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# ASI CERTIFICATION PERFORMANCE STANDARD

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PRESENTED TO

# ALCOA FJARÐAÁL

CERTIFICATE  
NUMBER

100

ASI  
STANDARD

PERFORMANCE  
STANDARD  
(V2 2017)

CERTIFICATION  
LEVEL

PROVISIONAL  
CERTIFICATION

ASI  
ACCREDITED  
AUDITOR

DNV GL

DATE OF ISSUE

15 OCTOBER 2020

DATE OF EXPIRY

14 OCTOBER 2021

CERTIFIED SINCE

15 OCTOBER 2020

AUTHORISED BY

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*Validity of this Certificate is subject to continued  
conformance with the applicable ASI Standard  
and can be verified at*

**[www.aluminium-stewardship.org](http://www.aluminium-stewardship.org)**

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CERTIFICATION SCOPE

The production of aluminium and the cast of aluminium sows, ingots and T-bars and the production of aluminium rod, (including support processes activities from engineering, planning, central maintenance and anode rodding).

# SUMMARY AUDIT REPORT

## PERFORMANCE STANDARD

### OVERVIEW

MEMBER NAME	Alcoa Corporation
ENTITY NAME	Alcoa Fjarðaál
CERTIFICATION SCOPE	The production of aluminium and the cast of aluminium sows, ingots and T-bars and the production of aluminium rod, (including support processes activities from engineering, planning, central maintenance and anode rodding).
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none"><li>Aluminium Smelting</li><li>Casthouses</li></ul>
ASI STANDARD	<ul style="list-style-type: none"><li>Performance Standard V2</li></ul>
AUDIT TYPE	<ul style="list-style-type: none"><li>Certification Audit</li></ul>
AUDIT FIRM	DNV GL
AUDIT DATE	2 . 3 September 2020
AUDIT REPORT SUBMISSION	27 September 2020
AUDIT SCOPE	<p>The Audit Scope covered the production of aluminium and the cast of aluminium sows, ingots and T-bars and the production of aluminium rod, (including support processes activities from engineering, planning, central maintenance and anode rodding).</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none"><li>Aluminium Smelting</li><li>Casthouses</li></ul> <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p> <p>At the time of the Audit (September 2020), access to the site was not possible, due to COVID-19 related travel restrictions. The Audit has been undertaken as a desktop exercise, in accordance with the ASI Interim Policy regarding Audits, Audit-Related Travel and Coronavirus (v4), and included a remote review of relevant documentation.</p>

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All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.

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AUDIT  
OUTCOME

- Provisional Certification
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AUDIT  
METHODOLOGY  
DECLARATION

The Auditors confirm that:

- The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this Report.
  - The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.
  - The Audit Scope and Audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.
  - The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
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CERTIFICATION  
PERIOD

15 October 2020 . 14 October 2021

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NEXT AUDIT  
TYPE

Surveillance Audit

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NEXT AUDIT  
DUE DATE

14 April 2021

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CERTIFICATE  
NUMBER

100

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## SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	<p>The Entity has defined Policies and Standard operating Procedures to ensure the identification of risks and compliance with Applicable Law. It was observed there is a robust governance framework in place for Business Ethics and Compliance and training is delivered to relevant personnel on a regular basis. Regulatory compliance is reviewed by senior management during the annual management reviews. Alcoa Fjarðaál operates an integrated Management System which is certified to ISO 9001, ISO 14001 and OHSAS 18001. For more information, please see the site's 2019 Community Report which is available in Icelandic language: <a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>.</p>
1.2 Anti-Corruption	Conformance	<p>Alcoa Fjarðaál works against corruption in all its forms, including extortion and bribery, consistent with Applicable Law and prevailing international Standards. Alcoa Fjarðaál established adequate Anti-Corruption measures, such as Policies, training, due diligence checks and Integrity Line, endorsed by senior management. Alcoa dedicates local integrity champions who are responsible for promoting best practices and serving as trusted advisors on related matters. The training schedule is regularly reviewed by HR manager and controls are in place to ensure all identified employees complete the required training.</p>
1.3 Code of Conduct	Conformance	<p>Alcoa adopted a corporate Code of Conduct which is communicated both internally and externally in the local Icelandic language: <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/code-conduct">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/code-conduct</a>. The Entity operates a robust governance framework to ensure the implementation of the Code of Conduct. Furthermore, internal and external Stakeholders can access Alcoa's Integrity Line in their local language to raise concerns and to report any potential breaches of the Code of Conduct in a confidential manner. Any interested party can access the Integrity Line, operated by an independent third party: <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/integrity-line/Integrity_Line_Card_Icelandic.pdf">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/integrity-line/Integrity_Line_Card_Icelandic.pdf</a>.</p>
PRINCIPLE 2 POLICY & MANAGEMENT		

CRITERION	RATING	COMMENT
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	<p>Alcoa Fjarðaál follows corporate Standards and Policies consistent with the environmental, social and governance practices included in this Standard. The site is one of the youngest smelters in Europe, which started operations in 2007. The smelter project, along with the hydropower plant (Landsvirkjun power plant) was created in wide public consultation, including government, NGOs, Local Communities and other interested parties with sustainable principles at its core (link to Environmental Impact Assessment during project initiation: <a href="https://www.sjalfbaerni.is/static/research/files/afangaskyrsla-1.pdf">https://www.sjalfbaerni.is/static/research/files/afangaskyrsla-1.pdf</a>). The Entity operates an integrated Management System, certified to ISO 9001, ISO 14001 and OHSAS 18001 by Bureau Veritas.</p>
2.1b Environmental, Social, and Governance Policy (senior management)	Conformance	<p>Alcoa Fjarðaál demonstrated senior management endorsement for the Integrated Management Policy and secures resources to implement the Policy. Key environmental, social and governance issues are regularly reviewed by senior management during the management reviews. The Entity discloses its environmental investments and monitoring action plans in its Community Report: <a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>, section 7. Environmental Affairs, page 10. For the Entity's Statement of Policy in Icelandic, please see: <a href="https://www.alcoa.com/iceland/ic/pdfs/Stefnuyfirlýsing-Fjarðaals.pdf">https://www.alcoa.com/iceland/ic/pdfs/Stefnuyfirlýsing-Fjarðaals.pdf</a>.</p>
2.1c Environmental, Social, and Governance Policy (communication)	Conformance	<p>Alcoa corporate environmental, social and governance policies have been adopted by Alcoa Fjarðaál and translated into the local language. Alcoa's policies and procedures related to Environmental, Social and Governance aspects are communicated externally through Alcoa's website (<a href="http://investors.alcoa.com/corporate-governance/governance-documents">http://investors.alcoa.com/corporate-governance/governance-documents</a>, <a href="https://www.alcoa.com/global/en/who-we-are/values/default.asp">https://www.alcoa.com/global/en/who-we-are/values/default.asp</a>). To access Alcoa Fjarðaál Community Report 2019, please see: <a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>. Alcoa policies are communicated to employees and contractors via the same onboarding training which is a prerequisite before starting their work onsite.</p>
2.2 Leadership	Conformance	<p>The Alcoa CEO has nominated the Executive Vice President and Chief Operations Officer, for the implementation of ASI Performance Standard in Alcoa's</p>

CRITERION	RATING	COMMENT
		<p>operations worldwide. The executive has the overall responsibility and authority for ensuring conformance with ASI Performance Standard. The Management Representative has been communicated internally to all employees and posted on the Alcoa internal site. Alcoa Fjarðaál has designated the Managing director the responsibility for implementing the ASI Performance Standard at the site.</p>
<p>2.3a Environmental and Social Management Systems (environmental)</p>	<p>Conformance</p>	<p>Alcoa Fjarðaál operates an integrated Management System which is certified to ISO 14001:2015 and is valid for the Entity's ASI Performance Standard Certification Scope and is recognised as meeting the requirements of Criterion 2.3a of the ASI Performance Standard. The Audit was carried out by independent third party, Bureau Veritas (latest Surveillance Audit was carried out in October 2019). No Non-Conformances were identified.</p>
<p>2.3b Environmental and Social Management Systems (social)</p>	<p>Conformance</p>	<p>The Entity has documented and implemented an integrated Social Management System. Alcoa Fjarðaál identified its key interested parties and material issues which are disclosed on page 40 of its Community Report: <a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>. It has designated a manager responsible for external communications and Stakeholder engagement. The manager identifies Local Community engagement processes and keeps track of monitoring of actual and potential impacts. Labour rights and HR-related matters are managed through Alcoa's HR Principles. Please see Alcoa Fjarðaál Statement of Policy for further detail in local Icelandic language: <a href="https://www.alcoa.com/iceland/ic/pdfs/Stefnuyfirlising-Fjardaals.pdf">https://www.alcoa.com/iceland/ic/pdfs/Stefnuyfirlising-Fjardaals.pdf</a>.</p>
<p>2.4 Responsible Sourcing</p>	<p>Conformance</p>	<p>Alcoa operates Supplier Standards across all of its locations <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/Supplier_Standards.pdf">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/Supplier_Standards.pdf</a>. The supply chain diligence processes have been reviewed for local implementation at Alcoa Fjarðaál during the Audit. For instance, key suppliers' EcoVadis assessments were sighted. Purchasing of critical raw material is handled by global procurement. Local purchasing handles contracts with contractors and local contractors adhere to Icelandic laws and regulations. Second-party Audits are carried out by corporate functions.</p>
<p>2.5 Impact Assessments</p>	<p>Conformance</p>	<p>Alcoa Fjarðaál has systems and procedures established to evaluate environmental, energy, safety, cultural and Human Rights impacts when performing major projects. We noted that the site started operations in 2009, and</p>

CRITERION	RATING	COMMENT
		there were no further major projects or expansions since these would have warranted an Impact Assessment. The site follows corporate risk assessment procedures in the event of such CAPEX investment (PEHR - Project Environment, Health & Safety Review).
2.6 Emergency Response Plan	Conformance	Alcoa Fjarðaál operates an integrated Management System certified to ISO 14001:2015, covering the Entity's Certification Scope which is accepted as meeting the requirements of Criterion 2.6 Emergency Response Plan of the ASI Performance Standard.
2.7 Mergers and Acquisitions	Conformance	Alcoa reviews environmental, social and governance issues in the Due Diligence Process for Mergers and Acquisitions. These elements are governed centrally by Alcoa Corporation. There were no local examples of Mergers and Acquisitions.
2.8 Closure, Decommissioning and Divestment	Conformance	Alcoa Fjarðaál operating permit defines processes for Closure, Decommissioning and Divestment, including regulatory approval process. The Entity would follow procedures instructed by corporate functions in such events.
PRINCIPLE 3 TRANSPARENCY		
3.1 Sustainability Reporting	Conformance	<p>The Entity prepares the annual Sustainability Report in line with GRI G4 Sustainability Reporting Guidelines and makes the information publicly available on the company website:</p> <p><a href="https://www.alcoa.com/sustainability/en/pdf/2019-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2019-Sustainability-Report.pdf</a>.</p> <p>Alcoa Fjarðaál prepares a Community Report which is available in the local Icelandic language:</p> <p><a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>.</p> <p>The Local Community Report also follows GRI guidelines.</p>
3.2 Non-compliance and liabilities	Conformance	<p>The Entity publicly discloses information on significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law in the corporate report by Alcoa. Please see Note R - Contingencies and Commitments, Environmental Matters of Alcoa's 2019 Annual Report</p> <p>(<a href="https://investors.alcoa.com/~/_media/Files/A/Alcoa-IR/documents/annual-reports-and-proxy-information/alcoa-annual-report-2019.pdf">https://investors.alcoa.com/~/_media/Files/A/Alcoa-IR/documents/annual-reports-and-proxy-information/alcoa-annual-report-2019.pdf</a>, page 105).</p> <p>Alcoa Fjarðaál did not receive significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law in the past 12 months.</p> <p>Alcoa Fjarðaál is obligated to report all Non-Compliances to the Icelandic Environmental Authorities and these are</p>

CRITERION	RATING	COMMENT
		also disclosed in the Entity's annual Community Report. Please see: <a href="http://alcoa.samfelagsskyrsla.is/">http://alcoa.samfelagsskyrsla.is/</a> in section 7.1 of the report.
3.3a Payments to governments (legal and contractual)	Conformance	<p>Payments to governments, including taxes or tributes are reported in Alcoa's Annual Report (<a href="https://investors.alcoa.com/~/_media/Files/A/Alcoa-IR/documents/annual-reports-and-proxy-information/alcoa-annual-report-2019.pdf">https://investors.alcoa.com/~/_media/Files/A/Alcoa-IR/documents/annual-reports-and-proxy-information/alcoa-annual-report-2019.pdf</a>).</p> <p>Alcoa's 2019 Sustainability Report contains further information on payments to governments, as per GRI guidelines (please see page 31: <a href="https://www.alcoa.com/sustainability/en/pdf/2019-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2019-Sustainability-Report.pdf</a>).</p> <p>Alcoa Fjarðaál accounts are subject to Third Party independent Audits by local accountants on an annual basis which contains a review of payments to governments. The Entity demonstrated compliance with local laws and regulations.</p>
3.3b Payments to governments (disclosure . bauxite mining)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
3.4 Stakeholder complaints, grievances and requests for information	Conformance	Alcoa Fjarðaál is Certified to ISO 14001:2015 Management System Standard which is recognised as meeting Criterion 3.4 of the ASI Performance Standard.
PRINCIPLE 4 MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	The Entity has implemented and Certified its Environmental Management System and evaluates environmental aspects in a life cycle perspective. A Life Cycle Assessment Procedure has been developed and an Environmental Product Declaration, (EPD), considering the products produced is established. The EPD is in accordance with ISO 14025 and is Third Party verified by TÜV Environment declaration number 4787971128.101.1.
4.1b Environmental Life Cycle Assessment (cradle to gate)	Conformance	<p>Cradle to gate Life Cycle Assessment is developed through a third party verified Environmental Product Declaration, EPD, as stated in 4.1a. The information is available and will be provided upon request or could be downloaded from the web:</p> <p><a href="https://www.alcoa.com/global/en/what-we-do/aluminum/cast-products/pdfs/Alcoa-EPD-Cast-Products.pdf">https://www.alcoa.com/global/en/what-we-do/aluminum/cast-products/pdfs/Alcoa-EPD-Cast-Products.pdf</a>.</p>
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	A Life Cycle Assessment (LCA) is publicly available at: <a href="https://www.alcoa.com/global/en/what-we-">https://www.alcoa.com/global/en/what-we-</a>

CRITERION	RATING	COMMENT
		<a href="https://www.alcoa.com/aluminum/cast-products/pdfs/Alcoa-EPD-Cast-Products.pdf">do/aluminum/cast-products/pdfs/Alcoa-EPD-Cast-Products.pdf</a> .
4.2 Product design	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
4.3a Aluminium Process Scrap (targets)	Conformance	The Entity established daily monitoring and controls to minimize the amount of scrap generated for both Rod and Foundry Products. The Entity defined scrap collection and recycling mechanisms based on the properties of the scrap produced. 100% of scrap is recycled either internally or sent to external partners for further recycling/use.
4.3b Aluminium Process Scrap (alloy separation)	Conformance	The Entity has established systems and processes to separate Aluminium alloys and grades for recycling. The majority of the scrap is sold to customers and External Parties based on specific alloy number and accompanied by a Certificate of analysis for each item/lot which contains information about the chemical composition of the product.
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	Alcoa Fjarðaál has no control of the end of life of its products from the Casthouse. As a Member of The Recycling Partnership, the biggest Al recycling organization in North America, the Alcoa corporation is involved, engaged and supporting activities promoting collecting and recycling systems to increase recycling rates.
4.4b Collection and recycling of products at end-of-life (engagement)	Conformance	As a Member of The Recycling Partnership, the biggest Al recycling organization in North America, the Alcoa corporate is involved, engaged and supporting activities promoting collecting and recycling systems to increase recycling rates.
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Conformance	The direct emissions by source are calculated and reported annually and publicly disclosed on the web site: <a href="https://www.alcoa.com/iceland/ic/environment/monitoring">https://www.alcoa.com/iceland/ic/environment/monitoring</a> . Further, the aggregated GHG emissions and energy consumption are reported centrally and disclosed in the Alcoa Sustainability Report: <a href="https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf</a> pages 52-58.
5.2 GHG emissions reductions	Conformance	The Entity has plans in position to reduce and improve the GHG emissions and energy consumption. Targets have been set both locally and centrally. In the sustainability Report reduction targets are publicly disclosed, <a href="https://www.alcoa.com/sustainability/en/pdf/2018-">https://www.alcoa.com/sustainability/en/pdf/2018-</a>

CRITERION	RATING	COMMENT
		<a href="#">Sustainability-Report.pdf</a> page 15. The local target is supported by action plans in different departments.
5.3a Aluminium Smelting (management system)	Conformance	The Management System includes Standard Operating Procedures (SOPs) for all critical processes including those in which emissions are prone. The Management System drives the governance, controls and improvement processes at the plant. The plant has accredited Certification to ISO 9001:2015, ISO 14001:2015 and OHSAS 18001 issued by Bureau Veritas. <a href="https://www.alcoa.com/search/search_results?q=14001&amp;page=1&amp;isRedirect=1&amp;paginationStart=1">https://www.alcoa.com/search/search_results?q=14001&amp;page=1&amp;isRedirect=1&amp;paginationStart=1</a> .
5.3b Aluminium Smelting (up to and including 2020)	Conformance	In 2019 Alcoa Fjarðaál declared 570,000 metric tonne CO2 Equivalent and in consideration of production operated at 1.6 metric tonne CO2 Equivalent per metric tonne of Aluminium produced.
5.3c Aluminium Smelting (after 2020)	Conformance	The Entity has no plans to start up Aluminium Smelters after 2020 where the emissions from production is above 8 tonnes CO2-eq per metric tonne Aluminium.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Conformance	The Entity has good systems and procedures to report on Emissions to Air to national authorities and internally at group level. The aggregated performance is presented in the Sustainability Report and the Annual Report, both available on the company website: <a href="https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf</a> , <a href="https://investors.alcoa.com/financial-reports/annual-reports-and-proxy-statements">https://investors.alcoa.com/financial-reports/annual-reports-and-proxy-statements</a> . Full details of the current monitoring program are available at: <a href="http://www.sustainability.is/">http://www.sustainability.is/</a> .
6.2 Discharges to Water	Conformance	The Entity has effective systems and procedures to report on Discharges to Water to national authorities and internally to group level. The aggregated performance is presented in the Sustainability Report and the Annual Report, available on the company web: <a href="https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf</a> , <a href="https://investors.alcoa.com/financial-reports/annual-reports-and-proxy-statements">https://investors.alcoa.com/financial-reports/annual-reports-and-proxy-statements</a> .
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	The Entity is obliged to have a spill risk assessment and spill response plans for 'small' and 'large' spills as defined within its operating licence. Spills are reported publicly from within the Sustainability Report.

CRITERION	RATING	COMMENT
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	The Entity is obliged to have a spill risk assessment and spill response plans for 'small' and 'large' spills as defined within its operating licence. Spills are reported publicly from within the Sustainability Report. Monitoring is both internal and undertaken by the environmental authority and local municipality.
6.4a Reporting of Spills (immediate disclosure)	Conformance	Icelandic law, requires large chemical or oil spills to be reported to emergency services and the environment agency. Spills are reported internally to Alcoa corporate and investigations are undertaken with recommendations for improvements to mitigations.
6.4b Reporting of Spills (regular reporting)	Conformance	Icelandic law requires large chemical or oil spills to be reported to emergency services and the environment agency. Spills are reported internally to Alcoa corporate and investigations are undertaken with recommendations for improvements to mitigations.
6.5a Waste management and reporting (strategy)	Conformance	The Entity has implemented a Waste management plan in accordance with a Waste Mitigation Hierarchy and in accordance with the site Facility Waste Standard ST_UHÖ-E5.1-001. Waste figures are recorded in the Sustainability Report: <a href="https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf</a> .
6.5b Waste management and reporting (disclosure)	Conformance	The Entity has implemented a Waste management plan in accordance with a Waste Mitigation Hierarchy and in accordance with the site Facility Waste Standard ST_UHÖ-E5.1-001. Waste figures are recorded in the Sustainability Report: <a href="https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2018-Sustainability-Report.pdf</a> .
6.6a Bauxite Residue (storage construction)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
6.6b Bauxite Residue (integrity checks and controls)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
6.6c Bauxite Residue (water discharge)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
6.6d Bauxite Residue (marine and aquatic environments)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
6.6e Bauxite Residue (start of the art technologies)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
6.6f Bauxite Residue (remediation)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
6.7a Spent Pot Lining (SPL) (storage and management)	Conformance	The Entity has implemented a Spent Pot Lining (SPL) management plan. SPL is removed 100% from all processed pots and stored in specially designed shipping containers before being shipped. A contract has been taken out with a government managed facility in Norway (NOAH), which is licensed to store SPL in a disused mine facility. No carbon or product recycling is undertaken on SPL.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Conformance	The Facility keeps records showing how much SPL it generates monthly. SPL is not presently separated into 1st cut and 2nd. Each pot generates around 90 t of SPL and the total amount of SPL from the Facility is based on an annual pot relining plan. Each SPL container is weighed and records are submitted monthly. All SPL containers are shipped overseas to Norway.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Conformance	The Entity has a contract with the NOAH Facility in Norway for receipt of 100% of its SPL.
6.7d Spent Pot Lining (SPL) (review of alternatives)	Conformance	The Entity is already exporting 100% of its SPL to a licenced Facility in Norway, which constitutes neither stockpiling nor landfill.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Conformance	The Entity does not discharge any SPL to marine or aquatic environments.
6.8a Dross (recovery)	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to these Dross requirements. Dross generated onsite is processed to maximise aluminium recovery. All Dross generated is processed by specialised external companies, licenses and associated compliance documents were reviewed by the Auditors.
6.8b Dross (recycling)	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to these Dross requirements. Dross generated onsite is processed to maximise aluminium recovery. All Dross generated is processed by specialised external companies, licenses and associated Compliance Documents were reviewed by the Auditors.
6.8c Dross (review of alternatives)	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to these

CRITERION	RATING	COMMENT
		<p>Dross requirements.</p> <p>Dross generated onsite is processed to maximise aluminium recovery.</p> <p>All Dross generated is processed by specialised external companies, licenses and associated Compliance Documents were reviewed by the Auditors.</p>
PRINCIPLE 7 WATER STEWARDSHIP		
7.1a Water assessment (mapping)	Conformance	<p>The environmental impact of the Hydro Power Scheme and the water usage on site are described and reported in the Community Report.</p> <p>Water usage in the plant is all from a municipal supply which is supported by the operating license. Water impacts are recorded within the Community Report <a href="http://www.sustainability.is">http://www.sustainability.is</a>.</p>
7.1b Water assessment (risk assessment)	Conformance	<p>The Entity uses only municipality water in its processes and recycles all its process water. There is no discharge to sea. In Iceland there is no water scarcity and risk of overuse of water to process is negligible. Close to the smelter are streams and rivers that were diverted during construction. A study of water impact was undertaken during the EIA process in 2005 with no environmental impacts reported with regards water supply or surface water in the vicinity of the smelter.</p> <p>Community engagement is via Stakeholder committee <a href="https://www.sjalfbaerni.is/en">https://www.sjalfbaerni.is/en</a>.</p>
7.2a Water management (management plans)	Conformance	<p>The environmental impact of the Hydro Power Scheme and the water usage on site are described and reported in the Community Report.</p> <p>Water usage in the plant is all from a municipal supply, which is supported by the operating license. Water impacts are recorded within the Community Report <a href="http://www.sustainability.is">http://www.sustainability.is</a> and there is a water management plan in place.</p>
7.2b Water management (monitoring)	Conformance	<p>The environmental impact of the Hydro Power Scheme and the water usage on site are described and reported in the Community Report.</p> <p>Water usage in the plant is all from a municipal supply, which is supported by the operating license. Water impacts are recorded within the Community Report <a href="http://www.sustainability.is">http://www.sustainability.is</a>.</p>
7.3 Disclosure of water usage and risks	Conformance	<p>The environmental impact of the Hydro Power Scheme and the water usage on site are described and reported in the Community Report.</p> <p>Water usage in the plant is all from a municipal supply, which is supported by the operating license. Water</p>

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		impacts are recorded within the Community Report <a href="http://www.sustainability.is">http://www.sustainability.is</a> .
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Conformance	<p>The site operating permit requires an environmental monitoring plan which includes elements of Biodiversity in regards to local Flora and Fauna. The environmental monitoring plan is approved by the environmental authorities. The monitoring plan includes investigations of vegetation in the vicinity of the smelter, investigation on livestock and on surface water. Part of the monitoring program is an investigation on coastline ecological studies in the Fjord which is completed every fifth year. All results are presented in the local sustainability Report: <a href="http://www.sustainability.is">www.sustainability.is</a>.</p> <p>The site has recently (June 2020) commissioned the 'Alcoa Fjarðaal Biodiversity Action Plan', which provides improvement and monitoring targets for all elements of Biodiversity.</p>
8.2a Biodiversity management (biodiversity action plans)	Conformance	The site has recently (June 2020) commissioned the 'Alcoa Fjarðaal Biodiversity Action Plan', which provides improvement and monitoring targets for all elements of Biodiversity.
8.2b Biodiversity management (consultation and mitigation hierarchy)	Conformance	The site has recently (June 2020) commissioned the 'Alcoa Fjarðaal Biodiversity Action Plan', which provides improvement and monitoring targets for all elements of Biodiversity. This plan is designed in accordance with Biodiversity Mitigation Hierarchy.
8.2c Biodiversity management (reporting)	Conformance	The site has recently (June 2020) commissioned the 'Alcoa Fjarðaal Biodiversity Action Plan', which provides improvement and monitoring targets for all elements of Biodiversity. This plan is designed in accordance with Biodiversity Mitigation Hierarchy and requires a review.
8.3 Alien Species	Conformance	The Biodiversity Action Plan identifies that the highest risk of invasive species is related to ballast water exchange from the ships importing alumina into Reyðarfjörður. Ships masters are instructed that the discharge of ballast water is prohibited within Icelandic territory unless it is cleaned or treated. This is in accordance with IMO MARPOL regulations to which Iceland is a signatory.
8.4a Commitment to No Go+ in World Heritage properties (exploration and new mines)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.

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8.4b Commitment to %No Go+ in World Heritage properties (existing operations)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
8.5a Mine rehabilitation (best available techniques)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
8.5b Mine rehabilitation (financial provisions)	Not Applicable	This Criterion is Not applicable to the Entity's Certification Scope.
PRINCIPLE 9 HUMAN RIGHTS		
9.1a Human Rights Due Diligence (policy)	Conformance	Alcoa's Human Rights Policy is committed to abiding by international Human Rights Principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights. Please see below link to access Alcoa's Human Rights Policy (last updated in March 2019: <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/human-rights-policy/human-rights-policy-en.pdf">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/human-rights-policy/human-rights-policy-en.pdf</a> ). The Policy is available in Icelandic language and is part of Alcoa's employee and contractor onboarding training.
9.1b Human Rights Due Diligence (process)	Conformance	Human Rights Due Diligence assessments are carried out at corporate level, with the involvement of the local site. Alcoa Fjarðaál's Human Rights risk assessment was based on methodology developed by Danish Institute for Human Rights. The Self-Assessment identified rightsholders in the local context. External Stakeholders were consulted during the assessment, including the local mayor office and Labour Union representatives. As a result of the assessment, no actual or potential impacts on Human Rights were identified resulting from the Entity's activities. However, due to the nature of the industry in which Alcoa Fjarðaál operates, key material risks were identified related to working conditions and gender equality. These aspects are addressed via various HR procedures, programmes and initiatives (See 8.2 Women's rights).
9.1c Human Rights Due Diligence (remediation)	Not Applicable	Alcoa Fjarðaál has not caused or contributed to adverse Human Rights impacts. Alcoa Corporation developed corporate procedures to address remediation process where such a situation occurs.
9.2 Women's Rights	Conformance	Diversity and inclusion have been at the core of Alcoa Fjarðaál and incorporated into the Vision and Values of the Entity. Alcoa adopted The Equal Employment

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		<p>Opportunity Policy which is available on the Alcoa's website:  <a href="https://www.alcoa.com/global/en/careers/pdf/Alcoa-EEO.pdf">https://www.alcoa.com/global/en/careers/pdf/Alcoa-EEO.pdf</a>.</p> <p>Please see page 45 of Alcoa's 2019 Sustainability Report for further details on how Alcoa promotes gender diversity:  <a href="https://www.alcoa.com/sustainability/en/pdf/2019-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/en/pdf/2019-Sustainability-Report.pdf</a>.</p> <p>Further actions and initiatives by Alcoa Fjarðaál included:</p> <ul style="list-style-type: none"> <li>• Changes to shift models which are more family-friendly</li> <li>• #MeToo workshops and Consultations with independent experts</li> <li>• 19th June, Women's Day celebration.</li> </ul>
9.3 Indigenous Peoples	Not Applicable	<p>There are no indigenous minority groups in Iceland. Please see:  <a href="https://www.refworld.org/docid/4954ce0323.html">https://www.refworld.org/docid/4954ce0323.html</a>.</p>
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	<p>There are no indigenous minority groups in Iceland. Please see:  <a href="https://www.refworld.org/docid/4954ce0323.html">https://www.refworld.org/docid/4954ce0323.html</a>.</p>
9.5 Cultural and sacred heritage	Conformance	<p>There are no sacred or cultural heritage sites within the Area of Influence. The Entity's regulatory permit requires a detailed Impact Assessment prior to any construction work, in which cultural and sacred heritage sites would be covered in the future. Icelandic Law on cultural heritage will apply if the site will need to expand.</p>
9.6a Resettlements (avoid or minimise)	Not Applicable	<p>There are no projects where physical and/or economic displacements of people were required or relevant.</p>
9.6b Resettlements (where unavoidable)	Not Applicable	<p>There are no projects where physical and/or economic displacements of people were required or relevant.</p>
9.7a Local Communities (rights and interests)	Conformance	<p>Alcoa Fjarðaál identified its key Stakeholders, including rights and interest of Local Communities, following Alcoa corporate Standards for Stakeholder engagement. For the analysis of Alcoa Fjarðaál's Stakeholders and interested parties, please see page 40 of the site's Community Report:  <a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>.</p> <p>Alcoa Fjarðaál conducts regular Community sentiment surveys. For the results, please see page 41 of the site's Community Report. Alcoa works closely with its interested parties to ensure it is meeting Stakeholder expectations. For instance, a key concern to farmers is fluoride emissions and impacts of livestock grazing near the</p>

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		grounds of the factory. The site established a robust monitoring programme and works with local vets and other Stakeholders to monitor the fluoride levels in the fjord. No material impacts have been identified resulting from the smelters' activities.
9.7b Local Communities (impacts)	Conformance	<p>Fluoride emissions are material aspects of Alcoa Fjarðaál operations. The site discloses its Emissions to Air monitoring programme in Chapter 7 of the Community Report (7.5 fluoride in grass and environmental monitoring).</p> <p>The steering committee on fluoride emissions is working with employees to make sure the site is operating as per SOPs.</p> <p>For any other Community complaints, an incident Management System is used (MES System) to monitor the statuses and follow up with reporters.</p> <p>No remediation actions were required to date as a result of the site's activities.</p>
9.7c Local Communities (livelihoods)	Conformance	<p>Alcoa Fjarðaál together with Landsvirkjun power company operate a project to follow up on the impact they have on the Community in the east, see here: <a href="https://www.sjalfbaerni.is/en">https://www.sjalfbaerni.is/en</a>.</p> <p>Alcoa Fjarðaál supports Local Community livelihoods through the Alcoa Foundation and local grants. Please see page 46 of the Entity's Community Report: <a href="http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf">http://alcoa.samfelagsskyrsla.is/pdf/alcoa_samfelagsskyrsla_2019.pdf</a>.</p>
9.8 Conflict-Affected and High-Risk Areas	Not Applicable	<p>Alcoa Fjarðaál is located in Iceland, a country where armed conflict or Human Rights abuses in Conflict-Affected and High-Risk Areas is not relevant.</p> <p>At a corporate level, Alcoa implemented a supply chain Due Diligence programme to further manage risk from the supply chain related to the areas of Anti-Bribery and Corruption, trade compliance, Child and Slave Labour, criminal history, Human trafficking and conflict minerals.</p>
9.9 Security practice	Conformance	<p>Alcoa Fjarðaál implemented the Alcoa Security Standards in its arrangements with security providers, which includes considerations for Human Rights protection. The Third Party security personnel have been trained on the Alcoa's Code of Conduct, Applicable Human Rights Law and the company's Risk Management Plan. The Entity monitors the training records internally and to date, there have been no disciplinary actions against security personnel related to Human Rights.</p>

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10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Conformance	Freedom of Association and Right to Collective Bargaining is well organised under Icelandic law. The Entity has implemented a Human Rights Policy committing to Freedom of Association and Right to Collective Bargaining. <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/human-rights-policy">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/human-rights-policy</a> . Trade Unions present at the Entity have agreed a Collective Bargaining Agreement.
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Conformance	Freedom of Association and Right to Collective Bargaining is well organised in the Icelandic society. There are long traditions on cooperation and strong labours' rights legislation implemented. The Entity has implemented a Human Rights Policy committing to Freedom of Association and Right to Collective Bargaining. <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/human-rights-policy/human-rights-policy-en.pdf">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/human-rights-policy/human-rights-policy-en.pdf</a> .
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Conformance	Icelandic laws allow the Freedom of Association and Collective Bargaining.
10.2a Child Labour (minimum age)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law.
10.2b Child Labour (hazardous)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law.
10.2c Child Labour (worst forms)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law.
10.3a Forced Labour (human trafficking)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law. No agency Workers are employed. All Workers must have obtained an Icelandic Social security number.
10.3b Forced Labour (deposits, fees, advances)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law. No agency Workers are employed. All Workers must have obtained an Icelandic Social security number.
10.3c Forced Labour (migrant workers)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law. No agency Workers are employed. All Workers must have obtained an Icelandic Social security number. Icelandic law prohibits Forced Labour as does the union collective Agreement.

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10.3d Forced Labour (debt bondage)	Conformance	The Entity does not employ anybody at this site under the age of 18 as a function of Icelandic law. No agency Workers are employed. All Workers must have obtained an Icelandic Social security number. Icelandic law prohibits Forced Labour as does the union collective Agreement and hence there is no Debt Bondage.
10.3e Forced Labour (freedom of movement)	Conformance	Every employee is hired on the same process and gets paid according to the CBA, which guarantees freedom of movement.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	All employees are hired according to the Collective Bargaining Agreement, which prohibits the retention of Workers' original documentation.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Collective Bargaining Agreement under which all employees are contracted, guarantees freedom to terminate employment under conditions underpinned by Icelandic law.
10.4 Non-Discrimination	Conformance	No discrimination was noted during interview and employees expressed a high level of engagement in this subject. The Entity has developed and implemented an Equal Employment Opportunity Policy addressing zero tolerance to discrimination and a Human Rights Policy publicly available: <a href="https://www.alcoa.com/global/en/careers/pdf/Alcoa-EEO.pdf">https://www.alcoa.com/global/en/careers/pdf/Alcoa-EEO.pdf</a> , <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/human-rights-policy.asp">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/human-rights-policy.asp</a> .
10.5 Communication and engagement	Conformance	The Entity has an open and inclusive communication between management, workers and union which is formalised within the Collective Bargaining Agreement. The Entity has an open and inclusive communication with systems in place to raise concerns and for improvement suggestions.
10.6 Disciplinary practices	Conformance	Alcoa corporate Code of Conduct relating to disciplinary practice shows strong compliance with international and best practice in this subject: <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/code-conduct/Code_Conduct_English.pdf">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/code-conduct/Code_Conduct_English.pdf</a> . The Fjarðaál site has its own local rules expressed in an SOP for the subject, which reflects local law and the Collective Bargaining Agreement.
10.7a Remuneration (living wage)	Conformance	The Collective Bargaining Agreement together with strong Icelandic law assure compliance with this clause. All staff are under the CBA, which assures that no pay is withheld and that all payments are made monthly directly to

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		chosen bank accounts. There are no disciplinary processes which result in withholding of payment.
10.7b Remuneration (method of payment)	Conformance	The Collective Bargaining Agreement together with strong Icelandic law assure compliance with this clause. All staff are under the CBA, which assures that no pay is withheld and that all payments are made monthly directly to chosen bank accounts. There are no disciplinary processes which result in withholding of payment.
10.8 Working Time	Conformance	Icelandic Law and the Collective Bargaining Agreement (CBA) on site have resulted in a rigorous on site process whereby staff are not allowed to exceed the maximum extra shifts and total working hours per month. Shift patterns have been changed to accommodate local employees. Public holidays, Overtime hours, Sick leave and Annual leave are remunerated according to Icelandic law.
PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	The Entity has developed, implemented and communicated a Health and Safety Policy endorsed and supported by senior management.
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	The Entity has developed, implemented and communicated a Health and Safety Policy, endorsed and supported by senior management. The Policy is a part of induction and is stated to be posted throughout the site.
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	The Entity has developed, implemented and communicated a Health and Safety Policy, endorsed and supported by senior management. The Policy is a part of induction and is stated to be posted throughout the site. The Entity's Policy includes a commitment to comply with Applicable Law on Workers' health and safety.
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	The Entity has developed, implemented and communicated a Health and Safety Policy, endorsed and supported by senior management. The Policy is a part of induction and is stated to be posted throughout the site. The Entity's Policy includes a reference to the right of Workers to stop unsafe work.
11.2 OH&S Management System	Conformance	The Entity has a documented Health and Safety Management System that is in Conformance with Icelandic legislation. The Entity's Health & Safety Management System is part of its overall integrated system which is held on a platform called 'POKA'. It is a traditional three tier hierarchical system with Policy, Procedure and detailed work instruction where necessary. The series of 'Standard Operating Procedures' (SOPs)

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		are comprehensive and are based on supporting the Alcoa requirement for 'Critical Controls' to be identified.
11.3 Employee engagement on health and safety	Conformance	The Entity engages Health and Safety committees, monthly joint meeting with all the committees and critical controls committee. All employees are allowed to raise health and safety issues. All employees can enter an improvement idea into the sites system which are reviewed weekly by each areas process team. Employee surveys support inclusion within Health & Safety issues.
11.4 OH&S performance	Conformance	The site has OHAS Standard 18001 accredited Certification, which requires performance monitoring in Clause 4.5.1 and 4.5.2. Health and safety performance are monitored using an incident Management System where all incidents, audits and verifications are registered. Lagging and leading indicators can then be monitored in reporting to management and on smart boards throughout the site. Health & Safety data are reported up to Alcoa who report publicly on this from within their Sustainability Report.

#### **Document Control and Version History**

Revision	Date	Notes
0	15 October 2020	Issued (Provisional Certification)