ALVANCE BRITISH ALUMINIUM SUSTAINABILITY REPORT

ALVANCE

ALVANCE

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MESSAGE FROM THE MANAGING DIRECTOR.

WE'VE MADE STRONG PROGRESS ACROSS EVERY FACET OF SUSTAINABILITY: WE'VE CUT EMISSIONS, INCREASED OUR RECYCLING RATE AND STRENGTHENED OUR COMMUNITY ENGAGEMENT.

Dear Colleagues, Partners, and Community,

This year, Alvance British Aluminium has taken decisive steps forward in our journey toward a more sustainable, responsible, and resilient future. As the UK's only remaining primary aluminium smelter, powered by our own hydropower, and surrounding by natural landscape we are uniquely positioned to lead by example - not only in low-carbon manufacturing but in our broader commitments to people, place, and planet.

Throughout 2024, we've made strong progress across every facet of sustainability: we've cut emissions, increased our recycling rate, and strengthened our community engagement. We've deepened our investment in people, from apprenticeships to leadership development, and doubled down on safety and operational excellence.

None of this is possible without the hard work, integrity, and innovation of our team. To our employees, supply chain partners, and community stakeholders, thank you. Your ongoing support is what drives us to continuously improve, adapt, and deliver for future generations.

Sustainability is not a static goal. It is a commitment we live every day, one that demands honesty, ambition, and collaboration. Looking ahead, we will continue to align our operations with global best practices and remain laser-focused on achieving carbon neutrality by 2030.

Let's stay ambitious, stay accountable, and keep building a better future.

Warm regards,

Tom Uppington, Managing Director

ALUMINIUM AND SUSTAINABILITY.

87%

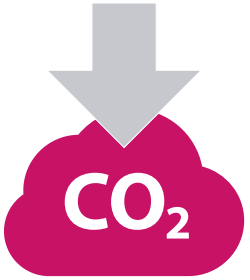
of **Generated Waste** Recycled

BRITISH ALUMINIUM 2024 SNAPSHOT

87%

of the **Smelter's Electricity** Generated from **Hydropower**

Aluminium **Carbon Intensity** over



70%

Below Global **Average**

PFC

Emission Reduction of

42%

Smelting Energy Intensity

4.7%

Below Global **Average**

15%

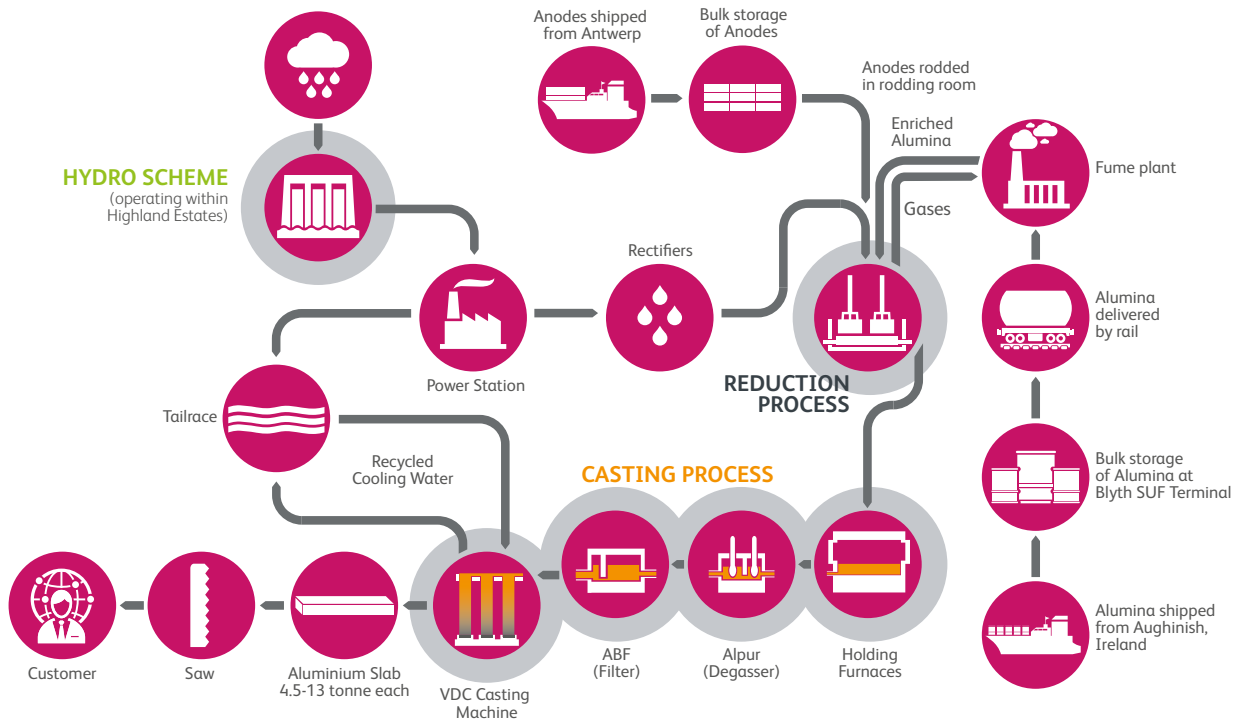
of **Employees** were **female**

2x New Modern **Apprentices** Appointed

BUSINESS CONTEXT

The Lochaber smelter, run by Alvance 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 adjacent.

The smelter is part of a wider business unit inclusive of JAHAMA Highland Estates, who manage the surrounding land and infrastructure. This close integration between manufacturing, energy generation, and estate management reflects a unique industrial ecosystem, with strong ties to the local economy and community. As one of the area's key employers, we recognise our responsibility not just in terms of production, but in contributing to the long-term resilience, sustainability, and wellbeing of the region.



PRODUCTION SUMMARY

28,138
Tonnes aluminium slab

912
tonnes of aluminium sow pans

93.66%
Current efficiency

12,257
Anodes cast for production

99.7%
Delivery On Time In Full (OTIF)

2
Customer complaints

VISION, MISSION AND VALUES.

ALVANCE BRITISH ALUMINIUM'S HYDROPOWER OPERATION MAKES THE SITE ONE OF THE GREENEST METAL PRODUCTION PLANTS IN THE WORLD AND OUR GUIDING VALUES MAKES ALVANCE UNIQUE IN OUR APPROACH TO BUSINESS.

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.

VALUES:

CHANGE

FAMILY

SUSTAINABILITY

ENVIRONMENT

We operate one of the lowest-carbon aluminium smelters in the world, powered by hydroelectricity generated on site. In 2024, we continued to invest in best available technologies to reduce emissions to air, water and land, exceeding our regulatory requirements. We maximise material efficiency by remelting all internal aluminium scrap and recycling process materials as well utilising the water from our hydro scheme in our production process as metal cooling water, supporting responsible water use and reducing our environmental footprint.

SOCIAL

As a major employer in the Highlands, we are committed to being a good neighbour and community partner. We support local causes through our employee-led Social Committee, invest in skills development, and promote STEM pathways through school partnerships. In 2024, we continued to offer career opportunities and apprenticeships, helping to strengthen the region's long-term economic resilience.

ECONOMIC

Our vertically integrated hydroelectric power supply provides stable, renewable energy, reducing exposure to market volatility and lowering production costs. This model supports both our competitiveness and our environmental objectives. Resource efficiency is central to our operations - we actively reuse by-products and minimise waste generation, contributing to a more circular production process.

GOVERNANCE FOR SUSTAINABILITY.

MANAGING RESPONSIBILITY

We take a practical, accountable approach to sustainability governance. Our senior management team holds direct responsibility for embedding environmental and social considerations into daily operations and long-term planning. Sustainability isn't a bolt-on, it's integrated into risk assessments, workforce planning, operational leadership, and regulatory compliance.

In 2024, this approach helped drive continued improvement across emissions control, resource use, employee engagement, and external reporting. By keeping sustainability aligned with operational responsibility, we ensure it stays at the core of how we do business - not as an obligation, but as a standard.

Copies of our policies can be found on our website: Legals I ALVANCE British Aluminium

OUR STRATEGY

Code of conduct

Our ALVANCE Working Principles set clear expectations for how we behave, with each other, with customers and suppliers, and in how we manage safety, environmental responsibility, and business integrity. These principles guide day-to-day decisions, not just corporate statements. They are reviewed regularly, supported by tailored training, and backed by clear accountability. Doing the right thing isn't optional - it's part of the job.

Anti-corruption

We operate a zero-tolerance approach to bribery and corruption. This is enforced through:

- Mandatory training via the Astute platform
- Strong internal controls and audit processes
- Clear, confidential reporting channels

If concerns are raised, we respond quickly and transparently. Our aim is not just legal compliance, it's to run a business that people can trust.

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 2024.

Payments to UK Government 2024	£'000s
Employers payroll taxes and National Insurance	426
Property tax	744
Taxes collected on behalf of employees and remitted to Government	1,201
Total	2,371

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

Political contributions

We do not make political donations. Our decisions are grounded in sustainable business growth, not influenced by political interests. Where interaction with political bodies is required, it is conducted transparently and lawfully, in line with our ethical values.

OUR STRATEGY

Our approach to risk and compliance is systematic, integrated, and fundamental to our sustainability strategy. It ensures we operate safely, lawfully, and ethically - protecting our people, assets, environment, and reputation.

Governance & regulatory assurance

We operate under a robust legal and compliance framework, shaped by UK legislation and sector-specific regulation:

- SEPA, through our Pollution Prevention and Control (PPC) permit, regulates emissions, waste, and environmental safeguards.
- HSE, including under our upper-tier COMAH classification, requires stringent safety and process control systems.
- Our external legal advisors provide specialist support on emerging regulations, legal risks, and ethical responsibilities, ensuring we maintain full alignment with applicable laws.

We undergo regular internal and external audits (e.g. ISO, ASI), and track findings to closure through our integrated corrective action process. Compliance is not static, it is actively managed through continual monitoring, legislative tracking, and engagement with regulatory bodies.

Risk management strategy

We apply a structured, tiered approach to risk identification, assessment, and control, as outlined in LOC-ELM-HSEQ-003:

- Task-based assessments for routine and lower-risk activities
- Qualitative and quantitative analyses for significant risks
- Dynamic reviews triggered by change, incidents, or audit findings

Critical risk and process safety

We prioritise the identification and control of critical risks, those with the potential for fatal or major consequences and controls are designed to achieve ALARP and utilise best available techniques (BAT).

For COMAH-regulated activities, we implement Process Safety Management (PSM) systems focusing on:

- High-integrity engineering controls
- Hazardous inventory management
- Emergency preparedness

Multi-agency comah exercise

In 2024, ALVANCE British Aluminium hosted a major multi-agency Control of Major Accident Hazards (COMAH) exercise, working closely with The Highland Council and key emergency services to strengthen our emergency response capability.

The exercise scenario simulated one of the site's identified Major Accident Hazards, pushing all stakeholders to rigorously test our plans and coordination mechanisms. Partners included:

- The Highland Council (Resilience Team)
- Scottish Fire and Rescue Service
- Police Scotland Highland & Islands
- Scottish Ambulance Service
- NHS Highland
- Belford Hospital
- HM Coastguard
- British Red Cross

The event included a comprehensive tabletop session and a site tour to build mutual awareness and test collective decision-making. These exercises not only fulfil COMAH regulatory requirements but are fundamental to protecting our workforce, the local community, and the environment in the event of a serious incident.

Exercises like these are a key part of our governance approach - making sure health, safety, and environmental resilience are not just theoretical, but practised, tested, and continually improved.

Culture, competency and engagement

Risk and compliance are everyone's responsibility. We deliver targeted training on hazard identification, risk management, and legal duties, with tailored content for leadership, operational, and HSEQ teams. We also encourage open communication, encouraging all personnel to raise concerns, suggest improvements, and participate in reviews.

INDEPENDENT VERIFICATION OF RESPONSIBLE PRACTICES

Our business operates within a certified Integrated Management System (IMS), ensuring we meet internationally recognised standards across quality, environment, health & safety, and ethical governance. These certifications provide third-party assurance of our alignment with Environmental, Social, and Governance (ESG) expectations, and demonstrate our commitment to continual improvement.

THIRD-PARTY CERTIFICATION AND ACTIVE INDUSTRY COLLABORATION KEEP US ACCOUNTABLE, FUTURE-FOCUSED, AND ALIGNED WITH GLOBAL SUSTAINABILITY EXPECTATIONS.

Integrated Management System (ISO 9001:2015, 14001:2015 & 45001:2018)

Our Integrated Management System (IMS) is certified to ISO 9001:2015 (Quality), ISO 14001:2015 (Environment), and ISO 45001:2018 (Occupational Health & Safety). This integrated approach ensures consistency, compliance, and continual improvement across all critical business functions.

In 2024, we successfully completed our external surveillance audit with only one minor non-conformance identified, which was promptly addressed. This strong outcome reflects the maturity of our management systems and our commitment to operational excellence.

Aluminium Stewardship Initiative (ASI)

The Aluminium Stewardship Initiative (ASI) is the leading global standard for environmental, social, and governance (ESG) practices in the aluminium value chain. It sets out strict, independently audited requirements to ensure responsible production, sourcing, and management of aluminium from mine to final product.

We are certified to the ASI Performance Standard V3, which covers a broad range of ESG principles, including environmental protection, human rights, labour practices, business integrity, and supply chain due diligence.

In 2024, our surveillance audit recorded a significant reduction in minor non-conformances, from 12 in the previous cycle to just two. This marked improvement reflects the growing maturity of our systems and alignment with ASI expectations.

Corrective actions for the remaining findings are actively in progress. Certification to ASI remains a core part of our ESG strategy and supports our commitment to sustainable, ethical, and transparent operations.

European Aluminium

As a member of European Aluminium, we actively engage with a network that represents over 600 plants across 30 European countries. This association plays a pivotal role in promoting aluminium's unique properties, advocating for sustainable growth, and addressing Europe's environmental challenges. Our involvement ensures we stay aligned with EU policies and benefit from shared expertise in areas such as decarbonisation, circular economy initiatives, and regulatory developments.

MAKE UK

MAKE UK is the UK's leading manufacturing organisation and has recently intensified its focus on the aluminium industry by establishing the Aluminium Producers and Processors Special Interest Group. This initiative aims to address the unique challenges faced by the aluminium sector, including trade pressures, energy costs, and the transition to a low-carbon economy.

Through this group, MAKE UK provides a platform for aluminium producers and processors to collaborate on policy advocacy and engage with government stakeholders. The group's activities have included responding to international trade developments, such as U.S. tariffs on aluminium imports, and advocating for policies that support the competitiveness and sustainability of the UK's aluminium industry.

Our participation in MAKE UK's Aluminium Producers and Processors Special Interest Group ensures that we remain at the forefront of industry developments and contribute to shaping a resilient and sustainable future for the UK's aluminium sector


DNV

MANAGEMENT SYSTEM CERTIFICATE

This is to certify that the management system of
ALVANCE British Aluminium
Lochaber Smelter, North Road, Fort William, Inverness-Shire, PH33 6TH, United Kingdom

has been found to conform to the Quality Management System standard:
ISO 9001:2015

This certificate is valid for the following scope:
The smelting and casting of aluminium products with associated power generation.


DNV

MANAGEMENT SYSTEM CERTIFICATE

This is to certify that the management system of
ALVANCE British Aluminium
Lochaber Smelter, North Road, Fort William, Inverness-Shire, PH33 6TH, United Kingdom

has been found to conform to the Environmental Management System standard:
ISO 14001:2015

This certificate is valid for the following scope:
The smelting and casting of aluminium products with associated power generation.


DNV

MANAGEMENT SYSTEM CERTIFICATE

This is to certify that the management system of
ALVANCE British Aluminium
Lochaber Smelter, North Road, Fort William, Inverness-Shire, PH33 6TH, United Kingdom

has been found to conform to the Occupational Health and Safety Management System standard:
ISO 45001:2018

This certificate is valid for the following scope:
The smelting and casting of aluminium products with associated power generation.


ASI CERTIFICATION
PERFORMANCE STANDARD

PRESENTED TO

Alvance British Aluminium Ltd

CERTIFICATE NUMBER	ASI STANDARD	CERTIFICATION LEVEL	ASI ACCREDITED AUDITING FIRM
143	PERFORMANCE STANDARD (V3 2022)	FULL CERTIFICATION	DNV BUSINESS ASSURANCE SERVICES UK LTD.

DATE OF ISSUE	DATE OF EXPIRY	CERTIFIED SINCE
29 NOVEMBER 2023	28 NOVEMBER 2026	29 NOVEMBER 2021

AUTHORISED BY

CERTIFICATION SCOPE

Primary Aluminium smelting from Alumina and production/casting of slab ingot alloys and low pans at the Lochaber Smelter, United Kingdom.

Aluminium Stewardship Initiative Ltd
ACN 606 661 125, Australia
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

OUR STRATEGY

In our sustainability journey at Alvance, 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.

During 2024 we continued with the process of ensuring sustainability was assessed against our Key Suppliers, 35 active Key Suppliers were identified, 18 were fully assessed with an average rating of 76 (minimum score being 50). We remain committed to this process and continue to assess our Key Suppliers ensuring all sustainability criteria is met.

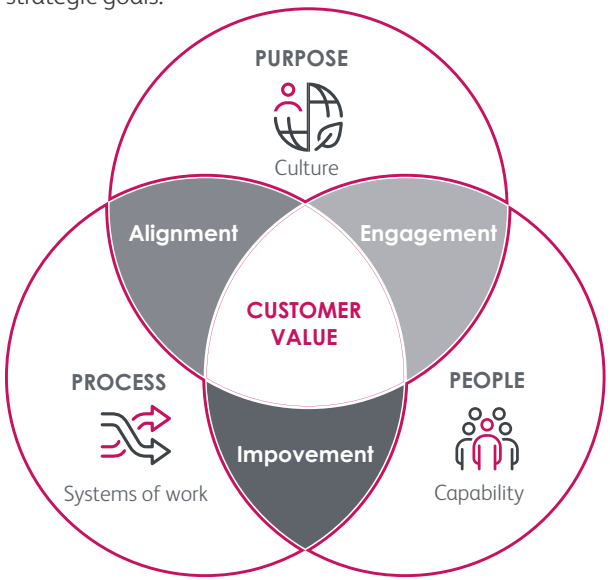
Conflict affected and high-risk areas (cahras)

As part of our sustainability reporting and commitment to responsible sourcing, a risk assessment was conducted regarding the public disclosure of bauxite origins used in our operations. Our alumina is sourced from the Rusal refinery, which utilises bauxite from Guinea, Sierra Leone, and Brazil. None of these countries are listed on the European Union's Conflict-Affected and High-Risk Areas (CAHRAs) List, and bauxite originating from CAHRA-listed regions does not transit through these countries. Guinea, possessing the world's largest bauxite reserves, and Brazil, with the fourth largest, are both recognised as stable and reliable long-term suppliers. While a small portion of our bauxite - less than 7% annually - currently comes from Sierra Leone, this source is not part of our long-term procurement strategy. Based on these factors, the risk associated with disclosing our bauxite supply chain is considered low, and transparency in this area supports our ongoing commitment to responsible sourcing and sustainable operations.

OUR LOCHABER WAY.

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.



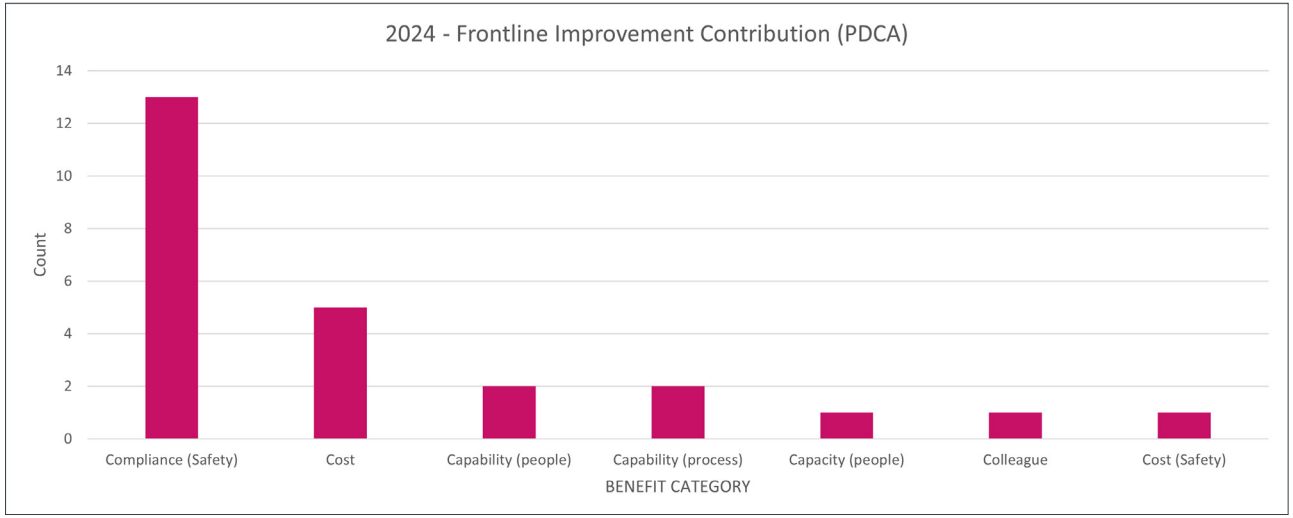
OUR STRATEGY

Our improvement academy

In 2024, we continued to embed Lean principles as part of our onboarding programme and maintained a 95% coverage of Improvement Awareness (White belt) across the business. Improvement Practitioner (Yellow Belt) development has now accumulated 26 externally accredited Lean Competency System LCS Level 1b certified colleagues giving rise to a 16% coverage across the business from operations to maintenance, to finance and service functions. Practitioners have led the delivery of comprehensively evidenced improvement projects as well developing their individual competency.

Our delivered benefits

Benefits delivered from nine new Improvement Practitioner (Yellow belt) projects include improved HSE compliance, reduced cost burden to the business, increased reliability of key assets, as well as 'hearts-and-minds' projects that targeted improved colleague satisfaction and engagement. In 2024, we introduced a system to capture frontline improvements have also been realised thus strengthening our improvement culture at all levels.



OUR DEDICATION TO OUR PEOPLE

SOCIAL RESPONSIBILITY

We believe business success should create value beyond profit. Our social responsibility strategy focuses on positively impacting the people we employ and the communities we're part of and creating shared value through safety, inclusion, opportunity, and engagement.

SOCIAL PERFORMANCE IS DEEPLY INTEGRATED INTO HOW WE OPERATE.

It's not a side programme and is reflected in workforce planning, procurement decisions, community involvement, and how we develop leadership. We aim to align our social impact with our environmental and economic goals, ensuring we grow responsibly, equitably, and sustainably.

OUR FOCUS AREAS

Employee wellbeing & safety
We prioritise the health, safety, and wellbeing of everyone on site. Our systems aim to eliminate workplace hazards, promote mental and physical wellness, and embed a culture of care and accountability.

Human rights & ethical labour
We uphold the highest standards of labour practice across our operations and supply chain. We have a zero-tolerance approach to modern slavery and forced labour, backed by a clear Anti-Slavery Policy and embedded supplier expectations.

Equality, diversity & inclusion
We're building a workplace that reflects the diversity of our communities. Our EDI Policy supports a culture where everyone is respected, valued, and given equitable opportunity - regardless of background, identity, or role.

Community engagement
We listen to and support our local communities through targeted initiatives in education, health, and economic development. Whether through sponsorships, site tours, local hiring, or employee volunteering, we aim to be a positive presence in the region.

Skills development & education
We invest in the development of our people at every level. From apprenticeships to leadership training, our learning programmes are designed to grow capability, support progression, and equip our workforce for the future.

ENABLING PERFORMANCE:

AT ALVANCE BRITISH ALUMINIUM, HEALTH AND SAFETY IS INTEGRATED INTO EVERY ASPECT OF OUR OPERATIONS.

In 2024, we continued to strengthen our safety culture through open communication, visible leadership, and systematic risk management. We prioritise critical risk control, process safety, and the wellbeing of every person on site, with a clear mandate: stop the job if it's not safe.

Our approach is built on ISO 45001-certified systems, and enhanced through benchmarking, shared learning, and regular engagement with the wider GFG Alliance.

2024 Performance summary

Injury overview

- 1 x Lost Time Injury (LTI) – Partial finger amputation
- 0 x Restricted Work Injuries
- 0 x Medical Treatment Injuries
- 1 x First Aid – Trip at level resulting in a strained ankle

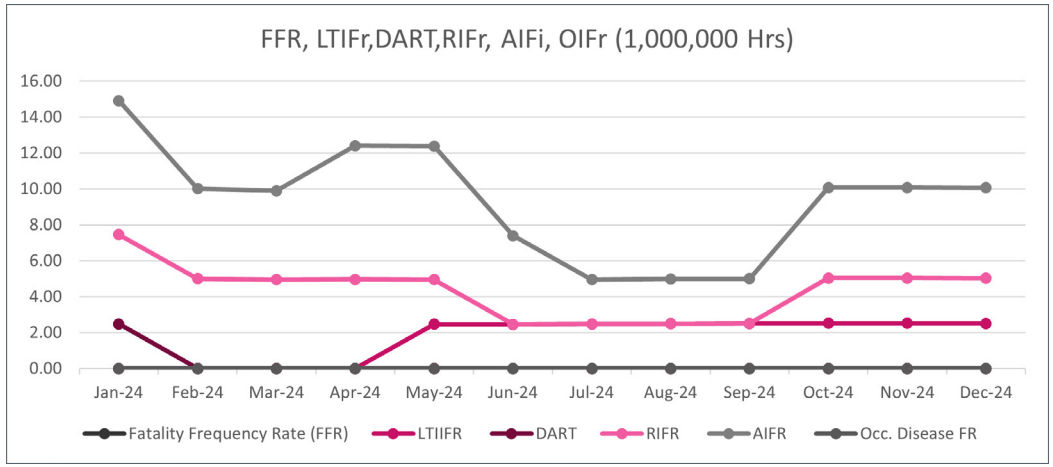
All incidents were subject to full investigation to identify Root Causes and preventative actions implemented and shared across teams.

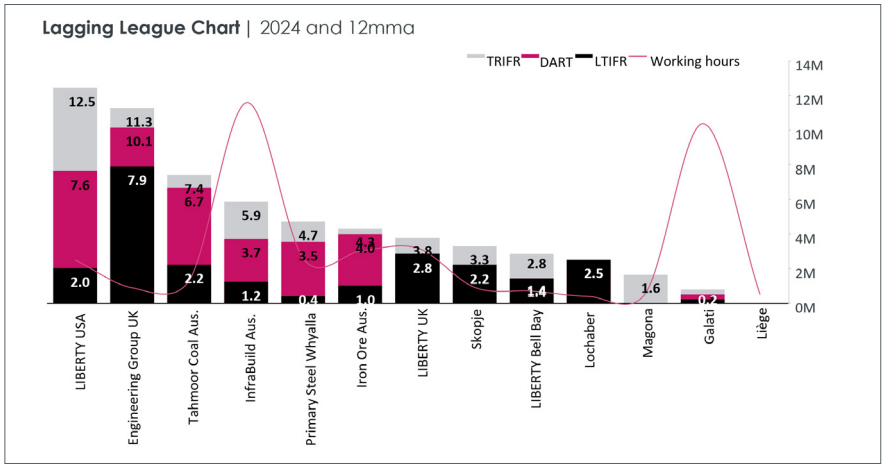
While the total number of injuries was low, the severity of the LTI reinforces the importance of maintaining high standards of risk control, safe systems of work, and PPE compliance.

The business collaborates on health and safety with the wider GFG group, sharing and learning from incidents and critical near misses. Alvance participates in monthly calls with other plants, and four-monthly global networking calls relating to the common goal of achieving zero harm within our business units.

BE GFG SAFE

In addition to this, injury data is benchmarked within the different GFG businesses, the results of which are shown below:





OUR COMMITMENT

Ensuring robust process safety is central to our sustainability mission. By effectively preventing and mitigating major accident hazards, we protect our employees, contractors, local communities, and the environment - all while strengthening the long-term resilience of our operations. Below is a summary of our 2024 process safety achievements and priorities.

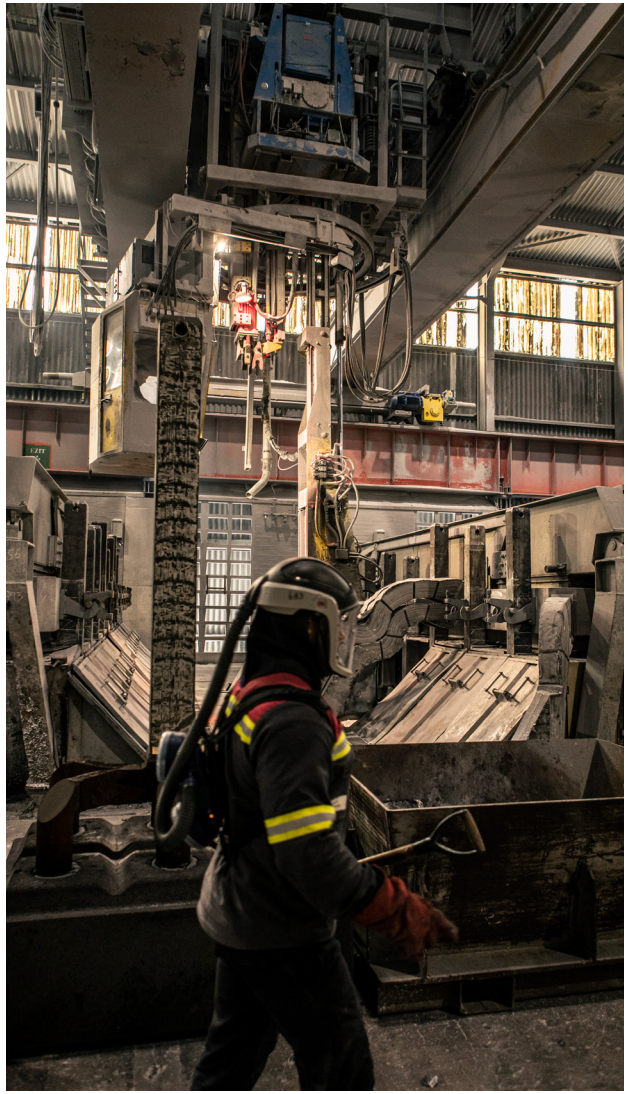
Key progress and achievements

Incident Performance: No Tier 1 events were recorded in 2024, reflecting our strong commitment to preventing the most serious types of incidents.

Weekly Major Accident Hazard Audits: To uphold high safety standards, we launched weekly audits to evaluate the effectiveness of our preventative and mitigative controls, enabling swift corrective action and continual improvement of safety barriers.

Occupied Building Risk Assessments: We updated quantitative risk assessments for temporary and permanent buildings near our major accident hazards, resulting in the relocation of certain temporary units to lower-risk areas. We also reinforced safety measures for fixed structures in hazardous zones, aligning with best practices.

47% increase in proactive Process Safety reporting



Site-Wide HAZID & Bowtie Diagrams: We completed a comprehensive Hazard Identification (HAZID) study to categorise process safety risks. For the inherently critical risks, we introduced visual bowtie diagrams to effectively display our preventive and mitigative barriers used in controlling catastrophic process safety scenarios.

Increased Hazard Reporting: Our workforce reported 157 hazards, marking a 47% rise compared to pre-programme levels, an indication of greater safety awareness and proactive identification of potential issues.

Tailored Process Safety Training: We delivered targeted training for molten metal operators, emphasising key risk areas such as molten metal explosions, containment failures, open circuits, fires, and dust explosions - furthering our culture of vigilance.

Future outlook

Zero Harm Ambition: We aim to maintain our record of zero Tier 1 incidents and further minimise Tier 2 events by strengthening our critical controls and sharing lessons learned from incidents and near-misses.

Expanding Leading Indicators: We will continue refining our Tier 4 (leading) process safety metrics, helping us proactively identify vulnerabilities, track compliance, and drive targeted improvements.

OUR APPROACH

PROTECTING HUMAN RIGHTS ISN'T PASSIVE — IT'S A DAILY COMMITMENT TO FAIRNESS, DIGNITY, AND TRANSPARENCY ACROSS EVERYTHING WE DO.

Respecting human rights is fundamental to how we operate. Our commitment goes beyond compliance — we aim to lead with integrity, ensuring that our operations, policies, and supply chains uphold the rights and dignity of every person connected to our business.

This approach is embedded across our governance structure, supplier relationships, workforce practices, and stakeholder engagement.

Modern slavery and ethical labour

We maintain a zero-tolerance stance on modern slavery, forced labour, servitude, and human trafficking. These principles are detailed in our Anti-Slavery Policy, which applies across all our operations and supply chains.

Our due diligence processes include:

- Risk-based reviews of suppliers and service providers
- Clear contractual requirements aligned with ethical labour standards
- Ongoing policy review and management oversight

We expect our suppliers to uphold the same standards and reserve the right to act where there is evidence of non-compliance.

Whistleblowing & reporting concerns

Creating a safe environment where employees and stakeholders can raise concerns is essential to our ethical framework.

Our Whistleblowing Policy provides:

- Multiple internal and external channels for raising issues
- Anonymous reporting via hotline and email
- Protection from retaliation for all whistleblowers

In 2024, no whistleblowing reports were received. We continue to promote awareness and trust in our reporting mechanisms through ongoing training, communication campaigns, and leadership support.

Reward and recognition

We believe fair and competitive compensation plays a role in protecting and supporting workers' rights. Our reward and recognition strategy supports not only financial security but also employee wellbeing and inclusion.

In 2024, our offer included:

- Competitive salaries and shift allowances
- Company and individual bonus schemes
- Enhanced pension contributions
- Private healthcare support
- Cycle to Work scheme
- An inclusive discount and benefits platform

These benefits reflect our commitment to recognising contribution, promoting wellbeing, and retaining a diverse and skilled workforce.

DIVERSITY FUELS PERFORMANCE - INCLUSION MAKES IT SUSTAINABLE.

OUR COMMITMENT

Diversity and inclusion are core to our identity as a modern manufacturing business. We recognise that diverse perspectives, backgrounds, and experiences contribute directly to innovation, problem-solving, and better decision-making.

We're committed to creating a workplace that reflects the communities we serve and where everyone feels respected, supported, and able to succeed.

TRAINING, DEVELOPMENT AND TALENT

Building skills for the future

We support continuous learning through structured onboarding, technical training, and leadership development. Training is tailored to each role and aligned with business needs, including:

- Core compliance (e.g. health & safety, environmental standards)
- Job-specific technical skills
- Supervisory development and behavioural training

Apprenticeships and early careers

Our apprenticeship programmes remain a cornerstone of future workforce planning. In 2024, we welcomed three new Modern Apprentices into the business, bringing the total to ten. Seven are expected to complete their programme by the end of 2024, with an additional three starting in July 2025. We also have two Graduate Apprentices currently progressing through their studies.

These structured programmes combine practical, hands-on experience with academic learning, reflecting our continued commitment to developing skills and fostering talent within the region.

Beyond apprenticeships, we continue to support a wide range of learning and development opportunities across the business, including:

- Two employees undertaking Master's degrees
- Two employees completing undergraduate degrees
- Three employees working towards Project Management qualifications at SCQF Level 8
- One employee completing a Diploma in Digital Marketing at SCQF Level 6
- Ongoing development of our current apprentices
- We also ensure access to a range of externally recognised qualifications, such as SVQ Level 5 in Project Management.

In 2024, excluding the time and cost of internal training delivery by our qualified in-house trainer, we invested:

- £102,188 in external training
- 965 hours of external training delivered to 227 delegates

This sustained investment not only strengthens capability across the business, but also supports employee motivation, internal progression, and long-term talent retention.

OUR STRATEGY

At Alvance British Aluminium, we recognise that our success is closely tied to the well-being and growth of the local community. Since our founding in 1929, we have consistently prioritised and expanded our community engagement through initiatives focused on education, local development and charitable support.

Education and skills development

We have continued to strengthen our partnerships with local educational institutions, including schools, colleges and universities to encourage meaningful employer-education through collaboration. Our efforts have been centred around promoting Science, Technology, Engineering and Mathematics (STEM) subjects, as there is a shortfall of skills in this area both locally and nationally.

One of our key initiatives is our annual event 'Your Future Career in Lochaber', coinciding with Scottish Apprenticeship Week in March. Alvance British Aluminium leads this event in partnership with UHI Inverness and neighbouring industrial organisations including MOWI Scotland, BSW Timber and Ferguson Transport & Shipping. This event highlights apprenticeship and graduate opportunities, showcasing the benefits of work-based learning; around 100 community members participated in this event.

We have also continued our support for MCR Pathways, a nationwide mentoring programme. Our staff volunteers provide weekly mentoring sessions to students in the local secondary school, helping to build resilience, motivation and commitment.

Working with the community

We remain committed to recruiting local talent, with over 20% of our workforce having begun their careers through apprenticeship programmes. This ongoing investment in local talent reflects our dedication to long-term career development, with pathways extending to degree-level education. Young people are getting to benefit from earning whilst learning with an exciting range of perks and benefits that are highly competitive.

Our support for local sports continues through sponsorships of events such as the Fort William Summer Street League Shinty, the Fort William Mountain Festival and the Lochaber Phoenix Boxing Club.

We host our annual Staff & Contractor Family Fun Day, bringing together approximately 80 adults and 50 children. Our dedication to family is further demonstrated through our long-standing Christmas party tradition, where more than 50 children join in the festive celebrations.

To strengthen our community ties, we offer business tours for a wide variety of groups from primary and secondary school students to the Fort William's Men Shed to learn 'what happens inside the factory'. These tours provide valuable insights into the operations of our facility.

OUR STRATEGY

We work closely with media outlets like the BBC and Sky TV to showcase our role as the UK's only remaining primary aluminium smelter - powered by renewable hydropower, producing low-carbon aluminium, and playing a vital part in securing the UK's aluminium supply as well as supporting the National Grid.

Furthermore, we maintain close collaborations with the emergency services, ensuring seamless coordination and support for emergency practices. In 2024, we hosted Fort William Fire Station for a specialist training drill within our large office building. The exercise challenged fire service personnel to navigate an unfamiliar environment under restricted visibility, using breathing apparatus and blackout covers to simulate real fire conditions. Casualty dummies were strategically placed to test search and rescue techniques.

We also support a range of local recreational activities, including skiing, mountain biking, trials biking and climbing with our sister company, JAHAMA Highland Estates. Through sponsorships of local clubs and events, we help contribute to the area's cultural and economic vitality. Additionally, our sponsorship of the Highland Cinema provides a 30% discount for staff year-round and a 30% discount for all residents during the winter months.

Our operations continue to have a positive impact on the broader local economy, generating indirect employment opportunities in sectors such as engineering services, small businesses and hospitality.

Charities

Our onsite Social Committee organises a variety of fun activities for employees, with proceeds benefiting local charities. In 2024, the organisations we supported included Care Lochaber, Connecting Young Carers, The Montrose Centre, The Buzz Project, Lochaber Foodbank, Love in a Box Lochaber and Lochaber Women's Aid.

Through these initiatives, Alvance British Aluminium demonstrates our continued commitment to enhancing educational opportunities, promoting community development, and supporting local charitable causes. Looking to the future, we remain dedicated to building on these efforts and further contributing to the communities we operate in.

OUR STRATEGY

Events and recreation

Post covid we have continued to see an exceptionally significant increase in public access and events being held across our whole landholding. Successful engagement and partnership across an extensive range of stakeholders has meant that we have been able to balance the needs of individuals to access the outdoors responsibly against the wider increase we have seen in waste, litter, erosion, and general misuse of the countryside.

In 2024 we have for the first time secured representation on the statutory body the Lochaber Access Forum. We continue to host regular meetings with the range of motorcycle trial clubs and larger event organisers who host large scale events to ensure that they are as well managed as possible. For the increasingly popular Ben Nevis three peaks charity walks we support the community group the Nevis Landscape Partnership and work closely with them to act as the single point of contact for this type of activity. In this way we support the community body who receive the income from these events.

In addition, the income from the Lower Falls Car Park project in Glen Nevis (leased to the NLP by Jahama Highland Estates) continues to do well and is now the primary income stream for the community group, the Nevis Landscape Partnership with them having experienced reduced state funding for their core administration costs.

ENVIRONMENTAL DELIVERY

OUR ENVIRONMENTAL AMBITIONS

Our environmental ambitions are made real through the way we operate every day. From our engineering and procedural controls for making aluminium to the way we monitor and report on performance - we continually work to minimise emissions and meet the highest regulatory standards. This means investing in proven technology, applying best available techniques, and maintaining robust management systems that ensure we protect the environment while delivering high-quality products.

ALVANCE BRITISH ALUMINIUM, ALONGSIDE ASSOCIATED BUSINESS (SIMEC JAHAMA) UNITS 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.

SUSTAINABLE STRATEGY

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 (PPC) 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.

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.

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.

OUR STRATEGY

The aluminium industry as a whole contributes significantly to global GHG emissions. Collective action is needed to reduce emissions in line with the Paris Agreement's 1.5-degree pathway, and we fully recognise our duty and responsibility to act now.

Climate change driven by greenhouse gas emissions continues to cause widespread and irreparable damage to communities and ecosystems across the planet. Being a highly emissions intensive process, the aluminium production industry faces a major challenge in tackling its climate impacts by reducing these emissions.

At the same time, demand for aluminium is growing. With current applications across a multitude of fields and industries, it is fundamental to the workings of the modern world. Crucially, aluminium has a vital part to play in the transition to low carbon energy. As a key material for various clean energy technologies and infrastructure, the global energy transition will drive the need for more aluminium, with demand expected to double by 2050.

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 taking action. We are actively monitoring and working towards reducing our carbon footprint, both for neutrality and absolute reduction as outlined in our reduction plan.

GHG EMISSIONS METHODOLOGY

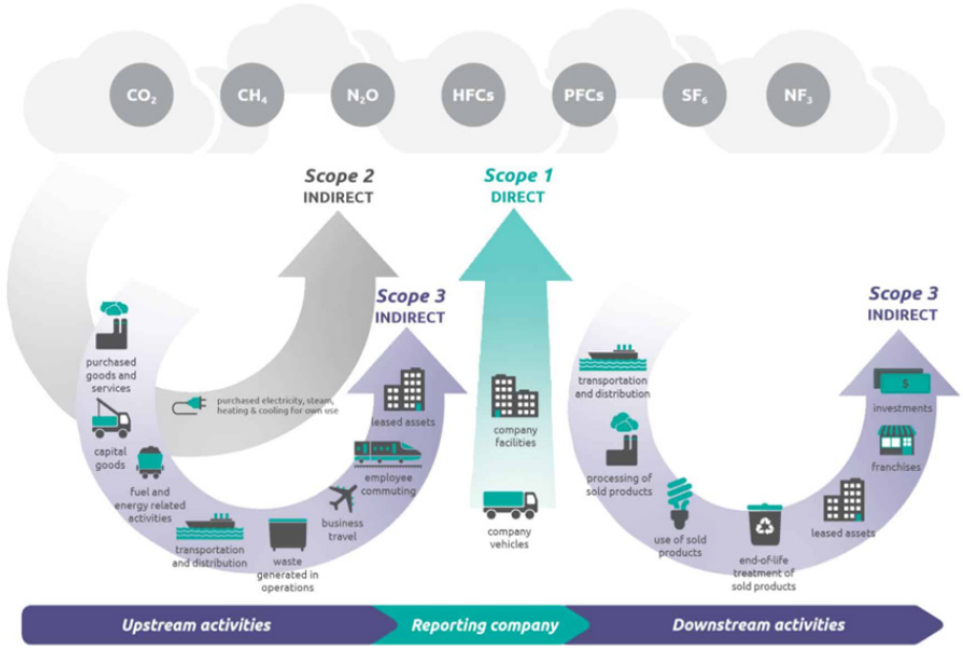


Image Modified from source: 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions (v1.0)', World Resources Institute & World Business Council for Sustainable Development, (2013)

In line with previous years, an operational approach to our GHG emissions calculation has been followed, ensuring the company accounts for 100 % of emissions from operations over which it has operational control.

The organisational boundary for this footprint covers only the Lochaber Aluminium Smelter in Fort William, Scotland, as the sole facility over which Alvance 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 temporal boundary for the GHG emissions calculation is represented by the calendar year: 1st January– 31st December 2024. 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. A materiality assessment was carried out, identifying all relevant indirect emissions sources across the value chain.

GHG EMISSIONS METHODOLOGY

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 Alvance'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 2024 (Department for Energy Security and Net Zero, 2024)
- US EPA - Supply Chain Emissions (US Environmental Protection Agency, 2024)
- 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

SLR Consulting has acted as verifier of Alvance British Aluminium's inventory of data used to calculate its greenhouse gas (GHG) emissions in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the relevant subject-matter specific ISAE for GHG data (ISAE 3410, Assurance Engagements on Greenhouse Gas Statements). It is the verifier's opinion that there are no material misstatements in the GHG data provided by Alvance.

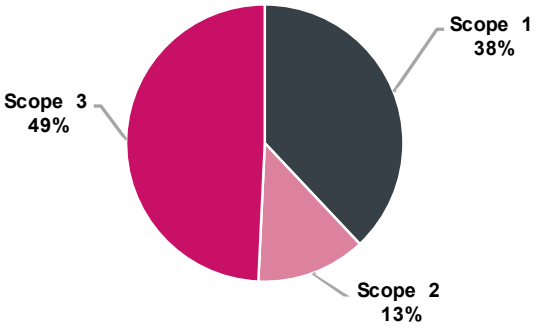
A copy of the verification statement can be provided upon request.

OUR PERFORMANCE

Lochaber smelter's carbon footprint for 2024 was 123, 862 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 2024

Scope	tCO_2e
1	47,038
2	15,813
3	61,011
Total	**123,862**



In comparison to 2023, this is an overall decrease in emissions of 7,005 tCO2e (-5.4%). The table below shows Scope 1,2 and 3 emissions for the years 2022, 2023 and 2024. While we can see a gradual decrease in Scope 1 emissions over the years, our Scope 2 emissions (purchased electricity) have increased.

	Scope 1 tCO_2e	Scope 2 tCO_2e	Scope 3 tCO_2e	Total Emissions	Production Intensity tCO_2e/t Al	Global Average	% Difference
2022	50,741	11,651	73,625	136,017	4.40	15.8	-72%
2023	48,986	12,043	69,838	130,867	4.47	15.1	-70%
2024	47, 038	15, 813	61, 011	123, 862	4.26	14.8	-71%

GHG Emissions Benchmarking

The table above provides a full comparison of emissions and production intensity from 2022 to 2024, alongside global aluminium industry averages reported by the International Aluminium Institute (IAI).

In 2024, our production intensity stood at 4.26 tCO_2e per tonne of aluminium produced, which is approximately 71% lower than the IAI's most recently reported global average of 14.8 tCO_2e/t. This performance reflects our strong reliance on renewable hydroelectric power and our continuous focus on efficiency throughout our operations.

(Primary Aluminium Greenhouse Gas Emissions Intensity - International Aluminium Institute)

Scope 2 context

The smelter participates in a wind balancing mechanism to help maintain the stability of the national grid electricity supply. During periods when wind generation exceeds grid capacity, we temporarily reduce use of our on-site hydropower and instead import electricity. This flexibility allows the grid to absorb more renewable wind energy and avoid curtailment, directly supporting the UK's transition to a low-carbon energy system.

While this is a valuable national service, contributing to greater utilisation of green energy, it has a downside for us: the imported electricity inflates our reported consumption figures, as we cannot currently verify that this power originates from renewable sources.

Nonetheless, we remain committed to supporting grid stability and recognise the critical role our site plays in enabling broader decarbonisation of the UK energy network.

OUR PERFORMANCE

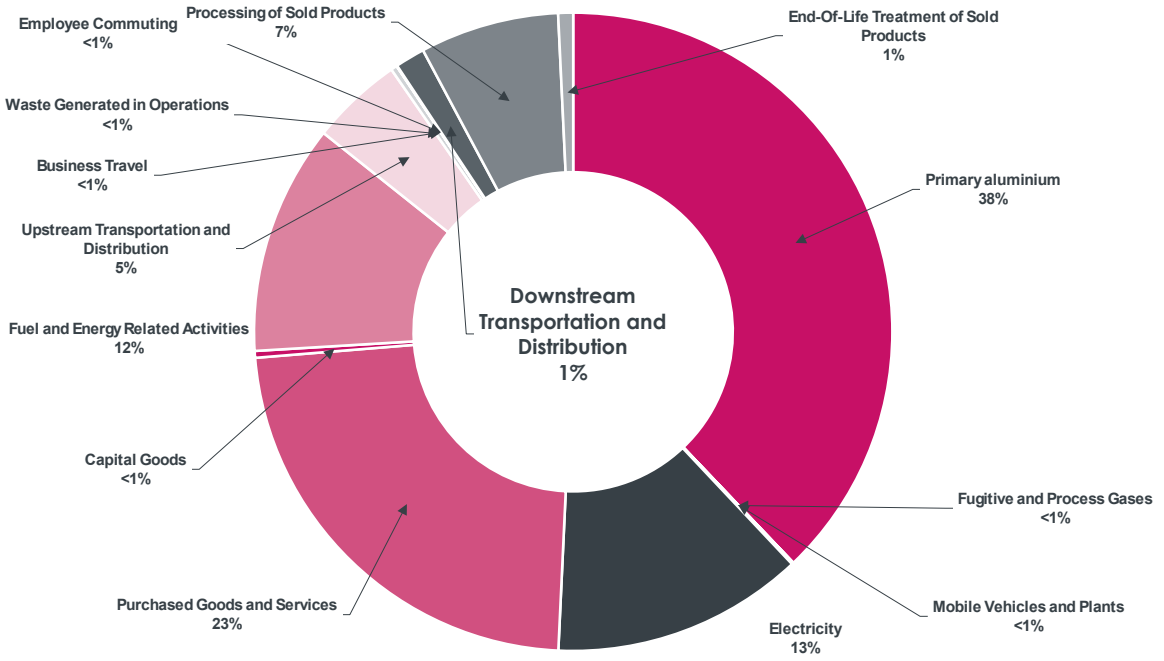
Scope 3 emissions breakdown

Indirect emissions resulting from operations up and down the value chain, represented the most significant portion of our carbon footprint in 2024 at 49%.

The table below details the proportion of Scope 3 emissions attributed to each category.

Scope 3 Breakdown of Emissions	
Category	**% of Scope 3 Emissions**
Purchased goods and services	47
Capital goods	1
Fuel & energy related activities	24
Upstream transportation & distribution	9
Waste generated in operations	1
Business travel	<1
Employee commuting	<1
Downstream transportation and distribution	3
Processing of sold products	14
End of life treatment of sold products	1

As summarised in the chart below, the biggest contributors to our overall GHG emissions in 2024 were from facilities (direct emissions from primary aluminium production, 37.9%), purchased goods and services (23%) and electricity import (12.8%).



LOOKING AHEAD

GHG emissions reduction pathway

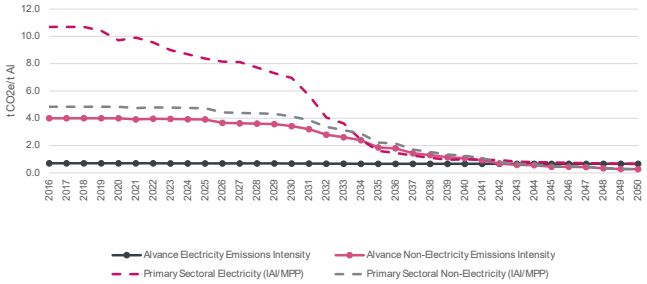
Alvance British Aluminium has developed a comprehensive GHG Emissions Reduction Plan as part of its commitment to the ASI Performance Standard v3.1, focusing on achieving significant reductions in greenhouse gas emissions. This initiative is integral to our sustainability objectives and aligns with global 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 Well to Tank (WTT) /Transmission & Distribution (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 Alvance British Aluminium is shown below based on a baseline emissions intensity of 3.93 tCO2e/t Al from 2022:



OUR STRATEGY

We are committed to minimising potential impact on our environment and our surrounding community through careful management of our emissions to air.

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

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. 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.

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.

OUR PERFORMANCE

Mass emissions

We are pleased to report a significant reduction in both greenhouse gas emissions and non-greenhouse gas emissions in 2024, as compared to 2023. Emission intensities are displayed in the following tables:

Pollutant - GHG	2023	2024	Difference
PFCs (kg/t Al)	0.0136	0.008	-42.3 %

Pollutant – Non-GHG	2023	2024	Difference
Fluoride (kg/t Al)	0.618	0.451	-26.9 %
Particulate Matter (kg/t Al)	0.925	0.681	-26.3 %
SO2 (kg/t Al)	13.137	12.583	-4.2 %
NOx (kg/t Al)	0.069	0.06	-13.7 %

Mass emissions are also summarised below:

Pollutant	2023	2024	Difference
NOx (te)	2.039	1.776	-12.9 %
PFC's (te)	0.400	0.233	-41.8 %
Fluoride (te)	18.174	13.404	-26.2 %
Particulate Matter (te)	27.202	20.232	-25.6 %
SO2 (te)	386.53	373.713	-3.3 %

EMISSION CAPTURE FOR THE EMISSIONS RELEASED BY THE REDUCTION CELLS IS APPROX. 94%

MOST NOTABLY, PFC EMISSIONS HAVE DECREASED BY APPROX. 41%.

In June the business made a significant investment in the upgrade of our process control system, Alpsys. This has allowed for great improvements in process optimisation, reducing the frequency and duration of cell anode effects, which cause the release of PFCs.

Reductions in both Particulate Matter and Fluoride emissions by approx. 25 % is also a huge positive step for the site. These improvements are largely a result of increased efficiency of our Fume Treatment Plant (FTP), which captures emissions from the process cell line.

OUR PERFORMANCE

Fluoride in grass

Results for fluoride levels in grass in both 2023 and 2024 are displayed in the following graph, alongside the limit for the 12-month rolling average. Levels of fluoride at all measured locations remain well below advisory limit levels. The graph highlights a decrease in fluoride levels at all designated locations, except for Tail 1/2, where a very slight increase occurred. We continue to monitor the levels each month and look for trends in the data.

LOOKING AHEAD

We are delighted to see such positive results in our environmental air quality performance this year. The site continues to seek out further improvement opportunities and continue this downward trend in emissions in 2025.

In 2025 we will see the instalment of a new abatement system at one of our emission points. The works will involve an upgrade to our current crucible cleaning and skimming station, improving site compliance with BAT (Best Available Techniques) regulations, and will contribute to further reductions in air emissions from the smelter.

OUR STRATEGY

The process of smelting aluminium is inherently energy and resource intense. Powered by our hydro plant we have a huge advantage in the transition to renewable energy, yet we continue to look for ways to streamline our processes for reduced energy usage and resource consumption.

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. Resource use data is entered into spreadsheets following deliveries, meter readings and stock level checks.

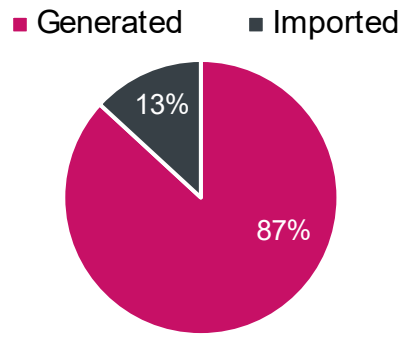
WE STRIVE TO OPTIMISE ENERGY AND RAW MATERIAL CONSUMPTION.

OUR PERFORMANCE

In 2024, the site's total energy use was 434, 178 MWh. This includes the use of electricity, LPG and kerosene. Total MWh of each energy source is shown below.

Source	Usage (MWh)
Electricity	426635.9
LPG	865.7
Kerosene	6676.7

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



A total of 87 % of the smelter's electricity came from 100 % renewable sources in 2024.

Smelting energy intensity

Energy use remains a key performance indicator for ALVANCE British Aluminium, given the energy-intensive nature of primary aluminium production.

We closely monitor our specific energy consumption (measured in megawatt hours per tonne of aluminium produced) to drive efficiency and benchmark our performance against industry standards. The table below shows our total energy usage and specific energy consumption for the past three years, compared to the global average reported by the International Aluminium Institute (IAI):

Year	Usage (MWh)	MWh/t	Global Avg
2022	421331.35	13.43	**14.091**
2023	394297.23	13.40	
2024	399002.90	13.43	

In 2024, our site maintained an energy intensity of 13.43 MWh/t, which is approximately 4.69 % lower than the global average of 14.091 MWh/t reported by the IAI. This continued performance reflects our disciplined focus on operational efficiency and the advantage of using renewable hydropower as our primary energy source.

(Primary Aluminium Smelting Energy Intensity - International Aluminium Institute)

OUR PERFORMANCE

Raw materials

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

In 2024 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.

LOOKING AHEAD

In 2025, we plan to carry out a full update of the businesses Life Cycle Assessment (LCA) for all current products. These results will help focus our strategies for reducing waste, improving resource efficiency, and enhancing the sustainability of our products.

Through increased understanding of the environmental hotspots identified through this LCA, we can target areas for improvement and reduce the environmental footprint of our operations and products.

OUR STRATEGY

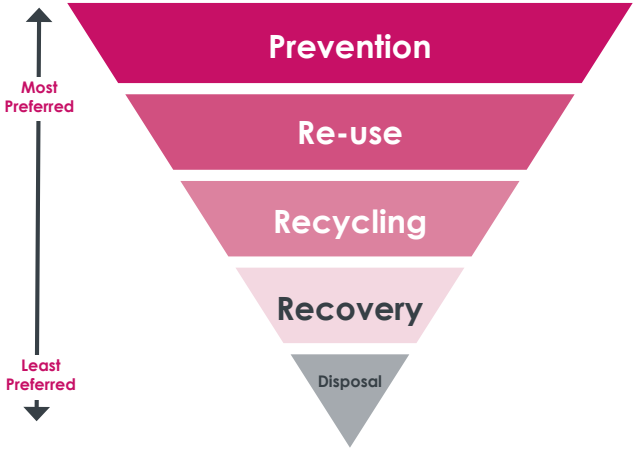
At Alvance British Aluminium we are committed to improving our management of waste and continue to explore opportunities to reduce waste creation.

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.

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.

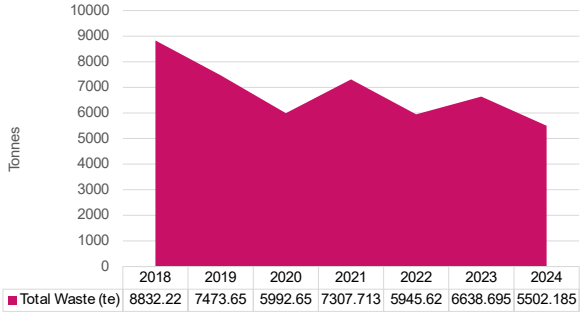
All waste data is entered into data collection spreadsheets following waste transfer and weigh-ins.

The **waste minimisation hierarchy** is at the core of our waste management policy. Our focus is on eliminating waste streams where possible, exploring options for re-use, recycling and recovery on site.



OUR PERFORMANCE

Total waste generation across the site has decreased by 3281 tonnes in the six years from 2018 to 2024. As shown in the graph below, we saw a small rise in waste generation in 2023, primarily due to the removal of excess anode cover from site. Anode cover is a key material in our process, however, due to the gradual reduction in operational cells in previous years, there was an excess. The smelter has now reduced on site resources to appropriate levels for current production, ensuring anode cover will no longer be a waste stream on site.



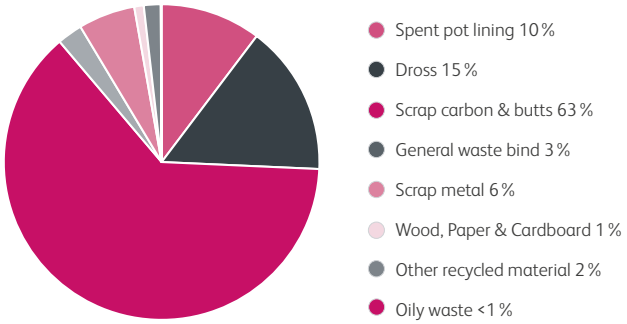
	2018	2019	2020	2021	2022	2023	2024
Total Waste (te)	8832.22	7473.65	5992.65	7307.713	5945.62	6638.695	5502.185

The above graph shows that total waste generation across the site has decreased by 1136.5 tonnes in 2024 when compared to 2023.

Aside from anode cover, 2024 also saw a decrease across other waste streams, notably the amount of general waste produced dropped from 220 tonnes to 142 tonnes. The chart below shows the split of waste materials produced at Lochaber Smelter in 2024.

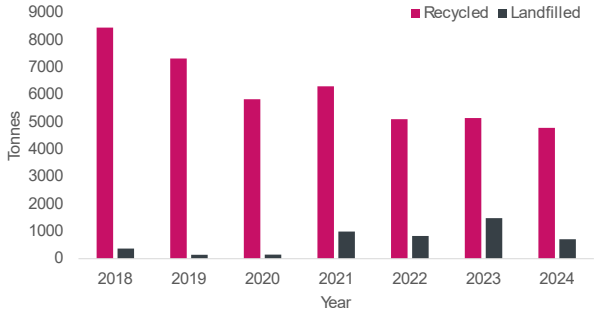
The major waste categories are:

- Scrap carbon - recycled
- Dross - recycled
- Spent pot lining (SPL) - a waste stream that arises when the aluminium cells reach the end of their operational lifetime (approx. 6.5 years) – currently sent to landfill.

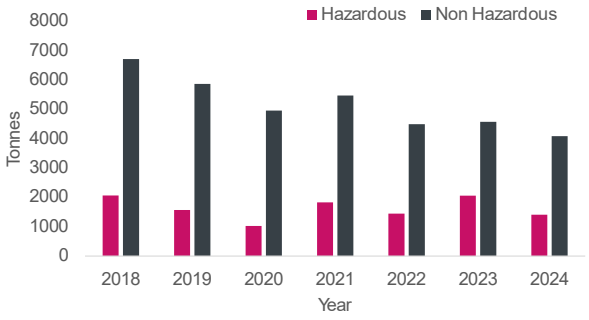


In 2024, 87 % of all waste generated at the smelter was recycled, while the remaining 13 % was directed to landfill. As indicated in the graph below, there has been an increase in the proportion of waste sent to landfill since 2021. This trend stems from the closure of a UK business that previously processed SPL for reuse, coupled with an accumulation of production materials due to a reduction in pot load as mentioned above.

Consequently, as on-site storage capacities were reached, the site was required 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.



LOOKING AHEAD

Spent Pot Lining (SPL) is one of our major waste streams. In 2024 it accounted for 10 % total waste produced. Currently SPL is sent to landfill as it cannot be recycled in the UK. 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. We hope to have an update on this in 2025.

In 2024, the business reviewed and made further improvements to recycling points across the site. New recycling bins have been distributed throughout both offices and operational areas, the improved signage and colour-co-ordinated bins will increase awareness and streamline the recycling process across all departments. As a result, we expect to see improvements in our recycling rate in 2025.

OUR STRATEGY

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 ENSURE OUR WATER USE IS RESPONSIBLE, SUSTAINABLE & EFFICIENT.

The company landholdings have water rights that provide a catchment of around 780 km2. As well as the storage capacity of the reservoirs, the side streams also provide water and during periods of high rainfall the station can run at full load from the side stream intakes and back feed water into Loch Treig.

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.

OUR PERFORMANCE

Water usage

In 2024, the site directed 1,017,528,480 m3 of water through the turbines to generate renewable electricity for the smelter.

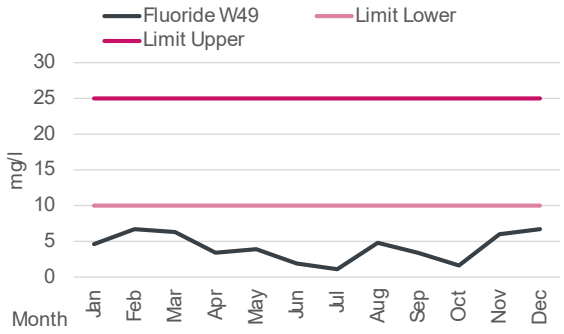
All water following hydro-electric generation is directed into a tailrace that intercepts with the River Lochy. Abstraction limits for the smelters hydro scheme are set by SEPA, therefore the dams are continually monitored and managed to ensure over abstraction does not occur. The site used approximately **17138.03 m3** of water for utilities in 2024, sourced from Water Plus. All site water is monitored in line with the Water Management Plan.

Emissions monitoring

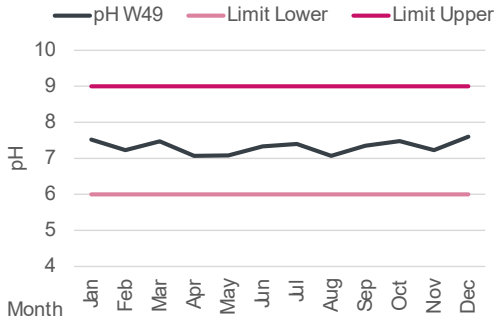
The industrial site at Alvance has one associated discharge point, the East Burn. This is a small stream that sits to the northeast of the smelter and eventually intercepts with the River Lochy. Discharges into this burn contain water that has been used for cooling in the casting process, along with 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.

Emissions to water data is inputted into spreadsheets following monthly sampling and analysis, carried out both internally and by a third party.

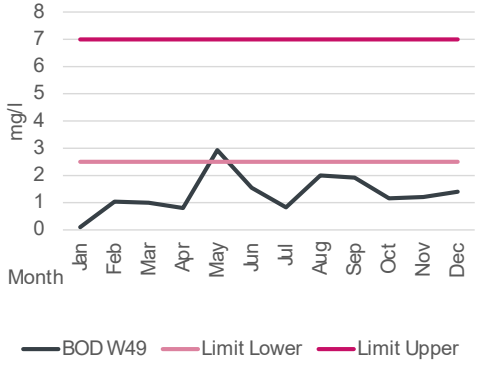
The below parameters are tested and measured from site discharges to water to assess for compliance against licence conditions.



Fluoride results East Burn



pH results East Burn



Biological oxygen demand results

Suspended solid results

In 2024 we recorded one sample which was above the lower emission limit for BOD, however, this was not a breach of license conditions. An investigation was conducted into the high concentration, and it was believed to have been a result of sampling error. A summary of sampling results is shown in the below charts:

OUR PERFORMANCE

Risk management

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 we continue to monitor and 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.
These risks and associated mitigation measures are outlined within our Water Management Plan.

River catchment restoration

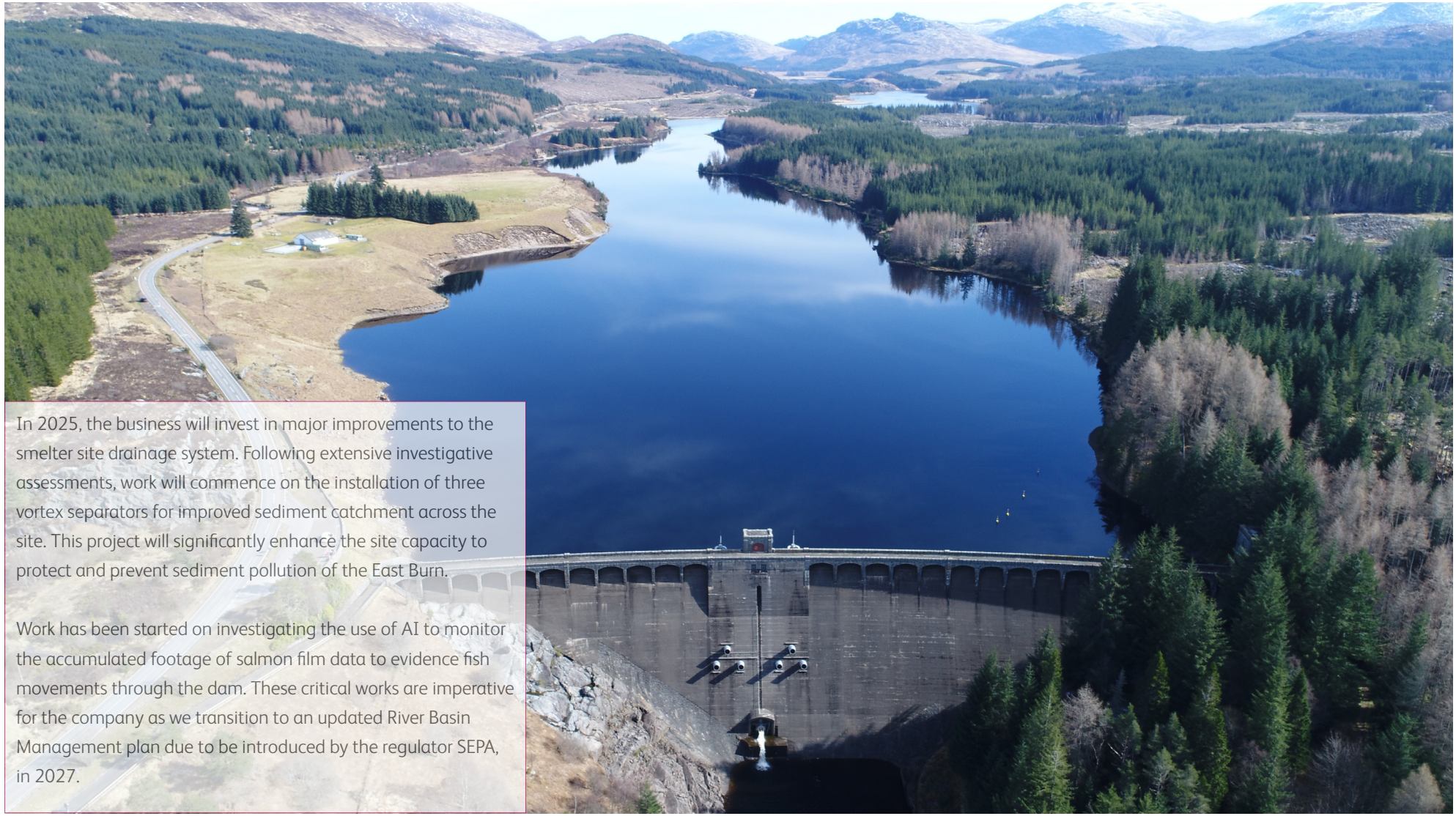
With a significant range and number of freshwater environments across our landholdings, our commitment to improving and enhancing river catchments continues to expand. 2024 saw our formal representation on the following key stakeholder groups continue:

- Spey Catchment Initiative
- Lochaber and District Salmon Fishery Board
- Lochaber Fisheries and Conservation Trust
- Spey Fisheries Board – Technical working group

Our joint working on a range of stakeholder groups with a vested interest in how we manage the upper Spey Catchment saw significant progress with the company investing in and improving the flow rates through the Spey Dam, enhancing smolt tracking by investing in digital PITT trackers in individual fish and finalising the introduction of LED lighting in the dam.

Work was also commenced on reviewing the introduction of automated, electronic flow gate opening, rather than simply relying on human interventions.

LOOKING AHEAD



In 2025, the business will invest in major improvements to the smelter site drainage system. Following extensive investigative assessments, work will commence on the installation of three vortex separators for improved sediment catchment across the site. This project will significantly enhance the site capacity to protect and prevent sediment pollution of the East Burn.

Work has been started on investigating the use of AI to monitor the accumulated footage of salmon film data to evidence fish movements through the dam. These critical works are imperative for the company as we transition to an updated River Basin Management plan due to be introduced by the regulator SEPA, in 2027.

OUR STRATEGY

At Alvance British Aluminium, 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.

2024 was a significant year for Alvance British Aluminium in relation to our work across a range of environmental enhancement and sustainability goals. Delivered under our internal estate brand JAHAMA Highland Estates, we have achieved some credible progress contributing to the wider climate change and environmental targets for the company and for the wider community, as well contributing to the Scottish Government targets for mitigating climate change.

OUR PERFORMANCE

Peatland restoration

At our landholding at Glenshero we successfully completed another year of Peatland restoration in 2024, bringing our overall restoration total to circa 450 hectares. Our work with the Monadhliath Deer Management Group will strengthen in 2025 and we plan to extend our restoration work across our other two large estates at Killiechonate and Mamore. Our peatland restoration work will continue at pace across the wider estate, and especially at Glenshero where the majority of suitable habitat is found. Our thanks to Peatland Action for funding the restoration works.

Native woodland regeneration

In 2024 we successfully partnered with our immediate neighbours around our landholdings on Ben Nevis and Glen Nevis namely the John Muir Trust, Glen Nevis Estates, Forestry Land Scotland, and the Nevis Landscape partnership and were successful in our application to the NatureScot Nature Restoration Fund being awarded approximately £100,000.00. This allowed the most significant ecological baseline recording of the Nevis area ever to be undertaken and culminated in a range of reports identifying landscape scale woodland regeneration opportunities for a significant portion of our landholdings.

This is a significant milestone as it assisted in propelling the organisation into fully understanding the natural capital markets and the various opportunities in relation to carbon in setting and off setting, as well as identifying the contribution the company could make towards the Scottish Government's target in relation to reducing biodiversity loss and mitigating against climate change via landscape scale woodland regeneration. In addition, it was a significant process of engaging with the local communities that access this important landscape.

Successful regeneration at Am Maol Woodland, Glenshero

OUR PERFORMANCE

British Dragon Fly Society

In 2024 we also successfully partnered with the British Dragonfly Society (BDS) and were a key stakeholder in another joint submission to the NatureScot nature restoration fund. Throughout 2024 we hosted a range of site visits from the BDS at a number of key locations were red listed dragonfly and damselfly were thought to be surviving. These site visits were extremely positive and confirmed that number of keystone species were located breeding successfully on JHE landholdings. This early work laid the foundations for agreeing a joint wetland recovery project to be commenced at our Mamore estate.

Caledonian Pinewood Conference 2024

The company has located on its landholdings some of the last remaining assemblages of Caledonian pinewoods in Scotland. In 2024 we engaged actively with the UK Pinewood conference and hosted guided walks for participants of the conference to engage with us to discuss how best to manage the area, with a view to enhancing these important Native woodlands. This work continues into 2025, as part of our wider native woodland regeneration programme.

Impacts of Climate Change

Wildfires

Sadly in 2024 we experienced the increasing impact of climate change by experiencing some of the worst wildfires we have seen for some time. As a result of this fire, we have reviewed our wildfire risk assessments and our response procedures to future expected wildfires. This risk is expected to grow both in, likelihood as well as overall impact, as climate change increases the frequency and extent of dry periods we experience through each new spring and summer.

Flooding

Ironically, also, in 2024 we experienced an extensive range of periods of extreme wet weather. This resulted in a range of flood and landslide events across the landholding, and we can expect this pattern of increased impacts and consequences of climate change to persist into 2025.

LOOKING AHEAD

In 2025 work will continue across our estates in peatland restoration and native woodland regeneration projects. We will continue to engage and work with key stakeholders such as the British Dragonfly Society, with work on the wetland recovery project planned for 2025. In addition to these great ongoing projects, and to manage our landholdings responsibly, it is important we keep a focus on and take a proactive approach to the challenges we will likely face over the coming years.

EMERGING RISKS

Accessing new staff to affect growth

As we look to grow our estate operations, accessing new young recruits into a variety of both roles indoor (factory) and outdoor based roles is increasingly difficult, and reflects challenges across the wider sector. We are engaged in a variety of methodologies to mitigate this risk including collaborating with the University of the Highlands and Islands and increasing our engagement with their programme of courses aimed at accessing routes for younger staff into the commercial and outdoor working environments.

Collaboration with local college students key to help inspire future workforce

Increasing legislation and decreasing public funding. The introduction of the new Environment bill (February 2025) and the post Brexit response to changes to the farming subsidises, combined with a reduction in the overall availability of public funding will have an impact upon a range of our operations in 2025 and beyond. The full extent of these impacts is being determined but the general forward look is less public funding for environmental projects combined with an increase in competition to access them.

Increased visitor pressure

Post covid the number of visitors, people recreating, and an increase in organised events is increasing the strain on the sensitive habitats and environmentally protected areas in our stewardship. The costs of maintaining responsible access are increasing, and the access to state funds to maintain both the low level and in particular the upland footpath network is increasingly limited. We have undertaken a range of uphill core footpath reconstruction assessments, with a view to submitting them to the public bodies in 2025 to see if there is support for funding their improvements. As a responsible landowner we continue to maintain a broad range of tracks, fences, gates, and other lower-level public access facilities.

Communication & partnerships with local stakeholders' is a priority moving forward, so we can collectively work to combat rising challenges, and restore, expand and connect native habitats across our landholdings.

OUR STRATEGY

We take a proactive approach to identify, prevent and mitigate all risks to the environment and our surrounding communities.

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. Any reported events are assessed for their impact on the environment. Incidents are 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 are also assessed by the regulator.

WE ARE PLEASED TO REPORT THAT IN 2024 THERE WERE NO ENVIRONMENTAL INCIDENTS AT LOCHABER SMELTER.

OUR PERFORMANCE

Spill preparedness

In 2024, the company carried out a full review of the site spill response preparedness. This included evaluation of spill risks across the site, provision of supplementary spill kits in high-risk areas, as well as a full review of management system documents. By streamlining spill response procedures and that management of spill supplies, any occurrences can now be promptly and efficiently managed, minimising soil and groundwater contamination.

This improvement has helped to enhance environmental protection measures for the site, by increasing our capacity to prevent the occurrence of an environmental incident.

Noise management

The business is committed to ensuring that all noise and vibration emissions is controlled to a level which does not cause adverse effect to the surrounding environment.

In compliance with the site PPC permit, a noise impact assessment is carried out by a specialist third party contractor every four years. Following this external assessment, a noise management plan and systematic assessment are developed by the site and agreed with SEPA. In 2024, the site undertook a thorough review of noise management procedures and documentation. The resulting documents detail how noise and vibration emissions are managed at Lochaber Smelter; potential sources of noise and vibration emissions, the measures in place to ensure minimisation and mitigation, as well as the steps taken to ensure any potential breach would be promptly detected and managed.

All personnel are encouraged to monitor, minimise and prevent noise and vibration emissions through identification of causative factors and preventative actions. Regular audits are used to monitor noise emissions, with specific control measures in place across all plant and departments.

1. **Prevent** generation of noise at source by good design and maintenance.
2. **Minimise** or contain noise at source by observing good operational techniques and management practice.
3. **Use physical barriers** or enclosures to prevent transmission to other media.
4. **Increase the distance** between the source and receiver.
5. **Sympathetic timing** and control of unavoidably noisy operations

LOOKING AHEAD

In 2025, we plan to do a full and thorough review of our Incident prevention and Mitigation Plan to ensure we are taking all possible precautions to prevent environmental pollution on site. This will include a rigorous evaluation of our mitigation procedures.

In the coming months, the business will also carry out a thorough systematic assessment of all measures currently used to prevent emissions to soil and groundwater. This will be carried out by a specialist consulting company and will highlight any additional measures which could be initiated or improved.

MOVING FORWARD WITH PURPOSE.

In 2024, we faced complex challenges head-on, from evolving environmental compliance expectations to ensuring robust process safety in a COMAH-regulated environment.

What sets Alvance British Aluminium apart is our commitment to doing things the right way, not just the easy way. This year we've strengthened our systems, empowered our workforce to speak up and take ownership of risk, and embedded sustainability deeper into every operational layer. From zero environmental incidents to significant reductions in PFC and particulate emissions, our results speak to the effort and vigilance of every person on site.

But we are not complacent. The challenges of tomorrow, whether they are regulatory, environmental, or societal will require us to continue improving, innovating, and being honest with ourselves about where we need to do better.

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