



SUSTAINABLE DEVELOPMENT REPORT 2012



2012: AN IMPORTANT MILESTONE

A WORD FROM THE
PRESIDENT, ANDRÉ MARTEL

BE A RESPONSIBLE
CORPORATION

20 YEARS
OF SUSTAINABILITY

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COVER - MARTIN HYSLOP

VIEW OF ALUMINERIE ALOUETTE TAKEN FROM THE VIEUX-QUAI AREA IN SEPT-ÎLES



20 YEARS OF SUSTAINABILITY

Alouette celebrated 20 years of sustainable development that has enabled it to become the world leader in energy efficiency, to surpass expectations in terms of pollutant emissions, to be an exemplary model of workplace health and safety, and to be among the companies most active in their communities.

SPECIAL SECTION PAGE 44



A WORD FROM THE PRESIDENT

We are proud to present our organization's 2012 Sustainable Development Report. Published for over 10th years this report highlights our accomplishments as well as our challenges.

For Alouette, 2012 has been an important milestone. Our company celebrated 20 years of operations and continued growth. In addition, several new records have been achieved, despite numerous technological challenges and a demanding business environment.

In health and security, we reached 1 million work hours without recordable injuries, including outsourced teams and visitors. A remarkable 20% improvement over last year and 75% better than the period covering the two previous years.

Environmentally, we reached our best greenhouse gas emission performance in our history. We are working tirelessly to reduce our environmental footprint as it continues to be at the core of our daily preoccupations.

Aluminium production hit 592,904 tons, a new best in terms of operational excellence, as we aim for 600,000 tons.

We did all this in spite of a difficult situation: because of our current technology's limitations, our employees had to work twice as hard to maintain our operations under control and end the year on a positive note.

2012 was also a turning point in terms of research and development as we introduced a new pot technology jointly developed by Alouette and Rio Tinto Alcan. This new model, the AP40LE, which combines higher output per pot with our industry-leading energy consumption performance, will gradually replace the pots being used now.

I salute the unwavering commitment of our employees and partners, and their daily efforts to find new solutions in the pursuit of excellence.

I hope you enjoy reading the report and marking our 20 years with us.



ANDRÉ MARTEL,
PRESIDENT AND CEO

OUR MISSION

Aluminerie Alouette, as an independent operating company, shall operate as a low-cost smelter using world-class business principles and continuous optimization of production and assets. As a sustainable company, Aluminerie Alouette will maintain high standards of health, safety and environment in order to be recognized as a responsible employer and corporate citizen.

OUR STRATEGY

Our corporate strategy is based on five components that shepherd our daily operations, with a view toward maintaining Alouette among the leading producers of primary aluminum.





 **PHOTO - KARINE BOND**
COROSSOL ISLAND - SEPT-ÎLES ARCHIPELAGO

BE COMMITTED

SYNERGY / Alouette is above all, as it has always been, a team affair. Its story speaks to an exceptional partnership between a company and its employees. This bond is a deep source of pride for everyone.



RECOGNITION THAT WILL BECOME A TRADITION

Two special evenings were organized to enable Alouette to officially recognize the work of its longstanding employees, those who reached 20 years of service in 2012. This gave the company the opportunity to thank over 300 employees for their steadfast contribution to Alouette's success. Recognition that spells the beginning of a new tradition.

FORUMS AS AN INVITATION TO SHARE

Over 90% of employees took part in the forums held in May and December 2012. These are meetings attended by both management and employees, and where all issues have a voice: health and safety, the environment, the economy, the aluminium market, etc. We put everything on the table, from facts and figures to improvement ideas.

LEVERAGING SYNERGY TO OVERCOME DIFFICULTIES

2012 had its share of especially difficult periods in terms of manufacturing processes. We were able to overcome these thanks to the cooperation of our various teams, which once again demonstrated just how powerful the collective will to succeed can be.

A FAMILY THAT WORKS AND PLAYS TOGETHER

As always, the employees' social club COBRAL went the extra mile by organizing activities that bring people together while creating new ties and strengthening old ones. The attendance at these activities is a source of pride.

PRIDE YOU CAN COUNT ON

A company survey conducted by an outside firm confirmed what is already common knowledge in the workplace: over 90% of Alouette's employees say they are highly satisfied with their job and their involvement in the company. Heartening results that will motivate us to continue to strive to improve the wellbeing and satisfaction of our employees.



BE COMMITTED

DEVELOPING SKILLS / The development of skills spans various forms that can often complement one another. For example, receiving technical training and training on continuous improvement tools helps you keep up and move forward, just like the company.

TRAINING THAT ENRICHES

Alouette's employees received no less than 33,697 hours of training in 2012, up 1.03% from 2011. Most of the training revolved around operations, safety and continuous improvement.

SPECIALIZED TRAINING FOR MECHANICAL TECHNICIANS

Jointly designed by Cégep de Sept-Îles and Alouette's Training Department, this training program was specifically aimed at acquiring new skills intended to increase equipment reliability. Nine new mechanical technicians were successfully trained during a six-week pilot period.

PHOTO - HUGO ROSSIGNOL
WATERFALLS





AN INCREASINGLY STRONGER CONTINUOUS IMPROVEMENT CULTURE

We continued deploying the Lean Six Sigma management and continuous improvement (CI) methodologies we adopted several years ago, which helped further entrench the continuous improvement mindset organization-wide. Continuous improvement has now become an essential development platform for future managers and a key rallying point for employee involvement.

In order to maximize our improvement opportunities, everyone having received “Green Belt” level training also received training as Kaizen workshop facilitators. Also, several individuals in each sector received training as visual workstation facilitators for their sector and team. By expanding their skills to other areas, we were able, among other things, to focus on mobilizing Alouette’s employees, which led to nearly 250 continuous improvement initiatives in 2012, including:

- over 175 problem solving methods (PSMs);
- nearly 40 Kaizen activities;
- 9 Green Belt projects (GBs);
- 8 Black Belt projects (BBs);
- initiatives related to quick response (SMED), self equipment maintenance (TPM) and workspace organization (5S).

Introducing the quick problem solving method was by far our biggest CI leap forward in 2012. A total of 75 people (maintenance and operations) received training in this method, which was hugely instrumental in providing our visual workstations with the appropriate support across all three levels (plant, sector and team) plant-wide. The rise in Kaizen-based approaches was also key to the improvements rolled out throughout 2012, and more importantly, a further step toward cementing a strong improvement culture. Proponents of this technique embrace it because of its speed and motivating effect, while employees readily adopt it because it involves them in the solution-finding process and because it can be executed quickly.

As for Black Belt projects (BBs), they created value for the company by reducing consumption, improving our operating and administrative processes, boosting productivity, and once again with the collaboration of our employees and outsourced teams.

PEOPLE AND CULTURE

BE COMMITTED

SIGNIFICANT ACHIEVEMENTS / Continuous improvement is so strong in our day-to-day culture that each year generates several new fruitful projects. 2012 was no different.



AN ACHIEVEMENT THAT GOT NOTICED AT A BEST BUSINESS PRACTICES TRADESHOW

The theme was “Leveraging Lean Six Sigma to improve metal production,” and the Alouette team went on to wow those participating in the *Salon sur les meilleures pratiques d'affaires* Montréal tradeshow by showcasing the results from 10 continuous improvement projects conducted at the Casthouse in collaboration with various sectors.

One Six Sigma-driven strategy made it possible to execute an initiative 15% under budget, translating into savings of \$4 million each year. The employees involved in this project were part of the team presenting at the tradeshow.

A project with multiple favourable effects:

- Fewer unnecessary interventions triggered by incorrect carousel casting readings;
- In-house recycling of dross from carousel casting operations;
- Shorter carousel time cycle, which has boosted sow production capacity;
- Standardized steady provision of crucibles to the carousels;
- Higher crucible production capacity thanks to reduced cooling time;
- Shorter crucible weighing times, which used to generate 1,500 waiting hours a year;
- Lower ingot production costs after streamlining Casthouse operations.

IMPROVED AP40LE POTLINING OPERATIONS

Transitioning toward AP40LE technology has been a challenge both in terms of preparation and operations, and requires an effective and ongoing pot repair program. Having certified AP40LE pots for use, these will now routinely replace pots that will have reached their five-year useful lifespan. We have been able to improve the lining of the new pots thanks to a continuous improvement initiative shepherded by a team specifically assigned to this task.

175 PROBLEMS SOLVED AT “WARP SPEED”

Approximately 75 employees who received training in problem solving methods (PSMs) spearheaded no less than 175 activities aimed at resolving specific issues experienced at the visual workstations. As always, it was a collaborative effort and it led to the implementation of appropriate solutions.

“ 175 PROBLEMS SOLVED IN 2012 ”

A NEW PROVEN ANODE MONITORING METHOD

Monitoring anodes is a key pot performance factor. A team successfully implemented a monitoring method based on usage, i.e. by periodically tracking anode wear. This has enabled us to shrink the anode replacement time by 20% without affecting pot stability, metal production and anode effects. This new method has several other advantages: improves industrial hygiene, lowers fluoride emissions and reduces the risk of burns and falls generally associated with anode monitoring practices.

OPTIMIZATION OF VISUAL WORKSTATIONS

2012 was a major turning point for the visual workstations we introduced a few years ago. The data is now analyzed from the point of view of how it can help improve operations. These Lean-based visual workstations have been spurring an even higher degree of action and motivational energy.

BE PROACTIVE

THE FACTS / Once again this year, Alouette's employees, managers and subcontractors made health, safety and environment their top priority. Their vigilance and commitment have been rewarded with new records and new achievements.

ACCIDENTS AND RECORDABLE INJURIES DOWN - AGAIN

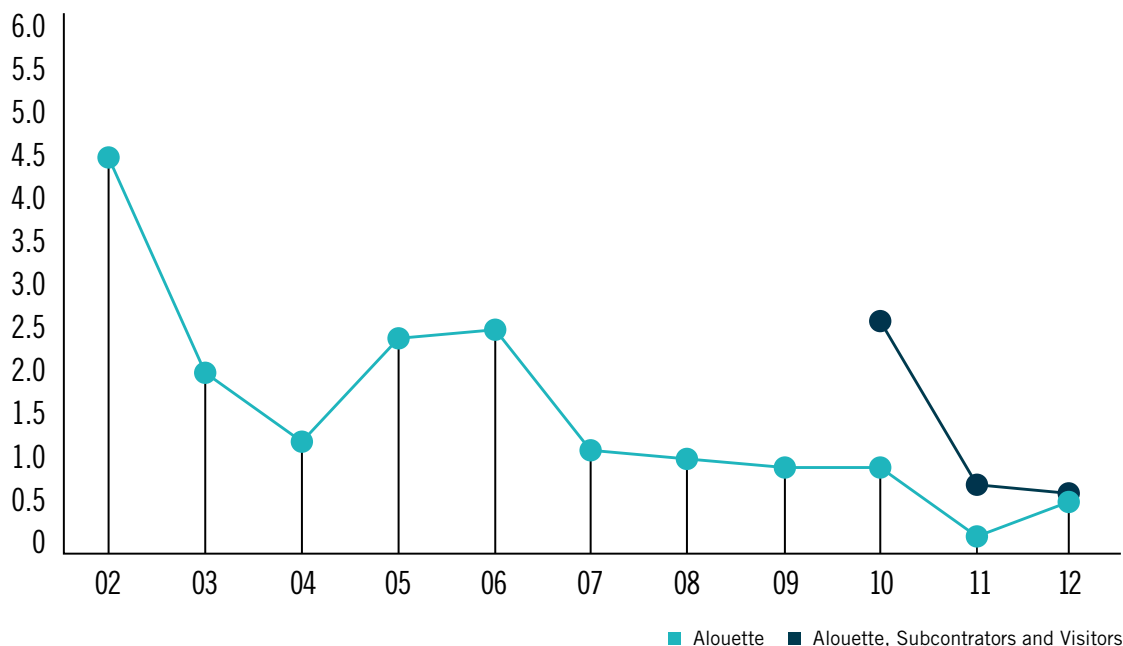
By the end of 2012, the plant had set a new record for number of hours worked without recordable injuries: over 1 million, or 153 consecutive days, shattering the previous mark of 96 days. There were 8 recordable injuries in 2012, 20% less than in 2011. Over the last two years, our performance improved by 75%. This performance, the best in Alouette's history, reflects a day-to-day teamwork.

PERFORMANCES SUBSTANTIATED BY INDEPENDENT AUDITS

Independent external audits of our ISO 14001 (environmental) and OHSAS 18001 (health and safety) management systems once again confirmed the effectiveness of our environmental and health and safety management systems.

TOTAL RECORDABLE INJURY FREQUENCY RATE 2002-2012

(200,000 hours worked)



“ ALOUETTE WAS NAMED THE 2012 REGIONAL WINNER IN THE LARGE CORPORATIONS CATEGORY. ”



TOP INNOVATION AWARD IN OCCUPATIONAL HEALTH AND SAFETY

At the 8th edition of the occupational health and safety innovation awards presented by the CSST Workers' Compensation Board, Alouette was named the 2012 regional winner in the Large Corporations category. The jury was impressed by the ingenuity of our self-dumping hopper. This new hopper eliminates handling-related safety hazards and the risk of burns caused by molten metal splashes. This same self-dumping principle has since also been applied to garbage and recycling dumping operations. The Casthouse employees, the Engineering and Procurement departments, can all be proud of this innovation.

BE PROACTIVE

EFFECTIVE TOOLS / Numerous tools rolled out in recent years have undeniably shown their effectiveness in reducing risk. Invariably responsible for the ongoing improvement in our performances, they are now an integral part of our corporate culture in matters of health and safety, and the environment.

“INTERVENTION ENTRE NOUS” TRAINING CONTINUES UNABATED

Approximately 75% of our employees use this preventive approach at least once weekly. It promotes the idea of looking after one another by intervening when deviations are observed. This type of relentless vigilance has been highly instrumental in diminishing risk.

MORE INCIDENTS BEING REPORTED

Reporting incidents and deviations is the cornerstone of risk prevention. 2012 saw a rise in the number of reported incidents, which aptly reflects the importance our employees attach to being properly informed about the jobs they perform. The more we can anticipate risk, the better we can control it.





A STUDENT MENTORING PROGRAM THAT KEEPS GETTING BETTER

New this year: the Alouette Youth Squad. The Squad is made up of senior high-school students, and their visits, accompanied by their sponsors, are an opportunity for them to meet with longstanding members of our staff, where the latter get to share some of their experiences, and the former get to voice their concerns respecting the challenges that lie ahead.

COMMITTEES THAT ARE ACTIVE AND ALERT

Activities stemming from the various health and safety and environment committees helped bolster and improve the preventive management of all environmental injuries, illnesses and incidents. For instance, the Health and Safety and Environment Committee regularly audits the corrective measures implemented after the occurrence of high potential accidents. This helps foster effective measures and risk elimination.

CONSTRUCTIVE REGULAR MEETINGS WITH OUTSOURCED TEAMS

Management and outsourced teams met regularly year round. Under the new format, meetings began with a health and safety and environment audit, wherein the findings were reviewed, followed by discussions on practices

that needed fine-tuning or implementing. Congratulations to the outsourced teams for their active involvement and for the progress made.

TRACKING OUR HEALTH AND SAFETY AND ENVIRONMENT

An information panel at the plant's entrance always displays the latest snapshot of the overall health and safety and environmental risks. This "barometer" is updated daily after every sector has reported their observations at the plant's visual workstation. Managers are also updated daily so they may notify their teams accordingly.



“ OUR PROGRESS (...)
EMPOWERED US TO
MAINTAIN OUR LEADERSHIP
ROLE INTERNATIONALLY. ”

BE PROACTIVE

2012 INNOVATIONS / The drive to continually improve is dependent upon the steady development and implementation of new tools. 2012 saw the emergence of initiatives that led, in certain cases, to new means of information, notification or quantification.

INITIATIVES PRESENTED AT THE REGIONAL GREEN BUSINESS CHALLENGE

Alouette made an impression at the *Défi Écoentreprise* event organized by the Sept-Rivières regional county municipality. We presented some of our green initiatives, including the elimination of non-recyclable cafeteria dishware and utensils, reduced paper use during internal meetings, and green event planning and hosting initiatives such as our Family Day on August 25.

OPTIMIZING THE INSPECTION PROCESS

The general inspection is a planned process designed to ensure a work environment that is safe and as per specifications (cleanliness, housekeeping, etc.). The process was revised in 2012 to integrate new, more user-friendly tools, as part of Alouette's ongoing efforts to foster best practices.

THE GROWING MENTORING ROLE OF THE HEALTH AND WELLNESS COMMITTEE

The Health and Wellness Committee further expanded its role by launching new initiatives focused on fitness and healthy eating. These actions promoted accountability and encouraged employees to be more personally invested in their health and quality of life.



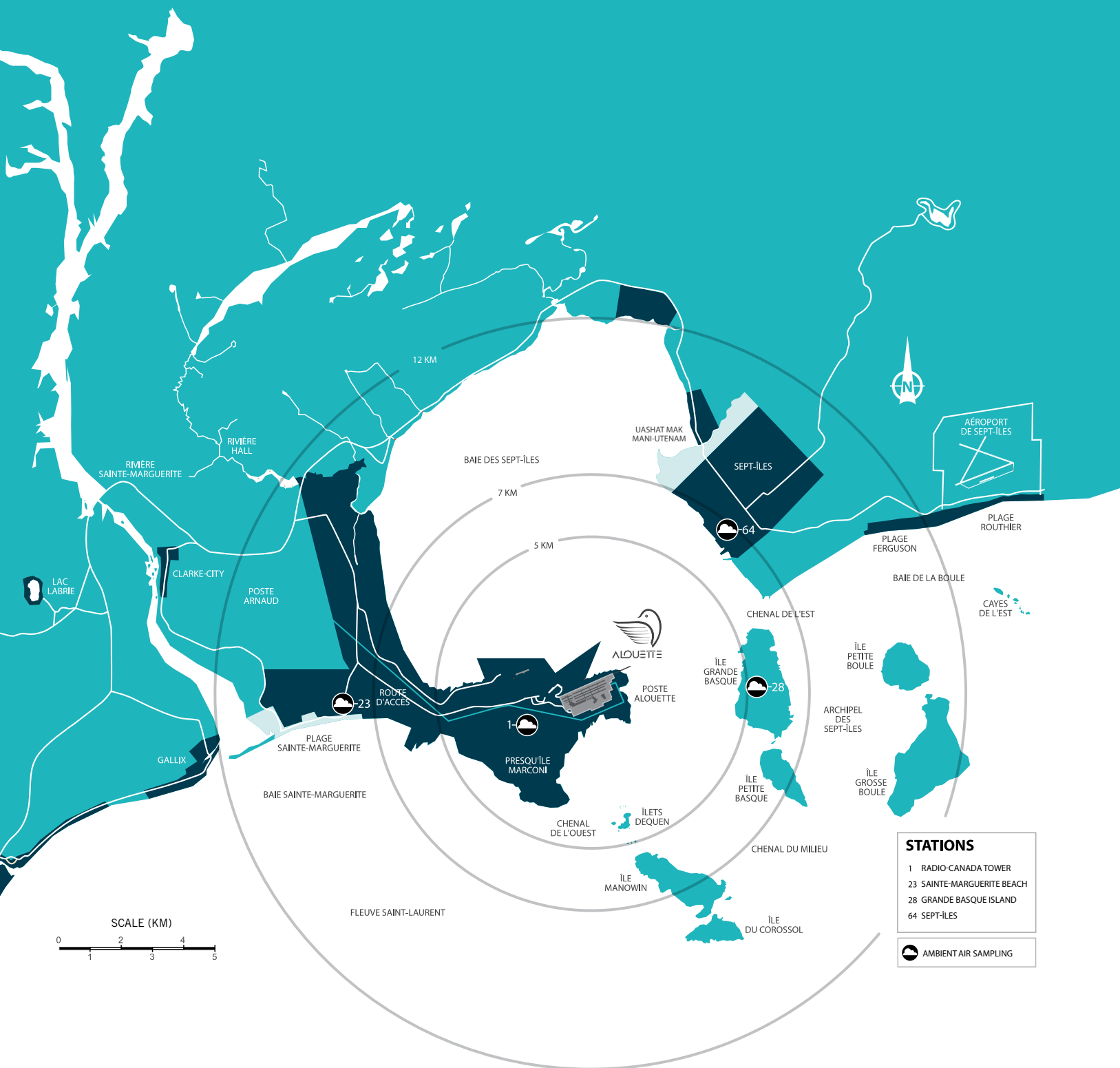
NEW SAFETY SIGNS

The walkways leading to the administrative building and the outsourced teams' locker room are now dotted with reminders of key safety rules. Everyone accessing the site is urged to exercise caution and vigilance.

A SEAT AT THE SEPT-ÎLES ROUNDTABLE FOR AIR QUALITY

Alouette is actively involved in the talks and undertakings of the Sept-Îles roundtable for air quality established in 2012. The roundtable has over a dozen members from various sectors, such as the city of Sept-Îles, the Sept-Îles health and social services centre, the Québec Department of Sustainable Development, Environment, Wildlife and Parks, the regional health and social services agency, environmental groups, citizen groups and large corporations. The roundtable's objectives are to paint a comprehensive picture of the air quality in Sept-Îles and to keep the population informed on the issue.

MAP OF AMBIENT AIR SAMPLING STATIONS



STARTUP OF NEW VOLUNTARY AMBIENT AIR SAMPLING STATION

The new ambient air sampling station is now up and running. Air samples are taken and analysed on a regular basis. The findings will provide Alouette with a clearer picture of the potential impact of its operations as well as an overall indication of the air quality in Sept-Îles. The station, which is located in the downtown area, speaks to the active role Alouette intends to play on the Sept-Îles roundtable for air quality.

**“ THIS STATION IS A VOLUNTARY
ADDITION TO OTHERS EXISTING
AND OPERATED BY ALOUETTE. ”**



THE RESULTS

Pursuing excellence inevitably leads to the challenge of having to surpass previous results and push boundaries even farther.

2012 was a very intense year that yielded an abundance of discoveries. Our growth objective gave rise to additional challenges at the environmental level.

Alouette and its employees continued their ongoing efforts to further reduce the company's environmental footprint and build on the significant improvements made since the smelter opened its doors. Our

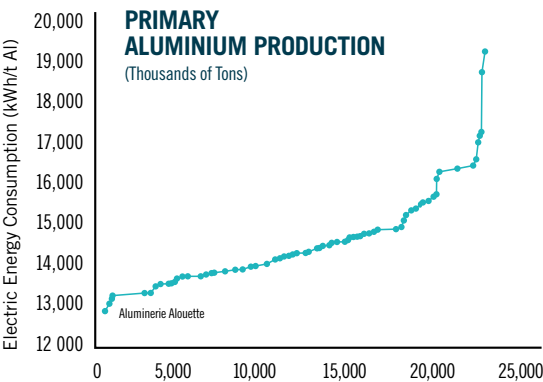
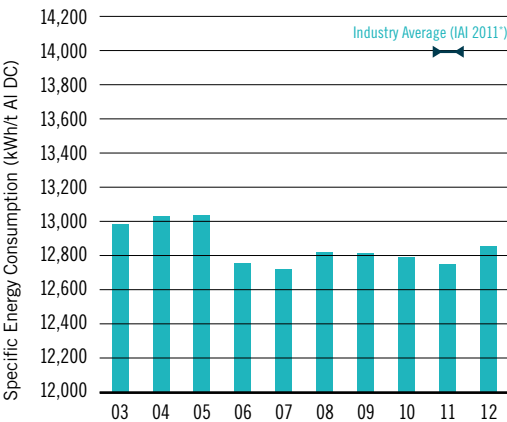
performances in this area are not only in line with all regulatory requirements, but also world class in many regards.

The new AP40LE high-amperage (AP40), low energy consumption (LE) pot we activated in October will help us make even more environmental progress.

ENERGY EFFICIENCY

SPECIFIC ENERGY CONSUMPTION

The specific energy consumption for Reduction operations was 12,846 kWh/t Al DC. Alouette remains a world leader in this aspect.



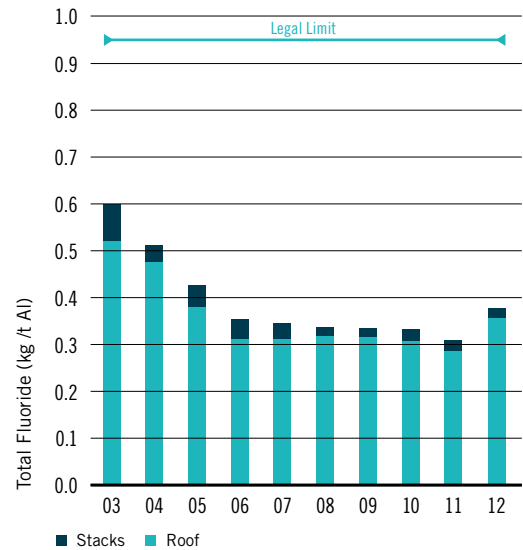
Alouette continuously targets low energy consumption. Improving energy efficiency is a priority for growth and sustainability development. Our AP40LE technology reflect this. Slated for progressive implementation over the coming years, the preliminary results are already promising.

* IAI: International Aluminium Institute

AIR EMISSIONS

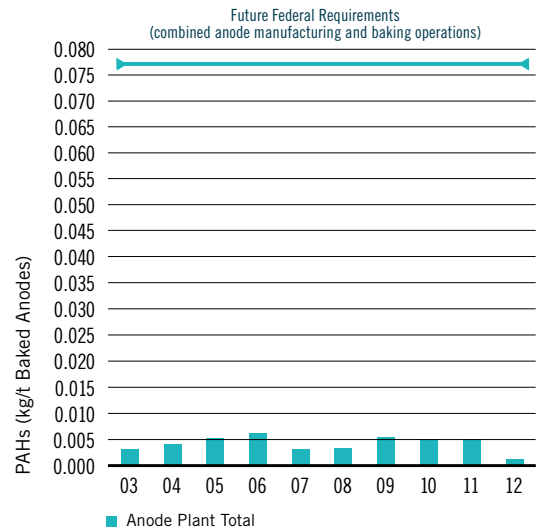
TOTAL FLUORIDE EMISSIONS FROM REDUCTION PROCESS

Fluoride emissions were 0.37 kg/t Al in 2012. Alouette and its employees maintain their efforts to reduce emissions. Various improvement teams were deployed to optimize works practices and waste treatment and fume and gas collection equipment.



POLYCYCLIC AROMATIC HYDROCARBONS (PAH)

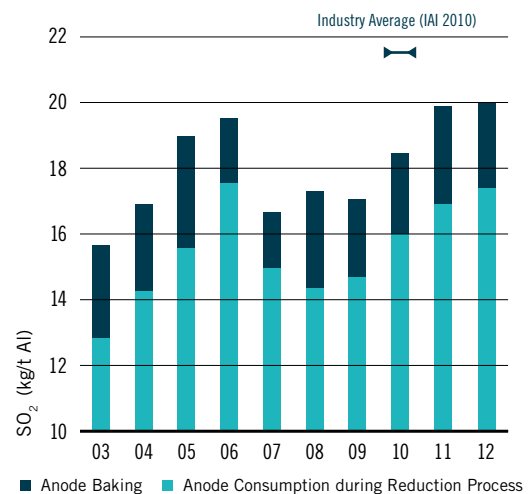
PAH emissions are very low when prebaked anode technology is used, as Alouette does. PAH emissions in 2012 from the Anode Plant's anode manufacturing and baking operations were 0.0016 kg/t. This is far lower than Québec's regulatory limit for anode baking furnaces of 0.05 kg per ton of baked anodes.



SULPHUR DIOXIDE (SO₂)

In 2012, Alouette began using new coke mixing facilities. This allowed the company to maintain its emissions at levels similar to those of 2011, despite a greater variability in the quality of raw materials. This element will remain a challenge for the industry in the coming years.

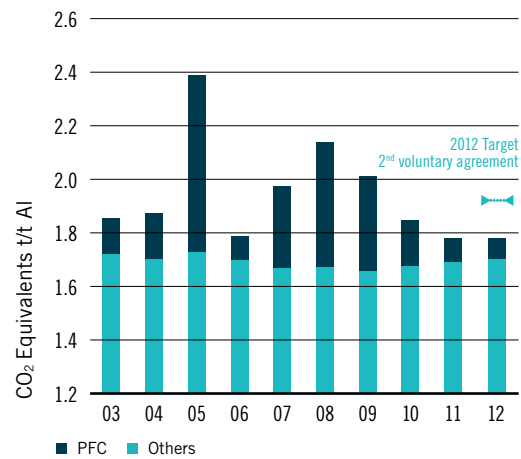
Alouette's objective is to limit emissions at the source in order to maintain ambient air concentrations of SO₂ well below acceptable levels.



AIR EMISSIONS

GREENHOUSE GAS EMISSIONS (GHG)

The objectives for reducing GHG in the second voluntary agreement signed with the Québec Government for the 2008-2012 period were 1.92 t eq. CO2/t Al. Emissions were 1.79 t eq. CO2/t Al in 2012, which largely met the objective. This noteworthy performance favourably positioned Alouette on the Québec carbon market, which will be taxes come 2013.

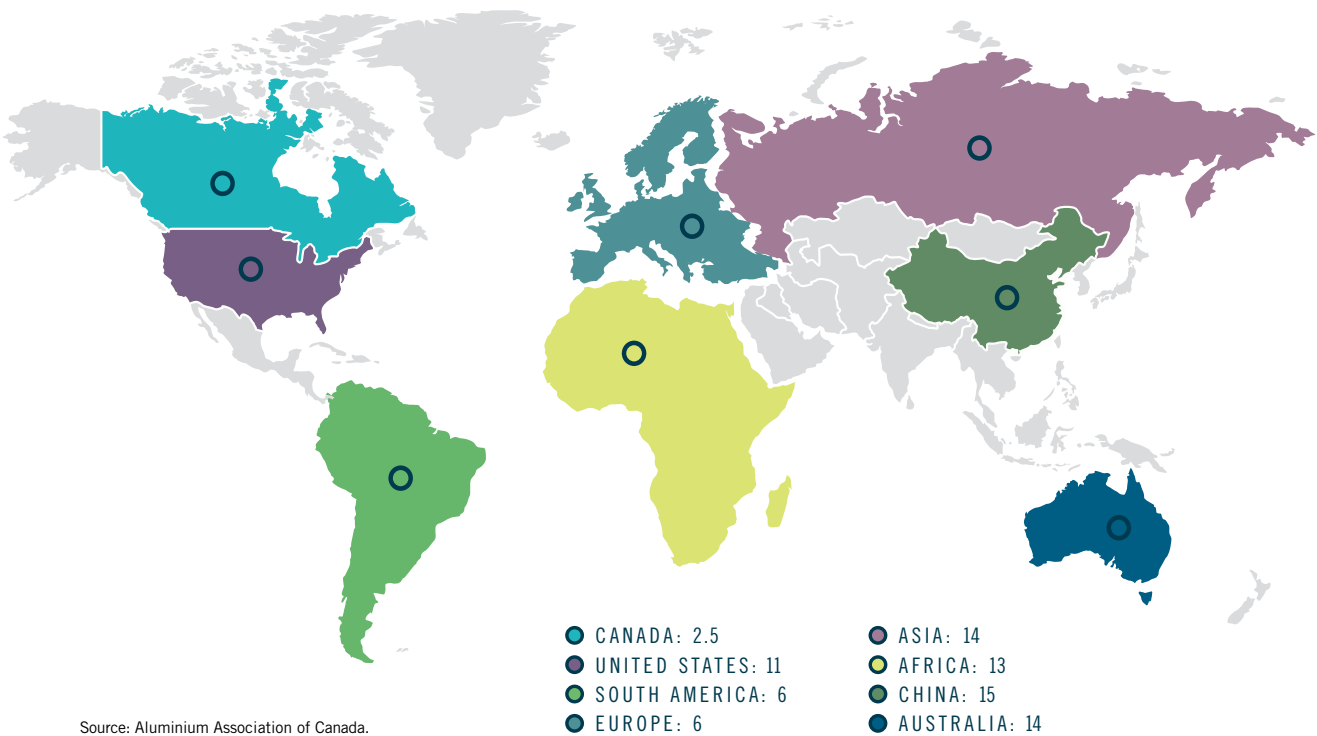


Because it is produced using renewable energy (hydro-electricity), **Canadian aluminium is the greenest in the world.**

CANADIAN ALUMINIUM: THE WORLD'S GREENEST

CO₂ EMISSIONS

CO₂ tons per aluminium ton – 2006.



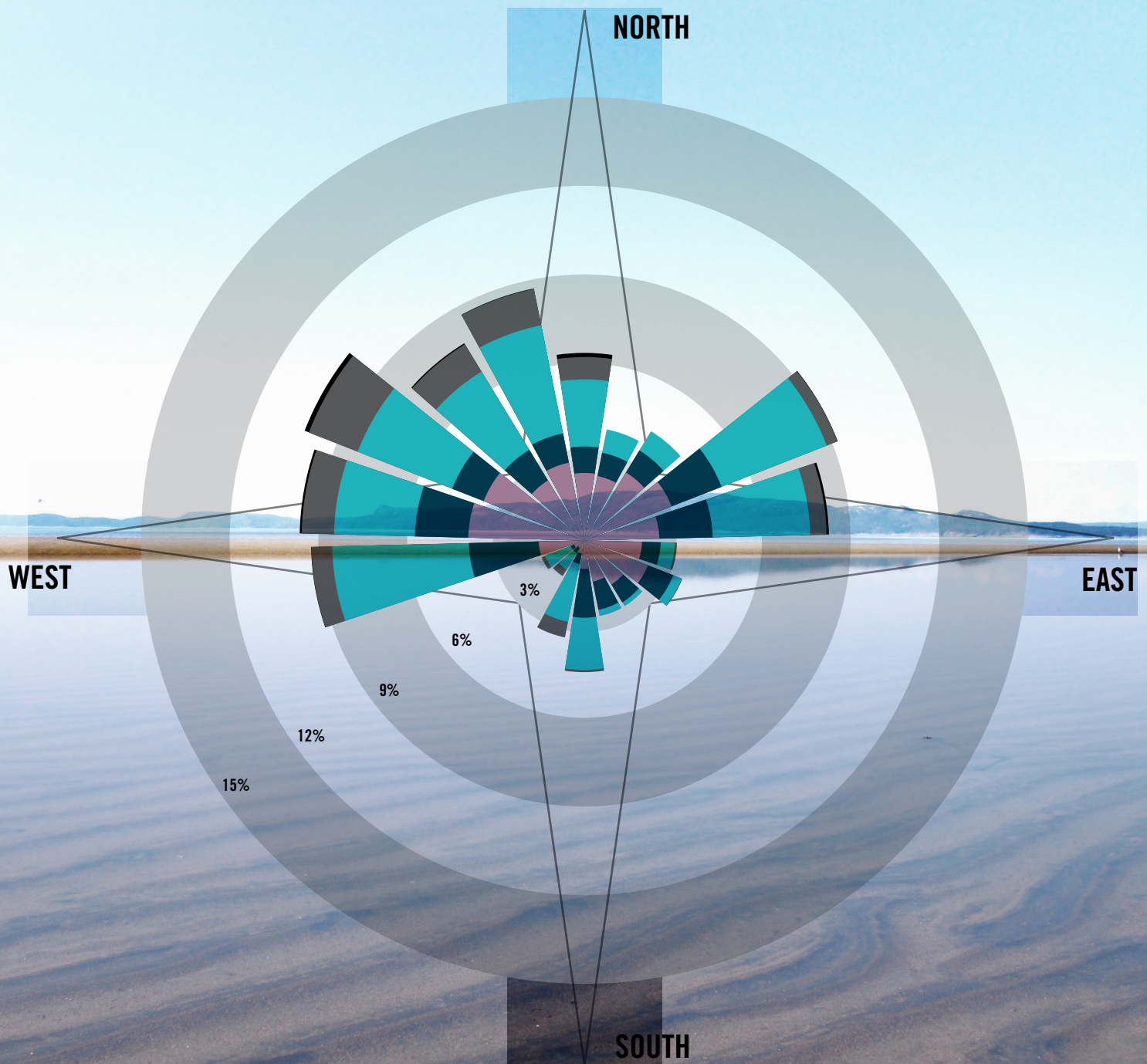
Source: Aluminium Association of Canada.

WIND ROSE

Wind Speed and Direction,
blowing from Pointe-Noire's Weather Station

WIND SPEED (KNOTS)

■ ≥ 22 ■ 17-21 ■ 11-17 ■ 7-11 ■ 4-7 ■ 1-4



 **PHOTO - HUGO ROSSIGNOL**
SEPT-ÎLES BEACH

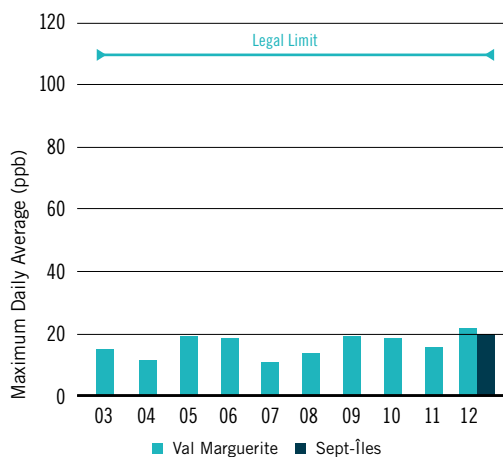


AMBIENT AIR

Alouette operates different sampling ambient air stations. Measurements that are taken contribute to a better understanding of the impact of the company's operations, as well as the air quality in general. It should be noted that the results presented include all emission sources regardless of the origin of the contaminant in the air.

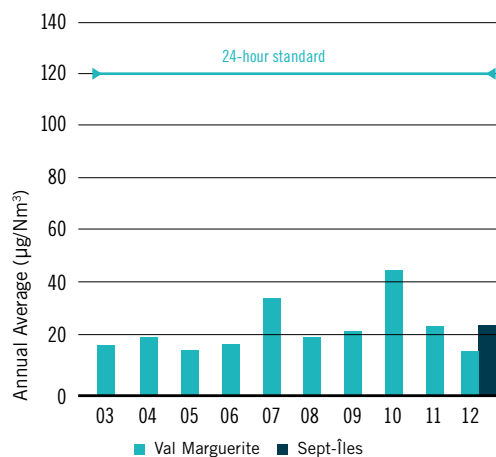
SULPHUR DIOXIDE (SO₂) IN AMBIENT AIR

SO₂ levels in the air met the 110 ppb standard. In addition, the maximum standard (4 minutes) of 400 ppb was never exceeded during the year.



TOTAL PARTICLES IN AMBIENT AIR

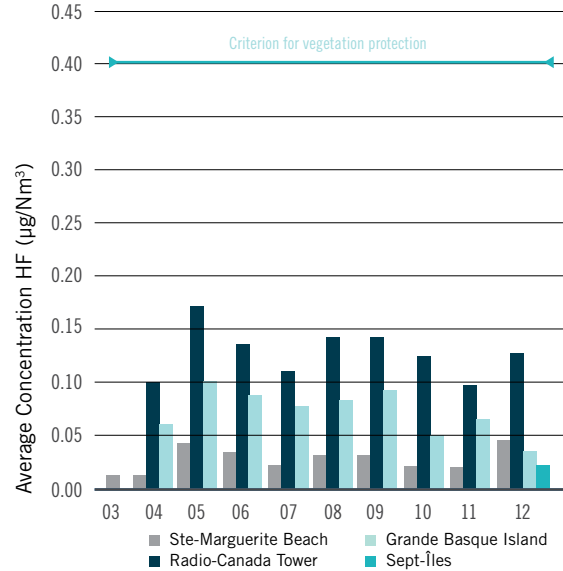
This chart presents an average of the various samplings. The 24-hour standard was never exceeded.



GASEOUS FLUORIDE IN AMBIENT AIR

Average ambient air concentrations of gaseous fluoride remained below the internal target used as the recognized benchmark for protecting vegetation.

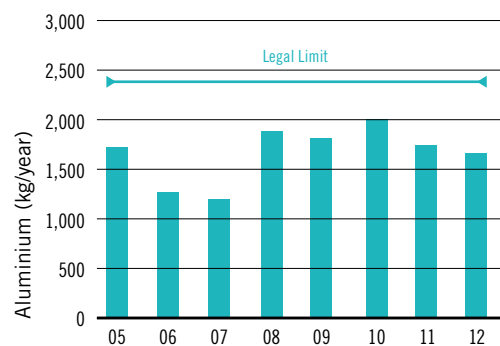
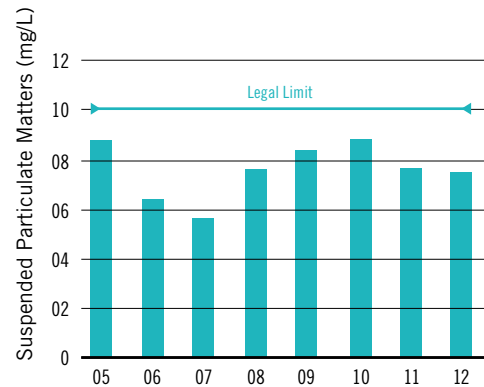
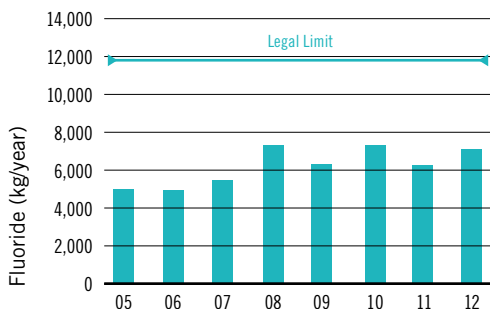
A specialized firm conducted the annual assessment of vegetation conditions in the industrial and non-industrial zones. This inspection covered a 7-km area around the plant, which includes the Grande Basque Island and Arnaud Street in Sept-Îles. The results showed that the vegetation outside the site (non-industrial zone) was not affected by Alouette's operations.



Vegetation is more vulnerable to fluoride during the budding period. Alouette schedules the maintenance of its scrubbing facilities outside this critical time. The maintenance process is essential to keeping the equipment operational at all times, and consequently functional and efficient (fluoride and dust) 99% of the time.

RUNOFF WATER

The outlet of the storm drainage system located at the exit of the sediment basin collects rainwater washed from the roofs and the site. This water is sampled continuously. All discharge standards were met.



No Process water is discharged into the environment. Industrial water is instead reused in the cooling towers and the fume treatment centres.

RESIDUES

We recycle virtually all of our process waste in-house. For example, nearly all carbon emissions are rerouted into the production process, essentially being converted into raw material to manufacture new anodes.

Moreover, the waste management procedure revised in 2012, now includes the 4R principle (Reduce, Reuse, Recycle and Recover).

Alouette is constantly seeking new waste recovery technologies and works closely with various partners to that end. We recycle or recover the vast majority of hazardous

waste materials we produce, and always use authorized and specialized firms to provide waste management services. Also, in 2012, we began separating fractions of spent potliners (spent carbon and refractories) to further facilitate the recovery process.

Since 2010, Alouette has been certified Level 3 *ICI ON RECYCLE*. Together with its employees and outsourced teams, it continues to raise awareness and roll out best practices in order to help reduce the amount of landfilled domestic waste, which has in fact dropped 20% overall since 2010.



■ Recycled ■ Recovered ■ Buried*

* In authorized and specialized sites



**“ SINCE 2010,
ALOUETTE HAS BEEN
CERTIFIED LEVEL 3
ICI ON RECYCLE! ”**



PHOTO - RÉGIS BOUCHARD
MACDONALD RIVER, SEPT-ÎLES-PORT-CARTIER
WILDLIFE RESERVE

BE WORLD CLASS

THE FACTS / Aluminerie Alouette strives to remain among the world-class aluminium smelters. In 2012, the largest smelter in the Americas set a new production record while remaining a model in terms of energy and carbon consumption.

RECORD PRODUCTION

2012 ended with a production output of 592,904 tons of solid aluminium, the best in our history. We nevertheless faced numerous difficulties, primarily due to the limitations inherent in our current technology. Which is why, we began the process of rolling out our newly-developed AP40LE pot plant-wide after its successful launch in our pilot plant. We also needed to upgrade our anode assembly, to help us optimize our operational performance

and eliminate the variances and defects we were experiencing, such as anode related incidents, instability issues, etc. We proceeded to summon the imagination and resolve of all our employees in order to overcome these difficulties and limit their impact. It resulted in increased production, a more energy efficient pot model, and the acquisition of additional knowledge and skills.

PERFORMANCE DETAILS / Operational excellence stems from effort, imagination and the desire to improve whatever can be. Each year, employees on various taskforces dedicate themselves to pushing the limits of excellence.

IMPLEMENTATION OF NEW ANODE MONITORING METHOD

Once we successfully tested our new method based on monitoring anode wear, we reorganized our operations to make room for it. In 2012, the implementation process was dubbed Series 1, with Series 2 slated for early 2013. The potential gains have already shown themselves to be major: less time required to open pot covers and replace anodes, fewer fluoride emissions and fewer risks of accidents involving the ground operators working the pot-tending machines (PTMs).

INTEGRATING “LEAN” PRACTICES TO VISUAL WORKSTATIONS

Better use of our visual workstations, primarily spurred by the adoption of Lean-based practices, enabled us to track operations more effectively and also pinpoint potential improvement areas more proactively. This resulted in more informed decisions that made it possible to respond quickly to issues and dispatch the appropriate personnel.

ANODE RODDING PRODUCTION GAINS

The continuous improvement work conducted at the anode rodding shop allowed us to increase our anode production by 7.7%. Many of the improvements stemmed from tracking equipment failures and their causes more rigorously. Combined with the changes introduced to the anode baking cycle, these improvements ensured the pot rooms were being adequately supplied.

NEW AP40LE POT DELIVERS AS EXPECTED

After testing successfully, our AP40LE technology, which combines higher production output with lower energy consumption, was green-lit for implementation, which will increase pot lifespan while also improving the frequency of anode effects and overall metal production. This significant progress stems from a joint effort by Alouette and Rio Tinto Alcan. This new technology will unquestionably help drive our future. The entire Alouette team is already hard at work developing the next generation of pots so we can keep growing and remain competitive.

OPTIMIZING CASTHOUSE OPERATIONS

Several continuous improvement activities in 2012 were focused on optimizing the Casthouse. The combined work of all teams resulted in higher casting carousel capacity and lower metal production costs thanks to the optimization of sow production.

MORE RECYCLING IN-HOUSE

Alouette now recycles all aluminium waste in-house, including dross.

MAJOR WORK AT THE SUB-STATION

We upgraded the controllers on our Phase 1 rectifiers. This was a major maintenance undertaking, which speaks to our commitment to maintaining our assets.





BE A RESPONSIBLE CORPORATION

JOBS / Alouette continued to remain true to its commitment to create and preserve aluminium processing jobs across Québec, as per its initial agreement with the Québec Government put in place in 2002.

CREATING LASTING JOBS

Following a new agreement entered into with the Québec Government in late 2011, we continued with our job creation program of generating 1,000 additional sustainable jobs in the aluminium industry.

EVENTS/ Alouette is well known and widely reputed for its involvement in community life. In 2012, the company and its employees once again enthusiastically took part in a multitude of events, several of which extended beyond regional boundaries.

RAISING AWARENESS ABOUT THE ALUMINUM TRADE

The “Rêvez l’aluminium® — Pedal toward your future” project is intended to increase high school students’ knowledge of aluminium. Over 230 teenagers took part in an activity that consisted of designing and manufacturing a prototype bike pedal made of aluminium. Meanwhile, Metallurgy Week provided Secondary 3 students with the opportunity to familiarize themselves with life at the plant through simulated activities.

PARTICIPATION IN DÉFI CLIMAT

Over 250 Alouette’s employees took part in the annual provincial challenge aimed at acquiring sound individual habits that will help reduce GHG emissions.

WELCOMING VISITORS

Each year, we open our doors to various groups of visitors. In addition to our summer tour schedule, which enabled several hundred people to familiarize themselves with the operations of a world-class smelter, we also hosted student tours, cruise passengers, as well as business and foreign delegations.



GETTING NOTICED AT THE 5th SYMPOSI-AL IN SEPT-ÎLES

Raising awareness and providing information about aluminium are at the core of *Symposi-Al*, a biannual symposium held in Sept-Îles. In 2012, in collaboration with the STIQ, Alouette launched the third edition of the Aluminium Podium program, which pays tribute to small and medium sized Québec businesses that operate programs focused on creating aluminium processing jobs. Over 150 people attended the September event.

AWARDS/ In 2012, Alouette was once again recognized for its topnotch practices.

AMERICAN METAL MARKET AWARD FOR ALUMINIUM SMELTER EXCELLENCE

Alouette won a prestigious award at the American Metal Market (AMM) 2nd Annual Aluminium Summit, held in June 2012 in New York: the top prize in the Aluminium Smelter Excellence category. The award,

which recognizes everything from human resource management quality to operating results, also includes an entire section devoted to community involvement.

BE A RESPONSIBLE CORPORATION

FESTIVITIES / Alouette wished to celebrate its 20th anniversary with those who contributed and are still contributing to its success.

A 20TH ANNIVERSARY CELEBRATION THROUGHOUT THE YEAR

We wanted to mark our 20 years of operation with original ongoing events. Here are some of the highlights:



FEBRUARY / LAUNCH OF FESTIVITIES

A birthday cake was served at the staff cafeteria to kick off the celebrations.



MAY / ANNIVERSARY OF OUR START-UP

Popular members of the community as well as active and retired employees joined our big family to mark the day the plant cast the first-ever metal, on May 31, 1992.





AUGUST / FAMILY DAY

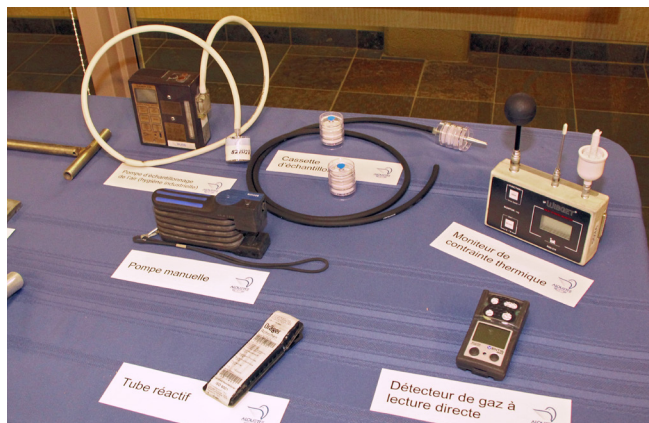
Nearly 2,000 people took part in this festive day that provided employees with an opportunity to show off their workplace to family and friends.

ALOUETTE – VISIBLY PUBLIC

The Alouette cafeteria and local restaurants featured a series of four placemats that timelined the key moments in our evolution. The company was also the subject of a 30-minute TV show on the 20th anniversary, which aired on a regional network.

A SPECIAL SECTION IN OUR NEWSLETTER

Throughout the year, L'Alouette newsletter published a special supplement on the company's 20th anniversary.



SEPTEMBER / EXHIBITION AT THE LOUIS-ANGE-SANTERRE PUBLIC LIBRARY IN SEPT-ÎLES

This joint collaboration between Alouette and the Sept-Îles public library showcased the history of Alouette and how aluminium is produced.



HONORARY CHAIRS

André Martel, President and CEO, and Claude Gosselin, Vice-President of Human Resources at the time, agreed to preside over two major campaigns: the annual fundraising campaign of the Optimist Club and the 2012 televised radiothon to raise money for the *Élyme des sables* palliative care facility.

Maison Alouette

Maison des Organismes Communautaires de Sept-Îles (M.O.C.S.I.)



\$20K TO MARK 20 YEARS

Alouette made a symbolic contribution of \$20,000 to Maison Alouette, which houses several Sept-Îles community organizations. This sum was in addition to the \$38,000 the company already donates each year, as per its partnership agreement with Maison Alouette. On a related note, Alouette upped its 2012 contribution to the *Élyme des sables* palliative care facility, to \$20,000 as well.

BE A RESPONSIBLE CORPORATION

PARTNERSHIPS / An enduring partnership culture has been established since the beginning of Alouette. Whether it's with the employees, suppliers, shareholders or organizations that stimulate and serve the community, these partnerships are an integral part of Alouette.

RESEARCH PARTNERSHIPS

We have always partnered very closely with our shareholders for research and development purposes. In 2012, we continued to push forward with our joint technical collaborations, primarily with Hydro Aluminium and Rio Tinto Alcan.



DEVELOPMENT PARTNERSHIPS

For a second consecutive year, we bestowed mentions and recognitions on partners that distinguished themselves the most. The award for health and safety and the environment went to *Groupe Trinor*. *Composantes industrielles Wajax* won for continuous improvement. Two companies tied for the overall performance award: *McKeil Marine* and *Pro-flex Côte-Nord*. We added another award in 2012 to acknowledge a company for their exceptional contribution to Alouette's growth over the last 20 years. The recipient was *Équipements Nordiques*, represented by Mr. Bouchard and Mr. Lessard.

UNIVERSITY PARTNERSHIP

The first students enrolled in Université du Québec à Chicoutimi's industrial chair program on the development of carbon anodes got the opportunity to begin applying what they learned. They were able to start bridging fundamental theory with operational application thanks to research projects made possible in part with the cooperation of our process teams. Some of these projects were praised at the Symposi-AI symposium, while others were the subject of presentations, with some going as far as drawing the attention of TV reporters. Alouette not only helps fund this chair, it also brings students together with some of its teams so they can experiment and validate their research.

LOCAL AND REGIONAL PARTNERSHIPS

As always, we invested generously in 2012 in projects that are instrumental to the region's development and vitality. Among these partnerships:



Entente de
développement culturel



Culture,
Communications et
Condition féminine

Québec



OPÉRATION ENFANT SOLEIL AND CENTRAIDE DUPLESSIS,

to which Alouette and its employees once again contributed record sums: over \$200,000 for each organization.



GRAND DÉFI PIERRE LAVOIE,

which Alouette staff took part in for a third consecutive year.



RELAY FOR LIFE,

which 40 Alouette employees attended in Port-Cartier and Sept-Îles for the annual overnight walk.

ALOUETTE - RESPONSIVE TO THE NEEDS OF THE REGION'S ORGANIZATIONS:

- The Scouts movement
- The Children's Wish Foundation
- The Association for the protection of the Moisie River in Sept-Îles
- The Association for the protection of the Rivière-aux-Rochers in Port-Cartier
- The regional Science Fair
- The Orange-Alouette Volley Ball Tournament
- the Raid Aventure Côte-Nord Alouette triathlon



BE COMPETITIVE

YEAR OF OPTIMIZATION / The tough economic situation persisted in 2012, as supply continued to outpace demand. Translating into low prices and high global inventories. Consequently, and with the global economy still in turmoil, financial excellence consists of securing the continuity of the company while continuing to focus on the future.

IMPLEMENTATION OF A NEW TECHNOLOGY

Few companies are solid enough to introduce a new technology in the middle of all this economic uncertainty. Thanks to our operational and financial excellence, and the commitment of our employees and shareholders, we pushed forward by opening the way for AP40LE technology: the pots of tomorrow will produce more while consuming less. Our current technology has attained its limitations, so this advancement could not have been better timed.

UPGRADING THE BLUE HIGHWAY

In 2012, over 80% of the metal we produced was shipped via the Relance deep-water terminal. The “blue highway” is a green solution. Water transportation is also operationally sound as in addition to emitting fewer GHGs, it maintains Route 138 free of congestion. The Port de Sept-Îles is fully aware of this, which is why it is modernizing its facilities in 2013.

YEAR OF SECURING / Ensuring our continuity is also about lowering risk and eliminating losses in order to neutralize at the source anything that could potentially weaken the company.

BETTER RISK MANAGEMENT

We undertook projects that enabled us to move our risk management efforts forward. Reducing the fire risk in the event of a heating oil leak at the Paste Plant is one example. A wide range of risk situations or processes were also reviewed and resolved across all operating sectors and departments.

OPTIMIZED METAL SHIPMENTS

In 2012, Alouette began work aimed at modernizing the process of shipping metal by seaway transportation. These new facilities, which will be up and running in 2013, will help eliminate the majority of the issues caused by the accumulation of ice and snow on the aluminium, while improving loading efficiency.



20 YEARS OF SUSTAINABILITY

Although 2012 marked 20 years since aluminium was cast for the first time at Alouette, the company's firm commitment to sustainability had been seeded in september 1989, when the project had been officially unveiled by the founding shareholders.

Before production was even begun, the company was already making decisions based on the social and environmental impacts of its operations.

A team of Alouette employees competing in a Dragon Boat race, on Lac des Rapides, with profits going to Centraide Duplessis.

MISSION ACCOMPLISHED

- In 2012, Alouette celebrated 20 years of operation and growth. It is the leading smelter in the Americas.
- What's more, Alouette celebrated 20 years of sustainable development that has enabled it to become the world leader in energy efficiency, to surpass expectations in terms of pollutant emissions, to be an exemplary model of workplace health and safety, and to be among the companies most active in their communities.

We owe this exceptional success, acknowledged worldwide, to our employees, business partners and the communities around us that have enabled us to grow while remaining true to our objectives, whether economic, social or environmental.

Alouette and its employees are very active in the community. We continue to be an influential regional partner, and are widely recognized province-wide and internationally.





20 YEARS OF SUSTAINABILITY

OVERVIEW OF A COMPANY THAT HOLD COMMITMENTS

20
YEARS



OF PRODUCTION



450 MARITIME SHIPMENTS OF ALUMINIUM

3,540,000
METAL SAMPLES
TESTED

7,000,000
TONS OF ALUMINIUM



20
YEARS

OF AWARD-WINNING PERFORMANCES



20
YEARS

OF BEST PRACTICES

- Health and safety: **OHSAS 18001**
- Environment: **ISO 14001**
- Environmental testing: **ISO 17025**
- Quality: **ISO 9001**
- Signing of two voluntary **GHG EMISSION REDUCTION AGREEMENTS** with the Government of Québec
- Use of the **ALOUETTE SPIRIT** barge to ship aluminium by seaway transportation (which prevents an average of 30,000 tons of GHGs from being emitted every year)
- Level 3 ICI ON RECYCLE** certification

20
YEARS

OF CONTRIBUTING TO ECONOMIC ACTIVITY

- Over **\$300,000,000** contributed annually to the St. Lawrence North Shore region's GDP
- Over **\$400,000,000** contributed annually to Québec's GDP

20
YEARS

OF CONTRIBUTING TO JOBS AND TRAINING



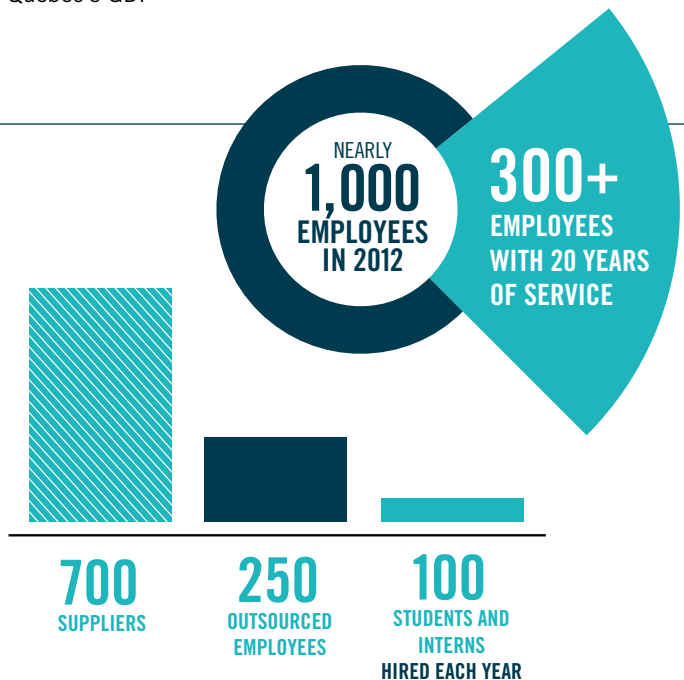
2,000 WORKERS
TOOK PART IN THE CONSTRUCTION
OF PHASES 1 AND 2



2,000 JOBS
GENERATED THROUGH THE PHASE 2
JOB CREATION PROGRAM



1,000,000 HOURS
OF TRAINING PROVIDED



20
YEARS

OF COMMUNITY INVOLVEMENT

NEARLY \$10,000,000 DONATED TO OVER 250 ORGANIZATIONS = OR ABOUT **\$500,000 EACH YEAR**



NEARLY **\$650,000**
donated to Opération Enfant Soleil
jointly with our employees



NEARLY **\$1,000,000**
donated to Centraide Duplessis
jointly with our employees

20 YEARS OF SUSTAINABILITY



1991

Birth of COBRAL social club. Even before the start-up of the plant, Alouette encourages the **creation of a social club** enabling employees to meet and socialize through leisure activities.

1992

After producing its first aluminium, Alouette holds an opening ceremony in September, attended by employees and guests from all over the world.

1996

Four years into its operations, Alouette is **ISO 9002 quality certified** for the first time. Many other certifications would follow, serving as constant recognition of the company's best practice choices.

1993

The year in which the first Forum is held. These management-employee meetings would be repeated every year thereafter as an opportunity to discuss the issues affecting the company in an open and transparent manner. From work organization to the global aluminium market, all topics are fair game, including the Alouette's financial situation.

2000

Already a model of widespread community involvement, Alouette's employees build a **aluminium sundial** and install it at the Old Port of Sept-Îles. That same year, the building housing Sept-Îles community organizations is renamed Maison Alouette, a fitting tribute given Alouette's dynamic, firm and generous involvement.

1991

1992

1993

1996

2000

THE HISTORY OF A BUSINESS

2001

2002

2004

2001

A new slogan emerges, one that will have a lasting influence on the company's plant and office safety efforts: "Your safety, my safety: our responsibility." More than a slogan, it's a way of seeing and doing things. That same year, Alouette earns its first prestigious accolade, **the Mercure Award in the Human Resources Training and Development Category**. This recognition from the FCCQ Federation of Québec Boards of Trade speaks to Alouette's commitment to developing the skills of its employees.

2002

After receiving a new energy block, **Alouette begins its expansion project (Phase 2)**, which immediately upon activation will enable the company to become the leading aluminium smelter in the Americas.

2004

Construction is progressing well and all 330 pots are started up. During this very busy period, an impressive number of employees are deployed to ensure everything is in place to be able to produce **the first aluminium out of Phase 2 by December 2004**.

2005

The Phase 2 start-up process ends. Alouette is producing at full capacity. Different activities are organized for the official inauguration, so employees, shareholders and guests may celebrate the "new" Alouette. **The advent of the Alouette Spirit barge marks a turning point in the transportation of aluminium.** The fostering of water transportation results in fewer trucks using Route 138, and by extension, fewer GHG emissions being released into the air. The "blue highway" becomes a reality.

2006

Alouette earns two key certifications: **OHSAS 18001 for health and safety, and ISO 14001 for the environment.** Despite these international certifications, Alouette continues to play a key role in regional development: **the company makes a sizeable contribution to the FIER Regional Economic Intervention Fund for the St. Lawrence North Shore region**, in order to support aluminium processing firms by participating in profitable investment opportunities and contributing to the economic development of the North Shore Region.

2007

Alouette receives yet another accolade: **the St. Lawrence Award, from the St. Lawrence Economic Development Council.** A recognition directly tied to the decision to endorse all the values associated with promoting the “blue highway.”

2008

Alouette is doubly rewarded. At the **Mercuriades of the FCCQ Federation of Québec Boards of Trade, and the Énergia competition organized by the Québec association for energy management, AQME.** For the former, Alouette wins in the Industrial and Processing Production category. Certainly not a trivial award since the prize underscores Alouette's exceptional achievements in the areas of governance, productivity and human resources management. For the latter, Alouette is a double winner: in the Integrated Management category for its energy efficient performance, and in the Transportation category for its water transportation system and use of the Alouette Spirit barge. That same year Alouette launches “Intervention entre nous,” a program aimed at raising the awareness of each and every employee on the importance of looking after one another's safety. Immensely successful, the program sets the tone for making prevention a central preoccupation for all employees.

2009

Alouette continues to win awards. It earns the CSST Workers Compensation Board regional award for **innovation** for the portable workbench it developed for the Casthouse. It also takes home the Grand prix québécois de la qualité awarded by the Québec Department of Economic Development, Innovation and Export Trade, and **Mouvement québécois de la qualité.** These prestigious distinctions in no way diminish Alouette's commitment: **Alouette signs a new voluntary GHG emission reduction agreement** with the Government of Québec, and renews its cultural agreement (the first of its kind in Québec) with the city of Sept-Îles and the Québec Department of Culture, Communications and the Status of Women.

2006 2007 2008 2009

THAT ALWAYS THINKS FURTHER

2005

2010

2011

2012

2010

New award, new recognition for ingenuity: the CSST Workers Compensation Board bestows its **innovation** award to Alouette for improvements made to the shear-press brake machine used by its central maintenance department. Also, Recyc-Québec grants Alouette its Level 3 **ICI ON RECYCLE** certification.

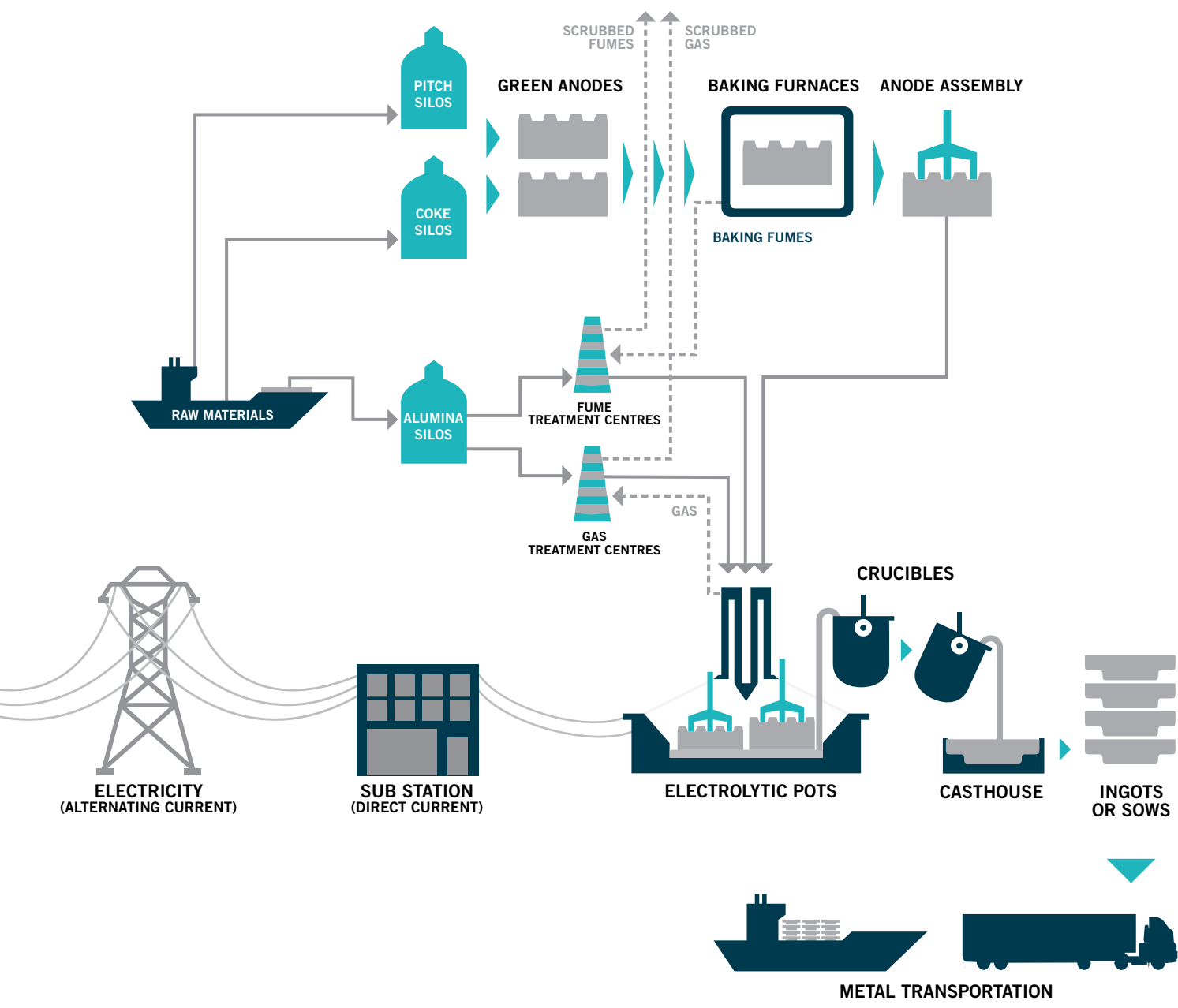
2011

Alouette and *Université du Québec à Chicoutimi* set up an **industrial chair on carbon research.** It is a five-year agreement. Also, the company proudly announces **it surpassed its Phase 2 job creation objective**, one year ahead of schedule. That same year, the Government of Québec grants Alouette an additional energy block to help clear the way for the company's growth and technological development projects.

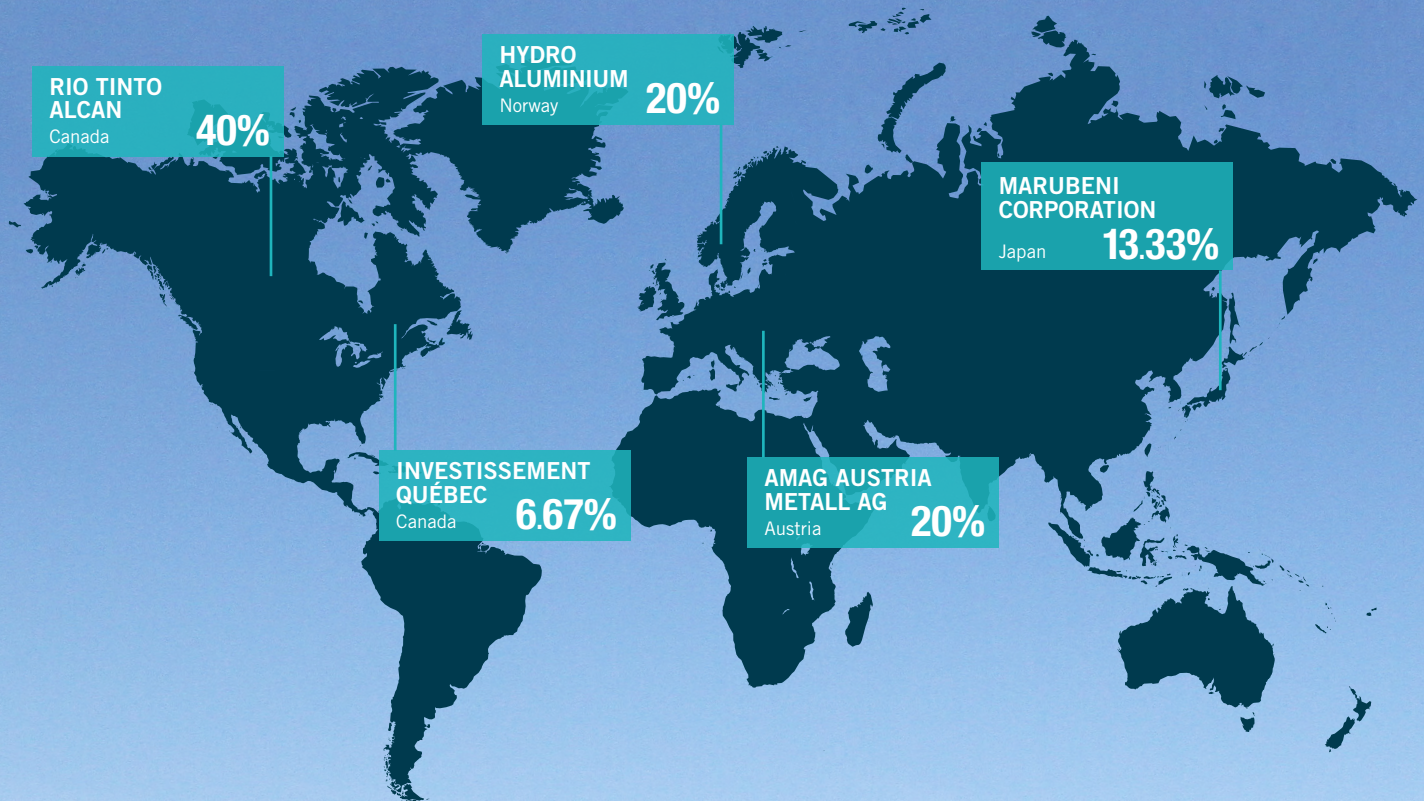
2012

Another prestigious award: Alouette wins the **American Metal Market Award for Aluminum Smelter Excellence in New York.** The award encompasses all the core values Alouette has embraced since its founding, from its quality management approach and active shepherding of human resources, to achieving results and impacting the community by getting involved.

MANUFACTURING PROCESS



ALOUETTE CONSORTIUM







CONCLUSION

“OUR HISTORY SPEAKS TO THE FACT THAT THE COMPANY AND ITS EMPLOYEES HAVE EMBRACED A MINDSET FOR CONTINUALLY SEEKING AND SURPASSING EXCELLENCE. 2012 WAS NO DIFFERENT.”

If our progress has spurred higher production in every sector, it has equally empowered us to maintain our leadership role internationally and to be among the aluminum smelters best prepared to take on the future.

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Production: Aluminerie Alouette inc.
Graphic Design: Gendron Communication
Editing: Go.com and Aluminerie Alouette inc.
Photos: Marie-Anne Bernier, Karine Bond,
Régis Bouchard, Centraide Duplessis, CSST,
Guy Fournier, Michel Frigon, Martin Hyslop,
Mouvement québécois de la qualité,
Chanel Poirier et Hugo Rossignol.

Legal deposit: Bibliothèque et archives nationales 2012
ISSN: 1925-8194 (online English)

Visit our website alouette.com 