

# ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

# Alcoa Fjarðaál

CERTIFICATE NUMBER  
**100**

ASI STANDARD  
**PERFORMANCE  
STANDARD  
(V3 2022)**

CERTIFICATION LEVEL  
**FULL  
CERTIFICATION**

ASI ACCREDITED  
AUDITING FIRM  
**DNV BUSINESS  
ASSURANCE SERVICES  
UK LTD.**

DATE OF ISSUE  
**15 OCTOBER 2024**

DATE OF EXPIRY  
**14 OCTOBER 2027**

CERTIFIED SINCE  
**15 OCTOBER 2020**

## AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. Hall', with a long horizontal line extending to the right.

Aluminium Stewardship Initiative Ltd  
ACN 606 661 125, Australia  
[info@aluminium-stewardship.org](mailto:info@aluminium-stewardship.org)

*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)*

## CERTIFICATION SCOPE

Production of Aluminium and the cast of Aluminium sows, ingots and T-bars and the production of Aluminium rods including support processes activities from engineering, planning, central maintenance and anode rodding at Alcoa Fjarðaál (Iceland).

# AUDIT REPORT PERFORMANCE STANDARD

## OVERVIEW

MEMBER NAME	Alcoa Corporation
ENTITY NAME	Alcoa Fjarðaál
CERTIFICATION SCOPE	Production of Aluminium and the cast of Aluminium sows, ingots and T-bars and the production of Aluminium rods including support processes activities from engineering, planning, central maintenance and anode rodding at Alcoa Fjarðaál (Iceland).
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 V3</li></ul>
AUDIT TYPE	<ul style="list-style-type: none"><li>Initial Certification Audit (2 – 3 September 2020)</li><li>Surveillance Audit (15 – 16 September 2021)</li><li>Re-Certification Audit and Scope Change (10 – 12 September 2024)</li></ul>
AUDIT FIRM	DNV Business Assurance Services UK Ltd.
AUDIT DATE	<ul style="list-style-type: none"><li>2 – 3 September 2020 (Initial Certification Audit)</li><li>15 – 16 September 2021 (Surveillance Audit)</li><li>10 – 12 September 2024 (Re-Certification Audit and Scope Change)</li></ul>
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none"><li>27 September 2020 (Initial Certification Audit)</li><li>5 October 2021 (Surveillance Audit)</li><li>16 October 2024 (Re-Certification Audit and Scope Change)</li></ul>
AUDIT SCOPE	<p><u>Initial Certification Audit (2 – 3 September 2020)</u></p> <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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#### Surveillance Audit (15 – 16 September 2021)

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) at Alcoa Fjarðaál (Iceland).

Supply chain activities included in the Audit Scope:

- Aluminium Smelting
- Casthouses

Criteria in the ASI Performance Standard relevant to the on-site component necessary to transition to Full Certification following the previous 'desktop' audit were included in the Audit Scope.

#### Re-Certification Audit and Scope Change (10 – 12 September 2024)

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) at Alcoa Fjarðaál (Iceland).

Supply chain activities included in the Audit Scope:

- Aluminium Smelting
- Casthouses

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

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AUDIT OUTCOME	<ul style="list-style-type: none"><li>• Certification</li></ul>
AUDIT METHODOLOGY DECLARATION	<p>The Auditors confirm that:</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.</li><li><input checked="" type="checkbox"/> The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.</li><li><input checked="" type="checkbox"/> 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.</li><li><input checked="" type="checkbox"/> The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.</li></ul>
CERTIFICATION PERIOD	15 October 2024 - 14 October 2027
NEXT AUDIT TYPE	Re-Certification Audit
NEXT AUDIT DATE	14 October 2027
CERTIFICATE NUMBER	100

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If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://aluminium-stewardship.ethicspoint.com/>

EthicsPoint is a comprehensive and confidential reporting tool that enables complaints to be securely raised, managed and responded to. This enables anonymity to be maintained where desired by complainants, or as relevant to whistleblowing situations.

Information is available in five languages – English, French, Chinese, German and Portuguese (Brazil). Translation services provided by EthicsPoint enable complaints and correspondence to be managed in multiple languages.

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## ENTITY OVERVIEW

Alcoa Fjarðaál (the 'Entity') is an Aluminium smelter located in Reyðarfjörður, East Iceland. The Entity commenced production in 2007 and is the newest Aluminium smelter in Europe, covering an area of 94 hectares. It has a production capacity of up to 360,000 tonnes. The main purpose of the Entity is to produce Primary Aluminium by extracting Aluminium from Alumina using the Hall-Héroult electrolyte process. The primary raw materials used in this process are Alumina, carbon anodes, and sodium fluoride. Notably, the Entity operates entirely on renewable electricity.

The Entity produces a variety of Aluminium products, including foundry ingots, rod, T-bars, and saws. The operational license allows for the production of 360,000 tonnes of Aluminium annually, with all products exported to Europe. The foundry ingots are mainly sold to Traders, often to funds and investors who purchase them and hold onto them for varying periods before reselling. The alloyed foundry ingots are primarily used in the production of automobile wheels in Europe.

The coil rod produced at the Entity has a wide range of specifications and is sold to customers who utilise the coils for making conductor cables, grain refiners, drawing, and clips. The Entity relies exclusively on renewable hydropower for its operations.

Currently, Alcoa Fjarðaál employs approximately 550 people, with an additional 250 contractors on site and 200 registered suppliers. Alumina is imported from Alcoa's operations in Australia and Brazil, while the pre-baked anodes are sourced from Alcoa Mosjøen in Norway.

At the Entity, there is an anode rodding Facility, a pot relining area, a Casthouse, and two pot lines consisting of a total of 336 pots (168 pots in each room). Each area has its own maintenance shop, and there is also a central vehicle maintenance shop. Additionally, there is a staff building and parking available outside the Facility.

## MATURITY RATINGS

A rating of maturity (low, medium or high) determined by the Auditor that provides a general assessment in terms of systems, Residual Risk and performance assigned to a Sustainability Component.

Maturity ratings are not a direct assessment of conformance to the Standard.

	GOVERNANCE	ENVIRONMENT	SOCIAL	COMBINED RATING
<b>SYSTEMS</b>	High	High	High	HIGH
<b>RISKS</b>	High	High	Medium	HIGH
<b>PERFORMANCE</b>	High	Medium	High	HIGH
<b>OVERALL</b>		<b>HIGH</b>		

## FINDINGS

CRITERION	RATING	COMMENT
<b>1. BUSINESS INTEGRITY</b>		
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 regularly. Regulatory compliance is reviewed by senior management during the annual management reviews.</p> <p>The Entity operates an integrated Management System which is certified to ISO 9001, ISO 14001 and ISO 45001. For more information, see the Fjarðaál 2023 Social Responsibility Report page 15:</p> <p><a href="https://cdn.prod.website-files.com/60b8ac59dlcc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59dlcc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
1.2 Anti-Corruption	Conformance	<p>The Entity works against Corruption in all its forms, including Extortion and Bribery, consistent with Applicable Law and prevailing international Standards. The Entity has established adequate Anti-Corruption measures, such as Policies, training, Due Diligence checks and Integrity Line, endorsed by senior management. Local integrity champions are responsible for promoting best practices and serving as trusted advisors on related matters. The training schedule is regularly reviewed by the Human Resources Manager and controls are in place to ensure all identified employees complete the required training.</p> <p>The Anti-Corruption Policy is available at:  <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/anti-corruption/AntiCorruption_Policy_ENGLISH.pdf">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/pdf/anti-corruption/AntiCorruption_Policy_ENGLISH.pdf</a></p>
1.3a-e Code of Conduct	Conformance	<p>The Entity has adopted the Alcoa corporate Code of Conduct and Ethics which is communicated both internally and externally in both Icelandic and English, and is available at:  <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></p> <p>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. The Integrity Line is operated by an independent third party:  <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/integrity-line">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/integrity-line</a></p>
<b>2. POLICY AND MANAGEMENT</b>		
2.1a-f Environmental, Social, and Governance Policy	Conformance	<p>The Entity follows Alcoa corporate Standards and Policies consistent with the environmental, social and governance practices included in the ASI Performance Standard. The Entity is the newest smelter in Europe and commenced operations in 2007. The Entity and the associated hydroelectric plant (Landsvirkjun power plant) has been developed through extensive public consultation. The Entity operates an Integrated Management System and is certified according to ISO 9001, ISO 14001, and ISO 45001.</p>

CRITERION	RATING	COMMENT
		<p>The Entity has demonstrated that senior management endorses 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 Social Responsibility Report, available at: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
2.2a-c Leadership	Conformance	<p>The Entity has designated the Managing Director of the production site the responsibility for the ASI Performance Standard, and has demonstrated resources are allocated to establish, implement, maintain and improve the Management System.</p>
2.3a Environmental and Social Management Systems - Environmental	Conformance	<p>The Entity operates an integrated Management System and is certified according to ISO 14001:2015 Environmental Management Systems. Environmental performance is disclosed in the Fjarðaál 2023 Social Responsibility Report, pages 18-27: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
2.3b Environmental and Social Management Systems - Social	Conformance	<p>The Entity has implemented an Integrated Management System, including social aspects and Occupational Health and Safety. The site holds a valid ISO 45001:2018 certificate and has identified its key interested parties and material issues which are disclosed in the 2023 Social Responsibility Report: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p> <p>The site designated a manager responsible for external communications and Stakeholder engagement. It has identified Local Community engagement processes and keeps track of monitoring of actual and potential impacts. Labour rights and Human Rights related matters are managed through Alcoa's Human Rights Principles, available at: <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></p>
2.4a-e Responsible Sourcing	Conformance	<p>Alcoa operates Supplier Standards across all of its locations including the Entity, available at: <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></p> <p>All suppliers of materials or services are assessed using a risk-based framework and must sign the Supplier standards. The supply chain Due Diligence processes were reviewed for local implementation at the Entity during the Audit. The purchasing of critical raw materials is handled by global procurement. Local purchasing handles contracts with local contractors that adhere to Icelandic laws and regulations. Second-party Audits are undertaken by corporate functions.</p>
2.5a-g Environmental and Social Impact Assessments	Not Applicable	<p>This Criterion is not applicable to the Entity, as there are no New Projects or Major Changes.</p> <p>However, the Entity has systems and procedures established to evaluate environmental, energy, safety, cultural and Human Rights impacts when performing major projects. The site follows the MOC</p>

CRITERION	RATING	COMMENT
		procedure by Alcoa Global and corporate risk assessment procedures in the event of CAPEX investment (PEHSR – Project Environment, Health & Safety Review).
2.6a-h Human Rights Impact Assessment	Not Applicable	<p>This Criterion is not applicable to the Entity, as there are no New Projects or Major Changes.</p> <p>However, the Entity has systems and procedures established to evaluate environmental, energy, safety, cultural and Human Rights impacts when performing major projects. The site follows the MOC procedure by Alcoa Global and corporate risk assessment procedures in the event of CAPEX investment (PEHSR – Project Environment, Health &amp; Safety Review).</p>
2.7a-f Emergency Response Plan	Conformance	<p>The Entity operates an integrated Management System and is certified to ISO 14001:2015. The Emergency Response Plan is made available to the public via the Icelandic webpage at: <a href="https://alcoa.samfelagsskyrsla.is/fjaradaal">https://alcoa.samfelagsskyrsla.is/fjaradaal</a> and is available to Stakeholders upon request.</p>
2.8a-d Suspended Operations	Conformance	<p>If the suspension of operations may occur in the future, the Entity will follow Alcoa Global procedures. The Entity is covered by the operating permit from the Icelandic Environment Agency according to Icelandic law. The Alcoa Corporate procedures clearly describe the process in the planning the closure of buildings and that the environmental agency would have to approve of that plan.</p>
2.9a-b Mergers and Acquisitions	Conformance	<p>The Entity reviews environmental, social and governance issues in the Due Diligence Process for Mergers and Acquisitions. These elements are governed centrally by Alcoa Corporation. There are currently no plans for Mergers and Acquisitions for the Entity.</p>
2.10a-b Closure, Decommissioning and Divestment	Conformance	<p>The Entity's 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.</p>
<b>3. TRANSPARENCY</b>		
3.1a-b Sustainability Reporting	Conformance	<p>The Entity prepares an annual Sustainability Report in accordance with GRI G4 Sustainability Reporting Guidelines and is available at: <a href="https://www.alcoa.com/sustainability">https://www.alcoa.com/sustainability</a></p> <p>The site also publishes several reports (<a href="https://alcoa.samfelagsskyrsla.is">https://alcoa.samfelagsskyrsla.is</a>), including the Fjarðaál 2023 Social Responsibility Report: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Preent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Preent%20A4_210x297mm_EN_S_060824.pdf</a></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 Alcoa Sustainability Report 2023, page 22: <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a></p>

CRITERION	RATING	COMMENT
		The Entity did not receive any fines, judgments, penalties or non-monetary sanctions for failure to comply with Applicable Law in the past 12 months. The Entity is obligated to report all non-compliances to the Icelandic Environmental Authorities, and these are also disclosed in the Entity's Social Responsibility report, section 7.1: <a href="http://alcoa.samfelagsskyrsla.is">http://alcoa.samfelagsskyrsla.is</a>
3.3a-c Payments to Governments	Conformance	All payments to Governments are taxes that are based on Icelandic laws and regulations. Payments to Governments, including taxes or royalties are reported in Alcoa 2023 Sustainability Report, page 53: <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a>
3.4a-f Stakeholder Complaints, Grievances and Requests for Information	Conformance	The Entity has Policies and procedures to manage Stakeholder Complaints, Grievances or Requests for Information. Alcoa Corporation has an Integrity Line, also available to the Icelandic public, available at: <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/integrity-line">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/integrity-line</a>
<b>4. MATERIAL STEWARDSHIP</b>		
4.1a Environmental Life Cycle Assessment	Conformance	The Entity has implemented and certified its Environmental Management System and evaluates environmental aspects from a life cycle perspective. A Life Cycle Assessment Procedure has been developed at the corporate level and an Environmental Product Declaration, (EPD), considering the products produced has been established. The EPD is in accordance with ISO 14025 and is Third Party verified by 'UL Environment' (Declaration Number 4787971128.101.1).
4.1b-c Environmental Life Cycle Assessment - Disclosure	Conformance	The Entity's third-party verified EcoLum (low-carbon Aluminium) 'cradle-to-gate' carbon footprint has been calculated using a location-based Scope 2 reporting approach aligned with EN15804+A2 and ISO14040 and ISO14044 requirements. EcoLum primary Aluminium is produced with less than 4.0 t CO <sub>2</sub> e / t Al, including both direct and indirect (Scope 1 and Scope 2) emissions from mining, refining, smelting and Casting. The 'cradle-to-gate' carbon footprint data for EcoLum is third-party verified and is available to customers upon request.
4.2 Product Design	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
4.3a-b Aluminium Process Scrap	Conformance	The Entity has established daily monitoring and controls to minimise the amount of Scrap generated for both Rod and Foundry Products. The Entity defines Scrap collection and recycling mechanisms based on the properties of the Scrap produced. 100% of Scrap generated is recycled either internally where possible or exported to external partners for further recycling. The Entity has established systems and processes to separate Aluminium alloys and grades for recycling. The majority of Scrap is sold to customers based on specific alloy numbers and accompanied by a Certificate of Analysis for each item which contains information on the chemical composition of the product.



CRITERION	RATING	COMMENT
4.4a-c Collection and Recycling of Products at End of Life – Material Conversion and other Manufacturing	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
4.4d Collection and Recycling of Products at End of Life	Not Applicable	This Criterion is not applicable, as the Entity is not engaged in the recycling market since the site does not have a re-melter. All smelting/Casthouses operations are for primary production and Casting. There is no remelting Facility in Iceland, And all Scrap material is exported to Europe for recycling.
<b>5. GREENHOUSE GAS EMISSIONS</b>		
5.1a-b Disclosure of GHG Emissions and Energy Use	Conformance	<p>The Entity's direct emissions by source are calculated and reported annually and publicly disclosed in the Fjarðaál 2023 Social Responsibility Report, pages 23-24: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p> <p>Scope 1, 2 and 3 GHG emissions and energy use are also reported to the Icelandic authority The aggregated GHG emissions and energy consumption are reported and disclosed in the 2023 Alcoa Sustainability Report, page 70: <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a></p> <p>The emissions data are third party verified.</p>
5.2a Aluminium Smelter GHG Emissions Intensity – Started production after 2020	Not Applicable	This Criterion is not applicable to the Entity, as there are no plans to commence Aluminium Smelters after 2020. The Fjarðaál smelter started operating in 2007 and has annual CO <sub>2</sub> emissions of less than two tonnes CO <sub>2</sub> per tonne/Al produced.
5.2b Aluminium Smelter GHG Emissions Intensity – In production up to and including 2020	Conformance	<p>The Entity has demonstrated that its mine-to-metal CO<sub>2</sub> emissions intensity is lower than the ASI requirement of 11.0 t CO<sub>2</sub>e/t Al. The site operates on 100 % renewable energy and annual emissions from the smelter are less than two tonnes CO<sub>2</sub> per tonne Al produced.</p> <p>Emissions are disclosed on an annual basis in the Fjarðaál 2023 Social Responsibility Report, pages 18 to 27: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
5.3a-e GHG Emissions Reduction Plans	Minor Non-Conformance	<p>The Entity has established an ambition to achieve net zero GHG emissions across its global smelting and refining operations by 2050 for direct (Scope 1) and indirect (Scope 2) emissions with interim targets to achieve a 30 percent reduction by 2025 and a 50 percent reduction by 2030 compared to its 2015 baseline (intensity basis).</p> <p>The Entity has established a reduction plan to ensure a GHG Emissions Reduction Pathway consistent with a 1.5°C warming scenario, however, the Entity has not documented the use of an ASI endorsed methodology. The reduction plan was presented at the Audit, demonstrating a site-specific 2050 cradle-to-gate target. Further details on the reduction pathway and reduction plans are available in the Alcoa 2023 Sustainability Report, pages 69-76:</p>

CRITERION	RATING	COMMENT
		<a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a>
5.4 GHG Emissions Management	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 site, including performance aligned to the GHG Emissions Reduction Plan. The site is accredited to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The site participates in the EU Emissions Trading System (EU ETS) and monitors and reports its emissions to the Icelandic Environment Agency annually. The ETS report is third party verified.
<b>6. EMISSIONS, EFFLUENTS AND WASTE</b>		
6.1a-f Emissions to Air	Conformance	The Entity has systems and procedures in place to report Emissions to Air to Icelandic authorities and internally at the Group level. The aggregated performance is disclosed in Alcoa's Sustainability Report, page 85: <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a>  And in the Fjarðaál 2023 Social Responsibility Report, page 21: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a>
6.2a-g Discharges to Waters	Conformance	The Entity has effective systems and procedures to monitor and report on Discharges to Water to national authorities and internally to the Group level. The monitoring is according to the operational permit from the Icelandic Environment Agency. The performance is presented in the Fjarðaál 2023 Social Responsibility Report, page 20: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a>
6.3a-g Assessment and Management of Spills and Leakages	Conformance	The Entity has developed an Emergency Response Plan based on a risk assessment of major risk areas of operations and any possible Spills and Leakages as defined within its operating licence. The Entity has implemented internal systems to register any incidents, accidents and non-conformances. The Entity's internal incident and reporting standard requires it to report all Spills greater than 20 litres outside of a containment area and when there are no external reporting requirements.
6.4a-b Public Disclosure of Spills and Leakages	Conformance	Icelandic law requires large chemical or oil Spills to be reported to emergency services and the Icelandic Environment Agency. Spills are reported internally to Alcoa corporate, and investigations are undertaken with recommendations for improvements to mitigation

CRITERION	RATING	COMMENT
		<p>actions. Spills and Leakages are disclosed in the Alcoa 2023 Sustainability Report, page 88:  <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a></p> <p>The Entity recorded no major Spills within its operations in 2023.</p>
6.5a-c Waste Management and Reporting	Conformance	<p>The Entity has implemented a Waste Management Plan in accordance with a Waste Mitigation Hierarchy and according to the Entity's Waste Standard. Waste data are disclosed in the Alcoa 2023 Sustainability Report, page 86:  <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a></p> <p>The Entity's 2023 Social Responsibility Report, page 25:  <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
6.6a-g Bauxite Residue	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a-f Spent Pot Lining (SPL)	Conformance	<p>Spent Pot Lining (SPL) generated at the Entity is currently exported to the Netherlands for treatment and recycling. SPL is stored and shipped in closed containers, according to the Entity's operating licence to prevent any Leakage or release to the environment. The amounts of SPL generated are disclosed in the Fjarðaál 2023 Social Responsibility Report, pages 20 and 25: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
6.8a-d Dross	Conformance	<p>The Entity has developed and implemented policies, systems, procedures and processes that conform to the requirements of Dross handling. Dross generated on-site is processed to maximise Aluminium recovery from the sow caster by the Entity itself, and by processing by external companies of Dross that is sold to recycling companies. The amount of Dross generated is disclosed in the Entity's 2023 Social Responsibility Report, page 20: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
<b>7. WATER STEWARDSHIP</b>		
7.1a-b Water Assessment and Disclosure	Conformance	<p>The Entity's entire Water usage is sourced from a municipal supply which is supported by the operating license and the Entity recycles all its process water. There is no discharge to the ocean. Water use is disclosed in the Entity's 2023 Social Responsibility Report, pages 18-20: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p> <p>A water assessment has been conducted. In Iceland, there is no water scarcity and no risk of overuse of water in industrial processes. There are streams and rivers situated close to the Entity that were diverted during construction. A study of water impact was undertaken during</p>

CRITERION	RATING	COMMENT
		<p>the EIA process in 2005 with no environmental impacts reported with regard to water supply or surface water in the vicinity of the smelter.</p> <p>The Entity's water use is from a municipal supply, which is supported by the operating license. Water impacts are recorded at the East Iceland Sustainability Initiative website: <a href="http://www.sjalbbaerni.is">http://www.sjalbbaerni.is</a></p> <p>There is a water management plan in place, although the water risk in the area is low.</p>
7.2a-e Water Management	Not Applicable	This Criterion is not applicable, as water-related risks are identified as low. However, there is a water management plan in place. The Entity's water use is from a municipal supply, which is supported by the operating license. Water impacts are recorded at the East Iceland Sustainability Initiative: <a href="http://www.sjalbbaerni.is">http://www.sjalbbaerni.is</a>
<b>8. BIODIVERSITY AND ECOSYSTEM SERVICES</b>		
8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment	Conformance	<p>The Entity's operating permit requires an environmental monitoring plan that includes elements of Biodiversity in regard to local flora and fauna. The main source of polluting substances from the production in the atmosphere is fluoride air emissions caused by exhaust from the pot room.</p> <p>The environmental authorities approve the environmental monitoring plan. The monitoring plan includes investigations of vegetation in the vicinity of the smelter, and investigation of livestock and surface water. The monitoring program includes an investigation on coastline ecological studies in the fjord which is completed every fifth year. The results are presented in the Entity's 2023 Social Responsibility Report, page 19: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Preent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Preent%20A4_210x297mm_EN_S_060824.pdf</a></p> <p>The Biodiversity Risk Assessment was conducted in June 2024 with an updated risk assessment of Ecosystem Services.</p>
8.1b Biodiversity and Ecosystem Services Risk and Impact Assessment - Priority	Conformance	<p>The Entity monitors its impact on Biodiversity and Ecosystem Services. Results of the monitoring program, including performance against operating targets, are reported annually and published at: <a href="https://www.alcoa.com/iceland/ic/environment/monitoring.asp">https://www.alcoa.com/iceland/ic/environment/monitoring.asp</a></p>
8.2a-g Biodiversity Management	Conformance	<p>The Entity has implemented a Biodiversity Action Plan with time-bound targets to address risks and impacts to Biodiversity and Ecosystem Services, and monitor its effectiveness. The Biodiversity Action Plan was updated in June 2024 with a risk assessment on Priority Ecosystem Services. The action plan has been distributed to Stakeholders and the Icelandic Environment Agency. Results of the monitoring program, including performance against operating targets, are reported annually and published at: <a href="https://www.alcoa.com/iceland/ic/environment/monitoring.asp">https://www.alcoa.com/iceland/ic/environment/monitoring.asp</a> and the Environment Agency website at: <a href="https://ust.is/atvinnulif/mengandi-starfsemi/starfsleyfi/alver/alcoa-fjardaral-reydarfirdi">https://ust.is/atvinnulif/mengandi-starfsemi/starfsleyfi/alver/alcoa-fjardaral-reydarfirdi</a></p>
8.3a-c Management of Priority Ecosystem Services	Not Applicable	This Criterion is not applicable to the Entity, as Biodiversity-related impacts during the present operational phase are considered low risk.

CRITERION	RATING	COMMENT
		The outcome of the risk assessment of Biodiversity and Priority Ecosystem Services is low in all categories.
8.4 Alien Species	Conformance	The Biodiversity Action Plan identifies that the highest risk of the introduction of invasive species is related to ballast water exchange from the ships importing Alumina into Reydarfjord. Discharge of ballast water is prohibited within Icelandic territory unless it is cleaned or treated.
8.5a-b Commitment to "No Go" in World Heritage Properties	Not Applicable	This Criterion is not applicable to the Entity as the Entity is located outside World Heritage and nature conservation reserves. There are no plans for New Projects for the site outside of its current location. Alcoa states in its corporate Biodiversity Policy that 'We have committed to not explore, mine or operate in World Heritage sites'. <a href="https://www.alcoa.com/global/en/who-we-are/ethics-compliance/biodiversity-policy">https://www.alcoa.com/global/en/who-we-are/ethics-compliance/biodiversity-policy</a>
8.6a-d Protected Areas	Not Applicable	This Criterion is not applicable, as the Entity is not located adjacent to any World Heritage and nature conservation reserves.
8.6e Protected Areas - Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.7a-i Mine Rehabilitation	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
<b>9. HUMAN RIGHTS</b>		
9.1a-d Human Rights Due Diligence	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. The Human Rights Policy is publicly available at: <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>  The Policy is available in Icelandic and English and is included in Alcoa's employee and contractor onboarding training. Human Rights Due Diligence assessments are undertaken at the corporate level and conducted for the Entity in 2024. The Policy commitment and Human Rights Due Diligence processes take into account a gender perspective. A sound legal framework for social protection provides a powerful mitigating effect for Human Rights risks in Iceland.
9.2a-e Gender Equity and Women's Empowerment	Conformance	Diversity and inclusion considerations are central to management at the Entity and it has adopted the Equal Employment Opportunity Policy, available at: <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>  The Entity has been a member of Global Compact through its parent company since 2009 and the company's representatives signed the UN Women's Empowerment Principles in 2012. The Entity is implementing numerous Policies focusing on gender equality, ranging from maternity and paternity leave schemes to grants to address gender pay gap issues. For further information, refer to the Entity's 2023 Social Responsibility Report, pages 28-32: <a href="https://cdn.prod.website-">https://cdn.prod.website-</a>

CRITERION	RATING	COMMENT
		<a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a>
9.3a-i Indigenous Peoples	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in Iceland.  World Directory of Minorities and Indigenous Peoples: <a href="https://www.refworld.org/docid/4954ce0323.html">https://www.refworld.org/docid/4954ce0323.html</a>
9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in Iceland.  World Directory of Minorities and Indigenous Peoples: <a href="https://www.refworld.org/docid/4954ce0323.html">https://www.refworld.org/docid/4954ce0323.html</a>
9.4b Free, Prior, and Informed Consent (FPIC) - Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.4c Free, Prior, and Informed Consent (FPIC) - Demonstrate support	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the Entity's Area of Influence.
9.5a Cultural and Sacred Heritage - Identification	Conformance	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 Entity should expand. There are no sacred or cultural heritage sites within the Entity's Area of Influence.
9.5b Cultural and Sacred Heritage - Impacts	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the Entity's Area of Influence.
9.6a-i Displacement	Not Applicable	This Criterion is not applicable to the Entity, as there are no projects where physical and/or economic displacement of people is required.
9.7a-h Affected Populations and Organisations	Conformance	The Entity has identified its key Stakeholders, including the rights and interests of Local Communities, following Alcoa corporate standards for Stakeholder engagement. For the analysis of the Entity's Stakeholders and interested parties, refer to the Entity's 2023 Social Responsibility Report, pages 37-44: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a>  The Entity also conducts regular community sentiment surveys and runs an extensive scheme for community grants, contributing to culture and sports development in the local area, as well as to the activities of selected NGOs and charities. The results and grants information are available in the Entity's 2023 Social Responsibility Report, pages 30 and 41-44: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a>

CRITERION	RATING	COMMENT
9.8a Conflict-Affected and High-Risk Areas - Strong Management Systems	Conformance	<p>The Entity is located in Iceland, a country where armed conflict or Human Rights abuses in Conflict-Affected and High-Risk Areas (CAHRAs) are not relevant. The site sources its Alumina from Alcoa-owned Facilities.</p> <p>At a corporate level, Alcoa has 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. A strong Management System, including a supply chain Policy, responsibilities and resources, information gathering and supplier engagement has been established. The supply chain management is presented in the Alcoa Sustainability report for 2023, page 31: <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a></p>
9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks	Conformance	The Entity has established Policies and procedures to identify and assess risks in the supply chain.
9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks	Conformance	The Entity has established a Due Diligence process across its supply chain and all critical suppliers are risk assessed and have implemented a strategy to respond to identified risks.
9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence	Conformance	The Due Diligence process was third party evaluated when Alcoa corporate was audited against ASI Performance Standard V3 in 2023.
9.8e Conflict-Affected and High-Risk Areas - Report annually	Conformance	The Entity reports annually on supply chain Due Diligence in the Alcoa 2023 Sustainability Report, page 31: <a href="https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf">https://www.alcoa.com/sustainability/pdf/2023-Sustainability-Report.pdf</a>
9.9 Security practice	Conformance	The Entity has implemented the Alcoa Security Standards in its arrangements with security providers, which includes considerations for Human Rights protection. Third party security personnel have been trained on the Code of Conduct, applicable Human Rights law and the 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.
<b>10. LABOUR RIGHTS</b>		
10.1a-c Freedom of Association and Right to Collective Bargaining	Conformance	<p>Freedom of Association and the right to Collective Bargaining is facilitated under Icelandic law. The Entity has implemented a Human Rights Policy committing to Freedom of Association and the right to Collective Bargaining, available at: <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></p> <p>Trade Unions present at the Entity have agreed on a Collective Bargaining Agreement. Worker interviews with Labour Union representatives and workshop employees were conducted to assess the effectiveness of the procedures.</p>

CRITERION	RATING	COMMENT
10.1d Freedom of Association and Right to Collective Bargaining - Alternative means in context of Applicable Law	Not Applicable	This Criterion is not applicable to the Entity, Icelandic laws allow the Freedom of Association and Collective Bargaining.
10.2a Child Labour	Conformance	The Entity does not employ any Workers under the age of 18 as a function of Icelandic law. This was confirmed during the on-site component of the Audit.
10.3a-c Forced Labour	Conformance	The Entity does not employ any Workers under the age of 18 as a function of Icelandic law. All Workers must have obtained an Icelandic social security number. Icelandic law prohibits Forced Labour as does the Union Collective Agreement. All Employees are hired under the same process and receive pay according to the Collective Bargaining Agreement, which also guarantees the freedom to terminate employment under conditions underpinned by Icelandic law. The Modern Slavery Statement is available at: <a href="https://www.alcoa.com/sustainability/pdf/2023-Modern-Slavery-Statement.pdf">https://www.alcoa.com/sustainability/pdf/2023-Modern-Slavery-Statement.pdf</a>
10.4a-c Non-Discrimination	Conformance	There were no indicators of Discrimination noted during interviews 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, both publicly available at: <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>  Since 30% of the workers on-site are not from Iceland, the Entity is investing resources into ensuring the inclusion of all the Workers on-site, including those who do not speak Icelandic, by commencing the process of translating all information on-site into both English and Icelandic. They also provide language courses for employees and are developing an application that includes the training information in their employees' various native languages. .
10.5 Communication and engagement	Conformance	The Entity has open and inclusive communication between Management, Workers and the Union, which is formalised within the Collective Bargaining Agreement, and has systems in place to raise concerns and for improvement suggestions. This was confirmed during the on-site component of the Audit through Worker interviews.
10.6a-g Violence and Harassment	Conformance	The Entity adheres to the Alcoa corporate Code of Conduct relating to disciplinary practice and shows strong compliance with international and best practices 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 Entity has its own local rules expressed in a standard operating procedure, which reflects local law and the Collective Bargaining Agreement. The details of the process for addressing reports of Violence and Harassment is included in the Entity's 2023 Social Responsibility Report, pages 32-33: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2</a>



CRITERION	RATING	COMMENT
		<p><a href="#">ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p> <p>Incidents can be reported either to Human Resources personnel on site, to a manager, or via the Alcoa Integrity Line and Grievance Mechanism.</p>
10.7a-c Remuneration	Conformance	<p>All Workers are under the Collective Bargaining Agreement, which assures no pay is withheld and that all payments are made monthly to Worker bank accounts. There are no disciplinary processes which result in the withholding of payment. Information on wages and non-pay-related benefits, gender pay gap, etc is disclosed within the Entity's 2023 Social Sustainability Report, pages 32-33:</p> <p><a href="https://cdn.prod.website-files.com/60b8ac59dlcc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59dlcc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a></p>
10.8a-c Working Time	Conformance	<p>Workers are not permitted to exceed the maximum number of extra shifts and total working hours per month. Shift patterns have been changed from 12 hours to 8 hours to accommodate local employees. Public holidays, Overtime hours, sick leave and annual leave are remunerated according to Icelandic law.</p>
10.9a-b Informing Workers of Rights	Conformance	<p>Worker rights are stated formally within the site's Management System, which is made both publicly available, and on local platforms, and also linked to the Collective Bargaining Agreement. There are also links to all the benefit and support pages. In Iceland there is the freedom of choosing a union. All unions have a designated shop steward. At the Entity there are seven representatives of the union AFL (<a href="http://www.asa.is">www.asa.is</a>), which is the main CBA for Fjarðaál, that serve as liaisons between the union and the Entity. This website has all kinds of information regarding Icelandic labour law in English:</p> <p><a href="https://www.asi.is/vinnurettarvefur/vinnurettur/icelandic-labour-law/icelandic-collective-labour-law-summary">https://www.asi.is/vinnurettarvefur/vinnurettur/icelandic-labour-law/icelandic-collective-labour-law-summary</a></p>
<b>11. OCCUPATIONAL HEALTH AND SAFETY</b>		
11.1a Occupational Health and Safety (OH&S) Management System	Conformance	<p>The Entity has a documented Occupational Health and Safety Management System (OH&amp;S) that complies with Icelandic legislation. The Entity's Health &amp; Safety Management System is incorporated into the integrated management 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) are comprehensive and are based on supporting the Alcoa requirement for 'Critical Controls' to be identified. Training against these operating procedures is undertaken regularly and reviewed continuously. The Entity is certified according to ISO 45001:2018 Occupational Health and Safety Management systems.</p>
11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure	Conformance	<p>The Entity has a documented Occupational Health and Safety (OH&amp;S) Management System that complies with Icelandic legislation. The Entity's OH&amp;S Management System is part of its overall integrated system. The Entity has implemented procedures for the systematic review of its Management System on an annual basis.</p>

CRITERION	RATING	COMMENT
		The Entity discloses accidents and injury frequency rate (compared to the previous four years), including: Lost time Incidents (LTI), Near miss incidents, – Total Injury Frequency Rate (TIFR), Medical Treatment Injury (MTI) frequency, Overall incident frequency, Lost time and restricted work injury frequency, and an increases and decreases compared to last year. Refer to the Entity's 2023 Social Responsibility Report, pages 33- 36: <a href="https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf">https://cdn.prod.website-files.com/60b8ac59d1cc976af2c4d382/66b383b5956c3a3d070b94f2_ALC%20Alcoa_Samfelagsskyrsla%202023_Prent%20A4_210x297mm_EN_S_060824.pdf</a>
11.2 Employee engagement on Health and Safety	Conformance	The Entity engages a Health and Safety Committee, a monthly joint meeting with all Committees and the Critical Controls Committee. All employees are allowed to raise Health and Safety issues. All employees can enter an improvement idea into the Entity's system which is reviewed weekly by each area process team. Employee surveys support inclusion within Health and Safety issues.

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#### DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	15 October 2020	Issued (Provisional Certification)
1	23 November 2021	Surveillance Audit – Full Certification. Auditor did not audit Criteria out of scope but revised any outdated hyperlinks for inclusion in the Public Headline Statement.
2	2 December 2024	Re-Certification Audit and Scope Change – Full Certification
3	7 January 2025	Corrected the Rating for Criterion 9.8e from 'Not Applicable' to 'Conformance'.