

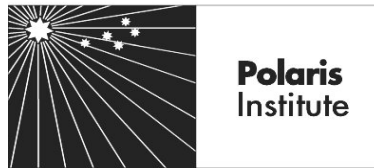
corporate profile

Can Alcan Claim to be the Best?

**It's Corporate and Social Responsibility
In Question**

A Profile of Canadian Aluminum Giant

Alcan



October 2005

**Prepared by Richard Girard
Polaris Institute Researcher**

**With Additional research by Colleen French, Rosa Kouri
Jesse Rosenfeld, and Veronique Roy**

corporate profile

Table of Contents

Introduction	1
Chapter 1: Organizational Profile	2
1.1 Alcan's business structure	2
1.2 Executives	7
1.3 Board of Directors	7
1.4 University Links	9
1.5 Lawsuits.....	9
Chapter 2: Economic Profile.....	11
2.1 Financial data	11
2.2 Main customers.....	12
2.3 Alcan and taxes.....	13
2.4 Corporate welfare	14
2.5 Restructuring	14
2.6 Spin-off of Novelis	14
2.7 Pechiney hostile take-over	15
2.8 New or planned investments	15
2.9 Recent acquisitions	16
2.10 Joint ventures	17
2.11 Main advertising firms.....	17
2.12 Marketing strategies	18
2.13 Alcan's main competitors	19
Chapter 3: Political Profile	20
3.1 Political connections	20
3.2 Business associations	20
Chapter 4: Social Profile	23
4.1 Social track record.....	23
4.1.1 India.....	23
4.1.2 Brazil	28
4.1.3 Cameroon	32
4.1.4 South Africa.....	33
4.1.5 British Columbia, Canada	34
4.2 Environmental track record	35
4.3 Labour track record	36
Chapter 5: Shareholder Profile	38
5.1 Alcan's main institutional investors	38
5.1 Other investors	38
Appendix 1: Relevant quotes.....	40
Appendix 2: Alcan's subsidiaries	42

Introduction

Alcan is a very successful corporation. Since it broke away from U.S. competitor Alcoa in 1928, Alcan has become a billion dollar corporation with a position on the Fortune 500. It has operations in dozens of countries and employs thousands of people worldwide in a diverse range of operations. In 2005 it ranks as one of the top aluminum producers in the world in terms of volume and annual revenue. Alcan has also been successful at constructing an image of itself as a socially and environmentally concerned company. It has undertaken a major overhaul of its public image by committing to lowering its emissions beyond Kyoto levels, donating large sums of money to environmental organizations, lobbying the United States Government for more recycling programs, publishing sustainability reports, joining the United Nations Global Compact, and by taking every opportunity possible to speak about how sustainable and environmentally and socially conscious they are. Alcan's public relations program has been very successful. Despite the company's reality as a leader in a dirty industry (strip mining, smelting, hydro electric dam), well spent money on image provides the veneer of a clean and conscious corporation with impeccably clean hands. In practice, however, Alcan is much less successful at following its own rhetoric.

This profile uncovers Alcan's powerful public relations machine by exposing how, despite all of its talk of sustainability what it is most concerned with is sustaining profit growth and cleaning its image as a destructive corporation. The profile looks at five different aspects of the corporation: how it is organized; its economic situation; how it is connected politically; its social, environmental, and labour track record; and its major shareholders. The Organizational Profile looks at what Alcan actually produces and how the company is structured and organized. This section also profiles Alcan's executive committee and its board of directors. The Economic Profile highlights Alcan's present financial situation, who their main customers are, along with their recent business transactions and future plans. The Political Profile examines Alcan's past and present connections to powerful politicians and international institutions. Alcan's affiliations with renowned greenwashing institutions, such as the United Nations' Global Compact, are discussed in this section. The next section looks at Alcan's social, environmental and labour track record. This section uncovers Alcan's numerous misdeeds in places like Brazil, Cameroon, Canada and India all in the name of higher profits. The company's self-image as a socially and environmentally responsible corporation is also challenged in this section. The profile ends with a fifth section listing Alcan's main institutional investors.

The profile exposes Alcan's dirty side and contradicts the popular and dominant view of the company as socially and environmentally responsible. The five sections of the profile are designed to expose parts of the corporation that are vulnerable to specific corporate campaign strategies. Hopefully this document will be successful in informing the public that Alcan's aim to be the most sustainable and environmentally conscious company will be impossible until it halts its destructive operations in places like India.

1. Organizational Profile

Alcan employs 73,000 employees in 56 countries

Alcan was ranked number 404 on Fortune magazine's 2003 list of the world's largest corporations

Alcan trades on the New York Stock Exchange and the Toronto Stock Exchange under the symbol AL

Track Alcan's stock price at <http://finance.yahoo.com/q?s=AL&d=t>

Head Office

1188 Sherbrooke Street West,
Montreal, Quebec
H3A 3G2
Tel. (514) 848-8000
Fax. (514) 848-8115
www.alcan.com

Mailing address

Alcan Inc.
P.O. Box 6090
Montreal, Quebec
H3C 3A7

Alcan Business Group addresses:

Primary Metal and Bauxite and Alumina

Address same as head office

Engineered Products

7 Place du Chancelier Adenauer
75218 Paris Codex 16
France
Tel. +33 1 56 28 20 00
Fax. +33 1 56 28 33 92

Packaging

Address same as Engineered Products
Fax. +33 1 56 28 33 21

Email contacts

General inquiries: info@alcan.com
Media Relations: media.relations@alcan.com

1.1 Alcan's business structure

Alcan is made up of 4 main business groups responsible for the management of different business units within each group. This section will show how Alcan is an extremely diverse corporation involved in the production and sale of dozens of different products.

Bauxite and Alumina: \$1.5 billion¹ in operating revenues or 6% of total 2004 annual revenue – Bauxite and alumina are the raw materials that go into the production of aluminum. Aluminum can not be found in its pure form and therefore must be produced with bauxite and alumina using a chemical process. The Bauxite and Alumina business group is responsible for obtaining bauxite, either through extraction or purchasing, and then refining it into smelter-grade and specialty aluminas. Smelter-grade alumina is then used in the production of primary aluminum. Alcan's Bauxite and Alumina group is made up of a global network of bauxite mines and refineries which supply the company's Primary Metal group and other customers with smelter-grade alumina. Alcan owns and/or operates eight bauxite mines and deposits along with seven smelter-grade alumina refineries as well as seven specialty alumina plants around the world.

Bauxite mines²

- **Australia**, Northern Territory: Gove bauxite refinery and mine. In 2004 5.8 million tonnes of bauxite were mined at the Gove mine.
- **Brazil**, Amazon: Porto Trombetas mine. The Porto Trombetas mine is owned by the Brazilian company Mineracao Rio do Norte (MNR), which is 13% owned by Alcan. In 2004 Alcan acquired approximately 2.1 million tonnes of bauxite from the mine. Bauxite from the mine is processed at Alcan's Vaudreuil plant in Jonqui re (Quebec, Canada).
- **France**, Montroc/Paulinet fluorspar mine, annual operating capacity is 70,000 tonnes.
- **Ghana**, Awaso mine. The Awaso mine is owned by Ghana Bauxite Co. Ltd., which is 80% owned by Alcan. In 2004, Alcan purchased approximately 0.5 million tonnes of bauxite from the company.
- **Guinea**, Bok  region. Alcan and Alcoa each own 45% of Halco (Mining) Inc., which in turn is a 51% owner of Compagnie des Bauxites de Guin e S.A. (CBG). The Guinea government owns the remaining 49% of the company. In 2004 Alcan purchased approximately 5.7 million tonnes of bauxite from CBG. Bauxite purchased by Alcan from CBG is refined at the Vaudreuil refinery. CBG has an annual operating capacity of 13.5 million tonnes, of which 6.2 million tonnes are reserved for Alcan.

Alumina refineries

- **Australia**, Northern Territory: Gove bauxite refinery and mine and QAL, Gladstone (Alcan holds a 41.4% interest in the Gladstone refinery). In 2004 the refinery produced 2.0 million tonnes of smelter-grade alumina which was used at Alcan smelters in Kitimat (British Columbia, Canada), Iceland, Quebec, Sebree (Kentucky, United States). Alcan is currently planning a \$1.3 billion expansion on its Gove Refinery that would increase its overall bauxite production by 30%.³
- **Canada**, Quebec, Vaudreuil alumina facility at Jonqui re. The Vaudreuil plant obtains bauxite from Brazil, Guinea and Australia.
- **France** – Alcan owns a 100% interest in three plants: Gardanne, Beyrede and La Bathie. In 2004 the total production for the three plants was 6 million tonnes, one third of which was used for smelter grade alumina with the remainder for specialty aluminas.

Primary Metals: \$4.3 in operating revenues or 17% of 2004 annual revenue – This business group encompasses all of Alcan's aluminum and smelting facilities as well as the company's power generation installations. The unit employs 20,000 people worldwide. The Primary Metal

¹ Throughout the profile all dollar figures are in US unless otherwise noted

² All information and data taken from Alcan's 2004 annual report

³ Alcan Investor Report: Bauxite and Alumina, Micheal Hanley, December 7th, 2005.

group produces aluminum in various forms for use in a number of markets including: automotive; beverage; foil; transportation; building; construction; consumer goods; and machinery sectors.

Alcan's aluminum is processed at 24 primary aluminum smelters operated or partially owned by the company. The list below shows the location, percentage of ownership and annual capacity of Alcan's smelters.

Country	Location	% of Ownership by Alcan	Annual Capacity (thousands of tonnes)
Australia	Tomago, New South Wales	51.5	263 (Alcan's share)
Cameroon	Edea (Compagnie Camerounaise de l'Aluminium, Alucam)	47	45 (Alcan's share)
Canada	Alma, Quebec	100	402
	Sept-Iles (Alouette), Quebec	40	98 (Alcan's share)
	Beauharnois, Quebec	100	51
	Bécancour, Quebec	25	102 (Alcan's share)
	Kitimat, British Columbia	100	277
	Grande-Baie, Quebec	100	196
	Latherier, Quebec	100	219
	Shawinigan, Quebec	100	93
	Arvida, Quebec	100	163
China	Qingtonxia	50	75 (Alcan's share)
France	Dunkerque	100	256
	Lannemezan	100	50
	Saint-Jean-de-Maurienne	100	135
Iceland	Reykjavik (ISAL)	100	176
The Netherlands	Vlissingen	85	190 (Alcan's share)
Norway	Husnes (SORAL)	50	82 (Alcan's share)
Switzerland	Steg	100	44
United Kingdom	Lynemouth	100	169
	Lochaber	100	41
United States	Sebree, Kentucky	100	196

Electricity

"The company believes that its competitive standing in aluminum production is enhanced by its ability to supply its own power to many smelters at low cost"

The smelting of aluminum requires an enormous amount of electricity and represents 30-35% of the production costs of primary aluminum.⁵ In order to smelt one tonne of aluminum, between 13.5 and 18.5 megawatt hours of electricity are required to separate the aluminum from the oxygen in alumina. To put this into perspective, in 2004 Alcan smelted 3,435,000 tonnes of aluminum. When multiplied by 16 megawatt hours, this means that Alcan consumed 54,960,000 megawatt hours (or 54,960 gigawatt hours) of electricity in 2004 for the production of aluminum. That is equivalent to the amount of power annually used by 129,014,084 modern energy efficient refrigerators.⁶

⁴ Alcan 2004 Annual Report, p. 44

⁵ Speech by CEO Travis Engen at the 71st Aluminum Association Annual Meeting, October 18, 2004, <http://www.alcan.com/web/publishing.nsf/Content/71st+Aluminum+Association+Annual+Meeting>

⁶ Ontario Ministry of the Environment, Fact Sheet, <http://www.ene.gov.on.ca/envision/news/2004/071901fs1.htm>

Alcan meets its electricity needs through contracts at highly subsidized prices from local utilities or from the generation of power from its own hydroelectric and coal-fired plants. Alcan also sells electricity generated at its Canadian Hydroelectric facilities to various utilities for a large profit. Electricity sales are taking place while production at Alcan smelters in British Columbia and Quebec is being cut back. When the smelters and hydroelectric dams were constructed, Alcan was committed to using the electricity to ensure production would run at full capacity. In the case of Quebec Alcan even managed to gain an exemption for its hydroelectric dams from nationalization in the early 1960s. Workers at Alcan's smelter in Kitimat and representatives from the local community are involved in an ongoing struggle with the corporation to ensure that electricity generated at Alcan's hydroelectric dams is being used to ensure full production capacity at the smelter.

In England and Scotland Alcan operates its own coal-fired and hydroelectric generating plants. In Norway, the Vigeland Metal Refinery (50% owned by Alcan) obtains its power from the Vigeland power stations. Alcan's smelter in the United States purchases power under long-term and short-term contracts. In Iceland Alcan's smelter is supplied power from the national power company, while its Swiss smelter is supplied power under a short-term contract. In France, Alcan's two large smelters are supplied power under long-term contracts, while the smaller smelter is entering the final year of a long-term contract. Alcan's smelter in the Netherlands (85% owned by the company) has a number of short-term contracts. In Australia and Cameroon, Alcan purchases power under long-term contracts.

Please see the Environmental track record section below (see p.35) for a more detailed look at how Alcan's involvement in an energy intensive industry has had a devastating effects on socioeconomic situations in different countries.

Alcan owns and operates the following power generation facilities:

Canada

- British Columbia – Kemano
- Quebec – Chute-des-Passes, Chute-du-Diable, Chute à la Savanne, Isle-Maligne, Chute-à-Caron, and Shipshaw

China – Alcan has a 21.8% interest in the Daba power plant in Ningxia Province.

Norway – Vigeland

United Kingdom

- Lynemouth (coal-fired)
- Highlands Power Stations

Engineered products: \$5.2 billion in operating revenues, or 21% of Alcan's 2004 annual revenue – Alcan's Engineered Products Group, whose headquarters are in Paris, produces composites and manufactures engineered or fabricated aluminum products for a number of different uses. Alcan's Engineered Products Group employs approximately 12,000 employees at 48 production facilities, 50 Service Centre facilities and 37 Alcan International Network commercial offices around the world. The aluminum used to produce engineered products is purchased from Alcan's Primary Metal business group and third party suppliers. The group's product range is divided into the following business units:

- **Aerospace, Transport & Industry (ATI)** – serves customers in aerospace, marine, road and rail transportation and other engineered industries with plate, sheet, hard extrusions and castings. ATI's production facilities are located in **France, Switzerland, United Kingdom and the United States.**
- **Composites** – manufactures multi-material composites for applications including building facades, display and transportation. This unit includes Alcan's subsidiary Alcan-Baltek, which supplies a number of arm manufacturers with materials (see Economic profile below for more details). Composites main plants are located in **China, Brazil, Ecuador, Germany, Switzerland, United Kingdom, and United States.**
- **Cable** – This unit produces cable for the transmission of electricity. Alcan Cable is one of the largest cable manufacturers in North America and supplies many sectors of the electrical industry and utilities, electrical distributors and original equipment manufacturers. Main locations are in **Canada and the United States.**
- **Extruded products** – This unit produces parts for rail cars, buses, the automotive industry as well as industrial components by forcing hot metal through a die to create

- profiled shapes. Plants are located in the **Czech Republic, France, Germany and Switzerland.**
- **Automotive structures** – This unit serves the automotive industry. Main production facilities are located in **Canada, Germany, Slovenia and the United States.**
 - **Service Centres** – The Service Centres offer various forms of services for local customers including cutting, shaping, machining, and assembling. Alcan's Service Centre's are located in **Austria, Belgium, France, Germany, Hungary, Italy, the Netherlands, Portugal, Romania, Slovenia, Spain, Switzerland and the United Kingdom.**
 - **Alcan International Network** – This sales organization is made up of 37 offices in 36 countries that sell and source products in 60 countries. It provides marketing and sourcing services for Alcan Business Groups and third party customers. Alcan Engineered Products has offices in the following countries: **Algeria, Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Egypt, France, Germany, Greece, Hungary, Italy, Japan, Korea, Mexico, The Netherlands, Norway, Philippines, Portugal, Romania, Russia, Singapore, South Africa, Spain, Thailand, Turkey, United Arab Emirates, the United Kingdom and the United States.**
 - **Ventures** – This unit comprises of different smaller operations offering products such as capacitor foil, refrigeration panels and composite structures for transportation.
 - **Specialty Sheet** – This unit serves customers in the can stock, bright sheet, closures, automotive, building, foil stock and standard rolled products sectors with coils and sheet.

Packaging: \$6.1 billion in operating revenues or 25% of Alcan's 2004 annual revenue – This Group, whose headquarters are in Paris, manufactures packages for the food, pharmaceutical & medical, beauty & personal care and tobacco industries. Alcan's Packaging Group offers products using plastics, engineered films, aluminum, paper, paperboard and other materials. This group generated more revenue than any other for the company in 2004. The Packaging Group is divided into six sectors and employed 34,000 people:

- **Food Packaging Europe; Food Packaging Americas; Food Packaging Asia** – These three sectors manufacture a number of packaging products for the food, meat, dairy and beverage industries. The sectors provide supply packaging around the world for the following markets: beverages, biscuits/cookies/cereals, confectionery, dairy, fresh and frozen food, instant products, pet food, retorted foods and snacks.
- **Global Pharmaceutical Packaging** – Alcan is one of the world's largest suppliers of packaging to the pharmaceutical industry. Products include flexible packaging, caps and closures, contract packaging, folding cartons, glass vials, ampoules and tubing products, aluminum cans and bottles.
- **Global Beauty Packaging** – Alcan is also one of the world's largest suppliers of beauty packaging products for make-up, fragrance and personal care markets.
- **Global Tobacco Packaging** – The company is a large and important supplier of packaging products, including folding cartons, flexible packaging, inner bundling and decorated tinsplate containers, to the global tobacco industry. On its website, Alcan calls itself the second largest producer in Tobacco packaging, although other sources cite that Alcan is ranked No. 1 in tobacco packaging⁷.

Alcan's Packaging Group has 179 plants located in 27 countries:

- **Food Packaging Europe** has plants in the following countries: Czech Republic (1), France (11), Germany (5), Ireland (1), Italy (4), Morocco (1), the Netherlands (1), Portugal (1), Spain (4), Switzerland (2), Turkey (1), the U.K. (2), Chile (1) Canada (1) and the United States (1)

⁷ "CB Richard Ellis Awarded Global Transaction Management Assignment for Alcan, Inc." Business Wire, Feb. 9, 2005.

- **Food Packaging Americas** has plants in the following countries: Argentina (2), Brazil (1), Canada (2), Mexico (2), France (1), the U.K. (1) and the United States (19)
- **Food Packaging Asia** has plants in the following countries: China (4), Indonesia (1), New Zealand (1), Philippines (1) and Thailand (2)
- **Global Pharmaceutical Packaging** has plants in the following countries: Belgium (1), Brazil (1), Canada (1), China (1), France (7 plants), Germany (1), Italy (1), Puerto Rico (2), Switzerland (1), the U.K. (1), the U.S. (20)
- **Global Beauty Packaging** has plants in the following countries: Brazil (2), Canada (1), Czech Republic (2), France (15), Germany (1), Indonesia (1), Italy (5), Mexico (3), Poland (1), Spain (2), the U.K. (1) and the U.S. (5)
- **Global Tobacco Packaging** has plants in the following countries: Canada (1), Germany (1), Kazakhstan (1), the Netherlands (2), Turkey (1), the U.K. (20), the U.S. (2)

1.2 Executives and their salaries

Executive	2004 Salary (including bonus and other annual compensation)
Travis Engen, President and Chief Executive Officer	\$3,879,854
Michael Hanley, Executive Vice President and (interim) Chief Financial Officer	n.a.
David McAusland, Executive Vice President, Corporate Development and Chief Legal Officer	n.a.
Daniel Gagnier, Senior Vice President Corporate and External Affairs	n.a.
Gaston Ouellet, Senior Vice President, Human Resources	n.a.
Richard Evans, Executive Vice President	\$2,403,021
Jacynthe Côté, Executive Vice President, President and Chief Executive Officer of Bauxite & Alumina	n.a.
Cynthia Carroll, Senior Vice President and President and Chief Executive Officer of Primary Metal	\$1,481,942
Michel Jacques, Senior Vice President and President and CEO of Engineered Products	n.a.
Christel Bories, Senior Vice President and President and CEO of Packaging	n.a.

[Source: Alcan Inc. Proxy Circular 2005]

1.3 Board of Directors

Roland Berger – Director since 2002

Berger is the non-executive Chairman of Munich-based Roland Berger Strategy Consultants, a leading global strategy consultant.

L. Denis Desautels – Director since 2003 – Contact information at the University of Ottawa: Tel: (613) 562-5800, ext. 1653, email: cldenis@uOttawa.ca

Desautels is Executive-in-residence at the School of Management of the University of Ottawa. He was Auditor General of Canada from 1991 to 2001, prior to which he had been a senior partner of the accounting firm of Ernst & Young LLP. Desautels is Chairman of the Laurentian Bank of Canada, a Director of The Jean Coutu Group (PJC) Inc. and of Bombardier Inc. He is also a member of the Accounting Standards Oversight Council of the Canadian Institute of Chartered Accountants.

Travis Engen – Director since 1996

Engen has been President and CEO of Alcan since March 2001. Prior to joining Alcan on 12 March 2001, Engen was Chairman and Chief Executive of ITT Industries, Inc. since 1995. He is a former member of the U.S. Government's Defense Business Board. He is also a Director of Lyondell Chemical Company and the Canadian Council of Chief Executives and is Chairman of the International Aluminium Institute.

L. Yves Fortier – Director since 2002

Fortier is Chairman of the Board of Alcan and is the Chair and senior partner of the law firm Ogilvy Renault in Montreal. From 1988 to 1992, he was Ambassador and Permanent Representative of Canada to the United Nations. Fortier is also a Governor of the Hudson's Bay Company and a Director of Nortel Networks Corporation, NOVA Chemicals Corporation and the Royal Bank of Canada.

Jean-Paul Jacamon – Director since 2004

Jacamon is non-executive Chairman of Bonna Sabla and of Gardiner Group. He was previously Chief Operating Officer and Director of Schneider Electric from 1996 to 2002. He is also a Director of Le Carbone Lorraine, STACI and AMEC plc.

William R. Loomis – Director since 2002

Loomis is Limited Managing Director of Lazard LLC, where he was formerly Chief Executive Officer from November 2000 to December 2001. He was previously Managing Director of Lazard LLC from June 1995 to November 2000. He is a Director of Ripplewood Holdings LLC.

Yves Mansion – Director since 2004

Mansion is Chief Executive Officer of Société Foncière Lyonnaise and a member of the French Collège de l'Autorité des Marchés Financiers. He was Group Managing Director of Assurances Générales de France from 1990 to 2001. Mansion is a member of the supervisory board of Euler Hermes and Deputy Director of l'Entreprise de Recherche et d'Activités Pétrolifères.

Christine Morinpostel – Director since 2003

Morin-Postel was, until 2003, Executive Vice-President in charge of human resources at Suez Group. She was previously Chief Executive Officer of Société Générale de Belgique from 1998 to 2001. Morin-Postel is a Director of Arlington Capital Europe, 3i Group plc and Pilkington plc.

J.E. Newall – Director since 1985

Newall is Chairman of NOVA Chemicals Corporation and of Canadian Pacific Railway Limited; he was Vice-Chairman and Chief Executive Officer of NOVA Corporation from 1991 to 1998. He is a Director of Maple Leaf Foods Inc. and the Royal Bank of Canada.

Dr. H. Onno Ruding – Director since 2004

Dr. Ruding is a former Minister of Finance of the Netherlands and was an Executive Director of the International Monetary Fund in Washington, D.C. and a member of the Board of Managing Directors of AMRO Bank in Amsterdam. He is the former Vice Chairman of Citicorp and Citibank, N.A. Dr. Ruding serves as a Director on the boards of Corning Inc., Holcim AG and RTL Group and is President of the Centre for European Policy Studies (CEPS) in Brussels. Dr. Ruding is also a member of the international advisory committees of Robeco Group and the Federal Reserve Bank of New York.

Guy Saint-Pierre – Director since 1994

Saint-Pierre was Chairman of the Board of the Royal Bank of Canada until his retirement on 27 February 2004. He was President and Chief Executive officer of SNC-Lavalin Group Inc. from 1989 to 1996 and Chairman from 1996 to 2002. Mr. Saint-Pierre is a Director of General Motors of Canada and the Institute for Research on Public Policy.

Gerhard Schulmeyer – Director since 1996 – Contact information at the Massachusetts Institute of Technology: Tel: (617) 253-7483 Fax: (617) 253-2326, email: gerhard@mit.edu

Schulmeyer is Professor of Practice at the MIT Sloan School of Business. From 1998 until 2001, he was President and Chief Executive Officer of Siemens Corporation. He serves on the boards of Zurich Financial Services, Ingram Micro Inc., and Korn/Ferry International as well as the international advisory board of Banco Santander Central Hispano.

Paul M. Tellier – Director since 1998

Tellier is the former President and Chief Executive Officer of Bombardier Inc. From 1992 to 2002, he was President and Chief Executive Officer of the Canadian National Railway Company. He is a Director of McCain Foods, Bell Canada and BCE Inc.

**Milton K. Wong – Director since 2003 – Contact Information: President' s Office
Simon Fraser University, 8888 University Drive, Burnaby, British Columbia, Canada V5A 1S6, Tel: (604) 291-4641, Fax: 604.291.4860**

Wong is Chairman of HSBC Asset Management (Canada) Limited and Chancellor of Simon Fraser University in British Columbia (until June, 2005). He serves as a Director on the boards of the Aga Khan Foundation Canada, the Canada-U.S. Fulbright Program, The Canadiana Fund, The Canadian Institute for Advanced Research, Genome BC, Mr. and Mrs. P.A. Woodward's Foundation, the Pierre Elliott Trudeau Foundation and Stem Cell Network. He is the founder and past-Chairman of the Laurier Institution, a non-profit organization for advancing knowledge of the economics of cultural diversity.

1.4 University links

École Polytechnique de Montréal – Alcan's serves as the Industrial Chair on Safety of Concrete Dams.⁸

Massachusetts Institute of Technology – Alcan Board member Gerhard Schulmeyer is a Professor of Practice at the MIT Sloan School of Business.

McMaster University – In 2002 Alcan donated \$1 million to the Faculty of Health Sciences. Alcan also supports McMaster's Centre for Automotive Materials (MCAM). The Centre is also supported by the Ontario Research and Development Challenge Fund, the Canaa Foundation for Innovation, the Natural Sciences and Engineering Research Council and Materials and Manufacturing Ontario⁹.

Simon Fraser University – Alcan Board member Milton Wong serves as Chancellor at Simon Fraser University.

Université d'Ottawa – Alcan Board member Denis Desautels is the Executive-in-Residence at the School of Management of the University of Ottawa.

L'Université de Québec à Chicoutimi (UQAC) – UQAC is hosting a major research project that included the planning of the new Alma smelter.

1.5 Lawsuits

- In early 2004 Alcan paid \$13.6 million to the United States Environmental Protection Agency to cover environmental cleanup costs at two sites in Northern New York State. Alcan's US subsidiary, Alcan Aluminum Corporation, was originally charged by the United States Justice Department in 1987. One of the sites was a waste incineration facility that Alcan operated in the early 1970s. The soil is now contaminated with PCBs. Alcan also

⁸ *CADAM Information*, École Polytechnique de Montréal. See website: <http://www.struc.polymtl.ca/cadam/index2.htm>, accessed on March 14th, 2005.

⁹ "Development of new materials for automobiles powers research in new McMaster centre," Shelly Easton, *McMaster Courier*, January 15th, 2001. Available from: <http://www.mcmaster.ca/ua/opr/courier/jan1501/news.html>, accessed on March 23rd, 2005.

stored similar waste at the other site during the same time period.¹⁰ The responsibility for this case was assumed by Novelis in 2004.

- In 1997 A subsidiary of the now bankrupt Enron Corporation purchased a portion of Alcan's contract to supply power from its Kemano power complex in British Columbia to B.C. Hydro's affiliate, Powerex Corporation (Powerex). After Enron's collapse in late 2001, the subsidiary was unable to fulfill its contract with Powerex leaving Alcan with over \$100 million (U.S.) in power obligations. In late 2004 Alcan agreed to repay Powerex \$110 million (U.S.) to settle the dispute.¹¹
- In January 2004 the District of Kitimat (where Alcan operates a smelter) asked the Supreme Court of British Columbia to stop Alcan from selling power from its Kemano power plant to third parties.¹² The District says that Alcan's power sales are in contravention of the Industrial Development Act and the terms of the company's water license that give it access to the headwaters of the Nechako River for the purpose of aluminum smelting. Alcan uses the electricity from its power plant to run its aluminum smelter, but also sells electricity from the plant to third parties including B.C. Hydro. The Mayor of Kitimat says that the sale of power is costing local jobs even though Alcan was given rights to a public resource at a low cost in order to operate their smelter at full capacity.¹³ The District of Kitimat is challenging Alcan's desire to sell power instead of using to ensure that the smelter operates at full capacity thus averting mass layoffs. In January 2005 the B.C. Supreme Court announced that the District of Kitimat does not have legal standing to pursue court action against the company. In response to the ruling the Mayor of Kitimat said that "Aluminum production in Kitimat is very profitable, but power sales are even more profitable. Now the company [Alcan] wants to keep the resource and sell the power, reneging on its contractual commitment to the jobs and economic benefit for which the resource was exchanged."¹⁴ The District vowed to continue the legal fight.
- New Jersey – AlcanCorp is a third party defendant in a suit seeking response costs initiated by the State of New Jersey in 1995. AlcanCorp allegedly used a disposal company that dump hazardous material in a landfill site in Pennsauken.¹⁵
- France – In 1999, a site owned by one of Alcan's French subsidiaries, Lawson Mardon Trentesaux SA, was investigated. The land was found to be contaminated by solvent, fuel and chemical products resulting from engraving and packaging activities.¹⁶

¹⁰ "EPA: Alcan pays nearly \$14 million for hazardous waste cleanup in Oswego and Fulton", The Associated Press and Local Wire, March 24, 2004

¹¹ Alcan's 2004 annual report, p. 90

¹² "Kitimat District accuses Alcan of reneging on contract", Financial Post, January 17, 2004

¹³ "District of Kitimat and Ville de Saguenay comment on Alcan power sales", Canada NewsWire, March 10, 2004

¹⁴ "B.C. Supreme Court denies Kitimat's right to standing on Alcan power sales issue", Canada NewsWire, January 14, 2005

¹⁵ Alcan's 2004 Annual Report, p. 35

¹⁶ *ibid*

2. Economic Profile

2.1 Financial Data

Data	2004	2003	% change
Revenue	\$24.88 billion	\$13.85 billion	% 79
Profit	\$258 million	\$64 million	% 303
Total debt	\$9.40 billion	\$9.54 billion	% (1.4)
Total equity and invested capital	\$31.32 billion	\$30.90 billion	% 1.3

[Sources: Alcan 2004 Annual Report, Wall Street Journal]

Alcan's revenues by market

Market	Percentage of 2004 annual revenue	Percentage of 2003 annual revenue
Building and construction	6%	8%
Electrical	3%	4%
Beverage cans	10%	14%
Transportation	8%	7%
Aluminum Ingot	17%	18%
Packaging	37%	29%
Other	19%	20%

[Source: Alcan 2004 Annual Report, p. 33]

Alcan's Third-Party Revenues by Business Group, 2004

(Third-Party Revenues refers to revenues from outside customers, not transactions within Alcan Business Groups)

Business Group	2004	2003
Bauxite and alumina	1.50 billion	539 million
Rolled products Europe	3.21 billion	2.45 billion
Primary metal	4.27 billion	2.64 billion
Rolled Products Americas and Asia	4.38 billion	3.52 billion
Engineered products	5.16 billion	1.76 billion
Packaging	6.11 billion	2.86 billion
Adjustment for equity-accounted joint ventures	(40) million	18 million
Other	263 million	36 million
Total annual revenue	24.88 billion	13.85 billion

[Alcan's 2004 Annual Report, p.41]

Bauxite and Alumina

Close to 60% of the alumina purchased and produced by Alcan is used to meet the corporation's own smelting requirements. The remaining 40% is sold to third parties. Alcan currently holds 10% of the world alumina market and 10% of the world bauxite market. The company is interested in building a bauxite mine in Orissa (India) because it has the potential for a very low investment and operating cost per tonne of high quality bauxite.

2.2 Main Customers

Aerospace:

Customers include: Boeing, ATR, Dassault, Embraer, Eurocopter, Sonaca, Socata,¹⁷ and Airbus (Alcan is the lead supplier of aluminum plate for Airbus' new super jumbo aircraft, the A380¹⁸). Alcan's aerospace market revenues¹⁹: 74% commercial; 10% regional, business, jets and others; **16% military and space**. Geographically: 74% Europe, 20% North America, 6% Asia

Weapons manufacturers

In 2004 Alcan's Engineered Products Business group Aerospace business unit generated \$1.15 billion in operating revenue. Sixteen percent of this total came from sales to customers in the military and space industries. This financial data is not insignificant, and given that Alcan claims to be a "key supplier to both European and North American military markets", it is clear that the company is involved in the arms trade. Through a company acquired in 2003, Baltek, Alcan is supplying some of the world's largest builders of military equipment. Some of Baltek's main customers include:

Northrop Grumman – In 2004 Northrop Grumman selected Alcan-Baltek's structural foam core material for use on its Multirole Electronically Scanned Array (MESA) radar. The radar is mounted on top of a Boeing 737 aircraft and is designed for Airborne Early Warning & Control (AEW&C).

Boeing – Alcan-Baltek's lightweight balsa compound is used in the engine intake of Boeing's proposed X32 fighter jet.

Lockheed Martin – Alcan-Baltek supplies Lockheed Martin with structural foam core material for use in the construction of NASA's next generation space shuttle.²⁰

Alcan's involvement with the arms industry is in contradiction of their image as a sustainable and caring corporation.

Automotive:

Customers include: Audi, BMW, Buick, Cadillac, Chevrolet, Chrysler, Ferrari, Ford, GMC, Jaguar, Land Rover, Lincoln, Mercedes-Benz, Morgan, Oldsmobile, Opel, Peugeot, Porsche, Pontiac, Renault, Saab Scania, Skoda Auto, Volvo, Volkswagen²¹.

Revenues by Customer 2003: Audi (17%), DC (16%), GM (8%), VW (7%), Kirchoff (6%), SAS (6%), VDO (4%), BMW (4%), Tomos (3%), TRW (3%), Strojmetal (2%), Magna (2%), Other (22%)²².

Food Packaging:

Customers include: Heinz, Cadbury Schweppes, Coca-Cola²³, UB, Nestle²⁴, Danone, Pepsico²⁵, Unilever, Kraft, Mars Incorporated, P&G, LVMH (Moet Hennessy, Louis Vuitton)²⁶.

¹⁷ See website: <http://www.alcanautomotive.com/overview.html>, accessed on March 14th, 2005.

¹⁸ Alcan Inc 2004 Annual Report, p. 47.

¹⁹ *Alcan Investor Workshop: Alcan Engineered Products*, Michel Jacques, December 7th, 2004.

²⁰ For more information on Lockheed Martin please visit the Polaris Institute website:

http://www.polarisinstitute.org/corp_profiles/public_service_gats_pdfs/lockheed.pdf

²¹ See website: <http://www.alcanautomotive.com/partnerships.html>, accessed on March 14th, 2005.

²² *Alcan Investor Workshop: Alcan Engineered Products*, Michel Jacques, December 7th, 2004.

²³ For more information on The Coca-Cola Company please visit the Polaris Institute website:

http://www.polarisinstitute.org/corp_profiles/public_service_gats_pdfs/coca_cola.pdf

²⁴ For more information on Nestle please visit the Polaris Institute website:

http://www.polarisinstitute.org/corp_profiles/public_service_gats_pdfs/nestle_feb_05.pdf

²⁵ For more information on Pepsico please visit the Polaris Institute website:

http://www.polarisinstitute.org/corp_profiles/public_service_gats_pdfs/pepsi_jan_05.pdf

Pharmaceutical Packaging:

Customers include: BD, GlaxoSmithKline, MERCK, Novartis, Pfizer, Sanofi Aventis Group, Wyeth, Aventis, Bayer, Bristol-Myers Squibb²⁷.

Beauty Packaging:

Customers include: L'Oreal, LVMH, Estée Lauder, Gucci Group, YSL Beaute, Revlon, Chanel, Wella, Beiersdorf, Puig Beauty & Fashion Group, Avon, Boots, Schiseido, P&G, Victoria's Secret, O Boticario, Yves Rocher.²⁸

Tobacco Packaging:

Customers include: British American Tobacco, Philip Morris International, Philip Morris USA, Imperial Tobacco, Reemtsma, JTI, RJ Reynolds Tobacco Holdings, Rothmans Inc., Altadis, Gallaher Group Plc.²⁹

Alcan and big Tobacco

Alcan is one of the biggest suppliers of packaging to the large multinational tobacco companies. Alcan's packaging division is in the process of expanding its operations into China, Eastern Europe, Southeast Asia, Latin America and Russia. This strategy follows the lead of the big tobacco multinationals who are investing in these regions. In a recent press release President and Chief Executive Officer of Alcan Packaging Christel Bories said that the company's "major tobacco customers are investing heavily in South-East Asia and it is important for us to grow our local manufacturing presence to better serve their needs."³⁰

2.3 Alcan and taxes

Companies like Alcan are always looking for ways to avoid paying taxes. One way to do this is to incorporate subsidiaries inside countries where the company pays little or no taxes. Countries like this are known as 'tax havens'. Leo-Paul Lauzon, who recently published a study on Alcan's tax payment history, says that over 200 Alcan subsidiaries are incorporated in tax havens.³¹ He says that by incorporating subsidiaries in tax-havens Alcan is transferring its profits offshore where the company does not have to pay income taxes. If Alcan incorporates a subsidiary in a foreign country with little or no income taxes, the subsidiary does not have to pay taxes. Alcan is therefore legally allowed to become incorporated in a low-tax country, obtain a mailing address and avoid paying taxes on foreign income. In a recent study Lauzon found that Alcan paid no income tax between 1999 and 2003. Instead, he says that the company received \$140 million in income tax returns. In addition, Lauzon found that Alcan has \$1.5 billion in deferred income tax,

²⁶ Alcan Investor Workshop, Alcan Packaging, Christel Bories. December 7th, 2004, [http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/\\$file/2004_Investor_Day_Presentation-Packaging_Final.pdf](http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/$file/2004_Investor_Day_Presentation-Packaging_Final.pdf)

²⁷ Alcan Investor Workshop, Alcan Packaging, Christel Bories. December 7th, 2004, [http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/\\$file/2004_Investor_Day_Presentation-Packaging_Final.pdf](http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/$file/2004_Investor_Day_Presentation-Packaging_Final.pdf)

²⁸ Alcan Investor Workshop, Alcan Packaging, Christel Bories. December 7th, 2004, [http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/\\$file/2004_Investor_Day_Presentation-Packaging_Final.pdf](http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/$file/2004_Investor_Day_Presentation-Packaging_Final.pdf)

²⁹ Alcan Investor Workshop, Alcan Packaging, Christel Bories. December 7th, 2004, [http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/\\$file/2004_Investor_Day_Presentation-Packaging_Final.pdf](http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Investors-Presentations/$file/2004_Investor_Day_Presentation-Packaging_Final.pdf)

³⁰ "Alcan Acquires Tobacco Packaging Operation in Malaysia", Alcan Press Release, April 18, 2005, <http://www.alcan.com/web/publishing.nsf/Content/Alcan+Acquires+Tobacco+Packaging+Operation+In+Malaysia>

³¹ From May 2, 2005 interview on "The Current", Canadian Broadcasting Corporation Radio One, <http://www.cbc.ca/thecurrent/2005/200505/20050502.html>

which is similar to a permanent loan where Alcan pays no interest and will never have to pay.³² Please see Appendix 2 on page 40 for a complete list of Alcan's subsidiaries.

2.4 Corporate Welfare

Most of Alcan's financial help from governments comes in the form of subsidized electricity rates. Some cases include:

- **Kitimat** – At Alcan's operations in Kitimat, British Columbia, B.C. Hydro pays the water rental fees on the water the company uses to generate electricity at its Kemano hydroelectric dam.³³
- **Cameroon** – Alcan's electricity costs for their smelter in Cameroon are subsidized by local ratepayers. The smelter pays discounted prices for the electricity required for operation while local residents pay higher rates. This in a country where the vast majority of people do not have access to electricity. See the Social Profile below for details about Alcan's Cameroonian operations.

2.5 Restructuring

*"As we flow into 2005, much more of the synergies will be coming from restructuring and people reductions. And in fact, of course, we have accounted for the social plan costs"*³⁴ Dick Evans, Alcan Executive Vice President:

- In late 2004, Alcan announced restructuring efforts at nine European sites. Alcan committed to a plan to sell two high purity businesses in France. Alcan is actively pursuing potential purchasers and expects the sales to be completed by the end of 2005. The restructuring efforts also include the downsizing of four sites: Lafon in Italy, Kolin in the Czech Republic, Froges (pharmaceutical workshop) in France and Alcan Mass Transportation Systems (AMTS) business unit in Zurich, Switzerland, as well as three plant closures: Flemalle in Belgium, Cruseilles in France, and Garbagnate in Italy. The downsizing will result in cutting approximately 520 jobs in Europe (Alcan presently employs 46,000 people in Europe and said the cuts will be partially offset by the expected creation of 40 new jobs in France and Switzerland)³⁵.
- On August 19, 2004, Alcan announced a proposal to consolidate its U.K. aluminum sheet rolling activity at its plant in Rogerstone, Wales. Production ceased at the rolling mill in Falkirk, Scotland in December 2004 and the rolling mill is expected to close during the first quarter of 2005. Sixty-five employees were terminated as at December 31, 2004³⁶.

2.6 Spinoff off Novelis

On January 6, 2005, Alcan completed the spin-off of Novelis Inc. (Novelis) to its shareholders. Novelis consists of substantially all of the aluminum rolled products businesses held by Alcan prior to its 2003 acquisition of Pechiney, together with "some of Alcan's alumina and primary metal-related businesses in Brazil, which are fully integrated with the rolled products operations

³² ibid

³³ Wozney, R., "Mayor's Report", March 14, 2005,

http://www.city.kitimat.bc.ca/whatsnew/alcan_power_sales/mayor_messages/20050314_mayors_report.pdf

³⁴ Alcan Inc. Earnings Conference Call, FD (Fair Disclosure) Wire, February 8, 2005

³⁵ "Alcan Reports Fourth Quarter Results," Canada NewsWire, Tuesday, February 8, 2005

³⁶ "Alcan Reports Fourth Quarter Results," Canada NewsWire, Tuesday, February 8, 2005

there, as well as four former Pechiney rolling facilities in Europe...³⁷ The spin-off makes beverage-can sheets and other products for companies like Coca-Cola Co.³⁸

2.7 Pechiney Hostile Take Over

In December 2003, Alcan completed a \$4.4 billion acquisition of Pechiney, the French Aluminum Group³⁹. Alcan has absorbed Pechiney's operations, and gained a significant foothold in the aeronautics industry (including supplying Airbus). Industry experts estimated that the merged group would see its share of the European market "exceed 70 per cent in some areas of production". They calculate that it may attain "around 80 per cent of the European market for aluminium boxes, 60 per cent of the market for rolled products for the automotive sector, and a 40 per cent share of European production of narrow strip products".⁴⁰

2.8 Some of Alcan's New or Planned Investments:

May 2005: United States – In May 2005, Alcan signed an exclusive supply agreement with U.S. tobacco giant R.J. Reynolds Tobacco Company (RJR). Alcan will supply RJR Tobacco with printed tobacco packaging including folding cartons and labels. Alcan will build a new facility close to RJR Tobacco's plant in Winston-Salem, North Carolina.⁴¹

April 2005: Malaysia – Alcan acquired the tobacco packaging interests of CM Printing Sdn Bhd (CMP) in Malaysia. The move is a further step in Alcan's strategy of establishing its packaging operations in emerging markets.⁴²

March 2005: China – Alcan purchased a packaging manufacturing site in the Suzhou region of China. The site will be equipped to produce plastic and aluminum packaging for make-up and personal care products for the company's global customers and the local market. Production will begin by the end of 2005.⁴³

January 2005: Russia – In January 2005 Alcan announced that it will invest \$55 million in Russia's packaging market by building and equipping two new plants near Moscow and St. Petersburg. The Moscow plant will focus on flexible packaging for the confectionary and dairy markets and the St. Petersburg plant will produce tobacco packaging. A company press release stated that "these projects are a part of Alcan Packaging's strategy to develop its geographic footprint in growing economies."⁴⁴

³⁷ "Alcan Reports Fourth Quarter Results," Canada NewsWire, Tuesday, February 8, 2005

³⁸ "Alcan tightens focus," Cheryl Meyer, Daily Deal, Friday, December 24, 2004

³⁹ "Ratings Review: Dec. 10, 2003" Daily Deal/The Deal, Thursday, December 11, 2003

⁴⁰ "Pechiney Employees Warn Against Eu Haste In Decision On Takeover By Alcan (Les Salaries De Pechiney Veulent Un Examen Approfondi De L'offre Alcan)" Global News Wire Europe Intelligence Wire, Le Monde, Financial Times Information Limited, September 27, 2003

⁴¹ "Alcan Secures Exclusive Tobacco Packaging Supply Agreement With R.J. Reynolds", Alcan Press Release, May 2, 2005,

<http://www.alcan.com/web/publishing.nsf/Content/Alcan+Secures+Exclusive+Tobacco+Packaging+Supply+Agreement+With+R.J.+Reynolds>

⁴² "Alcan Acquires Tobacco Packaging Operation in Malaysia", Alcan Press Release, April 18, 2005,

<http://www.alcan.com/web/publishing.nsf/Content/Alcan+Acquires+Tobacco+Packaging+Operation+In+Malaysia>

⁴³ "Alcan Purchases Manufacturing Site in China for Beauty and Personal Care Products", Alcan press release, March 22, 2005,

<http://www.alcan.com/web/publishing.nsf/Content/Alcan+Purchases+Manufacturing+Site+in+China+for+Beauty+and+Personal+Care+Products>

⁴⁴ "Alcan To Invest US\$55 Million In Growing Russian Packaging Market", Alcan press release, January 1, 2005,

<http://www.alcan.com/web/publishing.nsf/Content/Alcan+To+Invest+US%2455+Million+In+Growing+Russian+Packaging+Market>

September 2004: Australia – Alcan announced in September 2004 the expansion of the Gove aluminum refinery in Northern Australia. The \$1.3 billion expansion would increase the refinery's production by 30%.⁴⁵

June 2004: Oman – In June 2004 Alcan announced the signing of a Memorandum of Understanding with the Oman Oil Company (OOC) and with the Abu Dhabi Water and Electricity Authority (ADWEA) for a 20 percent equity interest in the development of a proposed aluminum smelter project in Sohar, Oman. The smelter would have a 330 kiloton per year capacity. Construction is expected to begin in the second half of 2005 and be operational by the end of 2007.⁴⁶

June 2004: South Africa – On June 29, 2004, Alcan announced that “Alcan officials and a South Africa delegation are continuing to examine the best value-creating alternatives offered by the aluminum smelter project originally proposed by Pechiney in Coega, South Africa.”⁴⁷

May 2004: Guinea – In May 2004 the world's largest aluminum producers, Alcan and Alcoa, signed a memorandum of understanding with the Guinean government to build a 1.5 million tonnes per year alumina refinery. Alcan holds a 43% interest in Halco Mining Inc, Its joint venture with Alcoa, which owns 51% of the Guinean mining company Compagnie de Bauxites de Guinea (CBG). The remaining 49% of CBG is owned by the government of Guinea. CBG has exclusive rights through 2038 to Guinea's bauxite reserves and resources in a 10,000 mile area in the northwestern part of the country. CBG's open pit mine operations in Guinea constitute the biggest bauxite mining complex in the world.⁴⁸

March 2004: China – On March 10, 2004, Alcan announced it had secured the necessary regulatory and government approvals to move forward with the definitive joint venture agreement with Qingtongxia Aluminum Company and the Ningxia Electric Power Development and Investment Co. Ltd. In the Agreement, Alcan will invest up to “\$150 million for a 50% participation and a secure power supply in an existing 150 000 tonnes modern pre-bake smelter located in the Ningxia autonomous region in China”. The agreement also includes giving Alcan a “substantial operating role and the option to acquire, through additional investment, up to 90% of a new 250 000-tonne potline already under construction.”⁴⁹

2004: Ghana - Alcan currently operates a bauxite mine in Awaso, Ghana through the Ghana Bauxite Company⁵⁰. In 2004, Alcan bought the remaining 35% shares in the Ghana Bauxite Company from the Ghanan Government.⁵¹

October 2003: Malaysia – On 8 October 2003, Alcan announced that it had increased its ownership position in the Aluminium company of Malaysia (ALCOM) from 36% to 59%. At the time, Alcom employed 360 people at its Bukit Raja operation near Kuala Lumpur.⁵²

2.9 Recent Acquisitions (excluding Pechiney)

⁴⁵ Alcan Investor Report: Bauxite and Alumina, Micheal Hanley, December 7th, 2005.

⁴⁶ “Adwea In \$ 2b Oman Smelter Deal” Global News Wire - Asia Africa Intelligence Wire, Financial Times Information, Al Nisr Publishing LLC, February 24, 2005

⁴⁷ *Alcan Report to the Securities and Exchange Commission – Form 10-Q*, For the quarterly period ended September 30, 2004. p.9.

⁴⁸ “Commodities: Market Review: Aluminium – Guinea”, Global News Wire - Asia Africa Intelligence Wire Copyright 2004, Financial Times Information, Africa Research Bulletin (ARBE), November 16, 2004.

⁴⁹ *Alcan Report to the Securities and Exchange Commission – Form 10-Q*, For the quarterly period ended September 30, 2004. p.9.

⁵⁰ *Alcan Inc. 2003 Annual Report*.

⁵¹ “Ghana: Economy Turned Around?” Global News Wire - Asia Africa Intelligence Wire, Financial Times Information, Blackwell Publishers Ltd, Africa Research Bulletin (ARBE), November 16, 2004.

⁵² *Alcan Report to the Securities and Exchange Commission – Form 10-K*, For the fiscal year ended 31 December 2003. p.9

- On March 5, 2003, Alcan Inc. announced that it had entered into agreements to acquire Baltek Corporation, the world's leading supplier of balsa-based structural core materials, for approximately \$35 million.⁵³ Alcan's 2004 Annual Report cites that this transaction cost \$38 million.⁵⁴
- On September 25, 2003, Alcan announced that it had agreed to acquire the Uniwood/Fome-Cor Division of Nevamar for US\$95 million (Uniwood/Fome-Cor was one of the largest U.S.-based manufacturers of foam-based display boards).⁵⁵
- In April 2003, Alcan acquired VAW Flexible Packaging (FlexPac) from Norsk Hydro at a cost of \$302 million.⁵⁶ FlexPac included 14 plants in 8 countries and 5,400 employees. As a result of acquiring Flexpac, Alcan also acquired 63% of the total issued share capital of Strongpack Plc in Thailand, and went on to acquire an additional 12% of Strongpack in June 2003.⁵⁷
- In September 2002, Alcan acquired a 40% ownership in the Aluminerie Alouette consortium.⁵⁸

2.10 Investment in unconsolidated affiliates (Joint ventures)⁵⁹

Sor-Norge Aluminium AS (50%)
 Aluminium Norf GmbH (50%)
 Consortium Strojmetal A.S. Kamenice & Alcan Singen GmbH (50%)
 Rhenaroll S.A. (50%)
 Halco (Mining) Inc. (45%)
 Queensland Alumina Limited (41%)
 Alcan Propack Chengdu Co. Ltd. (26%)
 Mineracao Rio Do Norte S.A. (13%)
 Petrocoque S.A. – Industria E Comercio (25%)
 Pechiney Reynolds Quebec Inc. (50%)
 Alucam – Compagnie Camerounaise de l'Aluminium (46.67%)
 Socatral – Societe Camerounaise de Transformation de l'Aluminium (29.96%)
 Airlessystems (50%)
 Alcan Ningxia Aluminium Company Limited (50%)
 Euronorca Partners (50%)

2.11 Main Advertising Firms

Cossette Communications Group – Group members Optimum Public Relations and Fusion Alliance Marketing list Alcan as a major client. Cossette's other clients include Bell Canada, Coca-Cola Ltd., General Motors of Canada, The Home Depot, McDonald's Restaurants of Canada, Memorial Sloan-Kettering Cancer Center, MasterCard, Molson Breweries, Nike Canada, Petro-Canada, The Phoenix Company, Shoppers Drug Mart/Pharmaprix and TD Waterhouse Inc.⁶⁰

⁵³ "Alcan Inc - Acquisition of Baltek Corp." Company News Feed formerly Regulatory News Service ,AFX News Limited, Thursday, March 6, 2003

⁵⁴ Alcan Inc 2004 Annual report, p. 41

⁵⁵ "Alcan Inc - Growth cont. with acq.Uniwood" Company News Feed formerly Regulatory News Service AFX News Limited, September 25, 2003

⁵⁶ Alcan Inc 2004 Annual Report, p. 41

⁵⁷ Alcan Inc 2004 Annual Report, p. 83

⁵⁸ Alcan Inc 2004 Annual Report, p. 85

⁵⁹ Alcan's 2004 Annual Report P. 77

⁶⁰ "Cossette Communication Group Acquires Majority Stake in Award-winning U.S. Public Relations Firm PainePR", Canada NewsWire Ltd. Monday, October 4, 2004

Marketexplorers has completed marketing research for Alcan (other customers include RBC Royal bank, Shaw Cable, Western Canada Lotteries, The Insurance Corporation of B.C. and The Future Shop).⁶¹

Strawberry Creative Agency, a London based marketing company, cites Alcan as one of its customers. Its other customers include Fujitsu, BMW, HSBC Bank, Motorola, Pharma Marketing Academy, and Umbro.⁶²

Smith and Haroff, a public relations (including political/lobbying issues) firm based in the US, has worked with Alcan.⁶³

LVBA Communications created an “Alcan Good Citizen Guide” in 2000, and highlighted corporate social responsibility in Brazil.⁶⁴

Low & Associates Inc., A Washington-area Public Relations Firm, has been linked to Alcan⁶⁵.

Tecsult, A Quebec Engineering firm, managed a public-participation program associated with the implementation of an Alcan aluminum smelter in Alma (Quebec)⁶⁶.

Alcan has been a client of **Public Relations Partners**, a firm based out of Cleveland⁶⁷.

2.12 Marketing Strategies

According to an investor's meeting with Merrill Lynch in December 2004, Alcan' s management is targeting a 35% debt to total equity ratio⁶⁸, and is planning to double the value of the company every five years.⁶⁹ “Merrill Lynch said Alcan is counting on a further upturn in the Business cycle by remaining in high-margin upstream businesses (alumina and aluminum) and in high-margin downstream markets (aerospace and exterior auto sheet applications), which are capital-intensive”⁷⁰. With its spin-of of Novelis, Alcan is further focusing on “its bauxite and alumina, primary aluminum and high-growth packaging and engineered products businesses”⁷¹. According to Merrill Lynch, “Alcan continues to restructure its portfolio assets by closing/consolidating facilities, including workforce reduction, and investing on the primary side where there exist power and raw material advantages”⁷². Merrill Lynch is looking for Alcan to seek “upstream growth” through “greenfield and brownfield”⁷³ expansions”, following an investor meeting with Alcan in December, 2004⁷⁴. Alcan Packaging has stated the goal of changing their “geographical footprint” and building a “significant presence in Eastern Europe, Russia, China,

⁶¹ “Survey shows overwhelming Canadian Support for bid to host 2010 Winter Olympic and Paralympic Games”, PR Newsire Europe, Monday, February 24, 2003

⁶² Strawberry Media Portfolio, Available from: <http://www.strawberrymedia.com/2005.3/english/contact.asp>, accessed on March 21, 2005

⁶³ Smith and Haroff website, Available from: http://www.smithharroff.com/clients_corporate.htm, accessed on March 21, 2005

⁶⁴ LVBA website. Available from: http://www.lvba.com.br/english/cases/case_alcan06.html, accessed on March 21st, 2005

⁶⁵ “Largest Public Relations Firms In The Metro Area”, Available from: <http://www.bivings.com/news/ranking1999.html>, accessed on March 21, 2005

⁶⁶ “Tecsult Communications”, Available from:

<http://www.tecsult.com/Page/Anglais/Secteurs/Economie/Communication.htm>, accessed on March 21, 2005

⁶⁷ “PRP Firm Profile 2004”, Available from: www.prpartners.com/Documents/PRPProfile.pdf, accessed on March 21, 2005

⁶⁸ This ratios indicates how much the company is leveraged (in debt) by comparing what is owed to what is owned. A high debt to equity ration could indicate that the company may be over-leveraged, and should look for ways to reduce its debt.

⁶⁹ “Alcan to seek upstream growth...” Metals Week, The McGraw-Hill Companies, December 13, 2004

⁷⁰ “Analyst views mixed on benefits of Alcan rolled spin-off” Metals Week, The McGraw-Hill Companies, Inc., May 24, 2004

⁷¹ “Alcan tightens focus,” Cheryl Meyer, Daily Deal, Friday, December 24, 2004

⁷² “Alcan to seek upstream growth...” Metals Week, The McGraw-Hill Companies, December 13, 2004

⁷³ A brownfield expansion is an investment that provides incremental capacity to an existing smelter. A Greenfield expansion is one that involves investment in building a new plant. Alcan Inc. 2004 Annual Report, p. 114

⁷⁴ “Alcan to seek upstream growth...” Metals Week, The McGraw-Hill Companies, December 13, 2004

select Southeast Asian countries, Mexico and Brazil⁷⁵. Alcan's language in investor workshops focuses on "geographic expansion in eastern Europe and China", "innovation" and "portfolio enrichment through acquisitions and divestments"⁷⁶.

2.13 Alcan's major competitors

Primary Metal and Bauxite and Alumina:

- Alcoa (based out of USA),
- Rusal and Sual (based out of Russia),
- GAPCO (Japan)

Alcan Packaging⁷⁷:

Food Flexible:

- Europe: Amcor, Sealed Air, Constantia, Huhtamaki
- Americas: Bemis, Sealed Air, Winpack, Printpack
- Asia: Dai Nippon, "Locals"

Pharmaceutical:

- Flexibles: Constantia, Amcor
- NA Plastics: Owens, Druif Plastics
- Glass Tubing: Schott, Gerresheimer
- Medical Flexible: Amcor, Bemis

Beauty:

- Tubes: Tupack, Betts, Essel
- Rexam, Risdorm, Alpla

Tobacco:

- Europe: Amcor, Field, Westvaco, Mayr Melnhof
- Americas: IP Shorewood, RJR
- Asia: Amcor

Alcan Aerospace⁷⁸:

- Alcoa
- Corus

Alcan Composites⁷⁹:

- Alcoa
- Reynolds
- Mitsubishi (in the Asia/Pacific Region)

⁷⁵ Alcan Investor Workshop, Alcan Packaging, Christel Bories. December 7th, 2004

⁷⁶ Alcan Investor Workshop: Alcan Engineered Products, Michel Jacques, December 7th, 2004

⁷⁷ Alcan Investor Workshop, Alcan Packaging, Christel Bories. December 7th, 2004

⁷⁸ Alcan Investor Workshop: Alcan Engineered Products, Michel Jacques, December 7th, 2004

⁷⁹ Alcan Investor Workshop: Alcan Engineered Products, Michel Jacques, December 7th, 2004

3. Political Profile

3.1 Political Connections

Travis Engen, President, CEO and Director, Alcan – Engen is a former member of United States Defense Secretary Donald Rumsfeld's Defense Business Board. Rumsfeld set up the Board, which consists of twenty business executives, to provide the Defense Department with advice on management improvements in the interests of the Department of Defense. The objective of the Board is to enhance the effectiveness of organizational support to the United States' military.

Daniel Gagnier, Senior Vice President, Corporate External Affairs, Alcan – Gagnier has held a number of positions with the Government of the Province of Saskatchewan and the Federal Government of Canada. From 1972 to 1982 Gagnier occupied various diplomatic positions with Canada's Department of External Affairs in Mexico, the United Kingdom, Yugoslavia and Ottawa. Between 1982 and 1984 he was the executive director of the Canadian Unity Information Office, part of the federal Department of Justice, following which he was appointed by the Privy Council Office as assistant secretary to the Cabinet (Communications). In 1985, Mr. Gagnier joined the Saskatchewan Government as deputy minister, economic development and trade, a position he held until 1987.⁸⁰

Brenda Pulley, Vice President, Government Affairs, Alcan Aluminum Corporation (Alcan's U.S. subsidiary) – Prior to joining Alcan Pulley served as Legislative Assistant to Ike Skelton, member of Congress from Missouri. She has also worked as Legislative Assistant for the U.S. House of Representatives Subcommittee on Small Business.

Onno Ruding, Member of Alcan's Board of Directors since 2004 – Ruding is a former Minister of Finance of the Netherlands and formerly worked as an Executive Director of the International Monetary Fund (IMF).

3.2 Big business associations

Alcan is a member of the following industry associations. The company's affiliation with these lobby groups provides them with the ability to influence policy makers in Canada, the United States and around the world. In addition to the groups listed below, Alcan is a member of industry associations in the packaging industry.

Aluminum Association⁸¹ – The Aluminum Association is a lobby group that represents the interests of the primary producers of aluminum, aluminum recyclers and producers of fabricated products. Amongst other things, this group lobbies the United States Government on behalf of the aluminum industry to keep energy prices for aluminum producers low.

Aluminium Association of Canada⁸² – The Aluminum Association of Canada (AAC) represents the interests of the Canadian aluminum industry. The AAC is made up of three member companies: Alcan, Alcoa and Alumineries Alouette Inc.

Aluminum Federation Ltd.⁸³ (**ALFED**) – The Aluminum Federation represents the interests of the UK aluminum industry. Its mission is to promote the interests of its members and to expand

⁸⁰ Standards Council of Canada, of which Daniel Gagnier is Chairman.
http://www.scc.ca/en/about/governance/council/councilmemberdetails_16.shtml

⁸¹ <http://www.aluminum.org/>

⁸² <http://aac.aluminium.qc.ca/anglais/>

⁸³ <http://www.alfed.org/xpor/home>

the market for aluminum products in the UK. The Aluminium Federation has a very strong influence among dozens of members of the British parliament, with whom they interact on a regular basis regarding issues concerning the aluminum industry in the UK. In 2001, the group managed to withdraw a climate change levy that was imposed on aluminum producers by the British Government (starkly contradicting Alcan's position on lowering emissions). They pursued the matter by lobbying members of parliament. David Harris commented on this lobby effort saying that the "government has understood our point of view and later withdrew the levy."⁸⁴ Alcan Smelting & Power UK's W.E. Jones serves as Vice President on Alfed's Council.

Canadian Council of Chief Executives (CCCE) – Alcan CEO Travis Engen is a member of the CCCE, he is also one of the group's directors. The CCCE is Canada's largest and most powerful business lobby group. It lobbies for the interests of its membership made up of Canada's largest corporations many of which are subsidiaries of foreign multinationals. Headed by Thomas D'aquino and formerly known as the Business Council on National Issues (BCNI), the CCCE played a key role in spearheading the original free trade agreement between Canada and the United States. Recently the CCCE has been pushing for even greater economic integration with the United States through its North American Security and Prosperity Initiative (NASPI), a five point plan of action to secure the free movement of goods, capital and services across borders. Through their membership in the CCCE, Alcan has access to the highest level of policy makers in the Canadian Government.

Canadian Manufactures and Exporters (CME)⁸⁵ – The CME is the leading business network in Canada, representing 90% of Canada's Exports and 75% of manufacturing. They are the main business lobby pushing of the FTAA and the WTO in Canada, including the General Agreement on Trade in Services (GATS) agenda. They advocate for government to set an agenda that is "business friendly" (i.e. ripe for corporate profits). They offer their members "meetings", "friendships", and "incredible access" to top government officials. Daniel Gagnier, Alcan's Senior VP for corporate and external affairs, is the Chair of the CME.⁸⁶

European Aluminium Associations (EAA)⁸⁷ – The EAA is a lobby group that represents the interests of the Aluminum industry in Europe. Its membership is made up of corporations, national associations, the Organisation of European Aluminium Smelters and Refineries and the European Aluminum Foil Association. The EAA's objective is to help the aluminum industry grow in European markets and to maintain and improve the image of the industry. In February 2005 the EEA began lobbying the European Union to act on high energy prices.⁸⁸

International Aluminum Institute (IAI)⁸⁹ – The IAI is the global forum of aluminum producers. It promotes the wider use of aluminum worldwide. Alcan CEO Travis Engen is the IAI's Chairman. Over the past four years the IAI has been publishing studies and reports designed to construct an environmentally friendly profile of the aluminum industry.

United Nations Global Compact – Alcan became a participant of the United Nations Global Compact in 2004. The Global Compact is an agreement based on ten principles of human rights, environmental protection, labour rights and corruption designed to promote 'responsible corporate citizenship'.⁹⁰ The Global Compact is a voluntary initiative which is not defined as a binding set of regulations nor as a code of conduct for companies. UN Secretary General Kofi Annan defines the Global Compact as a dialogue forum to promote mutual learning among corporations. To become members of the Global Compact, a corporation's CEO must send a letter to Secretary

⁸⁴ "Gulf should form regional aluminium body", Gulf News, November 14, 2001

⁸⁵ The CME's website is, <http://www.cme-mec.ca/>

⁸⁶ For more information on the CME visit the Polaris Institute's website, http://www.polarisinstitute.org/polaris_project/public_service/lobby_cartels/CME.htm

⁸⁷ <http://www.eaa.net/>

⁸⁸ Hollinger, P., "Alcan' s Europe smelters hurt by energy costs", The Financial Times, April 18, 2005

⁸⁹ <http://www.world-aluminium.org>

⁹⁰ United Nations Global Compact Website, <http://www.unglobalcompact.org/Portal/Default.asp?>

General Kofi Annan expressing support for the Compact and its principles, set in motion changes to business operations so that the Compact will become part of the company's business strategy, culture and day-to-day operations. Compact members are also expected to publicly advocate the Global Compact through press releases and speeches. In a statement released by EarthRights International in June 2004 in response to the UN's Global Compact Leaders' Summit, the group said that the Global Compact "cannot adequately address corporations' negative social and environmental impact...[it] distracts Governments and the UN from necessary steps to establish an effective intergovernmental framework on corporate accountability...[it] provides little but a public relations cover for global corporate malefactors."⁹¹

World Business Council for Sustainable Development (WBCSD) – The WBCSD is a coalition of 170 international companies who claim to be committed to sustainable development through "economic growth, ecological balance and social progress". Alcan CEO Travis Engen sits on the WBCSD's Executive Committee. The WBCSD's mission is to "provide business leadership as a catalyst for change toward sustainable development, and to promote the role of eco-efficiency, innovation and corporate social responsibility". The WBCSD is a notorious "greenwasher", responsible for presenting itself and its members as environmentally friendly and compassionate. It sees large corporations as the best avenue for 'sustainable development' and believes that companies like Alcan should be the leaders in meeting the United Nations' Millennium Development Goals (MDGs). The WBCSD is a strong advocate for public-private partnerships. The group's membership boasts such environmentally and socially responsible corporations as, British Petroleum, The Coca-Cola Company, Chevron/Texaco, Shell and Suez.⁹²

World Economic Forum (WEF) – Alcan CEO Travis Engen chairs the World Economic Forum's (WEF) Water Initiative. The WEF's Water Initiative is designed to facilitate corporate involvement in water resources management and promotes market based strategies for water management for the benefit of the private sector. Through Engen's involvement with the water initiative, Alcan is contributing to the WEF in its mission to advance neoliberal economic policies and the interests of its members made up of the world's largest corporations. Two thousand political, business and academic elites meet in Davos Switzerland for the WEF's annual meetings. The WEF takes credit for launching the Uruguay Round of the General Agreement on Trade and Tariffs which led to the creation of the World Trade Organization.⁹³

⁹¹ "Joint civil society statement on the Global Compact and corporate accountability", June 23, 2004, <http://www.earthrights.org/news/ngogcstatement.shtml>

⁹² the World Business Council for Sustainable Development's 2004 Annual Report, <http://www.wbcscd.ch/web/publications/ar2004.pdf>

⁹³ New Internationalist Magazine, "The Naked Lobbyist", New Internationalist, No. 347, July 2002

4. Social Profile

4.1 Social track record

This section exposes how Alcan has had major problems in a number of their operations around the world.

4.1.1 India⁹⁴

“Alcan is pleased to be collaborating with Hindalco on this Project as, like Alcan, the Aditya Birla group is driven by a Corporate Social Responsibility (CSR) perspective and a performance ethic pegged on value creation for its multiple stakeholders...Alcan has a successful track record for such joint ventures (including in Australia, Brazil [see section below] and Africa) based on its global experience of working in more than 55 countries and regions. As for Utkal, the partners...share the same commitment to moving forward with a Project that is economically, socially and environmentally sustainable well into the future.”⁹⁵

Alcan has had operations in India since 1938. The company's latest project in India in the eastern state of Orissa – a joint venture project with Indian corporation Hindalco – has had major problems since its beginning in 1993. This section provides a look at the main timelines and players involved in Alcan's operations in Orissa. The final section on ongoing resistance campaigns against Alcan's involvement provides an important resource for those interested in joining the struggle to get Alcan out of India, or for those looking for more information on the controversy surrounding the company's operations in the country.

Kashipur block in the Rayagada district of Orissa contains one of the largest deposits of bauxite ores in the world. For a company that relies on cheap and abundant sources of bauxite for their overall operations, the deposits in India are incredibly desirable. In 1993, a consortium of private companies, collectively known as UAIL (Utkal Alumina International Ltd), was formed to initiate a project to extract these ores and produce alumina. UAIL was initiated as a joint venture between Indal (India), Tata Industries (India), Norsk Hydro (Norway) and Alcan (Canada).⁹⁶ The project, which is slated for an area chiefly occupied by Adivasis (indigenous people of India), will lead to large scale displacement and loss of livelihood for the local population. The project, part of a broader program of industrialization in the state, will also result in massive environmental degradation. The people of Kashipur have opposed the project since its inception and their ten year struggle against the project culminated in deadly violence when police fired on a crowd of unarmed protesters killing three people.

The local population and opponents to the project say that India's constitution and Supreme Court rulings protect tribal areas from being expropriated by corporations. The state government, however, claimed the land as theirs and then handed the concession to Utkal Alumina International Ltd. (UAIL) Alcan, meanwhile, has consistently painted a picture of an accepting and gracious local population eager for the project to go ahead. Alcan has also been successful in hiding behind its rhetoric on corporate social responsibility and sustainable development in order to gloss over its participation in this destructive project.⁹⁷

⁹⁴ The information in this section is taken directly from the Alcan't in India Campaign website, <http://www.saanet.org/alcant/context.htm#details>

⁹⁵ Please see Alcan's recently posted Frequently Asked Questions and Powerpoint Presentation dealing with the project on their website for details: <http://www.alcan.com/web/publishing.nsf/Content/Joint+Venture+in+Orissa>

⁹⁶ See the Organizational Profile for more details regarding Alcan's financial interest in the project.

⁹⁷ Please see Alcan's recently posted Frequently Asked Questions and Powerpoint Presentation dealing with the project on their website for details: <http://www.alcan.com/web/publishing.nsf/Content/Joint+Venture+in+Orissa>

Alcan's operations in India since 1938

The following is a time-line of Alcan's various projects in India and their percentage ownership:

1938 – Alcan becomes a 50.5% owner of the Indian Aluminium Company, Limited (Indal). From 1938 until 1979 Indal was responsible for: starting a sheet mill at Belur; building India's first smelter at Alupram; building an aluminum refinery at Alupram; building a smelter at Hirakud; building a foil mill at Kalwa; building a smelter and alumina refinery at Belgaum; building a sheet mill at Taloja; purchased a powder and paste plant at Kalwa; starting research laboratories at Belgaum and Taloja.

1987 – Alcan reduces its equity in Indal from 50.5% to 39.6%.

1992 – Alcan, Indal and Tata sign a memorandum of understanding for the Utkal Project's joint feasibility study. The project plans to build a bauxite mine and refinery in India's Orissa Province. At this point Alcan was not an equity partner in the project.

1994 – Alcan reduced its equity in Indal to 34.6%. Norsk Hydro joins the Utkal Project as an equity partner.

1995 – Alcan joins the Utkal Project as an equity partner (Indal 20%, Tata 20%, Norsk Hydro 40% and Alcan 20%)

1998 – Tata leaves the Utkal Project and Alcan increases its equity to 35%. Later that year Alcan increased its equity in Indal from 34.6% to 54.6%.

2000 – Alcan sells its entire 54.6% stake in Indal to Indian giant Aditya Birla Group's Hindalco Industries Limited.

2003 – Norsk Hydro leaves the Utkal Project after heavy pressure from Norwegian civil society groups. Aditya Birla Group/Indal now owns a controlling 55% in the Utkal Project. Alcan increases its stake from 35% to 45%.

2005 – Indal and Hindalco merge, thus Hindalco (Aditya Birla Group) owns a 55% interest in the Utkal Project.

[source: Alcan's website, <http://www.alcan.com/web/publishing.nsf/Content/Joint+Venture+in+Orissa>]

Police repression

On December 16, 2000, armed police entered the village of Maikanch during a meeting of villagers opposed to the mine, and opened fire. Three people died and 8 others were injured during the attack. That day approximately 4000 people from 15 villages were holding a meeting in Maikanch to plan a roadblock for December 20. Two platoons of police arrived at the meeting scaring most of the terrified villagers into the surrounding hills. The few women that stayed behind were informed by the police that they were there with orders to fire saying that they would not spare the remaining women and their children if they did not ask the male villagers to return to the village. During the incident a 55 year old woman was assaulted by the police. Hearing the uproar the men returned from the hills and were immediately met with gunfire from the police. The police and the regional police claimed that they had been attacked by the villagers forcing the police to open fire.⁹⁸

The killings triggered a judicial inquiry that drove Alcan to declare a moratorium on the mine. Three years later the judicial inquiry gave Alcan the green light to proceed with the project despite finding that there was an excessive use of police force and insufficient resettlement aid for the Adivasis. The inquiry said that the project should go ahead concluding that the local population "cannot afford to remain backward for the sake of so-called environmental protection."⁹⁹

Police repression continued in late 2004 when community members who were protesting the construction of police barracks. On December 2nd 2004, approximately 150 people – primarily women – were sitting and protesting near the spot where the foundation for the barracks had been dug. The police, who numbered between 500 and 600, ordered the protesters to disperse so that a local politician could inaugurate the construction. The protesters refused to leave and

⁹⁸ "Tribal people in India confront Alcan investment: three die", MiningWatch Canada, January 17, 2001, http://www.miningwatch.ca/publications/Utkal_UA.html

⁹⁹ Regg Cohn, M., "Indian villagers set to battle Alcan", Toronto Star, July 3, 2004

were subsequently fired upon with teargas and then charged by the police who proceeded to beat the villagers with sticks. A number of people were injured.¹⁰⁰

A December 3rd 2004 report from Independent Media states that “District Administration and police have unleashed a reign of terror in the Kashipur area.”¹⁰¹ Since the December 2nd incident the entire proposed project area had been sealed off by the administration and the police and no media or outsiders were allowed to enter the villages that would be affected by the project. Police have also reportedly resorted to indiscriminate violence against adivasis in the area.¹⁰²

On December 16, 2004, the anniversary of the 2000 killings, a number of local politicians and elected members of the state of Orissa legislation were arrested. Journalists accompanying the delegation were beaten up and one person’s video camera was taken.¹⁰³ Repression and silencing of the media has continued in the area since the beginning of the year. In one case in May 2005, an Indian filmmaker was roughed up by police while filming a peaceful demonstration against the project in Tikiri (eastern Kashipur region). The filmmaker was filming a roadblock when a number of police rushed him and attempted to take his camera from him. After seizing the camera the police threw it on the ground and kicked it to pieces.¹⁰⁴

Why is the project harmful for the people?

Displacement and loss of livelihood: The people of Kashipur have been farming their land for centuries. Depriving them of their land would make them destitute since they do not have any other avenue for earning a living. Tens of thousands of people will be displaced by this project. If it goes ahead it will completely wipe out a self-sustained community.

Facts on displacement: Adivasis constitute less than 8% of India’s population but account for more than 40% of India’s displaced. Conservative estimates place the number of people displaced by “development” projects in India (since 1947) to 33 million. Approximately 1.4 million people have been displaced by such development projects in Orissa since 1947. Mining projects in Orissa have displaced 50,000 people and new projects are expected to displace at least another 100,000 people.

Loss of indigenous culture: The community would be splintered and leading to a loss of indigenous culture. The loss of community would also lead to increased insecurity for women and children. The people will lose Baphlimali hill to the mining project, which is sacred to the people since they believe it to be the abode of the goddess Baphlimali.

Environmental impact

The bauxite mining technique proposed in Kashipur is extremely harmful for the environment. Effluent discharge – a by-product of bauxite refining is red mud – will be disposed of using red mud stacking in an enclosed area giving rise to at least 125 tons of caustic soda a day. The waste will be dumped into two streams that are the major key sources of water for the villages in the surrounding area. Such large amount of alkaline deposit will raise the pH of the water, making it unfit for consumption. Agriculture and aquatic life downstream will be severely affected.¹⁰⁵

¹⁰⁰ Huika, B., “Behind firing at Kashipur again” Independent Media, December 3, 2004, <http://prod.india.indymedia.org/en//2004/12/209923.shtml>

¹⁰¹ “Reign of terror in Kashipur: People pay the price as the CM wants to inaugurate UAIL plant in January, 2005”, Independent Media, December 3, 2004

¹⁰² “Kashipur: Industrialization through the barrel of a gun”, Independent Media, January 31, 2005, <http://prod.india.indymedia.org/en//2005/01/210041.shtml>

¹⁰³ *ibid*

¹⁰⁴ “Reporters Without Borders criticises assault on filmmaker”, Indo-Asian News Service, June 3, 2005

¹⁰⁵ Refer to <http://www.saanet.org/kashipur/images/lake.jpg> for an image of a waterbody polluted by the NALCO mining project in the vicinity of Kashipur

Ash disposal from power generation – In order to generate the enormous amount of power needed for the project coal fired power generators will require 2800-3000 tons of coal per day. This is expected to generate 900-1000 tons of ash per day that will be dumped into an ash pond.¹⁰⁶

Overburden dumping – According to the environmental clearance given by the government, the company does not have to take care of overburden dumping for the first five years. It is expected that the overburden will be dumped on the slopes of the mined area leading to siltation of streams, damage of slopes and cultivable lands.

Violation of fundamental rights – The fifth schedule of the Indian constitution guarantees the rights of indigenous people over their natural resources and land. The adivasis will lose land that belongs to them according to the Indian constitution.

No tangible benefits for the people – This is a 100% export-oriented mining project. All the alumina produced will be exported since India is self sufficient in its aluminium production. There are no plans for Kashipur after the mining is over.

Timeline of Important Events

1993

Utkal Alumina Industries Ltd. (UAIL) established to exploit bauxite reserves in Kashipur region of Orissa, India.

2000

December 16: Three villagers killed by state police who opened fire on a crowd following a meeting of the anti-mining movement the previous day.

December 29: Inter-village council (Gram Sabha) convened where elected officials from 22 of the 24 "officially project affected" villages pass resolution opposing the mine.

2001

Early January: 10,000 local people gather in Kashipur and proclaim, "We are not afraid to die, we will not leave our land [for this bauxite project]."

January 20: Orissa Government initiates Judicial inquiry to investigate shootings, UAIL project construction delayed until release and approval of judicial enquiry.

December 17: Lead investor Norsk Hydro decides to divest its share from the project. Alcan eventually takes over a portion of Norsk's investment in 2003, giving Alcan a total 45% share and Indal (Alcan's former Indian subsidiary) holding the remaining 55%.

2003

October 16: Press leak reports that Orissa Government approves the findings of the inquiry into killings and gives company go ahead. Extract from the summary: "[The] Commission has expressed its doubt about the stated purpose of the visit of Police force to Maikanch on 16th December, 2000, that it was to maintain law and order... excessive force was used in that as many as 19 rounds were fired."

November 5: Hindu Business Line: Indal CEO Dr. S.K Tamotia "hopeful that it's ongoing...alumina project in Orissa will be completed without further delay."

2004

April 14th: In a Economic Times article, " Officials in the Orissa government confirmed that Utkal Alumina International (UAIL) has started rehabilitation and resettlement work at the plant and mining sites."

October 19th: A 5,000 strong demonstration is held in Orissa, by the people's movement against UAIL, demanding once more that the project be cancelled altogether.

November 25th: Chief Minister (head of state) of Orissa, Shri Naveen Patnaik, gives clear instructions to state bureaucrats and police superintendents that all anti-mining movements must be firmly suppressed.

December 1st: 500 armed police enter the village of Karal to inaugurate the construction of an access road and police barracks in preparation for mining activities. Hundreds of indigenous people who gather to protest this activity are tear-gassed and 16 of them are critically injured when police attack them with batons. In the following days, hundreds of police are deployed into the area, arresting people indiscriminately and sealing the area off from media and outsiders.

2005

¹⁰⁶ Refer to <http://www.saanet.org/kashipur/images/pond.jpg> for image of the ash pond at the NALCO mining project near Kashipur

Mid-April: Alcan posts information regarding the project on their website, stating that the majority of the local population is in favour of the project.

Status of the project

In spite of the repression, the people of Kashipur are steadfast in their opposition to the project. Work on the project has not yet started, however the judicial enquiry into the killings of Dec 16, 2000, clearing the company and the government gives them latitude to go ahead with the project. As of mid-April 2005, Alcan's position on the go-ahead of the project is as follows: "The Utkal Project is a very attractive opportunity for Alcan but it is still in a development phase- a Technical Review is currently underway, which will then lead to a Definitive Feasibility Study and thereafter, Construction Authorization within an approximate twelve-to-fifteen month period. In parallel, the partners are dedicating a lot of attention to other milestones such as securing the necessary clearances, permits, approvals and support from the appropriate government authorities wherever such clearances/approvals are required."¹⁰⁷

Ongoing campaigns opposing the project

Apart from the groups in India who are campaigning to stop the project a few groups in Canada and Norway are working to pressure Alcan to withdraw from the project. Some of the groups include:

Alcan't in India (<http://saanet.org/alcant/>) – Alcan't in India is a solidarity group based in Montreal, Quebec, Canada. It is aimed at supporting the residents of Kashipur in their struggle to preserve power over the development of their land and resources. As a solidarity group Alcan't is dedicated to making the concerns of Kashipur inhabitants heard by ALCAN and the general public. They are an entirely volunteer-based grassroots group with no direct affiliation with any non-governmental organizations. Alcan't is in direct contact with both local movement leaders and elected representatives in the Kashipur area.

MiningWatch (<http://www.miningwatch.ca/>) - MiningWatch Canada (MWC) is a pan-Canadian initiative supported by environmental, social justice, Aboriginal and labour organisations from across the country. It addresses the urgent need for a co-ordinated public interest response to the threats to public health, water and air quality, fish and wildlife habitat and community interests posed by irresponsible mineral policies and practices in Canada and around the world.

4.1.2 Brazil

*"Practically speaking, the commencement of operations at the dam is a tragedy for the families and workers who have lived in the Code River Valley for over 300 years and for the environment of Minas Gerais, Brazil, The flooding of their homeland represents a final defeat in their six-year struggle against the Candonga Consortium to preserve the River and their cultural heritage and to ensure their social and economic survival."*¹⁰⁸

Alcan's former operations in the State of Minas Gerais, Brazil and its involvement in a joint venture with Companhia Vale do Rio Doce called the Candonga Consortium, provides a clear example of Alcan's negative track record when dealing with population displacements. The Consortium was created in May 2000, and was then composed of the giant Brazilian steel

¹⁰⁷ Alcan Website, Frequently Asked Questions,

[http://www.alcan.com/web/publishing.nsf/Content/Joint+Venture+in+Orissa/\\$FILE/Utkal++Qs+and+As++En.pdf](http://www.alcan.com/web/publishing.nsf/Content/Joint+Venture+in+Orissa/$FILE/Utkal++Qs+and+As++En.pdf)

¹⁰⁸ Official correspondence no 266/04 JG/RJ, to Mr. Miloon Kothari, United Nations Special Rapporteur on Adequate Housing, UN Commission on Human Rights, from the residents and workers affected by the Candonga Hydroelectric Dam, <http://www.global.org.br/english/arquivos/candongaenglishfinal.pdf>

corporation Companhia Vale do Rio Doce (CVRD) and Energia Eletrica, Promocao e Participacoes Ltda's (EPP). Alcan became a joint venture partner in October 2001 when it bought Energia Eletrica, Promocao e Participacoes Ltda's (EPP) 50% share for \$7.05 million U.S.¹⁰⁹ Alcan entered into the joint venture to ensure a steady supply of electricity for its former (it is now controlled by Novelis) smelter in Ouro Preto situated close to the Rio Doce where the dam was eventually built. The Ouro Preto factory uses a smelting process which demands vast amounts of power and produces high pollution emissions. Alcan closed its Jonquiere, Quebec, smelter, which was identical to the Ouro Preto facility, because, according to CEO Travis Engen, the company needed to make decisions that were "environmentally responsible."¹¹⁰ Engen also said that despite Alcan's "efforts over the years to bring the Jonquiere Söderberg lines up to today's environmental and technological standards, the reality is that this technology has a limited life span."¹¹¹

To the people of region affected by the construction of the Candonga dam Engen's claim of environmental responsibility, made only 6 months before the dam went into operation, must ring hollow. This section will cover the order of events that in the construction of the Candonga dam and Alcan's complicity in the destruction of the lives of over 150 families. The information in this section is based on an Official correspondence between the Global Justice Center along with other social justice groups and the United Nations Special Rapporteur on Adequate Housing for the United Nations Commission on Human Rights. The Special Rapporteur referenced the report in his official report to the High Commission.

The concession contract for the construction of the Candonga dam was granted to the Consortium in May 2000. This concession contract, granted by Brazil's National Electrical Energy Agency, gave the Consortium the right to use public goods to generate electric energy. It also confirmed the legal responsibility of the federal agency for the supervision and control of the environmental licensing process as well as affirmed the consortium's responsibility for future environmental damages and human rights violations.¹¹²

The construction plans for the dam would require the displacement of the residents of the neighboring town of Sao Sebastao do Soberbo. The Consortium began a negotiation process with the residents of the community in order to convince them that the dam would be good for the community (which would later be completely inundated with water) and to negotiate compensation for displacement. Local share croppers and gold diggers, who made their living from the river and the land surrounding it were completely excluded from negotiating process and only a few ever received compensation at all.¹¹³ At the beginning of the process, residents did not know that their town would be destroyed.

The process began when technicians from the EPP contacted residents (the EPP's share of the Consortium was acquired by Alcan in 2001) presenting the project as scientific and progressive.¹¹⁴ During the same period other tactics were used by the Candonga Consortium (prior to Alcan's involvement) such as organizing a party for residents and a visit to the community of Nova Ponte where a dam had already been constructed. The residents of Sao Sebastao do Soberbo learned from the people of Nova Ponte what the dam meant for them: broken promises, deceptions and important losses. It was at this point that the first signs of resistance by the residents of do Soberbo began to show.¹¹⁵

¹⁰⁹ *ibid*, p. 14

¹¹⁰ "Alcan to Halt Production at its 60-Year-Old Jonquiere Söderberg Aluminum Smelter in Quebec", Alcan press release, January 22, 2004, <http://www.alcan.com/web/publishing.nsf/Content/Alcan+to+Halt+Production+at+its+60-Year-Old+Jonqui%C3%A8re+S%C3%B6derberg+Aluminum+Smelter+in+Quebec>

¹¹¹ Official correspondence no 266/04 JG/RJ, to Mr. Miloon Kothari, United Nations Special Rapporteur on Adequate Housing, UN Commission on Human Rights, from the residents and workers affected by the Candonga Hydroelectric Dam, <http://www.global.org.br/english/arquivos/candongaenglishfinal.pdf>

¹¹² *ibid*, p. 14

¹¹³ *ibid* p. 20

¹¹⁴ *ibid* p. 16

¹¹⁵ *ibid* p. 16

The negotiations between the Consortium and the residents continued with technicians and negotiators contacting residents by going door to door in order to assess the value of their houses and properties. Residents of Sao Sebastao do Soberbo were generally offered to exchange their houses and properties for a new house and land that would be built for them by the Consortium. Property values were to be assessed by the technicians. After technicians had assessed the property values they would return with a figure and offer the residents that amount. A Global Justice Center investigation revealed that none of the residents were able to understand the technicians' numbers and calculations. The report says that the residents "had no participation whatsoever in the assessment of the value of the properties. Contrary to these findings both Alcan¹¹⁶ and Novelis¹¹⁷ claim that the negotiations were transparent and undertaken collectively. The Global Justice Center investigation reported that the Consortium insisted on negotiating with each family individually. Families, therefore, had no way of knowing how the prices offered for their properties compared to others in the community. This led to disparities over the assessed value of properties."¹¹⁸

The Global Justice Center's report said that negotiations took place in a violent and tense atmosphere where threats, lies and misinformation were the norm. They documented several cases where residents received death threats for resisting selling their properties or for their membership in the residents' association. In one case a resident, who refused to sell his land to the Consortium and whose house was located on the construction site, disappeared under suspicious circumstances.¹¹⁹ A number of families were told that they had to give up their land because their properties had become a public good.¹²⁰ The report notes that "public good" means the generation of electricity for private consumption at the Alcan (now Novelis) and CVRD factories.

The Global Justice Center's investigation said that the negotiations showed "complete disrespect on the part of the Consortium towards the families...were dominated by violence, pressure psychological manipulation and threats, and led to completely arbitrary results."¹²¹ Even the State Foundation for the Environment of Minas Gerais (FEAM) stated that the way the negotiations were conducted could be an obstacle to the issuance of the operating license and that the Consortium failed to respect the universality of the recognition of social and economic rights for all of the residents. The FEAM also pointed out that the negotiation process was compromised by the undervaluation of properties, the lack of consideration of depreciation factors due to the dam, the lack of recognition of the functional value of the lands and the lack of consideration for the loss of opportunities for residents.¹²²

Few residents and landowners were ever fully compensated for their lost homes and land. Once the residents had moved and Sao Sebastao do Soberbo destroyed, the Consortium decided to move its office to the municipality of Rio Doce, making communications between residents and company even more difficult.¹²³ Many of the residents signed agreements with the Consortium to sell their house for a brand new one in a new community that would be built by the Consortium. The new community is located on a farm whose owners did not want to sell their land to the Consortium, and were eventually forced to by a court order. The Global Justice Center's report

¹¹⁶ Alcan Brazil website, [http://www.alcan.com.br/brazil/alcan/corporate/sitebrasil.nsf/winstitutional?openform&sitealcanbrasil&\(institutional\)&UsinaCandonga](http://www.alcan.com.br/brazil/alcan/corporate/sitebrasil.nsf/winstitutional?openform&sitealcanbrasil&(institutional)&UsinaCandonga)

¹¹⁷ Novelis Brazil website, <http://www.novelis.com.br/brazil/novelis/corporate/sitebrasil.nsf/winstitutional?openform&sitealcanbrasil&institutional&UsinaCandonga>

¹¹⁸ Official correspondence no 266/04 JG/RJ, to Mr. Miloon Kothari, United Nations Special Rapporteur on Adequate Housing, UN Commission on Human Rights, from the residents and workers affected by the Candonga Hydroelectric Dam, <http://www.global.org.br/english/arquivos/candongaenglishfinal.pdf>, p. 17

¹¹⁹ Ibid p. 18

¹²⁰ Ibid p. 17

¹²¹ Ibid p. 19

¹²² Ibid p. 21

¹²³ Ibid, p 22

says that the situation has yet to be resolved and the property titles have yet to be passed to the displaced residents of the old Sao Sebastao do Soberbo. This has left many in a stressful and tenuous situation over their right to housing.¹²⁴

According to the Global Justice Center's report the construction of the new community has been a complete disaster for the families, the municipality of Santa Cruz do Esclavado and the state of Minas Gerais. During the construction, which began in March 2002 (Alcan purchased EPP's share of the Consortium in October 2001), a number of irregularities, rights violations and situations of disrespect were perpetrated by the Consortium.¹²⁵ While the Consortium claimed that it would provide technical support, transparency and open dialogue with the communities, work on the new town continued unilaterally. Families who tried to access the construction site were denied access and their needs were disrespected.

Eventually 120 homes were constructed in the new community. Families began moving to New Soberbo in late 2003 and by December of that year 41 families had moved. Others refused to leave the old town because of outstanding claims with the Consortium. In order to pressure residents to move to the new city the Consortium forced the bus company to discontinue its service to the Old Soberbo and destroyed the road between Rio Doce and the old town. The Consortium also organized social parties in the New Soberbo in order to convince residents to move in. Residents were also harassed by the Consortium and offered large amounts of money to move. The school, which served as an emergency shelter during what was then the rainy season, was eventually torn down in order to pressure residents to move out. By the end of April 2004 all of the residents except for 14 families had succumbed to the pressure and moved to the new community.¹²⁶

The displaced residents encountered a number of problems with their new houses and public buildings in the New Soberbo. Some of the problems include: a backyard with infertile soil, which has led to food insecurity; the houses have serious infrastructure defects including, cracks in the walls, water and soil infiltrations, water condensation, lack of hot water, and problems with leaky roofs; lack of space; yellowish and brown drinking water; and increased living costs.¹²⁷ The Global Justice Center's report states that "The Consortium simply left the families without any means of subsistence."¹²⁸

On May 3, 2004, 192 police officers from the civil, federal, military police and security agents, some heavily armed, showed up in the Old Soberbo to evict the final 14 families. The police were followed by demolition material and moving trucks. What followed, as described in the Global Justice Center's report, was a scene of terror with the police forcefully evicting and humiliating residents. All of the remaining houses were torn down in some cases with furniture and personal belongings still inside. Alcan Brazil's director of institutional relations and the Consortium's director of communications insisted that the use of force was justified because of threats of resistance.¹²⁹ What the Alcan employees failed to mention was that a large number of the people left in the old town were elderly and unable to put up any resistance.

On April 2, 2004 the Nucleo de Assessoria as Comunidades Atingidas por Barragens (NACAB), a group made up of lawyers, economists, activist, agronomists, members of the Movement for the Populations Affected by Dams (MAB) and the Pastoral Land Commission in Minas Gerais, filed a civil suit against the state of Minas Gerais, Alcan, CVRD, and the Candonga Consortium in the Trial Court of Ponta Nova. The suit challenged the legality of the dam's Operating License that had been issued on March 30, 2004 citing the failure to protect the rights of the affected

¹²⁴ *ibid*, p22

¹²⁵ *ibid*, p.22

¹²⁶ *ibid*, p. 26

¹²⁷ *ibid* p. 25

¹²⁸ *ibid* p.29

¹²⁹ *ibid* p. 27

population and requested an injunction against the operation of the dam.¹³⁰ The NACAB asked the judge to grant a temporary injunction and to bar Alcan, CVRD, and the Candonga Consortium from filling the reservoir unless the socio-economic disputes mentioned in the suit be properly resolved. On April 15, 2004, the judge from the Ponte Nova Trial Court issued the injunction against the commencement of operations.

The judge held that defendants (Alcan, CVRD, Candonga Consortium) did not resolve all that was required for the implementation of social and environmental measures during the construction of the dam and that they did not fulfill their promises concluding that the operational license should not have been granted. She also said that once the reservoir was filled there would be no way to ensure that the outstanding claims of the community would be heard. She then granted the injunction saying that the Operation license would be suspended until all of the social and environmental disputes and outstanding claims were resolved.¹³¹

On April 26, Alcan and the CVRD appealed the decision. They argued a number of points, including: that the injunction was unfair to them and the general public since it would put the project at risk; that the general public would suffer because the energy produced would benefit the community (in reality the electricity generated by the dam would benefit Alcan and CVRD's smelting operations); that there was no evidence to support the injunction saying that the environmental licensing process occurred properly and conformed with social and environmental legislation. In addition to its appeal, the defendants offered a \$4.6 million (U.S.) legal guarantee to the Judge in Ponte Nova in order to prove that they could pay for the outstanding claims with the communities if they decided to resolve them.

In a setback to the resistance movement on May 18, 2004 the mayors of the neighboring communities of Rio Doce and Santa Cruz do Esclavado filed an intervention in favour of the Consortium. On June 4, 2004, the Consortium received further support from the Office of the Public Prosecutor of the State of Minas Gerais, which agreed with the defendants arguing that barring the operation of the dam will not resolve the outstanding claims and that the dam is an irreversible reality.¹³²

On June 14 the Trial judge upheld her decision by refusing to lift the injunction in exchange for the defendants' legal guarantee, stressing that the Consortium had violated their contractual obligation to the residents. The residents and the NACAB finally lost their legal challenge on June 22 when the President of the Superior Court of Justice of the State of Minas Gerais responded to the request for intervention by the neighboring mayors and overturned the injunction on the basis that the public interest would be harmed if the reservoir was not filled. The Consortium began filling the reservoir that same day.¹³³

Soon after the reservoir was filled, representatives from the State Foundation for the Environment of Minas Gerais (FEAM) visited New Soberbo and Santana do Deserto to ensure that the filling of the reservoir had occurred safely and conformed to their norms and regulations. They also inspected the resettlement projects. They noted a number of problems including: a lack of safety measures that the Consortium had previously committed to for the filling of the dam; the failure to construct a transportation system for fish in order to regulate reproductive cycles; a high level of dissatisfaction among the displaced residents; serious building problems with the new homes; unpaid compensation; unsafe roads; no roof on the new school; as well as problems with waste management and risk from flooding.¹³⁴

This case provides a clear example of how a multinational corporation is capable of permanently altering the lives of hundreds of residents for the monetary gain of their shareholders. While Alcan

¹³⁰ *ibid* p. 40

¹³¹ *ibid* p. 41

¹³² *ibid* p. 42

¹³³ *ibid*

¹³⁴ *ibid* p 43

is no longer legally responsible for the Candonga dam or the smelter which operates from the electricity generated at the dam, its actions between October 2001 when it took 50% control of the Consortium and January 2005 when Novelis assumed control of operations, contradicts its rhetoric of sustainability and transparency.

Ongoing campaigns: Justica Global/Global Justice Center (<http://www.global.org.br/>) - The Global Justice Center is a non-profit organization dedicated to the promotion of human rights in Brazil through rigorous fact finding, documentation and reporting, direct action, as well as the use of international mechanisms for the protection of human rights. The group has registered more than 100 complaints with the United Nations special mechanisms for the protection of human rights.

4.1.3 Cameroon – Alucam and the proposed Lom Pangar Dam

“A key factor influencing global corporations to invest in a given region is the willingness of governments, communities and other stakeholders to work together in supporting issue resolution and development...The balance between the financial returns and sustainable development leads to investments that maximize value. Sustainable development in turn, involves a range of responsibilities and concerns -- for the community, for the environment and for employees -- and this can be achieved only through a productive dialogue with all the stakeholders who have a vested interest in the region”¹³⁵. Cynthia Carroll, Senior Vice President Alcan Inc., at a business forum on globalization

Just as Alcan is cutting back its smelting operations in Canada, it is planning to double the output of its smelting operations in Cameroon where it has 47% percent direct ownership in a joint venture named Alucam.¹³⁶ Alucam is jointly owned by Alcan (47%) and the government of Cameroon (53). Because of the availability of cheap labour and cheap electricity, Alcan sees Cameroon as a favourable location to increase its operations. In its 2004 annual report the company states that “with a sharp focus on cost reduction, productivity improvement and technology development, Alcan is continuously reinforcing its low cost primary metal position. Alcan believes that 75% of its production is produced at costs which are lower than the world average.”¹³⁷ In the case of Cameroon, these lower than average costs are subsidized by the Cameroonian population and come at great risk to the environment.

Alcan’s Cameroon operations produced a relatively low 40,100¹³⁸ tonnes of primary aluminum in 2004. As with all of Alcan’s smelting operations, a cheap and accessible source of power is essential for profitability. In Cameroon, Alucam consumes nearly half of the energy produced at the country’s privatized electric utility (AES-Sonel) at greatly subsidized prices while the majority of the population does not have access to electricity.¹³⁹ Estimates range from 78%¹⁴⁰ to 95%¹⁴¹ of Cameroon’s population does not have access to electricity. In addition, Alucam purchases its power from AES-Sonel at below-cost energy prices. Alucam’s contract with AES-Sonel guarantees electricity at greatly reduced rates. The joint venture purchases 40% of AES-Sonel’s

¹³⁵ “Alcan Primary Metal President addresses global forum on aluminum industry’ s driving factors” Alcan Inc. Press Release, Friday March 4, 2005

¹³⁶ “Lom Pangar Dam, Cameroon: Drought could cripple Cameroon’s hydro-heavy energy sector”, International Rivers Network, Unpublished Article, April 2005

¹³⁷ Alcan 2004 annual report 10-k, p. 19

¹³⁸ Alcan’s 2004 smelting output around the world: 1.56 million tonnes in Canada, 196,900 tonnes in the U.S., 211,900 in the U.K., 108,800 in Brazil, 178,400 in Iceland, 82,200 in Norway, 44,900 in Switzerland, 442,200 in France, 217,800 in the Netherlands, 255,000 in Australia, and 43,900 in China.

¹³⁹ “Lom Pangar Dam, Cameroon: Drought could cripple Cameroon’s hydro-heavy energy sector”, International Rivers Network, Unpublished Article, April 2005

¹⁴⁰ Hydro Potential and Benefits for Social and Economic Development, International Journal on Hydropower and Dams, Issue six, 2004, p. 44

¹⁴¹ “Lom Pangar Dam, Cameroon: Drought could cripple Cameroon’s hydro-heavy energy sector”, International Rivers Network, Unpublished Article, April 2005

total annual power generation compared to a much lower 25% purchased by low voltage (households, small business and street lights) consumers. Comparing AES-Sonel's source of revenue the percentages are dramatically different, with Alucam representing approximately 12% of the power company's revenues while low voltage consumers cover approximately 54% of their annual revenue.¹⁴² These statistics show that the Alucam's electricity consumption is being subsidized by residential consumers.

If Alucam doubles its output it will need to greatly increase its power consumption. A potential source for this extra power would be from AES and the Cameroonian government's proposed Lom Pangar Dam project, which would displace rural villagers and flood protected forests. Since Hydropower already represents 95% of Cameroon's supply of electricity, the proposed dam would increase Cameroon's economic vulnerability to blackouts caused by drought.¹⁴³ The majority of the electricity generated by the proposed dam would go towards Alucam's smelting operations.

In 2003 The World Bank, which ironically advised the Government of Cameroon to privatize its national power company, raised concerns about the Lom Pangar dam saying: "The Lom Pangar dam has raised some concerns for the World Bank Group because of potential negative social and environmental impacts related to long-term and cumulative changes in the Sanaga river system flow regime. The flooding of a large dam catchment area would affect a portion of the Deng-Deng forest, a biodiversity hotspot explicitly protected under current arrangements."¹⁴⁴

The project originates with the privatization of the national electricity company in 2001 when AES agreed to develop the Lom Pangar dam within seven years if it was found to be the least cost option. The project is part of AES' 20-year contract to run the utility. If recent environmental impact assessments comply with international standards and the project receives financing, construction could begin as early as 2005 and be completed by 2008.¹⁴⁵

While it is clearly in Alcan's interest, It is unclear whether or not Alcan has a direct hand in pushing the dam project forward. However, the Chief Executive Officer of Alcan's Primary Metals group was recently in Cameroon and visited the Prime Minister in late 2004. On the agenda was the possible expansion of Alucam's output and AES-Sonel's obligation to develop the Lom Pangar Dam.¹⁴⁶

Ongoing campaign: International Rivers Network IRN (<http://www.irn.org/>) – This California based group supports local communities working to protect their rivers and watersheds. The group works to halt destructive river development projects, and to encourage equitable and sustainable methods of meeting needs for water, energy and flood management. The IRN is conducting research into the proposed hydroelectric dam in Cameroon.

4.1.4 Alcan in South Africa

After sustained pressure from social justice groups in Canada over its investments in South Africa during apartheid, Alcan sold its 24% interest in South African aluminum company Hulett Aluminum in March 1986. Alcan announced the sale only three weeks after stating that no plans existed to dispose of their share.¹⁴⁷ During the 1980's Hulett Aluminum was involved in the

¹⁴² Pineau, P.O., "Transparency in the Dark: An Assessment of the Cameroonian Electricity Sector Reform", August 12, 2004, <http://web.uvic.ca/padm/faculty/pineau/pdfs/cameroonassessment.pdf>

¹⁴³ "Lom Pangar Dam, Cameroon: Drought could cripple Cameroon's hydro-heavy energy sector", International Rivers Network, Unpublished Article, April 2005

¹⁴⁴ *ibid*

¹⁴⁵ *ibid*

¹⁴⁶ "Le group Alcan Primary Metal se cherche sa voie", The African Independent, http://www.africanindependent.com/cam_alcan_cherche_voie112004.html

¹⁴⁷ Gibbens, R., "Alcan reverses plans; will sell stake in Hulett", The Globe and Mail, March 21, 1986

manufacture of material for military equipment, thus, according to The Task Force on the Churches and Corporate Responsibility (TFCCR), contributing to the South African apartheid government's plans to prolong its armed repression in the country.¹⁴⁸ In 1982 the TCCR filed one of three shareholder proposals with Alcan designed to pressure the company to divest its interest in Hulett. When the company did eventually divest its interest in 1986 it claimed it was purely a business decision.¹⁴⁹ Alcan was a founding shareholder of Hulett in 1949.

4.1.5 Alcan in British Columbia

In 1949 Alcan was granted permission by the Governments of British Columbia and Canada to construct a hydro-electric dam on a watershed of its choice. Alcan chose the headwaters of the Nechako River for its project known as Kemano I.¹⁵⁰ The dam would ultimately provide electricity for Alcan's smelter in Kitimat. The construction of the dam, which reversed the flow of the river through a 16km tunnel to a power plant in Kemano, led to the flooding of 49,000 hectares of the Upper-Nechako watershed. The flooding removed about three-quarters of the natural flow of the Nechako River and damaged salmon spawning grounds.¹⁵¹ While other options existed at the time, Alcan chose to build the dam's spillway out of the Cheslatta River, a tributary that emptied into the Nechako River approximately 10km from the dam. This decision required the relocation of the Cheslatta people from their land because the spillway would periodically flood all of the villages along the river's edge. In 1952, only one month before the dam would go into operation, the Department of Indian Affairs forced the Cheslatta to relocate using questionable tactics, including the alleged forgery of surrender documents. Adult band members received only \$50 as compensation. Eleven separate reserves were found for band members on an existing ranching community.¹⁵² In 1998 the Cheslatta-Carrier launched a legal battle in the B.C. Supreme Court over the hydroelectric dam saying that while band members live in poverty the federal and provincial governments have allowed Alcan to make huge profits from the exploitation of their land. The Cheslatta-Carrier Nation sought unspecified damages and an injunction ordering Alcan to repair the damage done to the Nechako River by constructing a proper water flow release system.¹⁵³ In 2001, a government-industry committee recommended a \$100 million project to restore the River.¹⁵⁴

In 1980, Alcan announced plans for the Kemano Completion Project (KCP), which proposed to dam the nearby Nanika River and create a second reservoir that would be connected by canal to the existing Nechako system. The KCP was designed to increase Alcan's production of hydroelectricity. Under pressure from critics in 1987, who claimed the expansion was Alcan's attempt to become a private power company, the corporation managed to conduct closed-door meetings with federal and provincial officials who granted permission for the company to go ahead with its plans without subjecting them to public or environmental review.

Alcan's underhanded dealings with authorities sparked a powerful and sustained social movement by the Cheslatta, local ranchers and Mennonites. The movement received support from aboriginal and environmental groups from around the world. Due to growing political unrest, B.C. Premier Mike Harcourt's Government cancelled the KCP in 1995.¹⁵⁵

¹⁴⁸ Auman, A., "Churches hail Alcan's sale of S. African unit", The Toronto Star, March 25, 1986

¹⁴⁹ *ibid*

¹⁵⁰ Larsen, S., "Promoting aboriginal territoriality through interethnic alliances: The case of the Cheslatta T'en in northern British Columbia", Human Organization, Vol. 62, Issue 1, 2003

¹⁵¹ Kenedy, P. "Cheslatta band sues over 1950s Alcan deal", Financial Post, April 15, 1998

¹⁵² Larsen, S., "Promoting aboriginal territoriality through interethnic alliances: The case of the Cheslatta T'en in northern British Columbia", Human Organization, Vol. 62, Issue 1, 2003

¹⁵³ "BC band launches lawsuit against hydroelectric projects", Canadian Press Newswire, April 14, 1998

¹⁵⁴ "Committee recommends \$100M project to restor B.C.'s Nechako River", Canadian Press Newswire, June 7, 2001

¹⁵⁵ Larsen, S., "Promoting aboriginal territoriality through interethnic alliances: The case of the Cheslatta T'en in northern British Columbia", Human Organization, Vol. 62, Issue 1, 2003

4.2 Environmental Track Record

*“Aluminum delivers real value in terms of customer solutions that make economic sense and are environmentally friendly.”*¹⁵⁶ Travis Engen, Chair and Chief Executive Officer

Alcan has put an enormous amount of money and energy into constructing its image as an environmentally responsible, sustainable and green corporation. It has published sustainable development reports listing its philanthropic and environmental actions around the world. Through its affiliation with large international institutions, such as the United Nations Global Compact and the World Business Council for Sustainable Development, Alcan has been able to further paint its operations as environmentally friendly and socially responsible. Alcan’s recent focus on sustainable development and Corporate Social Responsibility is a response to greater scrutiny of multinational corporations by civil society groups around the world. While Alcan has been able to position itself as a ‘leader’ in sustainability its operations around the world continue to be environmentally damaging. Alcan operates huge smelters and refineries that release dangerous chemicals into the environment, their operations require incredible amounts of electricity from destructive hydro electric dams, and their bauxite mines employ the most damaging form of mining: strip mining. In addition, Alcan plans to expand its operations in the South where environmental regulations may be less stringent. Regardless of Alcan’s effort to convince the world that they are environmentally and socially responsible, they are a part of a very destructive industry. Apart from Alcan’s environmental impacts mentioned in the section above, other examples of the company’s track record are included below.

Toxic Pollution

Alcan’s Vaudreuil bauxite refining operation in Jonquière Quebec released 10,163,062 kg of toxins in 2001.¹⁵⁷ This included more than 10 million kg of calcium fluoride to an onsite landfill. Calcium fluoride can irritate lungs and cause bone changes (referred to as skeletal fluorosis).¹⁵⁸ The plant also released 3,236kg of benzo(a)pyrene to the landfill, a chemical known for causing cancer. In 2003 the Vaudreuil bauxite project was listed as the largest discharger of toxic chemicals by Environment Canada (as defined under the Canadian Environmental Protection Act).¹⁵⁹ In response to Alcan’s dumping of toxins Paul Muldoon, Executive Director of the Canadian Environmental Law Association said: “I take little comfort when I hear that dangerous chemicals are being buried in landfills. Sooner or later landfills leak, and people and the environment are exposed to contaminants”.¹⁶⁰

Alcan’s Shawinigan factory, where the company produces aluminum cables, is Canada’s third largest source of toxic pollution.¹⁶¹ Between 1995 and 2001 the factory released 1 916 404 kg of calcium fluoride, most to an off-site landfill, 65,142 kg of hydrogen fluoride to air, and 4 929 kg of cancer-causing benzo(a)pyrene to the air”.¹⁶²

Alcan in Jamaica

Alcan opened its mining operations in Jamaica in 1953 and sold out to the private Swiss company Glencore in 2001. About one-third of Jamaica’s bauxite refining capacity changed hands during

¹⁵⁶ Notes for an address by Richard B. Evans, Executive Vice President, Alcan Inc. and President, Aluminum Fabrication, Europe at The International Aluminum Forum May 18, 2001, <http://www.alcan.com/web/publishing.nsf/Content/Aluminum+Opportunities+for+a+New+Era+or+The+Seven+Sirens+of+the+Aluminum+Industry>

¹⁵⁷ No Author., “Canadian polluters increased chemical release by 20% from 1995 to 2001,” Environmental Defense, June 19 2003, <http://www.environmentaldefence.ca/pressroom/releases/20030619-e.htm>

¹⁵⁸ *ibid*

¹⁵⁹ *ibid*

¹⁶⁰ *ibid*

¹⁶¹ *ibid*

¹⁶² *ibid*

the transaction.¹⁶³ Prior to its acquisition of Switzerland's Alusuisse in 2000 Alcan had plans to double the output of one of its Jamaican refineries. The purchase of the Swiss company, however, gave Alcan more bauxite and alumina than it needed.¹⁶⁴

In 2001 a report on land use and forest cover determined that bauxite mining was the single largest cause of deforestation in Jamaica.¹⁶⁵ The study stated that the significant degradation of forests and watersheds occurred in mining areas in the parishes of Trelawny, St. Anne, St. Elizabeth, Manchester, Clarendon and St. Catherine. It went on to say that the most affected areas were in the parishes of St. Anne and Manchester. The parish of Manchester is where Alcan's Kirkvine facilities were located (the site continues to be mined by Glencore and Windalco).

Porto Trombetas: bauxite mine Brazil

Alcan owns 12.5% of Mineracao Rio Do Norte along (MRN) with Alcoa (18.2%, U.S.), BHP Billinton Plc (14.8%, Australia), Companhia Brasileira de Alumínio (10%, Brazil), Companhia Vale do Rio Doce (40%, Brazil) and Norsk Hydro ASA (5%, Norway). MRN operates one of the world's largest bauxite mines in Porto Trombetas in the State of Para 880 from the city of Belem. The region holds large reserves of bauxite. MRN's exploitation of these reserves, which began when the mine began operations in 1979, represents one of the worst cases of aggression against the environment in this region of Brazil. Between 1979 and 1989, MRN dumped 24 million tonnes of bauxite waste (tailings) into neighbouring Batata lake. The dumping caused the destruction of a large part of Batata lake's ecosystem. In some places the layer of bauxite at the bottom of the lake reaches a thickness of 4.5 metres.¹⁶⁶

4.3 Labour Track Record

For a complete history of worker struggles at Alcan's Kitimat smelter in British Columbia please visit the Canadian Auto Workers local 2301's website: <http://www.caw2301.ca/early.htm>

Workplace deaths

An alarming number of workplace fatalities have occurred at Alcan's worldwide operations over the past five years (5 in 2004¹⁶⁷, 3 in 2001¹⁶⁸ and 3 in 2000¹⁶⁹ statistics for 2002 and 2003 are unavailable). Some of the cases of workplace fatalities include:

- In one case in 2001, a worker at Alcan's Aluminium plant in Rogerstone¹⁷⁰, South Wales was crushed to death by a crane. The worker chose to climb across the crane after deciding that an oil covered walkway was too dangerous to cross. The company was fined Pounds 35,000 for the incident.¹⁷¹
- In 2004 a worker at Alcan's operations in Gove, Australia was crushed while conducting maintenance at a steam power station. The employee was working on a boiler while the

¹⁶³ James, C., "New beginning for Jamaican bauxite: One-third of the island's refining capacity has changed hands", Financial Times, June 13, 2001

¹⁶⁴ "Jamaica", Mining Annual Review, October 2001

¹⁶⁵ Neufville, Z., "Bauxite mining blamed for deforestation", Interpress Service, April 6, 2001

¹⁶⁶ "Trombetas: the world's largest bauxite mine", Amigos da Terra – Amazonia Brasileira, <http://www.amazonia.org.br/english/noticias/noticia.cfm?id=71557>

¹⁶⁷ Alcan 2004 Annual Report,

[http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Annual+Reports/\\$file/Alcan+2004+Annual+Report.pdf](http://www.alcan.com/web/publishing.nsf/AttachmentsByTitle/Annual+Reports/$file/Alcan+2004+Annual+Report.pdf)

¹⁶⁸ [http://www.alcan.com/corporate/alcancom.nsf/graphics/reports/\\$file/csr_actions_e.pdf](http://www.alcan.com/corporate/alcancom.nsf/graphics/reports/$file/csr_actions_e.pdf)

¹⁶⁹ Alcan's 2000 Annual Report,

<http://www.alcan.com/annualrp.nsf/0/b1328b3c03453bde85256a5c0053642a?OpenDocument>

¹⁷⁰ The Rogerstone plant was transferred to Novelis in January 2005

¹⁷¹ Stead, M., "Crushed to Death", South Wales Echo, June 5, 2001

- power plant was shut down when he became pinned by a piece of equipment that shifted unexpectedly.¹⁷² Various investigations into the incident are underway.
- At Alcan's smelter in Kitimat, British Columbia, over 20 workers have been disabled by or have died from on-site exposures to cancerous emissions.¹⁷³

Worker action

Kitimat and Arvida

In April 2005, employees at Alcan's smelters in Kitimat, British Columbia and Arvida, Quebec passed resolutions supporting campaigns against the company's proposed bauxite mine and refinery in India's eastern state of Orissa. Canadian Auto Workers Local 2301 in Kitimat passed a resolution saying that workers at the smelter will refuse to smelt any alumina shipped to British Columbia from Alcan's operation in Orissa.¹⁷⁴

Quebec

In Late January and early February 2004 workers at Alcan's Arvida refinery in Saguenay (who had recently affiliated with the Canadian Auto Workers) took control of their plant.¹⁷⁵

Between the times the plant was taken over and running it under self management in late January and February 4th the union claimed that "the smelter has turned out 1,500 tonnes of aluminum since then, providing Alcan with some 2.25million in sales."¹⁷⁶

The take over was in reaction to Alcan's decision to close the plant in the spring of 2004, cutting 550 jobs.¹⁷⁷ The 60 year old plant was originally slated to close in 2014.¹⁷⁸ Alcan had stated that all of its Canadian plants using Soderberg technology will be closed by 2015 due to inefficiency and pollution.¹⁷⁹

Alcan claimed that they were shutting down the plant early because of the rapid rise of the Canadian Dollar.¹⁸⁰ However, another source claims that the plant was closed in order to "take advantage of the slew of pending retirements and wouldn't have to make layoffs."¹⁸¹

On January 31st 2004, 5000 people demonstrated against Alcan's proposed closure.¹⁸²

President of the Quebec Labour federation Henri Masse said "The message is simple...Alcan must respect it promises.... There are long-term agreements with the union... (They) provide for the preservation of employees and operations. Alcan is breaking its promises."¹⁸³

¹⁷² "Call for tough mining inquiry", Northern Territory News, August 13, 2004

¹⁷³ "Behind the Shining: Aluminum' s Dark Side", an IPS/SEEN/TNI report, 2001, <http://www.saanet.org/kashipur/docs/seenalum.htm>

¹⁷⁴ "Alcan workers at Kitimat, B.C., refuse to smelt alumina from Orissa, India", Canadian Press, April 13, 2005

¹⁷⁵ No Author., "Alcan's rolling reversal; Militant union claims production at Quebec smelter improved since it took control," Hamilton Spectator, February 4th 2004, p A14

¹⁷⁶ *ibid*

¹⁷⁷ No Author., "Thousands demonstrate against closing of Alcan's Saguenay Que. Smelter," Canadian Press News Wire, January 31 2004

¹⁷⁸ *ibid*

¹⁷⁹ No Author., "Alcan's rolling reversal; Militant union claims production at Quebec smelter improved since it took control," Hamilton Spectator, February 4th 2004, p A14

¹⁸⁰ No Author., "Thousands demonstrate against closing of Alcan's Saguenay Que. Smelter," Canadian Press News Wire, January 31 2004

¹⁸¹ No Author., "Alcan's rolling reversal; Militant union claims production at Quebec smelter improved since it took control," Hamilton Spectator, February 4th 2004, p A14

¹⁸² *ibid*

¹⁸³ No Author., "Thousands demonstrate against closing of Alcan's Saguenay Que. Smelter," Canadian Press News Wire, January 31 2004

5. Shareholder Profile

3.1 Alcan's top ten institutional investors as of March 2005

For more information regarding Alcan's major investors please follow the links provided

Holder	# of shares from 370 million outstanding	% of total shares	Value
Morgan Stanley http://www.morganstanley.com	21,672,135	5.86	\$821,807,359
Fidelity Management & Research https://www.fidelity.com	15,166,623	4.1	\$575,118,344
Capital Guardian Trust Company http://server.capgroup.com/capitalguardian	15,054,555	4.07	\$570,868,725
McLean Budden Ltd http://www.mcleanbudden.com	11,023,018	2.98	\$417,992,842
Bankmont Financial Corp http://www4.bmo.com	9,755,005	2.64	\$369,909,789
TD Asset Management http://www.tdassetmanagement.com	7,633,295	2.06	\$289,454,546
Deutsche BK Aktiengesellschaft http://www.deutsche-bank.de	7,263,542	1.96	\$275,433,512
Franklin Resources http://www.franklintempleton.com	6,883,189	1.86	\$261,010,526
I.G. Investment Management, Ltd http://www.investorsgroup.com	6,547,687	1.77	\$248,288,291
RBC Asset Management Inc. http://www.rbcfunds.com	6,104,144	1.65	\$231,469,140

[Source: Yahoo Finance]

3.2 Alcan's top ten mutual fund holders as of December 2004

Holder	# of shares	% of total	Value
Oppenheimer Quest Balanced Fund https://www.oppenheimerfunds.com	4,700,000	1.27	\$217,704,000
Pimco Fds Multi Mgr Ser-Pea Value Fund http://www.pimco.com	3,448,716	0.93	\$164,848,624
Investment Company of America	2,500,000	0.68	\$122,600,000
Pimco Fds Multi Mgr Ser-Pea Renaissance Fund http://www.pimco.com	2,340,000	0.63	\$111,852,000
Fidelity True North Fund http://www.fidelity.ca/fidelity/cda/live/1,,english~525,00.html?strmid=54	2,200,000	0.59	\$107,888,000
Templeton Institutional Funds, Inc-Foreign Equity Series http://www.ftinstitutional.com/inst/	2,055,803	0.56	\$98,267,383
Fidelity Canadian Asset Allocation Fund http://www.fidelity.ca/	2,000,000	0.54	\$98,080,000
Fidelity Value Fund http://www.fidelity.ca/	1,955,960	0.53	\$77,788,529
New Perspective Fund Inc http://www.americanfunds.com/	1,575,000	0.43	\$77,238,000

[Source: Yahoo Finance]

3.2 Other investors

- The Canadian Pension Plan – The CPP Investment Board owns 5.6 million shares of Alcan worth \$257,549,000 (cnd).
- The Ethical Funds Company – <http://www.ethicalfunds.com/>
- Canada Life – <http://www.canadalife.ca>
- Desjardins Environment Fund - <http://www.desjardins.com/>

Appendix 1

Relevant quotes from Alcan executives and directors

Travis Engen – *“Our ambition as we go forward is no less than to be the best at everything we do ... the best company to invest in, to work for, to buy from and sell to, to have as a corporate citizen in your community. We cannot realize this ambition without our actions being a demonstration of Corporate Social Responsibility.”*¹⁸⁴

Travis Engen, responding to media questions after Alcan’s 2005 annual general meeting where the CEO faced critical questions from Alcan’s in India members and independent journalists regarding the company’s activities in India – *“When you stand for a certain point and talk about your aspirations, you’re held to the standard of what you just said. When you seem to be falling short, you’re then subject to criticism.”*¹⁸⁵

Milton Wong, Alcan Director – *“I suggest that what we’ve been seeing is a convergence of certain values under the rubric of sustainability: social values, human values and environmental values. Taken together, they’re what I’ll refer to today as Corporate Social Responsibility. I think corporate social responsibility is the new direction in which the best-run companies are heading. It’s what people want.”*¹⁸⁶

Milton Wong – *“Let’s be honest. The whole point of being in business is to make money.”*¹⁸⁷

Milton Wong – *“We live in a more skeptical, less trusting society than we did even as recently as 50 years ago. People take nothing at face value anymore. It’s no longer good enough for corporations to say they’re doing a good job. They have to prove it. They have to show it. It has to be witnessed. **Corporations have to be transparent enough in their actions that all of us can see it with our own eyes.**”*¹⁸⁸

Milton Wong – *“no one wants to find out that a company whose shoes they wear is relying on child labour in another country. No one wants to find out a company is dumping toxic effluent into the river they grew up swimming in. No one wants to find out the person who picked the banana they ate for breakfast later gave birth to a baby with defects because of the pesticides used. When people find out things like this, they vote with their wallets. They give their business to companies who are better behaved.”*¹⁸⁹

Travis Engen – *“We know that we cannot succeed in doing what we exist to do -- that is, make money -- in an unsuccessful world. We cannot use the resources we depend on without careful stewardship. We cannot secure the skills and innovation we need in our people without progressive educational systems. We cannot offer the quality-of-life conditions that will attract and retain skilled workers and their families without healthy, economically viable communities. **We cannot expect society to endorse our use of resources, such as water and minerals, unless society realizes tangible benefits from our use of these resources.**”*¹⁹⁰

¹⁸⁴ Notes for an address by Travis Engen, Conférence de Montréal (Travis Engen), June 7, 2004,

<http://www.alcan.com/web/publishing.nsf/Content/Conf%C3%A9rence+de+Montr%C3%A9al+%28Travis+Engen%29>

¹⁸⁵ Marotte, B., “Alcan comes under fire by activists”, The Globe and Mail, April 29, 2005

¹⁸⁶ “Towards Sustainability: Rewriting the Script”, a speech by Milton K. Wong, Chair of HSBC Asset Management (Canada) Inc., Chancellor, Simon Fraser University, Vancouver, B.C., Alcan Inc. Board Member, Presented to The World Environment Centre and International Environment Forum North American Roundtable: “CSR: Building the Business Model and the Business Case”, Montreal, Canada, October, 15, 2004,

<http://www.alcan.com/web/publishing.nsf/Content/Towards+Sustainability%3A+Rewriting+the+Script>

¹⁸⁷ *ibid*

¹⁸⁸ *ibid*

¹⁸⁹ *ibid*

¹⁹⁰ *ibid*

Richard B. Evans, Executive Vice President, Alcan Inc. and President, Aluminum Fabrication –
“In fact, I am convinced that the key to aluminum’s success in the future will depend heavily on how effectively we present the overall life-cycle message of our metal including its unique recyclability. If we don’t get that message across in a convincing fashion— steel, plastics and other competitors will attempt to divide and conquer by focusing on the negatives of a single step in the aluminum value chain, such as bauxite mining or smelting. If there is a successful model that we should try to emulate in promoting aluminum, I think it is that of the plastics industry — which focused a cooperative global effort on removing or pre-empting governmental barriers and used associations very effectively to this end — rather than attempting to create unsustainable value propositions. In my opinion this is the opportunity for our industry — and for the associations represented here... clearly position aluminum positively and accurately on the “sustainability map” — in the minds of investors, customers, employees, politicians, regulators and other stakeholders”¹⁹¹.

¹⁹¹ Notes for an address by Richard B. Evans, Executive Vice President, Alcan Inc. and President, Aluminum Fabrication, Europe at The International Aluminum Forum May 18, 2001, <http://www.alcan.com/web/publishing.nsf/Content/Aluminum+Opportunities+for+a+New+Era+or+The+Seven+Sirens+of+the+Aluminum+Industry>

Appendix 2

Alcan's Subsidiaries and Related Companies as of February 15, 2005

Alcan is the direct owner of the stock of each Subsidiary or Related Company, except where the name is indented. Indentation signifies that the principal ownership by Alcan is through the company under which the indentation is made; where there is additional ownership through another company also listed below, that additional ownership is described in the end-note on page 47.

ALCAN INC.		
Subsidiaries, Related Companies, Etc.	Organized Under The Laws Of	% Of Voting Shares Held By Immediate Owner
3712001 CANADA INC.	Canada	100.00
9121-5988 QUÉBEC INC.	Quebec	100.00
ALCAN ALUMINIUM QUEBEC AND COMPANY, LIMITED PARTNERSHIP	Quebec	99.00 (1)
9121-5996 QUÉBEC INC.	Quebec	100.00
ALCAN-SPROSTONS LIMITED	Jamaica	100.00
ALCAN ADMINCO (2000) INC.	Canada	100.00
ALCAN ALESA TECHNOLOGIES LTD.	Canada	100.00
ALCAN ALUMINIO (AMÉRICA LATINA) INC.	Canada	100.00
ALCAN ASIA PACIFIC LIMITED	Canada	100.00
ALCAN HOLDINGS FINANCE LLC	Delaware	100.00
ALCAN CORPORATION	Texas	100.00
ALCAN ALUMINUM EXPORT, INC.	Georgia	100.00
ALCAN CONNECTICUT, INC.	Connecticut	100.00
ALCAN MANAGEMENT SERVICES USA INC.	Ohio	100.00
ALCAN PECHINEY CORPORATION	Texas	100.00
PECHINEY CORK & SEAL OF CALIFORNIA, LLC	California	100.00
PECHINEY METALS LLC	Delaware	100.00
HOWMET INSURANCE COMPANY, INC.	Vermont	100.00
PECHINEY PLASTIC PACKAGING TEXAS, INC.	Delaware	100.00
CEBAL MEXICANA LP	Texas	99.00 (27)
PECHINEY PLASTIC PACKAGING, INC.	Delaware	100.00
GUARDIAN PLASTICOTE LIMITED	India	17.00
PECHINEY PLASTIC PACKAGING RECEIVABLES CORPORATION	Delaware	100.00
PECHINEY PLASTIC PACKAGING (CANADA) INC.	Ontario	100.00
VENTURE PACKAGING, INC.	North Carolina	100.00
PECHINEY ROLLED PRODUCTS, LLC	Delaware	100.00
PECHINEY CAST PLATE, INC.	Delaware	100.00
PECHINEY WORLD TRADE (USA), INC.	New York	92.88 (59)
BRANDEIS SERVICES, INC.	Delaware	100.00
PECHINEY BÉCANCOUR, INC.	Delaware	100.00
PECHINEY REYNOLDS QUEBEC INC.	Nebraska	50.25
ALUMINERIE DE BÉCANCOUR, INC.	Quebec	50.10
PECHINEY SALES CORPORATION	Delaware	100.00
PECHINEY CANADA, INC.	Canada	100.00
PECHINEY HOLDINGS, INC.	Delaware	100.00

PECHINEY PERU	Peru	98.00
PMC LEASE COMPANY	Delaware	100.00
PRP PROPERTY & EQUIPMENT, LLC	Illinois	100.00
TECHPACK AMERICA LLC	Delaware	100.00
HENLOPEN MANUFACTURING CO. INC.	New York	100.00
COSMETECH MABLY INTERNATIONAL, LLC	New York	100.00
COSMETECH MABLY INTERNATIONAL (H.K.) LTD.	Hong Kong	51.00
CT PACK, LLC	New York	100.00
TECHPACK AMERICA COSMETIC PACKAGING, L.P.	Texas	99.50 (78)
TECHPACK LATIN AMERICA S.A.	Venezuela	100.00
TPI MEXICANA S.A. De C.V.	Mexico	99.98 (80)
TPI MOLPLASTIC Ltda	Brazil	100.00
TPI PLASTIMEC S.A.	Argentina	51.00
ALCAN POWER MARKETING, INC.	Ohio	100.00
ALCAN PRIMARY PRODUCTS CORPORATION	Texas	100.00
ALCAN PRODUCTS CORPORATION	Texas	100.00
ALCAN BALTEK CORPORATION	Delaware	100.00
BALSA DEVELOPMENT CORPORATION	New Jersey	100.00
BALSA ECUADOR LUMBER CORPORATION	New Jersey	100.00
BALTEK FOREIGN SALES CORPORATION	US Virgin Islands	100.00
BALTEK INTERNATIONAL CORPORATION	Delaware	100.00
BALTEK LIMITED	England	100.00
PACIFIC TIMBER LIMITED	England	100.00
BALTEK MERCOSUR, L.L.C.	New Jersey	100.00
COMPANIA ECUATORIANA DE BALSA S.A.	Ecuador	100.00
CRUSTACEA CORPORATION	Delaware	100.00
CRYOGENIC STRUCTURES CORPORATION	Delaware	94.00
PLANTACIONES DE BALSA S.A.	Ecuador	49.90 (60) (61) (62) (63)
POUCNST S.A.	Ecuador	100.00
PRODUCTOS DEL PACIFICO S.A.	Ecuador	100.00
BALMANTA S.A.	Ecuador	67.93 (25)
MADERAS SECAS C.A.	Ecuador	57.08 (52) (53)
SANLAM CORPORATION	New York	100.00
ALCAN EUROPE LIMITED	England	100.00
ALCAN FINANCES B.V.	The Netherlands	100.00
ALCAN FINANCES (Bda) LTD.	Bermuda	100.00
ALCAN ASIA LIMITED	Hong Kong	100.00
ALCAN NIKKEI CHINA LIMITED	Hong Kong	49.00
ALCAN NINGXIA HOLDINGS LIMITED	Bermuda	100.00
ALCAN NINGXIA ALUMINIUM COMPANY LIMITED	China	50.00
ALCAN PACKAGING MALAYSIA SDN BHD	Malaysia	100.00
ALCAN PACKAGING PUERTO RICO INC.	New Jersey	100.00
ALCAN (BERMUDA) LIMITED	Bermuda	100.00
ALCAN SHIPPING (BERMUDA) LIMITED	Bermuda	100.00
CHAMPLAIN INSURANCE COMPANY LTD.	Bermuda	100.00
HALCO (MINING) INC.	Delaware	34.53 (49)
BOKÉ INVESTMENT COMPANY	Delaware	100.00
COMPAGNIE DES BAUXITES DE GUINÉE	Delaware	51.00
NONFEMET INTERNATIONAL (China-Canada-Japan) ALUMINIUM COMPANY LIMITED	China	27.00
QUADREM INTERNATIONAL HOLDINGS, LTD.	Bermuda	9.02 (66)
ALCAN FINANCES (IRELAND) LIMITED	Canada	100.00
ALCAN ALUMINIUM AG	Switzerland	100.00
ALCAN PACKAGING RORSCHACH AG	Switzerland	100.00
ALCAN HOLDINGS CANADA LIMITED	Canada	100.00
ALCAN FINANCES (IRELAND) COMPANY	Ireland	100.00
ALCAN HOLDINGS AUSTRALIA PTY LIMITED	Australia	100.00
ALCAN SOUTH PACIFIC PTY LTD	Australia	100.00

ALCAN GOVE DEVELOPMENT PTY LIMITED	Australia	100.00
ALCAN NORTHERN TERRITORY ALUMINA PTY LIMITED	Australia	100.00
GOVE ALUMINIUM LIMITED	Australia	100.00
ALCAN GOVE PTY LIMITED	Australia	50.00 (5)
ALCAN QUEENSLAND SMELTER PTY LTD	Australia	100.00
NABALCO PTY LIMITED	Australia	100.00
QUEENSLAND ALUMINA LIMITED	Australia	21.39 (67)
QUEENSLAND ALUMINA SECURITY CORPORATION	Delaware	20.00
TRANS TERRITORY PIPELINE PTY LIMITED	Australia	100.00
ALCAN HOLDING ITALIA S.P.A.	Italy	100.00
ALCAN PACKAGING ITALIA S.R.L.	Italy	89.00 (11)
Bp EUROPACK S.R.L.	Italy	100.00
ALCAN HOLDINGS SWITZERLAND AG (SA/LTD.)	Switzerland	100.00
AL HOLDING USA LLC	Delaware	100.00
ALA (NEVADA) INC.	Nevada	100.00
ALCAN COMPOSITES USA INC.	Missouri	100.00
ALCAN GATOR-COR HOLDINGS, LLC	Delaware	59.44 (3) (4)
ALCAN GATOR-COR COMPANY, LLC	Delaware	100.00
NEVAMAR FINANCING, LLC	Delaware	100.00
NEVAMAR OFFSHORE ACQUISITION CORPORATION	Delaware	100.00
NEVAMAR TE ACQUISITION CORPORATION	Delaware	100.00
ALCAN GLOBAL PHARMACEUTICAL PACKAGING INC.	New Jersey	100.00
HBE FERMENTATION SYSTEMS INC.	California	10.00
INTERNATIONAL GLASS EQUIPMENT LTD.	Bahamas	100.00
POLAR MATERIALS INC.	Pennsylvania	86.21
PC MATERIALS INC.	Pennsylvania	50.00
POLYPLASMA INC.	Canada	100.00
ALCAN PACKAGING FOOD AND TOBACCO INC.	Delaware	100.00
ALCAN PACKAGING PHARMA CENTER INC.	Delaware	100.00
ALCAN PACKAGING THERMAPLATE INC.	New Jersey	100.00
ALUSUISSE ALUMINUM USA INC.	Delaware	100.00
VAW FLEXIBLE PACKAGING INC.	Delaware	100.00
ALCAN AIREX AG	Switzerland	100.00
ALCAN ALESA ENGINEERING AG	Switzerland	100.00
ALCAN ALLEGA AG	Switzerland	100.00
ALCAN ALUCOBOND (FAR EAST) PTE LTD.	Singapore	100.00
ALCAN ALUMINIO ESPAÑA, S.A.	Spain	100.00
ALCAN ALUMINIO PORTUGAL LDA.	Portugal	98.00
ALCAN ALUMINIUM VALAIS SA	Switzerland	100.00
ALCAN AUSTRIA GmbH	Austria	100.00
ALCAN ALPE ADRIA D.O.O.	Slovenia	100.00
ALCAN HUNGARIA Kft.	Hungary	100.00
ALCAN ROMANIA SRL.	Romania	100.00
ALCAN CAPITAL JERSEY LIMITED	The Island Of Jersey	100.00
ALCAN FINANCE JERSEY LIMITED	The Island Of Jersey	100.00
ALCAN DÉCIN EXTRUSIONS S.R.O.	Czech Republic	100.00
ALCAN HOLDINGS EUROPE B.V.	The Netherlands	100.00
A-L FINANCIAL PRODUCTS LTD.	England	100.00
ALCAN DISTRIBUZIONE Srl	Italy	100.00
ALCAN HOLDINGS FRANCE S.A.	France	100.00
ALCAN CMIC SAS	France	100.00
ALCAN FRANCE EXTRUSIONS SAS	France	100.00
ALCAN PACKAGING FRANCE SAS	France	100.00
ALCAN PACKAGING GLASS PHARMA	France	100.00
ALCAN PACKAGING SAINT MAUR	France	100.00
CIVILE IMMOBILIÈRE CELI	France	99.50 (32)
ALCAN PACKAGING SARREBOURG SAS	France	100.00
LAWSON MARDON TRENTESAUX SA	France	99.99
SOCIÉTÉ ALSACIENNE D' ALUMINIUM	France	100.00

VAW INTERNATIONAL CAPSULES S.A.	France	100.00
ALCAN HOLDINGS GERMANY Gmbh	Germany	99.24 (7)
ALCAN AUTOMOTIVE KAMENICE S.R.O.	Czech Republic	100.00
ALCAN BDW BETEILIGUNGS Gmbh	Germany	100.00
ALCAN BDW Gmbh & CO. KG	Germany	100.00
ALCAN COMPOSITES LTD, SHANGHAI	China	100.00
ALCAN KAPA Gmbh	Germany	100.00
ALCAN PACKAGING NEUMUNSTER Gmbh	Germany	100.00
ALCAN PACKAGING SINGEN Gmbh	Germany	99.90 (12)
TSCHEULIN-ROTHAL Gmbh	Germany	97.17
ALCAN PACKAGING MOSKAU OOO	Russia	100.00
ALCAN SINGEN Gmbh	Germany	100.00
CONSORTIUM STROJMETAL A.S. KAMENICE & ALCAN SINGEN Gmbh (Unincorporated)	Czech Republic	50.00
ALCAN TOMOS D.O.O.	Slovenia	66.66
ALMET AG	Germany	63.64
ALCAN HOLDINGS NEDERLAND B.V.	The Netherlands	100.00
ALCAN NEDERLAND B.V.	The Netherlands	100.00
S.A. ALCAN BELGIUM N.V.	Belgium	99.37 (77)
ALCAN PACKAGING AMSTERDAM BV	The Netherlands	100.00
ALCAN PACKAGING BRABANT BV	The Netherlands	100.00
ALCAN PACKAGING ZUTPHEN BV	The Netherlands	100.00
ALU-VASTGOED B.V.	The Netherlands	100.00
ALUMINIUM & CHEMIE ROTTERDAM B.V.	The Netherlands	53.30 (24)
ALCAN HOLDINGS UK LIMITED	England	100.00
ALCAN PACKAGING CRAMLINGTON LTD.	England	100.00
LAWSON MARDON PACKAGING LTD.	England	100.00
ALCAN PACKAGING UK LTD	England	100.00
KOTERS (LIVERPOOL) LIMITED	England	100.00
LAWSON MARDON FIBRENYLE LTD.	England	100.00
FIBRENYLE (CORBY) LIMITED	England	100.00
LAWSON MARDON FLEXIBLE LIMITED	England	100.00
MARDON FLEXIBLE PACKAGING (KENTON) LIMITED	England	100.00
LAWSON MARDON SMITH BROTHERS LTD.	England	100.00
ALCAN PACKAGING SUTTON LTD.	England	100.00
MARDON PELOREX LIMITED	England	100.00
LMG IRIDON LIMITED	England	100.00
LAWSON MARDON THERMOPLASTICS LTD.	England	100.00
WHEATON UK LTD.	England	100.00
LAWSON MARDON NORTHERN LIMITED	England	100.00
LAWSON MARDON READING LTD.	England	100.00
STALCON PLASTICS LIMITED	England	100.00
ALCAN PACKAGING (UK SALES) LTD.	England	100.00
HEADLEY (READING) LIMITED	England	100.00
CELLOGLAS HOLDINGS LTD.	England	100.00
ALCAN PRINT FINISHERS LTD.	England	100.00
FIVE STAR CORPORATION LIMITED	England	100.00
PROTECTA PRINT LIMITED	England	100.00
QUALICOAT LIMITED	England	100.00
UNIVERSAL COATINGS LIMITED	England	100.00
WEST MIDLANDS FOIL BLOCKING LIMITED	England	100.00
LUSTRETEX LTD.	England	100.00
THE UV COMPANY LIMITED	England	100.00
UVIPAK (FINISHING) LIMITED	England	100.00
LAWSON MARDON GROUP INTERNATIONAL LIMITED	England	100.00
ALCAN PACKAGING IZMIR GRAVUR BASKILI KARTON SANAYI VE TICARET A.S.	Turkey	100.00
ALCAN PACKAGING KAZAKHSTAN LLP	Kazakhstan	100.00
ROTOPAK MATBAACILIK AMBALAJ SANAYI VE TICARET A.S.	Turkey	100.00
ROTOPAS AMBALAJ PAZARLAMA VE DAGITIM A.S.	Turkey	100.00
VAW EUROPACK IBERICA, S.L.	Spain	100.00
LAWSON MARDON PACKAGING SALES LTD.	England	100.00
ALCAN JAPAN LTD.	Japan	100.00

ALCAN PRODOTTI SPECIALI Spa	Italy	100.00
LMG (IRELAND) LIMITED	Ireland	100.00
ALCAN PACKAGING DUBLIN LTD	Ireland	100.00
WCL FLEXIBLE PACKAGING LIMITED	Ireland	100.00
VERAMIC S.A.	Belgium	100.00
WAXED CARTONS (EXPORT) LIMITED	Ireland	100.00
ZITELI LIMITED	Ireland	100.00
ALCAN HOLDINGS INVESTMENT LLC	Delaware	100.00
ALCAN ICELAND LTD.	Iceland	100.00
ENDURVINNSLAN LTD.	Iceland	7.00
ALCAN MASS TRANSPORTATION SYSTEMS AUSTRALIA PTY. LTD.	Australia	100.00
ALCAN PACKAGING CANADA LIMITED	Ontario	100.00
LAWSON MARDON PACKAGING OVERSEAS (BRISTOL) LIMITED	England	99.00 (51)
ALCAN PACKAGING KREUZLINGEN AG (SA/LTD.)	Switzerland	100.00
ALCAN PACKAGING SERVICES AG (SA/LTD.)	Switzerland	100.00
ALCAN TECHNOLOGY & MANAGEMENT AG (SA/LTD.)	Switzerland	100.00
ALCAN TRADING AG (SA/LTD.)	Switzerland	100.00
ALUFLUOR AB	Sweden	50.00
ALUSUISSE OF AUSTRALIA LIMITED	Australia	100.00
ALCAN ENGINEERING PTY LIMITED	Australia	100.00
SWISS ALUMINIUM AUSTRALIA LIMITED	Australia	100.00
GOVE JOINT VENTURE (THE)	Australia	70.00 (48)
ALUSUISSE SERVICIOS S.A., Panama	Panama	100.00
ALUSUISSE SERVICIOS S.A., Venezuela	Venezuela	100.00
IGORA-GENOSSENSCHAFT FUR ALUMINIUM-RECYCLING	Switzerland	5.60
METALLICA S.A.	Switzerland	35.00
METALLWERKE REFONDA AG	Switzerland	100.00
SOCIÉTÉ MINIÈRE ET DE PARTICIPATIONS GUINÉE-ALUSUISSE	Guinea	50.00
SOR-NORGE ALUMINIUM AS	Norway	50.00
ALCAN HOLDINGS (THAILAND) LIMITED	Thailand	100.00
ALCAN INTERNATIONAL LIMITED	Canada	100.00
ALCAN MANAGEMENT SERVICES CANADA LIMITED	Canada	100.00
ALCAN PACKAGING PROPACK CO. LIMITED	Hong Kong	65.00
ALCAN PROPACK CHENGDU CO LTD	China	40.00
EVERWEAL INTERNATIONAL LIMITED	Hong Kong	100.00
HUIZHOU PROPACK PLASTIC LIMITED	China	100.00
JIANGYIN PROPACK ADVANCED PACKING CO., LIMITED	China	100.00
JIANGYIN PROPACK PACKING CO., LIMITED	China	99.05
PROPACK HUIZHOU LIMITED	China	73.47 (64)
PROPACK HUIZHOU NEW MATERIAL CO LTD	China	100.00
VPS PROPACK BEIJING CO., LTD.	China	55.00 (82)
ALCAN PACKAGING STARPACK CORPORATION	Philippines	100.00
SPC REALTY CORPORATION	Philippines	40.00
ALCAN PACKAGING STRONGPACK PUBLIC COMPANY LIMITED	Thailand	49.00 (13)
ALCAN PACKAGING STRONGTHAI PACK COMPANY LIMITED	Thailand	100.00
ALCAN PARTICIPAÇÕES LTDA.	Brazil	100.00
ALCAN ALUMINA LTDA.	Brazil	100.00
CONSÓRCIO DE ALUMÍNIO DO MARANHÃO ("CONSÓRCIO ALUMAR")	Brazil	10.00
ALCAN COMPOSITES BRASIL S.A.	Brazil	70.00
ALCAN EMBALAGENS DO BRASIL LTDA.	Brazil	100.00
ALCAN PACKAGING DO BRASIL LTDA.	Brazil	83.00 (10)
MINERAÇÃO RIO DO NORTE S.A.	Brazil	12.50
ALCAN REALTY LIMITED	Canada	100.00
ALCAN SHIPPING SERVICES LIMITED	Canada	100.00
ALCAN SMELTERS AND CHEMICALS LIMITED	Canada	100.00
ALUMINERIE ALOUETTE INC.	Quebec	20.00 (16)

ALUMINIUM COMPANY OF CANADA LIMITED	Canada	100.00
ALCAN FINANCES USA LLC	Delaware	100.00
BRITISH ALCAN ALUMINIUM Plc	England	100.00
ALCAN CHEMICALS EUROPE LIMITED	England	100.00
ALCAN CHEMICALS LIMITED	England	100.00
ALCAN FARMS LIMITED	England	100.00
TBAC LIMITED	England	100.00
ALCAN ALUMINIUM UK LIMITED	England	85.00 (2)
BRITISH ALCAN OVERSEAS INVESTMENTS LIMITED	England	100.00
SARATOGA RESOURCES N.V.	Netherland Antilles	20.00
VIGELAND METAL REFINERY A/S	Norway	50.00
GHANA BAUXITE COMPANY LIMITED	Ghana	80.00
VIGELANDS BRUG A/S	Norway	100.00
THE BOWLING BACK LAND COMPANY LIMITED	England	50.00
PECHINEY	France	100.00
ALCAN ALPHA 2004	France	99.76
ALCAN BETA 2004	France	100.00
ALCAN CENTRE DE RECHERCHES DE VOREPPE	France	100.00
ALCAN DELTA 2004	France	100.00
ALCAN EPSILON 2004	France	100.00
ALCAN GAMMA 2004	France	100.00
ALUMINIUM DUNKERQUE S.A.	France	100.00
ALUMINIUM PECHINEY	France	98.75 (20)
AFFIMET	France	100.00
ALUCAM - COMPAGNIE CAMEROUNAISE DE L' ALUMINIUM	Cameroun	46.67
ALUBASSA	Cameroun	70.09 (14)
ALUCONGO	Congo	55.86 (15)
CENTRE MÉDICAL DES ENTREPRISES DE LA SANAGA	Cameroun	74.89 (30) (31)
COLALU	Centre Africa	57.35 (33)
HOSTELLERIE DE LA SANAGA	Cameroun	67.50
SOCATRAL - SOCIÉTÉ CAMEROUNAISE DE TRANSFORMATION DE L' ALUMINIUM	Cameroun	52.55 (68)
SOTRALGA - SOCIÉTÉ DE TRANSFORMATION DE L' ALUMINIUM AU GABON	Gabon	38.33 (75)
ALUMINIUM PECHINEY SERVICE	France	99.36 (22)
ALUMINIUM PECHINEY SPV	France	99.96 (23)
ALUMINIUM PECHINEY UO 5	France	100.00
BAOTOU PECHINEY AND BAOLU HIGH PURITY ALUMINIUM COMPANY LIMITED	China	51.00
CIE IVOIRIENNE DE L' ALUMINIUM (IVOIRAL)	Ivory Coast	10.00
ÉLECTRIFICATION CHARPENTE LEVAGE - E.C.L.	France	100.00
ECL SCES AFRICA ENGINEERING	South Africa	100.00
ECL SERVICES MIDDLE EAST W.L.L.	Bahrain	90.00 (37)
ECL SERVICES NL BV	The Netherlands	100.00
ECL SERVICES PTY LIMITED	Australia	100.00
ECL SERVICES, INC.	Quebec	100.00
ECL SERVICOS LIMITADA	Mozambique	85.71 (38)
ECL SHANGHAI	China	100.00
PECHINEY ALUMINA RESOURCES INDIA PRIVATE LTD	India	100.00
PECHINEY PHILIPPINES INC	Philippines	99.99
PECHINEY TECHNOLOGY LTD.	Quebec	100.00
PECHINEY VÉNÉZUELA, S.A.	Venezuela	100.00
PECHINEY SERVICIOS	Venezuela	100.00
PEM ABRASIFS-RÉFRACIAIRES	France	100.00
SOCIÉTÉ FINANCIÈRE POUR LE DÉVELOPPEMENT DE L' ALUMINIUM S.F.D.A.	France	100.00
ALUMINIUM DE GRÈCE S.A.I.C.	Greece	41.10 (17) (18)
DELPHES & DISTOMON (SOCIÉTÉ MINIÈRE DE)	Greece	99.98
SOCIÉTÉ IMMOBILIÈRE ALPES PROVENCE - SIAP	France	89.44 (73)

SOCIÉTÉ MAURIENNAISE DE TRANSFORMATION - S M T	France	100.00
SOCIÉTÉ MINIÈRE DES BAUX	France	99.90
SOCIÉTÉ POUR LE DÉVELOPPEMENT DE L' AFRIQUE CENTRALE ET DE L' OUEST SODAFE	France	62.85 (74)
BRANDEIS (BROKERS) LIMITED	England	100.00
CARBONE SAVOIE	France	30.00
CARBONE SAVOIE BRAZIL HOLDING SA	Brazil	97.87
CARBONE SAVOIE BRAZIL SA	Brazil	99.98
COMPAGNIE GÉNÉRALE D' ÉLECTROLYSE DU PALAIS	France	100.00
FONDERIE DE CUIVRE DU PALAIS	France	100.00
COMPAGNIE GÉNÉRALE DE PARTICIPATION INDUSTRIELLE ET FINANCIÈRE	France	100.00
CEBAL AMERICA RECURSOS HUMANOS S. De R.L. De C.V	Mexico	99.00
CEBAL AMERICAS DE REYNOSA S. De R.L. De C.V.	Mexico	99.00
CEBAL BRASIL LIMITADA	Brazil	100.00
CEPILLOS DE MATAMOROS, S.A. De C.V.	Mexico	100.00
EMIROLL	United Arab Emirates	30.00
ENVARIL PLASTIC PACKAGING S.R.L.	Argentina	100.00
ENVARIL PLASTIC PACKAGING URUGUAY SA	Uruguay	100.00
NOVACEL S.A. DE C.V.	Mexico	100.00
CELPLY S.A. DE C.V.	Mexico	100.00
PECHINEY BRIDLICNA S.R.O.	Czech Republic	100.00
PECHINEY HOLDINGS UK LTD	England	100.00
ALCAN INTERNATIONAL NETWORK UK LIMITED	England	100.00
ALCAN INTERNATIONAL NETWORK LIMITED	England	100.00
ALCAN INTERNATIONAL NETWORK GULF LIMITED	England	100.00
ALUMINIUM PECHINEY (UK) LIMITED	England	100.00
PECHINEY UK LIMITED	England	100.00
BRANDEIS LIMITED	England	100.00
CEBAL UK LTD	England	100.00
FEEP HOLDINGS UK LIMITED	England	100.00
PET PLAS PACKAGING LIMITED	England	100.00
KENPAK (EUROPE) LIMITED	England	100.00
PECHINEY AVIATUBE LTD.	England	100.00
PECHINEY CEBAL PACKAGING LTD	England	100.00
PECHINEY TRADING LIMITED	England	100.00
TECHPACK (UK) LIMITED	England	100.00
DEUTSCHE ALUMINIUM VERPACKUNG RECYCLING GmbH	Germany	16.67 (36)
FINANCIÈRE EUROPÉENNE D' EMBALLAGES PECHINEY	France	100.00
ALCAN PACKAGING SKRIVANY S.R.O.	Czech Republic	100.00
CEBAL S.A.S.	France	97.94 (29)
CEBAL AÉROSOL FRANCE	France	100.00
CEBAL CR, A.S.	Czech Republic	99.45
CEBAL ITALIANA SPA	Italy	99.87
CEBAL MINMETAL S.R.L.	Italy	99.67 (28)
CEBAL MEXICO	Mexico	100.00
CEBAL SVENSKA AB	Sweden	100.00
CEBAL TUBA SP ZO.O.	Poland	80.00
CEBAL ZHONGSHAN CO. LTD	China	60.00
COPAL SAS	France	51.00
COTUPLAS	France	76.96 (35)
PECHINEY MANUFACTURE MAROCAINE D' ALUMINIUM M.M.A.	Morocco	49.39 (56)
AL WIFAQ 5	Morocco	99.95
SOCIÉTÉ MÉTALLURGIQUE DE MOHAMMEDIA - S.M.M.	Morocco	79.00
SOCIÉTÉ MANUFACTURE MAROCAINE DE MOHAMMEDIA - S.M.M.M.	Morocco	99.94
CEBAL VERPACKUNGEN GmbH	Germany	100.00
CEBALSOL S.R.O.	Czech Republic	100.00
DANAFLEX PACKAGING CORPORATION LIMITED	New Zealand	100.00
PECHINEY BOUTEILLES PLASTIQUES	France	100.00
PECHINEY CAPSULES	France	100.00
PECHINEY CAPALUX INC.	Canada	100.00
INVERSIONES PECHINEY CHILE LIMITADA	Chile	99.99 (50)

ENOCAP CHILE S.A.	Chile	100.00
PECHINEY CELOGRAF S.L.	Spain	100.00
ALCAN PACKAGING ALZIRA SAU	Spain	100.00
CEBAL ENTEC S.A.	Spain	100.00
INDUSTRIAS METALICAS CASTELLO S.A.	Spain	100.00
PRECIS, S.A.	Spain	100.00
PECHINEY ESPANA, S.A.	Spain	100.00
POLIBOL S.A.	Spain	100.00
GUARDIAN ESPANOLA S.A.	Spain	100.00
SOPLARIL Portugal	Portugal	99.99
PECHINEY EMBALLAGE FLEXIBLE EUROPE	France	100.00
ALCAN LEBENSMITTEL VERPACKUNGEN GmbH	Germany	100.00
ALUFIN GmbH TABULAROXID	Germany	100.00
PECHINEY SCHEUCH BETRIEBS-UND VERWALTUNGS GmbH	Germany	100.00
PECHINEY SCHEUCH GmbH & Co KG	Germany	100.00
SCHEUCH UNTERSTUTZUNGSKASSE GmbH	Germany	100.00
SOCIÉTÉ DE FINANCEMENT DES RISQUES INDUSTRIELS - SOFIRI	Luxembourg	90.00 (72)
SOPLARIL	France	100.00
AVENIR PRINT SERVICE	France	100.00
SOPLARIL ITALIA S.P.A.	Italy	100.00
FINANCIÈRE TECHPACK	France	100.00
TECHPACK INTERNATIONAL	France	99.99
AIRLESSYSTEMS	France	50.00
BENSON SRL	Italy	100.00
COSMETECH MABLY EUROPE	France	85.47 (34)
DECOPLAST	France	99.91
LAFFON SPA	Italy	100.00
LIR France	France	100.00
MT PACKAGING	France	100.00
NOVELIS DISTRIBUTIONS AG	Switzerland	100.00
PT TECHPACK ASIA	Indonesia	95.00
SFG - SOCIÉTÉ FRANÇAISE DE GALVANOPLASTIE	France	100.00
TECHPACK DEUTSCHLAND GmbH	Germany	100.00
TECHPACK FINANCEMENT	France	100.00
FRANCE ALUMINIUM RECYCLAGE SA	France	39.99 (39)
INTERFILIÈRES MATÉRIAUX	France	20.00
GIE - PECHINEY RECHERCHE	France	92.00 (40) (41) (42) (43) (44) (45) (46) (47)
INVESTRIA	France	98.74
PECHINEY CONSOLIDATED AUSTRALIA PTY LIMITED	Australia	55.52 (54)
ALCAN PRIMARY METAL AUSTRALIA (PTY) LTD	Australia	100.00
ALUMINIUM PECHINEY HOLDINGS PTY LTD	Australia	99.00 (21)
JOHCATH HOLDINGS PTY LIMITED	Australia	100.00
CATHJOH HOLDINGS PTY LIMITED	Australia	50.00 (26)
PECHINEY RESOURCES PTY, LIMITED	Australia	100.00
PECHINEY AUSTRALU PTY LIMITED	Australia	100.00
TOMAGO ALUMINIUM COMPANY PTY LTD	Australia	50.00
TOMAGO ALUMINIUM JOINT-VENTURE	Australia	36.05 (79)
PECHINEY ÉLECTROMÉTALLURGIE	France	100.00
INVENSIL	France	100.00
INVENSIL FREE STATE (Pty) LTD	South Africa	100.00
SILICON SMELTERS (Pty) Ltd	South Africa	100.00
VAAL SILICON SMELTERS (Pty) LTD	South Africa	74.90
SOCIÉTÉ DE PRODUITS INDUSTRIELS DU RHÔNE	France	99.94
PECHINEY KHI 99	France	99.76 (55)
PECHINEY MANHATTAN	France	100.00
SAVOIE SERVICE Y.K.	Japan	100.00
PECHINEY NEDERLAND, N.V.	Netherlands	100.00
PECHINEY NEDERLANDS & CO ALUMINIUM PRODUCTIE BEDRIEJF, C.V.	The Netherlands	85.00
PECHINEY PHI 2000	France	100.00

PECHINEY RHENALU	France	100.00
ALCAN ALUMINIUM-PRESSWERK GMBH	Germany	100.00
ALCAN ALUMINIUM-PRESSWERK BURG Gmbh	Germany	100.00
ALCAN ALUMINIUM-PRESSWERK PFALZ GMBH	Germany	100.00
ALMET	France	100.00
ALUMINIUM DU MAROC S.A.	Morocco	15.69 (19)
PECHINEY AVIATUBE	France	100.00
PECHINEY BATIMENT	France	100.00
PECHINEY SERVICES FINANCE	France	46.53 (57) (58)
PECHINEY SOFTAL	France	100.00
RHENAROLL S.A.	France	49.85
PECHINEY WORLD TRADE S.A.	France	100.00
ALCAN HELLAS S.A.	Greece	99.46 (6)
ALCAN INTERNATIONAL NETWORK AUSTRALASIA (PTY) LIMITED	Australia	100.00
ALCAN INTERNATIONAL NETWORK BELGIUM S.A.	Belgium	100.00
ALMET BELGIUM SA	Belgium	99.34
DE CLEEN & VEREECKEN N.V.	Belgium	99.60
ALCAN INTERNATIONAL NETWORK DEUTSCHLAND GmbH	Germany	100.00
COFRANEX Gesellschaft Für Industrielle Importe Und Dienstleistungen Mbh	Germany	100.00
ALCAN INTERNATIONAL NETWORK EURASIA LLC	Russian Federation	100.00
ALCAN INTERNATIONAL NETWORK HANDELSGESELLSCHAFT M.B.H.	Austria	100.00
ALCAN INTERNATIONAL NETWORK ITALY	Italy	99.99 (8)
OXIMET SRL	Italy	66.67
ALCAN INTERNATIONAL NETWORK JAPAN	Japan	100.00
ALCAN INTERNATIONAL NETWORK NORDIC AS	Denmark	100.00
ALCAN INTERNATIONAL NETWORK PORTUGAL LDA	Portugal	99.87 (9)
ALCAN INTERNATIONAL NETWORK SA (Pty) Ltd	South Africa	100.00
CHROMEX MINING CO (PTY) LIMITED	South Africa	100.00
PECHINEY APPROVISIONNEMENTS ALUMINE	France	100.00
PECHINEY A.I.M.	France	100.00
PECHINEY BRASIL LTDA	Brazil	100.00
PECHINEY CHILE LIMITADA	Chile	99.00
PECHINEY DIS TICARET LIMITED SIRKETI	Turkey	99.99
PECHINEY FAR EAST LIMITED	Hong Kong	99.90
PECHINEY (SHANGHAI) WORLD TRADE LTD	China	100.00
PECHINEY MEXICANA SA De CV	Mexico	99.96
PECHINEY NORGE A/S	Norway	100.00
PECHINEY SINGAPORE PTE LTD	Singapore	100.00
PECHINEY SVERIGE AB	Sweden	100.00
PECHINEY TAIWAN INC.	Taiwan	99.92
PECHINEY TRADING FRANCE	France	100.00
PECHINEY VERKOOP B.V.	The Netherlands	100.00
SEFRANEX DUBAI LTD	England	100.00
SEFRANEX	France	100.00
SOCIÉTÉ COMMERCIALE PECHINEY EGYPTTE SAE	Egypt	90.00 (69)
QUIMICA E METALURGICA MEQUITAL LTDA	Brazil	100.00
SATMA	France	100.00
SOCIÉTÉ D' ASSURANCE DE RISQUES INDUSTRIELS S.A.R.I.	France	99.80 (70) (71)
SOCIÉTÉ D' ENTREPRISES, CARRIÈRES ET MINES DE L' ESTÈL - S.E.C.M.E.	France	100.00
SOCIÉTÉ DE FINANCEMENT POUR AIDER À LA CONVERSION DANS LES BASSINS D' EMPLOI DE PECHINEY	France	100.00
SOCIÉTÉ DES FONDERIES D' USSEL	France	100.00
SOCIÉTÉ GÉNÉRALE DE RECHERCHES ET D' EXPLOITATIONS MINIÈRES - SOGEREM	France	100.00
UGINA	Morocco	99.92 (81)
PT INTERKEMAS FLEXIPACK	Indonesia	99.99 (65)
SOCIÉTÉ DES ALUMINES ET BAUXITES DE PROVENCE SARL	France	100.00
SUBTANEE HOLDING COMPANY LIMITED	Thailand	98.20 (76)

SANGTHIEN HOLDING COMPANY LIMITED	Thailand	100.00
THE ROBERVAL AND SAGUENAY RAILWAY COMPANY	Quebec	100.00
UTKAL ALUMINA INTERNATIONAL LIMITED	India	45.00

Additional Ownership (%) Through The Following Subsidiaries

- (1) 9121-5996 Québec Inc. 1.00
- (2) British Alcan Aluminium Plc 15.00
- (3) Nevamar Te Acquisition Corporation 37.69
- (4) Nevamar Offshore Acquisition Corporation 2.87
- (5) Swiss Aluminium Australia Limited 50.00
- (6) Sefranex 0.54
- (7) Alcan Holdings Switzerland Ag (Sa/Ltd.) 0.76
- (8) Pechiney A.I.M. 0.01
- (9) Pechiney A.I.M. 0.13
- (10) Alcan Holdings Switzerland Ag (Sa/Ltd.) 17.00
- (11) Bp Europack S.R.L. 11.00
- (12) Alcan Singen Gmbh 0.10
- (13) Sangthien Holding Company Limited 25.61
- (14) Société Pour Le Développement De L' Afrique Centrale Et De L' OuesSodafe 12.64
- (15) Société Pour Le Développement De L' Afrique Centrale Et De L' OuesSodafe 25.00
- (16) Alcan Aluminium Quebec And Company, Limited Partnership 20.00
- (17) Pechiney 10.00
- (18) Aluminium Pechiney 9.08
- (19) Pechiney Manufacture Marocaine D' aluminium M.M.A. 5.97
- (20) Pechiney Rhenalu 1.25
- (21) Aluminium Pechiney 1.00
- (22) Financière Européenne D' emballages Pechiney0.64
- (23) Compagnie Générale De Participation Industrielle Et Financière 0.04
- (24) Sor-Norge Aluminium As 10.50
- (25) Compania Ecuatoriana De Balsa S.A. 32.07
- (26) Alcan Primary Metal Australia (Pty) Ltd 50.00
- (27) Pechiney Plastic Packaging, Inc. 1.00
- (28) Cebal S.A.S. 0.33
- (29) Pechiney 2.06
- (30) Hostellerie De La Sanaga 0.05
- (31) Socatral - Société Camerounaise De Transformation De L' aluminium0.07
- (32) Alcan Holdings France S.A. 0.50
- (33) Société Pour Le Développement De L' Afrique Centrale Et De L' OuesSodafe 25.00
- (34) Lir France 14.53
- (35) Cebal Verpackungen Gmbh 5.00
- (36) Alcan Holdings Germany Gmbh 16.67
- (37) Ecl Services, Inc. 10.00
- (38) Ecl Sces Africa Engineering 14.29
- (39) Alcan Holdings France S.A. 20.00
- (40) Almet 1.00
- (41) Aluminium Pechiney 1.00
- (42) Pechiney Aviatube 1.00
- (43) Pechiney Électrométallurgie 1.00
- (44) Pechiney Rhenalu 1.00
- (45) Pechiney Softal 1.00
- (46) Satma 1.00
- (47) Société Des Fonderies D' ussel1.00
- (48) Gove Aluminium Limited 30.00
- (49) Aluminium Pechiney 10.47
- (50) Pechiney Cork & Seal Of California, Llc 0.01
- (51) Lawson Mardon Packaging Ltd. 1.00
- (52) Compania Ecuatoriana De Balsa S.A. 41.67
- (53) Balmanta S.A. 1.25
- (54) Pechiney Holdings, Inc. 44.48
- (55) Compagnie Générale De Participation Industrielle Et Financière 0.04
- (56) Société Manufacture Marocaine De Mohammedia - S.M.M.M. 13.45
- (57) Aluminium Pechiney 45.63
- (58) Alcan Centre De Recherches De Voreppe 7.84
- (59) Compagnie Générale De Participation Industrielle Et Financière 7.12
- (60) Balmanta S.A. 20.01
- (61) Compania Ecuatoriana De Balsa S.A. 10.03
- (62) Productos Del Pacifico S.A. 10.03
- (63) Maderas Secas C.A. 10.03
- (64) Everweal International Limited 23.65
- (65) Aluminum Company Of Canada Limited 0.01

- (66) Compagnie Générale De Participation Industrielle Et Financière 6.01
- (67) Pechiney Resources Pty, Limited 20.00
- (68) Aluminium Pechiney 5.44
- (69) Sefranex 10.00
- (70) Financière Européenne D' emballages Pechiney0.03
- (71) Compagnie Générale De Participation Industrielle Et Financière 0.03
- (72) Compagnie Générale De Participation Industrielle Et Financière 10.00
- (73) Pechiney 10.56
- (74) Ugina 1.95
- (75) Société Pour Le Développement De L' Afrique Centrale Et De L' OuesSodafe 25.00
- (76) Alcan Holdings (Thailand) Limited 1.80
- (77) Alcan Holdings Switzerland Ag (Sa/Ltd.) 0.62
- (78) Henlopen Manufacturing Co. Inc. 0.50
- (79) Cathjoh Holdings Pty Limited 15.50
- (80) Henlopen Manufacturing Co. Inc. 0.02
- (81) Société Générale De Recherches Et D' exploitations Minières Sogerem 0.02
- (82) Alcan Inc. 20.00