



● Relationship Management

GBS promotes 1st Alcoa Supplier Day for Sustainability

● Page 7

Gente em ação



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ALCOA LATIN AMERICA AND THE CARIBBEAN MONTHLY NEWSLETTER- NUMBER 98 - JULY, 2010

● Pernambuco

Alcoa mobilizes efforts to help flood victims

The Alcoa Foundation and Instituto Alcoa made donations, while Alcoans organized themselves to collect clothes, food and products

● Page 5



● Team of Alcoans and other volunteers work to organize donations

● SARM Impact Awards 2009

Units in Brazil hold local award-granting event

The competition, which acknowledges the most significant and implemented efforts, included award-granting events at all Units

● Page 12



● Serra do Facão

Environmentally friendly hydroelectric power plant goes into operation

With installed capacity of 210MW, Serra do Facão Hydroelectric Power Plant goes into operation with the objective of achieving energy self-sufficiency without disregarding social-environmental responsibility

● Page 3



● View of Serra do Facão Hydroelectric Power Plant

OUR PEOPLE

● Editorial

People and Sustainability side by side



FRANKLIN L. FEDER

CEO - Alcoa Latin America and the Caribbean

“We intend to reinforce how strongly Alcoa respects people, whether they are employees, suppliers or inhabitants of the communities.”

It is not easy to build a hydroelectric power plant. Prior to beginning any construction work, it is necessary to conduct a number of studies on the environmental impacts, obtain licenses from government authorities such as IBAMA-Instituto Brasileiro do Meio Ambiente (the Brazilian Institute for the Environment) and submit the project, through public hearings, to the communities living in the surroundings. These steps take years to be executed. In addition, it is necessary to keep in mind that building a hydroelectric power plant entails a high level of responsibility, especially as regards social and environmental sustainability, one of the pillars that support the Values of our Company. It is with great satisfaction that this issue of Gente em Ação newsletter contains an article on the start-up of the Serra do Facão Hydroelectric Power Plant. This plant, located on the border of the States of Goiás and Minas Gerais, is one of the major accomplishments in the history of Alcoa in Brazil – in terms of cost, magnitude and strategy. The power plant is under the responsibility of SEFAC-Serra do Facão Energia S.A., a company whose shareholding structure is as follows: Furnas Centrais Elétricas S.A. (49.47%), Alcoa Alumínio S.A. (34.97%), DME Energética (10.09%) and Camargo Corrêa Energia (5.47%). It took approximately three years to build this power plant, which entailed investments of R\$ 1,063 billion.

Although the power plant has already begun operating, the objective is for the related actions to follow the same policy of transparency and reliability. Based on the on-going dialogue with the local population, we intend to continue holding programs for the promotion of environmental education and support of productive activities.

Just as important as the electric power segment is the Sustainability of our value chain, which was the topic focused on during the 1st Alcoa Supplier Day for Sustainability. This means that the relationship with suppliers from different segments will count on Sustainability as the pillar of all of the Company's procurement processes. This is an important step towards the strengthening of our management model.

While the Alcoa Supplier Day For Sustainability was taking place for the first time, the 18th SARM Impact Award events were being held at the Units. This is one of the Company's major events. In 2010, the Units in Brazil were the only units around the world to hold the award-granting event, in spite of the More with Less policy. We made some adjustments to the budget, because we felt it was essential to hold the event, which acknowledges in-Company talents. The award is an incalculable incentive value for Alcoans and this is how we intend to reinforce how much the Company respects people, whether they are employees, suppliers or inhabitants of the communities.

Enjoy your Reading!



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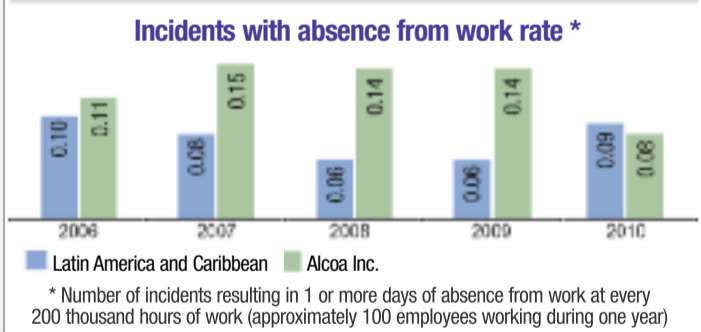
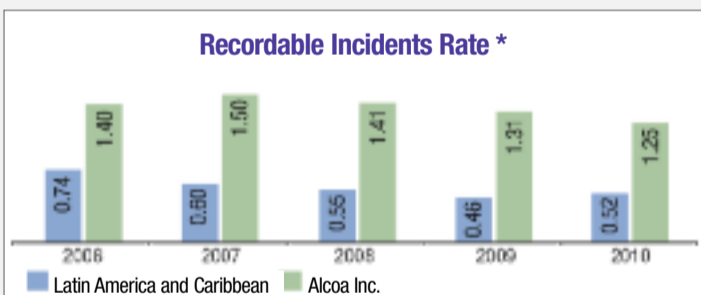
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ABERJE

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 to June



Testimonial

Geraldo Nascimento Gomes Neto
Job Position: Refinery Operator
Unit: Alumar
Time at Alcoa: 11 years



“Eleven years ago, I started working at Alumar as a Refinery Operator. I had not expected to find such a pleasant work environment. It is very gratifying to see how the Company works and how it appreciates its employees. Proof of this attitude is the joy I felt when I was awarded for my participation in the ‘Mãos e Dedos’ safety campaign. I was awarded an airline ticket to go to a soccer match of the Brazilian soccer championship games anywhere in Brazil. In addition, two of the most important factors that motivate me are the constant learning opportunities and the deep respect the Company has for its own values such as safety, health and the environment.”

People that make History

Tribute to colleagues who help Alcoa's development



RAIMUNDO CARLOS FERREIRA CUNHA
POÇOS DE CALDAS



PAULO HENRIQUE VILAS BOAS
POÇOS DE CALDAS



JOSÉ LUÍS RIBEIRO COSTA
ALUMAR



MANOEL RÔMULO P. PALÁCIO DE QUEIROZ
ALUMAR



EMILIO CARLOS SAMPAIO JOSINO
ALUMAR



JOSÉ DE RIBAMAR PEREIRA FERREIRA
ALUMAR

ENERGY

Energy Efficiency

Start-up of Serra do Facão Hydroelectric Power Plant

The Serra do Facão Hydroelectric Power Plant, with installed capacity of 210MW, is located on the border of the States of Goiás and Minas Gerais. It started commercial operations on July 13. This project is under the responsibility of SEFAC-Serra do Facão Energia S.A., a company whose shareholders are Furnas Centrais Elétricas S.A. (49.47%), Alcoa Alumínio S.A. (34.97%), DME Energética (10.09%) and Camargo Corrêa Energia (5.47%). It took three years to build the plant, and investments totaled R\$ 1,063 billion.

Eduardo Bueno Guimarães, director-president of SEFAC, states that the initial start-up tests, followed by the commercial start-up, is a special moment for all participants in the project. "We started work on the power plant in 2006 and, in less than four years, we can say that everything is working smoothly. We have been collaborating with the Brazilian electric power sector by conducting tests since the beginning of July and I am sure many people have benefitted from our electric power," he points out.

The construction of the power plant generated 4,800 jobs, of which 1,600 were direct jobs and 3,200 were indirect ones. The electric power produced by the Serra do Facão Hydroelectric Power Plant will be incorporated into the SIN-Sistema Interligado Nacional de Transmissão de Energia national electric power transmission system, distributed throughout the entire national territory and will be used by consortium members, if necessary.

"Hydroelectric power – which is clean and renewable - is still the most competitive source of energy used by Alcoa, and we believe that it is possible to build power plants in line with social and environmental responsibility, to foster the development of the regions which are benefitted by this electric power," says Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean. In addition to the Serra do Facão Hydroelectric Power Plant, the Company participates in the consortiums that are building the Barra Grande and Machadinho Hydroelectric Power Plants in the South of Brazil, and the Estreito Hydroelectric Power Plant, currently under construction on the border of the States of Tocantins and Maranhão.

"Electric power is crucial in the production of aluminum, because it makes it possible to transform alumina into metal. Alcoa's participation in this consortium is fundamental in our quest for electric power-related self-sufficiency for our operations," says Ricardo Sayão, Alcoa's director of Energy.

Social and environmental responsibility

Other services, such as the acquisition of properties, relocation of families, and investments in the region surrounding the power plant were undertaken. The project included the building of bridges, transfer of transmission lines and renovation of roadways, all of which were executed concurrently with the construction of the Serra do Facão Power Plant. In addition, the project included activities related to a number of environmental projects.

The Power Plant's reservoir measures 227 square kilometers, and encompasses five municipal regions in the State of Goiás (Catalão, accounting for 72.8%; Campo Alegre de Goiás, with 22.4%; Cristalina, with 0.6%; Davinópolis, with 0.4%; and Ipameri, with 0.1%) and one municipal region in the state of Minas Gerais (Paracatu, with 3.7%).

Public Hearings

The Serra do Facão project was submitted to and extensively debated during various public hearings held at all the communities in the regions surrounding the power plant. These hearings resulted in improvements and commitments that were included in the EIA-Estudo de Impacto Ambiental environmental impact study, making it possible to obtain the Temporary License in April 2002. This document attests to the environmental feasibility of the project.

In September 2006, the IBAMA-Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis, the federal government's environmental agency, renewed the Implementation License for construction of the Serra do Facão Hydroelectric Power Plant. In November 2009, the environmental authorities granted the Operating License, making it possible to start up the plant and, consequently, generate electric power.



Detail of generation unit 2 of the Power House



View of Serra do Facão Hydroelectric Power Plant

X-ray of Serra do Facão Hydroelectric Power Plant

Management:

SEFAC-Serra do Facão Energia

Location: Paraná River, on the border of the States of Goiás and Minas Gerais

Installed Capacity: 210 MW (meets power demands of a city of 1.2 million inhabitants)

Dam: Maximum height of 87 meters and length of 600 meters

Towns located in the region: Catalão, Campo Alegre de Goiás, Ipameri, Cristalina and Davinópolis, in the State of Goiás; and Paracatu, in the State of Minas Gerais



Shareholders of SEFAC	Shareholding Interest (%)	MW
Furnas Centrais Elétricas S.A.	49.47%	103, 89 MW
Alcoa Alumínio S.A.	34.97%	73,44 MW
DME Energética	10.09%	21,19 MW
Camargo Corrêa Energia	5.47%	11,49 MW



Pressure tunnels

● VISITS AND EVENTS

4

Interest in Brazilian market attracts students from Indiana to Utinga



Students enrolled in the executive MBA program at Indiana's Ball State University in the United States visited the facilities of the Utinga Unit. The students were especially interested in visiting each area of the Unit, and in becoming acquainted with the challenges and opportunities of the Brazilian market. Eduardo Albuquerque, manager of the Unit; Celso Diniz, coordinator of ABS; and Luiz Antônio de Mattos, Product Development superintendent, toured the facility with the group of students.

2

Two-time champion volleyball coach gives lecture on leadership



José Roberto Guimarães, the coach of the Brazilian national women's volleyball team and the only two-time Olympic champion men and women's volleyball coach, gave a lecture to the leaders of the Alumar Plant. He talked about his professional career and mentioned the differences between coaching a women's team and a men's team. He also spoke about the importance of having confidence in everything we do.

5

Parque de Tubarão park will be environmental education center



Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean, visited the Parque Ambiental environmental park of the Tubarão Plant to become acquainted with the project of transforming the park into an environmental education center.

The visitors included Manoel Bertoncine, mayor of Tubarão; Haroldo Silva, secretary of Regional Development of the State of Santa Catarina; Marcelo Rodrigues, Unit manager; Geraldo Alves, supervisor of HSE; and José Guarezi, operator of Anodizing and an inhabitant of the community located in the vicinity of the Park.



5

Representatives from MOR praise organization of Tubarão Unit



Led by Jarbas Schoenherr, industrial manager, a group of eleven people from the procurement, production, quality and delivery departments of MOR Indústria e Comércio de Peças visited the facilities of the Tubarão Plant. The clients praised the organization of the Unit and the welcome they received from Alcoans working at the Tubarão Plant.

6

Alcoans attend lecture by the "speaker at the biggest and best companies events"



The Centro de Eventos Siso events hall in the city of Criciúma, State of Santa Catarina, was the venue for an event with Daniel Godri (*in the blue tie in the photo*) – the "speaker at the biggest and best companies events," according to *Exame* business magazine. The event was attended by 51 Alcoans from the Tubarão Unit, along with employees from other companies in the region. Godri spoke on how to transform ideas into opportunities, ways of attracting clients and "word of mouth" marketing, among other topics.

3

Radiology students become acquainted with the Itapissuma Unit's radiology protection service



● Alcoa welcomes first group from the radiology course

A group of students from Faculdade Maurício de Nassau college visited the Itapissuma Unit, with the objective of becoming acquainted with the Company's radiology protection service.

The group was welcomed by Gustavo Câmara, superintendent of HSE, who explained the radiology protection service to the visitors and took the group to see the laminating equipment that contain radiology applications on the thickness meters.

1

Leaders from Alcoa Latin America and the Caribbean visit Jamalco



Nilson Souza, vice president of Primary Products, and Silvia Dias, Human Resources director of Alcoa Latin America and the Caribbean, visited the Jamaica Unit, where they met with the team leader and became acquainted with the operations.

The Brazilian visitors also participated in the Unit's BRAVO! Event at CLASP-Clarendon Association for Street Peoples.

1 Clarendon JAMAICA



● COMMUNITY RELATIONS

● Solidarity

Company aids flood victims in Pernambuco

Alcoa, through Instituto Alcoa and the Alcoa Foundation, allocated resources to help the victims affected by the floods in the State of Pernambuco. The Alcoa Foundation donated U\$ 20 thousand and the Instituto Alcoa donated R\$ 20 thousand to the Coordinator's Office of Pernambuco's Civil Defense Department. The Itapissuma Unit, located in the metropolitan region of Recife, is one of the biggest complexes owned by Alcoa Latin America and the Caribbean and plays a leading social-economical role in Pernambuco.

In addition to these donations, Alcoa employees concentrated their efforts on helping the families that had been affected by the

heavy rains. These efforts included a number of initiatives. The employees collected approximately two tons of donations, such as house cleaning and personal care products, clothes, and non-perishable food products.

On June 11, a group of Alcoa employees went to the Military Police Headquarters, to help sort and load donations that would be delivered to the victims of the floods.

"We will spare no effort to help the families affected by the floods in Pernambuco. We are committed to and engaged in this effort as part of our commitment to local communities," says Michael Humpert, director of Alcoa's Laminated Products Division.

Sixty seven municipal regions in the Northeast Region were devastated by the floods. According to Civil Defense authorities, more than 26 thousand people became homeless, 55 thousand people were displaced and 4 thousand kilometers of roads, 85 health care centers, 403 schools and 10 police stations were damaged because of the floods.

● "We will spare no efforts to help the families affected by the floods in Pernambuco"



● Alcoans with some of the donations for the towns affected by the floods



● Team from Itapissuma was full of energy to work very hard that day

● Education

BAESA and Ação Fome Zero promote debate on school meals

BAESA-Energética Barra Grande S.A. – the consortium in which Alcoa holds a shareholding stake - manages the Barra Grande Hydroelectric Power Plant on the Pelotas River, located on the border between the states of Rio Grande do Sul and Santa Catarina. The consortium partnered with Ação Fome Zero – a non-governmental organization that develops actions and integrated policies focused on food and nutritional safety for the population – to promote the 4 Encontro de Capacitação para Gestores Municipais de Alimentação Escolar – Boas Práticas para a Gestão Eficiente da Merenda Escolar (the 4th Training Program for City Government Managers of School Meals - Good Practices for the Efficient Management of School Meals), in the city of Anita Garibaldi-State of Santa Catarina. Approximately 90 people from 29 cities in the region participated in the event. Most of the participants work in the field of education as school principals, teachers, Secretaries of Education, school nutritionists and school meal supervisors.

The participants attended two lectures during the meeting on "Management of the School Meal Program – the role of managers and social control"; and "Step-by-step instructions for the purchase of food products for school meals from family-owned farms." The objective was to provide advice to the audience on the basic aspects of school meals, especially in view of the fact that Law No. 11.947 requires that school meals be comprised of at least 30% of food products provided by family-owned farms. This policy provides support to small rural farmers living in the region.



● Approximately 90 people participated in the event on school meals

● MANAGEMENT

● Corporate Governance

Alcoa ranks among the 100 top companies in terms of Human Development

Once again, Alcoa ranks among the 100 Best Companies in the Organizational Human Development Index 2010/IDHO, according to *Gestão RH* magazine. "It is very rewarding for Alcoa to be on this list. This achievement reinforces the Company's commitment to its employees, partners, communities, the environment and financial success, that is, the implementation of strong, sustainable actions in the company's units and respective surroundings," says Marcelo Lomelino, Alcoa's Manager of Labor Relations, Diversity and Work Environment.



The recognition was granted to the Company for its good Corporate Governance practices. Among these is the "A Palavra é Sua", channel, which provides employees and service providers with the possibility of making recommendations to the CEO, the answers to which are posted on the intranet; and Linha Direta de Conduta Ética (0800-891-2552), a free, confidential channel of communication to report cases of inappropriate behavior, such as favoritism and harassment.

Criteria

The survey on the IDHO evaluates five

categories: Sustainability, Citizenship, Corporate Governance, Human Capital and Transparency. The analysis criteria were organized on the basis of information divulged in the *Maiores e Melhores* issues published by *Exame* business magazine, *150 Melhores Empresas para se Trabalhar* (listed by Instituto Great Place to Work and FIA-USP), published by *Época* news magazine; and data collected from Instituto Ethos, Ibase, São Paulo Stock Exchange/Bovespa and IBGC-Brazilian Corporate Governance Institute.

The companies that comply with the referred prerequisites filled out electronic questionnaires on the set of practices developed under the five categories. Companies whose actions

are applied to volunteer work, social responsibility, environmental and ethical responsibility, and relationship with stakeholders were analyzed under the Citizenship and Sustainability Categories. The Transparency and Corporate Governance categories take into consideration social responsibility reports, sustainability reports, the adoption of the code of ethics and of the concepts of the IBCG and the São Paulo Stock Exchange/Bovespa.

The Human Capital category takes into consideration collaborators' productivity and to what extent they generate wealth for the companies, analyses of the corporate structure, the development of people management practices, and business strategies.

● HSE

● Occupational Medicine

Alcoa Physicians participate in the XIVth Congress of the ANAMT

Physicians from Alcoa participated in the XIVth Congress of the National Occupational Medicine Association/ANAMT held in the city of Gramado, State of Rio Grande do Sul. The topic focused on was "A Medicina do Trabalho e os Desafios da Inclusão Social em Saúde do Trabalhador" (Occupational Medicine and the Challenges of Workers' Social Inclusion).

Dr. Lúcio Alves, a physician from the Poços de Caldas Unit, presented three cases during

the theme sessions: "Gerenciamento de Absenteísmo como Ferramenta de Produtividade" (the Management of Absenteeism as a Productivity Tool), "Programa de Reabilitação/Readaptação Profissional (RRP) em uma Metalúrgica" (Professional Rehabilitation/Re-adaptation Program at a Metallurgical Company) and "Promoção X Custos de Saúde: Quem Ganha, Empregado ou Empregador?" (Promotion x Health Care Costs: Who Stands to Gain – the Employee or the Employer).

Photos: Olga Produções



● Drs. Flávio Lins (Itapissuma), Lúcio Alves (Poços de Caldas), Carlos Campos (president da ANAMT), Ellen Moraes (Juruti) and Eduardo Gulmini (CENU) during the XIVth Congress of ANAMT.

● Institutional

Communication campaign introduces Segurito to all Units

All Alcoans already know that the meerkat is a mammal from the African savanna that survives because the members of this species take active care of each other. Alcoans know about this because this small animal, portrayed as the mascot Segurito, is the new symbol of Alcoa's HSE. This was widely publicized by means of a communication campaign implemented at the Units, after Segurito had been created at Alumar.

"Segurito makes HSE campaigns more attractive, by helping build up an incident-free



environment," says Michelle Siqueira, from Internal Corporate Communication.

● Prevention

Leaders from Juruti participate in training program on incident investigation

Organized by GBS's HSE and taught by consultant Marcionil Silva, the leaders from Juruti participated in a specific training program on the investigation, registration, and communication of incidents in and out of the workplace. A total number of 59 employees were trained in Alcoa's concepts and guidelines referring to incident investigation, in compliance with gap analysis, with a focus on prevention.



● Training program provided for leaders from Juruti

● CLIENTS

● Logistics

Vix achieves reduction with aluminum wheels

Vix Logística, a cargo transportation company, often transports cargo on barely accessible, unpaved roads. The company specializes in the development of transportation solutions and, as such, maintains strict criteria for the choosing of the wheels that equip its fleet. The company always takes into consideration such aspects as safety, resistance, and weight.

This is why Vix chose Alcoa's forged aluminum wheels to equip its vehicles used for the transportation of ores and wood. Some examples are the 6X4 trucks, the three-axle semi-trailer trucks and, more specifically, the vehicles that operate in the Fibria unit located in the State of Espírito Santo. Fibria is a joint venture of the Aracruz Celulose and Votorantim Papel e Celulose companies.

According to Kaumer Chieppe, general director of the Logistics Unit, the use of Alcoa's forged aluminum wheels has allowed Vix to obtain a reduction of more than half a ton per three-axle truck, which has made it possible to transport more cargo in a single trip. "In addition to reducing the weight, we decided to use Alcoa wheels because of the product's reliability and safety," the director points out.



● Manufactured from a single aluminum block, Alcoa's forged wheels are much more resistant than the conventional ones

● SUSTAINABILITY

● Relationship

Event aligns goals with suppliers

GBS' Acquisition and Logistics/ A&L area organized an event for suppliers at CENU to divulge the launching of the new SRM-Supplier Relationship Management model, which includes Sustainability in all of the Company's procurement processes.

The 1st Alcoa Supplier Day for Sustainability event was attended by 15 suppliers representing critical categories in terms of Sustainability, and focused on such topics as indirect materials, raw materials, outsourced services, transportation, fuels and gases. The event included a lecture on Sustainability in the Value Chain, which focused on real cases that emphasized the importance of adopting sustainable practices in the supply chain. The participants were also introduced to the methodology of the process and to the tools that will provide the support for this work, such as the Portal do Fornecedor supplier's portal and the electronic qualification system. In addition, participants had the opportunity to interact with each other.

"This innovation will provide benefits to all the interested parties. The next steps will be to enroll the suppliers in the Portal and expand the process to other categories, in addition to the critical categories," says Rodolfo Carvalho, manager of A&L for South America.



● 1st Alcoa Supplier Day for Sustainability brought together leaders, buyers and suppliers at CENU



● Approximately 60 suppliers and buyers participated in the 1st Alcoa Supplier Day for Sustainability

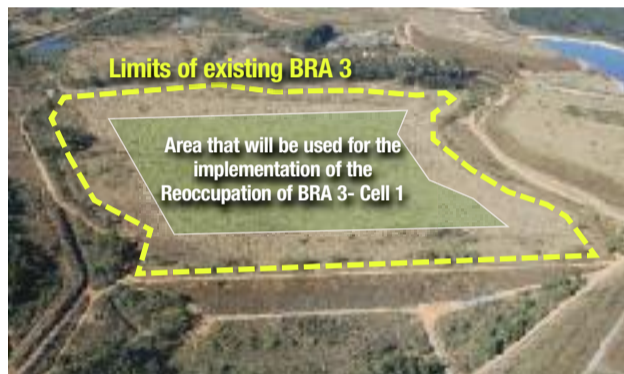
● Bauxite Residues Area

New BRA in Poços de Caldas represents an outstanding achievement for the Unit

Construction of the new BRA-Bauxite Residues Area at the Poços de Caldas Unit is an innovative project, which represents an outstanding achievement for the Unit, because this new area is being built over an existing and de-activated BRA. As a result, the construction of this new facility did not need to take up a new green area.

"This is what we refer to as increasing the efficiency of the residues system and minimizing the negative impacts of waste disposal. In addition, this project is the first step of more rational land use, as the upcoming expansion of this project is already being planned," explains Geraldo Paes, manager of Bauxite Residues for Latin America and the Caribbean.

The new BRA is scheduled for conclusion in April 2011. It will have a capacity of 500,000 cubic meters and will take up an area of 150,000 square meters, equivalent to 60 Olympic-size pools.



● Area where the new Poços de Caldas BRA is being built

● Campaign

"Seja 10 em Sustentabilidade" comes to Alumar and grows in Poços de Caldas

The *Projeto Seja 10 em Sustentabilidade* project, an initiative of the Poços de Caldas Unit during the Global Environment Week, was also implemented at Alumar, with the objective of divulging information on this issue to employees, trainees, third parties and their families.

As in Poços de Caldas, the employees from the São Luís Unit also get 10 cards with topics related to Sustainability. The cards, used for studying and collecting, are distributed – two at a time – every 15 days and include exercises. At the end of the campaign, the five people – from among approximately four thousand participants – with the best performance in relation to knowledge on the topic, will be awarded notebooks.

The campaign in Poços de Caldas laun-



ched the 11th card, which focuses on Personal Sustainability, with suggestions on attitudes and activities that help improve people's quality of life. The campaign includes a game book, produced in partnership with A Recreativa crossword puzzles magazine, which focuses on the majority of the topics developed under the *Projeto Seja 10 em Sustentabilidade* project.

Details of the in-Company *Seja 10 em Sustentabilidade* campaign



● Details of the in-Company *Seja 10 em Sustentabilidade* campaign

● Panel on Mining and Sustainability

Investment perspectives are focused on during meeting on mining



● Event brought together researchers, students, mining industry professionals and representatives of NGOs

Due to new investment perspectives, mining has become an increasingly important activity in Brazil. Data from IBRAM-Brazilian Mining Institute shows that until 2014, the industry is expected to invest approximately US\$ 54 billion in Brazil, 43.5% of which is to be invested in the country's North regions.

This scenario was the topic of the lecture given by Paulo Camilo Penna, the president of IBRAM. The lecture was held at Alcoa's main office in the city of Belem, during the Panel on Mining and Sustainability.

Organized by Alcoa's Mining and Govern-

ment Relations Offices in Belem, the event brought together researchers, students, mining industry professionals and representatives from governmental and non-governmental organizations. "The objective was to promote an updating on topics related to mining to representatives of organizations and partners," explains Ana Celeste Franco, manager of Government Relations.

In addition to focusing on investment perspectives, Paulo Camilo talked about research studies being conducted worldwide, potential consumers, and regulatory frameworks for mining activities in emerging countries.

● STRATEGY

● COMEX-Foreign Trade

Meeting focuses on exporting opportunities

The I Workshop Alcoa de Exportação, held by the COMEX-Comércio Exterior area at the GBS in Poços de Caldas, was attended by 20 employees from all the departments related to the Company's foreign trade area in Brazil. With the objective of discussing and creating opportunities throughout Alcoa's entire exporting process, the event aimed at aligning roles and responsibilities and at preparing an action plan to make the COMEX's work in this respect even more productive and efficient.

● The event focused on aligning roles and opportunities and on the preparation of an action plan

Workshop participants included leaders from the following areas: Credit & Collection, Accounting, IT, Logistics, Primary, Extruded and Laminated Products, and from Cor-

retora Intercan, among others. "The workshop was an opportunity to align roles and responsibilities and, above all, to discuss the entire chain to prepare an action plan that is updated every two weeks to make our work more efficient," says Robson Guariza, leader of COMEX. "This was just the first step taken by the new COMEX team in the quest to achieve more efficient processes and increase productivity," he adds.

At the end of the event, Tânia Nossa, Operations manager of GBS and Carlos Antonio Bonazzi, Financial manager of GBS, thanked all the leaders for having attended the workshop and stressed the importance of the event. "This was an outstanding event in the Company's history, as it was the first time that the entire export chain took part in discussions and debated related opportunities," said Bonazzi.



● COMEX organizes workshop with the objective of increasing productivity and of achieving more efficiency in the processes

● HIGHLIGHTS

● Showcase

Alcoa wheels equip buses transporting delegations at the 2010 World Soccer Cup

All the buses transporting the teams that played in the 2010 World Cup were equipped with Alcoa's forged aluminum wheels manufactured in South Africa. The option chosen by FIFA-Fédération Internationale de Football Association is explained by the competitive advantages of aluminum wheels, which are lighter, more resistant and sustainable than those of the competitors.



● Buses that transported World Cup soccer teams were equipped with Alcoa wheels

"This is an outstanding achievement for Alcoa, especially for the Company in South Africa," said Kevin Kramer, global president of the Wheels Division. "Brazil

will have the opportunity of doing something similar at the next World Cup games," he adds.

● ISO 9001:2008 and 14001

Itapissuma undergoes environmental and quality auditing

The Extruded and Laminated Products manufactured at the Itapissuma facility were recently submitted to ISO 9001:2008 maintenance auditing and ISO 14001 recertification. These procedures consist of, respectively, an evaluation of the Environmental and Quality Management Systems. A team of three auditors from the BSI certification entity verified the requisites of the standard. At the conclusion of the auditing procedures, the Itapissuma Plant was recommended for the recertification of the Environmental Management System and the maintenance of the Quality System.



● Opening of the ISO 9001 and 14001 Auditing Procedures

● Jamaica

Decision to acquire the government's shareholding interest in Jamalco

Alcoa is expected to decide this year whether it will exert its right of first refusal to acquire the 45% shareholding stake held by the Government of Jamaica in Jamalco. In 1988, Alcoa Minerals sold 50% of its stake to the Jamaican Government. The government's shareholding interest is held by CAP-Clarendon Alumina Partners Limited and Alcoa is the managing partner of the entity, whose commercial name is "Jamalco."



The ownership structure changed in 2007 when Alcoa's ownership stake went up to 55% and the government's ownership stake went down to 45%. This change was the result of the Jamaican Government's failure

to participate in the advance expansion of the plant facility, which increased Jamalco's output capacity to 1,425 million tons per year.

● Alumínio & Cia.

Training at Alconort Cariri brings together 55 sheet metal workers from the Northeast region

The event held for the presentation of Alcoa's exclusive Master and Inova window frame lines brought together 55 sheet metal workers from the Northeast region. The event was held at the auditorium of the Hotel Verdes Vales, in the city of Juazeiro do Norte, State of Ceará. Organized by retailer Alconort Cariri, from the Alumínio & Cia. retail chain, the two-day training program included theoretical and practical classes and the use of adequate tools for the machining and assembly of the frames.

"Juazeiro do Norte, like the entire region of Cariri, has great potential to be explored. This is why it is so important for Alumínio & Cia. to have close contact with the sheet metal workers at events of this kind," says Márcio Relieres, from Alumínio & Cia.'s Technical Department.



● Lesson on the assembly of the Master and Inova window frame lines

● BEST PRACTICES

● Smelting at Poços de Caldas

Potroom is global reference in terms of energy management

The Potroom Team of the Poços de Caldas Unit was the world's first Soderberg* to be granted the Global Best Practices Seal for Pot Resistance Adjustment granted by Alcoa Inc's LTT team – thanks to the result of the application of kaizen processes to Energy Management. As a result, Smelting at Poços de Caldas is the only such facility to which two best practices certificates were granted this year (the other one was the Seal for the Reduction of Anode Effects, granted in February).

The kaizen on Energy Management included the evaluation of the local practices' compliance with the best practices documented in the Alcoa system. After three days of evaluations and adaptations, which included the participation of Leonardo Paulino, superintendent of Processes & Technology at Alumar and of Ciro Kato, Technology manager of LTT, the Energy Management system in the Potrooms' Electrolytic Tanks

of the Poços de Caldas facility was improved. This system resulted in savings of US\$ 500 thousand in 2009, the best result ever achieved at the facility, considering current amperage levels.

André Abreu, superintendent of Smelting Processes & Technology, was very pleased with the results of this work. "In addition to being the first Plant to be granted this certificate, we built up an A3 with actions to improve our energy management system even more, according to the best practices in all of Alcoa's Potrooms," he points out.

**Soderberg is a potroom technology (the precursor of the Pre-baked technology) which is related to how an anode is baked. Briquettes are placed on the pot to bake the anode. The Poços de Caldas facility uses the Soderberg technology, while the Alumar facility uses the Pre-baked technology.*



● Plant leaders with Potroom employees

● Metal Yard

Tubarão Plant conducts 81 Safety Improvement actions

Several hazardous working conditions for workers working in the Tubarão Plant's Metal Yard and a high number of identified potentially hazardous incident risks led to the need of conducting kaizen in the area.

A team of 18 people, divided into three groups – each group focused on a specific issue (flow, standardization and equipment) – prepared a list of 81 actions for the improvement of Safety in the area. In one week of work, 85% of the actions had been successfully concluded. The remaining actions, which are more complex, were undertaken by the employees responsible for the Metal Yard and for the Maintenance Area.

"I have already had the opportunity of participating in other kaizen, but none were



● Team of operators from the Tubarão Plant's Metal Yard

as surprising as this one, as this is a very complex area, whose image was transformed," said Wagner Morais, Extrusion operator.

● Processes

Maintenance improves performance of Tubarão's Extrusion Press

The Maintenance Area at the Tubarão Unit is attuned to non-compliances in the manufacturing process of billets, in order to maintain the quality of the end product

The cracks in the casing of the main cylinder of Extrusion Press 3, identified by ultra sound analysis, were recently repaired. This action prevented possible damage to the equipment and reduced the machine's downtime. The cracks were repaired through welding and the equipment will be monitored until new casing replaces the existing cylinder casing.

Other improvements were also implemented, such as the installation of the hot billet treadmill, which reduced downtime caused by flow interruption, and the installation of the pelican hook mechanism, a device that holds



● Press 3 at Tubarão Plant's Extrusion Area

the extruded profile in place at the moment the blade is cutting it, thus avoiding risks of fatal incidents.

● Eliminating Risks

Lamination at Itapissuma moves towards incident-free environment

The Itapissuma Unit's Sheet Lamination, together with the HSE, conducted risk-elimination kaizen to solve critical safety issues that had been reported in the period from January to May 2010.

Thirty two improvement actions were implemented, prioritizing each task according to the hazard representing the risk of fatal incidents; of these, twelve actions focused on average potential risks that could cause disabling injuries; and fourteen actions focused on low risks. Eleven employees participated in the implementation. They met every day to follow up on the actions and make changes in the plans, whenever necessary.

In the opinion of Jair Santos, ABS coordinator, the project was a success. "We achieved great results and the commitment of all participants was crucial to the success of the event. We celebrated each eliminated risk, especially those that could cause fatal incidents, as if it were a victory. We are all committed to creating an increasingly safe work environment," he said.



● Before



● After

● BEST PRACTICES

● Strategy

Juruti hosts the Region's first Mining Workshop



● Participants in the 1st Mining Workshop at the Juruti Bauxite Mine

The Latin America and Caribbean Mining Team, led by José Carlos Danza, participated in the 1st Mining Workshop, which began at Alcoa's Office in Belem and ended with a visit to the Juruti Bauxite Mine's industrial area. At the Mine, the workshop participants were welcomed by José Carlos Vieira, the Mine's General Operations Manager, who took the visitors on a tour of the Mining and Processing facilities.

The objective of the event was to show the Company's enormous challenges and opportunities related to conducting mining activities in the Amazon Region. The workshop was an opportunity for participants to exchange expe-

riences on innovative Safety, Technology, People Management and Sustainability practices.

After four days of activities, the participants conducted an analysis of the mining operations, which specified indicators that will help monitor the operations and provide guidelines for the creation of a favorable environment for the exchange of best practices. In addition, a Strategic Plan for the Mining Business was defined for Latin America and the Caribbean and cost-reduction initiatives were identified for the Juruti Mine.

Global Scope

Representatives from all Alcoa Mining

Sites in Latin America and the Caribbean attended the event: Wagner Palheiros and José Carlos Vieira, from Juruti; Domingos Campos, from São Luís (Alumar); Eduardo Moreira, Paulo Zanatta and Joaquim Oliveira, from Poços de Caldas; Herman Alendy and Dennis Lim A Po, from Suralco; and Leighton Jones, from Jamalco.

In addition, Oumar Toguyeni, from Ontario (Canada); Anna M. Katterson, from Pittsburgh (United States); Fabio Abdala, from Belém; Washington Demicheli, from Belo Horizonte; and João Bayma (ABS), Elisabete Cyrino and Claudio Vilaça, from São Paulo (CENU) participated in the workshop, providing the event with a global scope.

● Jamalco

HSE kaizen identifies and eliminates risks of chemical burns

Approximately twelve recommendations to eliminate the risks of hazards that can cause chemical burns were made after the HSE kaizen event was held at the Jamalco refinery. Several problems were identified and eliminated during the event.

The focus of the kaizen was on the five biggest sources of injuries from chemical burns. The kaizen training on Raising the Awareness on Chemical Burns and Raising Awareness and Observation was conducted prior to the event by Debbie-Ann Fagan, ABS coordinator.

Eighteen employees from the Processes, HSE, and ABS departments, and from service groups attended the event. The event was sponsored by George Morgan, HSE manager, Sílvio Porto, manager of the refinery, and Andrea Spence, HSE superintendent.

The manager of the Refinery recommended that the Plant's leaders discuss the results with their team members, in order to encourage everybody's contribution to eliminate the hazards. He also congratulated the participants on their "enthusiasm and engagement" during the event.



● Before



● After

● HEALTH

● Medical Article

● Dr. Lucio Mauro Alves

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Smoking: one of the biggest causes of avoidable death in the world

A cigarette is an industrialized product that contains the dry leaves of a plant called tobacco (*Nicotina rusticum* and *Nicotina tabacum*) and is one of the best-selling consumer products in the world.

Approximately three million people (six per minute) around the world die as a result of smoking, according to data from the book *Mortality From Smoking in Developed Countries 1950-2000*, published by Great Britain's Imperial Cancer Research Fund, by the World Health Organization/WHO, and by the American Cancer Society. This analysis of glo-

bal trends related to smoking currently encompasses 45 countries. "The worst is yet to come," warns Richard Peto, from the Imperial Cancer Research Fund. If current smoking patterns persist when young smokers reach middle or old age, approximately 10 million deaths a year (one death every three seconds) will have been caused by smoking.

National Anti-Smoking Day is held on August 29th and we would like to take this opportunity to reinforce a warning: smoking is harmful even to non-smokers!



Children are one of the groups that are most adversely affected by this issue. The rate of sudden death without specific causes among children is five times higher than that of any other group. According to the National Cancer Institute/INCA, passive smoking is the third highest cause of avoidable death in the world, ranking right after active smoking and excessive consumption of alcoholic beverages.

Still according to the INCA, the smoke inhaled by non-smokers has eight times more carbon monoxide, three times more nicotine and up to fifty times more cancer-causing substances than inhaled smoke. The smoke that rises from the tip of a cigarette has, on average, three times more nicotine and carbon monoxide, and up to fifty times more cancer-causing substances than the smoke that is inhaled by the smoker after it goes through the cigarette filter.

Statistics show that smokers, in comparison to non-smokers, are subject to the following:

risk of getting lung cancer is **10 times higher**

risk of having a heart attack is **5 times higher**

risk of having chronic bronchitis and lung emphysema **5 times higher**

risk of having a brain stroke is **2 times higher**

● PRODUCTION

● Zero Leaks

Maintenance done on 1650t press in Itapissuma is successful

The 1650t press at the Itapissuma plant had to go through preventive maintenance, an event that involves the entire technical team from the Extruded Products Maintenance sector, as well as outsourced technicians. The maintenance priority was to eliminate the leak.

The first step was to hire a specialized company to fix the hydraulic system of the press and of the stretcher. The second step was to inspect the equipment's peripherals and execute the geometric corrections.

The result was better than expected: 116 red labels were removed (the red labels mean that a given object or machine should not be in the area or is not in good operating conditions) by maintenance and 157 blue labels were removed by production (same as the red) of TPM. 100% of the maintenance

plan scheduled by the maintenance team was achieved and the annual downtime corresponded to a record-breaking 12 days.

The improvements made it possible to increase the equipment's availability. "We reduced the tool blocking index, the non-scheduled downtimes are less frequent, and we executed part of the plan of the TPM Step 3 (elimination of leaks). All these improvements together are allowing us to reap the benefits now and achieve the established goals," explains Nilo Costa, Production supervisor.

Preventive maintenance is conducted with the objective of solving the major problems in the components referring to the previous year, as well as of implementing improvements focused on productivity, quality, and safety.



● After preventive maintenance, the 1650t press showed many improvements, such as the equipment's increased availability, quality and better safety

● Networking

Seminar in Itapissuma analyzes aluminum grain refiner opportunities



● Participants in the seminar on grain refiner at the Itapissuma Unit

Sharing knowledge among Alcoa's Plants and discussing opportunities for the rational use of the grain refiner to improve the quality of aluminum were the objectives of a seminar held at the Itapissuma Unit. The high cost of raw materials and the quality of the end product were the reasons for organizing this seminar. The event was attended by employees from Itapissuma's Laminated and Extruded Products Divisions, and Alcoans from the Utinga and Poços de Caldas Units.

The grain refiner is commonly used to

reduce the size of the grain and of the phases that constitute the micro-structure of aluminum alloys.

Cristiane Pimentel, Laminated Products Remelting Process engineer, praised the initiative. "The seminar was a great opportunity for professional growth, as it provided great networking among the Plants in Brazil and allowed the sharing of knowledge. In addition, it was possible to become acquainted with the improvements of all participating areas," she added.

● ACKNOWLEDGEMENT

● Leadership

Alcoa ranks among the ten most attuned companies in Brazil for the 15th year in a row

Once again, Alcoa ranks among the 100 Most Attuned Companies in Brazil, a list published in Editora Abril's *Info Exame* newsmagazine. Ever since the list was published for the first time 15 years ago, the Company has always ranked among the top companies in the Steel and Metallurgy sectors. Alcoa ranked 21st in the general list of companies, which encompasses national and multinational companies from various sectors that have business operations in Brazil.

This list was prepared on the basis of 1,583 questionnaires sent to companies from various fields of industry. The questionnaire analyzed investments in technology, initiatives in eco-friendly Information Technology, computer sciences and management, among other categories.



● Info Exame one again ranks Alcoa among the companies that invest in technology most intensely

● Diamond Award

Alcoa and Exal win award granted by DuPont for innovation

Alcoa and the Exal Corporation, the world's biggest manufacturer of extruded aluminum packaging, celebrated the fact that the light and sustainable aluminum can called Coil-to-Can®, or "C2C", was the winner of the Diamond Award of the 22nd DuPont Packaging Innovation Award.

This is the packaging industry's most prestigious award. An independent panel of judges grants awards in recognition of innovations related to materials, technology, and packaging services.

Coil-to-Can® is made by the Exal Corporation from Alcoa aluminum sheets by means of the C2C industrial process. The product was chosen for its excellence in terms of innovation, sustainability and cost/waste reduction.



● Information Technology

Brazil's IT Area stands out at CIO Leadership

Alcoans who are part of the team that prepared the Juruti Infra Structure, EBS, and AMES-Manufacturing Execution System projects at the Bauxite Mine located in the Western region of the State of Pará, were granted one of the three Gold Medals awarded to the IT Area of Latin America and the Caribbean at the CIO Leadership Awards.

The other two initiatives that counted on the participation of the Region's IT Areas and that were awarded the gold medals were: the Projeto Brasil Suralco project, which entailed the implementation of 100% of the operating processes at the Primary Products Unit in Suriname; and the Projeto MES project in Itapissuma, which entailed the implementation of the Manufacturing Execution System in the Laminated Products Area in the Itapissuma, CENU and Barra Funda Units.

This award was created by the Global IT Area as recognition for the excellence of the Company's information technology services at Resource and Business Units.

● ACKNOWLEDGEMENT

● 18th SARM Impact Awards

Units from Brazil grant the SARM Impact Awards 2009

The SARM Impact Award, a traditional event developed by Alcoa Latin America and the Caribbean, was granted for the 18th time in 2010. The Units located in Brazil were the only facilities to hold award-related events. "In spite of the cost-reduction policy, we consider the SARM Impact Awards as being a leading tool for the acknowledgement of talents at Alcoa," says Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean.



The award, enthusiastically expected by all employees, acknowledges the most significant efforts developed and implemented individually by means of actions or projects.

After the names of the finalists of the Local SARM Impact Awards are announced at the venue of the event, the event organizers include them in the Regional competition, where these participants compete with other Units from Latin America.



● Alumar



● CENU



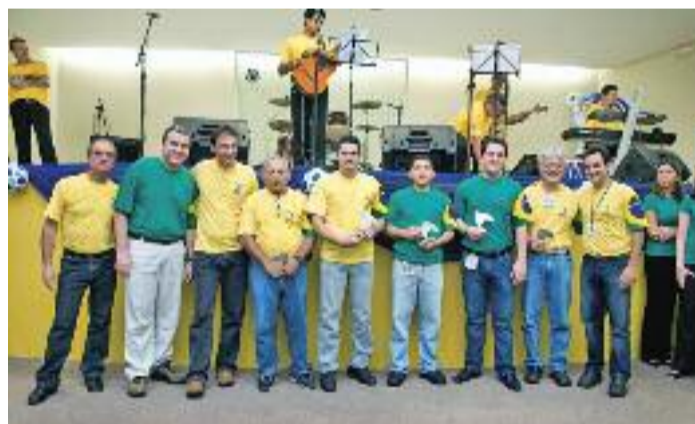
● BU Extrudados



● GBS



● Utinga



● Itapissuma



● Juruti



● Poços de Caldas



● Sorocaba



● Tubarão