



ANNUAL SUSTAINABILITY REPORT 2023

Alvance British Aluminium



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2023 SNAPSHOT

Production current efficiency of 94.06%



Re-certification to ISOs
45001:2018, 14001:2015 and
9001:2015



Accreditation to Aluminium Stewardship
Initiative Performance Standard V3



GHG emission reduction
of 5,150 tCO₂e

16% of employees were
female

89% of electricity used came from the
site's hydroelectric scheme



Energy
intensity of
14.7
MWhr/t Al



MESSAGE FROM THE MANAGING DIRECTOR

Dear Team and Stakeholders,

It is with a sense of achievement and forward momentum that I introduce the Alvalance Sustainability Report for 2023. As we continue to build upon our past commitments and successes, this report details our persistent efforts and tangible progress in embedding sustainability deeply into all aspects of our operations at Alvalance British Aluminium.

Following on from the completion of our first full Greenhouse Gas footprinting exercise in 2022, the past year seen us decrease our carbon emissions by over 5000 tCO₂e - this is an important step as we begin our journey alongside other aluminium partners toward an eventual zero emissions process aligned with the IAI 1.5 Degrees Scenario. Through enhanced operational efficiencies and our ongoing commitment to renewable energy—consistently powering 89% of our operations via hydroelectric sources—we continue to set industry benchmarks for environmentally conscious aluminium production.

A significant milestone in the past year has been achieving certification to the Aluminium Stewardship Initiative's Performance Standard V3, this certification not only demonstrates our adherence to some of the highest global standards for sustainability but also underscores our leadership in responsible aluminium production and our dedication to continuous improvement across environmental, social, and governance practices.

Our community and social initiatives have grown in scope and impact, and we have built on our engagements from the previous year by expanding our educational partnerships and local community interactions, aiming to adopt a more inclusive and supportive environment for our employees and residents.

Ethically, our commitment remains absolute, we have maintained rigorous governance standards and a zero-tolerance approach to corruption, ensuring our operations meet and exceed the required legal and ethical standards of our industry and stakeholders.

The journey towards full sustainability is complex and requires ongoing effort and dedication. The progress detailed in this report has been made possible by the hard work of our team and the invaluable support from you, our stakeholders and as we look to the future, we are energised by our achievements and remain committed to driving further innovations and improvements. Our goal for the coming year is to continue advancing our sustainability objectives, enhancing our operational efficiencies, and contributing positively to our communities and the planet.

Thank you for your continued support and commitment to our shared sustainable future.

Sincerely,

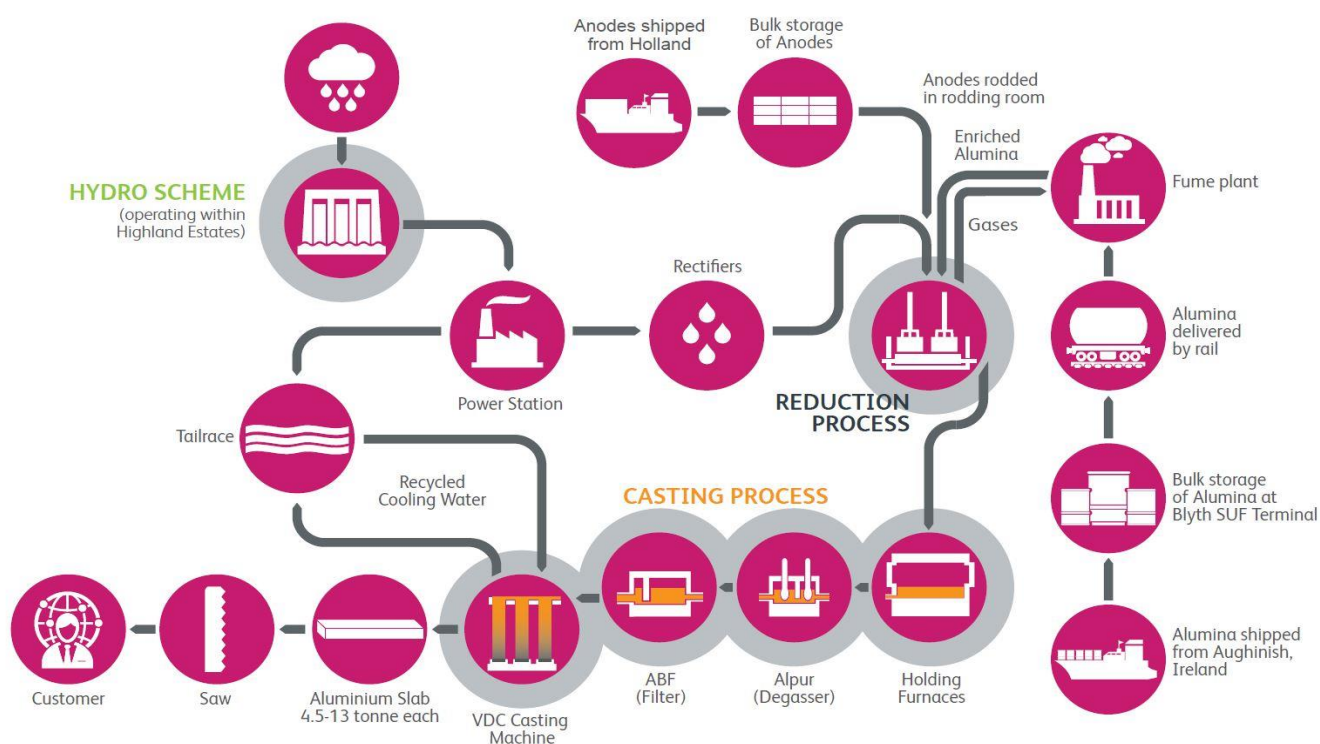


Tom Uppington

Managing Director

BUSINESS CONTEXT

The Lochaber smelter, run by Alvalde British Aluminium Ltd, is a primary aluminium smelter located approximately 2km northeast of Fort William. It has the capacity to produce approximately 48,000 tonnes of cast aluminium per annum via electrolysis. The electricity for this process comes from a neighbouring hydro-electric power station (SIMEC Lochaber Hydropower Ltd) with a small percentage of national grid power when necessary. The electrolysis process turns Alumina into Aluminium using carbon anodes and an input of electricity. A more detailed process flow diagram has been created and is shown below.



OPERATIONAL OVERVIEW

PRODUCTION SUMMARY 2023

- 27,047 tonnes of aluminium slab
- 2,199 tonnes of aluminium sow pans
- Current efficiency of 94.06%
- 12,036 anodes cast for production

CUSTOMERS

- Delivery On Time In Full (OTIF) of 93.5%
- Zero customer complaints

VISION/MISSION/VALUES

- Purpose: Transforming Highland potential into sustainable growth
- Mission: Produce green aluminium and electricity for customers near and far by harnessing the strength of Highland potential.
- Vision: To create a sustainable future for our people and environment through the growth of our business
- Guiding values: change, family, sustainability



SUSTAINABILITY APPROACH

ENVIRONMENT

The business has heavily invested in the best available technologies to minimise emissions to air, water and land, these stringent emission controls ensures that our operations are environmentally friendly. Our commitment to clean energy sources using hydro powered electricity for our energy intensive operation has allowed us to have one of the lowest carbon footprints in the aluminium industry. We take pride in our responsible use of resources, constantly striving to optimise energy and raw material consumption. By recycling process materials, remelting all our produced aluminium scrap and reusing water from the hydro power generation as process cooling water, we minimise waste and contribute to a circular economy.

SOCIAL

We understand the importance of being a good neighbour, ALVANCE British Aluminium actively engages with local communities to help enhance quality of life. We regularly contribute to local charity organisations through our staff Social Committee for fundraising activities, provide exciting career opportunities in the area and collaborate with schools to engage the next generation in STEM career pathways, and we support other local sustainable development initiatives.

ECONOMIC

The business continually works toward economic sustainability, and we are fortunate to have our aluminium smelting operations powered with the clean, green power of a hydroelectric power station. This alliance is at the heart of how we do business, bringing us a steady, renewable energy source that keeps our environmental impact and energy costs low. This is not just about doing good for the planet; it is a smart business strategy that gives us a competitive edge. We are proud to say it is helping us make aluminium in a way that is good for both the world and our bottom line. We place a huge emphasis on recycling all process scrap and diligently ensuring the reuse of by-product materials where it is possible. This is not just an add-on to our operations; it is a core part of our sustainability ethos. By turning what could be waste into valuable resources, we are closing the loop in our production cycle.

GOVERNANCE

MANAGING RESPONSIBLY

We are committed to making sure our company runs in a way that is good for both the planet and our people. Our senior management team takes direct responsibility for ensuring sustainability is at the core of our business goals - they lead by example, integrating green practices into every facet of our operations. This approach ensures that sustainability is not just a checkbox but a fundamental part of our decision-making process, reflecting our commitment to doing business responsibly and ethically.

ETHICAL PRACTICE

Code of Conduct: At the heart of our commitment to ethical practice lies our Code of Conduct, demonstrated through the Alvalance Working Principles. This document is not just a set of rules; it is the embodiment of our values and the benchmark for integrity within our operations. It guides every decision and action, ensuring that we conduct our business with the highest standards of honesty and fairness. Our Working Principles are a living document, regularly reviewed and updated to reflect our evolving understanding of ethical business practices and to address new challenges as they arise. It covers everything from workplace behaviour and respect in the workplace to environmental stewardship and fair dealing with our customers and partners. We make our Working Principles accessible to all employees and stakeholders, ensuring that staff have appropriate training and understanding for their level within the business operations.

Payments to Government: As part of our commitment to transparency and economic responsibility, we publicly disclose our payments to governments. This disclosure is part of our adherence to ASI requirements and our dedication to maintaining open and honest communication with our stakeholders. The table below provides a detailed breakdown of our payments to the government for the year 2023.

Payments to UK Government 2023	£'000s
Employers payroll taxes and National Insurance	400
Property tax	576
Taxes collected on behalf of employees and remitted to Government	900
Total	1,876

These payments reflect our contribution to the economy through various taxes and obligations, underscoring our role as a responsible corporate citizen.

Anti-Corruption: Corruption undermines trust and distorts markets, and we stand firmly against it. Our zero-tolerance policy on corruption is backed by comprehensive training programmes through our Astute online software, designed to educate our team about the forms corruption can take and the importance of transparency in all dealings. These training sessions are not just a formality; they are an integral part of our compliance, ensuring that every member of our team understands their role in maintaining our integrity. We employ rigorous internal controls and auditing processes to prevent, detect, and address any instances of corruption, demonstrating our commitment to clean business practices.

Political Contributions: We ensure that our business decisions are made in the best interest of sustainable growth and not influenced by political agendas. This is fundamental to our ethical framework, ensuring that our resources are devoted to creating value for our stakeholders and supporting the communities in which we operate. Our approach to political contributions is transparent

and we ensure that any interaction with political entities is conducted in a lawful and ethical manner, consistent with our values and the expectations of our stakeholders.

Through these practices, we aim to not only comply with legal standards but to set a benchmark for ethical conduct in our industry. We understand that ethical practice is not just about avoiding wrongdoing but about actively doing right by our people, our customers, and the planet. Our commitment to these principles is firm, and we continue to evolve our practices to lead with integrity in all aspects of our business.

Copies of our policies can be found on our website: [Legals | ALVANCE British Aluminium](#)

RISK MANAGEMENT

Our commitment to risk management is both rigorous and systematic, ensuring we identify, assess, and mitigate risks across all aspects of our operations to protect our people, property, assets, and the environment. Our approach is underpinned by the "LOC-ELM-HSEQ-003 Hazard Identification and Risk Management" document, which sets out our comprehensive framework for managing risks.

Comprehensive Risk Assessment

We employ a three-tiered risk assessment strategy, ensuring appropriate attention and resources are allocated to managing risks of varying magnitudes. This structured approach allows us to apply the most suitable level of analysis - from pre-task hazard assessments for lower risks to qualitative and quantitative analyses for medium and major risks.

Critical Risk Management

We focus on eliminating fatalities by identifying critical risks and implementing robust controls. Our process involves understanding these risks, implementing and evaluating control effectiveness, and ensuring controls are monitored, inspected, and maintained regularly. This is pivotal in managing risks to levels as low as reasonably practicable (ALARP) using best available techniques (BAT).

Process Safety and COMAH

For activities identified under the Control of Major Accident Hazards (COMAH) regulations, we apply Process Safety Management (PSM) techniques. Our focus is on high integrity controls for managing major hazards, particularly in the reduction process, casting facilities, and materials handling plants, including managing the risks associated with high inventory hazardous materials.

Monitoring and Continuous Improvement

Our risk assessments are dynamic tools that track and manage identified risks, ensuring they are regularly reviewed and updated. This includes after significant incidents, changes in risk profiles, or as a result of regular auditing and inspections. Our aim is to ensure that all risks are controlled to ALARP, reflecting changes in our operational environment or in response to findings from incident investigations.

Training and Competency

We ensure that all employees, from leadership to front-line staff, are trained in hazard identification and risk management practices relevant to their roles. This includes specific training for conducting risk assessments, managing risk registers, and implementing controls effectively.

Engagement and Communication

Effective risk management requires the involvement of all personnel. We encourage our team to actively participate in hazard identification, risk assessments, and to communicate any concerns or suggestions for improving safety and environmental performance.

COMPLIANCE

Our approach to compliance is integral to our commitment to sustainability, ethical practices, and risk management. By adhering to a strict compliance framework, we ensure that our operations not only meet but exceed legal and regulatory standards, reflecting our dedication to responsible business conduct and environmental stewardship.

Legal Support

The business employs an external legal team who plays a pivotal role in our compliance strategy. This collaboration enables us to navigate the complex legal landscape with precision and foresight, ensuring our operations are aligned with current laws and regulations. Their expertise is invaluable in interpreting legislative nuances, advising on compliance strategies, and representing our interests, thus safeguarding our commitment to lawful and ethical business conduct.

Environmental Compliance

The business is rigorously regulated by SEPA, standing as a cornerstone of our operational framework and instilling a culture of environmental stewardship across all levels of our business. Holding a Pollution Prevention Control (PPC) licence requires adherence to environmental law set by the UK government. This regulatory guidance ensures that our operations prevent harm to the environment and our local communities by protection and preservation of the natural environment. Our proactive engagement with these agencies helps us to anticipate and adapt to regulatory changes, reinforcing our position as a leader in sustainable and environmentally conscious practices.

Health and Safety

Our adherence to the stringent standards set by the Health and Safety Executive (HSE) is reflective of our broader commitment to legal and regulatory excellence. Additionally, recognising our status as an upper tier COMAH site amplifies the importance of maintaining the highest levels of health and safety within our operations. We understand that compliance is a dynamic process, necessitating continuous monitoring, evaluation, and adaptation of our practices. Through regular audits, both internal and conducted by regulatory bodies, we ensure that our operations remain at the forefront of compliance and best practice. This commitment to health and safety not only protects our workforce and community but also solidifies the foundation of our business sustainability.

CERTIFICATIONS AND ASSURANCE

We are proud to hold accreditations and maintain membership to various professional bodies that affirm our commitment to leading practices across various aspects of our operations. These certifications are reflective of our commitment to operational excellence, environmental responsibility, workplace safety, and ethical conduct. Here is a closer look at our certifications and memberships:

ISO 9001:2015 - Our ISO 9001 certification is a testament to our dedication to quality management principles, including a strong customer focus, the motivation and implication of top management, the process approach, and continual improvement. This ensures that our customers receive consistent, high-quality products and services, which, in turn, brings many business benefits.

ISO 14001:2015 - Achieving the ISO 14001 standard demonstrates our commitment to environmental management. It shows we are actively minimising our environmental footprint, complying with applicable laws, regulations, and other environmentally oriented requirements, and continually improving in these areas. This certification underscores our dedication to sustainability and our responsibility towards the planet.

ISO 45001:2018 - Our accreditation in ISO 45001 underlines our unwavering commitment to creating safer working conditions, reducing workplace risks, and enhancing health and well-being at work. It signifies our proactive approach to improving employee safety, reducing workplace risks and creating better, safer working conditions.

Aluminium Stewardship Initiative (ASI) Performance Standard V3 - Achieving certification under the Aluminium Stewardship Initiative (ASI) Performance Standard V3 is a testament to our commitment to leading the way in sustainable and responsible aluminium production and supply chain management. This standard is a globally recognised framework that outlines rigorous criteria for environmental, social, and governance (ESG) practices in the aluminium sector.

The ASI Performance Standard V3 encompasses a broad range of crucial issues:

Environmental Stewardship

This aspect of the standard mandates that our operations minimise their impact on the environment. It covers important areas such as the conservation of biodiversity, efficient water management, and the reduction of emissions, ensuring our processes are in harmony with the environment and aim for a minimal ecological footprint.

Social Responsibility

The standard places a strong emphasis on the respect for human rights, community engagement, and the health and safety of our workforce. It underscores our dedication to conducting business ethically and contributing positively to the communities in which we operate, ensuring a safe and healthy environment for all our employees.

Ethical Governance

ASI's Performance Standard requires that we adhere to transparent and ethical governance practices. This includes compliance with all relevant laws and regulations, responsible sourcing of materials, and effective risk and compliance management systems. Such practices build trust among our stakeholders and affirm our commitment to ethical business operations.

Supply Chain Integrity

The integrity of the supply chain is also a key focus, promoting the responsible sourcing of materials and ensuring that sustainability principles are maintained throughout our supply chain. This involves due diligence to avoid sourcing materials associated with environmental harm or human rights violations.

"ASI is a globally recognised framework that outlines rigorous criteria for environmental, social, and governance (ESG) practices in the aluminium sector."



[ALVANCE British Aluminium](#) | [Members](#) | [About ASI](#) | [Aluminium Stewardship Initiative \(aluminium-stewardship.org\)](#)

European Aluminium – As a member of European Aluminium, we are part of a powerful association that represents the entire aluminium value chain in Europe. This membership supports our mission to advance and sustain the aluminium industry at a continental level, emphasising innovation, sustainability, and competitiveness within the sector. By collaborating with peers and stakeholders through this body, we gain access to industry-specific research, best practices, and policy advocacy efforts that are essential for shaping a favourable operating environment for the aluminium industry.

SUPPLY CHAIN MANAGEMENT

In our sustainability journey at Alvalance, we are committed to making sure every link in our supply chain reflects our dedication to ethical, sustainable, and responsible business practices. Our Responsible Procurement Policy is at the heart of this commitment, guiding us to work with suppliers and contractors who share our values and meet the highest standards.

Ethical Standards and Legal Compliance

We expect nothing short of the highest ethical behaviour from our suppliers and contractors. This means sticking to the rules—whether it is labour laws, human rights, health and safety standards, or environmental regulations. We believe in doing business the right way, and that means ensuring everyone in our supply chain does too.

Health, Safety, and Caring for Our Planet

The health and safety of people and the health of our planet are non-negotiable priorities for us. We require our partners to look after their teams, offering safe working conditions and doing their bit to reduce their environmental impact. From cutting down carbon emissions and waste to saving water and energy, we are all about making positive changes.

Building a Sustainable Supply Chain

Sustainability is at the core of what we do, and we are on a mission to weave this through our entire supply chain. We are always on the lookout for suppliers and contractors who are as committed to the environment as we are—those who actively reduce their footprint and help us move towards a greener future.

Championing Social Responsibility

Fairness, diversity, and respect are pillars of our approach to social responsibility. We insist on fair working conditions and equal opportunities within our supply chain and have zero tolerance for discrimination, child labour, or any unfair labour practices. It is all about lifting each other up and making a positive impact on communities.

Zero Tolerance for Corruption

When it comes to corruption and bribery, our stance is clear: we don't play that game. We expect our suppliers and contractors to have strong anti-corruption policies in place, ensuring their operations are transparent and above board. Integrity is key to building trust and maintaining strong relationships.

Choosing the Right Partners

Picking who we work with is not just about what they can do or what price they offer. It is about their values. We look closely at potential suppliers and contractors, considering their environmental record, their approach to social responsibility, and how they conduct their business. It is important to us that they are on the same page when it comes to responsible procurement.

In 2023 we updated our pre-qualification process to ensure sustainability was assessed against our key suppliers, to date 17 out of 21 identified key suppliers have been assessed against this new criteria. With an average rating of 86 on specific sustainability criteria, all identified key suppliers scored over the minimum score of 50. We remain committed to this process and are working closely to complete the final suppliers' reviews against these criteria.

Going forward, we will strive to work with our supply chain on enhancing data availability and encouraging their sustainability journey along with our own.

Conflict Affected and High-Risk Areas (CAHRAs)

Also, during 2023, we embarked on a critical initiative to assess and monitor the sourcing of our raw minerals, with a special focus on those originating from CAHRAs. This initiative was driven by our commitment to uphold the London Metal Exchange's (LME) responsible sourcing requirements, ensuring our practices are not only compliant but also ethically sound.

Our efforts in this area have been comprehensive, involving a meticulous process of due diligence and verification to trace the origins of our minerals through compliance with Aluminium Stewardship Initiative criteria. By closely working with our supplier chain, we conducted thorough assessments to ensure that the extraction and trade of minerals did not contribute to conflict or human rights abuses in high-risk regions.

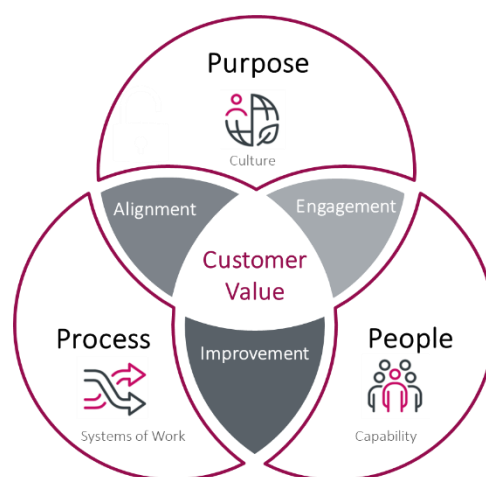
We are proud to report a significant milestone achieved in this journey: all our LME-listed brands have successfully met the required performance criteria set forth by the LME.

CONTINUOUS IMPROVEMENT

THE ALVANCE WAY

Here at Alvalance British Aluminium we believe that Continuous Improvement is a cultural journey of learning and development. The Improvement Model concept is adopted which has **customer value at the heart** of interlocking circles, where for us the word 'customer' means more than just our product customer. It represents strong connection between our internal departments, our colleagues, our regulators, and our community.

Guided by Our Values, the key elements of Purpose, Process, People engages the whole workforce to bring **sustainable improvement** to our business to deliver our strategic goals.



OUR IMPROVEMENT ACADEMY

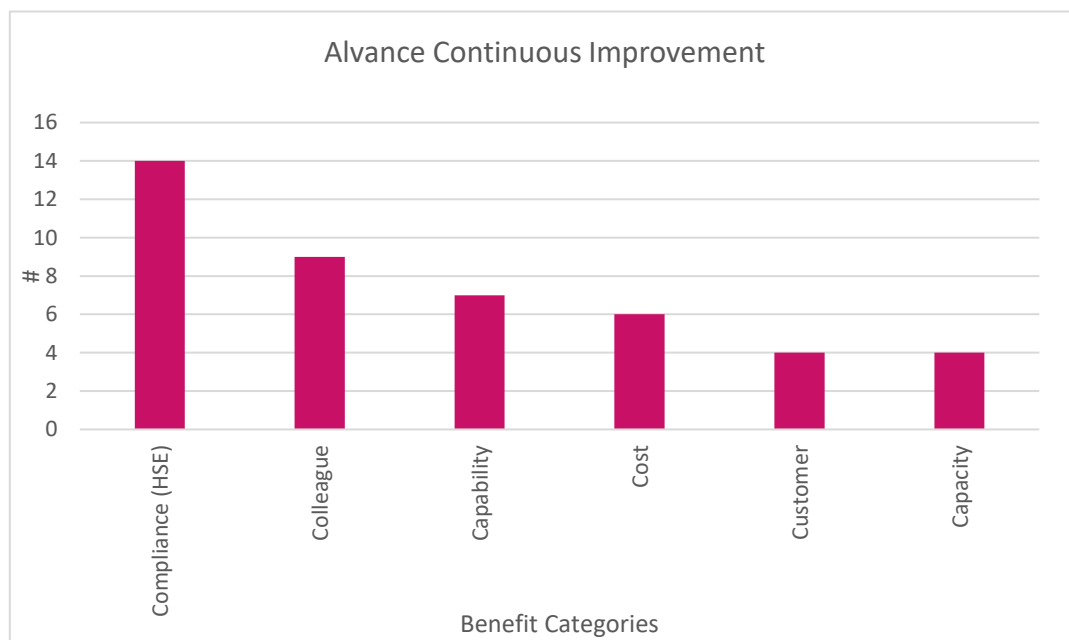
At the end of 2023, we have embedded Improvement Awareness sessions into our new employee onboarding program to maintained a 95% coverage across the business thus ensuring that the highest proportion of employees have had opportunity to understand the Lean principles we aspire to grow our improvement culture on. Furthermore, 17 Improvement Practitioner candidates across the business have successfully achieved Lean Competency System LCS Level 1b certification through

delivery of their comprehensively evidenced improvement projects and individual competency assessments. The awareness sessions and improvement initiatives have been guided by our values of change, family and sustainability.

OUR DELIVERED BENEFITS

Our business benefits are categorised under the '6C' banner of Compliance (health, safety and environmental), Customer value, Colleagues satisfaction, Capacity (process and people), Capability (process and people) and Cost.

Multiple benefits across all '6C' categories have been delivered across projects led by our Improvement Practitioners in 2023.



SOCIAL

STRATEGY

Our social strategy is anchored in our commitment to positively impact every community we touch and to foster a workplace that is safe, inclusive, and empowering. Central to our approach is the belief that our business operations should not only generate economic value but also contribute to the social fabric of the communities in which we operate. We aim to create shared value through community engagement, workforce development, and responsible corporate practices. This strategy is designed to align with our broader sustainability goals, ensuring that our social initiatives complement our environmental and economic objectives.



AIMS

Employee Well-being and Safety

Prioritise the health, safety, and well-being of our workforce. We aim to maintain the highest standards of workplace safety, reduce occupational hazards, and promote a culture of health and well-being through comprehensive wellness programmes.

Human Rights

In every facet of our operations and supply chain, we uphold the highest standards of labour practices, ensuring fairness, respecting workers' rights, and strictly prohibiting any form of forced or child labour. Our Anti-Slavery Policy reflects our zero-tolerance stance towards modern slavery, embodying our ethical and integrity-driven approach to business.

Equality, Diversity and Inclusion

Our goal is to create a diverse and inclusive workplace where every individual is valued and respected. We are devoted to enhancing diversity across all levels of our organisation, cultivating an environment that celebrates differences, and ensuring equitable opportunities for all employees. Our Equality, Diversity and Inclusion Policy articulates our commitment to creating a workforce that mirrors the diversity of the communities we serve, ensuring every employee can excel.

*"Our objectives
are focused
around
people."*

Community Engagement and Development

Strengthen our engagement with local communities to understand their needs and challenges better. Our aim is to contribute to community development through targeted initiatives, philanthropy, and volunteering, focusing on education, health, and economic development.

Skills Development and Education

Invest in the continuous learning and development of our employees. Our aim is to provide opportunities for professional growth and skills enhancement, aligning workforce capabilities with the evolving needs of our business.

HEALTH & SAFETY MANAGEMENT

ENABLING PERFORMANCE:

By promoting organisational learning and identifying best practice we inform the continuous development of our policies and standards. We believe that everything can be improved, our holistic Health & Safety Assurance Programme guides us to focus on our critical risks, critical safety behaviours and safety maturity as indicators to measure and inform our actions towards achieving world class safety outcomes.

We empower our employees across our operations. to stop any job if it is not safe and work together to make it safe to proceed. We work to develop a safety culture of shared vigilance where everyone takes ownership of their own safety and that of their colleagues.

We are committed to increasing the health and wellness of our employees through our occupational health strategies, health surveillance and working to reduce/control physical and chemical exposures in the workplace

PHYSICAL SAFETY AND MENTAL WELLBEING

We support and promote the 'GFG Be Safe' strategy, which is underpinned by the belief that every employee should be able to return home fit and well at the end of each workday. The site conducts regular safety briefings, whilst reporting and rewarding against safety KPIs. Unite Safety Reps support the safety culture, and we actively train people to enhance their health and safety knowledge of the workplace.

The HR People Hub operates an Employee Assistance Programme with access to multiple local and national support options. Employees are also made aware of details for confidential counsellors alongside how to access these services.

Leadership training focuses on how to initiate conversations and then signpost people to the help and support they need. As well as this, our Astute internal eLearning platform requires employees to complete various training courses related to physical and mental wellbeing.

SAFETY OBJECTIVES 2023

Alvance British Aluminium prioritises health and safety within its operational framework, setting strategic objectives each year that are deeply informed by an analysis of data from the previous year's performance. This proactive approach enables the company to continuously refine and enhance its health and safety policies, ensuring that they are both responsive and preventative.

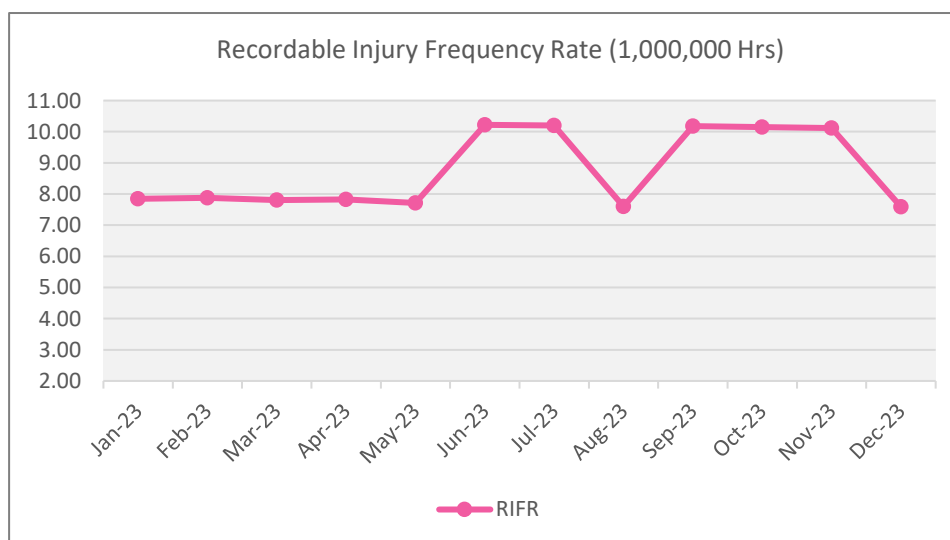
1. Submit the completed COMAH Safety Report to the Competent Authority by the agreed submission date in 2023.
2. Strategic initiative to improve safety performance to reduce Recordable Injury Frequency Rate (RIFR)
 - Achieve Recordable Injury Frequency Rate (RIFR) 30% reduction.
3. Gain recertification to external accreditations to the International Management System Standards (ISO) 45001:2018, 14001:2015 and 9001:2015.

KPI PERFORMANCE 2023

1. The COMAH Safety Report was submitted by the agreed deadline.

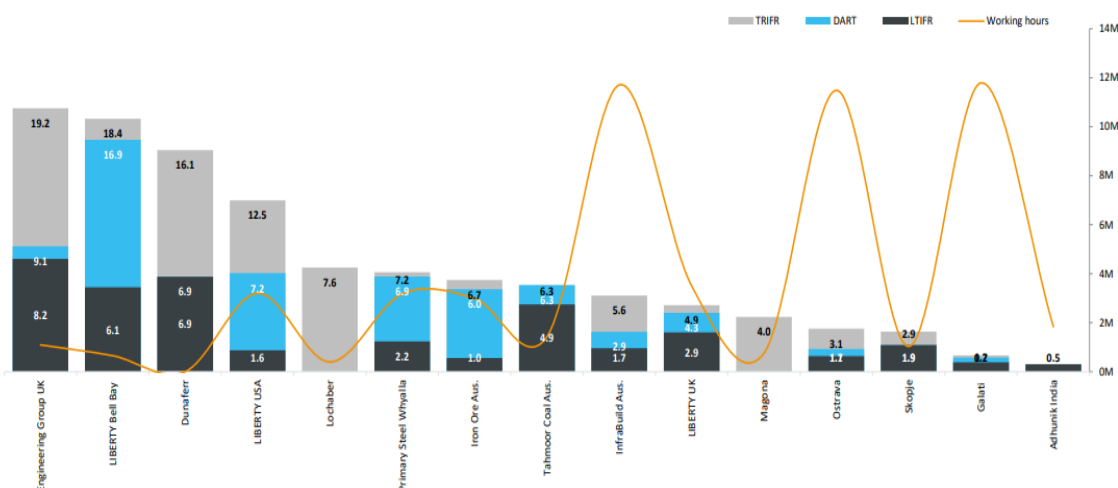
Our COMAH inspector acknowledged a "significant improvement" in the revised COMAH Safety Report compared to the previous submission, commending the team's efforts. Advice was given to leverage SRAM assessments for ongoing enhancements, especially in areas identified with deficiencies. These areas will be targeted in the HSE's yearly COMAH intervention plans. This feedback underscores the importance of treating the report as a living document, with updates made as necessary to pre-emptively address areas of concern, although formal revisions to the HSE are only needed for substantial on-site changes affecting major accident hazards.

2. The following graph shows the businesses Recordable Injury Frequency Rates over the 12-month period from January 2023 – December 2023. At the beginning of 2023 the business had a Recordable Injury Frequency Rate (RIFR) of 7.9 and aimed for a 30% reduction to achieve a rate of less than 5.5 by the end of the calendar year.



Unfortunately, despite a positive start to the year with no injuries being recorded for the first 5 months, there were subsequently three events in the later months of the year whereby our colleagues sustained recordable injuries. Of these three injuries, two were classified as medical treatments, and one as a restricted work – there was no lost time incurred. While injury rates are a good indicator of trends in safety performance, it will always be unacceptable for individuals to go home in a worse condition than they arrived at work, and any injury is a saddening event on site. Thorough root cause analysis was conducted on the events with preventative actions put in place.

The business collaborates on health and safety with the wider GFG group, sharing and learning from incidents and critical near misses. Alvanco participates in monthly calls with other plants, and 4-monthly global networking calls relating to the common goal of achieving zero harm within our business units. In addition to this, injury data is benchmarked within the different GFG businesses, the results of which are shown below:



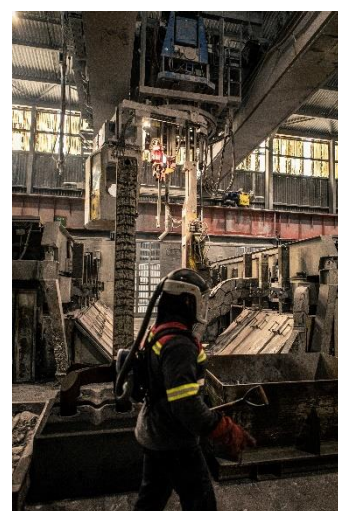
- The business underwent recertification for ISO 45001:2018, 14001:2015 and 9001:2015, the audit was completed successfully with only one minor non-conformance found on the business management system.

PROCESS SAFETY MANAGEMENT

Alvanco is committed to sustainable practices, and we are acutely aware that our operations entail inherent risks that could impact not only our workforce but also the surrounding communities and the environment. Consequently, managing the major hazards associated with our equipment and processes is crucial to our strategy to boost both human and environmental health.

This past year has seen significant advancements in our process safety initiatives. We submitted our quinquennial COMAH (Control of Major Accident Hazards) safety report revision to the Health and Safety Executive and are continuing to regularly update it to reflect our most current operations. Moreover, we have undertaken process hazard reviews and audits, particularly focusing on our major accident hazard areas, to enhance our risk mitigation strategies.

Our efforts in process safety are vital for maintaining control over process hazards such as molten metal, hazardous chemicals, electricity and process water throughout our operations, thus ensuring the protection of human life and the environment. This year, for instance, we reviewed the controls around the management of flammable chemicals and hazardous gases within our major accident hazard areas.



The overarching goal of these efforts is to safeguard our people, communities, and the environment by effectively managing and improving process safety protocols. In pursuit of this, we continue to enhance our internal process safety standards—an essential cornerstone of our process safety improvement programme. This standard is designed to bolster our overall safety culture and enhance our capabilities in hazard identification, risk management, and continuous improvement.

Through these focused initiatives, we aim to exceed local and regional safety regulation expectations and actively contribute to a safer, healthier environment for all stakeholders involved.

HUMAN RIGHTS

Our approach to human rights is holistic, aiming not just to comply with legal standards but to set a benchmark for ethical conduct. We understand that safeguarding human rights is not a passive commitment but requires ongoing vigilance, engagement, and action. From the way we manage our supply chains to the policies we implement for our workforce; every aspect of our business is scrutinised through the lens of human rights.

Detailed in our comprehensive Anti-Slavery Policy, we maintain a zero-tolerance stance towards modern slavery, servitude, forced and compulsory labour, and human trafficking. These practices represent a grave violation of fundamental human rights and freedoms. Our policy underscores our dedication to acting ethically and with integrity across all our business dealings and relationships. We have instituted robust systems and controls to ensure modern slavery does not occur within our own operations or any part of our supply chains.

WHISTLEBLOWING MECHANISM

In line with our Whistleblowing Policy, we encourage an environment where concerns about malpractices or dangers within the company's activities can be openly communicated. Understanding the importance of transparency and accountability, we assure protection and support for those who, in good faith, report suspected wrongdoing. Our policy ensures that any form of retaliation or detrimental treatment against whistleblowers is strictly prohibited, reinforcing our commitment to ethical conduct and the safety of our workforce.

The policy offers clear guidelines on how concerns can be raised, internally through line managers or Human Resources (HR), or externally via our dedicated whistleblowing hotline and email, ensuring confidentiality and anonymity for those who wish it. We are committed to treating all concerns seriously, conducting thorough investigations, and taking appropriate action to address any issues identified.

REWARD AND RECOGNITION

Our approach to reward and recognition is designed to acknowledge the hard work, dedication, and achievements of all our employees, we believe in offering a package that not only meets the basic needs but also enhances the well-being and satisfaction of our team members. Here's an overview of the comprehensive benefits we provide:

- **Competitive Salary:** We ensure our employees' receive competitive basic salaries that reflect their roles, experience, and the value they bring to our company.
- **Shift Allowances:** Understanding the demands of various shifts, we offer shift allowances to compensate for the unique challenges and inconveniences faced by employees working outside the standard workday.

- **Company and Personal Bonuses:** Our bonus schemes are designed to reward both company performance and individual contributions, ensuring employees are recognised for their part in our collective success.
- **Enhanced Pension Contributions:** We contribute to our employees' future financial security through enhanced pension schemes, going above the standard to ensure a comfortable retirement.
- **Healthcare Benefits:** Our comprehensive healthcare plans support the physical and mental health of our employees, providing peace of mind for them and their families.
- **Cycle to Work Scheme:** Encouraging a healthy, sustainable lifestyle, our Cycle to Work scheme offers employees an affordable way to purchase bicycles and cycling equipment.
- **Inclusive Rewards Programme:** We offer an inclusive rewards programme that provides discounts at a wide variety of stores and services, allowing employees to save money on everyday purchases and special items alike.

DIVERSITY AND INCLUSION

At Alvalance, we embrace diversity and inclusion not merely as obligations but as central pillars of our corporate identity and strategy. We recognise that the collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, and unique capabilities that our employees invest in their work represents not only part of our culture but a significant part of our reputation and company's achievement as well.

We are dedicated to promoting an inclusive environment and advocating for diversity throughout our workforce, we understand that achieving a diverse workforce requires a conscious effort to attract, develop, and retain talented individuals from a wide range of backgrounds, experiences, and perspectives. Currently, with women making up 16% of our workforce, and 50% of the site's senior management team, we acknowledge the progress we have made and the journey that still lies ahead. Our goal is to mirror the diversity of the communities we serve and to ensure that every employee feels valued, respected, and heard.



We uphold a fair and transparent recruitment policy and in the spirit of continuous improvement, we commit to the ongoing implementation and review of these policies and practices to reflect our dedication to diversity and inclusion. This includes ensuring our recruitment processes are open and accessible, supporting flexible working arrangements where possible to attract a broader range of candidates, and providing comprehensive support for new parents through thoughtful parental leave policies. We strive to create a workplace where differences are not only accepted but celebrated, recognising that it is our diverse perspectives that drive innovation and success.

Training and development play a crucial role in our strategy, ensuring all employees understand the importance of diversity and inclusion and their role in fostering an inclusive workplace. Our online training platform, 'Astute', serves as a valuable resource for educating our team on these critical issues, promoting a culture of continuous learning and awareness.

EMPLOYEE ENGAGEMENT

Employee engagement is a pivotal indicator of our workplace atmosphere and the effectiveness of our management practices. At Alvalance British Aluminium, we strive to ensure that every employee feels valued, heard, and engaged in their work. To accurately assess and improve our employee engagement, we utilise a comprehensive annual anonymous survey.

Staff are asked 40 questions through an external platform assessing a number of engagement measures. The system allows staff to contact managers to provide feedback and suggestions, while maintaining anonymity. The 2023 survey saw participation increase from 2022 by 41% and engagement increase of 10%.

COMMUNITY ENGAGEMENT

At Alvalance, we recognise that the success of the smelter is linked to the health and well-being of the local community. That is why we actively engage with the community throughout the year through various initiatives and activities. A summary of our work within the community is listed below:

EDUCATION

We work closely with local schools, colleges and universities to have strategic partnerships to encourage and promote meaningful employer and educational engagement throughout the academic year. Through the curriculum in science, technology, engineering and mathematics (STEM), as well as running and attending a variety of events to inspire careers within manufacturing.



WORKING WITH THE COMMUNITY

At Alvalance, our engagement with the local community forms an integral part of our commitment to sustainable development and inclusive growth. Our initiatives are designed to promote closer ties, encourage educational advancement, and support local economic vitality, reinforced by a comprehensive approach to recruitment and development.

A significant portion of our workforce, over 20%, embarked on their careers through our apprenticeship programmes, reflecting our dedication to developing local talent. These programmes, encompassing both modern and graduate apprenticeships, are pivotal in our strategy to promote ongoing education and skills development up to degree level, thereby enhancing community engagement and supporting our long-term recruitment objectives.

"Over 20% of employees started here as apprentices."



Our flagship event, 'Your Future Career in Lochaber', coinciding with Scottish Apprenticeship Week, serves as a beacon for potential opportunities within Alvalance, with a special emphasis on apprenticeships, it has been a fantastic sell out event. Working with neighbouring businesses to collaborate as a stronger force to address the skills challenges within the locality, amplifying career opportunities across the region and showcasing Lochaber as being a brilliant place to live, work and study.

Through our Social Committee, we champion a diverse array of initiatives ranging from educational support to sports sponsorship. Notable contributions include sponsoring the Highland Cinema's local resident card, offering substantial discounts during the winter months, and facilitating discounted access for our staff throughout the year. Moreover, our sponsorship was instrumental in the inauguration of the Fort William Bike Park in 2023 by underwriting its insurance costs.

Our commitment extends to inviting the local community to tour our facilities, offering a behind-the-scenes look at our operations and the innovative work happening within our factory walls.

We are also proud supporters of major sporting and leisure events in the area, from skiing to mountain biking and climbing, alongside agricultural and country pursuits, reflecting our support for the local lifestyle and its economic ecosystem through our Estate landholding.



Our inclusive family fun day, which welcomes contractors and their families every year to enjoy an array of activities and food, is a testament to our commitment to building a strong, vibrant community around our operations.

At Alvalance, we believe in the power of community engagement to drive positive change and build a sustainable future for all. Our efforts are designed not just to benefit our organisation but to contribute to the prosperity and well-being of the communities we are privileged to be a part of.

CHARITIES

Keeping family at the heart of what we do, we have a Social Committee on site that organise and run a variety of both fun and social activities for staff, raising money for local charities over the last two years, including the following charities: Care Lochaber Connecting Young Carers, The Montrose Centre, The Buzz Project, The Lochaber Foodbank and Love in a Box Lochaber.



TALENT ATTRACTION & DEVELOPMENT

Our strategy for talent attraction and development is tailored to address the unique challenges and opportunities presented by our location. Recognising the critical importance of attracting and retaining skilled employees, we've established a comprehensive framework that focuses on recruitment, apprenticeships, continuous learning, and succession planning—all within a culture of equality and inclusion.

Recruitment and Apprenticeships

Our Learning & Development Policy and Talent and Succession Planning Programme, forms the bedrock of our approach to talent management. Apprenticeships are a cornerstone of our talent development strategy. We seize every opportunity to bring on new apprentices, having welcomed four new engineering modern apprentices in 2023, as well as two engineering graduate apprentices. Our aim is to advance the next generation of talent by offering modern and graduate apprenticeships that combine practical experience with the acquisition of formal qualifications. This approach not only enriches our team but also contributes to the broader skills ecosystem within the manufacturing sector.



Employee Training and Development

Investing in the continuous training and development of our employees is paramount. We are committed to providing avenues for our team members to enhance their skills and advance their careers within our organisation. This commitment is manifested in our robust training programmes and development initiatives that cater to the diverse needs and aspirations of our workforce.

Talent Identification and Succession Planning

A proactive approach to identifying talent and critical roles within our organisation allows us to effectively build succession plans for key positions. This strategic focus ensures we are prepared for future transitions, mitigating the risk of vacancies in essential roles and maintaining operational excellence.

ENVIRONMENT

STRATEGY

Alvance British Aluminium, alongside associated business units (SIMEC and JAHAMA Highland Estates) have sustainability at the heart of what they do, working as a singular unit to produce green aluminium and electricity, by harnessing the strength of Highland potential. Developing a sustainable future is a core value and drives decision making at all levels to ensure longevity of the business, while protecting our people and our environment.

The business demonstrates commitment to environmental improvements through minimising emissions from the aluminium production processes and operating as a responsible manufacturer in line with Best Available Techniques. The company has an environmental management system that has been certified to the International Management System Standard ISO14001 since 1997. This is an audited management system which identifies the environmental aspects of the site operations and the control measures implemented to manage impact on the environment.

Alvance British Aluminium is a regulated site, operating in line with a Pollution Prevention Control licence through the Scottish Environmental Protection Agency (SEPA), all emission limits have been set in line with the Non-ferrous Metals Industries Best Available Techniques (BAT) Conclusions as set out under Directive 2010/75/EU of the European Parliament and of the Council. The business has been operating with BAT limits since the issue of our updated PPC licence in June 2020, following an investment of approximately £1.8M in new and upgraded emissions abatement to achieve particulate emissions reductions of over 150%.

The business is now focussed on maintaining these low emission levels, while continually looking at technology and ways of working to reduce them even further.

INCIDENT MANAGEMENT

The company must report any environmental incidents to SEPA within 24 hours as a requirement of PPC permit PPC/A/1157314. Incidents are defined as breaches of the PPC permit conditions that may lead to pollution, e.g. reporting of spills, interruption to the operation of abatement equipment and releases above permit limits. An 'Incident prevention and Mitigation Plan' has been prepared and implemented on site to help manage the occurrence of these incidents.

In 2023 the Lochaber business had three environmental incidents which were reported to the regulator:

- Visible emissions to water in the East Burn (site discharge water)
- Visible emissions to air from Cell Demolition activities
- Breach of Emission Limit Value (ELV) during stack testing in Q4

Each of the above events were assessed for their impact on the environment and all were found to be negligible. The events were investigated by the site team to determine root causes, and corrective and preventative actions put in place to ensure we not have repeats of these events, the reports and their outcomes have been accepted by the regulator.

METHODS OF ENVIRONMENTAL DATA COLLECTION

The site collates and monitors environmental data throughout the year, in line with both our PPC permit PPC/A/1157314, and our ISO:14001 accredited environmental management system.

Air emissions data is recorded through a series of continuous emissions monitors, as well as the stacks being sampled bi-annually by a third party. These sensors go through health checks and calibration

every six months to ensure the readings are accurate. All waste data is entered into data collection spreadsheets following waste transfer and weigh-ins. Resource use data is entered into spreadsheets following deliveries, meter readings and stock level checks. Emissions to water data is inputted into spreadsheets following monthly sampling and analysis, carried out both internally and by a third party.

All site data is recorded by the associated department, and at the end of every month it is collated and entered into environmental reporting files, with summary emails being sent out following completion.

GREENHOUSE GASES (GHG) AND CLIMATE CHANGE

The aluminium industry accounts for approx. 2% of global carbon emissions, and as developing countries continue to industrialise, demand is expected to double by 2050. At the same time Scotland has made it legally binding to become carbon neutral by 2045.

Our ambition to be carbon neutral by 2030 is bold and demands a major transition. Climate change won't wait so we are committed to acting now. We are now actively monitoring and working towards reducing our carbon footprint, both for neutrality and absolute reduction as outlined in our reduction plan.

GHG EMISSIONS METHODOLOGY

An operational control approach to the emission calculations has been followed. Under the operational control approach, a company accounts for 100% of emissions from operations over which it or one of its subsidiaries has operational control. Accordingly, the organisational boundary for this footprint covers only the Lochaber Aluminium Smelter in Fort William, Scotland as the sole facility over which Alvalance has operational control. It does not extend to any other facilities on the same site as these are operated by a separate, non-subsidiary entity.

The operational boundary for the footprint has been set in accordance with the GHG Protocol (Greenhouse Gas Protocol, 2011). The footprint has included relevant Scope 1 and Scope 2 emissions drivers as well as material Scope 3 emissions drivers.

The emissions have been calculated in line with standard practices outlined in:

- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Greenhouse Gas Protocol, 2015)
- GHG Protocol Scope 2 Guidance (Greenhouse Gas Protocol, 2015)
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Greenhouse Gas Protocol, 2011)
- Technical Guidance for Calculating Scope 3 Emissions (Greenhouse Gas Protocol, 2013)

Emission factors used as part of the calculations for Alvalance's GHG footprint have been sourced from publicly available emissions factor libraries including:

- UK Government Department for Energy Security and Net Zero – GHG Conversion Factors for Company Reporting 2023 (Department for Energy Security and Net Zero, 2023)
- US EPA - Supply Chain Emissions (US Environmental Protection Agency, 2023)
- Intergovernmental Panel on Climate Change - Annex III: Technology-specific cost and performance parameters (Schlömer et al., 2014).

The factors used account for a range of greenhouse gases, primarily CO₂, CH₄, and N₂O, but also, where appropriate, other trace gases (HFCs, PFCs, SF₆, NF₃). The global warming potential (GWP) of each gas is laid out in the respective sources.

VERIFICATION OF EMISSIONS

ITPEnergised has acted as verifier of Alvalance British Aluminium's inventory of data used to calculate its greenhouse gas (GHG) emissions in accordance with ISO 14064-3:2019. It is the verifier's opinion that there are no material misstatements in the GHG data provided by Alvalance.

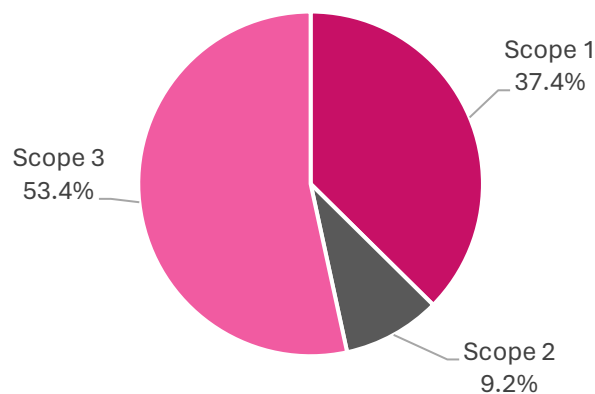
A copy of the verification statement can be provided upon request.

GHG FOOTPRINT RESULTS

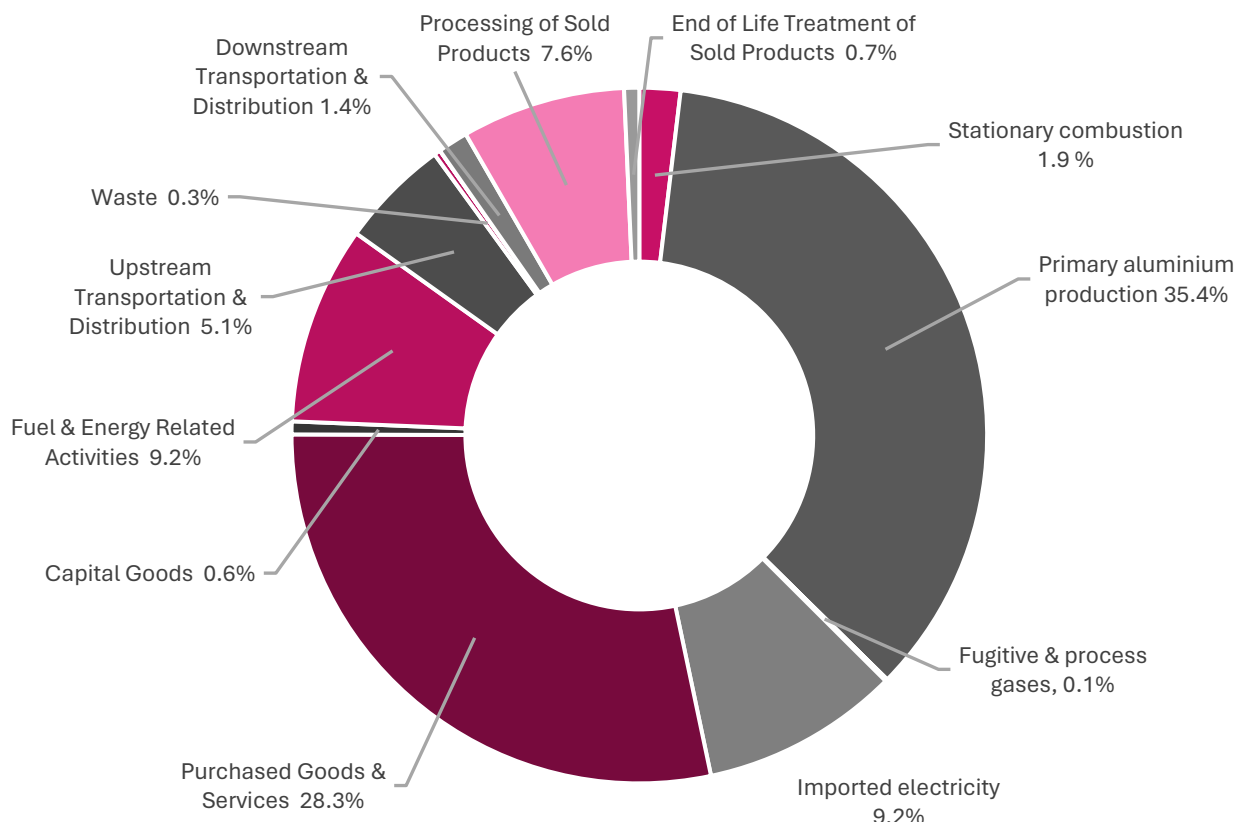
Lochaber smelter's carbon footprint for 2023 was **130,867 tonnes of CO₂ equivalent (tCO₂e)**. This includes Scope 1, 2 and 3 emissions, which are further broken down below.

Lochaber Smelter scope 1, 2 & 3 emissions

Scope	tCO ₂ e
1	48,986
2	12,043
3	69,838
Total	130,867



	Scope 1 tCO ₂ e	Scope 2 tCO ₂ e	Scope 3 tCO ₂ e	Total Emissions tCO ₂ e	Production Intensity tCO ₂ e/t Al
2022	50,741	11,651	73,625	136,017	4.40
2023	48,986	12,043	69,838	130,867	4.47



GHG EMISSIONS REDUCTION PATHWAY

Alvance British Aluminium has developed a comprehensive GHG Emissions Reduction Plan as part of its commitment to the ASI Performance Standard v3.1, focusing on achieving significant reductions in greenhouse gas emissions. This initiative is integral to our sustainability objectives and aligns with global efforts to limit warming to 1.5°C.

The plan leverages the IAI 1.5 Degrees Scenario and incorporates ASI-endorsed methodologies tailored specifically for the aluminium sector. The scenario is consistent with the Paris Agreement and aims to guide and inform the aluminium industry's efforts to meet global climate targets. The 1.5 Degrees Scenario maps the pathway for primary aluminium process emissions, the emissions intensity is calculated as the tonnes of CO₂e per tonne of aluminium for cradle to gate (Scope 1, Scope 2 and Upstream Scope 3) emissions.

Alvance recognises that technological advances are required within the primary aluminium industry to achieve this goal, and as result are currently focussed on areas where immediate impact can be made. The following aspects are key focusses for the business to improve our GHG emissions intensity over the next 5 years:

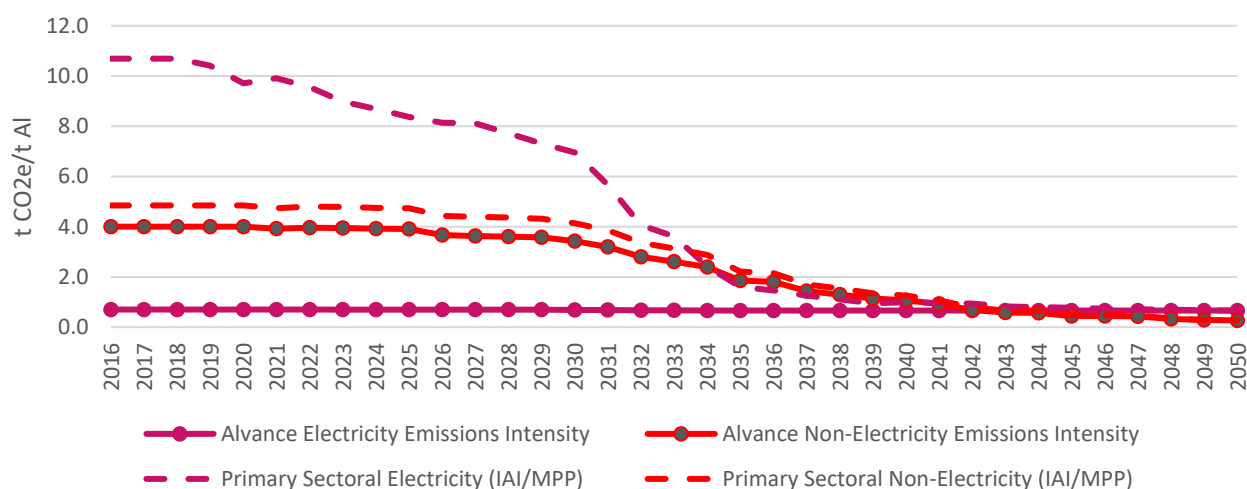
- Obtain an appropriate contractual instrument which allows Alvance to accurately report market-based Scope 2 emissions that represent the source of electricity.
- Continually review WTT/T&D of different electricity sources.
 - Working closely with our sister plant, SIMEC to attempt better understanding of WTT emissions from hydropower.
 - Conduct a review of the WTT emissions factor used for hydropower in Alvance's GHG inventory to better understand the underpinning methodology and assumptions and

identify those elements which can be reduced/removed depending on their applicability to SIMEC's facility.

- Update emission factors as appropriate/where possible.
- Establish monitoring and evaluation procedures to facilitate annual reviews of the Responsible Procurement Policy.
 - Identify impacts of the Policy.
 - Continually review and update the Policy to further facilitate GHG emissions reductions.
 - Be working with all suppliers to obtain verified product-specific emissions data against which quantifiable targets can be set.
- Engage with suppliers, customers, and industry peers/partners to understand quantifiable pathway to reducing emissions from key processes (e.g., carbon anode consumption). Once these pathways are known, more quantifiable targets can be set.
- Work with customers to support reduction in their Scope 1 and 2, with a clear understanding of their emissions pathway. Once these pathways are known, more quantifiable targets can be set.

The interim targets focus on four key areas over next five years: Scope 2 Electricity, Scope 3 Fuel and Energy (electricity in particular), supply chain, and customers. Other areas will require attention and are likely to become material as reductions are realised throughout the inventory.

The pathway model for Alvalance British Aluminium is shown below based on a baseline emissions intensity of 3.93 tCO₂e/t Al from 2022:



AIR QUALITY

The substances released as air emission from the smelter are fluorides (F), particulate matter (PM), sulphur dioxide (SO₂), nitrogen oxides (NO_x), PFC's (CF₄ and C₂F₆) and CO₂ which was detailed previously in the report. Infrastructure to manage air emissions on site includes a gas treatment centre, composed of three stacks that treat emissions directly released by the smelting process, and another 12 stacks across site with bag filters to capture dust emissions from supporting processes. Emission capture efficiency for the emissions released by the reduction cells is approximately **94%**.

Air emission limits and monitoring requirements have been set by SEPA, to ensure minimal environmental impact arises from the smelter's activities.

KPIs and Current performance:

Both greenhouse gas emissions and non-greenhouse gas emission intensities are shown below:

Pollutant - GHG	2023
PFCs (kg/t Al)	0.0136

Pollutant – Non-GHG	2023
Fluoride (kg/t Al)	0.618
Particulate Matter (kg/t Al)	0.925
SO ₂ (kg/t Al)	13.137
NO _x (kg/t Al)	0.069

Mass emissions are also summarised below:

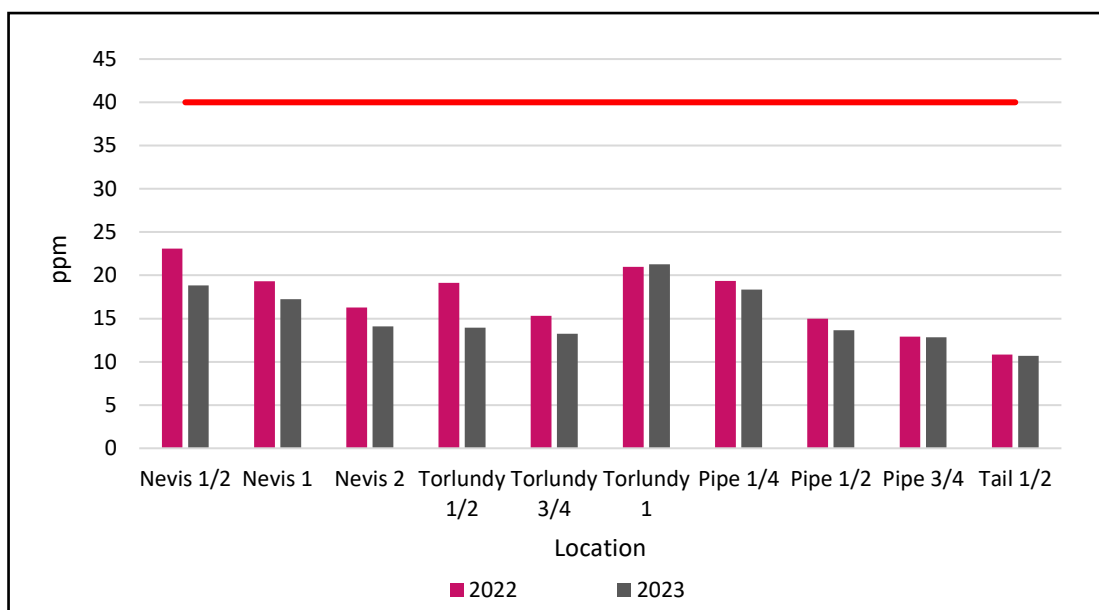
Pollutant	2022	2023	Difference
NO _x (te)	1.622	2.039	+25.7 %
PFC's (te)	0.392	0.400	+2.1 %
Fluoride (te)	17.878	18.174	+1.7 %
Particulate Matter (te)	24.198	27.202	+12.4 %
SO ₂ (te)	397.531	386.53	-2.8 %

In 2023, our overall emissions were broadly in line with the previous year, although there were some changes worth noting – a rise was observed in NO_x emissions, which increased by 25.7% to 2.039 tonnes. This increase is explained by the business operating two holding furnaces for an extended period during the year to allow for upgrades to our systems.

There was also a small uptick in Particulate Matter emissions, which climbed by 12.4% to 27.202 tonnes. This increase was mainly attributed to slightly higher emissions from the Potroom Roof Vents when compared with the previous year, however it is important to note that all levels stayed comfortably below the set Environmental Limit Values (ELVs).

On a more positive note, the latter half of the year saw the successful installation and commissioning of new abatement technology at our Rodding plant. This advancement significantly improved our emission control capabilities, leading to a reduction in particulate emissions by approximately 135% compared to 2022—a remarkable achievement.

In addition to the measured releases, the impact on the surrounding vegetation is also monitored as a requirement of PPC permit PPC/A/1157314. This is because fluoride can be absorbed by vegetation and cause visible damage. Samples of grass are collected monthly during the growing season from 10 locations within a five-mile radius of the smelter, then tested internally in the site lab. Results for both 2022 and 2023 grass are displayed, alongside the limit for the 12-month rolling average.



Levels of fluoride in grass measured at all locations remain well below advisory limit levels. The graph highlights a decrease in fluoride levels at all designated locations, except for Torlundy 1, where a very slight increase occurred. We continue to monitor the levels each month and look for trends in the data.

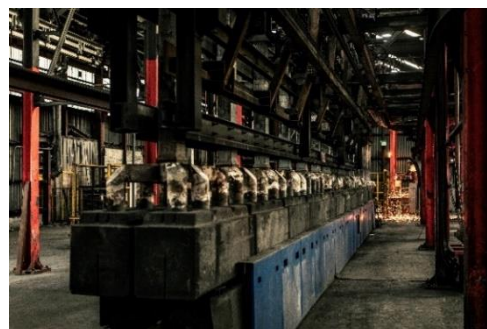
CIRCULARITY

LIFE CYCLE ASSESSMENT

As part of our commitment to circularity and sustainability, Alvalance has incorporated a comprehensive Life Cycle Assessment (LCA) for our aluminium products, specifically slab ingots and sow pans, produced at Lochaber Smelter. This assessment, conducted by EuGeos Limited, is pivotal in our efforts to align with the Aluminium Stewardship Initiative's Performance Standard and provides a detailed analysis of our environmental impacts from cradle to gate.

LCA Findings and Integration into Circularity Practices

The LCA provides a thorough evaluation of the environmental impacts associated with the production of aluminium, considering all stages from resource extraction to product dispatch. This includes detailed analyses of global warming potential, eutrophication, ozone depletion, and resource depletion among other impact categories. The assessment uses data from 2021 and adheres to the ISO 14040 and ISO 14044 standards, ensuring high reliability and applicability of the results. By understanding the environmental hotspots identified through the LCA, Alvalance can target areas for improvement and reduce the environmental footprint of our operations and products.



The results of the LCA guide our strategies for reducing waste, improving resource efficiency, and enhancing the sustainability of our products. This includes innovations in production processes to minimise waste and emissions, as well as the development of recycling initiatives to ensure materials are reused or repurposed at the end of their life cycle.

Based on the LCA findings, we continue to explore potential improvements in various areas, such as utilisation of the use of hydroelectric power and changes to logistics for suppliers to reduce transportation impacts. These steps are part of our broader goal to enhance circularity and reduce the overall environmental impacts of our products.

Full details of our LCA are available to our supply chain on request.

ENERGY

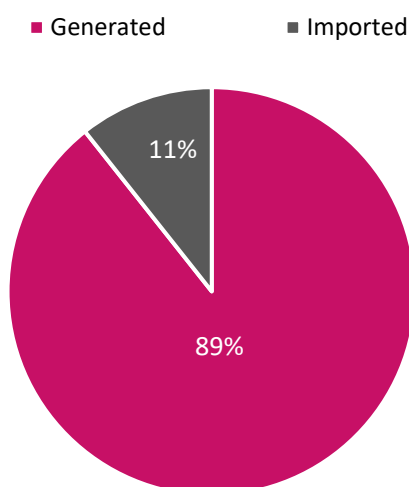
In 2023, the site's total energy use was **431 179 MWh**. This includes the use of electricity, LPG and kerosene. Total MWh of each energy source is shown below.

Lochaber Smelter energy breakdown

Source	Usage (MWh)
Electricity	421707.2
LPG	905.3
Kerosene	8566.4

A breakdown of the site's electricity mix is shown below.

A total of 89% of the smelter's electricity came from 100% renewable sources in 2023.



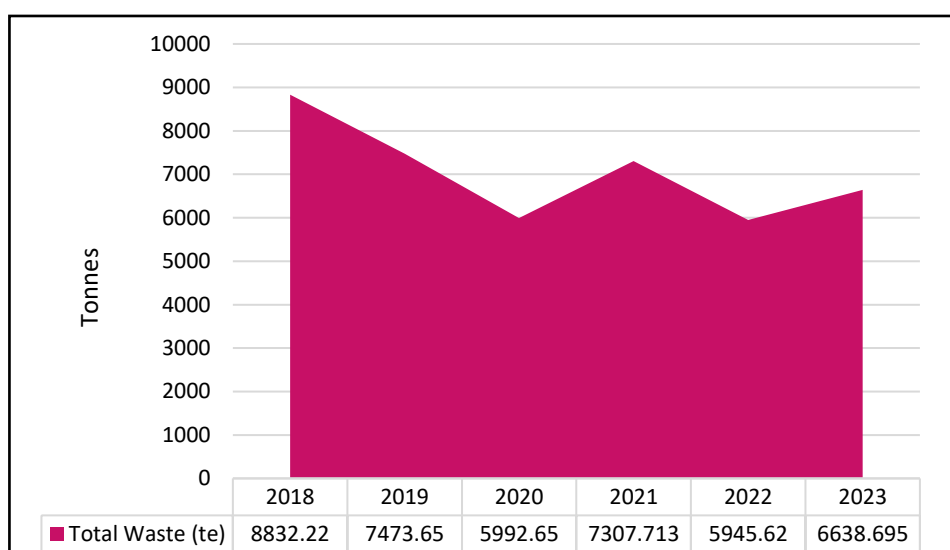
WASTE MINIMISATION

The Pollution Prevention and Control (PPC) permits, identified as PPC/A/1157314 and PPC/N/50007, specifically require the Lochaber Smelter to maintain diligent records of its waste emissions on an annual basis. These permits are integral to ensuring that the facility operates in compliance with environmental regulations and standards. The annual report mandated by these permits is a critical document that not only quantifies the total waste generated by the smelter but also scrutinises the waste management practices followed throughout the year.

KPIs and Current Performance:

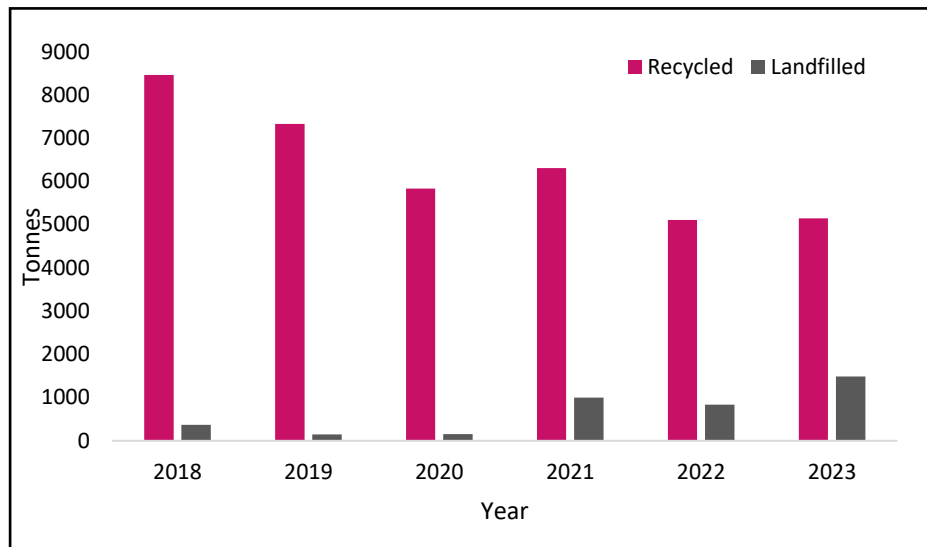
The principal performance metrics for waste management at the Lochaber Smelter are designed to provide a detailed and accurate representation of the site's environmental stewardship and operational efficiency. These key performance indicators (KPIs) are essential for monitoring the effectiveness of waste management practices and guiding strategic decisions to enhance sustainability.

The accompanying graph illustrates the total waste generation from 2018 to 2023.

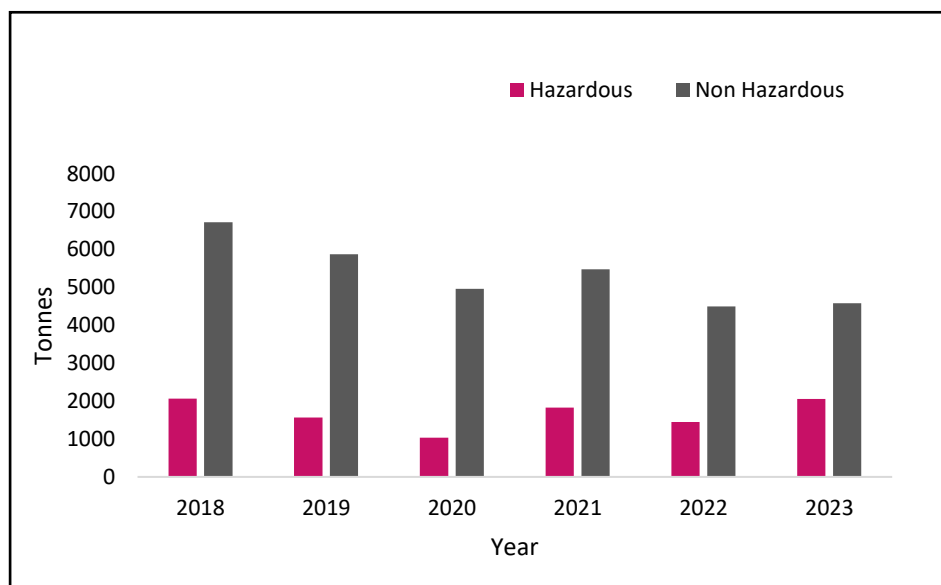


From 2018 to 2023, there has been a net decrease in total waste by 2193.5 tonnes. However, 2023 saw an increase of 693 tonnes in total waste compared to the previous year. This rise is primarily due to the removal of anode cover from the site. Furthermore, several cathode linings in the aluminium cells, which typically have a lifespan of approximately 6.5 years, reached the end of their operational life in 2023, thereby contributing to an increase in Spent Pot Lining (SPL) waste. In response to this, the smelter is actively collaborating with an innovative company to explore recycling possibilities for SPL. This company is currently engaging with the Environment Agency to secure the necessary operating licences.

In 2023, 78% of all waste generated at the smelter was recycled, while the remaining 22% was directed to landfill. As indicated in the graph below, there has been an increase in the proportion of waste sent to landfill since 2021. This trend stems from the closure of a UK business that previously processed SPL for reuse, coupled with an accumulation of production materials due to a reduction in pot load. Consequently, as on-site storage capacities were reached, the site was compelled to dispose of some process materials.



The graph below also shows that the majority of waste produced at the site is classified as non-hazardous. The observed increase in hazardous waste in 2021, 2022, and 2023 corresponds with the accumulation of materials following operations at reduced production levels and the loss of recycling streams for process materials.



RESOURCE EFFICIENCY

The site records resource utilisation data in line with the PPC permit PPC/A/1157314. It details the quantities of raw materials used at the Lochaber Smelter and the efficiency of energy, fuel and raw material consumption per tonne of aluminium produced each year. As well as this, the site continues to comply with UK ESOS, to reduce energy use and improve efficiency across site.

RAW MATERIALS

The two largest raw material inputs into the smelting process are alumina and carbon anodes.

In 2023 the site used 1.9t of alumina per tonne of hot metal, and 0.5t of carbon anode per tonne of hot metal.

These figures are consistent with the previous five years +/-0.01t.



WATER STEWARDSHIP

WATER MANAGEMENT

Our water supply is vital to all operations on site. It feeds the hydro plant giving us our main source of electricity and is used throughout the smelter for cooling and casting activities. We carefully manage and monitor site water use to ensure it is responsible, sustainable, and efficient.

We make it a priority to engage with and meet the needs of catchment stakeholders to ensure minimal impact on the local community, as well as regular water sampling to ensure environmental compliance. Our water management plan outlines a strategic approach to water management on site including social, environmental, operational, and economic aspects.

We consider it critical to be both meticulous with our risk management and transparent with how we report it. We have potential for emergency situations related to the hydro scheme and have appropriate response plans in place. In 2023, we conducted a thorough risk assessment identifying all material risks from the hydro scheme to the surrounding environment and will continue to review this on an annual basis. We have strict monitoring regimes and control measures in place to minimise overall risk of impact, as well as specific mitigation procedures to target those hazards identified as higher risk.



Regular inspections, maintenance and enhancements to our structures gives us the highest confidence in our operations. This, coupled with expert forecasting in an increasingly unpredictable climate keeps us flexible, and able to meet our own economic needs while minimising risk to our surroundings, both from an environmental standpoint, and to our community.

Two hazards with a high residual risk rating were identified during our water stewardship risk assessment. These risks and associated mitigation measures are outlined within our Water Management Plan. More information can be found on our website:

<https://alvancebritishaluminium.com/about-us/sustainability/>.

WATER USAGE

The site records hydro-electric feed water, and data has been collected on site water use for utilities, sourced from Water Plus. All site water is monitored in line with the Water Management Plan.

In 2023, the site directed 1,001,877,120 m³ of water through the turbines to generate renewable electricity for the smelter.

All water following hydro-electric generation is directed into a tailrace that intercepts with the River Lochy. Abstraction limits for the smelters hydro scheme are set by SEPA, therefore the dams are continually monitored and managed to ensure over abstraction does not occur.

The site also used approximately 8877.44 m³ of water for utilities in 2023.

"Dams are continually monitored and managed to ensure over abstraction does not occur."

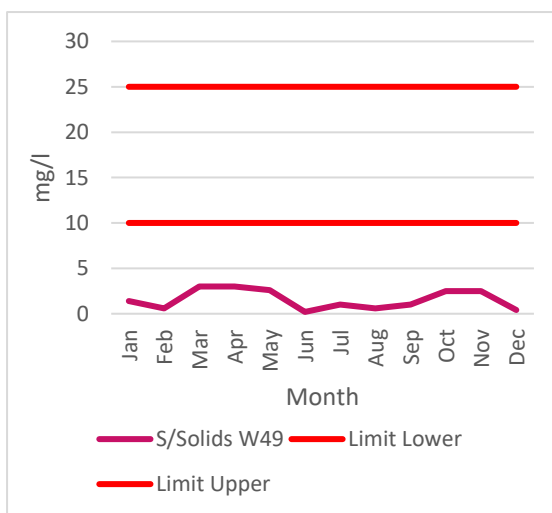
EMISSIONS TO WATER

The industrial site at Alvalde has one associated discharge point, the East Burn. This is a small stream that sits to the northeast of the smelter and eventually intercepts with the River Lochy. Discharges into this burn contain water that has been used for cooling in the casting process, along with site run off via the drainage network. The drainage network currently contains various silt and oil traps to manage and minimise pollutants. The PPC permit for Lochaber Smelter contains conditions set by SEPA which relate to Controlled Water Discharge Conditions, stating that monthly sampling of the East Burn takes place to ensure pollutants are below SEPA's defined limit. The limits are displayed alongside the KPI results below.

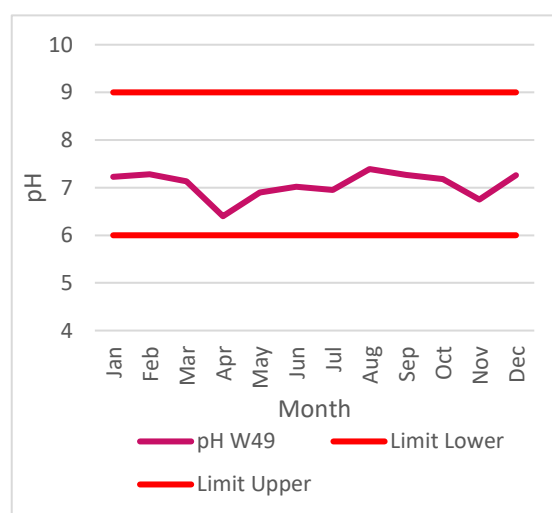
KPIs and Current performance:

The below parameters are tested and measured from site discharges to water to assess for compliance against licence conditions.

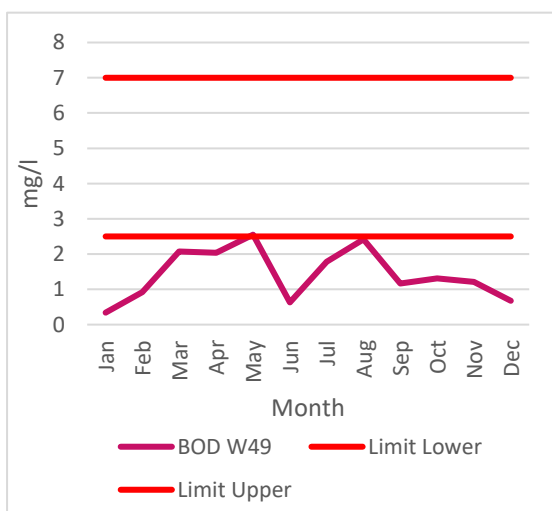
In 2023 we recorded one sample which was above the lower emission limit for fluoride, however, this was not a breach of licence conditions. An investigation was conducted into the high concentration and it was believed to have been caused by incorrect sampling techniques. A summary of sampling results are shown below.



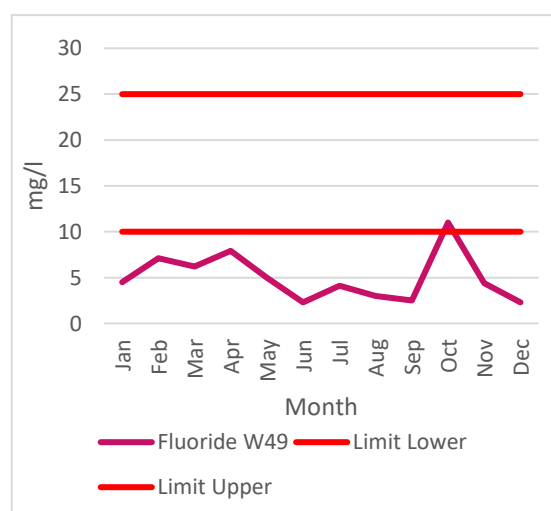
Suspended Solid results East Burn



pH results East Burn



Biological Oxygen Demand results East Burn



Fluoride results East Burn

BIODIVERSITY

At Alvance, we recognise the profound responsibility we hold towards the natural environments surrounding our operations. Our commitment to protecting biodiversity and preserving ecosystem services reflects our understanding of their critical role in maintaining ecological balance and supporting human well-being. In 2023, we commissioned environmental specialists from ITP Energised to rigorously assess the impact of our operations on local biodiversity and ecosystem services. This assessment revealed no significant risks, affirming the effectiveness of our existing environmental management practices.

Assessment Outcome

The findings from the 2023 assessment have reinforced our confidence in the measures we currently have in place to safeguard local ecosystems. However, we acknowledge that maintaining biodiversity demands continuous vigilance and adaptive management. To this end, we are committed to implementing stringent monitoring and management practices that ensure any potential impacts on biodiversity are quickly identified and mitigated.

Our Biodiversity Management Practices

- Conservation Efforts:** Through our sister business SIMEC and JAHAMA Highland Estate, we will continue to actively participate in habitat conservation initiatives to enhance and protect the natural environments we operate in. This includes collaborating with environmental groups and local authorities to restore native plants, protect wildlife habitats, and support reforestation efforts.
- Pollution Control:** We maintain high environmental standards to minimise pollution and prevent contamination of land and water resources. Effective waste management and emission control are crucial components of our strategy to protect local ecosystems.
- Community and Stakeholder Engagement:** We continue to engage with local communities, conservation groups, and regulatory bodies to ensure that our environmental efforts are well-coordinated with broader conservation objectives and community needs. This engagement is vital for staying informed about local environmental issues and enhancing our conservation efforts.



Future Direction

While the 2023 assessment provided reassurance about our environmental impact, we do not remain complacent. Moving forward, we plan to further develop our biodiversity strategies by incorporating the latest scientific findings and best conservation practices. Moving forward, we will be progressing with improvement actions to work toward not only preventing harm to, but ensuring we do our part to improve biodiversity in the areas we operate.

At Alvance, we take seriously our duty to act as careful stewards of the environment. By conscientiously managing our impact on biodiversity and ecosystem services, we aim to ensure that the natural world remains robust and resilient for future generations.

MOVING FORWARD WITH PURPOSE

As we conclude our Sustainability Report for 2023, we reflect on a year marked by significant achievements and progress towards our sustainability goals. Alvalance British Aluminium has continued to push the boundaries of what is possible in our industry, guided by our mission to transform Highland potential into sustainable growth – this year, we have taken significant steps to strengthen our community engagements. We have seen substantial advancements in understanding our carbon footprint, with the development of reduction plans, and our commitment to ethical practices and responsible governance has further strengthened our position as a leader in sustainable aluminium production.

However, the journey does not end here. We recognise that sustainability is an ongoing challenge that requires continual improvement and adaptation and looking ahead, we are excited about the opportunities to further integrate innovative technologies, engage more deeply with our communities, and enhance our operational efficiencies.

We extend our sincere gratitude to our employees, partners, and stakeholders who have been integral to our achievements. Your commitment and support continue to inspire us and drive us forward.

As we move into the next year, we remain dedicated to our goals of environmental stewardship, social responsibility, and economic sustainability. Together, we will continue to make strides towards a sustainable future for our company, our community, and the planet.

Thank you for joining us on this journey. We are excited to see what we will achieve together in the coming year and beyond.

CONTACT ALVALANCE BRITISH ALUMINIUM

At Alvalance British Aluminium, we are committed to open and transparent communication with all our stakeholders. We value your insights and welcome your feedback on our sustainability efforts. If you have any questions, suggestions, or require further information, please do not hesitate to reach out to us.

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