

2020 Sustainability Report



Building the New Norm as
We Celebrate Alba's Golden
Jubilee of Operations





**His Royal Highness
Prince Salman bin Hamad Al Khalifa**
The Crown Prince and Prime Minister



**His Majesty
King Hamad bin Isa Al Khalifa**
The King of the Kingdom of Bahrain



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About this report

This is the fifth annual sustainability report for Alba. This report highlights our environmental, social and governance achievements and commitments covering the calendar year of 2020, beginning on January 1, and ending on December 31. The following information focuses on issues that are of greatest importance to our stakeholders.

All information and statements disclosed in the 2020 Sustainability Report relate to Alba's plant/operations in Bahrain unless otherwise stated.

Deloitte & Touche Middle East has provided limited assurance on our Sustainability Report in accordance with the GRI Standards and on selected environmental KPIs. The assurance statement can be found on pages 102 and 103 of this Report. Deloitte & Touche Middle East (DTME) is independent from Alba at the point when this Report is issued.

This report has been prepared in accordance with the GRI Standards: Core option.

FEEDBACK

We welcome your feedback on this report and our performance through:

Email: IR@alba.com.bh

LinkedIn: <https://www.linkedin.com/company/aluminium-bahrain>

Twitter: Aluminium Bahrain (@Alba4World)

Facebook: <https://www.facebook.com/Alba4World/>

Instagram: Aluminium Bahrain BSC (Alba) (@alba4world)

Cautionary Message:

This report contains statements that may be deemed as "forward looking statements" that express the way in which Alba intends to conduct its activities. Forward statements can be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved.

Alba has made every effort to ensure the report is as accurate and truthful as possible. However, by their nature forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond Alba's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

GRI REPORTING PRINCIPLES

In all our disclosures, we set out where the impacts occur for material topics and our involvement with those impacts. In all instances while preparing our 2020 Sustainability Report, we have striven to adhere to the GRI Reporting Principles taking into consideration the limitation and scope of the info currently available.

Welcome to the fifth Sustainability Report of Alba

REFLECTION: DID 2020 CHALLENGE US OR CHANGE US? 2020 challenged and changed us all on the corporates and individuals fronts; it also drove home the point that nothing matters more than Health and Safety. As one of the largest workforces in the Kingdom, Alba family has responded and adapted to the COVID-19 situation in a conscientious manner to ensure that our operations and people are safe.

I thank everyone - the Chairman of the Board of Directors, Alba Board Members, my colleagues in the management team and management staff and most importantly, the employees and contractor workforce for coming together during this unprecedented times and standing united in the fight against COVID-19.

Our unified and inclusive approach ensured that we progressed well in our Environment, Social and Governance (ESG) objectives. Evidence of our continuous improvements can be viewed within this Report pages, and I would like to highlight few of these - a drop in GHG emissions intensity by 15%, a reduction of hazardous waste generation by 37%, zero incidents of non-compliance with environmental laws and regulations, 84% Bahrainisation and a higher gender diversity with 20% of Alba Board occupied by women. Our evolving ESG journey in Alba consists of a series of steps with the aim to achieve sustainable success and long-lasting benefits for all: our value-chain, our environment, our employees and the local community.

We understand that everything we do in Alba can impact our stakeholders, the capital market and our local community. Our ventures in 2020 stem from our commitment to achieve sustainable growth all the while align to Bahrain's Economic Vision 2030 namely - Spent Pot Lining (SPL) Treatment Plant Project (kicked-off in 2019) which will revolutionize the way in which SPL waste is treated; the Fish Farm Project (launched in 2020) at our Calciner and Marine Operations which demonstrates our commitment to biodiversity conservation as well as giving back to the society; and the Solar Panel Farm - an ambitious project (pending due-diligence) that aims to secure environmentally-friendly energy which will ultimately reduce our Carbon Footprint.

Our Sustainability Framework which was founded on three major pillars -- Governance and Management, Social and Community Impact, as well as Safety, Health and Environment -- drives us to consistently meet

and exceed international standards. Our continuous efforts have translated into Alba being bestowed with notable recognitions such as Leading Corporate for Investor Relations in Bahrain and Best Investor Relations Professional - Bahrain by MEIRA, being ranked first for the second year in a row on Environmental, Social and Governance (ESG) amongst companies in Bahrain (2020) and awarded with the International Safety Award from the British Safety Council. Our hands-on initiatives have also earned us the prestigious Aluminium Stewardship Initiative and Ecovadis Certifications, on the back of which we are seeking to penetrate New Markets & Increase VAP Sales.

ALBA'S APPROACH TO COVID-19 CRISIS

Personally, I believe that everything we do in Alba starts and ends with the Safety of our people - our true assets. Safety sits at the heart of every recognition today and tomorrow. Our Safety culture defines the way we operate and the way we protect our future generations' health and wellbeing. And COVID-19 showed us that nothing is more important than our Safety and Health. Today, our individual and collective actions of getting immunized against COVID-19 today will save lives going forward. Vaccination is our best defense against COVID-19 virus, and this is the least we do towards our families and society.

Sustainability is not a choice but a necessity and a responsibility. It is what we do today collectively that will impact the future. We want to be recognized not only as one of the world's top primary aluminium producers but also one of the best responsible producers in the world.

I welcome you all to read our Sustainability Report to know more about our ESG journey in 2020 and appreciate receiving your feedback on ir@alba.com.bh

Ali Al Baqali

Chief Executive Officer



About Alba

Alba is a leading aluminium smelter in the Gulf region and worldwide. Our recent expansion has made us the largest smelter in the world outside of China.

We are well known for our high-quality aluminium, technologically advanced operations, and exceptional corporate stewardship. Headquartered in Bahrain, Alba is a dual-listed company on the Bahrain Bourse and London Stock Exchange as ALBH.

In addition to leading the aluminium sector in the Kingdom of Bahrain, Alba is also a powerful force for economic development and diversification in the entire Gulf region. To-date, the Aluminium sector contributes around 12% to Bahrain's GDP.

Alba's main priority is to serve the Kingdom's downstream industry cluster. Approximately, 21% of our production is sold to Bahrain's downstream customers, with the remaining products exported to customers across 25 countries. International business efforts are supported by our Sales and Marketing offices in our Bahrain headquarter, as well as our offices in Hong Kong, Switzerland, Singapore and United States.

12%



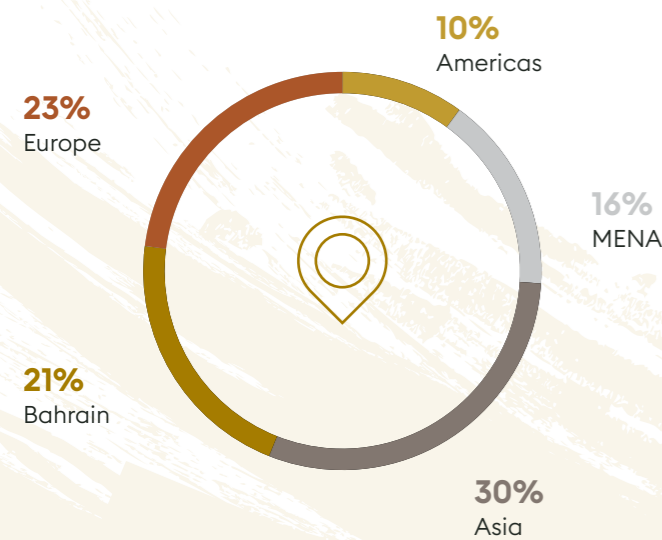
of Bahrain's GDP is contributed by Aluminium

21%

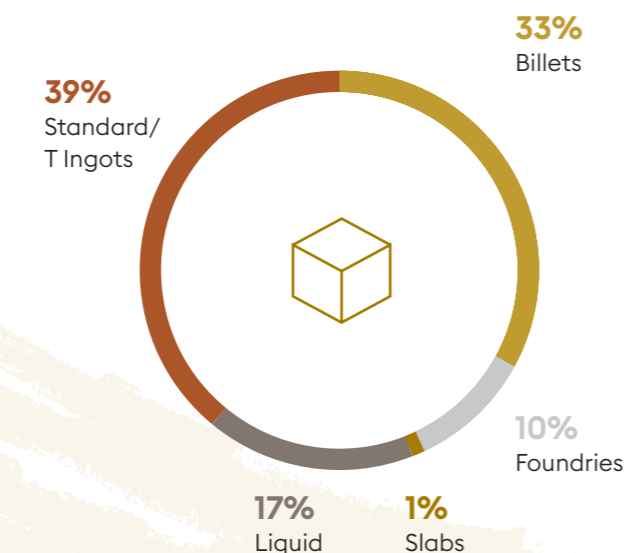


of our production is sold to Bahrain's downstream customers

BY GEOGRAPHIC FOOTPRINT



BY PRODUCT-LINE



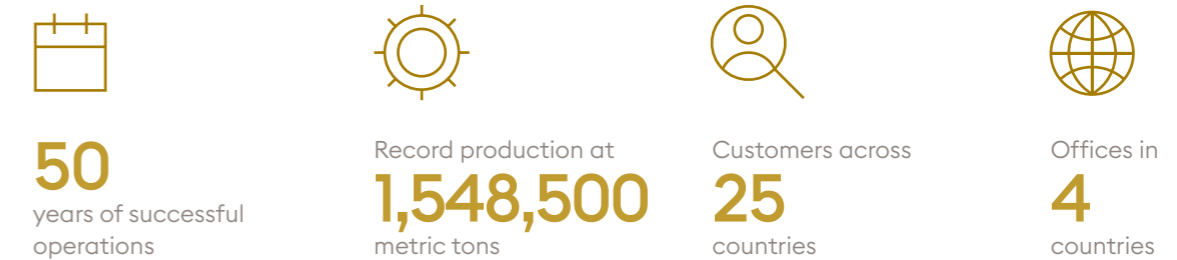
Manufacturing operations are facilitated through Alba's onsite facility in Bahrain and include a portfolio of value-added products such as extrusion billets, standard ingots, foundry alloy ingots, rolling slabs, and molten aluminium for various industrial and domestic applications.

2020 was a record-breaking year with record production at 1,548,500 metric tons, the highest ever in our 50 years of operations. Alba marked its first golden jubilee of operations in May 2021.

ALBA'S SHAREHOLDING STRUCTURE



ALBA IN NUMBERS



OUR CHARTER

VISION



To be the number one aluminium supplier for the generations to come

MISSION



Being a responsible corporate citizen, we want to create value for all our stakeholders and society

VALUES (STEER)



- Safe & green
- Together
- Ethics
- Excellence
- Resilience

STRENGTHS



- Customer focused approach
- Leader in employee safety and health
- Focused on environment protection
- Employer of choice

Our Value Chain and Business Strategy

Our business strategy is based on inclusive value. We aim to increase Alba's value not only through the growth and expansion of our operations, but also through reducing costs and optimizing efficiency. Continually improving our operations and processes allows for organic and sustainable growth. This also leads to expansion, as evidenced by projects such as the Line 6 Expansion Project.

In addition to constant improvement on the operations side, we are also continually lowering expenditure costs and improving efficiency through innovation. This is accomplished mainly with implementation of cutting-edge technologies and recycling materials to be reused in industrial processes. We aim to manifest our strategy in a manner that maximizes shared value for all stakeholders involved.

Alba's supply chain consists of third-party raw material providers, contractors, equipment providers, and logistics partners. Many of our suppliers are local and small-medium sized enterprises. In addition, Alba sourced its major raw materials from many worldwide locations, including Australia, China, Europe, and South America.

Alba relies on third-party suppliers for its major raw materials including Alumina, Green Petroleum Coke, etc. and natural gas as well as various vendors for spare parts and consumables.

Alba is committed to maintaining a sustainable, resilient, and responsible supply chain. We encourage sustainable best practices for our major suppliers and vet new suppliers based on Environmental, Social and Governance (ESG) criteria.

PRODUCTS

Aluminium is an enabler of sustainable economic development as it is considered one of the most efficient and sustainable materials due to its lightweight quality, strength, durability, and recyclability. Aluminium products are essential enablers of a low carbon future and provide energy-efficient and carbon-saving solutions to vital sectors such as transportation, construction, food and pharmaceuticals.

We use a variety of natural resources to create high-quality aluminium alloy products that help drive economies and add real value to society. These products add value to industrial processes of our customers, but they also become part of essential products, such as vehicles and materials for construction and infrastructure.

Our products are made responsibly, with sustainable materials incorporated along the way. Aluminium is infinitely recyclable, making it one of the best sustainable materials in the world. At the end of product lifecycles, most of our products can be fully recycled.

Alba provides suppliers with quality products such as extrusion billets, liquid metals, standard ingots, foundry alloy ingots, and high-quality sheet ingots, otherwise known as rolling slabs. These are then used in a wide variety of applications, including building suite sections, aluminium wires for electrical use or transmission lines, automotive wheels, gas pump nozzles, electrical goods, household appliances, aviation construction, and many more aluminium-based products.



Extrusion Billets

Soft alloys are used for architectural applications, building and kitchen suite sections. Hard alloys are used in a variety of engineering and transport applications.



Liquid Metal

Converted into a range of value-added products such as primary aluminium alloys and master alloys. Used to produce primary aluminium based EC rod, alloy rod, and wire and alloy ingot; other applications include aluminium powder and aluminium pellets, aluminium wires for electrical and mechanical use, curved line conductors, Aluminium Clad Steel (ACS) wires for transmission lines, solid conductors and aluminium casting for car and truck wheels.



Foundry Alloyed Ingots

Primarily used by the automotive industry for manufacturing high quality automotive wheels, truck hubs and gas pump nozzles.



Standard Ingots and Tee Ingots

Re-melted at customer furnaces and then cast to produce a wide variety of end products that cover the entire spectrum of aluminium applications for the construction industry, transportation, electrical goods and household appliances.



High Quality Sheet Ingots (Rolling Slabs)

Used for finished products such as ultra-light gauge foils and cookware foil. Lithographic applications include the production of offset printing plates. Used in the packaging industry, transport and aviation industries, construction and general engineering applications such as panelling, flooring and roofing.

Certifications

Alba has achieved numerous sustainability certifications in an aim to become an industry leader in this regard. Achieving these designations reflects our commitment to the highest standards and best practices in relation to ESG measures.



ISO 9001:2015
Quality Management Systems



ISO 14001:2015
Environmental Management Systems



ISO 45001:2018
Occupational Health and Safety Management Systems



ASI Performance Certification

Awards and Recognition

Our diligence for the past 50 years certifies that our operations are efficient and reliable in the most sustainable way. We are proud of all the achievements so far and we are humbled by the recognition received from esteemed organisations within our industry.



2020 ROSPA ACHIEVEMENT (GOLD MEDAL) AWARD FROM THE ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS (ROSPA)



2020 INTERNATIONAL SAFETY AWARD FROM THE BRITISH SAFETY COUNCIL, UK



FIVE HEALTH AND SAFETY AWARDS FROM THE NATIONAL SAFETY COUNCIL (NSC), USA IN THE FOLLOWING CATEGORIES:

- 2020 Significant Improvement Award
- 2020 Safety Leadership Award
- 2020 Occupational Excellence Achievement Award
- 2020 Milestone Award
- 2020 Perfect Record Award

Alba's Response to COVID-19

The global COVID-19 pandemic has forever changed our experiences – as employers, employees, customers, and humans – and our attitudes and behaviours are changing as a result.

We believe that Alba, along with all businesses, should be actively responsible in addressing the health and economic impacts of this unparalleled crisis. Our commitment is to help in every way that we can, rather than paying lip service to a statement.

While the year 2020 has certainly shown to be an unprecedented time for business, there have been some bright spots in how the pandemic has been handled. Amidst all the uncertainty, we have relied on Alba's business continuity plan, which has helped to guide business operations when decisions must be made quickly in a chaotic atmosphere. Along the way, we updated some aspects of this business continuity plan and our Emergency Preparedness Plan for all critical departments. We also established COVID executive committee meetings and disseminated a Letter of Assurance to stakeholders – our community, employees, and customers – on how we were proceeding with safe operations at Alba.

BELOW ARE DETAILED ACTIONS THAT WERE PUT IN PLACE IN RESPECT TO EACH STAKEHOLDER GROUP

COMMUNITY

Prior to the announcement of COVID-19 as a global pandemic, the Alba Health Care Center (AHCC) began a Public Awareness Campaign about the novel coronavirus. This included information on symptoms and social distancing guidelines, among other early-stage aspects of what would become the biggest worldwide public health emergency in over a century. Masks were made mandatory and distributed across the organization, along with hand-sanitizers and other PPE equipment and sanitary measures. This awareness campaign was extended to schools and continued throughout the pandemic through virtual platforms.

In addition to awareness, AHCC followed updated protocols to establish a new triage system to reduce the risk of positive COVID transmission, with patient monitoring systems to treat patients and further reduce the risk of spreading the virus. Throughout the pandemic, Alba relied on the continuous use of social media to educate community stakeholders on COVID-19 updates.

On the national level, Alba gave full support to the COVID-19 relief fund "Feena Khair", which was initiated by H.H Shaikh Nasser bin Hamad Al Khalifa. Alba donated a total of BD 3.5 million towards this campaign to support the Bahraini government in combating the pandemic, in addition to providing financial incentives to the volunteers who participated in the "Plasma Therapy" program for critical COVID-19 patients.



EMPLOYEES

Similar to the approach for community stakeholders, Alba created Covid-19 awareness campaigns for employees that included internal emails and other forms of communication regarding the need for enhanced safety and social distancing measures, especially at entry and exit gates. There were also CEO-delivered monthly safety messages about COVID-19 to spread awareness and directly engage with employees. These were done in the form of safety videos, virtual meetings, and socially distant visits to the Alba shop floor. Distribution of protective kits and installation of hand sanitizer dispenser units was set up across the company, and Alba's gym and all sporting activities were closed in March 2020. By the end of this month, close follow-ups were instigated by the medical team for affected employees, including the monitoring of quarantined employees, while comprehensive testing and contact tracing programs were also implemented by AHCC at this time.

In financial support of employees, Alba deductions from those enrolled in the Saving Loan program for six accounting periods. Additionally, some other COVID-related implementations for employees included:

- Remote work or work from home whenever possible
- No business-related travel
- Reduced working hours for mothers
- Onsite temperature check before entering any common areas
- Take-away only in eating area
- Shift towards virtual meetings
- Plant wide awareness with information, training, and posters
- Regular disinfection of public areas and AHCC
- Direct communication with employees
- Implementing national recommendations and instructions at Alba sites
- Implementing a triage section and checklist



CUSTOMERS

Ensuring a safe, comprehensive response to the COVID-19 pandemic for our customers was just as much of a priority as for our employees. One of the earliest measures put in place was to coordinate with our vendors customers as we transitioned to a remote working environment. Video conferencing quickly became the new norm as physical meetings were avoided as much as possible. Furthermore, we implemented extensive use of mobile apps for information sharing with our customers.

In situations where physical presence was required, we adhered to social distancing norms, with a mandatory mask policy. Free access to masks and hand sanitizers was provided for contractor employees, vendors, and customers since the onset of the pandemic. In addition, paper signatures were replaced with digital signatures for endorsement of contracts and other documents.



**COVID-19
كوفيد-19**



Please call **444** immediately if you feel any of COVID-19 symptoms and inform Alba Health Care Centre

يرجى الاتصال مباشرة بالرقم **444** في حال الشعور بأي من الأعراض المصاحبة لفيروس كوفيد-19، وإبلاغ مركز الباحة للرعاية الصحية

#Commit4Bahrain

#نلتزم للبحرين

**التعامل مع الضغوطات النفسية أثناء تفشي جائحة كوفيد-19
COPING WITH STRESS DURING COVID-19 PANDEMIC**

مارس الرياضة بانتظام
Exercise regularly



أقلع عن التدخين وقلل الكافيين
Quit smoking & reduce caffeine



استمتع بوقتك مع العائلة
Enjoy your time with your family



IMPORTANT NOTICE

إذا ظهرت لديك أية أعراض لفيروس كورونا
اتصل ب 444 حالا.

If you show any symptoms of COVID - 19,
Call 444 immediately.

**نلتزم
للبحرين**

**Maintain
caution**

Vaccinate



Vaccination saves you and your colleagues
تিকাकरण आपको और आपके सहयोगियों को बचाता है

Register Now
अभी पंजीकरण करें



healthalert.gov.bh



Chapter 1

Sustainability at Alba

Our sustainability framework is founded on the pillars of sustainable development. We understand that resource efficiency, responsible business practices, and minimizing our environmental impact help our long-term business goals. Focusing on these areas creates value, drives longevity, and protects the best interests of our key stakeholders – as well as the best interests of the planet.

We understand that unprecedented issues such as climate change and resource scarcity has already begun to impact business operations worldwide. However, we also understand that optimized resource usage not only lowers costs and helps build resilience, but it also aids in the global fight against serious risks that threaten ecosystems and the entire human population. Additionally, our commitment to sustainability protects and strengthens our license to operate, providing a competitive edge with regard to future markets that increasingly value strong ESG performance.



Our Sustainability Management Approach

Our management approach to sustainability is aligned with traditional business objectives, such as being an employer of choice, managing risk, preserving continuity, and sustaining growth.

Key aspects of this approach include conducting thorough assessment of ESG risks and opportunities, assessing life cycle impacts and sustainability KPIs, communicating our sustainability mission and vision, and ongoing engagement and dialogue with key stakeholders developing strategies that serve their needs and best interests.

We are continuously assessing and improving the effectiveness of our management approach by assessing broader sustainability related trends and risks, as well as opportunities and developments that can affect our business strategies and operations. Measuring, improving, and communicating sustainability performance against sustainability KPIs and targets is also a key part of our approach.



FURTHER AREAS WE CONSIDER KEY ASPECTS OF OUR COMMITMENT TO SUSTAINABILITY INCLUDE



Prioritizing corporate responsibility and ESG considerations at the highest decision-making level.



Developing and nurturing our people to ensure they are prepared for the challenges of the future and that Alba remains an employer of choice.



Uplifting local communities and the underprivileged.



Promoting sustainability throughout our industry, supply chain, community and local environments.

Sustainability Framework and Priority Areas

Our sustainability framework is set up to address priority areas, ensuring our vision of a sustainable future covers all aspects of our business and operations. This framework is designed to catalyse sustainability and drive multi-stakeholder value. It summarizes not only what sustainability means to Alba, but also to the metals and mining industry as a whole, identifying key areas where we can affect positive change and further exemplify best practices.

The framework is based on our approach of managing material ESG issues by integrating sustainability into Alba's greater business strategy. It was developed based on the collective results of an in-depth materiality assessment, stakeholder mapping, and researching the sustainability agendas of other key industry leaders.

Below are the three central pillars that came from this framework, all of which are designed to integrate the consideration of ESG issues into all aspects of our business.

SAFETY, HEALTH AND ENVIRONMENTAL RESPONSIBILITY



Protecting the wellbeing of our employees and the environment directly leads to the wellbeing of all our stakeholders. We accomplish this by putting in stringent measures to avoid all preventable health and safety incidents and by making a true commitment to sustainability. Maximizing safety considerations while minimizing harmful environmental impacts is continually establishing Alba as a resilient, future-minded company.

Occupational health and safety

The health and safety of our employees and all our stakeholders involved in Alba operations sit as the top of our priorities. We take exceptional measures to ensure the highest safety standards are met and that our commitment to optimal health of our entire organization underpins everything we do.

Energy and Climate change

Implementing strategies and adopting the right initiatives to address climate change and energy conservation are integral to achieve our full implementation of SDGs in order to make our planet a better place.

GOVERNANCE AND MANAGEMENT

Good corporate governance and business management builds trust with key stakeholders. Focusing on these good governance and management also drives sustainable growth and leads to enhanced value creation.



Business ethics and responsible sourcing

Alba operates under the most stringent business ethics, complete with full transparency and fairness policies. Our dedication to responsible sourcing helps keep our business both competitive and environmentally sustainable.

Economic impact and sustainable growth

We believe strongly that Alba must grow sustainably to have the most impactful economic outcome. Ensuring sustainable growth is one of our most important business policies in pursuit of optimal long-term economic impacts.

SOCIAL AND COMMUNITY IMPACT



Investing in the communities in which we operate is more than simply part of our commitment to corporate responsibility. It also helps build long-term relationships with some of our most crucial stakeholders by investing in the capacity and wellbeing of our workforce. This is a direct investment in the future of Alba, as well as the future of the communities that we serve.

Employer of choice

Being regarded as an "Employer of Choice" is very important to us here at Alba. Recognition that the organization provides a great place for people of all walks of life to work for and with is an honour that we do not take lightly.

Local community investment and development

We place high importance on local community investment and development because we value the communities we work with and within. Alba's social and community impact is best felt with select, robust investments that help to drive development in these areas.



All info/stats reported in the 2020 Sustainability Report relate to Alba's plant/operations in Bahrain. Our aim is to adhere to GRI Reporting Principles taking into consideration the limitations and scope of the information which is currently available for Alba.

Listening to Our Stakeholders

We understand that listening to and understanding the views and feedback from stakeholders can help shape and improve the overall operations of a business. Because of this – and the value that we place on our relationship with stakeholders – Alba maintains ongoing, transparent communication with these key groups to address their highest priority interests and concerns related to our business.

Below is a graphic depicting our key stakeholder groups and main engagement methods. More information on how we engage with our stakeholders can be found in appendix A.

- Certificates
- Audits
- Enterprise Risk Management Framework
- Supplementary Environment and Social Impact Assessment (ESIA)

- Annual performance and sustainability reporting
- Regular communication with ministries and regulatory bodies
- Infrastructure Development

- Formalized tender process
- Supplier selections, evaluations and audits
- Contracts and tenders
- Supplier SHE Code of Conduct
- Supplier meetings and events
- Product safety and quality information



- Management Review Meetings
- Internal audits and inspections
- Performance reporting
- Investor Relations Department

- Training Workshops
- Nationalization programs
- Local procurement
- CSR initiatives and volunteering events
- Infrastructure Development

- Meetings and awareness sessions
- Workshops and trainings
- "Know your HR" regular sessions
- Integrity Line
- Labor union
- "Good Suggestion Scheme" online platform
- Alba's Code of Practice (ACOP) for safety
- Code of conduct for Fair treatment and equal opportunities

The Issues That Matter Most

We are committed to managing the issues that are most relevant to our Alba's operations. This includes not only our business activities, but also the best interests of our key stakeholders. Accordingly, we have engaged with corporate sustainability and reporting experts to conduct a thorough Materiality Assessment Process. Engaging in this has helped us focus and refine our reporting, strategies, and efforts on the issues that matter most, in line with international standards and principles, such as the GRI Standards. This process was supported by professional expertise, in-depth research on leading practices in the sector and the incorporation of national and international principles and visions.

In 2020, with the support of professional expertise and an in-depth research, we refreshed the materiality matrix. This was done due to consideration for the broader sustainability trends impacting our company and our industry.

The refreshed materiality assessment used a standardized procedure with a stringent focus on sustainability. It prioritized ESG factors with the greatest potential impact on our performance and factors that are of utmost importance to our stakeholders.

Our stakeholder selection process is based upon a benchmarking exercise conducted against peers in the region and beyond. In addition, our primary stakeholders are defined as the groups that are directly affected by our business and operations, those who invest in our business, those who have oversight and influence on our business activities as well as those who are indirectly impacted in the communities we serve.



ALBA'S MATERIALITY ASSESSMENT PROCESS APPROACH

Looking beyond economic values, Alba is committed to bridge the gaps amongst its various stakeholders in its value-chain (employees, local community, investors, suppliers, and clients) to create better businesses, and make meaningful impact on Environmental, Social and Governance issues for an inclusive society.

Capitalising on the extensive stakeholder engagement (covering Supreme Council for Environment, Government Ministries, National and Local Government, South Alba Industrial Estate and Surrounding Areas, Civic Society Representatives) the Company carried-out in 2018 for its Line 6 Expansion Project coupled with the materiality assessment which was conducted internally to Alba Management in 2018-end (93 respondents including Executives, Directors, Managers, Key Staff members

and Department representatives) and focused-desktop search on industry-specific trends and ESG matters as well as various one-on-one discussion with investors, lenders and select clients, we have identified 16 material topics which we believe are of interest to various stakeholders.

The Company engages with its different stakeholders on a routine basis (further insights can be found in Appendix A). There was no specific communication channel established with most of the stakeholders to identify the content of the 2020 Sustainability Report.

To engage with its stakeholders, Alba sets in motion a sound engagement program with various stakeholder groups as follows:

Stakeholder Reporting	Stakeholder Group	Method (s) of Engagement	Frequency of Engagement
Regulatory Reporting	Supreme Council for Environment	Regular meetings	Regularly and as needed
		Periodic reports	
		Site visits	
		Periodic audits	
Sustainability Reporting	General Public, Stakeholders, and Investors	Sustainability Report	Annual
		Surveys/Materiality assessment	
	Alba employees	Correspondence by email via Inter:Connect platform	As required
	Clients	Email and meeting	
Lender Reporting	Lenders and ECAs	Periodic Audits and Reports	Once a year
Financial Reporting	General Public, Stakeholders, and Investors	Annual Report, Quarterly Calls, Emails and Institutional One-on-One Meetings	Annual, Quarterly, One-on-One Meetings twice a year and as required
	Media	Press Release, Media Interviews, Newspapers articles and Alba official website	As required
Grievance Mechanism*	General Public	Press Releases, Social Media and Alba official website	Each press release and as required
	Alba Contractors	Formal Meetings, Audits, Workshop	Regularly and as required
	Nearby communities and receptors	Press Releases, Social Media, and Fliers	Each press release and as required

*Grievance Mechanism is promulgated in Alba official press releases, social media, and website as through this platform, the Company receives and facilitates the resolution of any affected communities' concerns and grievances about Alba's Environment and Social performance.

Alba believes that the topics that matter the most for 2020 are the same ones which the Company has previously identified in 2019. The only change was more in terms of putting more emphasis on some material topics in our communications to align with Bahrain Economic Vision 2030.

Climate Change, Green House Gas (GHG) and Energy Management

Compliance with Statutory and Regulatory Requirements

Water and Wastewater Management

Human Rights

Health and Safety

Community Development and Engagement including Education and Cultural Heritage

Waste Management including Hazardous Materials & Recycling

Product Quality

Biodiversity Management

Technology, Innovation and Process Improvement

Business Integrity including Transparency, Ethics and Anti-Corruption

Employee Training, Development and Talent Management

Economic Performance

Employee Welfare and Diversity including Gender Equality

Anti-Competitive Behaviour

Responsible Sourcing and Supplier Management

Our Contribution to the SDGs

At Alba, we feel it is important to align our company, our business strategy, and our operating efforts with practices that will help achieve the UN SDGs. We see the SDGs as a roadmap for companies to help meet environmental challenges and demonstrate actionable ways that change is being implemented in different areas of operations.

We consider the SDGs an important set of related goals that will lead to a more sustainable society, improving quality of life and ensuring the future will be prosperous for all. They promote a long-term approach to addressing global challenges that are faced by all nations around the world and require joint actions from governments and leading companies to succeed.

ALBA CONTRIBUTES TO ALL 17 GOALS BUT SOME MORE THAN OTHERS. ALBA HAS CHOSEN THE FOLLOWING GOALS THAT ARE CONSIDERED MOST IMPORTANT TO US. THE REPORT HIGHLIGHTS OUR CONTRIBUTION TO THESE GOALS.

Sustainability framework pillar	Sustainable Development Goals (SDGs)	How Alba is contributing
 <p>Governance and Management</p>	  	<ul style="list-style-type: none"> Business ethics and responsible sourcing p. 67 Economic impact and sustainable growth p. 74
 <p>Environmental, Health and Safety Responsibility</p>	      	<ul style="list-style-type: none"> Energy and climate change p. 27 Occupational health and safety p. 44
 <p>Social and Community Impact</p>	     	<ul style="list-style-type: none"> Employer of choice p. 51 Local community investment and development p. 63



Our Performance in 2020 at a Glance

BHD 4.5m 

in environmental conservation projects

Zero 

fatalities (both contractors and employees)

100% 

of Alba's assets are ISO 14001:2015 certified

SOx intensity dropped by **7.9%** 

164 

average training hours per employee

24m 

safe working hours without LTI

BD 81m 


local procurement spending

ASI 

membership certification

>BHD 4m 

total community investments

4.6% 

reductions in energy intensity

17% 

increase in new hires

Zero 

incidents of non-compliance with environmental laws and regulations

13.68% 

reduction in near miss incidents

6.68% 

reduction in GHG emissions from fuel consumption

69% 

youth employment

13.5% 

increase in produced electricity

54% 

local procurement

15% 

reduction in GHG emissions intensity

13% 

increase in total production

7.7 

customer satisfaction rate



BHD 1,057m

in revenues

84% 

nationalization rate

145% 

cost savings achieved against target

99.86% 

metal purity

Zero 

oil spills

Zero 

incidents of corruption



Recycled and reused

140,043m³

of sewage effluent

3,130 

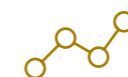
total workforce (FTEs)

Reduced hazardous waste generation by

37% 

BHD 1.4m

revenues generated from sales of recycled materials



BHD 10m

net profit

Zero 

security breaches

20% 

of board seats are occupied by women

501 

training hours delivered on Human Rights

100% 

of employees receive performance reviews

6% 

Employee turnover

96% 

of workforce represented in joint management-worker H&S committees

21% 

increase in safety audits

100% 

return to work from parental leave

Chapter 2 Environmental, Health & Safety Responsibility

Adequate and comprehensive environmental, health, and safety responsibility is paramount at Alba. Keeping our people and communities safe and healthy is fundamental to our success. SHE management is a priority in all of our operations and all our facilities comply with stringent industry standards to minimise our risks, impacts and hazards. Our approach to HSE is to ensure everyone at Alba is a responsible corporate citizen.



Energy and Climate Change

As a global leader in the Aluminium sector, we realize that our impact on climate change is inextricably linked to our management of resources. Our environmental initiatives consider our impact on climate change and the ways to manage our Aluminium extraction and production in a way that mitigates and minimizes our impacts.

Climate change is a hot topic for all companies and Alba is not an exception. We understand the role that we must play in order to be a good global corporate considering the specific natural and geographical limitations.

Aluminium primary smelting is an energy intensive industry by nature especially with smelters operating on fossil fuel such as Alba. In order to build an effective strategy in establishing policies and practical pathways towards achieving the best industry practices and lower our carbon footprint, we have joined with the International Aluminium Institute (IAI) to identify these pathways in a structured and scientific approach.

The long term pathways were established around three pillars; electricity decarbonization, direct emission reduction, and recycling and resource efficiency.

We have started to engage with national authorities at the Electricity and Water Authority (EWA) and the Sustainable Energy Authority as well as international consultants to establish a climate change strategy that at the very least meet the government commitments on greenhouse gas emission cuts.

ENVIRONMENTAL MANAGEMENT

We are committed to implementing the highest environmental standards across all areas and operations of Alba. Our core belief is that the ability to produce high-quality products should never be at the cost of the environment or the wellbeing of our employees and community members. Alba implements a dynamic Safety, Health and Environment Management System (SHEMS) to ensure we keep to this belief.

The aluminium production processes that Alba operates are specially designed to limit negative environmental impacts. In particular, these processes minimize both upstream and downstream impacts on the environment by focusing on a holistic approach that targets each step in the smelting process, from importing raw materials to exporting finished products. Additionally, we always look to assess new alternatives, innovations, and operational improvements with the aim of further increasing resource efficiency. This will help us to better protect environmental resources and minimize the environmental impacts of our operations.

CERTIFICATIONS

Alba's SHEMS is in line with industry best practices and was designed to meet the requirements of ISO 14001:2015 (Environmental Management System) and the Kingdom of Bahrain's Supreme Council for Environment (SCE). All Alba's sites (100%) are ISO 14001:2015 certified, with audits being conducted every six months to ensure compliance with these standards.

Our environmental management approach is directly aligned with the Aluminium Stewardship Initiative (ASI) and, in 2020, we achieved official ASI certification.

ENVIRONMENTAL INVESTMENT

Proper environmental investment is one of the most important aspects of Alba's overall sustainability strategy. In 2020, Alba invested more than BHD 4.5 million in environmental conservation projects, including significant expenditure addressing environmental issues at the SPL treatment plant.

During this past year, Alba conducted a Life Cycle Assessment in partnership with an external consultancy group for the first time. Policies have now been put in place to ensure this becomes standard practice as we work towards our future aspiration of achieving ISO 14040:2006 - Management System - Life Cycle Assessment certification.

ENVIRONMENTAL INVESTMENT (BHD MILLION)



One current focus of Alba's robust Environmental, Health, and Safety policy is a commitment to reduce pollution from all areas of our operations. While we are exploring future conservation projects to support, along with other ways to enhance our positive environmental impact, we ensured full compliance to the policies currently in place without failure. During the course of 2020, there were no incidents of non-compliance with environmental laws and regulations.

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

	2018	2019	2020
Incidents of non-compliance with environmental laws and regulations (#)	0	0	0
Total number of non-monetary sanctions	0	0	0
Total monetary value of significant fines	0	0	0

ENVIRONMENTAL NUISANCE

Noise and ambient air quality are also part of our Environmental, Health, and Safety policy. We conduct noise surveys at worksites along with regular monitoring for the quality of ambient air to ensure that our activities are not imposing negative effect on the air quality where we operate.

HIGHLIGHT REDUCING OUR IT IMPACTS



Alba's IT team was able to implement several green initiatives in 2020, despite the challenges imposed by the COVID-19 pandemic. One big area of focus was on reducing Alba's carbon footprint, which was achieved by virtualizing many of the company's services and utilizing cloud-based solutions.

Currently, we are in the planning phase of overhauling our printer services. This project is scheduled to be completed by the end of 2022. As of 2020, Alba's IT team has already digitized many areas that require extensive paper usage, such as the company logbook system and the RFQ evaluation system.

2021 ENVIRONMENTAL TARGETS

Building on the successes we achieved in 2020, we aim to further improve our environmental performance for the upcoming year with some target set in place, naming few:

1. Expanding our ambient air quality monitoring coverage to include a wider range of pollutants, whilst increasing the coverage area to include the calciner in addition to the smelter.
2. Building our internal capacity to carry out direct measurements of greenhouse gas (GHG) emissions in an effort to improve accuracy and transparency in reporting GHGs for all stakeholders.
3. Configuration and integration of onsite infrastructure with Microsoft Azure Cloud services and AWS Cloud services, utilizing AWS for new requirements and disaster recovery of existing systems.
4. Further increasing automation and digitalization to reduce paper-based actions and to improve the accuracy and traceability of data.

EMISSIONS AND RESOURCE MANAGEMENT

RELEVANT UN SDGS



We are continuously monitoring and managing our air emissions as we understand the importance of ambient air quality to the health of people and biodiversity that might be impacted by our operational activities. We are regularly conducting detailed environmental impact assessments with third-party consultants before embarking on any new project to determine the levels of emissions relative to the locations and we are taking all necessary mitigations to ensure not only compliance with the local legislation on source emissions but also international standards of ambient air quality.

One of the main air pollutants that is synonymous with our industry is fluoride that is emitted during the electrolysis process from the reduction lines.

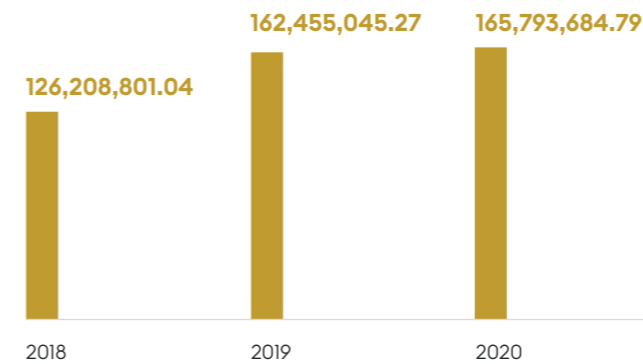
We are sparing no efforts in ensuring maximum capture and treatment of our reduction line fumes in specifically fitted Gas Treatment Centers (GTC) that capture and recycle the fluoride back to the process with a removal efficiency exceeding 99.5%.

The fluoride intensity, expressed in Kilograms of Fluoride emitted per tonne of metal produced (kg/tAl), has reduced during the last 3 years due to several enhancements of fluoride capture including engineering improvements at our Gas Treatment Centers, further operational controls coupled with the startup of Line 6

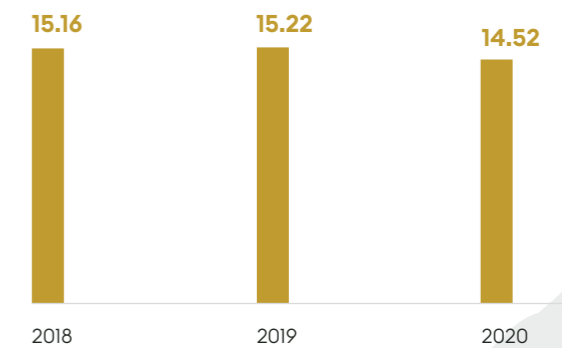
In addition to the environmental benefits, the recovery of fluoride has a financial benefit due to the fact that we wouldn't need to procure this raw material in large quantities to make-up for the losses due to emission.

Similarly, the sulphur dioxide trend in the last three years has seen a steady reduction due to implementation of good industrial practices, management of emissions and operational controls.

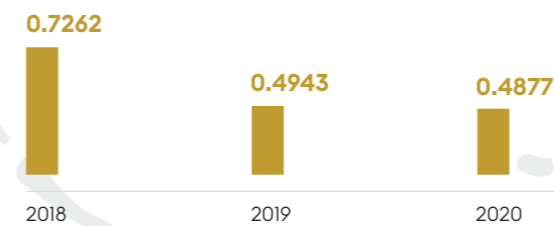
TOTAL NATURAL GAS CONSUMED (MMBTU)



ENERGY INTENSITY RATIO (KWh/KgAl)*

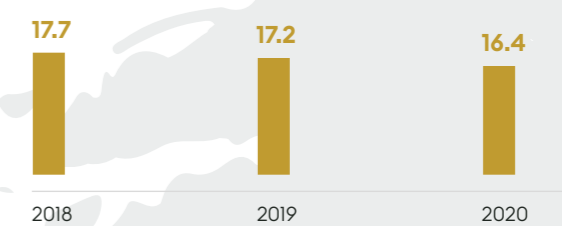


TOTAL FLUORIDE INTENSITY TREND FROM REDUCITON LINES



■ Total Fluoride (kg/tAl)
-- Limit (kg/tAl)

SO2 TREND FROM REDUCTION LINES



■ SO2 (kg/tAl)
-- Limit (kg/tAl)

*Energy Intensity Ratio uses energy consumption with Alba operations and outside of it. Energy Intensity Ratio is per tonne of Aluminium produced (t Al). The types of energy included in this ratio are for fuel (natural gas, diesel, and gasoline) and electricity (indirect).

ENERGY CONSUMPTION*

	2018	2019	2020
Natural gas consumed in the power plant (MMbtu)	122,676,350	157,567,467	159,650,256
Natural gas consumed in the smelter (MMbtu)	3,532,451	4,887,578	5,011,192
Total natural gas consumed (MMbtu)	126,208,801	162,455,045	164,661,448
Electricity produced (MWh)	14,644,413	19,749,692	22,722,372
Electricity exported (MWh)	197,801	98,311	459,533
Total fuel consumed internally (MMbtu)	213,440	364,929	323,147
Total indirect energy consumption (GJ)	934,650	377,346	1,833,494
Energy intensity ratio (kwh/kgAl)	15.16	15.22	14.52
Total direct energy consumption (GJ)	131,661,843	170,963,860	170,669,195

*The fuel used in Alba consists of natural gas for electrical power generation [part of which is exported to Bahrain's National Grid as part of an exchange program] and for firing furnaces (heating). We also use Diesel and Gasoline for operating vehicles [the Company doesn't rely on renewable energy to generate power; in addition, Alba does not sell heating, cooling, and steam].

The total direct energy consumption consists of the energy that is internally generated and consumed within Alba in addition to the natural gas used for heating and the energy from Diesel and Gasoline.

The natural gas consumption data are based on monthly invoices from Tatweer Petroleum (national gas supplier) and similarly, the vehicle fuels are based on actual consumption figures as provided by Bahrain Petroleum Company (BAPCO) through Alba's Central Workshop. Power consumption figures are based on metered electrical power that is monitored by the Company's monitoring and control systems. Fuel volume is converted to energy based on standard conversion factors from reliable web sources.

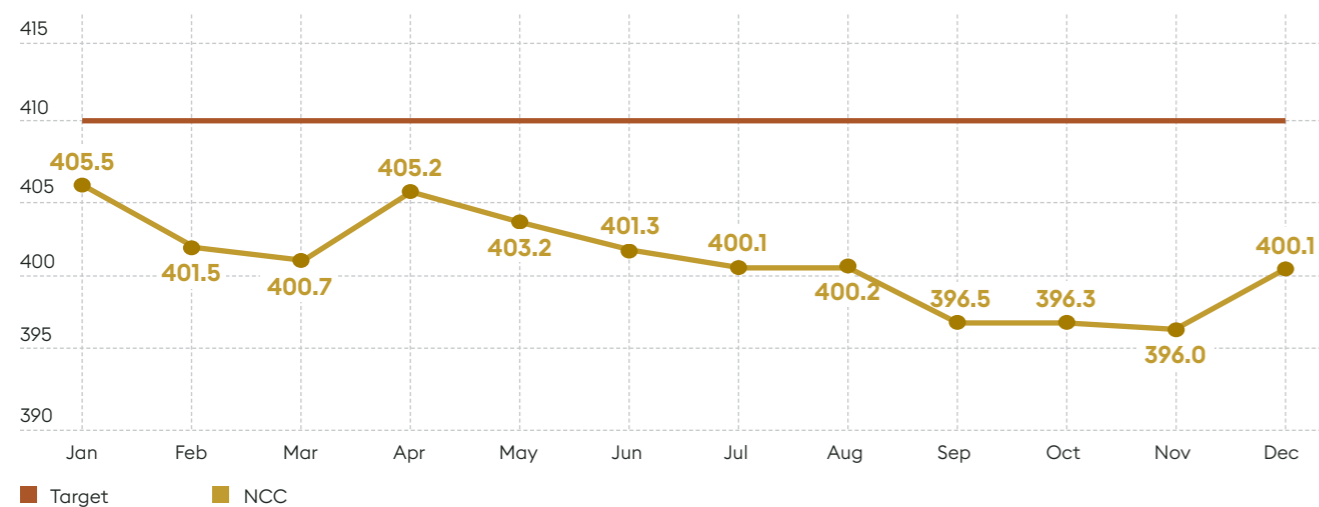
Our main focus for the future is to improve the overall energy efficiency of our production plants. Measures that we introduced in 2020, including KPIs and quantitative targets, to achieve this aim included:

1. LINE 6 ENERGY EFFICIENCY MEASURES AND KPIS:

- We increased the slot height and optimized all adders to reduce operating voltage. Base resistance optimization was also introduced, as well as an increase in current efficiency, which will lead to reduced energy consumption.

2. LINE 5 ENERGY EFFICIENCY MEASURES AND KPIS:

- We optimized pot voltage by untying individual pots problems and reducing base resistance of potline. We also managed to reduce energy consumption to reach 13.1 Kwh/MT. In 2020, the Net Carbon Consumption (NCC) recorded was 400.1 Kg/MT against a target of 410 Kg/MT.

LINE 5 - NET CARBON CONSUMPTION (2020) KG/T AI

3. LINE 4 ENERGY EFFICIENCY MEASURES AND KPIS:

- We optimized high voltage pots and magnetic compensation as much as possible, on top of pot micro-upgradation for better feed control and a reduction in energy consumption. Anode slot heights were also incremented to 400mm to reduce voltage.

KPI	Target	2020 performance
Average gross volt per pot	4.15 volt	4.14 volt
Specific energy consumption	13.25 Kwh/kg	13.12 Kwh/kg

4. REDUCTION LINE 1-3 ENERGY EFFICIENCY MEASURES AND KPIS:

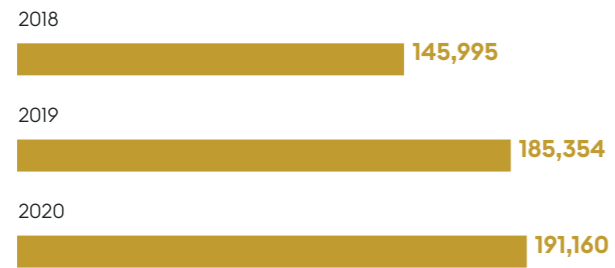
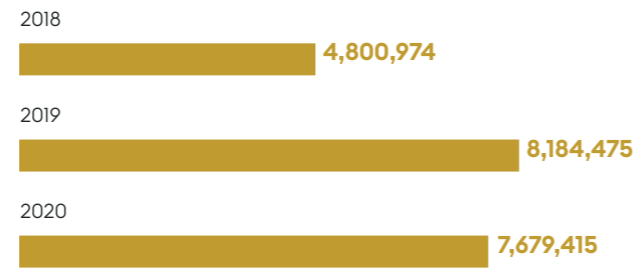
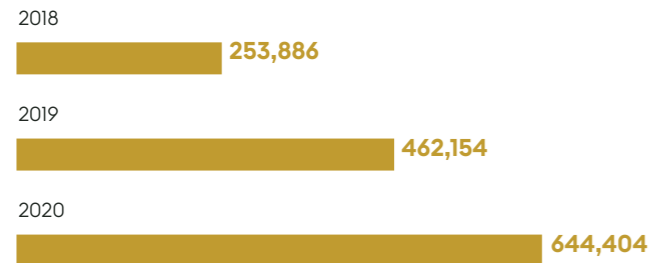
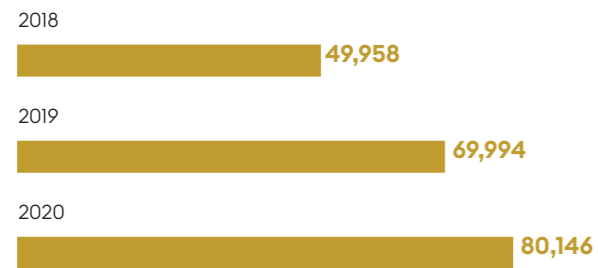
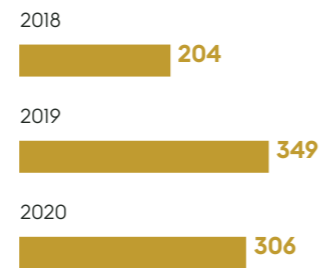
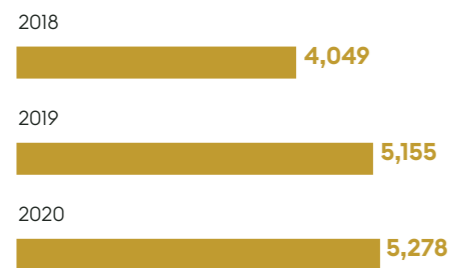
- Reduction L1-3 produced 305,715 MT against Target 303,206 MT, achieving 2509 MT above target
- Optimization of pot voltage by solving individual pots issues.
- Successfully increased the number of L3 anodes (bigger anodes) installation in L1-2 pot, which helped increasing metal production
- Successfully increased current in L3 from 159.5 kA to 161 kA that resulted in increasing metal production

KPI	Target	2020 performance
Average gross voltage in L3	4.680 volt	4.675 volt
Anode effect frequency in L1-2	0.2	0.17

5. POWER STATIONS ENERGY EFFICIENCY MEASURES AND TARGETS FOR 2020:

Measure	Target	Description
ACC Fan Washing	Twice / year	Maintain steam turbine pressure to increasing steam turbines output
Online Gas turbine compressor washing	Weekly	Increase gas turbine output and performance
Optimizing power import and export with EWA	* Zero Balance at the end of each year. * Import in winter. * Export in summer.	Well managed to increase the overall plant efficiency
Steam turbine ejector system/ Vacuum level in mbars	<350 Summer, <150 Winter	Steam turbine efficiency control
Steam circuit high Demin water consumption m ³ /day	PS3<240 m ³ & PS4<1392 m ³ with fogging	Optimize Demin water consumption
Maximum utilization of PS5/PS4 machines (High efficiency machine run first)	Minimize running of low efficient machines	Increasing overall plant efficiency
Maintain optimum spinning reserve	80-100 MW	Avoid excess gas consumption
Gas turbine Air intake system	<100 mbar	Air intake DP lower than 100 will reflect on the gas turbine efficiency
PS4 GT fogging system (Pump's availability) availability	>95%	To insure availability of pumps for optimum operation
Hot gases leakage through by-pass stack	<200 °C	To insure full heat to boiler

In addition to these measures, we are adopting more renewable energy in the form of solar power. This will be accomplished by introducing solar panels onto car shades and rooftops of all Alba buildings. Collected and stored solar energy will be utilized to operate smaller non-processing facilities.

FUEL INPUT**NATURAL GAS CONSUMED (MMSCF)****DIESEL FUEL CONSUMED (LITRE)****GASOLINE FUEL CONSUMED (LITRE)****ENERGY CONSUMPTION****ELECTRICAL ENERGY GENERATION (TJ)****DIESEL & GASOLINE CONSUMPTION (TJ)****SMELTER CONSUMPTION (TJ)**

EMISSIONS AND AIR QUALITY

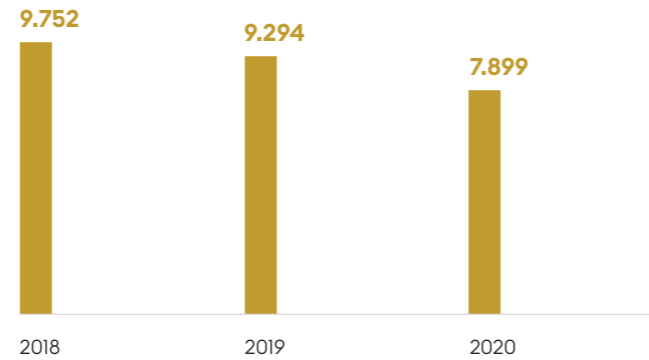
Alba's Environmental, Health, and Safety policy contains specific actions and targets pertaining directly to emissions and air quality standards. We measure all of our emissions from all major sources against legal limits, industry standards, and international guidelines. Continuous emission monitoring systems are in place at our modern potlines and power stations, with a dedicated laboratory and team that conducts emission sampling and analysis plantwide. All of our new and modern plants and facilities are constructed with the best available environmental performance technologies, especially the Line 5 and Line 6 expansion projects.

In 2020, our GHG emissions intensity ratio dropped nearly 15% over the last year, from 9.294 in 2019 to 7.962 in 2020. GHG emissions from electricity consumption also decreased, from 9,752,365 TCO2e in 2019 to 9,091,899 TCO2e in 2020.

Aside from CO2 emissions, our SOx intensity dropped 10% between 2019 and 2020, with PFC (all potlines) decreasing from 262.52 kg/mt Al to 118 kg/mt Al and particulate emissions dropping significantly from 1.88 kg/mt Al to 1.19 kg/mt Al over this same period.

VOC (kg/t Al) increased slightly from 0.035 in 2019 to 0.049 in 2020, however, this includes VOC emissions from FTP2, FTP5, and FTC. FTC for Line 6 was added for 2020, which is responsible for the slight increase.

GHG EMISSIONS INTENSITY RATIO*



*GHG Intensity Ratio is per tonne of Aluminium produced (t Al). Direct emissions (Scope 1) and Indirect emissions (Scope 2) are included in the GHG Intensity ratio calculation.

Gases included in this calculation are CO2, CH4, N2O, and PFCs.

As we look towards the future, the new expansion of Line 6 involves the latest, most efficient technology that will comply with even the most stringent international limits. Improvements in the areas of efficiency and potential environmental impacts are embedded in our SHE procedures, with specific targets and limits.

In 2020, we have achieved our objective of stabilizing GHG intensity below 8tCO2e/tAl thanks to capitalising on the efficiency of Power Station 5 and shutting down older power stations - Power Stations 1 and 2.

TOTAL GHG EMISSIONS

	2018	2019	2020
GHG emissions from fuel consumption (Metric Tons of CO2e)	7,533,830	9,731,198	9,081,263
GHG emissions from electricity consumption (Metric Tons of CO2e)	7,577,462	9,752,365	9,091,899
Total direct GHG emissions (metric tons of CO2 equivalent)	9,516,259	12,061,092	11,970,847
Total indirect GHG emissions (metric tons of CO2 equivalent)	-56,393*	1,314	10,636
Total GHG Emissions (metric tons of CO2 equivalent)	9,459,867	12,062,406	12,292,172
GHG emissions intensity ratio	9.752	9.294	7.962

* the net exported electrical power to the national grid exceeded the net import for that year

AIR POLLUTION

	2018	2019	2020
NOx (tons)	8,197	9,113	7,826
SOx (tons)	22,613	29,679	32,529
VOC (kg/t Al)	0.063	0.035	0.049
Total fluorides (tons)	704	655	726
PFC (All potlines) (kg/t Al)	289	262	118
Particulates emission (kg/t Al)	1.83	1.88	1.19

The direct GHG emissions for 2020 was 11,970,847 t CO2e and the gasses that were considered in the calculations are CO2, CH4, N2O, and PFCs - all of which are non-biogenic. Our source of emission factors and the global warming potential (GWP) rates is the Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report in addition to the country specific factors as determined in collaboration with University of Bahrain.

Greenhouse gas emissions are being calculated from Alba plant and Calciner Plant on a monthly basis taking into consideration the monthly departmental official figures such as metal production, combustion fuel, packing coke, pitch volatiles, soda ash addition, calcination process, anode consumption and PFC emissions. The calculations are based on equations provided in the 'International Aluminium Institute (IAI) - The Aluminium Sector Greenhouse Gas Protocol' of October 2006 which is an addendum to the WRI/WBCSD Greenhouse gas protocol and the '2006 IPCC Guidelines for National Greenhouse Gas Inventories'.

NOx, SO2, Total Fluoride, Total Particulate, and Volatile Organic Compounds emissions have been reported for 2018, 2019 and 2020 in tonnes as well as in terms of intensity ratio in kg/tAl. These emissions are generated from different sources in Alba smelter based upon direct measurements of the pollutant concentration then converted to quantity based on the volume flow rate from the respective source and reporting duration. The Company relies on ASTM and USEPA standard procedures for source sampling, analysis and calculation standards.

14%

drop in GHG emissions intensity between 2019 and 2020

2%

drop in NOx intensity between 2019 and 2020



WATER MANAGEMENT

RELEVANT UN SDGS



Water is the most valuable resource in the world – the importance of proper water management cannot be overstated. This is especially true in Bahrain and the greater Gulf region, where water scarcity is a geographical reality. Climate change has the potential to further impact available water supplies, making environmental management a crucial part of the holistic approach to ensuring the availability of future water resources.

Alba have implemented significant measures to limit our impact on freshwater resources. This is managed through systems of conservation, desalination, sewage treatment and recycling. The majority of our water consumption is delivered through desalinating seawater through waste heat recovery or through recycled and reused treated sewage water that is used for irrigation. By implementing these innovative systems, Alba's operations are actually net-positive when it comes to water management, meaning we consume less naturally available water than we produce through treatment practices. Alba leads the entire aluminium industry in water performance. In fact, the water surplus from our operations is so significant that we supply excess treated H₂O to the national water grid, which benefits greatly from additional potable water.

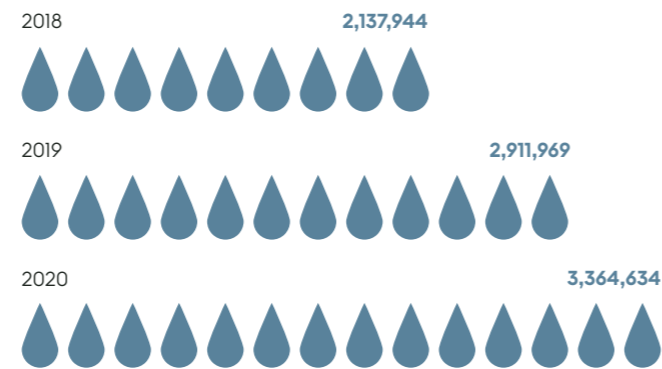
Alba's Code of Practices (ACOP) outlines the procedures for water extraction and effluent discharge in line with various legal requirements. The procedures require regular environmental impact assessments to analyse the impact of the water practices and to highlight any potential corrective actions or mitigations to limit negative impacts or risks to the lowest level possible.

In 2020, Alba's operations consumed 3,364,634 m³ of fresh water. Although this was a 15.5% increase from the previous year, the majority of this water came from desalinated seawater produced from waste heat in our RO plant, with the remainder coming from treated effluent wastewater. The overall increase in potable water consumption was due mainly to higher manpower and the commissioning of Power Station 5 and Line 6 plants, which all require water usage for the industrial facilities and continued operations.

We recycled and reused 140,043 m³ of sewage effluent in 2020. During this time, Alba also discharged a total of 104,600,000 m³ of water into the sea as a part of calciner discharge and RO brine. This was a 16% increase from the previous year, which is indicative of the increased manpower and commissioning of new industrial operations.

As there are no natural water sources suitable for direct consumption, we depend on our desalination plants to provide the water needed in terms of quantity and quality. The main source of our desalinated water is from our Marine Desalination Plant that relies on sea water as feed.

FRESH WATER USED (FROM COMPANY GENERATED) - M³



WATER

	2018	2019	2020
Fresh water used (from purchased) - m ³	0	0	0
Non-contact cooling water - m ³	0	0	0
Fresh water used (from company generated) - m ³	2,137,944	2,911,969	3,364,634
Water discharged to sea (excluding non-contact cooling water) - m ³	104,028,869	90,182,880	104,654,611
Water discharged other than to the sea - m ³	0	0	0
Water recycled or reused (mL)	243,394	188,510	140,043

The energy requirement for this Plant is provided from the waste heat generated in the calcination process. The potable water generated from this plant is not only used in Alba but also a major part is given to the national water network.

At the smelter side, we have 3 reverse osmosis (RO) plants and a demineralisation (demin) plant that are partially operated to provide the high-quality water needed for our steam turbines.

The RO plants can also treat the brackish underground water to the required quality. 3 different types of water are produced: Potable, Process and Demin. The potable water is consumed by employees while process water is used in some specific cooling applications in Alba that requires water with lower dissolved solid content and demin water is used to generate steam that is used for our steam turbines - this application requires the minimum dissolved solids.

We have 3 sewage treatment plants (STP) at the smelter to treat the domestic type of sewage. The treated water from the STP complies with the national standards for effluent water quality and is mostly used for the landscaping around the plant. The brine water that is generated from the RO plants is of high salinity; hence is discharged to the sea. The Marine Plant has a different discharge consisting mainly of cooling water and the brine stream from the Marine Desalinations Plant.

HIGHLIGHT IMPROVING WATER QUALITY BY OPTIMIZING CHEMICAL SYSTEMS



It was recognized that our compressor lube oil cooling systems were inefficient, raising maintenance costs, frequently causing breakdowns, increasing chemical use and reducing water quality. In 2020, to combat these issues, we implemented the following:

- Installation of protective mesh systems to avoid falling objects and eternal contamination in the cooling towers.
- Automation of the chemical dosing and cooling tower blowdown systems.

These system changes have helped make the system more efficient by improved water quality, a reduced rate of breakdowns, lower maintenance costs and a 20% reduction in chemical consumption. Due to the success of this project we aim to replicate similar improvements in other compressor stations.

To ensure the effluent quality in compliance with the legal obligations, we have frequent sampling and analysis by our internal laboratory as well as independent third-party laboratories in addition to online monitoring of key parameters within the process.

In Alba, we go beyond the local standards when controlling the quality of effluents discharge – we rely on the regulations established by the Supreme Council for Environment (SCE) for meeting the national standards (reference: order # 3 of 2021 - list contains 32 physical, chemical, and biological parameters) and International Finance Corporation (IFC) – Wastewater and Ambient Water Quality Guidelines.

The total water withdrawn from the sea was 113,594 megaliter where most of it is used for cooling and a small portion is desalinated. The total brackish groundwater abstraction was 482 megaliters.

In addition, the Company meets its water needs by relying mostly on its desalinated sea water while ground water is used during annual maintenance shutdown of the Marine Desalination Plant. Alba follows this process in order to preserve our stressed ground water resources.

The volumes are determined from the control and monitoring systems that are connected to online flow meters.

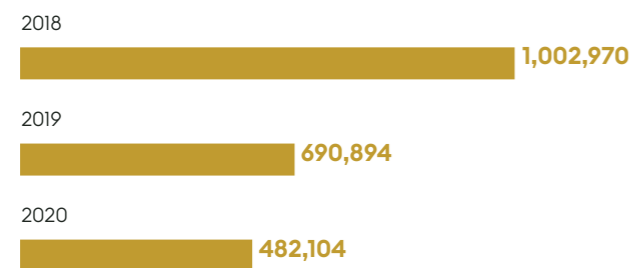
Total water discharged from our Calciner Plant was 104,490 megalitres while the water discharged from the Smelter was 165 megaliters. Both are discharged to the sea through separate effluent discharge lines.

The key parameters for the discharge from our Calciner Facility are the temperature and pH. These parameters are being monitored and controlled through automatic monitoring and control systems to ensure full compliance with the national regulation.

The total water consumption in all areas is 3,365 megalitres which is produced from the Calciner and Smelter Desalination Plants (Calciner produced a total of 9,104 megalitres of potable water in 2020). 6,071 megaliters of Calciner produced potable water was provided to the national potable water network. Potable water quality is closely monitored through our internal laboratories to ensure compliance with the drinking water standards. Volumes of potable water are being monitored by our monitoring and control systems through flow meters.

WATER WITHDRAWEL (M³)

GROUND WATER WITHDRAWEL (M³)



SEA WATER WITHDRAWEL (M³)

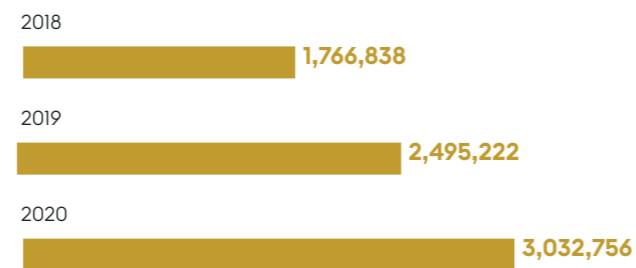


WATER CONSUMPTION (M³)

REVERSE OSMOSIS (M³)

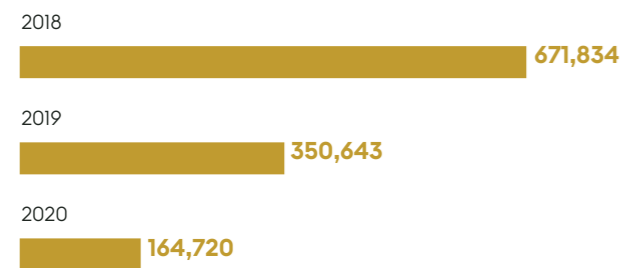


CALCINER (M³)

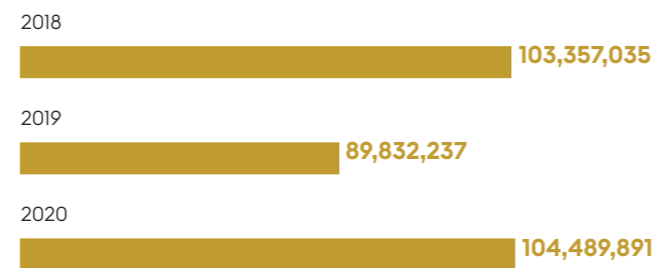


WATER DISCHARGE (M³)

SMELTER (M³)



CALCINER (M³)



WASTE MANAGEMENT

RELEVANT UN SDGS



We are committed to preserving and protecting land, water, and air from degradation through the careful management of Alba's waste streams. Our waste management strategy is focused on three areas:

1. Eliminating waste at the source
 2. Recycling all valuable materials
 3. Implementing industry best practice
- In 2020, we continued to work towards our Waste Management Strategic Plan, which provides a comprehensive structure for minimizing waste at the source. The plan was implemented from the identified potential increase in waste generation from the Line 6 Expansion Project. Waste was expected to rise between 54-57% showing the need for a stronger system. Objectives of the WMSP include:
- Protecting the environment and health of people
 - Reducing the negative effects of waste
 - Reducing waste disposal in landfills
 - Exploring new reuse and recycling methods for currently unrecycled waste streams

Alba's executive management team will provide the required support and resources for the successful implementation of the strategic plan into 2021 and beyond. Training is provided to all relevant employees on how to properly manage the waste aspects of specific operations.

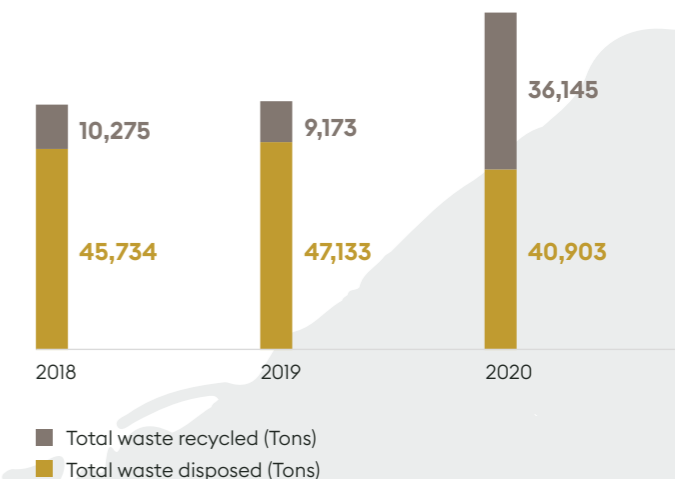
For this past year, despite the increase in waste generation associated with the Line 6 expansion, we were able to reduce our total amount of disposed waste by 13.22%. This was due in large part to our dramatic increase in recycled waste, which rose by 294% from 9,173 tons in 2019 to 36,145 tons in 2020. Total revenues from sales of recycled materials amounted BHD1.04m.

We are also proud to report that hazardous waste was reduced by 37%. For the remaining hazardous waste that was produced, 100% of it was transported to a dedicated, Class 2 fully lined hazardous waste landfill controlled by Bahrain's SCE. In addition, we have transported 345 tons of SPL to Australia to be treated and characterized in the Regain plant in NSW, in order to obtain the optimum operation parameters once our SPL plant is commissioned.

It is worth mentioning that we followed all the requirements for the Basel Convention on the Transboundary Movement of Hazardous Waste throughout the whole process. In terms of spills, we recorded zero hazardous waste spills in 2020.

Changes in hazardous waste is expected to further decrease in coming years due to the establishment of Alba's SPL treatment facility to treat and convert all SPL materials into useful by-products for the cement industry. Operation of this new facility is expected by mid-2021. Additionally, specific waste-related goals, targets, and processes have been established for each of Alba's business units to address their respective solid and effluent wastes generated. These goals and targets are mandatory for solid waste and voluntary for effluent waste. Currently, time-bound targets have been set for solid waste reduction, but not yet for effluents.

WASTE DISPOSED VS WASTE RECYCLED



WASTE

	2018	2019	2020
Total hazardous waste disposed (Tons)	32,189	30,723	19,335
Total non-hazardous waste disposed	13,545	16,410	21,568
Total waste disposed (Tons)	45,733.71	47,133.41	40,903
Total waste recycled (Tons)	10,274.94	9,172.59	36,145
% of waste recycled out of total waste disposed	22%	19%	88%

The waste management relates to Alba's operations only (Alba Plant and Alba Calciner Plant) and any impact related to waste generated from Alba plant/operations in Bahrain doesn't include waste from the Company stakeholders (value-chain upstream and downstream).

We aim to reduce our disposable waste to minimum, enhance the waste segregation efforts and maximise selling our scrap materials to downstream recycling facilities.

Our scrap materials include metallic materials, timber plastic, rubber, paper and used oil – all of these are sold to downstream recyclers who are approved by the environmental regulator to recycle these items in a responsible manner. Sold scrap is weighed and consolidated and invoiced on monthly basis.

WASTE GENERATED AND BY-PRODUCTS

Aluminium production generates some degree of waste and by-products, regardless of which processes are used. One way to minimize waste and put by-products to good use is to re-introduce materials back into the aluminium manufacturing process, which we have implemented as a key aspect of our waste management strategy. We have developed innovations to find value-adding uses for by-products and co-products that would otherwise be sent to landfills. Additionally, we collect scrap aluminium from our industrial customers to use as input material to produce new aluminium products. By using post-industrial recycled content in Alba's products, we reduce the demand for raw materials and further reduce the energy and costs required for producing new products.

Below are more specific details on how we deal with four main waste streams: liquid waste, SPL, carbon dust, and general waste.

LIQUID WASTE

We reuse or recycle nearly all liquid waste that we generate, with the exception of mixed oil-water, lime sludge, and cooling water sludge. All types of generated waste from liquid petroleum and cooling tower blowdown are recycled, the latter of which is reused as irrigation water and treated sewage sludge. We also comply with Bahrain legal limits for effluent discharge to the sea.

SPENT POT LINING (SPL)

SPL is the lining material of retired smelting pots, consisting of insulation refractory, carbon cathodes, and steel collector bars. Steel collector bars are recovered for recycling, while the insulation bricks, carbon cathode, and mixed fine materials must be sent to specialized landfills as hazardous waste.

In September 2019, Alba announced the establishment of the first-of-its-kind SPL Treatment Plant in the Gulf region: The SPL Treatment Plant expected to be operational by Q2 2021, this innovative plant is being constructed in collaboration with Bahrain's SCE and is a zero-waste process with a capacity to treat 30,000 - 35,000 tons of SPL per year, converting it to value-added products. The estimated budget for establishing the SPL treatment Plant is close to BD 17 million. In 2020, Alba produced 19,335 MT of SPL, a reduction of 37% over last year.

5% ↓
reduction in carbon dust generated in 2020

37% ↓
reduction in spent pot linings in 2020

HIGHLIGHT

REDUCING HAZARDOUS WASTE



One key challenge related to waste was better processing of Spent Pot Lines (SPL) material. The main obstacles that stood in the way of improving SPL material disposal were finding land and allocating services to run this operation. After discussion with Ministerial authorities, it was decided that a dedicated SPL facility must be provided, as further disposal of these highly hazardous materials could no longer be safely contained due to limited space. An understanding was agreed upon to lease land from the Bahrain government to build a dedicated SPL facility near Alba's premises.

While the benefits of this facility are yet to be measurably determined, based on similar facilities currently in existence the SPL material will be detoxified and refined with no hazardous residual

material leftover, which can be further used in the cement industry. As there is continuous research to extend use of cathode blocks to maximum efficiency, future plans involve ultimately reduced Spent Pot Line generation, which would reduce the amount of SPL that needs to be recycled in the first place.

According to a representative from the Alba Engineering Department, "This project was viable due to constant follow up from Alba as well as co-operation from Supreme Council of Environment, who controls the allowable stringent norms of waste parameters within Bahrain. The process took visits to other locations to review their outcome, gather information, data, sample reports of various by products after processing of the Spent Pot Line and satisfying themselves with the technology."

CARBON DUST

Carbon dust is produced from processes in carbon plants, where the clean fractions are recycled back into the process for making anodes. The fraction that is generated from the shoot blasting stage at the Rodding plant is highly contaminated with bath and steel from the shoot blast media and is not suitable for recycling; it must be sent to specialized landfills as hazardous waste. Alba generated 2,526 MT of carbon dust in 2020, which was a 5% decrease compared to the previous year. This decrease can be attributed to the recycling of several hundred tons by a third-party recycling company.

GENERAL WASTE

General waste is produced from most processes as miscellaneous waste from site canteens, offices, and other municipal type waste. In 2020, there was a reduction in the disposal of trees by 62%, mostly due to trees being reused for landscaping purposes.

Total weight of waste generated from Alba operations is 77,048 metric tonnes consisting of recycled and disposable waste. Recyclable waste weight is collected from direct weight measurements prior to exiting the Company's premises while disposable waste weight is determined based on average unit weight of the specific waste.



MATERIALS MANAGEMENT

Our approach to materials management ensures that the optimal quality and quantity of Alba's materials are available at the lowest possible cost through all phases of operation. We believe that effective material management has a significant impact on key areas, including time and cost. This includes all material-related activities from raw material acquisition to receipt by our customers. Proper materials management greatly impacts our business logistics and supply chain management.

In regard to implementing Line 1-3 Efficiency measures and other KPIs for 2020, we managed to reach our alumina consumption target of using less than 1.918 kg/MT by consuming 1.917 kg/MT. We also increased the amount of recycled oil in our operations by 64%.

RECYCLING OF MATERIALS

	2018	2019	2020
Plastic (tons)	52.00	40.83	15.00
Paper (tons)	52.22	102.35	103.00
Oil (tons)	138.57	174.40	286.00

HIGHLIGHT MINIMIZING OIL LEAKAGES



We were able to minimize frequent oil leakages from the input pinion shaft of the Air-Cooled Condenser (ACC) fan by suitably modifying the sleeve. With the newly installed "Speedy Sleeve" between the input pinion shaft and the oil seal, leakages have been virtually eliminated, reducing downtime on average from two weeks to two days. It has also led to improved equipment availability.

HIGHLIGHT MINIMIZING USE OF PURE ALUMINA



Anodes are covered with prepared crushed bath material to minimize air burn. This material is mix of Alumina and Crushed bath, which contains 40 to 50% of free Al₂O₃%. Pure alumina has traditionally been used to prepare this mix material. However, in Line 6, the pure crushed bath material has begun to cover the anodes without using pure alumina, thereby reducing pure alumina consumption.

The approach to doing this successfully requires four points of focus:

- 1) Regular cleaning of potline basement material and quality control of crushed bath material in bath treatment plant
- 2) Regular tapping of pure bath from potlines
- 3) Monitoring and tracking of consumptions
- 4) Use of alumina only in case of process requirements

Outcomes from this minimization of pure alumina use include reduced Alumina consumption around up to 6000 MT/year less alumina used and lowering free Al₂O₃% contained in anode cover mix material to the range of 30 to 35% as part of process requirement. This has since been replicated in other potlines as well, including Line 4 and Line 5. Our future aim is to further explore the possibility of replicating the same in other potlines on a long-term basis.

HIGHLIGHT CARBON PALLET MODIFICATION



In 2020, carbon pallets began being modified in our Rodding plant to minimize material wastages. Rodded anodes were falling from the pallets during transportation, so we modified the transport pallets to avoid falling anodes. This modification not only helped in minimizing material wastages, but it also reduced reprocessing cost and improved safety.



BIODIVERSITY

RELEVANT UN SDGS



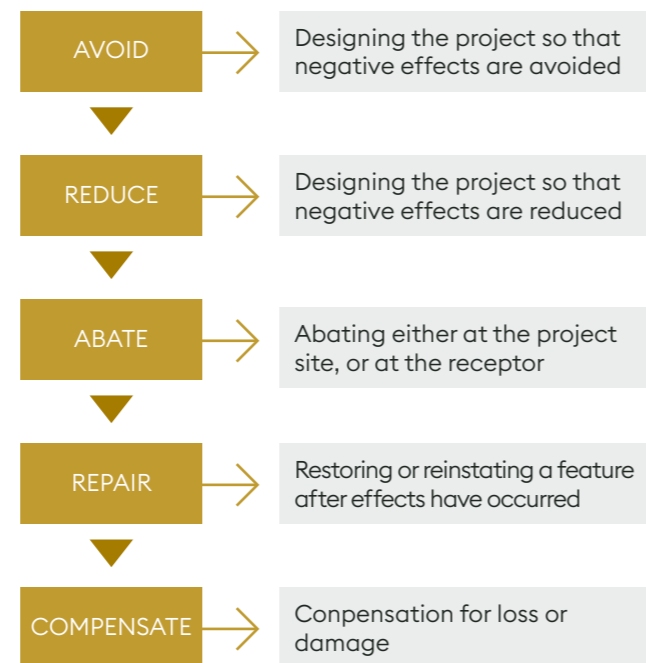
Nature is critical to our survival and having biodiverse and health ecosystems is important for preserving human survival and limiting the impacts on climate change. Alba aims to promote sustainable land use practices and avoid negative impacts to natural habitats and species in our operations. Whilst we do not have a standalone biodiversity policy, we have worked to implement various policies and standards into our operations and business strategy. This includes the inclusion of biodiversity conservation as a KPI in our SEP and SHE policies, a requirement to receive IFC funds.

Our policies ensure that when impacts are unavoidable the correct mitigation measures or restoration projects are carried out and environmental impact assessments help up to realize the extent of the impacts projects may have. One example concerns the Alba Port Capacity Upgrade Project, where a thorough environmental and social impact assessment was conducted to identify the flora and fauna that would be affected by the upgrade. Extensive impact monitoring, mitigation and minimization measures were put in place and implemented effectively to alleviate negative impacts.

ACROSS OUR OPERATIONS BIODIVERSITY IMPACT MITIGATION EFFORTS INCLUDE:

- Habitat Restoration
- Marine Water Quality Management Plan (MWQMP)
- Marine Noise Management Plan (MNMP)
- Fuel Spill Contingency Plan
- TSS Monitoring Programme
- Tactical Response Plan (TRP)

ALBA FOLLOWS THE MITIGATION HIERARCHY BELOW:



Following each of the ESIA's and other impact assessments, including monitoring efforts implemented after the assessments were completed, it has been determined that all of Alba's projects and operations have not caused any significant impacts to biodiversity, critical habitats, or bodies of water.

We have incorporated IFC Performance Standards (PS6) into our operations, which is titled 'Biodiversity Conservation and Sustainable Management of Living Natural Resources.' According to the IFC, "Performance Standard 6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. The requirements set out in this Performance Standard have been guided by the Convention on Biological Diversity".

The objectives of PS6 are:

- To protect and conserve biodiversity
- To maintain the benefits of ecosystem services
- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities

Alba does not function in a national protected area of nearby protected habitats. Also, the Company did not conduct an official biodiversity assessment while this matter is work in progress for 2022.

Alba is in a governmental approved industrial area and does not have any impact on the IUCN Red List species and national conservation species with habitats in areas affected by its operations.

HIGHLIGHT DEVELOPING A FISH FARM

Biodiversity conservation is one of the many ways that we help protect our environment. With a goal of boosting the Kingdom of Bahrain's aquaculture industry, and in collaboration with the Bahrain National Guard Consumer Association, we developed a fully functional fish farm at Alba's Calciner and Marine Plant in 2020.

This fish farm will aid in improving and maintaining the health of local marine ecosystems, in addition to acting as a bio-indicator to ensure that our Calciner and Marine operations remain environmentally friendly.

The fish farm consists of two fish farming cages submerged next to Alba's Calciner & Marine jetty wherein one cage cultures more than 5,000 of a well-known local fish type - Sabiti (i.e. Sparidentex) and the other one holds more than 10,000 Sea Bream type. The plan is to release the native fish to the wild once they are mature.

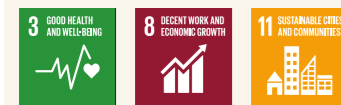
Production from this fish farm will also support food security in the Kingdom of Bahrain, helping to address UN SDG goal #2: No Hunger.



Occupational Health and Safety

Alba maintains and promotes a culture of strong health and safety practices and measures to minimize and mitigate the potential risks and hazards that our stakeholders could potentially be exposed to. This responsibility is owned by everyone who engages with Alba because safety is of our highest concern and utmost priority. Having strong procedures in place reduces our overall risk, ensures wellbeing and allows our business to operate safely and efficiently.

RELEVANT UN SDGS



SAFETY AND HEALTH

We take the health and safety of our employees very seriously. At Alba, health and safety regulations are imperative to the well-being of everyone in the company. It is the responsibility of upper management and the SHE department to keep employees as safe as reasonably possible from any on-the-job hazards, though it is the Alba Health Care Centre (AHCC) that handles occupational health matters. In addition, while the wellbeing of employees is highly valued and every effort is made to protect workers for their own sake, ensuring optimal safety is also beneficial for business. Being compliant with health and safety measures and actively working towards minimizing hazards reduces the risk of prosecution, fines, and reputational damage, all of which could harm Alba's business.

Workplace safety is very important for each and every employee in the aluminium industry as they all desire to work in a safe and protected atmosphere. It is a duty and moral responsibility for us to look after the protection of each employee at Alba.

All Alba's full-time employees (100%) (permanent and temporary contract) are covered for primary health insurance. Through Group Life Insurance and Personal Accident Insurance Policy, Alba staff are covered for Death (any Cause), Permanent Total and Partial Disability, Terminal Illness, Passive War Risks and Repatriation of the body for. Group Medical Insurance covers all Alba staff for Inpatient & day Care, Outpatient, Treatment Abroad during business trips and holidays, Dental, Optical and accidents. Alba's contractor workers (901) are covered by the Company's Health and Safety Management System.

THIS DEPARTMENT CONSISTS OF THE FOLLOWING SECTIONS WHICH PROVIDE INTEGRAL SUPPORT TO ALBA ON SAFETY MATTERS



Our safety record was spectacular in 2020. Zero fatalities were incurred over the course of the year, continuing a perfect record in this area from previous years. Our Lost Time Injuries (LTI) Frequency Rate of 0.1 was in line with previous years as well, along with our Total Recordable Injury Frequency rate of 1.59 for employees and 2.01 for contractors. There was a 13.68% reduction in near miss incidents and a 21.22% increase in safety audits over last year for a total of 1,971. We also achieved 24 million safe working hours without LTI in July 2020.

One major safety highlight for 2020 was the fact that we were able to successfully achieve safe operations at expected capacity despite the challenges presented by the COVID-19 pandemic. Sick leaves increased during this past year due mainly to the novel coronavirus, some of which was attributed to positive COVID diagnoses, while others were precautionary to help prevent widespread outbreaks. Employees were expected to refrain from showing up to work if they had any symptoms that could possibly be related to COVID-19.

H&S PERFORMANCE

	2018	2019	2020
Lost Time Injuries Frequency Rate (per million-man hours)	0.18	0	0.1
Total Recordable Injury Frequency Rate (TRIR) for employees	1.74	1	1.59
Total Recordable Injury Frequency Rate (TRIR) for contractors	2.12	0.92	2.01
Fatalities (contractors and employees)	0	0	0
Sick leave (number of days)	33,731	32,968	59,368
Near Miss Incidents	6,270	8,225	7,100

The Company reports six main types of work-related injuries: Fatality, Lost Time Injury (LTI), Restrict Work Cases (RWC), Minor Case (MC), First Aid (FA) and Bahrain Industrial Injury (BII).

Alba finished 2020 with 8,858,112 safe-working hours. The predominant work-related hazards at Alba are:

- Molten Metal Handling Hazard
- Working at Heights
- High intensity electrical exposure Hazard
- Moving vehicles
- Exposure to chemical compounds hazard
- Electrical Direct Current Hazard
- Occupational Noise

Alba policies and procedures illustrate that the Company will report all type of injuries defined by the local legislator such fractures, total loss of any organ, dislocation of shoulder, hip, knee, or spinal cord vertebrae, temporary or permanent loss of vision, any eye injury, electrocution, shock, suffocation or heat exhaustion, third degree burns and any injury that requires admission to hospital more than 24 hours.

Alba has experienced one high-consequence (LTI) work-related injury in 2020. The number of recordable work-related injuries stood at 69 in 2020.

Our occupational Health, and Safety (OHS) Policy has objectives that are broken down into departmental SHE objectives, each of which is monitored by individual departments.

WORK-RELATED ILL HEALTH

In terms of work-related ill health, the Company reports its certain KPIs for its employees and contractors' personnel.

Alba employees	The number of fatalities as a result of work-related ill health: 0
	The number of cases of recordable work-related ill health: 0
	The main types of work-related ill health: Noise Induced Hearing Loss (NIHL) and Occupational Asthma
Contractors' personnel whose work is controlled by Alba	The number of fatalities as a result of work-related ill health: 0
	The number of cases of recordable work-related ill health: 1
	The main types of work-related ill health: 0

The Company conducts comprehensive local risk assessment to determine potential work-related hazards that pose potential risk of ill health for its employees and contractors' personnel. In 2020, no cases of ill health have been detected; it is worth noting that the Company has in place Risk Assessment procedures (ACOP no. 042A) which apply to all activities undertaken at Alba premises and Calcliner Plant. Hazard Identification, Risk Assessment and Control procedures are available to Alba staff, contractors, and consultants on the job. Also, inspections and audit programs are administered regularly.

The health and safety statistics are based on OSHA Reporting Standards and they are in conformance with the local regulator (Ministerial Order 12 of 2013 Reporting of Occupational Injuries and Diseases).

HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL

Alba's code of practice (ACOP) provides guidance identifying, managing and mitigating potential risks and hazards to ensure operational best practice and risk minimization. This ensures that all Alba stakeholders are safe and accounted for including amongst the community, staff and supply chain.

Safety and risk are governed at all levels with roles and responsibilities reflected by different positions. The executive level has a SHE committee who are responsible for oversight and ensuring regulatory compliance, they oversee organization wide SHE policies and guidance. Departmental managers and SHE representatives are responsible for SHE in their operations, with hazard identification systems accessible for all staff. Procedures cover routine and non-routine operational proceedings and are updated regularly to reflect the changing operational requirements.

OCCUPATIONAL ACTIVITIES

These measures are conducted at least once every three years and are updated as necessary.

The identification procedures address company-wide processes and include:

- Upcoming developments
- Normal operating conditions
- Abnormal conditions and foreseeable emergency situations
- Past activities, current activities, and new or modified activities

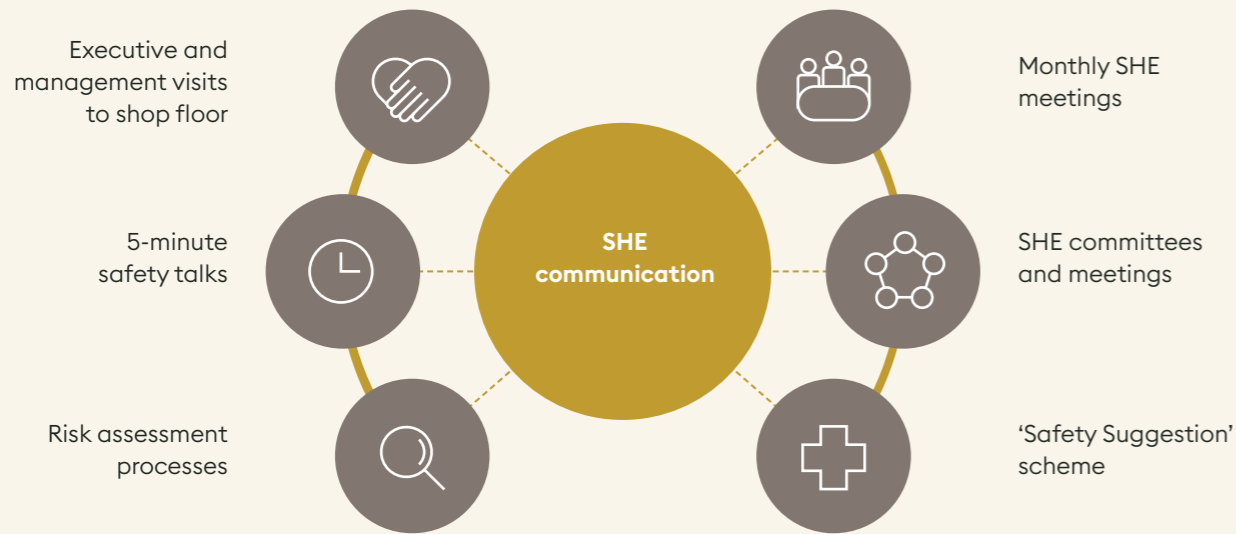
THE ASSIGNED RISK ASSESSMENT TEAM IS REQUIRED TO INTRODUCE CONTROL MEASURES TO MITIGATE THE RISK TO AN ACCEPTABLE LEVEL USING A WELL-DEFINED HIERARCHY OF CONTROLS:

- 1 Eliminate** – complete elimination of the hazard
- 2 Substitute** – replace the material or process with a less hazardous one
- 3 Redesign** – redesign the equipment or work processes
- 4 Separate** – isolate the hazard by guarding or enclosing it
- 5 Administrative** – providing controls such as training and procedures
- 6 Personal Protective Equipment (PPE)** – use properly fitted where other controls are not practicable



SAFETY COMMUNICATION

We have established various methods to communicate and report work-related SHE matters, including:



SAFETY INCIDENT MONITORING AND REPORTING

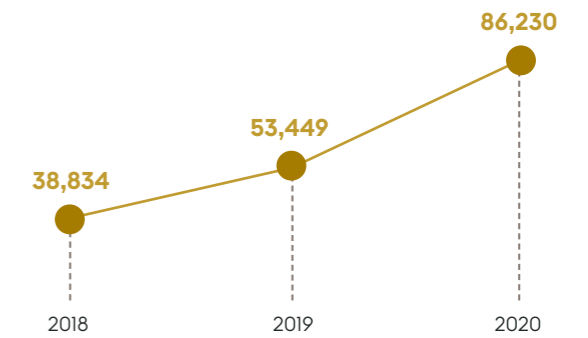
All staff are responsible for identifying hazards, risks and incidents. Full procedures outline the correct monitoring, reporting and mitigation systems of hazards and risks to reduce the chance of injury or damage. The aim of the procedures is to ensure that unsafe incidents are not only recorded but that they can contribute to learnings to prevent future incidents through mitigation measures.

Our incident investigation process is governed by the Alba Code of Practices (ACOP), particularly the area related to Incident Reporting and Investigation. The responsibility of incident investigations rests with the Chief Executive Officer (CEO), supported by departmental managers. Together the team will investigate an incident, identifying potential future risks and hazards, and complete a log of corrective actions. An incident report will be generated and submitted to a centralized SHE department within 2 weeks of an incident to limit the possibility of future incidents. Any high potential near misses and any injuries by be presented within 24 hours with an alert email sent to all employees.

This process ensures that future risks are mitigated to limit the chance of a repeat incident. Following the report corrective actions will be taken across any similar areas so that future risks are mitigated not only in the identified incident area but also across any similar activities. All injuries and high potential near misses are reviewed monthly to ensure best practice and all information is shared across other departments. In 2020, an incident notification email group was established to notify of incidents, hazards and risks and to help allow discussions during team safety meetings.

The purpose of safety observations is to improve conditions and behavior around the plant. These observations might include housekeeping, hygiene, ergonomics, layout improvement, or other areas that could lead to unsafe conditions or accidents in the future. Due to an increase in company-wide awareness and an increased number of safety audits, the total number of safety observations increased by 61% in 2020.

SAFETY OBSERVATIONS REPORTED (UNSAFE ACT AND UNSAFE CONDITION)



61% 
increase in safety observations in 2020

HIGHLIGHT PROVIDING CCTV CAMERAS AND A PLANTWIDE MONITORING SYSTEM

We had intended to provide a CCTV monitoring system at Alba, but the main drawback was laying cables, as no specific service corridor had been provided. As we moved further towards digitization, however, Alba senior management decided it was time to utilize digital technology to carry out surveillance and keep all properties – as well as employees – safe and secure. This required extensive study of the existing underground services, their connecting routing, and feasibility of providing CCTV at the necessary locations. As this is related to safety and security, Alba's SHE team was involved to ensure the project was carried out satisfactorily.

In 2020, Alba's new CCTV system went online, capturing and recording plantwide operations around the clock. Incidents and accidents have been recorded, with the data used to assist in pinpointing fault, as well as preventing the same thing from happening in the future.

Use of CCTV has been inside Alba premises for a long time; however, it had become obsolete and only covered limited areas. Now, with amalgamation of cameras into an extensive plantwide system, the new system has become a live network monitored by Alba's dedicated SHE team, complete with specialized monitors and surveillance equipment.



ENGAGING EMPLOYEES IN HEALTH AND SAFETY

Alba fosters a deep safety culture by engaging employees in health and safety initiatives. This ensures that our workforce is aware and well prepared to manage an array of safety issues and effectively prevent future incidents.

Our SHE policies mandate that employee representatives participate in crucial health and safety meetings, which are conducted monthly. At these meetings, discussions include incident statistics, progress in achieving targets, and general employee health and safety issues. In addition to these mandated engagements, numerous health and safety activities are held throughout the year. Alba has also made financial contributions to health and safety initiatives such as the Global SHE Conference and Exhibition, and the National Health Authority Conference.

We believe that training is vital for engaging employees and helping ensure they are able to properly undertake their responsibilities in the areas of health and safety. In 2020, we increased the number of training hours to 10,090 from 7,867 in 2019. Alba health and safety training includes both theoretical and practical aspects on how to safely operate machinery through standard operating procedures, job safety practices, and ensuring knowledge of safety rules and regulations. Alba employees are obligated to follow the safety practices and standard operating procedures manual.



HEALTH AND SAFETY TRAINING

	2018	2019	2020
Employees trained in health and safety practices	69,401	7,867	10,090
Contractors trained in health and safety practices	23,133	1,966	3,969
% of workforce represented in joint management-worker H&S committees (including walkthrough)	83%	91%	96%

ALBA PROVIDES A YEAR-ROUND INTENSIVE TRAINING PROGRAMME WHICH INCLUDES THE FOLLOWING MODULES:

- Risk Assessment
- Industrial Hygiene
- Hot Work Permit
- Basic Lifting Tackle
- Confined Space
- Fire Fighting
- Manual Handling
- Incident Investigation
- Behaviour Observation
- Excavation Permit
- Working at Heights
- Process Safety Management

EMERGENCY PREPAREDNESS AND RESPONSE

We have instituted a robust and dynamic emergency preparedness plan to proactively protect business continuity and the wellbeing of our stakeholders. We are committed to safeguarding all of our assets, both human and material, against emerging risks of unpredicted events such as extreme weather, fires, natural disasters, and system failures.

Our efforts extend far beyond regulatory compliance. The ACOP includes a specific Emergency Preparedness and Response Plan (EPRP), which provides essential elements such as mandatory periodic risk assessments, implementing Job Safe Practices (JSP), providing firefighting emergency equipment, fire protection and detection systems, and an established emergency response team. The plan applies to all Alba employees, visitors, and contractors. Specific guidance for Alba's EPRP can be found within the overarching SHE policy.

Alba's safety management systems seek to avoid emergency situations at all costs which is why measures are put in place across the whole workforce to minimize and mitigate the risk of accidents and escalations leading to an emergency. However, were an emergency situation to arise Albas onsite Emergency Communication Centre (ECC) can help deal with the situation and ensure that the correct procedures are followed. The ECC is home to a security control room where the necessary communication devices are available. A computerized system allows for emergency SMS messages to be sent to all necessary team members to deploy a rapid response. Whilst Alba trains all staff to work towards the highest levels of SHE, the emergency systems are in place for worst case scenario responses.



Chapter 3

Social and Community Impact

Having a strong social and community impact is extremely important for us. We seek to create shared value, develop a strong workforce, and contribute to local communities in a meaningful way. Alba attracts some of the best talents in the region, and we feel it is part of our mission to help nurture a strong

workforce that ultimately strengthens the communities that we operate within. This is not only good for the communities and people that are being served, but also for our bottom line and business strategy. Therefore, our CSR strategy and framework focuses heavily on these aspects.



Employer of Choice

Alba focuses on attracting, retaining, developing and motivating people who can perform extraordinarily. We seek to be an employer of choice by offering staff a safe and empowering work environment that cares and nurtures their career development and wellbeing. We not only invest in our people but also the communities that we operate in to ensure positive and inclusive development.

Alba provides the best experience and services (free of charge) to its Employees and their families through Alba Club SPC (a subsidiary entity of Alba in Bahrain). The membership is also available to the general public with fees. The Club goal is to keep enhance the health and well-being of its members.

TRAINING AND DEVELOPMENT

RELEVANT UN SDGS



At Alba, we truly believe people are our greatest asset. Without our team of dedicated, competent individuals, we would not be in the position that we are today as not only a smelting leader, but also a business leader in the Gulf region. Our primary employee development objective is to harness and develop local talent to expand this leadership even further.

We have an extensive Training and Development Programme (TDP) to help accomplish this goal. Employees in the TDP are given the opportunity to take on larger responsibilities, improving the likelihood of being promoted to higher positions by the end of the program.

Alba's training programs, however, are not only limited to our employees. We cooperate with several organizations to bring training and development opportunities for Bahrainis. This leads to improved technical expertise in the country, which then helps further develop the entire industrial sector.

THE ENVIRONMENTAL TRAINING PACKAGES ARE A MANDATORY REQUIREMENT IN THE ABOVE-MENTIONED SKILL MATRIX AND THE EMPLOYEE'S DEVELOPMENT SCHEME. ENVIRONMENT TRAINING COVERS:



We are also proud to be a strategic partner in the Prime Minister Fellowship, an initiative led by His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander, and Prime Minister of Bahrain. This program is aimed at building leadership skills among young Bahrainis working in middle management positions across all areas of government.

TO ENSURE QUALITY AND OPTIMIZATION OF OUR OPERATIONS AND PROCESSES, OUR EMPLOYEES ARE ENCOURAGED TO PARTICIPATE IN SIX SIGMA GREEN BELT TRAINING. WE RUN VARIOUS OPERATIONAL EXCELLENCE TRAINING PROGRAMMES TO TRAIN EMPLOYEES AT DIFFERENT LEVELS:



For our employees, we provide in-house job skill craft courses, vendor training courses, and language training courses. Additionally, we strongly encourage and support the academic development of our workforce by collaborating with academic institutions to sponsor employees' higher studies. This largely includes universities and training institutions, both locally and internationally.

Our biggest ambition is to provide the workforce of both Alba and Bahrain in general with internationally competitive skills and capacities. We showed major resolve and determination to achieve this as we continued to offer trainings during the COVID-19 pandemic in a safe and deliberate manner to the best of our abilities.

We offer a wide range of training programs that are directly linked to the growth and development of our employees, along with a tailored training plan for each employee to address the gaps identified in the skills matrix. Furthermore, we have created Training Development Programs (TDPs) to boost the skills and capabilities of the employees in managerial positions. Below is a comprehensive list of the technical and non-technical courses offered at Alba:

ALBA RELIES ON VARIOUS PROGRAMS AND TRAININGS TO UPGRADE THE EMPLOYEE SKILLS AS FOLLOWS:

Safety, Health & Environment Trainings

Developing its Safety culture across the plant and achieving a zero-accident work environment remains Alba's priority. Numerous training programmes on Safety, Health and Environment (SHE) are held every year to ensure that all employees were made aware on being responsible and safe in all aspects of their life.

Skills Matrix Program

The non-supervisory staff are evaluated for skill gaps and trained as per the gaps in competency on a continuous basis. Every job position has a detailed approved Skills Matrix. After training, the employees are evaluated again and those who successfully prove their competence in the listed skills for higher position are promoted to Non-Supervisory cadre.

Craft Skills Training Program

Specialized technical training programmes are a crucial part of smelter operations, and Alba has continuously designed and delivered such trainings through specialised instructors and specialists from Operation departments to its employees.

The operation and maintenance staff in Alba are regularly given refresher courses on 'Craft Job-Skills Training' to keep-up craft job skills and apprise them with the upgradations and modifications as well as enhance their knowledge and skills. In this major initiative, a training need analysis is carried-out every year for each department then the training is delivered on equipment and processes.

Every year Alba provides skills set training programmes to plant operators on the skills required for each activity to operate the plant. The programmes include classroom theories, practical training, and on-the-job experience development; such programmes were designed and delivered by training instructors as well as plant operation specialists. These Craft Skills course are provided in-house and through external vendors.

- **In House**
Majority of the Craft Skills courses are held inhouse through Alba's training faculty and field specialists. Simulators and plant installed equipment are used to conduct such training.
- **External Vendor training Programs**
For the courses on certain specialized equipment where inhouse resource is not available, original equipment manufacturer (OEM) provides vendor training to prepare the operators and technicians to operate and maintain the equipment.

On-Job Training

Alba puts emphasis on the great importance to "On the Job" Training. The principles learnt during classroom sessions are understood well only when they are practiced at work.

Therefore, and before deploying any individual on the job, either in operation or maintenance, the employee is provided with the theoretical concept of the activities he/she is going to be involved with. The "Hands on' experience on the activities are provided initially with the assistance of the incumbent job holders and finally independently. Every On-Job training is supported with an On-Job Training manual which clearly explains the activity to be performed with details of objectives, location, mentor etc.

We treat on-the-job training as an integral part of employee's career at Alba. It starts right from the employee's induction to the organisation and carried forward through all stages of development.

Soft Skills Courses

Soft skills -- ability to communicate, problem-solving, delegating, motivating, and team building -- are an important part of employee training and development at Alba. Courses such as Supervisory Management Development Programme; Industrial and Employee Relationship programme; High Performance Leadership Training; Leadership & Change Management Programme for Management; Problem Solving & Decision Making for Management and Team Building Programme are regularly conducted for the employees.

Master Training Plan

The Master Training Plan is created for every department based on the needs identified for all employees after detailed Training Needs Analysis and has a plan period of two years. It aims at providing training to every employee.

Training Development Programs (TDP) for management Staff

This scheme takes care of the Bahrainisation at Management level positions. Promotions of employees from non-supervisory level positions to supervisor positions and from 1st line supervisors to second-line supervisors are covered under this scheme. Annually about 50 promotions are done through this scheme mainly to replace the national retirees and expatriates. This is a medium – term succession scheme ranging between 1-3 years.

TDP is one of the most successful and promising employee programs in Alba wherein Bahraini employees are selected to take-up higher responsibilities and/or middle and senior level management roles based on their knowledge, abilities, initiatives and demonstration of potential growth. They are then given wholesome development in educational, functional as well as management and leadership areas, which enable them to satisfy the criteria for the position they will take-up.

- Transition assistance programs to facilitate continued employability and management of career endings resulting from retirement or termination of employment

Alba values the contributions of its employees in building and sustaining its operations. Alba provides assistance in the form of remunerations to its employees at their career endings due to retirement or termination from their services at Alba as per policy through certain financial packages like: Medical packages and Early Retirement Scheme packages as per eligibility. In addition, employees are also entitled to normal retirement ex-gratia payments.

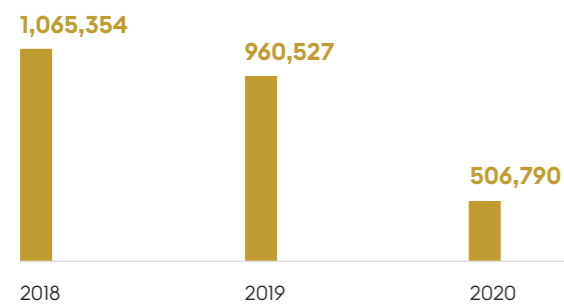
To support its employees after retirement/ termination with monthly pension, Alba contributes to national employees' GOSI fund, which helps them to get better pension salary after retirement. These schemes provide adequate assistance to the employees after their service at Alba ends and they are able to lead a secure retired life.

Despite the challenges brought on by the novel coronavirus pandemic, Alba still managed to achieve a 6.5% training percentage, which is adequately above the industry benchmark of 5%. Training percentage is the major internal target used for measuring the robustness and reach of our employees' training programs.

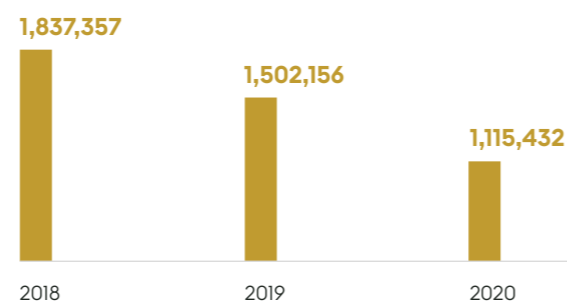
The pandemic required us to be more precise in our approach to training, which resulted in a significant drop in total training hours delivered in 2020 when compared to previous years. Training was not stopped, but the number of attendees per batch was reduced to ensure social distancing and proper health protocols. As such, we recorded a total of 506,790 training hours this year with an average of 164 hours per employee. Due to immediate and urgent training requirements, we expect a sharp increase in training capacity for 2021.

In total, 21 trainees, 12 university students, and 9 secondary school students were included in 2020 training programs, emphasizing Alba's role as a major employer in preparing students and fresh graduates for the job market in Bahrain. These numbers were all major drops from previous years, which was due almost exclusively to COVID-19 restrictions, as most of the institutions were closed during the year. As a result, internship requests and overall demand were both significantly reduced in 2020.

TOTAL TRAINING DELIVERED (HOURS)



TOTAL COST OF TRAINING (BD)



TRAINING

	2018	2019	2020
Total training delivered (hours)	1,065,354	960,527	506,790
Total number of Training for males (hours)	1,058,742	954,767	502,509
Total number of Training for females (hours)	6,612	5,761	4,281
Average hours of training per year per male employee	323	309	168
Average hours of training per year per female employee	57	50	39
Average training per employee (hours)	314	300	164
Total Cost of Training (BD)	1,837,357	1,502,156	1,115,432
Average Cost of Training per Individual (BD)	576	470	361
Total Trainees and sponsored students	143	176	21
Number of trainees: School students	57	78	9
Number of trainees: University students	88	98	12

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Type	Average Training Hours/employee
Non-Management	183 hrs.
Middle Management (FLIN & SLIN)	129 hrs.
Senior Management (Mgr, Dir, CXO)	11 hrs.

In order to continue improving our training programs, we conduct periodic assessments to ensure all current training procedures evolve with everchanging standards and regulations, as well as emerging risks and opportunities that we feel need to be addressed.

HIGHLIGHT
MBA PROGRAMMES FOR MANAGERS AND HIGH-POTENTIAL EMPLOYEES.



In our previous sustainability report, we committed to a voluntary target of having 70 employees complete their MBAs by the end of 2020. This was achieved, despite the challenge faced from restrictions related to the COVID-19 pandemic, with a total of 70 employees that completed their MBA over the course of 2020.

506,790 

training hours recorded in 2020

INCLUSION, DIVERSITY AND EQUAL OPPORTUNITY

RELEVANT UN SDGS



Alba is an Equal Opportunity Employer, which stems from the core of our values surrounding inclusion and diversity. We follow a strict policy of providing equal employment opportunities to all meritorious people in compliance with applicable laws. Our approach to Inclusion, Diversity, and Equal Opportunity is to provide fair salaries based on the HAY Job Evaluation System. We strive to ensure that payment is commensurate with work experience and we strongly believe in transparent and fair recruitment and promotion processes, as well as policies that promote job stability and ample career growth opportunities. This is part of what makes Alba an annual Employer of Choice.

We believe in respect for all beliefs and fair treatment of all employees and community members. Alba offers provisions for female employees to take paid leaves of absence and has policies in place to ensure equal pay regardless of gender.

Alba has a formal written policy to address grievances, two active labour unions that all employees are free to join, and several committees that are dedicated to establishing excellent employee relations. All employees throughout the organization are responsible and accountable for implementing applicable HR policies. We review and update our HR policies at least every two years, or as necessary. Platforms and procedures for reporting grievances are available for all employees in each department and they are encouraged to report any incidents of discrimination through our Integrity Line, where there are two categories to report on: "Fair treatment and Equal Opportunity" or "Respect and Non-Harassment". Generally, depending on the nature of the grievance, the procedure follows three stages: Department Manager, CXO, then the CEO if necessary.

In 2020, we received two substantiated Grievance incidents; one related to annual merit reported through our HR department. As a resolution, the merit was awarded as per Alba's Policy & Procedures. The other grievance was reported through our internal integrity line under the category: "Fair treatment and Equal Opportunity". An investigation was conducted by our HR department and proper corrective actions were implemented in liaison with the Executive team to resolve the case.

NUMBER OF GRIEVANCES RECEIVED



TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION



Our fair and equitable workplace policies are based on:

- 1. Merit-Based Advancement** – all advancements within Alba, regardless of any group identity, is determined on the basis of merit and performance alone. Clear and consistent criteria is applied to all candidates for vacant posts. Only the most capable shall be promoted.
- 2. Strong Commitment to Development** – this is an essential aspect for all Alba employees. We seek to provide a conducive environment for improving qualifications and skills in line with employment position and responsibilities.
- 3. Fair and Equitable Disciplinary Process** – all disciplinary processes will always be fair and equitable. Any individual that is part of any disciplinary review shall never be denied the opportunity to forward their case or grievance to the HR Department. Every individual is presumed innocent of any and all alleged violations unless proved otherwise after a thorough investigation. Disciplinary actions strictly follow Alba's Disciplinary Procedure and Guide.

Alba workforce profile faced unforeseen setbacks owing to novel COVID-19 pandemics as many employees have left the Company specially from middle management and non-management levels.

While these losses were unfortunate, one positive takeaway was that female representation was not disproportionately affected: there was no difference in the percentage of females employed in middle management or senior management roles between 2019 and 2020.

In line with Bahrain's Labour Law (Title XIV – Collective Labour Disputes – Chapter 1 for Collective Bargaining), Alba has 2 Unions: Alba Labour Union (ALU) and Alba Trade Union (ATU). Out of 3,130 employees, 48.6% are in ALU and 15.6% in ATU. Below table is for reference:

Union	No.	%
ALU	1,521	48.60
ATU	488	15.60
NEUTRAL	1,121	35.80
TOTAL	3,130	100.00

Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- Age group: under 30 years old, 30-50 years old, over 50 years old.

We classify employees as N1 category – Executives; N2 category – Directors and Managers; N3 Category – 2nd Line employees including, Superintendents, Heads and Sr. Engineers; N4 Category – 1st Line employees including Supervisors, Planners, and Engineers; and N5 – Non supervisory employees. N1 & N2 are classified as upper management while N3 & N4 are middle and N5 is non-supervisory.

Age Range	Upper	Middle	Non-Supervisory	Grand Total
Less than 30 years old	1	13	795	809
30 to 50 years of age	35	584	1,510	2,129
Greater than 50 years of age	13	86	93	192
Grand Total	49	683	2,398	3,130

- Other indicators of diversity where relevant (such as minority or vulnerable groups).

Bahrain Labour Law treats everyone as equal and there are no identifiable minority or vulnerable groups defined.

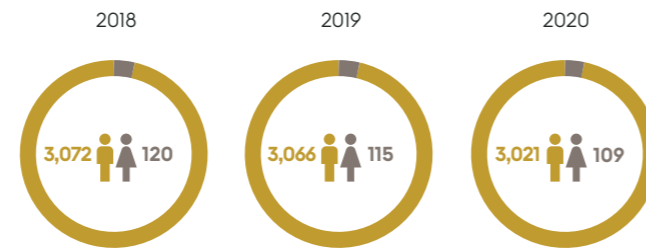


WORKFORCE PROFILE

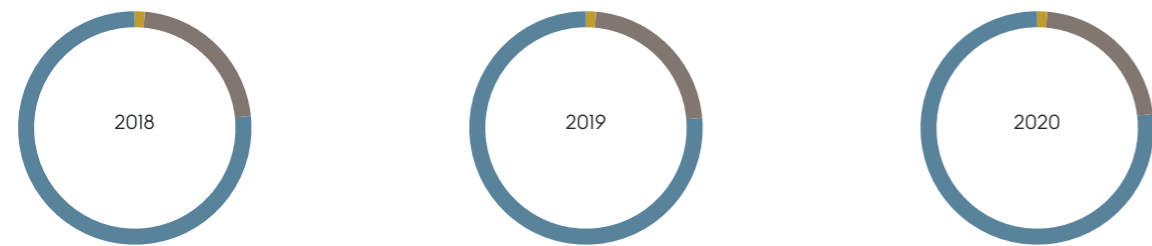
TOTAL WORKFORCE (FULL TIME EQUIVALENTS - FTES)



BY GENDER:



WORKFORCE BY EMPLOYMENT LEVEL



Employment Level	2018	2019	2020
Number of Senior management employees	51	50	54
Number of Middle management employees	695	703	671
Number of Non-management employees	2,446	2,428	2,405

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) BY GENDER

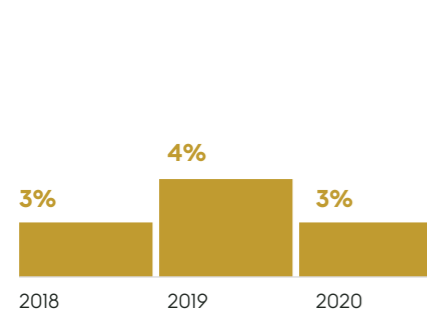
Category	Male	Female	Total
Permanent Contract	2,508	94	2,602
Temporary Contract	511	17	528
Total	3,019	111	3,130

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) BY REGION

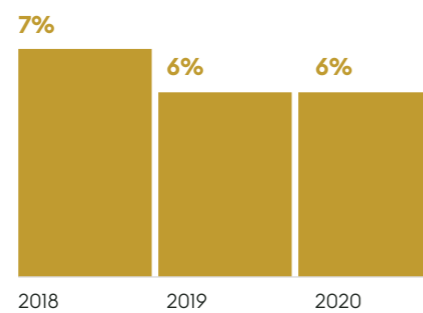
Category	Asia	Europe	MENA	Total
Permanent Contract	0	0	2,602	2,602
Temporary Contract	3	5	520	528
Total	3	5	3,122	3,130

FEMALE REPRESENTATION

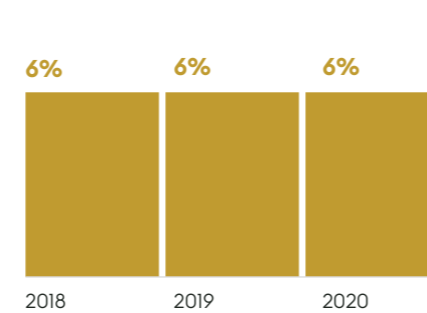
% OF FEMALES IN NON-MANAGEMENT



% OF FEMALES IN MIDDLE MANAGEMENT



% OF FEMALES IN SENIOR MANAGEMENT



EMPLOYEE ENGAGEMENT AND WELLBEING

RELEVANT UN SDGS



There is nothing more important to us at Alba than employee wellbeing. We prioritize and promote employee engagement and wellbeing in a variety of ways, with special dedication to making sure our employees are motivated and satisfied.

This includes the commitment to work alongside and with two Alba Unions to address any issues that may arise. Though collective bargaining agreements are not the norm in Bahrain, we feel it is imperative that the HR Department works with these unions to create what is best for employees.

Alba employed 901 indirect workers to perform less critical jobs such as material movements, housekeeping and labour support in operation and maintenance activities.

All expatriate employees are on fixed term / temporary contract while all national employees are on permanent contract. All employees are in Bahrain campus except for the expatriates who are working in the sales' offices in Europe, Asia, and Singapore. All disclosures pertaining to GRI disclosures 400, especially in connection to expatriate employees in Zurich, Hong Kong and Singapore offices, relate to Alba plant/operations in Bahrain and its Sales offices in Zurich, Hong Kong and Singapore. All labours (indirect workers) are not employed directly by Alba but hired through contractors.

To note, as per Bahrain's Labour Law for Private Sector (Article 98) – a contract shall be deemed for an indefinite period when the employment contract is concluded without fixing its duration. This means that permanent contract is applicable for National employees.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS: % of Total Workforce



ALBA'S HUMAN RESOURCES (HR) DEPARTMENT IS SUPPORTED BY THE FOLLOWING THREE SECTIONS THAT ARE DEDICATED TO MANAGING EMPLOYEE RELATED FUNCTIONS AND ISSUES:

1. Compensations and Benefits
2. Employee Relations and Alba Housing Scheme (Albaskan)
3. Employee Services

BENEFITS

We believe well-being is a critical element of helping our employees be at their best each day. That is why we strive to provide benefits and programs that are

industry-competitive and focused on employee well-being. We aim to help remove any barriers to employees achieving their full potential.



PARENTAL LEAVE

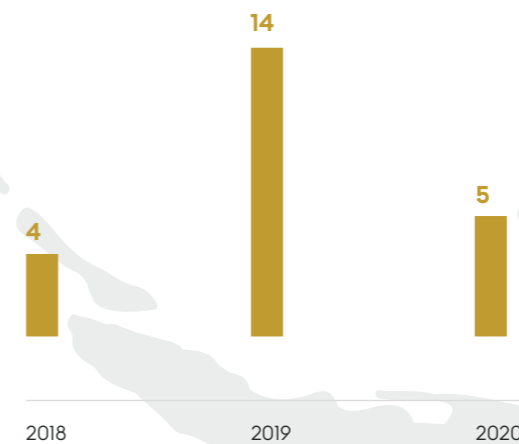
Alba's parental leave policy helps female workers take care of themselves and their new-borns, all without needing to worry about their position while they are absent. All female employees are entitled to paid maternity leave over a 60-calendar-day period, with the option to take an additional 15-days of unpaid leaves. In addition, they may take around two hours daily during working hours to feed their child, for up to two years. In 2020, five female employees took maternity leave,

and the rate of women that returned to work afterwards remained at 100%, where it had stood before the year began.

Alba provides different kinds of granted leave (maternity leave, feeding hours and birth of a child leave) to its employees who were still employed 12 months post returning to work as follows:

Type	Gender	No. of Employees
Maternity leave	Female	13
Feeding hours	Female	16
Birth of a child leave	Male	101

PARENTAL LEAVE – FEMALE EMPLOYEES



PERCENTAGE OF FEMALE EMPLOYEES THAT RETURNED TO WORK AFTER MATERNAL LEAVE



HEALTH AND WELLBEING

Alba employees can take advantage of our holistic approach to promoting the health and wellness. This starts with providing a safe working environment and extends to promoting healthy lifestyles in several key areas, such as company-organized events. One particular example of a popular event that promotes health and wellbeing is the Ramadan Sports Tournament. It is a friendly competition and teambuilding event within and between the different Alba departments.

In addition to a proactive approach to wellness and health, Alba's Healthcare Centre is regarded as one of the most advanced medical facilities of any industrial organisation in Bahrain.

In 2020, we identified the need to implement a Social Management System as a top priority for Alba. This system will help improve goals and progress related to social improvement objectives and targets, as well as auditing social management practices. We decided to develop our own Social Management System rather than outsource its development, making sure to utilize the SA 8000 Standard framework. Completion is targeted for mid-2021.

HIGHLIGHT

ALBA'S HEALTHCARE CENTRE



The healthcare centre is the core of Alba's entire health program, providing a comprehensive range of medical services to all Alba employees, as well as emergency services to residents in communities that we serve. The Healthcare Centre also launches various health-related activities and lectures on an annual basis, all of which focus on fitness and general health.

In 2020, due to the public health threat imposed by COVID-19, Alba launched public awareness campaigns to stem the spread of the virus and keep health at the forefront. Additional measures were also implemented, such as closing Alba's fitness club, implementing regular temperature checks, and increasing sanitization and personal protective equipment availability for all employees in need.



NEW HIRES AND ATTRITION

We strive to hire and develop the best workforce to contribute to Alba's future in the best way possible. Our hiring practices currently target a diversified mix of ages, and we are working to bring more gender parity into hiring through various programs aimed at women empowerment.

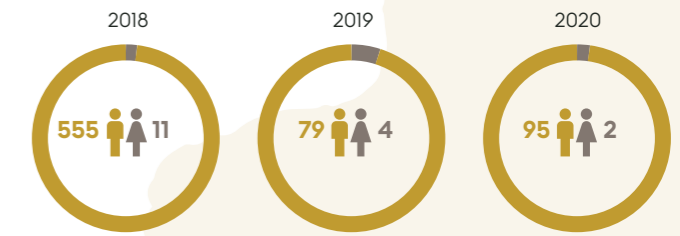
Alba's employee retention plan was to lower the turnover rate leading up to 2020; however, the pandemic caused employee turnover to double from last year arriving at 6%. The main reasons for turnover were related to retirement plans or for personal and medical issues - including cases related to COVID-19.

On the other hand, new hires increased by 16% in comparison to 2019, where 60% of these new hires were between the ages of 18 - 30. This highlights the efforts we are making to promote youth employment in our organization.

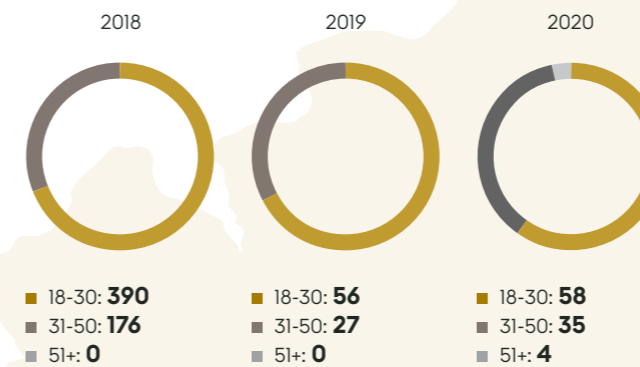
TOTAL NEW HIRES



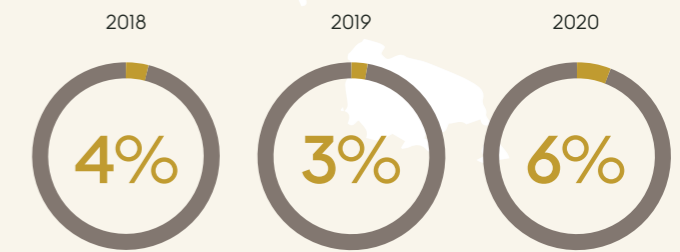
NEW HIRES BY GENDER



NEW HIRES BY AGE



EMPLOYEE TURNOVER (%)



17%



increase in new hires in comparison to 2019

HUMAN RIGHTS

RELEVANT UN SDGS



Human rights are respected and safeguarded in every way possible at Alba, and we are committed to conducting our business in an ethical manner. As such, our commitments extend far beyond basic human rights. We actively affirm the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights in our Code of Conduct. This code, which applies to all Alba employees and representatives, also outlines our commitment to respecting beliefs and religious practices for people of all faiths.

Senior leadership has undergone a due diligence process to prevent human rights violations, with several HR procedures established to deal with any infringements on such rights. These include disciplinary procedures, grievance procedures, and the Alba Committee procedure, among others. ESIA reports, Integrity Line case reviews, internal interviews and labour union engagements have identified no violations or grievances related to human rights in 2020.

In 2020, 501 hours of Human Rights training were delivered to 153 employees to raise their awareness on human rights policies and procedures. This included participation in ESG training courses, such as National Institution for Human Rights (NIHR) course, the "Know your HR" course, a Labour Law Applications course, and the 4th Equal Opportunities Conference in Health, Education, Law & Business.

More on these courses is covered below.

TRAINING COURSES COVERING ESG TOPICS

THE FOCUS OF THESE TRAINING OR SPECIFIC SUBJECTS DISCUSSED

National Institution for Human Rights (NIHR)

The role of the "National Institute for Human Rights" in promoting and protecting human rights in general and the rights of private sector employees in particular.

Know your HR

Shedding light on the services provided by the HR department and explaining administrative violations and discussing some articles of Bahrain's labor law.

The 4th Equal Opportunities Conference in Health, Education, Law & Business" – Ahlia Uni

Equal opportunities between Women and Men.

Labour Law Applications

Knowledge and applied skills in the field of law in Bahrain in the private and public sectors.

501

Total number of hours in 2020 devoted to training on Human Rights policies and/or procedures that are relevant to Alba operations

4.9%

Percentage of employees trained during 2020 in Human Rights policies and/or procedures that are relevant to Alba operations

Local Community Investment and Development

Our community investment and development endeavours are central to our view of making an unselfish contribution to society. Our approach focuses on empowering local communities and nationalization by creating meaningful job opportunities, enhancing local development and community investment.

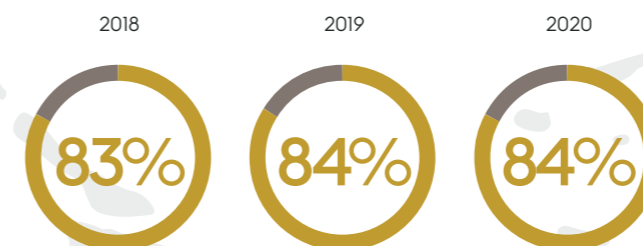
NATIONALIZATION

We are deeply committed to the employment and development of the local Bahraini workforce. This includes utilizing local suppliers and partners whenever feasible in all aspects of our operations. Priority is given to local and national companies and organizations when vetting potential suppliers and partners and Alba also prioritizes Bahraini nationals when recruiting for new positions. However, we do recruit expatriates when suitably qualified Bahrainis are not available for positions that need to be filled in a timely manner.

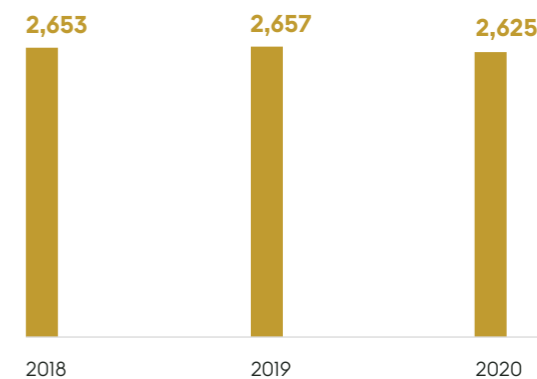
Our goal is to inspire and prepare young nationals to succeed, whether or not they work directly with Alba. To this end, we conduct and support projects such as INJAZ Bahrain and Tamkeen to train future leaders from Bahrain to take on the challenges and opportunities that the country will face in the years ahead, as well as to compete and succeed in a global context.

In 2020, Alba continued to achieve a nationalization rate of 84%, vastly exceeding the national goal of 25% set out in the Kingdom of Bahrain's Economic Vision 2030. This is the second year in a row achieving this incredibly high rate. It is worth mentioning that although Bahrain lacks much of the input material we require, we prioritize local suppliers whenever feasible.

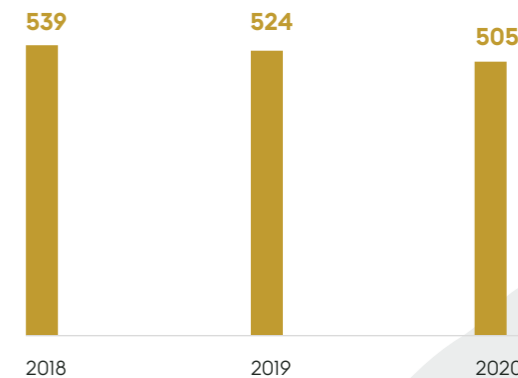
PERCENTAGE OF NATIONALS IN THE TOTAL WORKFORCE



NUMBER OF NATIONAL WORKFORCE



NUMBER OF WORKFORCE EXPATRIATES



84% Nationalization rate in 2020

COMMUNITY INVESTMENT

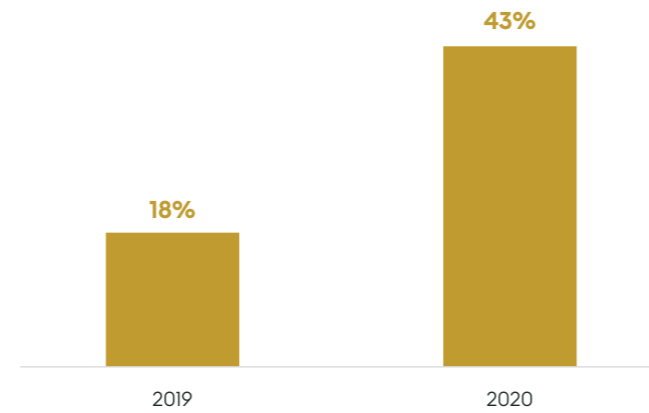
RELEVANT UN SDGS



We are deeply committed to community investment in many areas, including a variety of events, activities, and campaigns.

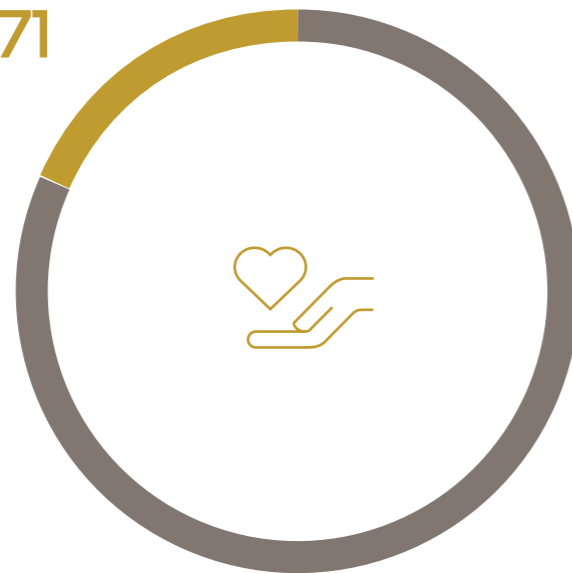
Our community investment reached 43% of pre-tax profits, a remarkable increase over last year. Overall, we donated BD 3.5 million in aid towards the 'Feena Khair' initiative and participated in various local community empowerment and engagement initiatives.

COMMUNITY INVESTMENT AS % OF PRE-TAX PROFITS (BHD)



COMMUNITY DONATIONS AND SPONSORSHIP (BHD) - 2020

sponsorships
793,971



Community Donations
3,500,000

We have also implemented our formal Sponsorship, Donation, and CSR Policy in 2020 with an established budget for each of these three areas. This has further provided clear guidelines on Alba's Values, Principles, Targeted Community Segments, and CSR Priority Areas, as well as areas that do not meet these criteria.

COMMUNITY SPONSORSHIP AND DONATIONS (BHD)

	2018	2019	2020
Community Donation	-	-	3,500,000
Sponsorship	986,957	977,914	793,971

Our community investment initiatives aim to address the specific regional and cultural, social, and environmental needs of our local communities. All our initiatives are in line with the National Vision 2030 of the Kingdom of Bahrain. Our CSR support will be provided in the following areas:

In 2021, we have set a total budget of BHD 4 million for community investments, where more than BHD 3 million will be allocated to donations and the remaining will cover sponsorships.



HIGHLIGHT SOCIAL MANAGEMENT POLICY

Our Social Management Policy reflects Alba's social and civic responsibility to the public and ensures its corporate conduct fulfills the responsibilities to the community in which Alba operates in. To read more on our social management policy, please visit: <https://www.albasmelter.com/Procurement/PDF/Social%20Management%20Policy%20-%20English.pdf>

CUSTOMER-FOCUSED

Being customer-driven, we strive to proactively engage with our customers to meet their requirements for end-products and bring value to their processes by producing a portfolio of Aluminium in the following categories:

- Foundry grade re-melt products (T-Ingots, 10 Kg Standard Ingots, 22.5 Kg Standard Ingots, and Properzi Bars 9.7 Kg)
Rolling Ingots (Slabs)
Extrusion Ingots (Billets)
Unalloyed P1020 re-melt products (T-Ingots, 10 Kg Standard Ingots, 22.5 Kg Standard Ingots, and Sows)
Liquid metal

In addition to our portfolio of products, our customer-technical team work closely with our customers to improve our business processes to meet the level of quality of products and services. To onboard new clients, the Company undergoes a rigorous process for qualification before taking new clients.

Our primary Aluminium is produced in line with various certifications the Company has in the fields of Safety, Environment, Quality and Sustainability:

In 2020, the Company has joined the international Carbon Disclosure Project (CDP) and has submitted its disclosure in respect to GHG emissions. The Company will not receive a rating for its 2020 disclosure but will be eligible for rating for its 2021 disclosure. The CDP report is highly recognized by the world's blue-chip investors and customers.

To-date, we supply our products to over 240 customers around the world.

Finished products manufactured in Alba's plant are labelled in accordance with the local government requirements and international norms. The label contains Alba's trademark (made in Bahrain), the grade of aluminium or alloy, and the cast number. In 2020, Alba met all applicable laws in relation to product labelling, and no significant claims were received in connection to product labelling.

TECHNOLOGY, INNOVATION AND PROCESS IMPROVEMENT

Alba has implemented Quality Management Systems in all its activities to ensure smooth and efficient operations across the stages of its product life cycle:

- Analysis of customer's requirements and processes
Improvement of an existing process and/or development of new process
Purchase of raw materials
Production of primary metal & calcined petroleum coke
Storage and delivery of products and finished products

Alba plant follows ISO 9001 since 1994; the quality management policy sets the requirements for the Company and is supplemented by standard of operating procedures (SOPs) and guidelines which are subject to a periodic review. The Company was certified for automotive industry IATF 16949 since 2018 and for Specific Billet Alloys and Sizes for Ships in 2020. Alba's Internal Audit team assess the processes in place through its periodic audits and identify areas for improvement.

The Company aims to fully integrate quality management tools and production processes through automation in its soon-to-be-launched Industry 4.0 Project, employee motivation through Good Suggestion Scheme, and optimization of controls through AI Hassalah Programme.

Timeline of certifications from 1994 to 2020, including ISO 9001, ISO 14001, ISO 45001, IATF 16949, ISO 27001, ASI, Ecovadis, and Marine Certification.

*The year refers to when Alba has received the certification for the first time



Chapter 4 Governance and Management

We believe that strong and effective corporate governance and management helps create a company culture rooted in integrity, which leads to positive employee performance and a more sustainable business.

Our aim is to elevate the idea of responsibility and increase accountability for all members of the Alba team. We want to minimize mistakes and work towards solutions as a strong team focused on the same goals. Our approach to governance and management has Alba on the track to accomplishing this. We manage our governance systems in line with national and international laws and guidelines. As such Alba is in full compliance with the 2020 Corporate Governance Code of Bahrain.



Business Ethics and Responsible Sourcing

Sound governance is implicit in our values, culture, processes, policies and organisational outputs. We have a strong culture of entrenched values, which form the cornerstone of our behaviour towards stakeholders and against which we measure practices and activities to assess the characteristics of good governance.

All employees are required to conduct themselves with integrity, in a way that is consistent with our vision and values to promote trust. Our standards and policies are set in accordance with national and international standards and requirements to ensure we are adhering to the highest ethical standards. We place strong consideration on our supply chain too, expecting high levels of social and environmental compliance to ensure that we conduct responsible resourcing.

BOARD OF DIRECTORS

ESG issues are front and center in all aspects of Alba's business model, most notably integrated into all our business functions at the CEO level and among the Board of Directors. Alba's experienced Board takes ESG compliance very seriously. Such matters are discussed in detail with each of the Committees overseen by the executive team.

Alba's Board Committees are composed as follows:

- Corporate Governance matters are addressed by the Board Audit Committee (BAC) and the Nomination, Remuneration and Corporate Committee (NRCGC)
- Safety is addressed by the BAC, NRCGC and Executive Committee (ExCom)
- Economic matters are addressed by the ExCom and BAC, as well as the CEO and other chief officers.

EXECUTIVES, DIRECTORS, AND MANAGERS ARE ENTITLED TO RECEIVE BONUSES DETERMINED BY PERFORMANCE IN RELATION TO THE FOLLOWING AREAS:



Each Committee conducts their own performance evaluation. Additionally, members of the Board will be expected to fill out the Board Appraisal and Self-Assessment form for 2020 at the official Board meeting in February 2021.

The company's Board of Directors were severely impacted by the restrictions imposed by the pandemic, having to navigate strained supply chains, liquidity concerns, financial strains, absent employees, a move to remote working, among many others. Despite these challenges, the Board never put risky decisions over safety, acting as the ultimate stewardship body of Alba, guiding and supporting management through tough times while allowing the company to emerge from this crisis stronger and more resilient than before.

All positions on the Board are occupied by non-executive members, and the female representation of members doubled from 10% to 20% over the past year.

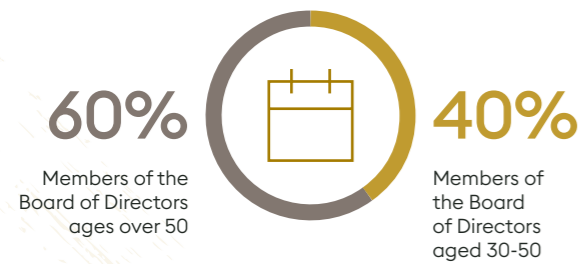


female representation on the board doubled from 10 to 20%

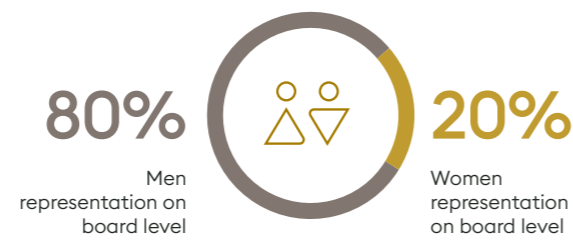
BOARD OF DIRECTORS

	2018	2019	2020
Percentage of Board seats occupied by independent directors	60%	60%	40%
Percentage of non-executive members of the Board of Directors	100%	100%	100%
Remuneration for directors (BHD)	210,000	210,000	210,000

BOD BY AGE



BOD BY GENDER



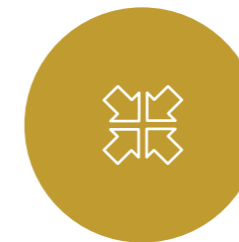
BUSINESS ETHICS

RELEVANT UN SDGS



Standards and guidelines for ethics and integrity are outlined in our Code of Conduct, which is designed to ensure that all Alba employees and representatives conduct their business with the highest standards of integrity and personal conduct. This particular section of the Code was built on strong values of trust, respect, transparency, and integrity in order to ensure that our business is safe, ethical, professional, environmentally sustainable, and socially responsible.

THE CODE OUTLINES GUIDANCE AND EXPECTATIONS REGARDING THE FOLLOWING ASPECTS OF ETHICAL BUSINESS:



Conflicts of Interest



Bribery and Corruption



Gifts and Entertainment



Assets' protection against Fraud, Theft and Misuse

Every two years, we revisit, re-evaluate, and completely relaunch both the Code of Conduct and Alba's confidential reporting system, known as the "Integrity Line." This system is carried out across the company, with the last training program being held in 2018 with the objective of familiarizing employees with how the system operates. The next one is scheduled for 2021.

As part of Alba's continuous efforts to strengthen employee knowledge on the Code of Conduct, an ethics awareness program was conducted in 2020. This program included a series of company-wide bilingual email messages in regard to Alba's "Code of Conduct: Our Core Values" and a competition aimed at enhancing employee participation in the program.

In 2020, we had one breach incident to our Code of Conduct reported through the integrity line, and it was related to Fair treatment and Equal opportunity. The incident was investigated and resolved with implemented measures in place to avoid reoccurrence in the future.

SUPPLEMENTARY ACTIVITIES INCLUDED:

- Distribution of Code of Conduct booklets in English or Arabic
- Quizzes
- Posters
- Employee signatures as proof of receipt of the Code, and of their commitment to comply
- Presentation slide-packs in English and Arabic, together with talking points for managers
- Code of Conduct Video featuring Alba's CEO and employees (also made available on the internet and intranet)

RISK MANAGEMENT

Our 'Enterprise Risk Management' Framework has been used as a high-level risk assessment regarding corruption risks within Alba and with stakeholders and within the entire aluminium industry. There are several areas in this industry that can be prone to corruption if not monitored, such as artificial price-setting for customers in collusion with competitors and artificially setting of costs for major raw materials, as well as the potential for major conflicts of interest, including kickbacks in the form of awarding unfairly won service contracts.

Safeguarding against potential corruption is a major priority for us. That is why all premiums and discounts provided to individual customers are subject to a rigorous review and approval process from the Board. The full procedure is outlined in Alba's Levels of Authority document, which is available to all employees in all departments. We have also improved monitoring procedures for major raw material costs and major contracts to minimize the possibility

for corruption in these areas, including a multi-sourcing strategy for major raw materials that improves transparency and exhibits non-competitive transactions. This involved revisions to the Levels of Authority document, as well as Alba's Direct Materials Sourcing Policy.

In 2020, there were zero incidents of corruption at Alba. We are constantly working on combating corruption, anti-competition behaviors, bribery, and money laundering in line with international standards as part of our current compliance project.

To note, Alba was not involved in any Anti-Competition/Trust matters in 2020.

Zero 
incidents of corruption at Alba in 2020

ANTI-CORRUPTION

	2018	2019	2020
Percentage of employees trained on anti-corruption	100%	100%	100%
Total number and nature of confirmed incidents of corruption	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0	0
Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations (BHD)	0	0	0

COMPLIANCE

At the highest governance level, the board has the ultimate responsibility to monitor that Alba is operating as a responsible organisation. The board ensures compliance with the correct requirements for the issuing of securities by:

- Preventing market abuse
- Preventing insider trading
- Disclosing required obligations
- Disseminating price sensitive information.

Compliance monitoring regarding legal and regulatory requirements falls to the responsibility of the BAC.

Since Alba is a publicly listed company it is required to follow several governance codes including Corporate Governance Code of the Kingdom of Bahrain (the 'MOICT Code') and the Central Bank of Bahrain's (CBB) Corporate

Governance Module published under the Capital Markets section of the CBB Rulebook. Alba ensures compliance with these codes by publishing board-approved Corporate Governance Guidance.

We ensure that all reporting requirements mandated by the MOICT and CBB Code of Conduct are strictly followed and implemented.

Any areas of our business that are involved in importing and exporting goods are compliant with the regulations of relevant countries involved, including applicable international trade controls. In addition to legal requirements, we also follow the requirements of organizations such as the ASI and IFC.

RESPONSIBLE SOURCING

RELEVANT UN SDGS



Our approach to responsible sourcing involves direct engagement with suppliers. Each of our suppliers are partners in our sustainability-focused efforts to reduce our overall environmental footprint. We also aim to support the local and Bahraini economy through local procurement and sourcing whenever possible.

Alba screens and assesses its suppliers in general through SAP Ariba embedded survey which looks at the generic environmental elements; however, Alba is in the process to develop stricter environmental criteria to be considered when screening suppliers or raw materials, goods, and services.

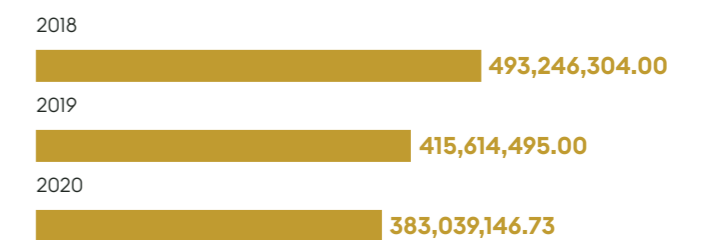
We screen our existing major suppliers through pre-qualification and regular vendor audit programs that follow local and international regulations concerning safety, health and the environment a top priority.

All major contractors are screened for their environmental and social compliance as a prerequisite to the tender process. With the implementation of SAP Ariba platform in October 2020, all our major and active

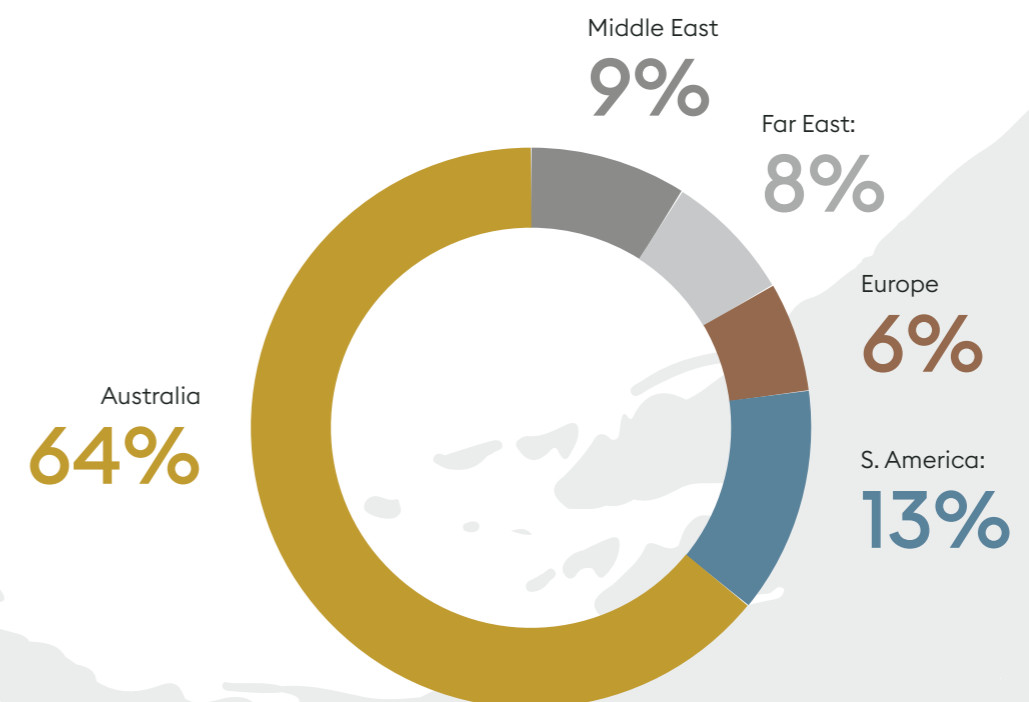
suppliers were requested to provide information on their safety, health and environmental performance, and they were screened for their social compliance. We will continue with this process throughout 2021 until we get all our active suppliers screened.

In 2020, we managed to avoid any delays or significant impacts on our inventory levels, even with the unprecedented COVID-19 situation. We were able to overcome all the logistical regulations and constraints dictated by the global pandemic, without interrupting our core smelter operations. We also managed to establish relations with new raw materials suppliers from outside China, which was especially beneficial in the early days of the COVID-19 pandemic as there was major volatility surrounding the Chinese suppliers.

SPENDING ON RAW MATERIALS (MILLION BHD)



SPENDING ON RAW MATERIALS BY REGION - 2020



LOCAL SUPPLY

Our goal is to maximize and extend business opportunities for local vendors by inviting them to submit RFPs and RFQs relevant to their domain or area of specialisation. This stimulates overall growth in local supplier development.

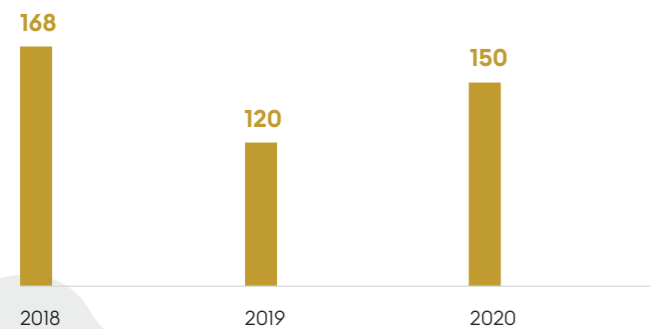
We engage local Bahraini suppliers whenever feasible to support our operational activities, reinforcing Alba's commitment to drive the Kingdom of Bahrain's economic development and support the Economic Vision 2030 plan. In 2020, BD 81 million was spent on local suppliers, representing more than half of our procurement expenditures (54%).

Tatweer Petroleum (Tatweer) is the sole supplier of all-natural gas which is used as fuel in the Company's power stations. Tatweer is wholly owned by the Oil and Gas Holding Company BSC @ which is owned by the Government of Bahrain - which in turn owns and controls Bahrain Mumtalakat Holding Company BSC @ - the Company's single-largest shareholder.

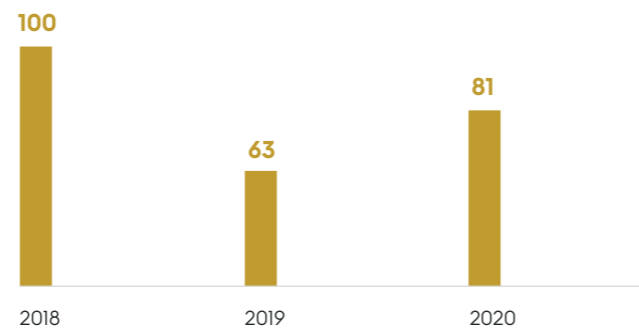
LOCAL PROCUREMENT

	2018	2019	2020
Total spending on suppliers and contractors (million BD)	168	120	150
Spending on locally based suppliers and contractors (million BD)	100	63	81
Local procurement (%)	60%	53%	54%

TOTAL SPENDING ON SUPPLIERS AND CONTRACTORS (MILLION BD)



SPENDING ON LOCALLY BASED SUPPLIERS AND CONTRACTORS (MILLION BD)



HIGHLIGHT

SUPPLY CHAIN IMPROVEMENT VIA DIGITAL TRANSFORMATION

Alba management wanted to improve the supply chain process by improving speed, magnitude, and effectiveness through digital transformation and enabling continuous interactions between buyers and suppliers. This would reduce inefficient communication and lead to a better overall supply chain.

In 2020, we finalized and implemented two modules in Ariba that will add immediate benefits. Once implementation is finalized, Alba's suppliers will be trained to onboard them into the network and make them a part of the system.

Another, simpler procurement process was also introduced in 2020, with advanced supply chain transactions that sparked a digital transformation experience. It helped enhance the purchasing, supplier, and end-user experience by integrating SAP Ariba with our ERP system for better transaction processing. Now, the purchasing team can focus on value-added activities instead of repetitive tasks.

Our future aim is to onboard progressively more suppliers to use the Ariba platform.



We have successfully upgraded and launched an advanced SAP-Ariba platform in 2020. The three key Ariba modules adopted by Alba were:

- Supplier Lifecycle & Performance (SLP)
- Sourcing
- Commerce Automation and Contracts

This upgrade provides a host of benefits, such as sustainable savings on direct and indirect materials, diversified sourcing opportunities, real-time supplier collaboration with supply chain visibility, faster supplier view, and better risk management. It also offers simpler procurement, complete with improved contract compliance and a stronger financial supply chain through accounts payable automation and working capital optimization.

Upgrading in this way provides a system that is more efficient, time effective and lowers risk. The system provides the ability to save on costs and environmental impact through better material sourcing from more diverse opportunities and boosts collaboration by allowing suppliers the opportunity for faster and real-time views. Procurement is made simpler by finance automation and working capital optimization and improves overall contract compliance.

With implementation of the Ariba platform, existing and prospective Alba suppliers continue to be onboarded onto the platform to pave the way for deeper visibility into each supplier's public profile. This includes specialized screening through various modular questionnaires designed by Alba's management team to meet supplier's accurate assessment on topics including quality, environmental, social, health, and safety performance.

SUSTAINABLE PROCUREMENT POLICY

Our Sustainable Procurement Policy reflects Alba's commitment to sustainable development by employing the best ethical practices. We also expect suppliers to follow this policy as well as the ACOP-25 document that covers HSE management and the SOP-1.11 in the Social Performance Monitoring (SPM) document.

Suppliers on our approved list are made aware of Alba's Three Safety Principles, HSE Policy, and our Vision, Mission, and Values. Regular communication is conducted through our website, company media, onsite meetings, and other initiatives created by our PR department and HSE department.

To read more on our sustainable procurement policy, please visit: <https://www.albasmelter.com/Procurement/PDF/SustainableProcurementPolicy.pdf>



Economic Impact and Sustainable Growth

Sustainable and responsible economic growth has far reaching benefits in communities and wider society. Alba's economic performance benefits not only employees but can positively affect other stakeholders through the value chain, helping to create jobs, enhance prospects and boost economic and social activity. We, therefore, have a responsibility to act in a way that considers local communities and the environment to

ensure that we are living in, not off society. We focus on innovation to enhance our operations and boost the potential benefits to the wider community. The quality of our goods and services is also of high importance and all our goods and services seek to be of the highest standard ensuring customer satisfaction and a positive outlook of the company.



ECONOMIC GROWTH & INNOVATION

RELEVANT UN SDGS



Our approach to economic growth and innovation is rooted in sustainability. This includes not only a commitment to sustainable economic growth and business development, but also a commitment to environmental sustainability and innovation that will help achieve our goals in both of these areas.

In 2020, we implemented several key actions and policies to help continue our steady growth. Alba was awarded a reduced IRS rate by entering into a new IRS contract and settling the old one, effectively decreasing the rate from 2.4323% to 1.2125%. We also closed Line6-related Capex orders, capitalised and uploaded the Fixed Asset Register in SAP, successfully obtained Loan Covenant Waivers from lenders with a larger credit line being secured to further expand our exploration of innovative technologies.

OUR ECONOMIC GROWTH STRATEGY FOCUSES ON THE FOLLOWING FACTORS



ACHIEVEMENTS IN 2020

- A reduced 1.2125% IRS rate was awarded
- Closing off all Line6-related Capex orders
- Capitalised and uploaded the Fixed Asset Register in SAP
- Loan covenant waivers obtained from lenders
- Larger credit line was secured

The result of these actions and policies was reflected in a total increase in production of around 13% when compared to the previous year. EBITDA also increased

50% over the past year. Taking into account the global pandemic that shut down most of the world for the entire year of 2020, we consider these numbers quite impressive.

ECONOMIC PERFORMANCE

	2018	2019	2020
Total production (tons)	1,011,101	1,365,005	1,548,500
Revenues (mBDs)	890	1,028	1,057
Net profit (mBDs)	60	5	10
EBITDA (mBDs)	123	115	171

INNOVATION

Alba is an innovation driven company, and this is an important factor in maintaining our competitive advantage and continue to be a global player in our industry. We engage our business units to provide thoughts, ideas and mechanisms to improve and innovate our systems and service offerings. Developing

and implementing new products, services and projects helps boost operational efficiency and reduce our environmental and social impacts.

THERE WERE SEVEN MAIN AREAS OF INNOVATION THAT WE IMPLEMENTED AT ALBA IN 2020. THESE WERE:

- 1 Migration of all Alba users to Cloud services, reducing the need for onsite infrastructure.
- 2 Configuration and utilization of cloud-based Advanced Threat Protection to improve protection of Alba systems.
- 3 Configuration and integration of onsite infrastructure with AWS Cloud services, using AWS for new requirements and recovery of existing systems.
- 4 Implementation of Pi Historian in Line6 for data analysis and reporting, improving operations and maintenance by providing real-time and historical data without the need to print reports.
- 5 Commissioning of new CEMS system, with reliable, real-time data from the Pi Historian system helping to mitigate or minimize business risks associated with measuring and reporting environmental performance.
- 6 Implementing environmental short-term limits for emission-source quantification tracked via process data available in the Pi Historian system.
- 7 Automation of business process using SAP ERP and e-forms.

HIGHLIGHT
CONFIGURATION AND UTILIZATION OF CLOUD-BASED ADVANCED THREAT PROTECTION TO IMPROVE PROTECTION OF ALBA SYSTEMS

Protection mechanisms such as antivirus software are coming up short in today's environment of increased online collaboration and remote working. There are an increasing number of malware and ransomware attacks befalling companies all across the world.

Part of our migration to Microsoft's Azure Cloud services was to take advantage of cloud-based Advanced Threat Protection, which is part of Microsoft 365. Utilizing this service will help provide secure protection against unknown malware and viruses by providing robust, zero-day protection, safeguarding from harmful links in real time.

To protect our e-mail infrastructure, we are using new and improved features for URL and attachment scanning in the cloud. We are also utilizing new advanced threat protection for Alba workstations and laptops.

HIGHLIGHT
MIGRATION OF ALBA USERS TO CLOUD BASED SERVICES

Migrating to Cloud services solved a growing challenge within Alba, especially with the onset of COVID-19 and the need for vastly increased electronic communication and virtual collaboration. The storage requirements for Alba's huge volume of emails alone were becoming problematic, and the need for virtual meetings that could take place without interruptions became a pressing issue.

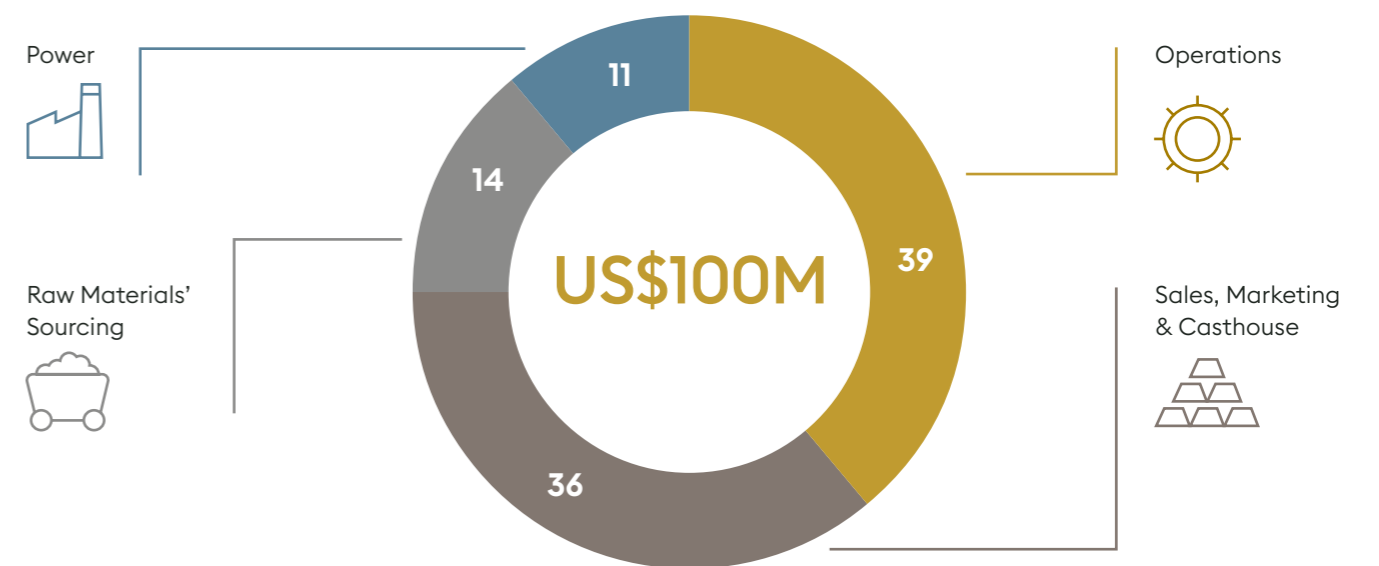
Our approach was simple: we set up a hybrid infrastructure for email. We then rolled out new service for the entire Alba workforce, which gave every employee access to secure email and a host of other cloud-based services, including video collaboration software. In addition to Cloud protection, the new cloud service allows for unlimited archiving, which effectively solves the email volume challenge.

COST EFFICIENCY

Our current cost-saving program, Titan - Phase IV, resulted in achieving 145% of target savings for 2020. However, going forward we plan to implement AI Hassalah, an enhanced cost-improvement program

compared to Titan. This new program features additional cost-saving pockets, such as improving recoveries as a main area of focus. The aim of this program is to save \$100 million by 2022 broken down as follows:

BREAKDOWN BY VALUE CHAIN



BELOW ARE ALL OF OUR COST-SAVING COMMITMENTS GOING FORWARD FOR 2021 AND BEYOND:



Savings
 We plan to automate processes that otherwise consume paper and energy, as well as maximize returns on cash through bank deposits and accelerate vendor payments in exchange for discounts.



AI Hassalah Cost Savings Program
 We plan to launch this program in 2021 for two-year period; it is intended to improve efficiency and minimize cash loss.



Strategic Initiatives
 We plan to provide full support for Alba's Key 2021 Strategic Initiatives which will build new relationships with banking partners.



ALBA Digital Transformation Journey
 We plan to implement Industry 4.0 initiatives in strategic areas to improve overall company efficiency.

In addition to these initiatives, we also plan to install a conveyor belt to transport raw materials between Alba's port and calciner facility in our smelter plant, instead of using tankers. This will help eliminate traffic hazards and will pave the way for a continuous transfer of raw materials with little maintenance required.

RESPONSIBLE CUSTOMER RELATIONS

RELEVANT UN SDGS



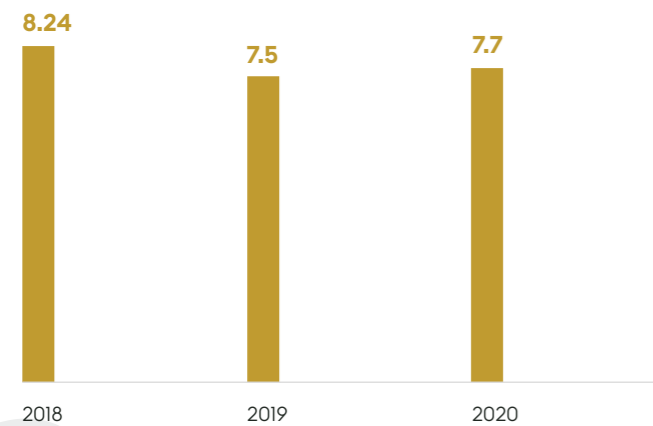
It is difficult to overstate the importance that every member of the Alba team places on customer satisfaction. Our customers are among our key stakeholders and an important part of our value proposition. Therefore, it is vital that we build lasting strong relations and take their needs into consideration. At Alba, customer satisfaction is driven through providing quality products and ongoing dialog.

In 2020, Alba recorded 7.7 customer satisfaction rate (out of 10) a 0.2 percentage points increase from last year.

We take every precaution to safeguard not only product quality but also data security for all of our customers. Without the satisfaction of our customers, everything we do at Alba is for nought. That is why we place such high importance on quality, security, and listening to our customers, to make sure we are giving them the best products and best service, always.

Our 2020 production resulted in 99.86% metal purity, which is nearly perfect, and was deemed more than satisfactory according to customer feedback over the course of the year. We are also pleased to report that there were zero security breaches in 2020, which is in line with previous years.

CUSTOMER SATISFACTION RATE



7.7

customer satisfaction rate

DATA SECURITY BREACHES

	2018	2019	2020
Number of data security breaches	0	0	0
Number of data security breaches involving customers' personally identifiable information	0	0	0



Chapter 5 Appendices

102-40, 102-42, 102-43, 102-44

APPENDIX A: Stakeholder Engagement Map

STAKEHOLDERS	IMPORTANCE TO ALBA	NEEDS AND EXPECTATIONS	METHODS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
<p>Government entities and regulators</p> 	<p>Government entities and regulators have the control to regulate or influence Alba's operations including the Line 6 project in terms of establishing policies, granting permits or other approvals and monitoring and enforcing compliance with Bahrain laws. We recognise the importance of their terms and work to ensure compliance across the board.</p>	<ul style="list-style-type: none"> Compliance with business, safety, health and environmental laws and regulations Minimize Alba's environmental impact Be transparent and report performance and activities accurately Implement rigorous internal audit processes and controls 	<ul style="list-style-type: none"> Annual performance and sustainability reporting Regular communication with ministries and regulatory bodies Infrastructure Development (such as Malkiya Beach) 	<p>Monthly and as required</p>
<p>Investors and Shareholders</p> <p>Bahrain Mumtalakat Holding Company, SABIC Investment Company and the general public.</p> <p>Bahrain Mumtalakat Holding Company and SABIC Investment Company influence the decisions of the Company and affects the way in which Alba operates.</p>	<p>Our Investors and Shareholders are the cornerstone of our sustainable growth, providing the capital necessary for maintaining business operations, as well as offering expertise and guidance. They are involved in advising on a strategic level and authorizing projects and transactions.</p>	<ul style="list-style-type: none"> Effective environmental management system Cost saving through SHE implementation SHE continuous improvement and sustainable development Profitability and Achieving operational and financial targets 	<ul style="list-style-type: none"> Management Review Meetings Internal audits and inspections Performance reporting Contacting Investor Relations Department through phone, fax or email (as mentioned on website) 	<p>Quarterly and as required</p>
<p>Local Communities</p> 	<p>As a responsible corporate citizen which aligns itself with Bahrain National Vision 2030, we hold ourselves responsible for stimulating the development and wellbeing of local communities and building long-term relationships via numerous community oriented programmes and social activities.</p>	<ul style="list-style-type: none"> To be committed to being a socially responsible employer that offers employment opportunities to Bahrainis. Considering the Environment and Health in our constructions and operations. 	<ul style="list-style-type: none"> Training Workshops (such as INJAZ Bahrain and Tamkeen for young Bahrainis, Fire Safety Training to the Indonesian Embassy) Nationalization through giving the local Bahraini workforce additional consideration in the employment process Support Local suppliers & partners CSR initiatives and volunteering events Infrastructure Development (such as Malkiya Beach) 	<p>Regularly and as required</p>

102-40, 102-42, 102-43, 102-44

Employees



Employees implement the Company's decisions thereby influence the profitability of Alba, and are also directly affected by Alba's business decisions. They are considered the main assets of the company, and without them we cannot run our business.

- A good working environment
- Professional development
- Training and career growth
- Clearly defined duties, responsibilities, accountability and authority
- Timely payments
- Meetings and awareness sessions
- Workshops and trainings for implementation of operational procedures (such as Training and Development Programme, MBA program, Six Sigma Green Belt Training and the FDPM Fellowship)
- "Know your HR" regular sessions
- Integrity Line to report any incidents of
 - Labor union
 - "Good Suggestion Scheme" online platform for employees' suggestions
- Alba's Code of Practice (ACOP) for safety
- "Shining a Light on Integrity" Code of conduct for Fair treatment and equal opportunities

Monthly and as required

Customers

c. 21% of Alba's output is supplied to Bahrain's downstream aluminium industry, with the remainder exported to regional and international customers in the Middle East, Europe, Far East, South East Asia, Africa, and North America.

Alba cares about its customers, which are at the heart of our business and their satisfaction is a sign of our business health. Thus, being proactive in responding to their needs and queries presents tangible evidence of our customer focused service.

- Timely execution of activities
- Management of customer issues
- Zero Safe, Health and Environment (SHE) incidents
- No violations to applicable SHE laws
- Quality, Responsible products

- Customer feedback forms
- Customer complaints mechanism
- Website
- Email

Frequently and as required

Suppliers and contractors



Our suppliers deliver valuable, safe, and high-quality services which support Alba's growth and success in alignment with our business

priorities. They are also partners in our sustainability efforts by engaging in our collaborative efforts to reduce our environmental footprint.

- Environmentally responsible workplace
- Supplier availability, capacity and capability
- Superior level of technology and focus on customer requirements
- Correct and timely information orders
- Timely payments

- Formalized tender process
- Supplier selections, evaluations and audits
- Contracts and tenders
- Supplier SHE Code of Conduct
- Supplier meetings and events
- Product safety and quality information
- (e.g. MSDS, third party certifications)

Regularly and as required

Civil Society Groups

Including Peers, Industrial Associations, NGOs, Special Interest Groups, Media, Universities and Research Institutions and Civil Society)

We believe that collaborating with civil society groups and contributing to their development is important to maintaining Alba's image in the countries where we operate. Their insight and engagements reinforce our sustainable growth on many different levels.

- Adopt industry best practices
- Ethical business practices
- Provision of support in raw materials supply
- Support industry-wide initiatives
- Share technical data, knowledge and expertise
- Maintain good HSEs records
- Certificates
- Audits
- Enterprise Risk Management Framework
- Supplementary Environment and Social Impact Assessment (ESIA)

Yearly and as required

APPENDIX B:

Acronyms

ACC	Air-Cooled Condenser	LTI	Lost Time Injury
ACOP	Albas Code of Practices	M3	Cubic meter
AHCC	Alba Health Care Center	MBA	Master of Business Administration
ASI	Aluminium Stewardship Initiative	Mbar	Millibar Pressure Unit
AWS	Amazon Web Services	mBDs	Million Bahrain Dinars
BAC	Board Audit Committee	mL	Milliliter
BHD	Bahraini dinar	MMBTU	Metric Million British Thermal Unit
CBB	Central Bank of Bahrain	MOICT	Ministry of Industry, Commerce and Tourism
CCTV	closed-circuit television	MS	Microsoft Office
CEMS	Continuous Emissions Monitoring System	MT	Million Tons
CEO	Chief Executive Officer	MWh	megawatt-hour
COVID-19	Corona virus disease	NCC	Net Carbon consumption
CSR	Corporate social responsibility	NIHR	National Institution for Human Rights
CXO	Chief Experience Officer	NRCGC	Nomination, Remuneration and Corporate Committee
EBITDA	Earnings before interest, taxes, depreciation, and amortization	NSC	National Safety Council
ECC	Emergency Communication Centre	NSW	
EPRP	Emergency Preparedness and Response Plan	OEM	
ERP	enterprise resource planning	OHS	occupational Health, and Safety
ESG	Environmental, Social and Governance	PFC	Perfluorochemicals
ESIA	Supplementary Environment and Social Impact Assessment	PPE	Personal protective equipment
EWA	Energy from Waste Association	PR	Public Relations
ExCom	Executive Committee	RFQ	Request for quotation
FDPM	First Deputy Prime Minister	RO	Reverse Osmosis
FTC	Federal Trade Commission	SAP	Systems Applications and Products
FTE	Full time employee	SCE	Supreme Council for Environment
GDP	Gross Domestic Product	SEP	Simplified Employee Pension
GHG	Greenhouse Gas	SHE	Safety, health and environment
GJ	Gigajoule	SLP	Supplier Lifecycle & Performance
GRI	Global Reporting Initiative	SMS	Short Message Service
H&S	Health and safety	SOx	Sulphur oxides
HR	Human Resources	SPL	Spent Pot Lining
HSE	Health, safety and environment	SPM	Social Performance Monitoring
HSEMS	Safety, Health and Environment Management System	TDP	Training and Development Programme
IFC	International Finance Corporation	TRIR	Total Recordable Injury Frequency Rate
IRS	Internal Revenue Service	UK	United Kingdom
ISO	International Organization for Standardization	UN SDGs	United Nations Sustainable Development Goals
IT	Information Technology	URL	Uniform Resource Locator
JSP	Job Safe Practices	USA	United States of America
KPI	Key Performance Indicator	VOC	Volatile Organic Compounds
kwh/kgAl	kilowatt-hours per kilogram of aluminium	WMSP	Waste Management Strategic Plan

APPENDIX C:

GRI Content Index



This report has been prepared in accordance with the GRI Standards: Core option.

The references for the GRI Content in the report can be found in the table below.

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

GRI STANDARD	PAGE NUMBER(S) AND/OR DIRECT ANSWER	REASON FOR OMISSION
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	About Alba	-
102-2	8-11	-
102-3	8	-
102-4	8	-
102-5	9	-
102-6	8	-
102-7	8-9, 26-27, 64	-
102-8	26-27, 64	-
102-9	10-11, 82-83	-
102-10	There has not been a significant change to the Company's supply-chain during 2020.	-
102-11	17, 48-50, 53, 80	-
102-12	12, 24, 91-92	-
102-13	Aluminum Stewardship Initiative (ASI), The International Committee for Study of Bauxite, Alumina & Aluminium (ICSOBA), Aluminum Extrusion Council	-
Strategy		
102-14	7	-
Ethics and integrity		
102-16	9, 18-23, 77	-
Governance		
102-18	77-78	-
Stakeholder engagement		
102-40	18-22, 91-92	-
102-41	Collective Bargaining Agreements are allowed in Bahrain.	-
102-42	18-23, 91-92	-
102-43	18-23, 91-92	-
102-44	18-23, 91-92	-

GRI STANDARD	PAGE NUMBER(S) AND/OR DIRECT ANSWER	REASON FOR OMISSION	
GRI 102: General Disclosures 2016			
Reporting practice			
102-45	All Financial information is available in Alba's Annual Report.	-	
102-46	6	-	
102-47	23	-	
102-48	There were no restatements of information given in the previous Sustainability Reports. Do note that further GRI disclosures have been included in 2020 Sustainability Report.	-	
102-49	There have been no significant changes to the report scope.	-	
102-50	There have been no significant changes to the report scope and topic boundaries.	-	
102-51	Alba 2019 Sustainability Report	-	
102-52	6	-	
102-53	6	-	
102-54	6	-	
102-55	6, Appendix C	-	
102-56	6	-	
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1	84-85	-
	103-2	84-85	-
	103-3	84-85	-
GRI 201: Economic Performance 2016	201-1	84-85	-
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1	56-63	-
	103-2	56-63	-
	103-3	56-63	-
GRI 203: Indirect Economic Impacts 2016	203-1	24, 56-63	-
	203-2	56-63	-
Procurement Practices			
GRI 103: Management Approach 2016	103-1	81-83	-
	103-2	81-83	-
	103-3	81-83	-
GRI 204: Procurement Practices 2016	204-1	82	-
Anti-corruption			
GRI 103: Management Approach 2016	103-1	80	-
	103-2	80	-
	103-3	80	-
GRI 205: Anti-corruption 2016	205-2	79-80	-
	205-3	80	-

GRI STANDARD		PAGE NUMBER(S) AND/OR DIRECT ANSWER	REASON FOR OMISSION
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103-1	80	-
	103-2	80	-
	103-3	80	-
GRI 206: Anti-competitive Behavior 2016	206-1	80	-
GRI 300 Environmental Standards Series			
Materials			
GRI 103: Management Approach 2016	103-1	44-45	-
	103-2	44-45	-
	103-3	44-45	-
GRI 301: Materials 2016	301-1	-	Not applicable: Raw materials are not categorized internally as renewable and non-renewable
	301-2	45	-
	301-3	-	Not applicable: Raw materials are not categorized internally as renewable and non-renewable
Energy			
GRI 103: Management Approach 2016	103-1	31-34	-
	103-2	31-34	-
	103-3	31-34	-
GRI 302: Energy 2016	302-1	31	-
	302-2	-	Not applicable; all energy is consumed within the organization boundaries
	302-3	31	-
	302-4	-	Not applicable; reduction in energy consumption is not measured directly from initiatives. The reduction is overall measured as in energy intensity
	302-5	-	Not applicable; energy requirements for sold products are not specified. However the energy required for production has been reduced for multiple production lines.
Water and Effluents			
GRI 103: Management Approach 2016	103-1	38-40	-
	103-2	38-40	-
	103-3	38-40	-
GRI 303: Water and Effluents 2018	303-1	38	-
	303-2	38	-
	303-3	38	-
	303-4	38	-
	303-5	38	Not applicable; Alba doesn't operate in water stress areas
Biodiversity			
GRI 103: Management Approach 2016	103-1	46-47	-
	103-2	46-47	-
	103-3	46-47	-
GRI 304: Biodiversity 2016	304-1	46-47	-
	304-2	46-47	-
	304-3	-	Information unavailable; Alba plans to conduct biodiversity assessment in 2022 to identify protected habitats
	304-4	46-47	-

GRI STANDARD		PAGE NUMBER(S) AND/OR DIRECT ANSWER	REASON FOR OMISSION
Emissions			
GRI 103: Management Approach 2016	103-1	31-37	-
	103-2	31-37	-
	103-3	31-37	-
GRI 305: Emissions 2016	305-1	36-37	-
	305-4	36-37	-
	305-5	-	Not applicable for 2020 (the Company didn't set reduction targets for GHG emissions in 2020)
	305-7	36	-
Waste			
GRI 103: Management Approach 2016	103-1	41-43	-
	103-2	41-43	-
	103-3	41-43	-
GRI 306: Waste 2020	306-1	41	-
	306-2	41	-
	306-3	41-42	-
	306-4	41-42	-
	306-5	41-42	-
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	29-30	-
	103-2	29-30	-
	103-3	29-30	-
GRI 307: Environmental Compliance 2016	307-1	29-30	-
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1	81	-
	103-2	81	-
	103-3	81	-
GRI 308: Supplier Environmental Assessment 2016	308-2	-	Not applicable for 2020 (the Company is in the process to develop Environmental criteria for screening suppliers)
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1	57-70	-
	103-2	57-70	-
	103-3	57-70	-
GRI 401: Employment 2016	401-1	57	-
	401-2	Permanent & temporary employees have the same benefits at Alba	-
	401-3	67	-
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	48-55	-
	103-2	48-55	-
	103-3	48-55	-



GRI STANDARD		PAGE NUMBER(S) AND/OR DIRECT ANSWER	REASON FOR OMISSION
GRI 403: Occupational Health and Safety 2018	403-1	12, 18, 48-53	-
	403-2	53	-
	403-3	53	-
	403-4	52, 54	-
	403-5	54	-
	403-6	66	-
	403-7	48-53	-
	403-8	48, 54	-
	403-9	49	-
	403-10	49	-
Training and Education			
GRI 103: Management Approach 2016	103-1	57-63	-
	103-2	57-63	-
	103-3	57-63	-
GRI 404: Training and Education 2016	404-1	61	-
	404-2	59-60	-
	404-3	66	-
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	62-64	-
	103-2	62-64	-
	103-3	62-64	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	64	-
Non-discrimination			
GRI 103: Management Approach 2016	103-1	62-64	-
	103-2	62-64	-
	103-3	62-64	-
GRI 406: Non-discrimination 2016	406-1	62	-
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1	62-63, 66	-
	103-2	62-63, 66	-
	103-3	62-63, 66	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	62-63, 67	-
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1	70	-
	103-2	70	-
	103-3	70	-
GRI 412: Human Rights Assessment 2016	412-3	Human rights are part of the criteria for vendor pre-qualification. Therefore, all agreements and contracts underwent human rights screening in the reporting year.	-



GRI STANDARD		PAGE NUMBER(S) AND/OR DIRECT ANSWER	REASON FOR OMISSION
Local Communities			
GRI 103: Management Approach 2016	103-1	71-72	-
	103-2	71-72	-
	103-3	71-72	-
GRI 413: Local Communities 2016	413-1	71-72	-
Product Quality			
GRI 103: Management Approach 2016	103-1	6, 74	
	103-2	11, 74	
	103-3	74	
GRI 417: Marketing and Labeling 2016	417-1	74	
	417-2	74	
Technology, Innovation and Process Improvement	103-1	6, 75	
	103-2	75	
	103-3	Bespoke and under page number 75	

APPENDIX D:

Alba Basis of Reporting

REPORTING CRITERIA SUMMARY FOR SELECTED KEY PERFORMANCE INDICATORS IN OUR 2020 SUSTAINABILITY REPORTING

The purpose of this document is to outline the approach and scope used for data collection as well as explain the process for validating/verifying performance data as published in our 2020 Sustainability Report.

TOTAL DIRECT ENERGY CONSUMPTION

DEFINITION

The natural gas energy that is consumed internally both to generating electrical power and inside the smelter plants in addition to any liquid fuel (Diesel and Gasoline) used to operate the operations vehicles.

SCOPE

It covers the reporting period 1 January to 31 December 2020.

The scope of Direct Energy Consumption data covers Alba's production operations in Bahrain.

This metric is reported on the actual consumption basis.

Diesel and gasoline are used by Alba's operational vehicles while natural gas is used as the energy source in Alba's power stations to generate captive electrical power and operate the burners of cast house furnaces, anode baking kilns, and calciner kilns. The electricity is then used in different process units within the smelter.

UNITS

Gega-Joules (GJ)

METHOD

Natural Gas purchased from Tatweer Petroleum (National operator of natural gas wells) is used to generate electrical power by using combined-cycles generators and for heating purposes. The electrical energy is then used internally to produce the Aluminium metal. A small portion of the generated electrical energy may be exported to the National Grid in some months as part of an energy exchange agreement between Alba and Electricity and Water Authority (EWA); this portion is subtracted from the total generated electrical power since it is not consumed by Alba.

In addition to the Natural Gas consumed, Diesel and Gasoline are used to operate our production vehicles, and this is accounted for and added with the direct energy.

SCOPE OF REPORTING

The indicators included cover our activities from 1 January to 31 December 2020. Reporting covers our Bahrain plant consisting of the Smelter and Calciner plant.

TOTAL DIRECT ENERGY USED:

Energy from NG + (Diesel + Gasoline) - Exported Electrical Energy **(1)**

Energy from Natural Gas consumption:

Energy from NG=NG×CF **(2)**

Where: NG = Natural gas consumed in Gega British Thermal Units (Gbtu)

CF = Conversion factor (1,055.1 GJ/Gbtu)

ENERGY FROM DIESEL AND GASOLINE:

Diesel + Gasoline = $(V_d \times \rho_d \times NCV_d) + (V_g \times \rho_g \times NCV_g)$ **(3)**

Where: V_d = Volume of consumed diesel in liters

ρ_d = Density of diesel in (kg/l)

NCV_d = Net calorific values of diesel in (GJ/Gg)

V_g = Volume of consumed gasoline in liters

ρ_g = Density of gasoline in (kg/l)

NCV_g = Net calorific values of gasoline in (GJ/Gg)

EXPORTED ELECTRICAL ENERGY:

Export (GJ) = Export (MWh) × 3.6 GJ/MWh × 1/ρ **(4)**

Where: ρ = Power station efficiency

SOURCE

The Natural Gas consumed is provided by Power Operations every month and based on the invoices received from Tatweer Petroleum.

The exported electricity is determined based on metered electrical power supplied to the Grid as recorded by our control and monitoring systems.

Diesel and Gasoline are determined from the fuel invoicing as recorded in our SAP system.

TOTAL INDIRECT ENERGY CONSUMPTION

DEFINITION

The electrical energy that is imported from the National Grid and consumed internally within the smelter to support our operations.

SCOPE

It covers the reporting period 1 January to 31 December 2020.

The electrical power is generated by the Electricity and Water Authority (EWA) by using Natural Gas as the energy source then imported by Alba.

The energy is used by Alba for producing Aluminium.

The electricity is used in the different process units within the smelter.

This metric is reported on an actual consumption basis.

UNITS

Gega-Joules (GJ)

METHOD

The figures are extracted from the control and monitoring system in units of MWh and converted to GJ as per the below formula:

Import (GJ) = Import (MWh) × 3.6 GJ/MWh **(5)**

SOURCE

The imported electricity is determined based on metered electrical power imported from the National Grid as recorded by our control and monitoring system.

ENVIRONMENTAL INVESTMENT

DEFINITION

Actual capital expenditures (CAPEX) amount spent on various projects relating to environmental conservation.

SCOPE

This scope covers projects which have been carried out only in Alba Smelter & Spent Pot Lining (SPL) Treatment Plant in Bahrain from 1 January to 31 December 2020.

UNITS

Bahrain Dinar (BD)

METHOD

Actual sum of money Alba has spent on payments relating to environmental projects.

SOURCE

All values are documented into Alba's SAP system and financial log register.

APPENDIX E:

Independent Assurance Statement

Independent limited assurance report to Aluminium Bahrain B.S.C (“Alba” or “the Company”) on the preparation of the 2020 Sustainability Report (the “Report”) for the year ended 31 December 2020, in accordance with the Global Reporting Initiative Standards: Core Option (the “GRI: Core Option”) and on selected sustainability performance indicators (“KPIs”) within the Report .

AN OVERVIEW OF THE SCOPE OF OUR ASSURANCE WORK:

We have been engaged by Alba to perform a limited assurance engagement on the following selected sustainability information (“Subject Matter”) reported in the Alba 2020 Sustainability Report.

SELECTED SUBJECT MATTER FOR ASSURANCE

- The Company’s declaration of preparing the 2020 Sustainability Report in accordance with the GRI: Core Option;
- The Company’s reported performance during the given reporting period for selected key sustainability performance indicators (“KPIs”) presented in the table below.

KPIs	Assured Figure for the year ended 31 December 2020	Report page
Total indirect energy consumption	1,833,494 GJ	Page 32
Total direct energy consumption	170,669,195 GJ	Page 32
Environmental Investment	4.5 million BHD	Page 29

REPORTING CRITERIA

The above Subject Matter has been assessed against the criteria provided by the GRI: Core Option as published by the Global Reporting Initiative, supplemented by the reporting criteria shown in Appendix D - pages 100 to 101 of the Report (“Reporting Criteria”).

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 Report, 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:

- Interviewed management and those with operational responsibility for sustainable business performance to assess the application of the GRI: Core Option in the preparation of the Report.
- Understood, analysed, and assessed the key structures, processes, procedures, and controls relating to the preparation of the Report.
- Evaluated whether the management approach for the material sustainability issues presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Alba.
- Assessed the completeness and accuracy of the GRI Standards content index with respect to the GRI: Core Option, including review of reasons for omission.
- Interviewed management to understand the process of identification, data collection, consolidation and reporting for each of the selected KPIs.
- Reviewed and evaluated the Reporting criteria for measurement and reporting for each of the selected KPIs against the actual calculation performed by the Company to support the numbers of the selected KPIs disclosed in the Report.
- Agreed the selected KPIs to the Company’s internal calculations and supporting documentation.
- Compared the content of the Report against the findings of the aforementioned procedures.

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 2020, which defines the scope of each assured metric and the method of calculation. This is available in Appendix D - pages 100 to 101 of the Report 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 environmental 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 each of the KPI reported, 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 Control 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:

The Company is responsible for the preparation of the Sustainability Report in accordance with the GRI: Core Option and for the calculation of the selected KPIs in accordance with the Reporting criteria. Specifically, the Company is responsible for determining sustainability objectives in relation to the sustainability performance, identifying stakeholder groups and determining material topics to be included in the Sustainability Report, ensuring that the information provided under the selected sustainability KPIs is properly prepared in accordance with Alba’s calculation methodologies and confirming the measurement or evaluation of the subject matter against the applicable Reporting criteria. 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).

We confirm that we apply International Standard on Quality Control 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.

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 Report has not been prepared, in all material respects, in accordance with the GRI: Core Option, and
- that the selected KPIs for the year ended 31 December 2020, have not been prepared, in all material respects, in accordance with the Reporting Criteria.

Deloitte & Touche,

Deloitte & Touche (M.E.)

Date 5/12/2021

