

Independent limited assurance report to Aluminium Bahrain B.S.C (“ALBA” or “the Company”) on the computation of selected sustainability performance indicators (“KPIs”) prepared in accordance with ALBA’s Basis of Reporting.

What we looked at: scope of our assurance work

ALBA has engaged Deloitte to perform limited assurance procedures on the computation of selected sustainability performance indicators (“Subject Matter”) presented in the table below (“Table 1”) for the year ended 31 December 2022.

Selected Subject Matter for assurance

ALBA’s reported performance during the given reporting period for the computation of selected key sustainability performance indicators (“KPIs”) is presented in the table below:

Table 1: KPIs

KPIs	Assured Figure for the year ended 31 December 2022
SPL Waste Recycled (Solid)	31,278 tonnes
Training Hours Recorded	551,371 hours
Lost Time Injury (“LTI”)	1 incident

Reporting Criteria

The above Subject Matter has been assessed against the Reporting Criteria (“Basis for Reporting”) included in Appendix A of this document.

What standards we used: basis of our assurance work and level of assurance

We carried out limited assurance procedures over ALBA’s selected Subject Matter in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”). To achieve limited assurance, ISAE 3000 requires that we review the processes, systems and competencies used to compile the Subject Matter, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Consequently, our conclusion is not expressed as an audit opinion.

What we did: key limited assurance procedures

To form our conclusion, we undertook the following procedures:

- Understood the roles and responsibilities of the preparation, governance and oversight arrangements of the specified sustainability KPIs and assess their preparation against the Reporting Criteria included in Appendix A;
- Performed enquiries with management to understand how the Reporting Criteria has been applied in the preparation of the sustainability KPIs;
- Assessed the compilation of the Reporting Criteria against market practice;
- Assessed the availability and quality of evidence provided to support the specified sustainability KPIs
- Reviewed and evaluated the Reporting Criteria for measurement and reporting for each of the selected sustainability KPIs against the actual calculation performed by the Company to support the numbers of the selected sustainability KPIs shown in Table 1, and;
- Agreed the selected sustainability KPIs to the Company’s internal calculations and supporting documentation.

Inherent Limitations

The process an organisation adopts to define, gather, and report information on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology, often with no consistent, accepted external standard. This may result in non-comparable information between organisations and from year to year within an organisation as methodologies develop. To support clarity in this process, ALBA has developed a Reporting Criteria document for 2022, which defines the scope of each assured metric and the method of calculation. This Reporting Criteria is available in Appendix A of this document and should be read together with this report.

In relation to our work performed on the selected subject matter, we note the following specific limitations:

- Our assurance procedures did not include detailed testing of IT controls of the underlying systems used by ALBA to collate and report data for the sustainability metrics.
- With the exception of the KPIs shown in the table above, our testing did not include assurance of, or detailed testing of the underlying data for any other KPI than those reported in Table 1, or of published assertions. As such, our work does not involve procedures to verify the accuracy of the performance data or assertions published.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Bahrain. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

In performing our work, we applied International Standard on Quality Management (“ISQM”) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Roles and responsibilities

ALBA:

ALBA is responsible for the preparation of the selected KPIs in accordance with the Reporting Criteria. Specifically, ALBA is responsible for ensuring that the information provided under the selected sustainability KPIs is properly prepared in accordance with ALBA’s “Basis of Reporting” and confirming the measurement or evaluation of the Subject Matter against the applicable Reporting Criteria. The Management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte:

Our responsibility is to provide a limited level of assurance on the subject matters as defined within the scope of work above to ALBA in accordance with our letter of engagement, and report thereon. In conducting our limited assurance engagement, we have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code).

Our work has been undertaken so that we might state to ALBA those matters we are required to state to them in this limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ALBA for our work, for this report, or for the conclusion we have formed.



Conclusions

Based on our limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the selected KPIs for the year ended 31 December 2022 have not been prepared, in all material respects, in accordance with the Basis for Reporting as appropriate.

Deloitte & Touche

Deloitte and Touche – Middle East

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Manama, Kingdom of Bahrain

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Appendix A: Reporting Criteria

Alba's Basis of Reporting

1) Training Hours Recorded

Definition

Total Training Hours attended by Alba employees

Scope

This KPI covers each training session attended by an Alba employee which is then recorded along with its duration and other relevant details in the SAP database from 1 January 2022 to 31 December 2022

Units

Hours

Method

When a training event is planned as part of the yearly Training Plan, Skills Matrix evaluation, Training Development Programs (TDPs) and Master Training Plan, it is then entered into the SAP database with all relevant details including duration of the training event. When the training event takes place, the employees attending the course are then recorded in the SAP database as well as other details relating to the training event.

Any course to be given during the year would be advertised along with its outline, duration, training provider and location on Intranet and the monthly Inter:Connect platform (email notification) to employees. Such notifications would provide the total training hours for which are then entered into SAP.

Post any training event, the attendance sheets for the in-house training, confirmation of attendance for the external training, screenshots for online virtual courses are used to enter the details of the attendees such as badge number, department, designation, etc.

Source

Information about every course, its attendees, their departments, duration, provider, location etc. are extracted from the SAP database through SAP Transaction ZHRTRN04 for reports.

2) Lost Time Injury

DEFINITION

Lost Time Injury (LTI) is an injury resulting from a work-related incident experienced by an employee(s) while attending to his/her duty as stated per the job description as well as contractor personnel under the direct supervision of the Alba team while being on Alba's premises. The LTI is applicable to the injuries that will not allow the employee and/or contractor personnel from attending the next shift of his/her normal duty.

SCOPE

This KPI reflects Lost Time Injuries within the period 1 January 2022 to 31 December 2022.

UNIT

Number of Lost Time Injuries (LTI) within the reporting period.

METHOD

Alba will capture the Lost Time Injuries in its central Safety Statistics' Reports after exhausting the process of verifying the encounter of the Lost Time Injury as defined. All injuries experienced at the facility involving any injured personnel(s) will be reported to Alba Medical Center. The injury details will be recorded in the Medical Injury Report (MIR) system initiating a notification to a dedicated management team. The assigned Medical Officer will categorize the injury according to Alba's guidelines then classify the injury based upon the examination and condition basis. The Lost Time Injury category will be fed to the central Safety Statistics system which once done can't be modified. The necessary reports will be published by the responsible person in the injured department. The Lost Time Injury Data can be extracted from the central Safety Statistics system.

SOURCE

Number of LTI is extracted from the official Alba Incident Statistics System.

3) SPL Waste Recycled (Solid)

DEFINITION

Spent Pot Lining (SPL) is a solid hazardous waste generated by the primary aluminium smelters. The electrolytic reduction cells (pots) are made up of steel shells with carbon and refractory linings.

Once the refractory and carbon lining have reached the end of their useful life, the pot is taken out of service and the lining removed is known as Spent Pot Lining. The delined SPL is transported to the Alba SPL Treatment Plant which, once treated, is converted into a useful product (HICAL), which is then shipped abroad to customers.

SCOPE

This KPI covers the Treated Spent Pot Lining which is dispatched from Alba SPL Treatment Plant within the period 1 January 2022 to 31 December 2022.

UNITS

Tonnes of Recycled Spent Pot Lining (t)

METHOD

The net weight of the Treated Spent Pot Lining is recorded at the SPL Treatment Plant's weighbridge and subsequently Bills of Lading and invoices are generated ahead of shipment to customers.

SOURCE

The weight of each dispatched container of the Treated SPL is recorded in the SPL Treatment Plant's weighbridge system as well as in the Bill of Lading.