Extremo Sul Catarinense spent the day at the Tubarão plant to become acquainted with the extrusion process. Alcoa employees Flavia Zanini and Rafael Alan toured the plant with the students. The students were also introduced to production management by means of ABS, which encompasses concepts that the students had only learned about in the classroom.

2 Alcoa participates in meeting to define Amcham-Recife's goals for 2010 and 2011



Mônica Nogueira, controller at the Itapissuma Unit and vice-chairperson of the Amcham-Recife's Economics and Finances Committee, participated in a meeting that defined the goals for 2010 and 2011 of the American Chamber of Commerce in the Northeast region. The focus is to work for the sustainable development of the State of Pernambuco.

2 Alcoa's Code of Ethics is the main case at event attended 60 businessmen



The "XIX Encontro de Integração com as Unidades Concedentes de Estágio" meeting, organized by the CIEEPE-Centro de Integração Empresa Escola de Pernambuco center was held in Recife. The meeting's main topic was "Code of Ethics: the Alcoa Case." Approximately 60 businessmen attended the event. In addition to hearing about the Alcoa case, they also attended the award ceremony that named the companies' best trainee programs in 2009.

4 Advantages of aluminum are focused on during visit to Fiat plant

Stress the advantages of using aluminum to manufacture auto parts for automobiles and establish a first contact with one of the world's biggest automobile assemblers: this was the main focus of the Primary Products team's visit to the Fiat plant located in the city of Betim, State of Minas Gerais. "Fiat's Engineering team enjoyed the lecture. This kind of relationship, already in place with the Extrusion team, expands our view for the development of our products," said Paula Prates, from Fiat's Materials Engineering department.



● COMMUNITY RELATIONS

● Social Investment

Commitment with BNDES will benefit the Estreito region

Alcoa took on a commitment with the BNDES-Banco Nacional de Desenvolvimento Econômico e Social social and development bank to invest R\$ 20 million in additional projects for the development of the 12 municipal regions located in the region of the Estreito Hydroelectric Power Plant (Carolina and Estreito, in the State of Maranhão; Aguiarnópolis, Babaculândia, Barra do Ouro, Darcinópolis, Filadélfia, Goiatins, Itapiratins, Palmeirante, Palmeiras do Tocantins and Tupiratins, in the State of Tocantins).

As an initial proposal, the Company suggested the creation of a fund, similar to the agreement drawn up for the FUNJUS-Fundo

Juruti Sustentável fund in Juruti. After a number of meetings, the BNDES agreed that the social stake of each partner would correspond to the bank's participation in CESTE, totaling R\$ 77 million. In addition to Alcoa (25.49%), CESTE's other participants are Suez (40.07%), Vale (30%) and Camargo Corrêa (4.44%).

Based on the diagnosis, on project proposals and the experience of the participants, the parties agreed to prepare the ISE-Investimento Social Estreito project in up to five years. The project will have two phases (see below) and will focus on two lines of action: education and economic development.

ISE-Investimento Social Estreito project

PHASE 1 - START UP - 12 months

- Beginning of the application of the short-term projects identified in the diagnosis and planning of phase 2;
- Implementation of 16 projects along four lines of action;
- Participation and direct resources of Sub credit C.

PHASE 2 - CONSOLIDATION - 12 to 60 months

- Planning of next projects and defining on how to make partnerships and the participation of the BNDES feasible;
- Implementation of medium and long-term projects selected during phase 1;
- Analysis of the possibility of implementing a Fund for Estreito.

Estreito Hydroelectric Power Plant



- **Management:** CESTE-Consórcio Estreito Energia consortium
- **Location:** Tocantins River, on the border of the States of Maranhão and Tocantins
- **Installed Capacity:** 1.087 MW
- **Dam:** 40 meters high and 800 meters long
- **Generation Forecast:** 1st turbine Feb/10 – full generation Dec/11
- **Affected properties:** 3,700 rural and urban properties
- **Area of Reservoir:** 550 sq. kilometers
- **Affected municipal regions:** Carolina and Estreito in Maranhão; Aguiarnópolis, Babaculândia, Barra do Ouro, Darcinópolis, Filadélfia, Goiatins, Itapiratins, Palmeirante, Palmeiras do Tocantins and Tupiratins, in Tocantins.

CESTE Participants	Stake (%)	MW
Suez	40.07	257
Vale	30.00	192
Alcoa	25.49	163
Camargo Corrêa	4.44	29
Total	100.00	641

● Social Inclusion

Natação Cidadã swimming program already benefits more than 300 children in the State of Pará

Created in 2009 through a partnership between the business community (Alcoa, Agropalma and Sol Informática) and the third sector (FIDESIA), the Programa Natação Cidadã swimming program currently benefits more than 300 children from the ages of 8 to 15 from the city of Belém. This is one of the biggest basic swimming support programs in Brazil. The Program is coordinated by Mônica Rezende, former Olympic athlete and champion swimmer from the State of Pará has ever had.



● Swimming instructor Cláudia, athletes enrolled in the Programa Natação Cidadã and Ana Celeste Franco, from Alcoa

● Venture

The Estreito Hydroelectric Power Plant Visitors Center is inaugurated

The 113,06 sq. meter Visitors Center of Estreito Hydroelectric Power Plant, in Estreito, State of Maranhão, was inaugurated recently. The facility includes a mini-auditorium, an administration office and support rooms, bathroom facilities, an entrance hall and a big parking lot. Located next to the entrance to the construction site, the facility will be the starting point for groups of visitors who want to see the future power plant in operation. Those who are interested in visiting the site can call 0800 280 9191 or e-mail atendimento@uhe-estreito.com.br to schedule the visit.

● Indústria do Conhecimento library

Multimedia library is inaugurated in Itapissuma

Representatives from Alcoa, SESI and the Itapissuma (State of Pernambuco) City Government participated in the inauguration ceremony of the Indústria do Conhecimento multimedia library in Itapissuma. This initiative was launched by SESI in 2006, with the objective of promoting the population's access to information.

This 100 sq. meter library houses a collection of 1,5 thousand books and is equipped with 10 computers with Internet access. In addition, the library has 24 seats for people who want to read, do research, or study.

In the future, short courses, such as entrepreneurship, information technology and English language will be offered. These courses will be orga-

nized in partnership with SEBRAE.

"The inauguration of this library facility is another real demonstration of the commitment taken on by Alcoa and Alcoans from Pernambuco with the sustainable development of our region," said Michael Humpert, director of Alcoa's Laminated Products Division.

Cláudio Volia, the mayor of Itapissuma, thanked the support he received to carry out the project. "I was contacted by Alcoa a year ago to become acquainted with the program run by SESI. Today, the dream of facilitating access to knowledge and of promoting social inclusion has come true for the future workers of Itapissuma," he said.



● Christóvão Andrade, from the Itapissuma Unit, speaks in the name of Alcoa at the inauguration of the multimedia library

● **HSE**

● **Safe Behavior**

Workshop raises awareness on safety processes

Safety is everyone's responsibility and this is why everyone should be familiar with the name of the correct procedures in order to avoid accidents. To raise the awareness of employees on the importance of the four mandatory Safety standards (labeling, blocking and testing; electricity safety; confined spaces; and machine protection) the Tubarão Unit held the first CIPA Comissão Interna de Prevenção de Acidentes (Internal Committee for the Prevention of Accidents) Workshop. The Workshop, held at the Plant's auditorium, was attended by PGAs- Pequenos Grupos Autônomos (Small Autonomous Groups). The highlight of the event was the lecture by Ederaldo Luís do Carmo, from Novelis (see chart on the side).

● *The expectation is that all Alcoans will help disseminate safe behavior practices*

All the employees from the Unit saw demonstrations, simulations and efficacy evaluation tests related to the content focused on in each mandatory standard. Although the main objective is to train and inform Alcoans, the expectation is that everybody will help disseminate the correct practices.



● PGAs participants at the CIPA Workshop in Tubarão

"Three Minutes Can Change Your Life"

After being seriously injured at work in 1992, Ederaldo Luís do Carmo decided to work as a volunteer to tell people about the need of maintaining a safe work environment. A risk analyst, Occupational Safety technician and Machine Protection specialist, Ederaldo was at the Tubarão Unit and gave a lecture on "Three Minutes Can Change Your Life." "When I went back to work after a five-year leave of absence, I realized there was a need to raise awareness at communities and companies. I was supported by the company and by my family in this lifetime project," he added.

Ederaldo's presentation, which was moving and pleasant, focused on important issues, such as the post-accident period, impact on the family, traumas, going back to work and the importance of safe behavior.

● **Primary Products**

Stop for Reflection represents act in favor of a safe environment

All the Primary Products Units in Latin America paused at the same time for the 15-minute so-called Stop for Reflection.

Because of the recordable incidents that had occurred at some Alcoa facilities and the recent death of an employee at Alumar, this pause represents more than a symbolic act. The act is part of a major campaign to ensure a 100% accident-free environment. "When we investigate the incidents, we realize that most of them could have been prevented," says Nilson Ferraz, director of Alumar.



● Stop for Reflection held at CENU

● **Record**

Plate Lamination – one year without any recordable incidents

In May, the Plate Lamination division at the Itapissuma Unit celebrated one year without any recordable incidents. This achievement is the result of a major effort to ensure an accident-free area and of the effort of Alcoans who believe that it is possible to achieve a zero incidence rate. "Congratulations for this achievement and I hope that in 2011 we will be able to celebrate another year without any incidents," wrote Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean.



● Plate Lamination team from Itapissuma

● **Medical Article**

● Source: *Publicação Saúde Samaritano*

Men's Health Care

Practices for a healthy life

EATING HABITS

The formula for a better quality of life seems simple: balanced and regular nutrition associated with exercising. But the busy lives we lead sometimes make us believe that acquiring these habits is not that simple.

However, eating properly is not that complex. You need to know what to eat and how to eat. According to the Nutrition and Gastronomy Department of Samaritano Hospital, it is important to eat all kinds of foods, of which at least five portions should consist of fruits and vegetables a day. The recommendation is to avoid fatty and fried foods, excessive amount of sweets and salt, and drink a lot of water (at least eight glasses a day).

PREVENTIVE MEDICAL EXAMS

Men should start going for preventive medical exams from the age of 40 onwards. To avoid cardiovascular diseases or prevent the need for immediate intervention in the event some disease is detected, specialists recommend a detailed check-up. Treatment is faster and more efficient if it is based on the early diagnosis of cardiovascular problems.

PROSTATE CANCER

Prostate cancer is one of the diseases that men most worry about. The Brazilian Society of Urology recommends that all men above the age of 45 be submitted to an annual periodic exam, or from the age of 40 onwards if the patient has a family history of prostate cancer. Early diagnosis also greatly increases the success of the treatment.



● HSE

● Prevention

Management of Incidents improves Safety indexes at Estreito



● Introduction of teams that monitor risks on DSD; below, *Segurança em Foco* bulletin

With the participation of Alcoa, the Estreito Hydroelectric Power Plant has implemented a pioneering initiative to encourage employees to identify and report situations at risk of resulting in incidents. More specifically, this is the Program for the Management of Potential Incidents. Under this Program, employees are divided into groups that monitor risks in their work environment and propose improvement actions. The teams also compete for



monthly awards according to their performances.

"The teams have been active and have been reporting risks; as a result, the number of incidents has dropped," says Wesley Zaparoli, manager of Occupational Health and Safety, who is responsible for the program. "In addition, the Daily Safety Dialogues (DSDs), the Preventive Campaigns and the new bulletin *Segurança em Foco* (Focus on Safety) help raise awareness on the issue," he adds.

● Alumar

Projeto Varrição de Alumina Project generates environmental gains and reduces costs

The Projeto Varrição de Alumina Project is being developed at Alumar's Smelting division. The objective is to take advantage of the by-products with aggregated value, obtain environmental gains, and reduce costs. The Project involves the proper separation of residues, with the purpose of re-using them internally or commercializing them to third parties.

More specifically, the Project focuses on the cleaning up of sites that generate the by-products, such as the basements of reactors, the corridors of the Pot room, Electrodes and Ingotting, by sorting the material according to the percentage of alumina and metals. The next steps involve re-use tests of the material gathered at the Pot room and the organization of the Storage Area, to improve the organization, and reduce costs and residue generation levels.

"The idea to re-use residues drove this Project forward; we believe it will generate nice profits for Alumar," points out Aluisio Nascimento, superintendent of CVI-Central de Veículos Industriais.



● Before



● After

● HIGHLIGHTS

● Global Business Service



● A lively party celebrated the fifth anniversary of GBS in Poços de Caldas

GBS celebrates fifth anniversary with success and dedication

Provide more agility, quality and savings for the Company's many activities: this was the idea that motivated the creation of Alcoa's GBS-Global Business Services. The structure was developed in six months and the first stage of the implementation was concluded in 2005. From that year onwards, GBS has been unifying processes, eliminating redundancies and allowing Units to concentrate their efforts on their business activities. Nowadays, GBS is comprised of 330 people, including employees and trainees, 240 of



whom are in Poços de Caldas and 90 are at other Alcoa units in Brazil. "We had to overcome many obstacles to accomplish what we have achieved so far;

but with a lot of effort, work and dedication, we transformed an idea into reality, proving that challenge is also our biggest inspiration," says Tânia Nossa, Operations manager of GBS.

A number of activities were held during one month to celebrate the fifth anniversary. The activities were focused on people, clients, and on health issues.

● Leadership

"Encontro de Notáveis" program provokes in-depth discussion on strategic matters



● Alcoa leaders with scientist José Goldemberg (3rd from right to left) at the event

The "Encontro de Notáveis" program was launched in March. This is a lecture series with Alcoa leaders and renowned professionals from a variety of professional fields. The first meeting was attended by scientist José Goldemberg, an expert on energy matters. The opening speech was given by Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean, who focused on the topic "Energy: the Challenges for a Sustainable Future." The event, held in São Paulo, was attended by approximately 60 participants, and had live trans-

mission for Units in the Region, including Jamaica and Surinam.

"Leadership entails a leader who has energy and is thoroughly familiar with the Company and the context we are in. The Encontro de Notáveis program is an initiative that helps expand our vision in the face of current and future challenges, which require that we have an innovative, and inspiring attitude that is passionate about Alcoa and its clients, in the effort to achieve the results of the business," Franklin stated.

The next event is scheduled for August.

● SUSTAINABILITY

● Green Building Council Brasil

Alcoa joins Board of Directors of GBC Brasil

The Company is one of the board members of the Green Building Council Brasil NGO, an arm of the World Green Building Council. The latter is an organization comprised of real estate and industry leaders, as well as representatives of entities linked to environmental issues. The mission of the Brazilian Board of Directors is to raise awareness, among industry leaders, communities, and government entities about the principles and practices of sustainable construction.



the members of the Board of Directors, as Alcoa holds a leading position in terms of focusing its actions on Sustainability. The private sector is one of the main agents for the re-education of activities related to civil construction to provide a sustainable environment for the benefit of society," says Thassanee Wanick, founder of the Brazilian NGO.

In the opinion of Otávio Carvalheira, director of Growth and Market Strategy at Alcoa, civil construction is outstanding because of its use of aluminum, a product which is infinitely recyclable. "By sitting on this Board, we intend to play an increasingly active role in the creation and support of sustainable construction policies. In addition, through our experience in this sector and our global businesses, we can help raise Brazilian end consumers' awareness in regard to good market practices and new technologies available around the world," he emphasizes.

● "Alcoa holds a leading position in terms of focusing its actions on Sustainability" Thassanee Wanick, do GBC Brasil

The following companies: Cushman, Método, Rossi, Walmart, Irane, Sherwin-Williams and WTorre are also on the board of the GBC Brasil. "It's very important to have Alcoa as one of

● Environment

Alcoa presents new inventory of Greenhouse Gas emissions

For the second year in a row, Alcoa prepared its inventory on Greenhouse Gas emissions. The document complies with the guidelines of the Programa Brasileiro GHG Protocol and consolidates data through operating control and stakeholding interest approaches.

The different results are equally important, albeit with different kinds of usefulness for the Company. The results per operation control, for example, are a guide for the management of emissions with the objective of achieving low carbon savings. The results per stakeholder clearly convey the responsibility of Alcoa and its stakeholders for the emissions. To achieve these results, it was necessary to prepare a structured map of the Company in regard to processes, training programs and commitment of all the affected parties.

For Alcoa, the option to prepare the report according to stakeholders' interest resulted in the replication of the practice to prepare an inventory of Greenhouse Gas emissions and of the exercise to analyze reduction opportunities

● Poços de Caldas

Competition awards best sustainable project of local public school

Escola Municipal Professora Carmélia de Castro school and its project Panificadora Sustentável were the winners of the "Concurso do Projeto mais Sustentável" competition, which was part of the "A Escola Sustentável" Training Program. The training program is a partnership between Alcoa's Parque Ambiental environmental park, in Poços de Caldas, and the local education authorities. The award is a donation of R\$ 20 thousand to implement the project. The award funds are provided by Instituto Alcoa.

Seventeen schools sent projects, which were evaluated by a committee from the Company. The committee analyzed criteria such as: income generation, recycling/residue management, professional training, reproduction by and/or reference for another school, public safety, conservation of local biodiversity, among others. "All the projects exceeded expectations, and attested to the commitment of the local and state public schools in Poços de Caldas to sustainability," said Mônica Frison.



● Escola Professora Carmélia de Castro school, in Poços de Caldas, was the winner of the competition that chose the most sustainable project

● Jamalco

COL identifies actions to reduce the use of electric power in the Calcinator

At the workshop organized by the COL-Learning Center, held at Jamalco, participants developed 63 points of action focused on reducing the use of electric power by the Calcinator. If these actions are executed, they will result in savings of more than US\$ 300 thousand. The 18 team members from all the Refinery's Operating areas were trained to use critical ABS tools, including Rules in Place, A3 Thinking and Development, Day-to-Day Management, Dynamic Help Chain and Standardized Work, among other concepts.



● Participants of the COL Workshop

● Jamalco

LED lamps reduce internal electric power demand

Jamalco is making an effort to continue reducing its electric power costs. The Unit recently implemented a pilot project for the installation of LED (Light Emitting Diode) lamps in the Refinery's offices.

This substitution has already resulted in a 33% reduction of the illumination costs, as the LED lamps use up to 40% less electric power than fluorescent lamps and last five times longer.

Ryan Ebanks, superintendent of High Voltage, wants to expand the use of LED lamps to other parts of the Refinery. "It is increasingly important to reduce internal electric power demand and possibly eliminate the importing of providers. There is no single activity that can do this, but the sum of small actions and personal responsibility will make the difference," he points out.



● Employee of Jamalco installs LED lamp: illumination costs are reduced by 33%

● Financial Support

BAESA trains local governments in Sponsorship Management

Mayors, local government authorities and technical and social institutions from the municipal regions of Anita Garibaldi, Cerro Negro, Campo Belo do Sul and Abdon Batista, in the State of Santa Catarina; and Pinhal da Serra, Esmeralda and Vacaria, in the State of Rio Grande do Sul, participated in the "Consultoria na Gestão de Patrocínio" program. The program was an initiative of BAESA, whose goal is to guide participants on how to get financial support through tax incentives to make social, environmental, cultural, income generation and other projects materialize.



● Meeting in Campo Belo do Sul, State of Santa Catarina, brought together government authorities

● SUSTAINABILITY

● GRES-Grupo Referencial de Empresas em Sustentabilidade group

Poços de Caldas Units hosts meeting on corporate cooperation organized by Instituto Ethos

The Poços de Caldas Unit hosted the monthly meeting of GRES-Grupo Referencial de Empresas em Sustentabilidade, a corporate cooperation program coordinated by Instituto Ethos. The event was attended by representatives from Instituto Ethos and from the following companies: Fiat, Copel, AES/Eletropaulo, Samarco, Fibria, Grupo André Maggi and Anglo American, as well as consultants from Reos Partner, a firm specialized in training programs in complex social systems.

Alcoa is represented by five people in GRES, three of whom are company employees (Thais Magalhães, Sustainability consultant; and José Borges de Carvalho and Heitor Parenti, from the Lead Sustainability Team of Poços de Caldas) and two *stakeholders* (Maria José Scassioti, from PUC-MG university; and João Neves de Toledo, from the Associação Poços Sustentável association).

"We're in the second phase of the project, which entails the preparation, by each company, of projects that will be implemented during the third phase, scheduled for the next semester," explains Solange Rúbio, from Instituto Ethos.



● Representatives from several companies and from Instituto Ethos

● Conselho Juruti Sustentável

Juruti community becomes acquainted with CONJUS

Identify the problems that most affect the municipal region of Juruti and implementation actions to deal with them in a proactive manner, to prepare the Carta Juruti Sustentável document: this was the result of the I Seminário do CONJUS-Conselho Juruti Sustentável seminar. More than 200 people – community leaders from urban and rural areas, members of NGOs, businessmen, students and local government authorities – attended the event. Mayor Henrique Costa attended the opening session.



● PEOPLE

● Organizational Climate

Training develops strategies for organizational climate and definition of the role of leaders



● Marcelo Lomelino, manager of Labor Relations and Organizational Climate, leads the work environment training program

Organizational climate is the perception people have of the Company, based on their experience with the practices, policies, processes and systems. An organizational climate survey is conducted to understand and analyze the internal environment, to implement the necessary changes, and engage employees to contribute to a better work environment. The importance of organizational climate management at Alcoa was discussed at a training program called Excellent Management of the Work Environment. Marcelo Lomelino, manager of Labor Relations and Organizational Climate, was the mediator and the participants came from the Committee and the Climate Team.

● "It is necessary to fuel the work relationship with the employee every day," says Marcelo Lomelino

The training was held in Poços de Caldas.

"We talked for three hours about a variety of aspects, with focus on three main issues: improve the training of these representatives in the sense of explaining what organizational climate

management entails, clarify the roles and establish the responsibilities," says Lomelino. He adds that the management of the organizational climate is the responsibility of the Leaders, together with the organizational climate teams, which act as a consulting support body to suggest actions, interpret moments and encourage the work climate. "The creation of the Committee and the Team was an innovative action, because the Poços de Caldas Unit was the first to have its own teams focused on this matter. I am sure their work will be even better this year," he adds. The members of the teams were joined by Rogério Ribas, Naira Araújo and Ecidir Loro, representatives from the Human Resources department.

According to Lomelino, the strategic approach of the management of the work environment is much more than just managing organizational climate surveys and action plans. "It is necessary to fuel the work relationship with the employee every day, contracting and re-contracting expectations, providing solutions to conflicts; in short, managing the relationship, whenever and wherever contact with employees is possible," he says.

● RH.com.Você

Portal brings new features for Alcoans

The RH.com.Você portal has various novelties for Alcoa employees. The following functions are available as of June:



- Consultancy on and changes in benefits (including family members);
- File of Life Insurance beneficiaries;
- Viewing of Life Insurance Certificate;
- Changes in Vale-Transporte transportation voucher.

These new services provide autonomy and flexibility for employees and make the process much more agile and reliable, as previously these functions had been done manually.

● Global Voices

HR shares success of survey via web

A conference call with the Human Resources community of all of Alcoa's Business Units around the world shared the application of the Global Voices survey in Brazil; 100% of the answers came via the web, when the goal had been to achieve this percentage figure only in 2010.



The Itapissuma, Juruti and Poços de Caldas Units were responsible for this achievement. During the virtual meeting, Rogério Ribas, Juliana Brito, Cynthia Coutinho, Vicente Lima and Neuza Silva, from the HR Area, along with Felipe Quirino, responsible for the survey in the Region in 2009, explained the Brazilian experience. "The feedback was very positive and the comments on the content were excellent. We would like to give a special thanks for having had the opportunity of helping those who will implement the survey via the web this year," said Mary McLachlan, from the Global Engagement Team.

● BEST PRACTICES

● Tubarão

Alcoans interact and exchange experiences in Utinga and Sorocaba

Exchanging experiences is an important and advantageous practice for the Units. This was the idea of the leaders of the Tubarão Unit, who accepted the suggestion to take the operators to look closely at the extrusion techniques used at the Utinga Plant and at the Main Tooling Center, in Sorocaba. The trip was approved by Ricardo Mazuco, Extrusion supervisor, and by Marcelo Rodrigues, Unit manager.

A bus took 40 employees – one Production coordinator, 31 Farrel Press 2200 employees, one administrative assistant, two collaborators from the Matrix Correction sector, two from the Quality sector, two from Maintenance and one Safety technician – to the city of Santo André, State of São Paulo, to visit the Utinga Plant. The main objective of the visit was to become better acquainted with

the 5S, ABS and TPM tools at the Extrusion Area. Aspects related to Safety, to the employees' commitment and to processes were also highlighted. In Sorocaba, the visitors emphasized that the strong point was the organization, reflected in the use of the 5S tool, in the excellent work environment, and in the employees' motivation.

The initiative to Interact with the Plants was positively evaluated by everybody. "The visits aggregated personal and professional gains. The exchange of experiences and values was one of the highlights of the trip, along with the opportunity to become acquainted with new product lines. Having access to other processes, such as the production of billets in Utinga, was also very valuable," said Ramon Medeiros, operator of the Farrel Press 2200's Panel.



● Employees from Tubarão visit the plant in Utinga, in Santo André, State of São Paulo

● Poços de Caldas

Plant exports superfine powder to Japan for the first time

The team from the Aluminum Powder Plant participated in a special moment recently – the first 15 tons of the three micra powder 1403 were shipped to Asahi, one of Japan's biggest pigment industries.

"This was the first large-scale shipment," emphasizes Inácio Muniz, Production coordinator at the Aluminum Powder Plant. "This event is very meaningful to us,

because the 1403 is a product with great aggregated value and the Japanese market is very demanding. This shipment attests to the quality quality of our product in the market," said Leonardo Neves, Process engineer.

The Poços de Caldas Unit is the only Alcoa plant that produces this kind of aluminum powder, one of the finest powders of its kind in the market.



● Team from the Aluminum Powder Plant

● Change

ALEX is serviced by Help Desk's Travel Atende



Alcoa's Travel & Expense team has just launched Travel Atende, the channel that will provide information to employees who have any doubts on the ALEX system (a global tool for reimbursements, advances and recognition of expenses with corporate, purchase, and company cards). Employees can now clarify their doubts by calling the Help Desk and talking to one of the trained analysts. "The project was developed after a detailed analysis of the feasibility of the transfer," explains Sílvia Ferreira, leader of the T&E team. "The change is the result of T&E's concern about employees, who can now avail themselves of analysts focused on providing support to ALEX," she adds.

All employees can access ALEX from any place, regardless of whether they're connected to the Alcoa network or not.

Travel Atende is available from Monday to Friday during office hours at the following telephone number: (11) 2171-2000 extension 2.

● ACKNOWLEDGEMENT

● Social Inclusion

Director of Alumar takes Office as Chairman of the Decision-Making Board of ICE-MA

Nilson Ferraz, director of Alumar, took office as chairman of the decision-making board of the do Instituto de Cidadania Empresarial do Maranhão (ICE-MA) institute.

The ICE-MA's mission is the social inclusion of children and the improvement of quality of life indicators. The institution's challenge in the upcoming years is to increase the number of corporate partners, to make the implementation of new projects possible.

"By means of social projects maintained by the business community, the ICE-MA is able to develop a unique kind of work to transform the reality of the State of Maranhão," said Nilson.



● Eduardo Lago, from ICE; Renata Nascimento, from Instituto Alcoa; and Nilson Ferraz

● "Safety Champions"

Alumar rewards employees dedicated to Safety

Geraldo Gomes and Raimundo Rocha were named "Safety Champions" because of their efforts to make Alumar incident-free. As a reward, Raimundo went to South Africa to watch a soccer match during the World Soccer Cup. Geraldo will go to a soccer match somewhere in Brazil, during the Brazilian Soccer Championship.

This award stresses the importance of Safety as a Company value and encourages other employees to share ideas and information on incident prevention.



● Geraldo Gomes and Raimundo Rocha, the "Safety Champions" of Alumar

● PARTNERSHIP

● **Nick Ashooh**

VP of Institutional Affairs is outstanding participant at event

The U.S.'s Nick Ashooh, Alcoa's global vice-president of Corporate Affairs, was one of the international guests at the 13th Congresso Brasileiro de Comunicação Corporativa corporate communication congress, held at the Centro de Convenções Rebouças convention center in São Paulo. Nick's presentation, entitled "From Cradle to

Cradle – Sustainability as the Core of Alcoa's Business Strategy" – was one of the highlights of the event, attesting to the importance that the Company attributes to this

● *In his presentation, Nick Ashooh stressed the importance that Alcoa attributes to Sustainability*

issue. While in Brazil, Nick Ashooh had the opportunity to meet with the Institutional Affairs Team for Latin America and the Caribbean and to become acquainted with this Area's processes.

Nemércio Nogueira, director of Institutional Affairs for Latin America and the Caribbean, also participated in the congress, by acting as the moderator of the lecture "Journalists and sources – the Value of Reputation," given by Miguel Jorge, Minister of Development, Industry, and Foreign Trade.

The Congresso Brasileiro de Comunicação Corporativa is part of the Congresso Mega Brasil de Comunicação communication congress, the biggest event of its kind in Latin America.



● Nick Ashooh's presentation at the Congresso Mega Brasil de Comunicação congress, in São Paulo

● Nemércio Nogueira, director of Institutional Affairs for Latin America and the Caribbean, and Miguel Jorge, Minister of Development, Industry, and Foreign Trade



● INNOVATION

● **Prêmio Alcoa award**

Registration opens for the 9th Prêmio Alcoa de Inovação em Alumínio aluminum innovation award



Registration for the 9th *Prêmio Alcoa de Inovação em Alumínio* award will be open until September 10. Those who are interested can register at Alcoa's web site (www.alcoa.com.br). Students enrolled in any higher education course or in master's degree programs, as well as professionals who have worked for at least three years in the field of new products and management planning for aluminum recycling, are qualified to participate in the competition.

The projects can be registered under two categories: Products & Applications (open theme) or Recycling Management (with focus on the recycling of aluminum, post-consumption

residues or generated by the production of consumer goods). The projects will be judged and awarded separately according to category and participation modality (professional and student).

In the opinion of Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean, each year this initiative reaffirms its cultural and educational importance among students and professionals. "It's very gratifying to see aluminum-related innovations each year, in line with our on-going concern in relation to sustainability," he stated.

The projects will be judged in early November by two committees, one for each category.

● **Upgrade of EBS**

EBS tools are updated and help reduce failures

The upgrade of the EBS is a technological evolution that provides



stability for processing and a higher level of data-related safety, and facilitates the integration and use of processes developed in other regions in Brazil.

These were the main gains obtained from the updating of Alcoa's data base. The process entailed approximately four months of work and counted on the participation of the

entire IT team from Brazil, the USA, and India.

The data base went

back into operation with the highest production environment availability, as new hardware was acquired to maintain the data base in operation in the event of failure of the CPU, memory, or disk.

The GASS-Global Application Self Service tool was also updated, which helps free the accesses for EBS applications.

● BUSINESS ACTIVITIES

● ExpoAlumínio 2010

New Technologies and sustainable applications

The main theme of Alcoa's participation in ExpoAlumínio 2010 (International Aluminum Exhibition) was the wide range of products produced by the Company for the economy's major sectors. The event, promoted by ABAL-Associação Brasileira do Alumínio (the Brazilian Aluminum Association) was held in May at the Centro de Exposições Imigrantes trade fair center in São Paulo.



● "Climate Changes" Panel

● In addition to its products, the Company's social and environmental actions were also highlighted at the trade fair

Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean, participated in the official opening of the event, along with other Alcoans who gave lectures at the IV

International Aluminum Congress and the X International Aluminum Recycling Seminar, the trade fair's parallel events.

In addition to the products, the Company's social and environmental actions were highlighted at the trade fair. "Sustainability is part of our corporate strategy and is present in everything we do, because it reflects the Company's Vision, Values, Principles and Management System," Franklin stated.

Products developed by Alcoa and by clients from the Aerospace, Civil Construction, Industrial, Oil and Gas, Electrical, Transportation and Pigments industries were displayed in the Company's booth at the trade fair. Visitors could also become acquainted with the Unit system for the construction of facades (Extruded Products), aseptic packaging produced from aluminum sheets (Laminated Products) and the recycling process of this packaging. The Primary Products Division displayed aluminum wheels, the wires and cables made from Alcoa aluminum, and the aluminum powder used to produce pigments for the automobile industry.



● Alcoa's booth at ExpoAlumínio 2010



● Different applications of aluminum

Innovation Area is granted award

Alcoa's Innovation Area was one of the outstanding participants of ExpoAlumínio 2010. The project "Seleção de Refratários para Fornos de Cozimento de Anodo" (Selection of Refractory Products for Anode Baking Furnaces) was named as the best project under the event's Refractory Products category. The project was developed by Paulo Tiba, Bruno Teider (photo) and Jorge Gallo, from the Research, Development and Innovation team, by Francisco Figueiredo, Process supervisor of Alumar's Electrodes Area, and Victor Pandolfelli, full professor at the Materials Engineering Department of the Federal University of São Carlos.



● Alcoa's forged aluminum wheels

● Relationship

Wheels Unit participates in Show Bus



● Selma Godoy, from the Wheels Division; Orivaldo Basso, national sales manager at Pneuac; Eduardo Lacerda, superintendent of Rodas América do Sul; and Alberto Grave, from the Wheels Division in Porto Alegre meet at the Show Bus event, in Campinas-SP

Alcoa's Wheels Division was the only supplier of its kind invited to participate in the Show Bus, a major relationship event organized by Mercedes-Benz, which attracted approximately 1,900 representatives of companies from the bus production chain in Brazil and Latin America.

The event, held at the Mercedes-Benz plant facility located in the city of Campinas, State of São Paulo, comprised nine technology and post-sales-related theme stations set up on premises measuring 14 thousand square meters. Fifteen urban and highway chassis were displayed;

participants included chassis assemblers and suppliers. Alcoa's booth displayed Alcoa's forged aluminum wheels which are used in some of the bus models manufactured by Mercedes.

The highlight of the event was the seminar on the BRT-Bus Rapid Transit. Urban planner Jaime Lerner, former mayor of the city of Curitiba and former governor of the State of Paraná, had devised the project. Lerner talked about the implementation and operation of this mass transportation system in Brazil in the cities that will host the World Soccer Championship in 2014.