2020 Sustainability Report

Building the New Norm as We Celebrate Alba’s Golden Jubilee of Operations
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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 changing 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.

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 52 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.

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.

<table>
<thead>
<tr>
<th>ALBA’S SHAREHOLDING STRUCTURE</th>
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<tbody>
<tr>
<td>69.38% Bahrain Mumtalakat Holding Company</td>
</tr>
<tr>
<td>20.62% SABIC Industrial Investment Company</td>
</tr>
<tr>
<td>10% General public</td>
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<table>
<thead>
<tr>
<th>ALBA IN NUMBERS</th>
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</thead>
<tbody>
<tr>
<td>50 years of successful operations</td>
</tr>
<tr>
<td>Record production at 1,548,500 metric tons</td>
</tr>
<tr>
<td>Customers across 52 countries</td>
</tr>
<tr>
<td>Offices in 4 countries</td>
</tr>
</tbody>
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<table>
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<tr>
<th>OUR CHARTER</th>
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</thead>
<tbody>
<tr>
<td>VISION</td>
</tr>
<tr>
<td>MISSION</td>
</tr>
<tr>
<td>VALUES (STEER)</td>
</tr>
<tr>
<td>STRENGTHS</td>
</tr>
<tr>
<td>To be the number one aluminium supplier for the generations to come</td>
</tr>
<tr>
<td>Being a responsible corporate citizen, we want to create value for all our stakeholders and society</td>
</tr>
<tr>
<td>• Safe &amp; green</td>
</tr>
<tr>
<td>• Togetherness</td>
</tr>
<tr>
<td>• Ethics</td>
</tr>
<tr>
<td>• Excellence</td>
</tr>
<tr>
<td>• Resilience</td>
</tr>
<tr>
<td>• Customer focused approach</td>
</tr>
<tr>
<td>• Leader in employee safety and health</td>
</tr>
<tr>
<td>• Focused on environment protection</td>
</tr>
<tr>
<td>• Employer of choice</td>
</tr>
</tbody>
</table>

BY GEOGRAPHIC FOOTPRINT

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>23%</td>
</tr>
<tr>
<td>MENA</td>
<td>16%</td>
</tr>
<tr>
<td>Asia</td>
<td>30%</td>
</tr>
<tr>
<td>Americas</td>
<td>10%</td>
</tr>
</tbody>
</table>

BY PRODUCT-LINE

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billets</td>
<td>33%</td>
</tr>
<tr>
<td>Standard/ T Ingots</td>
<td>39%</td>
</tr>
<tr>
<td>Foundries</td>
<td>10%</td>
</tr>
<tr>
<td>Slabs</td>
<td>1%</td>
</tr>
<tr>
<td>Liquid</td>
<td>17%</td>
</tr>
<tr>
<td>Europe</td>
<td>23%</td>
</tr>
<tr>
<td>MENA</td>
<td>16%</td>
</tr>
<tr>
<td>Asia</td>
<td>30%</td>
</tr>
</tbody>
</table>

12% of Bahrain’s GDP is contributed by Aluminium

21% of our production is sold to Bahrain’s downstream customers

10% of Bahrain’s GDP is contributed by Aluminium
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.

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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
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.

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 reaped 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.
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.

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

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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 have 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 optimum 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.

Our valued stakeholders

- Government Entities and Regulators
- Investors and Shareholders
- Local Communities
- Customers
- Employees
- Suppliers and Contractors
- Civil Society Groups*

Engagement methods:
- 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
- Customer feedback forms
- Customer complaints mechanism
- Website
- Email
- Formalized tender process
- Supplier selections, evaluations and audits
- Contracts and tenders
- Supplier SME Code of Conduct
- Supplier meetings and events
- Product safety and quality information
- Annual performance and sustainability reporting
- Regular communication with ministries and regulatory bodies
- Infrastructure Development

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 visons.

In 2020, with the support of professional expertise and an in-depth research on leading practices in the sector and the incorporation of national and international principles and visons. 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 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.

**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.

**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**

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 953 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:

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

*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.
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.**

<table>
<thead>
<tr>
<th>Sustainability framework pillar</th>
<th>Sustainable Development Goals (SDGs)</th>
<th>How Alba is contributing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance and Management</td>
<td></td>
<td>■ Business ethics and responsible sourcing p. 67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ Economic impact and sustainable growth p. 74</td>
</tr>
<tr>
<td>Environmental, Health and Safety Responsibility</td>
<td>■ Energy and climate change p. 27</td>
<td>■ Occupational health and safety p. 44</td>
</tr>
<tr>
<td>Social and Community Impact</td>
<td>■ Employer of choice p. 51</td>
<td>■ Local community investment and development p. 63</td>
</tr>
</tbody>
</table>

Sustainability Report 2020
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

**BD 81m** local procurement spending

- 164 average training hours per employee
- 24m safe working hours without LTI

**BHD 4m** total community investments

- 13.68% reduction in near miss incidents
- 6.68% reduction in GHG emissions from fuel consumption
- 69% youth employment

**13%** increase in total production

**7.7** customer satisfaction rate

**13.5%** increase in produced electricity

**84%** nationalization rate

**99.86%** metal purity

**3,130** total workforce (FTEs)

**3,130** training hours delivered on Human Rights

**100%** of employees receive performance reviews

**21%** increase in safety audits

**100%** return to work from parental leave

**145%** cost savings achieved against target

**140,043m³** of sewage effluent

**17%** increase in new hires

**Zero** incidents of corruption

**Zero** incidents of non-compliance with environmental laws and regulations

**Zero** incidents of corruption

**BHD 10m** net profit

**BHD 1.4m** revenues generated from sales of recycled materials

**100%** of board seats are occupied by women

**20%** of workforce represented in joint management-worker H&S committees

**Reduced hazardous waste generation by 37%**

**Zero** oil spills

**Zero** incidents of corruption

**BHD 1,057m** in revenues

**13.68%** reduction in GHG emissions intensity

**24m** safe working hours without LTI

**100%** total community investments

**501** training hours delivered on Human Rights

**100%** of employees receive performance reviews

**21%** increase in safety audits

**100%** return to work from parental leave

**6%** Employee turnover

**13.5%** increase in produced electricity

**54%** local procurement

**15%** reduction in GHG emissions intensity

**96%** of workforce represented in joint management-worker H&S committees

**100%** return to work from parental leave

**501** training hours delivered on Human Rights

**100%** of employees receive performance reviews

**21%** increase in safety audits

**100%** return to work from parental leave

**6%** Employee turnover

**13.5%** increase in produced electricity

**54%** local procurement

**15%** reduction in GHG emissions intensity

**96%** of workforce represented in joint management-worker H&S committees

**100%** return to work from parental leave

**6%** Employee turnover

**13.5%** increase in produced electricity

**54%** local procurement

**15%** reduction in GHG emissions intensity

**96%** of workforce represented in joint management-worker H&S committees

**100%** return to work from parental leave

**6%** Employee turnover
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.

<table>
<thead>
<tr>
<th>ENVIRONMENTAL INVESTMENT (BHD MILLION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>31.7</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>4.5</td>
</tr>
</tbody>
</table>

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.
**Sustainability Report 2020**

**EMISSIONS AND RESOURCE MANAGEMENT**

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.

---

**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 calinher 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.

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**EMISSIONS AND RESOURCE MANAGEMENT**

### RELEVANT UN SDGS

- **GRI 103-1, GRI 103-2, GRI 103-3, GRI 302-1, GRI 302-3**

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**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.

---

**COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

<table>
<thead>
<tr>
<th>Incidents of non-compliance with environmental laws and regulations (AF)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of non-monetary sanctions</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total monetary value of significant fines</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

---

**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**

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---

**EMISSIONS AND RESOURCE MANAGEMENT**

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.

---

**Highlight: Reducing Our IT Impacts**

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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.

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**COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

<table>
<thead>
<tr>
<th>Incidents of non-compliance with environmental laws and regulations (AF)</th>
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<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of non-monetary sanctions</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total monetary value of significant fines</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

---

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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.
We increased the slot height and optimized all optimization of pot voltage by solving individual. Successfully increased the number of L3 anodes. Reduction L1-3 produced 305,715 MT against Target 400.7. We optimized pot voltage by untying individual pots. 405.2. 33. We optimized high voltage pots and magnetic. Successfully increased current in L3 from 159.5 kA to 396.5. 395. 390. 385. 39. Our main focus for the future is to improve the overall energy efficiency of our production plants. Our measures that we introduced in 2020, including KPIS and quantitative targets, to achieve this aim included:

1. LINE 4 ENERGY EFFICIENCY MEASURES AND KPIS:
   - We optimized high voltage pots and magnetic compensation as much as possible, on top of pot micro-upgrading for better feed control and a reduction in energy consumption. Anode slot heights were also incremented to 400mm to reduce voltage. 396.3. 405.5. 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.

2. LINE 5 ENERGY EFFICIENCY MEASURES AND KPIS:
   - We optimized pot voltage by untying 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 400.1 kA that resulted in increasing metal production.

3. LINE 4 ENERGY EFFICIENCY MEASURES AND KPIS:
   - Anode effect frequency in L1-2 0.17. 395. 0.17.

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 400.1 kA that resulted in increasing metal production.

5. POWER STATIONS ENERGY EFFICIENCY MEASURES AND TARGETS FOR 2020:
   - Steam turbine efficiency control. >95% To insure availability of pumps for optimum operation in winter. Steam turbine efficiency control.
   - Steam turbine eector system/ Vacuum level in mbars. PS3<240 m & PS4<1392 m. Steam turbine efficiency control. Steam turbine efficiency control.
   - Steam turbine eector system/ Vacuum level in mbars. PS3<240 m & PS4<1392 m. Steam turbine efficiency control. Steam turbine efficiency control.
   - Steamcircuit high Demin water consumption m³/day. PS4<240 m³ & PS4<392 m³ with fogging 80-100 MW Avoid excess gas consumption. Gas turbine Air intake system. <100 mbar Air intake DP lower than 100 will reflect on gas turbine efficiency. Gas turbine efficiency control. Gas turbine efficiency control.

5. LINE 4 ENERGY EFFICIENCY MEASURES AND KPIS:
   - We optimized high voltage pots and magnetic compensation as much as possible, on top of pot micro-upgrading for better feed control and a reduction in energy consumption. Anode slot heights were also incremented to 400mm to reduce voltage. 396.3. 405.5. 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.

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

<table>
<thead>
<tr>
<th></th>
<th>Natural Gas Consumed (MMSCF)</th>
<th>Diesel Fuel Consumed (Litre)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td>145,995</td>
<td>4,800,974</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>185,354</td>
<td>8,184,475</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>191,360</td>
<td>7,679,415</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Gasoline Fuel Consumed (Litre)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td>253,886</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>462,154</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>644,404</td>
</tr>
</tbody>
</table>

### ENERGY CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>Electrical Energy Generation (TJ)</th>
<th>Diesel &amp; Gasoline Consumption (TJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td>49,958</td>
<td>204</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>69,994</td>
<td>349</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>80,146</td>
<td>306</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Smelter Consumption (TJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td>4,049</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>5,155</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>5,278</td>
</tr>
</tbody>
</table>
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 7.899 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 over this same period. VOC (kg/t Al) increased slightly from 0.035 in 2019 to 0.049 kg/t Al to 1.19 kg/mt Al over this same period.

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 stabilising 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.

**GHG EMISSIONS INTENSITY RATIO**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>9.752</td>
<td>9.294</td>
<td>7.899</td>
</tr>
</tbody>
</table>

*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.

**TOTAL GHG EMISSIONS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx (tons)</td>
<td>8,197</td>
<td>9,113</td>
<td>7,826</td>
</tr>
<tr>
<td>SOx (tons)</td>
<td>22,613</td>
<td>29,679</td>
<td>32,529</td>
</tr>
<tr>
<td>VOC (kg/t Al)</td>
<td>0.043</td>
<td>0.035</td>
<td>0.049</td>
</tr>
<tr>
<td>Total fluorides (tons)</td>
<td>704</td>
<td>655</td>
<td>726</td>
</tr>
<tr>
<td>PFC (All potlines) (kg/t Al)</td>
<td>289</td>
<td>262</td>
<td>118</td>
</tr>
<tr>
<td>Particulates emission (kg/t Al)</td>
<td>183</td>
<td>188</td>
<td>119</td>
</tr>
<tr>
<td>GHG emissions intensity ratio</td>
<td>9.752</td>
<td>9.294</td>
<td>7.962</td>
</tr>
</tbody>
</table>

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

**AIR POLLUTION**

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.

**2%**

drop in NOx intensity between 2019 and 2020

**14%**

drop in GHG emissions intensity between 2019 and 2020
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.

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 by our RO plant, with the remainder coming from treated sewage effluent and RO brine stream from the Marine Desalinations Plant. 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.

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.}

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 megaliters 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 seawater 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.

HIGHLIGHT

IMPROVING WATER QUALITY
BY OPTIMIZING CHEMICAL SYSTEMS

It was recognized that our compressor lube oil treatment 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 external 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.
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 though 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.

<table>
<thead>
<tr>
<th>WATER WITHDRAWAL (M³)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUND WATER WITHDRAWAL (M³)</td>
<td>1,002,970</td>
<td>690,894</td>
<td>482,104</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEA WATER WITHDRAWAL (M³)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>110,105,520</td>
<td>107,353,968</td>
<td>113,594,088</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WATER CONSUMPTION (M³)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVERSE OSMOSIS (M³)</td>
<td>371,106</td>
<td>415,747</td>
<td>331,878</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CALCINER (M³)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,766,838</td>
<td>2,495,222</td>
<td>3,032,756</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WATER DISCHARGE (M³)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMELTER (M³)</td>
<td>671,834</td>
<td>350,643</td>
<td>164,720</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CALCINER (M³)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>103,357,035</td>
<td>89,832,237</td>
<td>104,489,891</td>
<td></td>
</tr>
</tbody>
</table>

WASTE MANAGEMENT

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 practices

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.

<table>
<thead>
<tr>
<th>WASTE DISPOSED VS WASTE RECYCLED</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total waste recycled (Tons)</td>
<td>10,275</td>
<td>9,173</td>
<td>36,145</td>
</tr>
<tr>
<td>Total waste disposed (Tons)</td>
<td>45,734</td>
<td>47,333</td>
<td>40,903</td>
</tr>
</tbody>
</table>
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. Solid scrap is weighed and consolidated and invoiced on monthly basis.

**WASTE**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total hazardous waste</td>
<td>32,189</td>
<td>30,723</td>
<td>19,335</td>
</tr>
<tr>
<td>Total non-hazardous waste</td>
<td>13,545</td>
<td>16,410</td>
<td>21,568</td>
</tr>
<tr>
<td>Total waste disposed</td>
<td>45,733.71</td>
<td>47,133.41</td>
<td>40,903</td>
</tr>
<tr>
<td>% of recycled out of total waste disposed</td>
<td>22%</td>
<td>19%</td>
<td>88%</td>
</tr>
</tbody>
</table>

**LIQUID WASTE**

We reuse or recycle nearly all liquid waste that we generate, with the exception of mixed oil-water, limer sludge, and cooling water sludge. All types of generated waste from 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.

**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.

**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.”

**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 information, data, sample reports of various by products after processing of the Spent Pot Line and satisfying themselves with the technology.”

**reduction in carbon dust generated in 2020**

**reduction in spent pot linings in 2020**
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%.

<table>
<thead>
<tr>
<th>RECYCLING OF MATERIALS</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plastic (tons)</td>
<td>52.00</td>
<td>40.83</td>
<td>15.00</td>
</tr>
<tr>
<td>Paper (tons)</td>
<td>52.22</td>
<td>102.35</td>
<td>103.00</td>
</tr>
<tr>
<td>Oil (tons)</td>
<td>138.57</td>
<td>174.40</td>
<td>286.00</td>
</tr>
</tbody>
</table>

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

Nature is critical to our survival and having biodiverse and healthy 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.

Following each of the ESIAs 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 or 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.

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:

AVOID
Designing the project so that negative effects are avoided

REDUCE
Designing the project so that negative effects are reduced

ABATE
Abating either at the project site, or at the receptor

REPAIR
Restoring or reinstating a feature after effects have occurred

COMPENSATE
Compensation for loss or damage

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.

**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 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 protection of each employee at Alba.

**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 Last 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 13.86% 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**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost Time Injuries Frequency Rate (per million-man hours)</td>
<td>0.18</td>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>Total Recordable Injury Frequency Rate (TRIR) for employees</td>
<td>1.74</td>
<td>1</td>
<td>1.59</td>
</tr>
<tr>
<td>Total Recordable Injury Frequency Rate (TRIR) for contractors</td>
<td>2.12</td>
<td>0.92</td>
<td>2.01</td>
</tr>
<tr>
<td>Fatalities (contractors and employees)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sick leave (number of days)</td>
<td>33,731</td>
<td>32,968</td>
<td>59,368</td>
</tr>
<tr>
<td>Near Miss Incidents</td>
<td>6,270</td>
<td>8,225</td>
<td>7,000</td>
</tr>
</tbody>
</table>

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.

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. O42A) which apply to all activities undertaken at Alba premises and Calcinier 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:

- Monthly SHE meetings
- Executive and management visits to shop floor
- SHE committees and meetings
- 5-minute safety talks
- Risk assessment processes
- 'Safety Suggestion' scheme

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.

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 necessity 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.

<table>
<thead>
<tr>
<th>HEALTH AND SAFETY TRAINING</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees trained in health and safety practices</td>
<td>69,401</td>
<td>7,867</td>
<td>10,090</td>
</tr>
<tr>
<td>Contractors trained in health and safety practices</td>
<td>23,133</td>
<td>1,966</td>
<td>3,969</td>
</tr>
<tr>
<td>% of workforce represented in joint management-worker H&amp;S committees (including walkthrough)</td>
<td>83%</td>
<td>91%</td>
<td>96%</td>
</tr>
</tbody>
</table>

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 unpredictable 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 Alba’s 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:

- Environment Aspects & Impacts
- Waste management & procedures
- ALBA Environment standards, Policy & procedures
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 employees 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 specialized instructors and specialists from Operation departments to its employees.

The operation and maintenance staff in Alba are given regular 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 supervisory 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 1-5 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.

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 in preparing students and fresh graduates for the job market in Bahrain. These numbers were all major drops resulting from retirement or termination of employment.

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

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.

### Average Hours of Training per Year per Employee

<table>
<thead>
<tr>
<th>Type</th>
<th>Average Training Hours/ employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Management</td>
<td>183 hrs.</td>
</tr>
<tr>
<td>Middle Management (FLIN &amp; SLIN)</td>
<td>129 hrs.</td>
</tr>
<tr>
<td>Senior Management (Mgr, Dir, CXO)</td>
<td>11 hrs.</td>
</tr>
</tbody>
</table>

506,790 training hours recorded in 2020
Inclusion, Diversity, and Equal Opportunity

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 mentored 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 provision for female employees to take paid leaves of absence and has policies in place to ensure equal pay regardless of gender.

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 to novel COVID-19 pandemics as many employees have left the Company specially from middle management.

### Inclusion, Diversity, and Equal Opportunity

#### Relevant UN SDGs

<table>
<thead>
<tr>
<th>SDG</th>
<th>Target</th>
<th>Indicator</th>
<th>Data</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>B1</td>
<td>UNCTAD</td>
<td>UNCTAD</td>
<td>UNCTAD</td>
</tr>
<tr>
<td>16</td>
<td>GRI 103-1</td>
<td>GRI 103-2</td>
<td>GRI 103-3</td>
<td>GRI 103-4</td>
</tr>
</tbody>
</table>

#### Number of Grievances Received

<table>
<thead>
<tr>
<th>Year</th>
<th>ALU</th>
<th>ATU</th>
<th>Neutral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15</td>
<td>134</td>
<td>795</td>
<td>980</td>
</tr>
<tr>
<td>2019</td>
<td>488</td>
<td>1,510</td>
<td>2,098</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1,121</td>
<td>488</td>
<td>1,609</td>
<td></td>
</tr>
</tbody>
</table>

#### Total Number of Incidents of Discrimination

<table>
<thead>
<tr>
<th>Year</th>
<th>ALU</th>
<th>ATU</th>
<th>Neutral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15</td>
<td>134</td>
<td>795</td>
<td>980</td>
</tr>
<tr>
<td>2019</td>
<td>488</td>
<td>1,510</td>
<td>2,098</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1,121</td>
<td>488</td>
<td>1,609</td>
<td></td>
</tr>
</tbody>
</table>

#### Gender Diversity

- 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.
  - **Gender:** Male, Female, Other
  - **Race/ethnicity:** Middle Eastern, Other
  - **Cultural background:** Arab, Non-Arab
  - **Religion:** Muslim, Non-Muslim
  - **Disability:** Yes, No
  - **HIV status:** Positive, Negative

#### Other Indicators of Diversity

- **Geographical Origin:** Middle East, Other
- **Religious Affiliation:** Muslim, Non-Muslim
- **Highest Educational Level:** Primary, Secondary, Tertiary
- **Marital Status:** Single, Married, Divorced, Widow
- **Parental Leave:** Yes, No
- ** Absence:** Present, Absent

#### The Company’s Core Values

- **Respect for All Beliefs:** respected
- **Fair Treatment:** promoted
- **Equal Opportunity:** provided
- **Inclusion:** emphasized
- **Diversity:** valued
- **Equity:** pursued

#### Our Community

- **Community Engagement:** strong
- **Local Employment:** High
- **Volunteerism:** encouraged
- **Charity:** supported

#### Other Key Indicators

- **Gender Pay Gap:** reduced
- **Female Representation:** increased
- **Disability Inclusion:** enhanced
- **Health & Safety:** improved

#### Diversity Categories

- **Race/ethnicity:** Middle Eastern, Other
- **Cultural background:** Arab, Non-Arab
- **Religion:** Muslim, Non-Muslim
- **Disability:** Yes, No
- **HIV status:** Positive, Negative

#### UN SDG 5: Gender Equality

- **Female Representation:** increased
- **Female Leadership:** enhanced
- **Female Participation:** promoted

#### UN SDG 8: Decent Work and Economic Growth

- **Employment:** created
- **Income:** increased
- **Benefits:** provided

#### UN SDG 10: Reduced Inequalities

- **Income Inequality:** reduced
- **Access:** improved
- **Participation:** increased

#### Other key indicators

- **Sustainability:** achieved
- **Environmental:** protected
- **Social:** supported
- **Economic:** strengthened

#### UN SDG 16: Peace and Justice

- **Security:** ensured
- **Stability:** promoted
- **Contribution:** made

#### Alba is an Equal Opportunity Employer

Alba offers provisions for female employees to take paid leaves of absence and has policies in place to ensure equal pay regardless of gender.
**WORKFORCE PROFILE**

**TOTAL WORKFORCE (FULL TIME EQUIVALENTS - FTES)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Workforce (FTES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,192</td>
</tr>
<tr>
<td>2019</td>
<td>3,181</td>
</tr>
<tr>
<td>2020</td>
<td>3,130</td>
</tr>
</tbody>
</table>

**BY GENDER:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,072</td>
<td>115</td>
<td>3,187</td>
</tr>
<tr>
<td>2019</td>
<td>3,066</td>
<td>119</td>
<td>3,185</td>
</tr>
<tr>
<td>2020</td>
<td>3,021</td>
<td>109</td>
<td>3,130</td>
</tr>
</tbody>
</table>

**WORKFORCE BY EMPLOYMENT LEVEL**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Senior management employees</th>
<th>Number of Middle management employees</th>
<th>Number of Non-management employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>51</td>
<td>695</td>
<td>2,446</td>
</tr>
<tr>
<td>2019</td>
<td>50</td>
<td>703</td>
<td>2,428</td>
</tr>
<tr>
<td>2020</td>
<td>54</td>
<td>671</td>
<td>2,405</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Contract</td>
<td>2,508</td>
<td>94</td>
<td>2,602</td>
</tr>
<tr>
<td>Temporary Contract</td>
<td>511</td>
<td>17</td>
<td>528</td>
</tr>
<tr>
<td>Total</td>
<td>3,019</td>
<td>111</td>
<td>3,130</td>
</tr>
</tbody>
</table>

**FEMALE REPRESENTATION**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Females in Non-management</th>
<th>% of Females in Middle Management</th>
<th>% of Females in Senior Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>2019</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>2020</td>
<td>3%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>
EMPLOYEE ENGAGEMENT AND WELLBEING

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.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### 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

### 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:

<table>
<thead>
<tr>
<th>Type</th>
<th>Gender</th>
<th>No. of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity leave</td>
<td>Female</td>
<td>13</td>
</tr>
<tr>
<td>Feeding hours</td>
<td>Female</td>
<td>16</td>
</tr>
<tr>
<td>Birth of a child leave</td>
<td>Male</td>
<td>101</td>
</tr>
</tbody>
</table>

### 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.

- **Compensations and Benefits**
- **Pay Raise**
- **Vacation**
- **Employee Allowance**
- **Long Service Awards**
- **Health Insurance**
- **Social Security**
- **Albaskan Housing and Loan Scheme**
- **Alba Savings Benefit Scheme**
- **Alba Scholarship for Employee Children**
- **Retirement Benefits**
- **Alba Scholarship for Employee Children**
- **Alba Savings Benefit Scheme**
- **Alba Housing Scheme (Albaskan)**
- **Employee Services**

### PERCENTAGE OF FEMALE EMPLOYEES THAT RETURNED TO WORK AFTER MATERNAL LEAVE

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
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.

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.

NEW HIRES BY GENDER

TOTAL NEW HIRES

<table>
<thead>
<tr>
<th>Year</th>
<th>New Hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>566</td>
</tr>
<tr>
<td>2019</td>
<td>97</td>
</tr>
<tr>
<td>2020</td>
<td>95</td>
</tr>
</tbody>
</table>

NEW HIRES BY AGE

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-30</td>
<td>390</td>
<td>56</td>
<td>58</td>
</tr>
<tr>
<td>31-50</td>
<td>176</td>
<td>27</td>
<td>35</td>
</tr>
<tr>
<td>51+</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

EMPLOYEE TURNOVER (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4%</td>
</tr>
<tr>
<td>2019</td>
<td>3%</td>
</tr>
<tr>
<td>2020</td>
<td>6%</td>
</tr>
</tbody>
</table>

17% increase in new hires in comparison to 2019
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.

### 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.

**Number of National Workforce**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of National Workforce</td>
<td>2,653</td>
<td>2,657</td>
<td>2,625</td>
</tr>
</tbody>
</table>

**Number of Workforce Expatriates**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Workforce Expatriates</td>
<td>539</td>
<td>524</td>
<td>505</td>
</tr>
</tbody>
</table>

**Percentage of Nationals in the Total Workforce**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Nationals</td>
<td>83%</td>
<td>84%</td>
<td>84%</td>
</tr>
</tbody>
</table>

**GRI 103-1, GRI 103-2, GRI 103-3, GRI 413-1**

**Sustainability Report 2020**
COMMUNITY INVESTMENT

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.

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)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Donation</td>
<td>-</td>
<td>-</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>986,957</td>
<td>977,914</td>
<td>793,971</td>
</tr>
</tbody>
</table>

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.

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:

- Safety Events
- Educational Activities
- Environmental Events
- Child and Elderly Care
- Sports Activities
- Health Campaigns
- CSR Support
- Safety Events
- Educational Activities
- Environmental Events
- Child and Elderly Care
- Sports Activities
- Health Campaigns
- CSR Support

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>43%</td>
<td></td>
</tr>
</tbody>
</table>

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 Properli Bars 97 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:

1994
ISO 9001 - Quality Management system

2000
ISO 14001 - Environment Management system

2006
ISO 45001 - Occupational Health & Safety Management system

2018
IATF 16949 - Automotive Quality Management System

2019
ISO 27001 - Information Security Management

2020
ASI - Performance Standard Certification

2020
EcoVadis Sustainability Rating

2020
Marine Certification Specific Billet Alloys

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 Al Hassalah Programme.

*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:

- Safety 25%
- Individual Performance 25%
- Production 25%
- Profitability 25%
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.

<table>
<thead>
<tr>
<th>BOARD OF DIRECTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>Percentage of Board seats occupied by independent directors</td>
</tr>
<tr>
<td>Percentage of non-executive members of the Board of Directors</td>
</tr>
<tr>
<td>Remuneration for directors (BHD)</td>
</tr>
</tbody>
</table>

**BOD BY AGE**

| 60% | 40% |
| Members of the Board of Directors ages over 50 | Members of the Board of Directors aged 30-50 |

**BOD BY GENDER**

| 80% | 20% |
| Men representation on board level | Women representation on board level |

**BUSINESS ETHICS**

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.

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.
OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK HAS BEEN DESIGNED TO ADDRESS THE FOLLOWING RISKS:

1. Market abuse
2. Insider trading
3. Dissemination of price sensitive information.

In 2019, zero incidents of corruption at Alba.

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 as a top priority.

Our governance framework is 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.
**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%).

**LOCAL PROCUREMENT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total spending on suppliers and contractors (million BD)</th>
<th>Spending on locally based suppliers and contractors (million BD)</th>
<th>Local procurement (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>168</td>
<td>100</td>
<td>60%</td>
</tr>
<tr>
<td>2019</td>
<td>120</td>
<td>63</td>
<td>53%</td>
</tr>
<tr>
<td>2020</td>
<td>81</td>
<td>81</td>
<td>54%</td>
</tr>
</tbody>
</table>

**TOTAL SPENDING ON SUPPLIERS AND CONTRACTORS (MILLION BD)**

- **2018**: BD 168
- **2019**: BD 120
- **2020**: BD 150

**SPENDING ON LOCALLY BASED SUPPLIERS AND CONTRACTORS (MILLION BD)**

- **2018**: BD 100
- **2019**: BD 63
- **2020**: BD 81

**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-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.

**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.

**To read more on our sustainable procurement policy, please visit:**[https://www.albasmelter.com/Procurement/PDF/SustainableProcurementPolicy.pdf](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

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.

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.

RELEVANT UN SDGS

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

Our economic growth strategy focuses on the following factors:

- Growth
- Innovation
- Sales
- Cost competitiveness
- Throughput increase
- Quality of our products
- Customer perception
- Capitalised and uploaded the Fixed Asset Register in SAP
- Closing off all Line6-related Capex orders
- Loan covenant waivers obtained from lenders
- Larger credit line was secured

ACHIEVEMENTS IN 2020

ECONOMIC PERFORMANCE
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 Lined 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.

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 36% of target savings for 2020. However, going forward we plan to implement Al 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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Customer Satisfaction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>8.24</td>
</tr>
<tr>
<td>2019</td>
<td>7.5</td>
</tr>
<tr>
<td>2020</td>
<td>7.7</td>
</tr>
</tbody>
</table>

DATA SECURITY BREACHES

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Data Security Breaches</th>
<th>Number of Data Security Breaches Involving Customers’ Personally Identifiable Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
APPENDIX A:

Stakeholder Engagement Map

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>IMPORTANCE TO ALBA</th>
<th>NEEDS AND EXPECTATIONS</th>
<th>METHODS OF ENGAGEMENT</th>
<th>FREQUENCY OF ENGAGEMENT</th>
</tr>
</thead>
</table>
| Government entities and regulators | 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. | • 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 | • Annual performance and sustainability reporting  
• Regular communication with ministries and regulatory bodies  
• Infrastructure Development (such as Malkiya Beach) | Monthly and as required |
| Investors and Shareholders | Bahrain Mumtalakat Holding Company, SABIC Investment Company and the general public.  
Bahrain Mumtalakat Holding Company and SABIC Investment Company influence the decisions of the Company and affects the way in which Alba operates. | • Effective environmental management system  
• Cost saving through SHE implementation  
• SHE continuous improvement and sustainable development  
• Profitability and Achieving operational and financial targets | • Management Review Meetings  
• Internal audits and inspections  
• Performance reporting  
• Contacting Investor Relations Department through phone, fax or email (as mentioned on website) | Quarterly and as required |
| Local Communities | 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. | • 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. | • 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) | Regularly and as required |
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 FDM Fellowship)
- “Know your HR” regular sessions
- Integrity Line to report any incidents of Labor violation
- “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. 20% 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
- 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. (MDS, 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 HSE records
- Certificates
- Audits
- Enterprise Risk Management Framework
- Supplementary Environment and Social Impact Assessment (EISA)
- Yearly and as required

APPENDIX B: Acronyms

<table>
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<tr>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>ACC</td>
<td>Air-Cooled Condenser</td>
</tr>
<tr>
<td>ACOP</td>
<td>Alba Code of Practices</td>
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<tr>
<td>AHCC</td>
<td>Alba Health Care Center</td>
</tr>
<tr>
<td>ASI</td>
<td>Aluminium Stewardship Initiative</td>
</tr>
<tr>
<td>AWS</td>
<td>Amazon Web Services</td>
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<td>BAC</td>
<td>Board Audit Committee</td>
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<tr>
<td>BHD</td>
<td>Bahrain dinar</td>
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<td>CBP</td>
<td>Central Bank of Bahrain</td>
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<tr>
<td>CCTV</td>
<td>closed-circuit television</td>
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<td>CEMS</td>
<td>Continuous Emissions Monitoring System</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>COVID-19</td>
<td>Coronavirus disease</td>
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<td>CSR</td>
<td>Corporate social responsibility</td>
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<td>CXO</td>
<td>Chief Experience Officer</td>
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<td>EBITDA</td>
<td>Earnings before interest, taxes, depreciation, and amortization</td>
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<td>Emergency Communication Centre</td>
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<td>EPRP</td>
<td>Emergency Preparedness and Response Plan</td>
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<td>ERP</td>
<td>enterprise resource planning</td>
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<td>ESQ</td>
<td>Environmental, Social and Government</td>
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<td>ESA</td>
<td>Supplementary Environment and Social Impact Assessment</td>
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<td>EWA</td>
<td>Energy from Waste Association</td>
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<td>ExCom</td>
<td>Executive Committee</td>
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<td>FDPM</td>
<td>First Deputy Prime Minister</td>
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<td>Federal Trade Commission</td>
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<td>FTE</td>
<td>Full time employee</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>Greenhouse Gas</td>
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<td>GigaJoule</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<td>Health and safety</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>HSE</td>
<td>Health, safety and environment</td>
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<td>HSEMS</td>
<td>Safety, Health and Environment Management System</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IRS</td>
<td>Internal Revenue Service</td>
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<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>JSP</td>
<td>Job Safe Practices</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>kWh/l OctAv</td>
<td>Kilowatt-hours per kilogram of aluminium</td>
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APPENDIX B: Acronyms

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<tr>
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<td>LTI</td>
<td>Lost Time Injury</td>
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<tr>
<td>M3</td>
<td>Cubic meter</td>
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<tr>
<td>MBA</td>
<td>Master of Business Administra-tion</td>
</tr>
<tr>
<td>MBir</td>
<td>Millibar Pressure Unit</td>
</tr>
<tr>
<td>MBn</td>
<td>Million Bahrain Dinars</td>
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<tr>
<td>ML</td>
<td>Millilitre</td>
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<tr>
<td>MBITU</td>
<td>Metric Millin British Thermal Unit</td>
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<td>MOICT</td>
<td>Ministry of Industry, Commerce and Tourism</td>
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<td>MS</td>
<td>Microsoft Office</td>
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<td>MT</td>
<td>Million Tons</td>
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<tr>
<td>MWh</td>
<td>megawatt-hour</td>
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<td>NCC</td>
<td>Net Carbon consumption</td>
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<td>NHR</td>
<td>National Institution for Human Rights</td>
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<td>NRDCG</td>
<td>Nomination, Remuneration and Corporate Committee</td>
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<td>NSC</td>
<td>National Safety Council</td>
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<td>NSW</td>
<td>National Oceanic and Atmospheric Administration</td>
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<td>OES</td>
<td>OHS, occupational, Health, and Safety</td>
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<td>PFC</td>
<td>Perfluorochemicals</td>
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<td>PPE</td>
<td>Personal protective equipment</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>PRF</td>
<td>Request for quotation</td>
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<td>RO</td>
<td>Reverse Osmosis</td>
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<td>SAP</td>
<td>Systems Applications and Product</td>
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<td>SCE</td>
<td>Supreme Council for Environment</td>
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<td>SEP</td>
<td>Simplified Employee Pension</td>
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<tr>
<td>SHE</td>
<td>Safety, health and environment</td>
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<td>SLP</td>
<td>Supplier Lifecycle &amp; Performance</td>
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<td>SMS</td>
<td>Short Message Service</td>
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<td>SOx</td>
<td>Sulphur oxides</td>
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<td>Spent Pot Lining</td>
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<td>SPM</td>
<td>Social Performance Monitoring</td>
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<td>TDP</td>
<td>Training and Development Pro-grame</td>
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<tr>
<td>TIR</td>
<td>Total Recordable Injury Frequency Rate</td>
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<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UN</td>
<td>United Nations Sustainable Development Goals</td>
</tr>
<tr>
<td>URL</td>
<td>Uniform Resource Locator</td>
</tr>
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<td>USA</td>
<td>United States of America</td>
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<td>VDC</td>
<td>Val дня Organic Compounds</td>
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<tr>
<td>WMSP</td>
<td>Waste Management Strategic Plan</td>
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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.

GRI STANDARD PAGE NUMBER(S) AND/OR DIRECT ANSWER REASON FOR OMISSION
GRI 101: Foundation 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 24-27, 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 81-83 - -
102-13 Aluminum Stewardship Initiative (ASI), The International Committee for Study of Bauxite, Alumina & Aluminium (ICSOBA), Aluminum Extrusion Council - -
Strategy
102-34 7 - -
Ethics and integrity
102-36 9, 18-23, 77 - -
Governance
102-38 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 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 - -
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<td><strong>Anti-competitive Behavior</strong></td>
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<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1 80</td>
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<tr>
<td>GRI 206: Anti-competitive Behavior 2016</td>
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<td>GRI 300 Environmental Standards Series Materials</td>
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<td>GRI 103: Management Approach 2016</td>
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<td>GRI 301: Materials 2016</td>
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<td>Not applicable: Raw materials are not categorized internally as renewable and non-renewable</td>
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<td>Not applicable: Raw materials are not categorized internally as renewable and non-renewable</td>
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<td><strong>Energy</strong></td>
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<td>GRI 302: Energy 2016</td>
<td>302-1 31</td>
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<td></td>
<td>302-2 -</td>
<td>Not applicable: all energy is consumed within the organization boundaries</td>
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<td>302-3 31</td>
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<td></td>
<td>302-4 -</td>
<td>Not applicable: reduction in energy consumption is not measured directly from initiatives. The reduction is overall measured as in energy intensity</td>
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<td>302-5 -</td>
<td>Not applicable: energy requirements for sold products are not specified. However the energy required for production has been reduced for multiple production lines.</td>
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<td>GRI 303: Water and Effluents 2018</td>
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<td>303-4 38</td>
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<td>303-5 38</td>
<td>Not applicable: Alba doesn’t operate in water stress areas</td>
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<td>Information unavailable: Alba plans to conduct biodiversity assessment in 2022 to identify protected habitats</td>
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<td><strong>Emissions</strong></td>
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<td>Not applicable for 2020 (the Company didn’t set reduction targets for GHG emissions in 2020)</td>
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<td><strong>Waste</strong></td>
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<td><strong>Environmental Compliance</strong></td>
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<td><strong>Supplier Environmental Assessment</strong></td>
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<td><strong>GRI 400 Social Standards Series</strong></td>
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<td><strong>Employment</strong></td>
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<td>GRI 401: Employment 2016</td>
<td>401-1 57</td>
<td>Permanent &amp; temporary employees have the same benefits at Alba</td>
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<td><strong>Occupational Health and Safety</strong></td>
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### GRI Standard

**GRI 403: Occupational Health and Safety 2018**

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**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.
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-Jouls (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 and consumed internally within the smelter to support our operations.

TOTAL INDIRECT ENERGY CONSUMPTION

DEFINITION

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

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.

This metric is reported on an actual consumption basis.

UNITS

Gega-Jouls (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:

\[ \text{Import (GJ)} = \text{Import (MWh)} \times 3.6 \text{ GJ/MWh} \]

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.
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 GJ Page 32
Environmental investment 4.5 million BHD Page 29

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.
- Assessed, understood, 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.

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.

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 as published by the International Ethics Standards Board for Accountants. We confirm that we apply International Standard on Quality Control 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 these 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).

In performing our work, we applied International Standard on Quality Control 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.

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 (M.E.)

Date 5/12/2021