

TOWARDS A RESILIENT, RESPONSIBLE AND RELIABLE FUTURE



**SUSTAINABILITY
REPORT 2020**



Milestones

Formation of Sohar Aluminium
September 2004

Commencement of construction of the smelter and associated facilities
January 2006

Start of first pot operating at 350 kA
June 2008

First export shipment
July 2008

Achieved full capacity for phase 1
February 2009

Official inauguration
April 2009

Certified for ISO 9001 (Quality Management System) for manufacturing of Primary Aluminium
December 2009

Ramp-up to 375kA was achieved
December 2010

Cumulative 1 million tonne of aluminium produced
August 2011

Formation of the social responsibility Foundation, Jusoor by Sohar Aluminium, Orpic and Vale
December 2011

Commencement of Amperage Creep Project
February 2014

Certified for ISO 14001 (Environment Management System) and OHSAS 18001 (Occupational Health & Safety Management System)
February 2016

Sohar Industrial Training Institute certified by Ministry of Manpower
July 2016

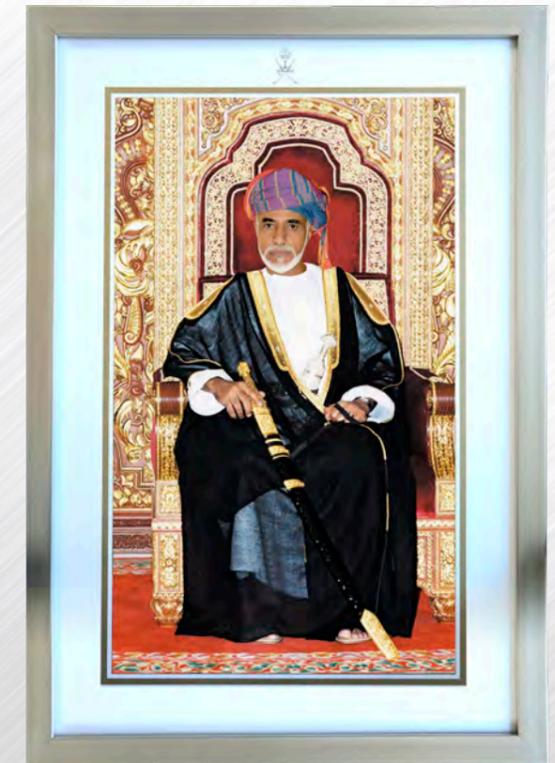
Agreement signed with a new downstream customer allowing SA to meet its goal of supplying 60% of its hot metal production to local downstream customers
May 2018

Celebrations commemorating the 10th Anniversary since its official Inauguration
April 2019

Certified for ISO 45001 (Occupational Health & Safety Management System)
December 2020



HIS MAJESTY
SULTAN HAITHAM BIN TARIK



HIS MAJESTY LATE
SULTAN QABOOS BIN SAID



VISION



Maximise shareholder and social value by responsible and sustainable operation of our business.

SOHAR ALUMINIUM OBJECTIVES

Environment, Health and Safety

Enable an effective, committed and interdependent culture of safety across the organization to proactively mitigate risks and eliminate injuries and occupational illnesses.

Reduce our overall environment footprint through protection of the environment, prevention of pollution and responsible use of natural resources.

People and Community

Build competent, engaged and empowered workforce to drive technical and leadership excellence across the organization.

Integrate and engage our stakeholders to contribute to Oman's sustainable development and maximize positive impact in the community.

Customers

Meet the highest customer expectations through quality products, supply reliability and responsive employees.

Maximize revenue growth opportunities, support downstream industry development, and expand company's operations through a diverse product portfolio.



Productivity and Incremental Improvements

Progressive and safe increase of productive capacity and technical capabilities to operate at high amperage.

Implement continuous improvements and develop internal resources to optimize process efficiency.

Innovation and Growth

To be a state-of-the-art mega smelter producing over 1 M tons of green aluminium annually.

Lead development of breakthrough innovations and growth in aluminium smelting and power generation aiming for long-term sustainability.

Financial Strength

Retain strong position in the 1st quartile on the cost curve in aluminium and power generation through ensuring return on investment and cost management.

Maximize the shareholders economic welfare and support the company's future growth.

Resource efficiency, waste elimination and sustainability in the supply chain of raw materials.

VALUES

Honesty

Integrity

Respect

Trust

Empowerment

Team Work

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Towards a Resilient, Responsible and Reliable Future

We, at Sohar Aluminium (SA), are on a path of dynamism. As stakeholder expectations evolve and the world faces a socio-economic crisis, adopting sustainable business practices has become an imperative to secure our operations. The highly volatile business and world environment at large intensifies our resolve to fortify our work systems and framework.

While we work on improving business performance, we retain healthy and ever-developing resilient corporate governance and risk management practices. As part of a resource-intensive industry involving ceaseless operations, our focus on Environment, Community, and Health and Safety is of paramount importance. We understand our responsibility in addressing the environmental and social impacts of our operations and take necessary steps to minimise them. In order to

ensure a safe workplace, we constantly strive to improve our health and safety performance.

Our operations are supported by strong employee-centric policies catering to the needs and requirements of our workforce, consisting of almost 1,000 employees and several contractors. In addition to this, our focus on research and development, customer satisfaction and efficient supply chain operations has contributed to us becoming a reliable organisation.

Our initiatives in the areas of environment, community stewardship, and health and safety as outlined in this report demonstrate our approach towards operating in a responsible manner. This report presents an outline of the initiatives and efforts undertaken on our path of transformation towards a resilient, responsible and reliable future.

About this report

Welcome to the 12th edition of the Sustainability Report of Sohar Aluminium covering the reporting period from 1st January 2020 to 31st December, 2020. This report has been prepared in accordance with the GRI Standards: Core option. The reporting principles therein have been applied to define the content and quality of the report to align with GRI Standards. All disclosures have been reported as per GRI Standards 2016. Through this report, we provide a summary of our sustainability approach and the initiatives we have taken in the reporting period.

With the intent of tracking our contributions to global sustainability commitments, in 2019, Sohar Aluminium conducted an in-depth exercise to align its business strategy with the UN's Sustainable Development Goals. We have continued along the same lines in this report for 2020.

Sohar Aluminium's Approach to Sustainability Reporting

Sohar Aluminium believes in transparency, accuracy, and the availability of reliable self-reported information on various issues related to its Operations. The report provides a detailed overview of the company's environmental, social, and economic contributions along with its performance.

The report can be accessed publicly on the company's website: www.sohar-aluminium.com and for the printed version, SA used recycled FSC certified paper using soy-based ink to minimize its footprint on the environment. We welcome your feedback on this report and our performance through the following channels: Email: SA-CorporateCommunications@Sohar-Aluminium.com

Message from Chairman



It gives me immense pleasure to introduce to you the 12th edition of Sohar Aluminium's Annual Sustainability Report which details its performance for the year 2020.

As the Sultanate embarks on its aspiring 2040 Vision, we are proud to be one of the recognised key projects in this vision that would undoubtedly rank Oman amongst the world's most developed nations. We reaffirm our pledge and commitment to work tirelessly to contribute to realising and achieving the targets of this Vision under the wise leadership of His Majesty Sultan Haitham bin Tarik, may Allah bless and protect him.

implemented since long before the pandemic, our operations, import and export, and overall business continued to flourish, charting yet another successful year in our glittering history.

Ever since its inception, Sohar Aluminium has always been committed to the principles of transparency and governance. These policies and methodologies are key to how the company manages and sustains its business. They have also become part of the company's business model and culture and are deep seated in the minds of our workforce among other values, standards, and work ethics.

We reaffirm our pledge and commitment to work tirelessly to contribute to realising and achieving the targets of this Vision under the wise leadership of His Majesty Sultan Haitham bin Tarik, may Allah bless and protect him.

During 2020, despite the challenges that the COVID-19 pandemic wreaked on the world across every aspect of life, Sohar Aluminium, managed to overcome these hurdles and maintained its operations and business by reducing the impacts of this situation. Thanks to our dedicated workforce, and the proactive Business Continuity approach that we have

This Sustainability Report of Sohar Aluminium is yet another proof of these principles and commitment to report on our Sustainability practices.

We have always been mindful of the direct and indirect impacts that our operations have on the surrounding environment. Not only

have we implemented the latest technologies and adopted the best global practices in this field, but we keep improving our systems, standards, and procedures. To us, this is not a choice but an obligation that we truly believe in for the sustainability of our business and operations. While we work hard to improve our productivity, we ensure that our activities do not cause any negative impacts on the surrounding environments or the local communities.

The relaunch and implementation of Lean Six Sigma and Continuous Improvement methodologies have been key factors in the successes that the company has witnessed in recent years. We believe that improvement is a dynamic and everlasting process. It complements our aspiration for innovation and growth to become one of the leading aluminium smelters in the world in terms of efficiency, technology, and productivity competence. While most of our workforce

have acquired the Yellow Belt in Lean Six Sigma, several others are fully certified Green and Black Belts with more trainings on the horizon in the coming years.

In conclusion, On behalf of the Board of Directors, I would like to thank all Sohar Aluminium's Employees and Contractors for their continuous efforts, hard work and contributions to the achievements and successes of the company in 2020 and the years before. They are truly the most important assets and the key to the solid foundation this company is built on. I would also like to thank the shareholders, and the business and social partners for their support. I look forward to celebrating more accomplishments with you all in the near future.

Ayad bin Ali Al Balushi
Chairman of the Board



Message from CEO



Welcome to our 12th edition of the Sustainability Report. Throughout the pages of this report, we showcase our performance indicators, achievements, and successes that we enjoyed in 2020.

I would like first to welcome the new Chairman of Sohar Aluminium's Board of Directors, Mr Ayad bin Ali Al Balushi, who joins us with a diversified experience in finance & strategy, portfolio, economics & planning, and projects. We look forward to his contribution to the success of our future journey. I would also like to express our heartfelt gratitude to our previous Chairman, Mr Mulham bin Basheer Al Jarf, for his leadership and guidance over the past years that have helped establish Sohar Aluminium as a leading aluminium smelter in the region.

I am pleased to share that 2020 was one of the most successful years in our history in terms of corporate performance. These achievements were crowned by winning the 1st position for His Majesty the Sultan's Award for Industrial Excellence 2021. This is the third time that this prestigious award has been bestowed upon our company. This major achievement is undoubtedly a source of honour and pride for us all as it is a testimony of our workforce's hard work, commitment, and dedication.

The pages of this report state how we successfully carried on our achievements that we celebrated since the establishment of our company. We have always sought to excel in

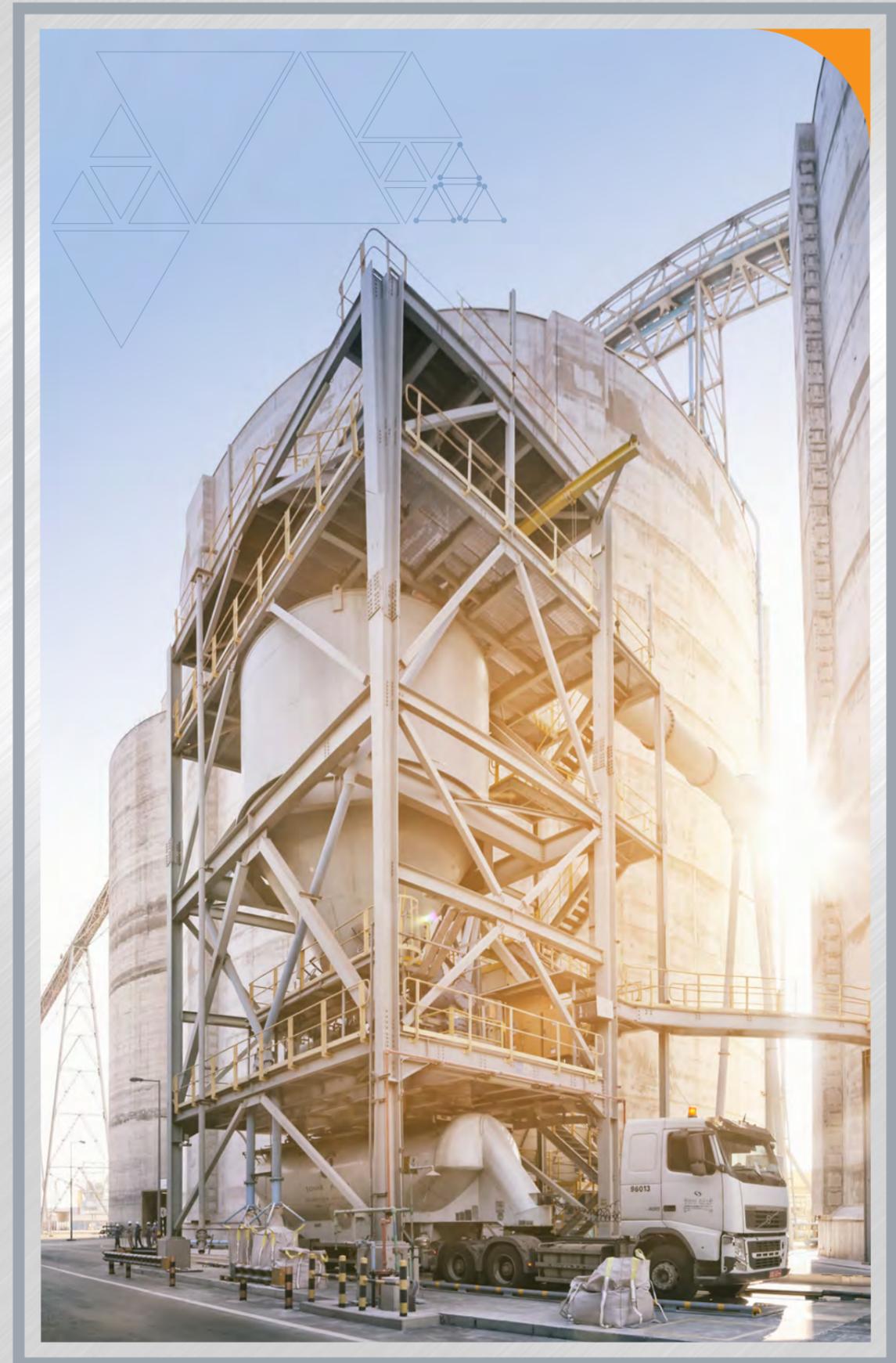
our business, and this has become a deep-seated characteristic in our company's DNA. Through 2020, and despite the challenges posed by COVID-19 pandemic, both our operational and non-operational performances have witnessed steadily increasing improvements. For instance, in the health and safety pillars, we closed the year with the lowest rate of injury, and the lowest number of Significant Potential Incidents (SPIs) in our history. Also 37% of our 396,929 tonnes of primary Aluminium that were produced in 2020 were delivered to our local downstream customers.

The Value Creation Programme that we relaunched in 2019 witnessed a great success in 2020 when, thanks to the contribution of all operations, services, and administrative departments, exceeded the set targets, leading to major savings and key improvement projects. Also, the Lean Six Sigma deployment progressed very well internally and externally with some of our employees who started sharing their knowledge and experience in Lean Six Sigma with external public and private entities, proving that we are one of the local leading organisations in this field.

Externally, we focused on supporting the health sector in its fight against COVID-19 pandemic. This came in the form of financial aids as well as, logistics and funding the purchase of much needed equipment and items.

Undoubtedly, we attribute the successes we enjoyed in 2020 to the commitment and hard work of our teams, contractors, business partners shareholders, and stakeholders. We are and will always be grateful to all those who directly and indirectly contribute to our ever-thriving journey.

Eng. Said bin Mohamed Al Masoudi
Chief Executive Officer



Corporate Profile

Founded in 2004, as a landmark industrial development project and a key contributor to the Sultanate's sustainable development ambitions and long-term progression; Sohar Aluminium Company LLC is the nation's first Greenfield aluminium smelter. The company, a Joint Venture owned by OQ SAOC, Abu Dhabi National Energy Company PJSC - TAQA and Rio Tinto, has been recognized globally for its superior, environmentally friendly technology. It has an annual capacity of 390,000 tonnes of high-quality aluminium, a 1,000 MW dedicated Power Plant and Port facilities in Oman.



Corporate Profile

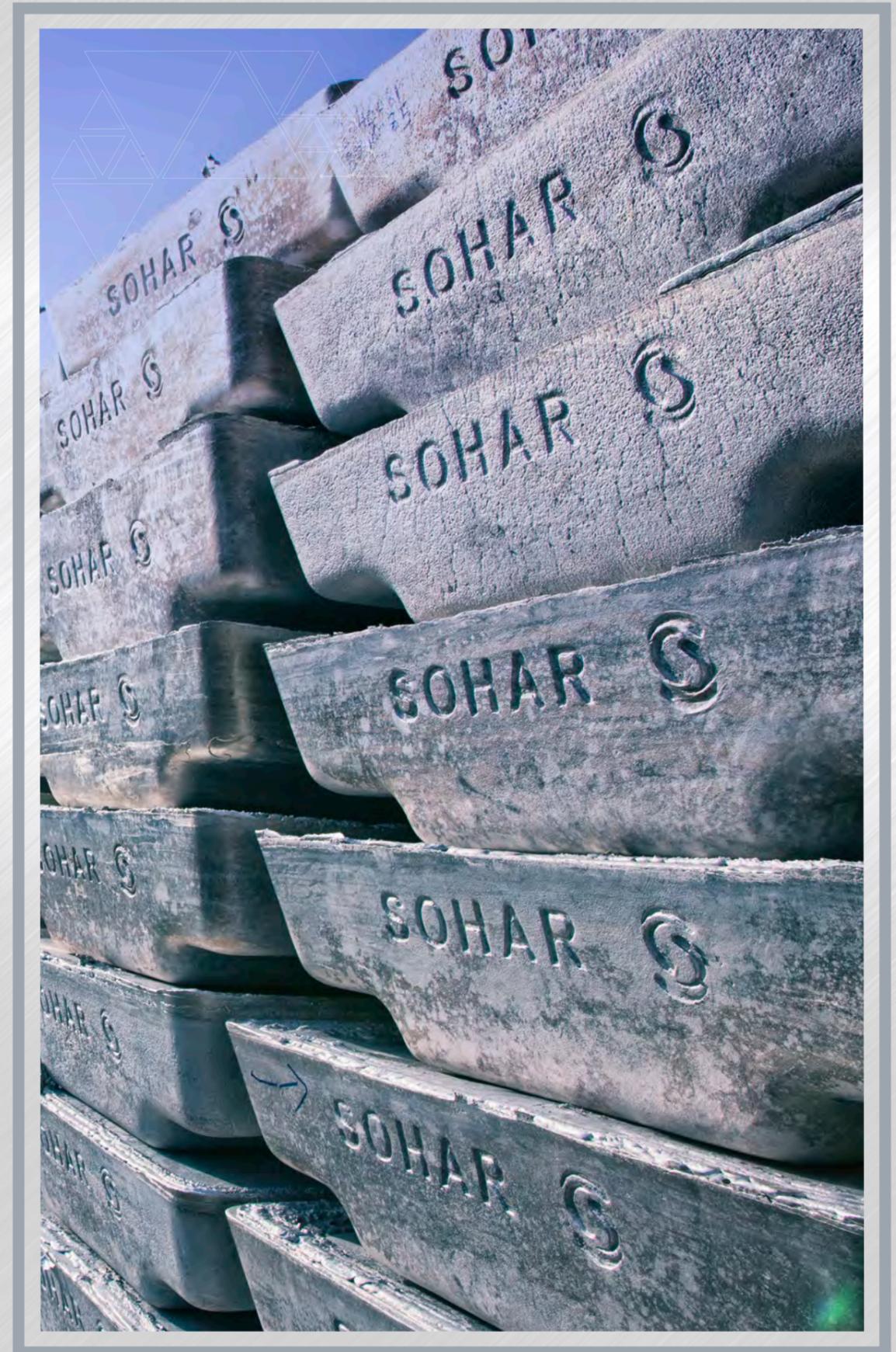
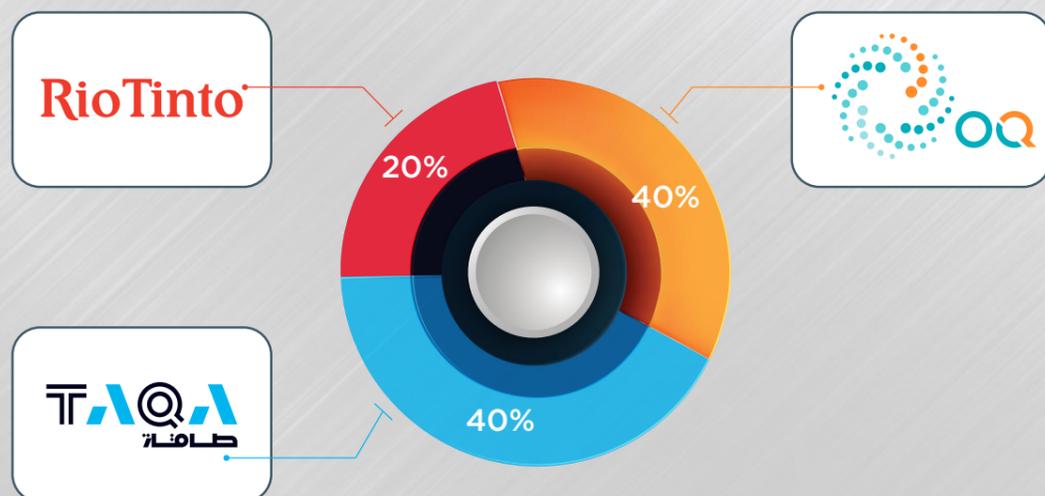
By implementing decades of industry insight in its design, specification and construction, Sohar Aluminium has been crafted to ensure efficiency, environmental protection, and the utmost safety of its workforce. Sohar Aluminium has a diverse workforce, of which 77% is Omanised –along with its own internationally recognised training centre. About 60% of its annual production is committed to its local downstream industries.

Hailed as one of the world’s fastest growing major metals, Aluminium has extremely desirable properties that make it stand apart from other metals. It is strong yet pliable, lightweight yet versatile. Aluminium made products are affirmed as a solution to the

world’s energy needs and a symbol of a more fuel-efficient future. Aluminium products are used but rarely fully consumed during their lifetime, which means these products are infinitely recyclable. Recycling aluminium can be done without any loss of its inherent properties while requiring up to 95% less energy than producing the primary metal – which means significantly less emissions.

At Sohar Aluminium, we create value for our stockholders, customers, suppliers and the community where we operate. It is critical to balance the inputs and outputs to maximize the benefits and minimize the negative impacts of our processes.

OUR SHAREHOLDERS



Facilities

Sohar Aluminium is the only Greenfield Aluminium smelter within the Sultanate and intends to set a benchmark for similar industries while contributing to the sustainable development of the nation.

SMELTER

Sohar Aluminium has a single 1.2 km long potline and was the first smelter in the world to implement Rio Tinto Alcan's benchmark AP35 smelting technology – one of the most energy efficient and productive smelting technologies available commercially. With an operating current of above 395kA Sohar Aluminium produces more than 395,000 metric tons of high-purity aluminium per annum. The Smelter has an onsite Anode Plant producing anodes to ensure maximum efficiency to the Smelter.

The Casthouse has 2 ingot casting lines and 1 sow caster, with a design casting capabilities of 27mt per hour and 25mt per hour, respectively.

POWER-PLANT

The Sohar Aluminium Power Plant is a state-of-the-art 1,000 MW combined cycle, captive power plant. The Power Plant achieves more than 50% efficiency in converting gas energy into electricity while meeting the stringent requirements set out by

the local Environment Authority (EA). Strategically positioned to maximize access to the region's plentiful natural gas reserves whilst accessing the Gulf of Oman for cooling purposes, Sohar Aluminium Power Plant excels by achieving high levels of efficiency, reliability and availability of power whilst ensuring low emissions, operating costs, and environmental impact.

In addition to the Power Plant facility, there is also a seawater pumping station for delivering cooling water for steam condensing as well as desalination facilities to supply water to the smelter and power plant sites.

PORT

Situated within the Sohar Industrial Port Complex, a joint venture between the Government of Oman and the Port of Rotterdam, Sohar Aluminium has its own dedicated port facility that supports vessels with a capacity of up to 75,000 mt for receiving raw materials and for exporting primary aluminium.

The port facility includes a bulk material ship unloader with connecting conveyors and a range of silos for storing alumina (2 x 60,000mt), petroleum coke (2 x 15,000mt) and liquid pitch (2 x 5,000mt).



Governance Structure

Board of Directors

The Board of Directors consists of five directors representing the shareholding companies. Board members have fixed terms and compensation, as defined in the shareholders' agreement. Sohar Aluminium's Executive Committee Members attend quarterly board meetings in order to ensure excellent communication between the governance and executive teams.

In September 2020, Mr Ayad bin Ali Al Balushi was appointed as the New Chairman of Sohar

Aluminium's Board of Directors succeeding Mr Mulham Al Jarf who served on the Board as Member and Chairman for 15 years.

Mr Ayad brings to SA a portfolio of diversified experience covering the areas of Finance & Strategy, Portfolio Management, Economics & Planning and Projects. The Board also bid farewell to Mr Kumail Said, representative of OQ, and Mr Matt Liddy, representative of Rio Tinto. They were substituted by Mr Ahmed Al Amry, and Mr Eric Murray, respectively.



Ayad Ali Al Balushi
Chairman



Ahmed Al Amry
Member



Abdulaziz Al Obaidli
Member



Omar Al Hashmi
Member



Eric Murray
Member

Executive Committee (ExCo)

Sohar Aluminium Executive Committee (ExCo) is responsible for the daily management of the company's operations. The Committee is composed of five members: Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), General Manager of Human Resources and Corporate

Affairs, and General Manager of Strategy and Growth.

The ExCo meets on a regular basis to discuss the company's progress, giving due attention to Sohar Aluminium's Business Strategy with sustainability at its helm.



Said Mohamed Al Masoudi
Chief Executive Officer



Jerry Van Alphen
Chief Financial Officer



Agnello Borim
Chief Operating Officer



Ahmed Al Kharusi
Human Resources and Corporate Affairs General Manager



Ali Al Shamsi
Strategy & Growth General Manager



Committees of the Board

The Finance Audit and Risk Committee (FinCo), represented by one member from each Shareholder, the Chief Financial Officer and the Internal Audit and Compliance Manager of Sohar Aluminium, considers and reviews all finance, risk, and audit related concerns which are to be presented to the Board for approval and indicates its support or otherwise regarding such matters. The Committee also acts as the Audit Committee of the company and meets every quarter.

The Human Resources Committee (HRC) is represented by one member from each Shareholder and the Chief Executive Officer, General Manager Human Resources and Corporate Affairs, Human Resources Administration Manager and Talent and Organizational Effectiveness Manager of Sohar Aluminium. In addition, the Human Resources

Administration Manager of Sohar Aluminium serves as the Secretary to the meeting. The Committee supports and advises the Board on all Human Resources related matters. The HRC meet twice a year.

The Business Review Committee (BRC) is represented by a minimum of one member from each Shareholder, together with the SA Management team supported by ExCo. The Committee meets prior to the scheduled Board meetings, to consider and review significant capital expenditure, proposed capital planned items, technical review, and plant operational performance. As output, the Committee prepares a report for the Board's consideration indicating its support, or otherwise, regarding such matters. The BRC meets twice a year in person and organizes two telephonic conferences in the interim.



Board of Directors



The Finance Audit and Risk Committee (FinCo)



The Human Resources Committee (HRC)



The Business Review Committee (BRC)

Please visit our website to learn more:
<https://www.sohar-aluminium.com/en/content/corporate-governance>



Corporate Audits and ISO Certifications

Sohar Aluminium has both structured and periodic audits, supplemented by independent audits, ensuring that its objectives are both met and surpassed. Objectives include product quality and sound operational and financial performance. Audits are conducted on an annual and ad hoc basis, and they ensure that Sohar Aluminium maintains the effectiveness and efficiency of its operations, reliability in financial reporting and compliance with laws, regulations, and standards.

There is a pool of trained internal auditors who conduct regular internal audits across the organization which ensure thorough compliance to management systems adherence.

Since its inception in 2009, Sohar Aluminium has been certified for ISO 9001 (Quality Management) for its finished product operations in metal casting and has been subject to periodic external audits conducted annually by certification bodies such as DNV-GL and TUV Rheinland. Zero non-conformities have been found in the ISO 9001 audit conducted during 2020 by TUV Rheinland and this has been the trend since 2012 when DNV-GL, the then certification body for ISO 9001 called the quality management systems implementation as mature.

Sohar Aluminium is also certified for ISO 14001 (Environment), OHSAS 18001, and ISO 45001 (Occupational Health & Safety Management Systems) for the smelter, including power plant.

Since 2015, there have been no major non-conformities, with negligible non-conformities reported during the 2020 audit. This is substantially significant considering the size and nature of the SA operations.

2020 Corporate Audit

Shareholder General Controls Review - performed by TAQA Internal Audit.
2020 ISO and Operation Audit
Risk-based Internal Audits driven by the FINCO approved audit plan for the year - performed in accordance with the Institute of Internal Auditors Standards.

Compliance, Ethics, and Integrity

Our Code of Conduct and Compliance programme is named "Amanah," which translated into English means fulfilling or upholding trust. Amanah highlights our shared responsibility in protecting the company and its stakeholders from potential harm caused by illegal, dubious, and unethical acts.

Please visit our website to learn more:

<https://www.soharaluminium.com/en/content/compliance-and-code-conduct>

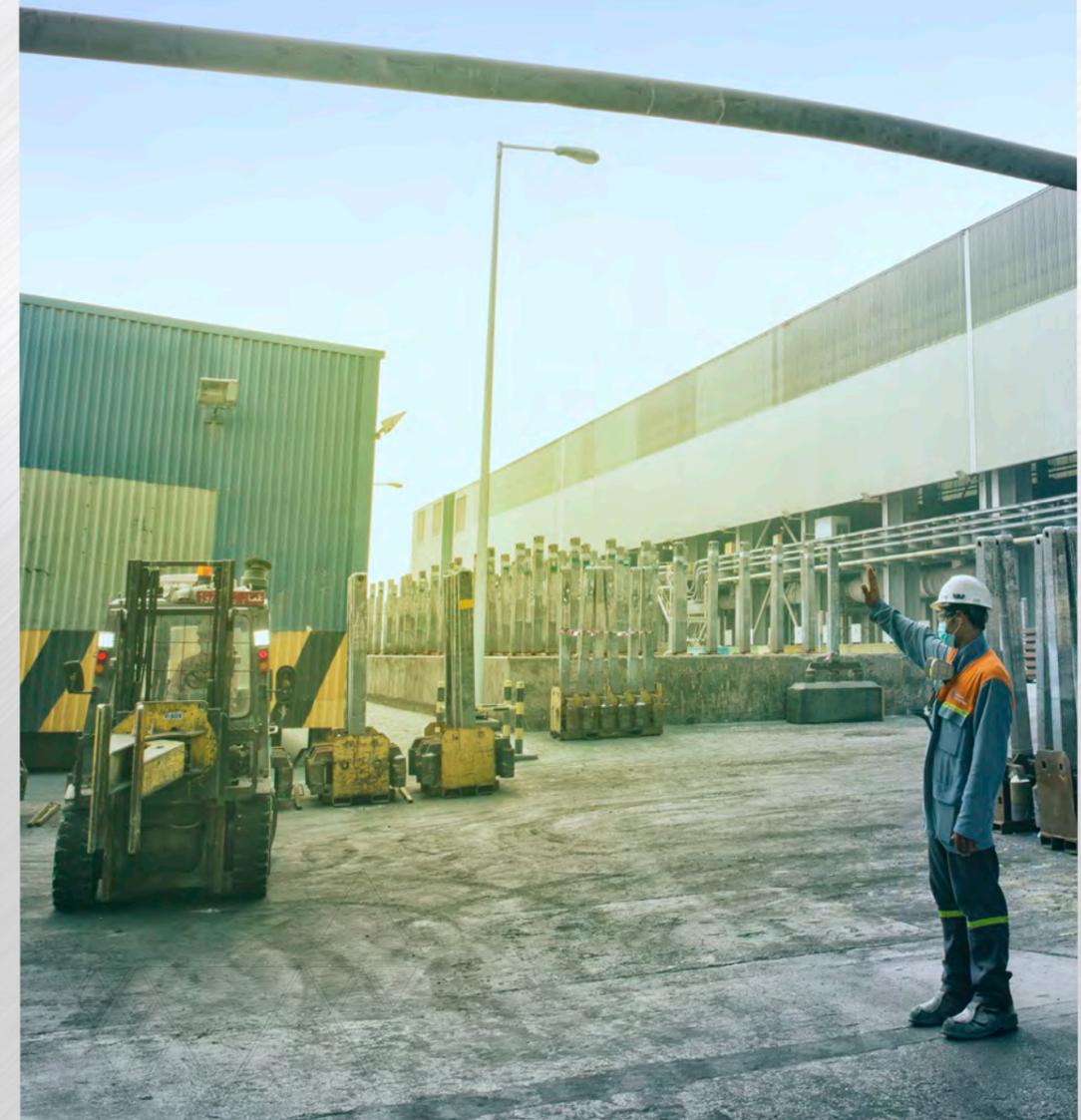
Whistleblowing

The Whistleblowing Policy encourages and provides a means for employees and third parties to share their genuine concerns regarding potential code violations. It provides multiple channels to report incidents that includes 'Amanah' helpline that can be used by all stakeholders, employees, business associates and the general public.

Code of Conduct

At Sohar Aluminium, our ethical standards illustrate the way we bring integrity into our business practices. Sohar Aluminium's Code of Conduct sets clear expectations of behaviour at the workplace.

The Code of Conduct details the responsibilities that Sohar Aluminium and its employees have towards each other, to our business partners and to the wider community. The code summarises relevant policies and procedures that allow us to conduct ourselves and our business in an ethical and legal manner.



Sustainability at Sohar Aluminium

Sohar Aluminium continues to integrate sustainability into its structure and daily operations through investments in comprehensive management systems. The process serves as a continued commitment to local economic and social development with the promise of transparent and accountable governance.

Transparency and Reach

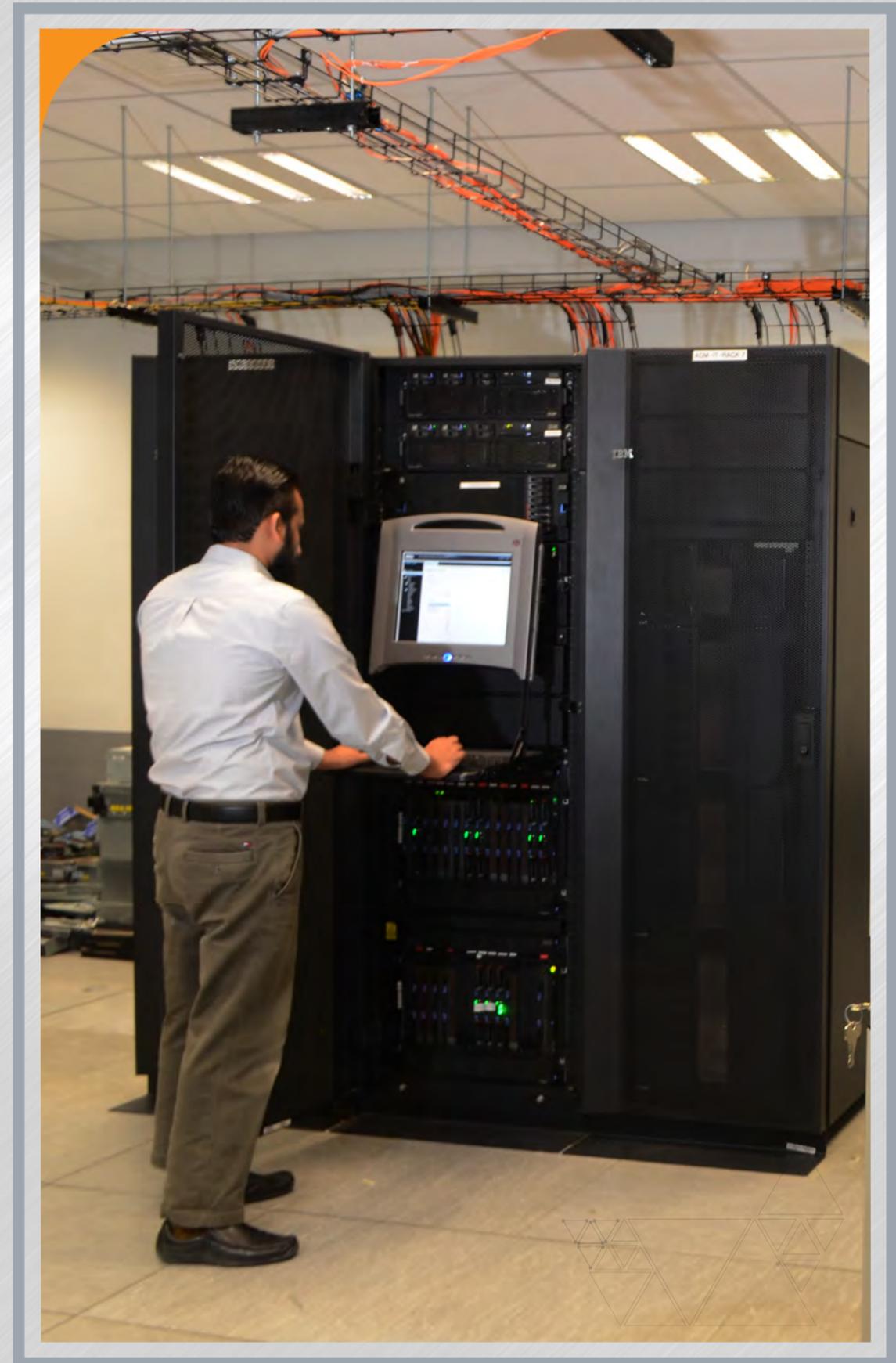
Sohar Aluminium believes in transparency, accuracy, and the availability of reliable

self-reported information on various issues related to its operations.

Sohar Aluminium Social Media Platforms

Customers and Community members are encouraged to interact with Sohar Aluminium on social media by adhering to the company's guidelines. The success of our efforts to communicate with our stakeholders is reflected in our rising social media presence.

Our Social Media followers consistently increased throughout the year 2020



Corporate Performance

Environment, Health and Safety

The lowest Recordable Injury Frequency Record (RIFR) in our history: 0.06 (lower than 2019).
The lowest number of First Aid Treatments in our history: 36 (lower than 2019).

Productivity and Incremental Improvements

Highest production record in our history 396,929 Tonnes of Aluminium.
Average lower than 593 ppm Iron (Fe) in metal (best record in recent years).

People and Community

Launch of TasHeel Project (an employee self-service Kiosk).
Launch of SuccessFactor Onboarding Model and Time Management System.
Significant Support for social projects in response to the COVID-19 impacts.

Innovation and Growth

US\$ 15.1 Million created through Value Creation Programme.
Delivery of 47 Lean Six Sigma and Continuous Improvement Projects.
Delivery of the 1st entirely in-house designed Black Belt Training.

Customers

100% fulfilment of delivery of hot metal for customers despite COVID-19 impact.
Maintaining a healthy level of export of solid metal.
Achieving outstanding customer satisfaction.

Financial Strength

2nd lowest controllable cost per tonne in the company's history (300\$/ton).
Automation of finance-related systems.
Reduction in Operation and Capital expenditure.

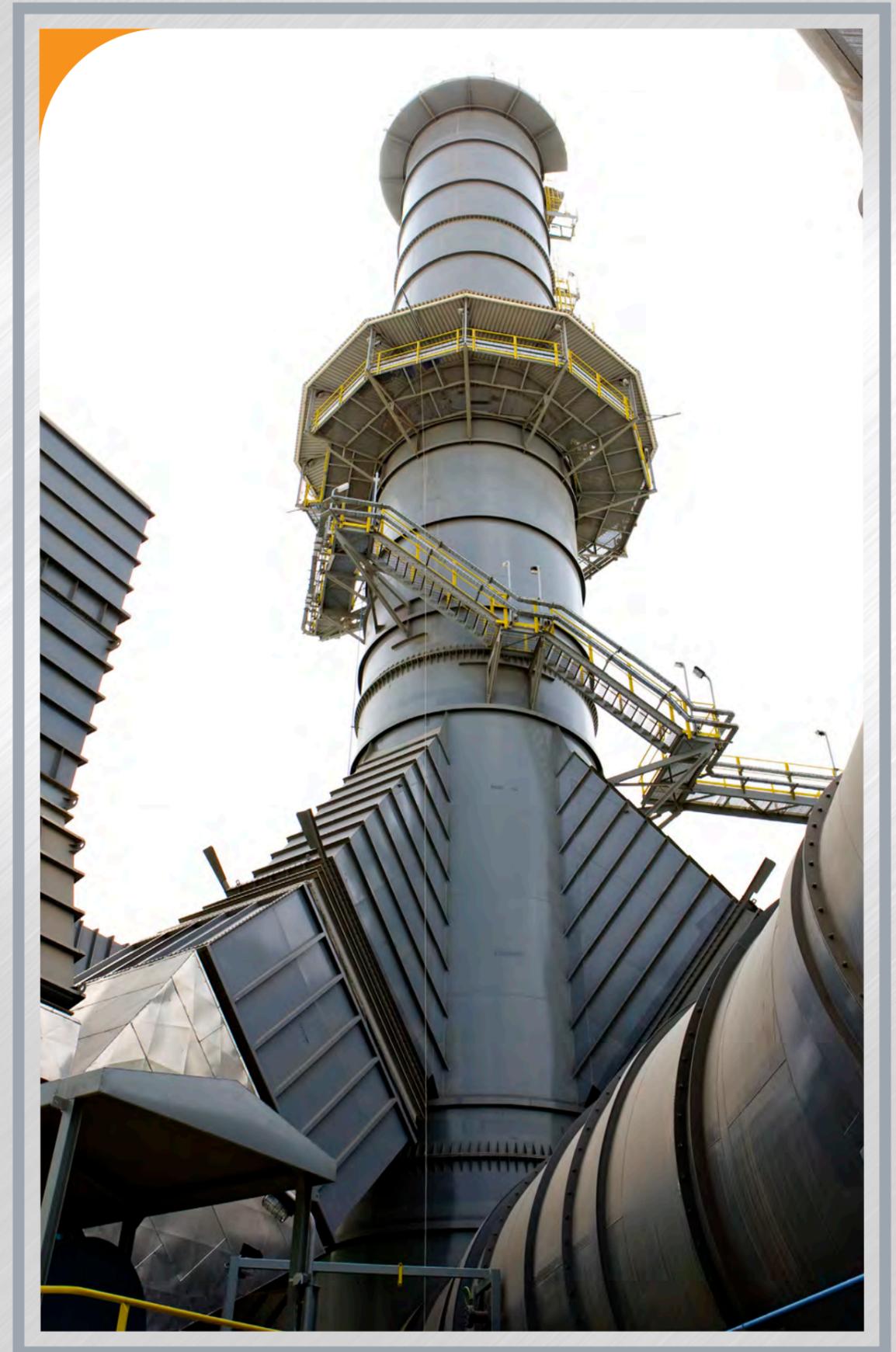
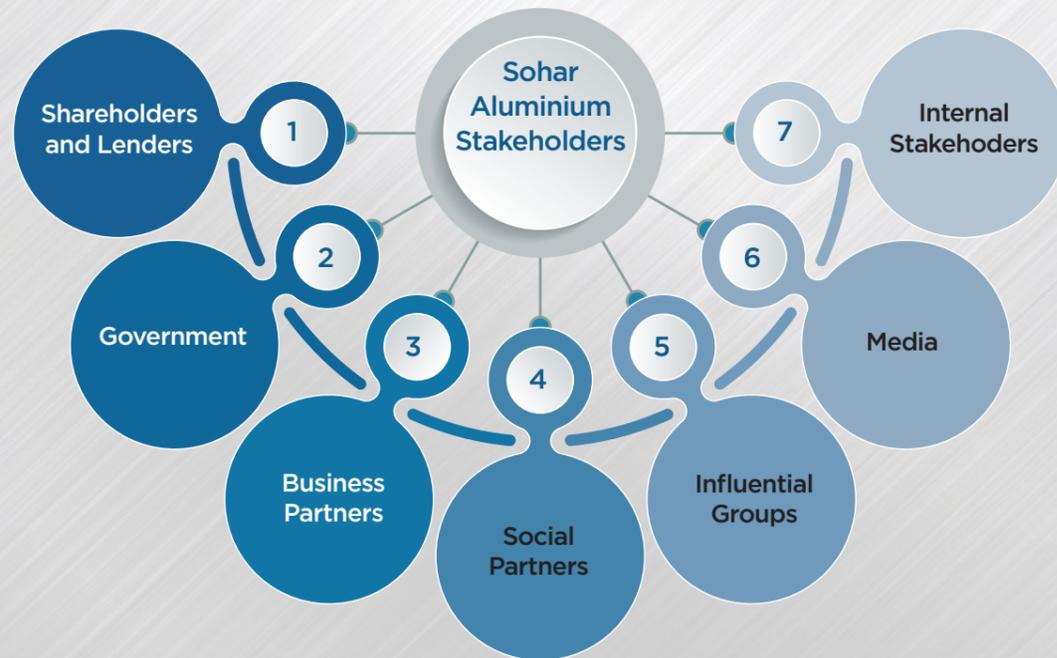


Stakeholders, Materiality and Sustainable Development Goals

Sohar Aluminium has several stakeholders, each forming an integral part of its success and strategy. Understanding and engaging with the stakeholders is crucial to our commitment to sustainability. The relationships and partnerships the company builds with its stakeholders strengthen its business and create new opportunities to realise shared goals and priorities.

In this Sustainability Report, Sohar Aluminium refers to the material topics highlighted in the Sustainability Report 2018. As the business strategy was updated in 2019 and the objectives (previously referred to as Pillars) rearranged, some of the topics listed in the

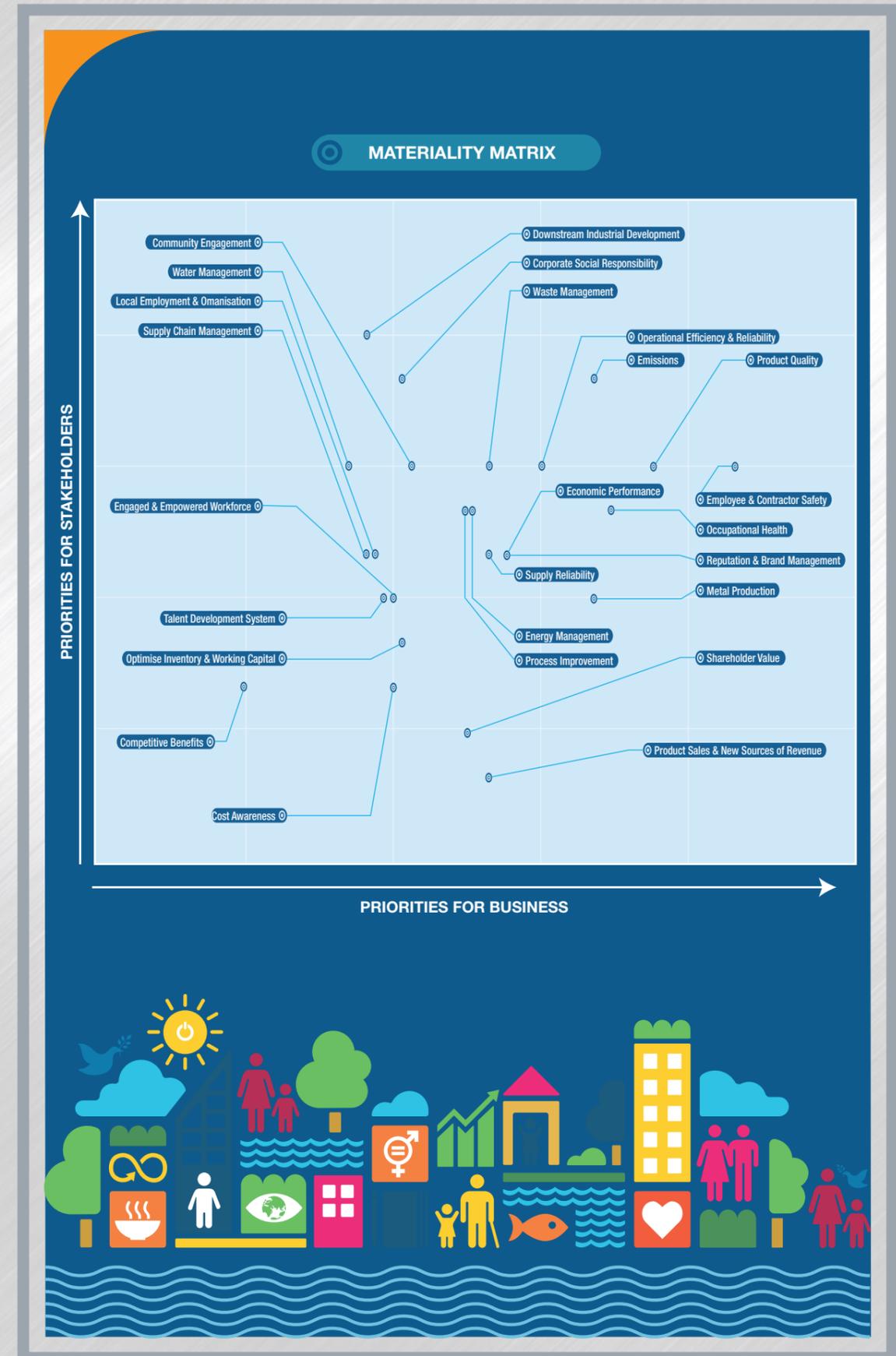
following table were categorized under a different area in alignment with the external boundaries. In addition, to the materiality analysis, in 2019, Sohar Aluminium conducted an internal exercise to define the alignment of its projects and sustainability initiatives with the United Nations Sustainable Development Goals. The 17 SDGs adopted by the UN in 2015 represents a set of goals for the year 2030 that cover different areas of social and environmental development and a framework to help industries around the World to align their contribution on a global level. Sohar Aluminium identified 8 main Goals towards which it is actively contributing through its core and non-core business.



Additionally, Sohar Aluminium conducted an in-depth exercise to understand the priority level given by every stakeholders' group to the

highlighted material topics. The results are showcased in the below materiality matrix.

Sohar Aluminium Objectives	Sustainable Development Goals	Material Issues	External Boundaries
Environment, Health and Safety	  	<ul style="list-style-type: none"> Employee and Contractor Safety Occupational Health Energy Management Emissions Water Management Waste Management 	<ul style="list-style-type: none"> Suppliers and contractors (local) Neighbouring communities (local)
Productivity and Incremental Improvements	 	<ul style="list-style-type: none"> Metal Production Process Improvement Operational Efficiency & Reliability 	<ul style="list-style-type: none"> Suppliers and contractors (international) Shareholders and Lenders (international)
People and Community	    	<ul style="list-style-type: none"> Local Employment and Omanisation Engaged & Empowered Workforce Talent Development System Competitive Benefits Corporate Social Responsibility Community Engagement 	<ul style="list-style-type: none"> Suppliers and contractors (local) Neighbouring Communities (local) Business Partners (local) Social Partners (local) Media (International)
Innovation and Growth	 	<ul style="list-style-type: none"> Downstream Industrial Development Reputation and Brand Management 	<ul style="list-style-type: none"> Customers (international) Suppliers and contractors (international)
Customers		<ul style="list-style-type: none"> Product Quality Supply Reliability Product Sales & New Sources of Revenue Supply Chain Management 	<ul style="list-style-type: none"> Shareholders (international) Customers (international) Suppliers and contractors (international)
Financial Strength		<ul style="list-style-type: none"> Economic Performance Optimise Inventory & Working Capital Cost Awareness Shareholder Value 	<ul style="list-style-type: none"> Shareholders (international) Shareholders and Lenders (international)



Recalibrating our actions amidst COVID-19

The COVID-19 pandemic has impacted lives and livelihoods worldwide, with far-reaching health and economic consequences. During these unprecedented and challenging times, we prioritised the health and wellbeing of our people and stepped up our efforts to support our community. To mitigate risks and leverage the opportunities COVID-19 has brought about, the company reflected on its past activities and engaged with its stakeholders across the board.

Reflecting the challenging period that we collectively faced 2020, COVID-19 served as a timely reminder of the innate fragility in many of our current practices and constructs. While we continued to reel under the impact of the crisis, the pandemic stimulated us to think laterally and revisit our operational optimisation and robustness. The pandemic served as a catalyst for Sohar Aluminium to bring in preventive measures and actions that focused on keeping everyone safe. COVID-19 led us to focus and prioritise, make fast decisions, and engage not only with our employees, contractors, and their families but also community members and the nation. In the earliest days of the COVID-19 outbreak,

our first call to action initiated by our CEO was to create a SA COVID-19 Committee that worked extensively to monitor the progress of the pandemic and take appropriate actions. Operating under the directive of 'Awareness is Protection', the Committee worked rapidly to implement extensive precautions to prevent the spread of the virus among our workforces. The best practices and safe operations were established, underlined, and put into motion across our plant, offices, and auxiliary areas. The actions and decisions were communicated to our employees, contractors, and relevant stakeholders in the form of periodic newswatches and appealing visual messages.

Our teams went beyond the call of duty to safeguard the health of our people and communities and to maintain business continuity in challenging circumstances. At our plant, we spared no effort to ensure that our people were safe and protected from the risk of infection.

At the early stages of the pandemic, we implemented the Five Barriers of Protection



which were very effective and continue to be practiced in keeping us safe and healthy from the risk of infection and controlling its spread.

Health & Wellness

- Temperature testing of all people prior to entering the facilities, including the use of hands-free thermometers and thermal imaging testing technology.
- Conducting health screenings for anyone entering the facility.
- Providing extra personal protective equipment (PPE), including face shields and protective masks, which are required to be always worn.



Increased Cleaning & Sanitisation

- Dedicated staff to continuously clean facilities, including common areas beyond the production floor.
- Germicidal air sanitation which helps to neutralize viruses in plant ventilation and air purification systems.
- Increasing sanitation and disinfection efforts, including deep cleaning of the whole facility every day.

Team Member Support

- Constant monitoring and follow-up by the Medical Centre for people showing any symptom and placing them on quarantine.
- Requiring sick team members to stay home from work.
- Moving all meetings from physical to virtual.
- Providing preventative care to all team members.
- Implementing flexible work-from-home practices for corporate team members.

- Establishing social distancing and enhanced cleaning protocols in all operating facilities that remained open and providing additional PPE for employees.
- Closely supervising the health of all workers and training teams to ask for help if they notice co-workers who may be showing signs of illness.
- Establishing leave for workers needing to self-isolate or care for relatives.

Physical Safety Measures

- Complete shutdown of cafeteria, break, laundry, and prayer areas.
- Promoting physical distancing by staggering starts, shifts, and breaks.
- Educating and encouraging team members to practice social distancing at home and in the community outside of work.
- Restricting access to facilities and not allowing avoidable visitors.
- Creating visual aids to help staff be mindful always.
- Ensuring no office gatherings or group prayers took place.
- Prohibiting international and domestic travel.



Lending a Helping Hand

The Sohar Aluminium team made many valuable contributions to help our community through this pandemic. Working towards the common goal of community spread prevention, a group of Sohar Aluminium's employees volunteered their time and effort to fabricate face shields to protect the front line of defence against COVID-19 in the Ministry of Health institutions. More than 3,000 shields

were fabricated & distributed to hospitals in different regions through this on-going initiative.

With over OMR 32,635 in donations from employees, Sohar Aluminium strived to support the Sultanate's efforts to combat the COVID-19 spread while also protecting medical front liners who are the true heroes of this pandemic control progress.

Sohar Aluminium donated a "GeneXpert" 8-module machine and testing kits to the Directorate General of Health Services, North Al Batinah in partnership with SOHAR Port and Freezone. The donation, funded in whole by our employees contributed to increasing



the testing capacity in the North Al Batinah Governorate and resulted in speedy test results that better help control, and monitor spread of the pandemic.

Sohar Aluminium took a hands-on approach to addressing concerns across the board. Internal and external communications were undertaken through social media, e-mails, SMS, traditional media, and signages. The campaign offered tips for employees, parents, children, and youth to maintain good mental and physical health, to reduce anxiety and depression, to motivate them to think positively and to avoid negative behaviour during and after COVID-19 quarantine period.



Keeping Critical Infrastructure Up and Running

While the top priority during 2020 lay in prevention, health and safety, Sohar Aluminium continued working safely to support our customers, partners, and suppliers. We maintained our infrastructure and Operations by working with our associates and the government authorities to maintain supply of services deemed critical for our Operations.

Overall, it is inevitable to mention that with the strike of COVID-19, sustainability-related topics have risen to the forefront for

businesses around the world. The pandemic, challenging as it is, has spearheaded change and transformation to our everyday lives.

As this health crisis continues to evolve, our teams have worked together, and put forward a huge number of bottom-up suggestions for how to manage safety. We continue to monitor evolving guidance from the National Supreme Committee for COVID-19 regarding exposure prevention so we can ensure our employees, contractors and their families are as protected as possible while the pandemic persists.



Environment, Health and Safety

United Nation's Sustainable Development Goals



3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at every age



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns



13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Environment, Health and Safety

SA Strategic Objectives

- Enable an effective, committed and interdependent culture of safety across the organization to proactively mitigate risks and eliminate injuries and occupational illness.
- Reduce our overall environmental footprint through protection of the environment, prevention of pollution and responsible use of natural resources.

Maintaining a strong integrated Environment, Health and Safety (EHS) Management System is critical to the Sohar Aluminium success story. Our customers and other stakeholders expect us to deliver quality products with no harm done to individuals or to the environment. Therefore, we seek to fully integrate EHS into our core business, creating a culture that is recognised throughout the industry.

Environmental Management

Energy is a critical resource for Sohar Aluminium's operations, particularly its energy-intensive refining and smelting processes. Sohar Aluminium recognises it has a responsibility to convalesce energy efficiency within its operations, to not only reduce its carbon footprint and emissions, but costs as well.

The primary form of energy consumption at Sohar Aluminium is fuel, which is the natural gas supplied through a long-term contract with the Omani government. In 2020, our total

energy consumption increased by 2.1% compared to the year 2019. The total energy consumption intensity increased by 0.7% compared to 2019 to reach 102.2 GJ/t Al. Following the global practice of reporting by Aluminium Smelters to indicate the exact amount of energy used to produce aluminium, this report indicates the total energy consumed in the Smelter only compared to previous reports that showed the total of energy consumption in the Smelter and Port combined. The same applies to the Energy Consumption Intensity. Accordingly, and to avoid discrepancy, the figures of energy consumption and intensity of 2018 and 2019 have been modified in this report. The Smelter Operations Energy Consumption increased in 2020 by 1.2%. However, the Smelter Operations Energy Consumption Intensity decreased by 0.37% reaching 13.12 MWh/t Al.

Sohar Aluminium operates its own Power Plant to ensure reliable electricity supply for the smelting process. The power plant also

Energy Indicators	Units	2018	2019	2020
Power Plant Natural Gas Consumption	mmbtu	36,510,560	37,528,634	38,348,249
Power Plant Fuel Oil / Diesel Usage	Litres	229,765	263,582	18,299
Total Power Generated by Power Plant	MWh	5,403,186	5,491,977	5,659,466
Smelter Operations Energy Consumption	MWh	5,028,581	5,142,569	5,207,565
*Smelter Operations Energy Consumption Intensity	MWh/t Al	13.24	13.17	13.12
Total Energy Consumption	Gj	38,520,685	39,594,810	40,459,550
Total Energy Consumption Intensity	Gj/t Al	102.0	101.4	102.2

*Starting from this edition, this table shows the energy consumption and consumption intensity in the smelter only (Port and Power Plant excluded).

supports the Oman National Grid as part of a cooperative electricity sharing agreement whereby electricity is imported in the winter months and exported in the summer months, which enables the grid to keep water producing plants in service during the winter period.

In addition to international political agreements such as the signing of the 2016 Paris Agreement on Climate Change, private sector commitments are necessary to drive change. In support of the initiative, Sohar Aluminium seeks to contribute to this field by providing sustainable metal products (aluminium) while assessing and implementing possible mitigation measures to manage emissions at all operational levels.

The main sources of Sohar Aluminium's Greenhouse Gas (GHG) emissions are from fuel burned at the power station and from the electrolytic reaction used to produce aluminium in the smelter.

The main GHGs emitted from Sohar Aluminium's smelter is Carbon Dioxide (CO2) from the energy consumed by the anodes used in production. In addition, Perfluorocarbons (PFCs) are produced through the process disturbances from the reactions of manufacturing Aluminium. Sohar Aluminium's production also generates other air emissions in the form of gaseous Hydrogen Fluoride. In 2020, our PFC emissions intensity remained at the same level that it was in 2019 standing at 0.03 tonnes of CO2 eq. per tonne of Aluminium produced.



The total emissions intensity from the smelter activities in 2020 increased by 1.8% reaching 1.63 tonnes of CO2 eq. per tonne of Aluminium produced.

Water Management

Water management is an increasingly important material issue, especially in countries where water resources are scarce. We realise the great need for water conservation and recycling in our operations, which is why we manage water consumption to the best of our ability and seek opportunities for improvement. Sohar Aluminium does not use potable water as part of its production process. Well water is extracted and treated by Sohar Aluminium for operational use. Seawater is used for once-through cooling in the power plant, and is returned to the sea, so net consumption is close to zero.

GHG Emissions	Units	2018	2019	2020
Total Emissions Intensity - Power Plant	t CO2 eq./t Al	0.50	0.50	0.38
Perfluorocarbons (PFCs) Emissions Intensity	t CO2 eq./t Al	0.11	0.03	0.03
Total Emissions Intensity - Smelter	t CO2 eq./t Al	1.68	1.60	1.63
Total Emissions Intensity - Smelter, Power Plant and Port	t CO2 eq./t Al	7.15	7.10	7.11
Total Hydrogen Fluoride Emissions - Gas Treatment Centre	t HF	13.39	17.85	14.81
Hydrogen Fluoride Emissions Intensity - Smelter	kg HF/t Al	0.59	0.50	0.44
Hydrogen Fluoride Emissions Intensity - Potline	kg HF/t Al	0.59	0.50	0.44

Water Management	Units	2018	2019	2020
Sea Water Use for Cooling	m3	390,305,547	388,217,344	396,059,540
Seawater Consumption in the Reverse Osmosis Plant	m3	0	0	0
Brackish Well Water Extraction	m3	2,446,153	2,446,153	1,393,741
Well water intensity	m3/t Al	6.48	6.26	3.51
Process Water Produced	m3	944,654	781,035	513,045
Brine Discharged to the Sea	m3	1,351,402	1,143,713	787,787
Demineralised Water Used for Heat Capture in the Heat Recovery Steam	m3	142,686	182,802	121,867
Process water (non-potable) exported to Majis Industrial Services Company	m3	513,437	302,759	116,975
Sewage Water Imported from neighbouring community for irrigation	m3	115,596	92,285	72,705
Treated Sewage Water Used for Irrigation	m3	123,911	137,415	130,657
Percentage of Treated Sewage Water Re-used for Irrigation	%	100	100	100

Demineralised water is also produced as a by-product of the power plant's steam turbines and sold to a local utilities company for use in the Al Batinah region.

The largest users of process water within our operations are the power plant and smelter. In 2020, the Brackish Well Water Extraction decreased by 43% to reach 1,393,741 m3, while Seawater Used for Cooling increased by 2% compared to the previous year.

Sohar Aluminium regularly conducts impact assessments to measure and understand the impact of its water withdrawal and effluent discharge on neighbouring communities. Results concluded that there were no major impacts on the local communities surveyed.

Waste Management Strategy

Sohar Aluminium is committed to minimising the amount of waste generated by its operations through reduction, reuse, and recycling before landfill disposal. We seek to use innovative solutions to improve waste management and increase recycling-to-waste ratio. Sohara Aluminium ensures that all waste is disposed in a responsible manner and in accordance with local laws and industry standards.

Spent Pot Lining (SPL) is a waste material generated from the Aluminium smelter when pots reach the end of their serviceable life. Our approach to managing SPL starts by utilising technologies to reduce pot failures and extend their lifespan, resulting in fewer pots that need to

Waste Management	Units	2018	2019	2020
Waste Disposal	m3	8,939	7,089	7,952
Waste Disposal Intensity	Kg/t Al	23.60	18.15	20.00
Waste Generation Intensity	kg non-recycled waste/t AL	34.62	25.24	14.50
Steel Recycled	ton	1,212	1,302	780
Wood Recycled	m3	8,838	5,070	2,820
Paper and Cardboard Recycled	m3	2,340	2,034	1,560
Plastic Recycled	m3	6.48	6.26	6.60
E-waste Recycled	ton	N/A	6	6
Batteries Recycled	ton	50	45	73
Total Materials Recycled	m3	13,110	8,988	17,720
Hazardous Waste-Non Recyclable	m3	3,066	3,066	1,254



have their linings replaced.

Adding to its sustainability, Sohar Aluminium secured a viable solution for one of its main waste streams of SPL by establishing recycling contracts within the Sultanate for existing inventory and forecasted generation rates. The material is used by Oman Cement Company as a raw material for special cement that is used in the oil and gas process.

In 2020, Sohar Aluminium successfully launched a strategy to establish a similar approach for the Shot Blasting through sound industrial techniques. The new strategy involves waste elimination or reduction at the source and monitoring minimal generation rates by inviting continual improvement methodologies. The waste generated by this material is now being transported to Heavy Machinery Viqa DMCC Company in UAE.

In 2020, Sohar Aluminium's waste generation intensity decreased drastically by 42.5% going down to 14.50 kg non-recycled waste/t AL.

IT Solutions

Different unintegrated IT solutions are used to manage our EHS. Seeking unified solutions, the IT Team conducted an evaluation where a roadmap was developed to integrate the different systems and manage all EHS activities under one system. The new solution is planned to go live by Q3 2021.

Through the implementation of the DocuSign solution, more than 11,000 records were completed during the year and the printing cost

dropped by almost 40% in alignment with the vision of moving toward a Paperless Organisation.

Major achievements in EHS in 2020:

- Successful completion of the Annual Environmental Monitoring Plan with consideration of COVID-19 associated restrictions in a safe and qualified manner that allowed continued Environmental performance evaluation during the pandemic.
- Increase in the level of material recycling inside our facilities and commencement of new recycling test with new vendors.
- Zero discharge of power plant water via routing discharge effluents to local competent authority i.e., Majis Industrial Services Company.
- SA achieved ISO45001:2018 certification in October 2020 after successful completion of the certification external audit remotely.
- Excellent Fluoride emissions achieved targets with year ending at 0.44 kg/t Al year average of 2020.
- Leading on contractors' management and compliance with EHS and social requirements via extensive auditing program.

Targets for 2021:

- Commitment to continue reducing material stockpiles in 2021.
- Re-certification audit of ISO14001:2015 before September.
- Rolling out of Environmental KPIs to enhance Environmental Management in all SA areas.
- Minimising overall plastic consumption within SA via campaigns and working groups.



Raising the bar of Health & Safety

Promotion and protection of employee health is a key factor for sustainable growth of the organization. The Sohar Aluminium Medical team provides occupational health services, health promotion and awareness, emergency medical response and acute medical care for employees and contractors. In 2020, the company saw a significant 64.7% decrease in the Recordable Injury Frequency rate as a result of the effort to improve the attitude on safety across all operations.



across the site to coach and mentor employees to become interdependent whereby we all look out for each other and as a team support each other to work safely.

Together as a team we continually work on attaining the best safety results in any Aluminium Smelter across the world. We believe it is attainable, achievable, and sustainable. To reach this goal, SA EHS department consistently drives leaders

Employees Safety Indicators	Units	2018	2019	2020
Medical Treatment Frequency Rate	200,000 man-hours	0.17	0.06	0.06
Recordable Injury/Illness Frequency Rate	200,000 man-hours	0.34	0.17	0.06
Lost Time Injury Rate	200,000 man hours	0.11	0.06	0
Total Number of clients served	Number	6,945	5,762	6,254
Walk-in Clients	Number	6,001	4,709	5,027
Number of Heat Stress Monitoring Instances	Number of evaluations	2,159	2,302	1,437
Recordable Heat-Induced Illness	Number	0	0	0
Number of Polyaromatic Hydrocarbons (PAH)	Persons evaluated	73	93	208
Bio Monitoring				
Urine Fluoride Monitoring	Persons evaluated	164	230	169

Emergency Response

To ensure the safety of its employees, plant, and the local community in which it operates, Sohar Aluminium reviews and updates its emergency response plans and processes on a regular basis.

The company has its own dedicated emergency response team that is equipped with a Fire Station and a full fire team. The team is equipped to respond to any emergency on site within minutes of the incident.

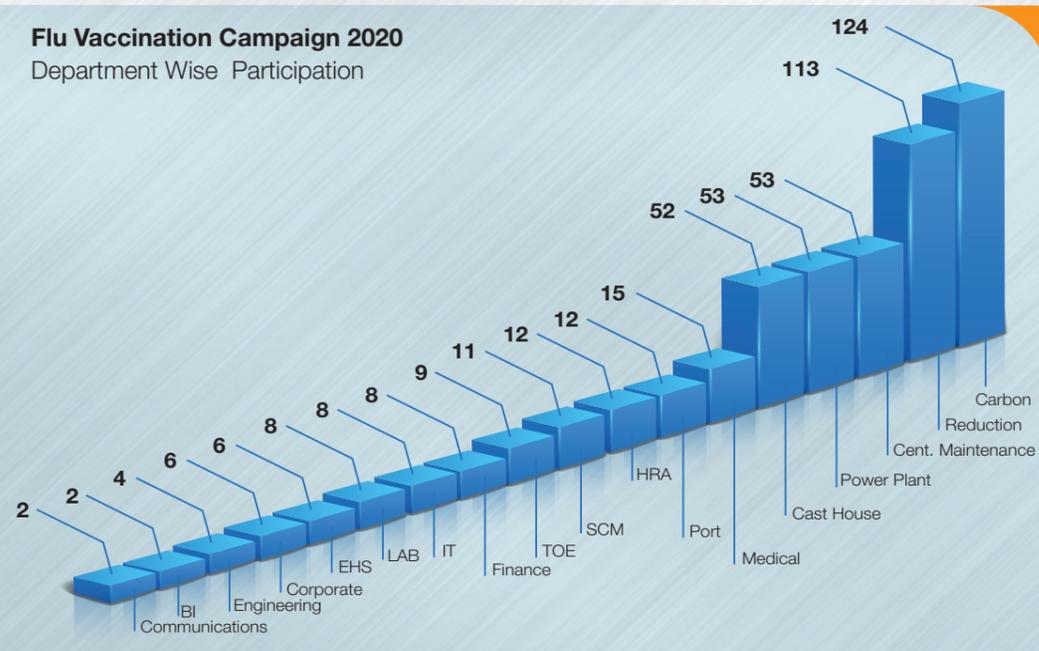
Health Campaigns and Activities

Flu Vaccination Drive

The Medical Team conducted the Annual Flu Vaccination Campaign in September. An enhanced outreach was initiated to reduce common viral flu infection alongside the

safe access to primary health care services for our employees amid the COVID-19 pandemic. Out of 249 persons screened, 60 individuals (24%) warranted medical interventions including further screening, expert evaluation, and medical management.

Flu Vaccination Campaign 2020
Department Wise Participation



COVID-19 Pandemic. Vaccinations were administered on the shop floor to promote participation. A total of 498 individuals were vaccinated during the drive.

World Heart Day

On the occasion of World heart Day 2020, the Medical Team organised an outreach campaign on the shop floor and at the Medical Centre to promote cardiac health among the workforce. The campaign aimed to provide

Heat Stress Management Programme

Heat stress is a major occupational risk for Aluminium Smelters in general and particularly for smelters located in the Middle East due to the environmental conditions and high process temperatures in production departments.

Sohar Aluminium's model of Heat Stress Management programme has gained national,

regional, and international recognition. The programme is led by the Medical Team under the Heat Stress Management Committee. Despite the enormous challenges posed by COVID-19, Sohar Aluminium managed its renowned and award-winning Heat Stress Management Program successfully in 2020.

As a result of collaborative efforts from all concerned stakeholders, the team passed summer 2020 without any recordable heat illness. This achievement has been recorded for the 8th consecutive year.

Major activities and achievements of the 2020 programme include:

- Synchronised activities of Heat Stress Management and COVID-19 prevention.
- Hydration Monitoring and Spot Awareness conducted throughout summer.
- Fruit distribution from June 2020 to September 2020.
- Electrolyte distribution - Introduced centralized sanitization & refilling of electrolytes.
- Rolling Trophy for "Best Hydrated Department".
- 1437 instances of Hydration Monitoring.

conducted in 2020 in collaboration with the Human Resource and Central Maintenance Departments.

Fatigue Management

SA Medical Team used Fatigue Management Questionnaire (FMQ) developed by IPIECA, the global oil and gas industry association for advancing environmental and social performance, to identify aspects of its operations that may be contributing to fatigue and the controls that are or could be in place to better manage any issues identified. Area specific surveys were carried out in 2020 to analyse the current situation in collaboration with the EHS coordinators.

Achievements

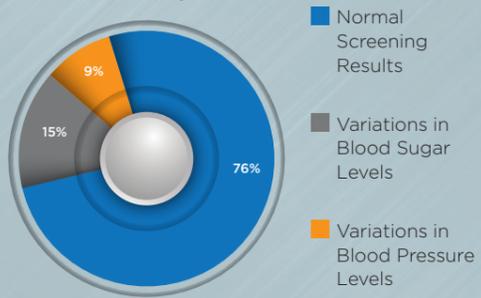
- Mumtaz Excellence Award - People & Community Pillar
- 8th consecutive year without recordable Heat Illness.
- Developed and implemented food safety procedures and emerging infectious diseases outbreak management programs.
- Used FMQ to identify aspects of operations that may be contributing to fatigue and the controls that are or could be in place to better manage any issues identified.
- Developed enhanced biological monitoring strategy for fluoride.

Food Safety Auditing

The Medical Team developed Food 'Safety Management Standards' to promote safety and quality of food provided from the canteen. 11 food safety and facilities audits were

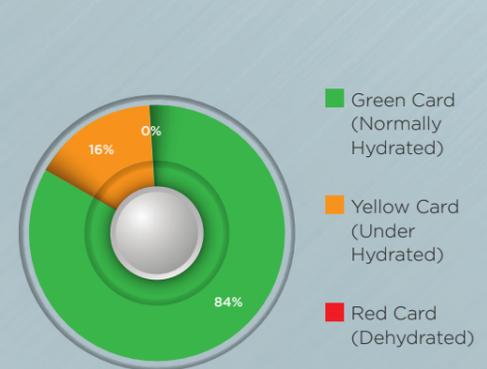
Review of Screening Results

World Heart Day

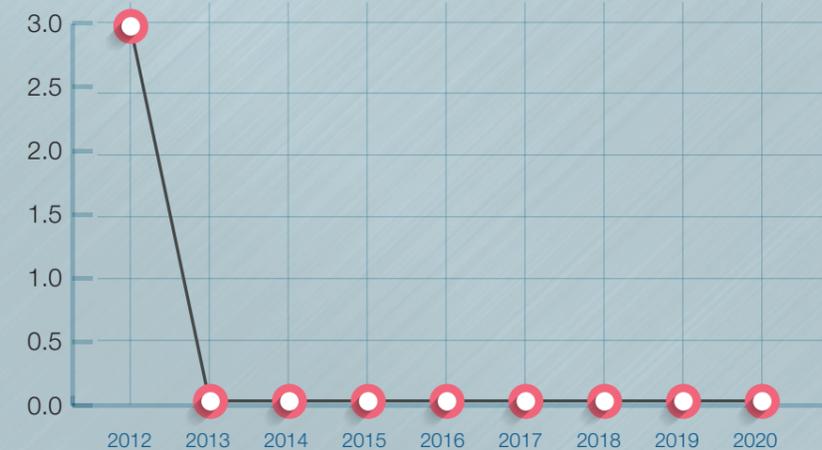


Hydration Monitoring Results 2020

2020



Number of Recordable Heat Illness



- 208 instances of PAH Monitoring and 116 instances of fluoride monitoring.
- e-referral system in SAP OH Module.
- First outreach campaign on site for flu vaccination.
- ISO 45001 accreditation – In conjunction with EHS.

Contractors Management

Contractors continue to be a key stakeholder at Sohar Aluminium as they are equally responsible for SA's achievements and successes. They comply with Sohar Aluminium's requirements to work on-site, which include operational and EHS requirements. Sohar Aluminium's Contractor Management Roadmap, which outlines objectives for contractor performance and oversight, is entrenched in the way we manage our contractors and is continuously reviewed and improved. All contractors are assessed during the evaluation process based

on EHS performance and mandated to abide by Sohar Aluminium's rigorous safety standards.

Contractors' Working Conditions

Sohar Aluminium is committed to recognising and protecting human rights in all its operations and throughout its supply chain. We seek to ensure our contractors respect human rights principles by carrying out contractor visits to inspect working conditions and make sure they align with Sohar Aluminium standards.

In 2020, our EHS and Supply Chain teams conducted 13 inspections to check living conditions, well-being, accommodation standards, facility location and compliance to EHS standards. Sohar Aluminium conducts regular inspections and ceases business with uncompliant contractors.



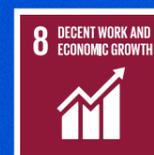
Contractors' Safety

Safety induction trainings are compulsorily provided to all contractors and service providers as part of Sohar Aluminium's uncompromising commitment to safety. While on-site, the contractor workforce is considered part of Sohar Aluminium's resources, and as such, their successful engagement is measured as one of its key performance indicators. In 2020, we recorded a 100% decrease in the RIFR of our contractors standing at zero, and we also managed to keep the LTIFR to naught.



Productivity and Incremental Improvements

United Nation's Sustainable Development Goals



Promote sustained, inclusive, and sustainable economic growth; full and productive employment; and decent work for all.



Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Productivity and Incremental Improvements

SA Strategic Objectives

- Progressive and safe increase of productive capacity and technical capabilities to operate at high amperage.
- Implement continuous improvements and develop internal resources to optimize process efficiency.

At Sohar Aluminium, we embody a culture of productivity effectiveness while always maintaining a quality-driven mindset. We have strived and attained the status of a benchmark smelter through consistent enhancement and optimisation of our processes to ensure we are producing quality aluminium in the most efficient and environmentally conscious way possible. The aluminium industry is part of a dynamic and ever-changing market, where new challenges constantly arise. To maintain our quality operations and competitive advantage, we use a systematic approach of lean manufacturing principles and capital improvement projects to significantly improve our productivity through waste reduction efforts, efficiency, cycle time, and material costs.

Production Record in SA History

Despite the challenges imposed by the COVID-19 pandemic, 396,929 Tonnes of Hot Metal were produced in 2020 (1.64% higher than 2019); the highest in the history of our operations.

The company also achieved the highest Purity Level in it's History with 593.08 ppm of Fe/ Tonne of Metal.

2020 Productivity Achievements:

- Achieve 0.16 Anode Effect per pot day at Potline.
- Achieve 97.83% Power Plant Availability.
- Achieve total of 10.000 monthly Green + Baked anodes inventory.

- Achieve Master PM compliance greater than 95% in all areas from Smelter, Port and SAPP.

Sohar Aluminium Future-Proofs its Operations

Sohar Aluminium continues to look to harness the transformational potential of the Fourth Industrial Revolution (Industry 4.0) to position itself as a 'smelter of the future'. The company has made advanced technology a priority ever since its formation in 2004, implementing automation and robotics within the smelter's Casthouse's operations from the beginning in order to minimise the interaction of human operator with unsafe material and therefore reducing the risk of injury. Robotic cranes, for example, assist in the stacking of refined metal bundles and applying labels.

Continuous effort

The company continued the ongoing plant-wide awareness programme designed to ensure that its technical staff are on-board with the delivery of the project. It has embraced some elements of Industry 4.0 ever since it came on stream and it continue to evaluate and adopt new technologies and innovations as they materialise. This is a continuous journey of improvement which the company does not foresee an end to. Technologies keep evolving and our responsibility is to be at the forefront of the new inventions, to enhance our productivity, cost-efficiency, and competitiveness.

Productivity Indicator	Units	2018	2019	2020
Hot Metal Production	tonnes	379,775	390,516	396,929
Finished Good Production	tonnes	378,550	390,449	396,046
Production Rate	kg Al/Pot/day	2,929	2,979	3,008
Cost savings due to productivity gains	USD million	25	3.96	3.97
Specific Energy Efficiency Levels	kWhr/kg	13.33	13.18	13.19
Operating Amperage	kA	384.01	393.35	395.69
Purity Levels	ppm of Fe	586.52	558.65	593.08
Percentage of scheduled maintenance work	%	91	90	90.1



Level 0 KPIs

To continue having close eye on the plant performance during COVID-19, Management KPIs were transformed from physical to digital dashboard to cover all the operational and service departments. This tool provided a good visibility on all departments' critical activities.

People and Community

United Nation's Sustainable Development Goals



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



End poverty in all its forms everywhere.



Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Ensure healthy lives and promote well-being for each individual at all ages.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



People and Community

SA Strategic Objectives

- Build a competent, engaged and empowered workforce to drive technical and leadership excellence across the organization.
- Integrate and engage our stakeholders to contribute to Oman's sustainable development and maximise positive impact in the community.

Our People

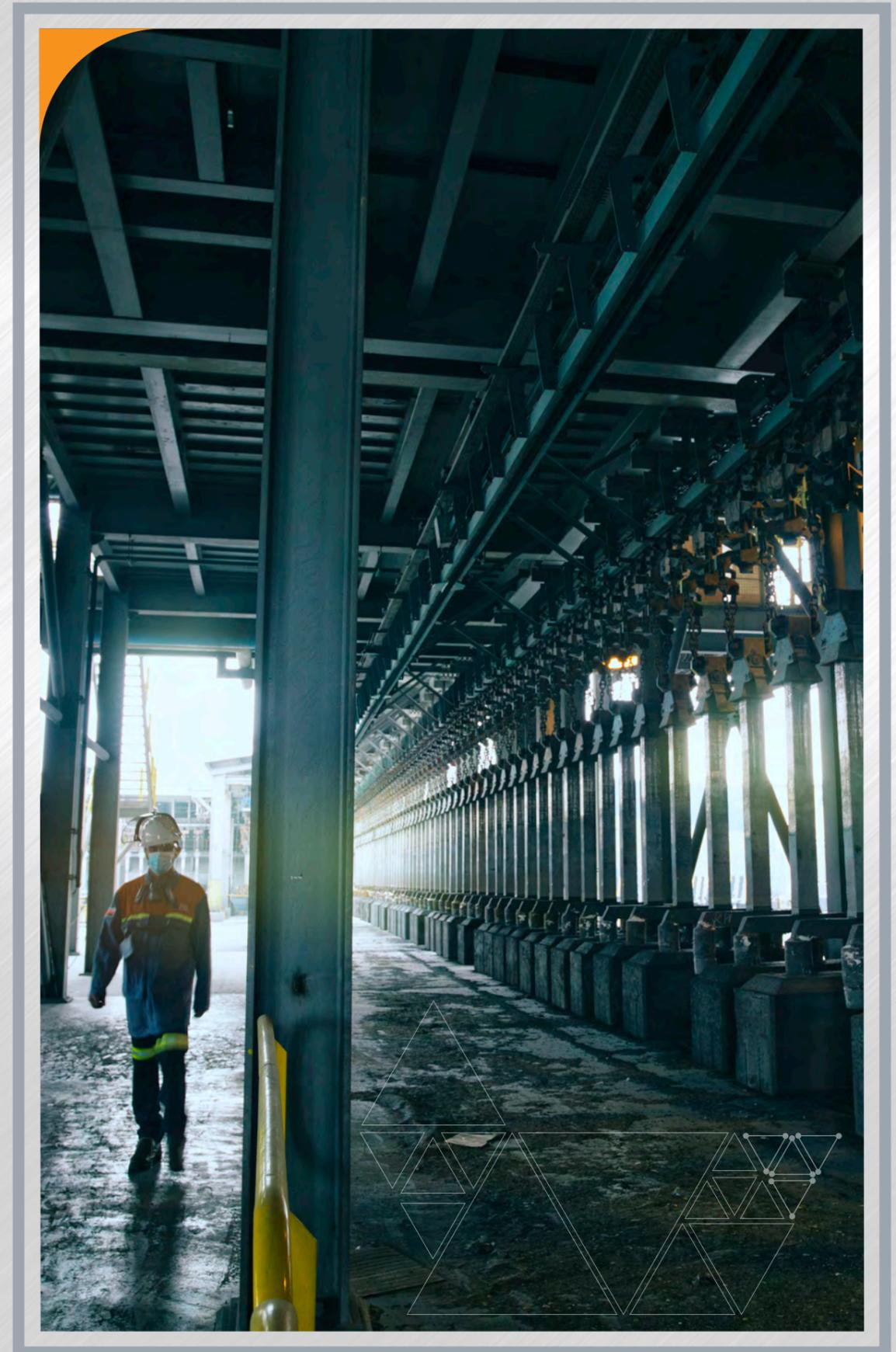
Sohar Aluminium firmly believes that an engaged and empowered workforce is essential to maintain its focus on excellence and long-term success. We are extremely proud of our workforce, and we strive to maintain our status as an employer of choice through competitive compensation, vocational training, and social support. Through our focus on local employment, capacity building, competitive benefits, and employee engagement, we have developed a united and engaged community.

At Sohar Aluminium, Omanisation, which was maintained at 77% of the total workforce in 2020, is a major driver within the organisation.

The development of its employees is paramount and with that in mind, SoharAluminium has its own well recognised training centre which gives every employee the opportunity for further learning and growth.

We also focus on ensuring a balance between the employee turnover and new hires in order to maintain an optimum number of skilled workforces. In 2020, 8 new employees were hired. However, the turnover rate for the year decreased to 2.1%. The total workforce represented by young employees decreased by 18% while the number of female employees decreased by 2.4% within our staff.

Workforce Profile Indicator	Units	2018	2019	2020
Total Workforce	Number of employees	974	975	964
Omani Nationals	Number of employees	743	744	745
Expat	Number of employees	231	230	219
Omanisation Rate	%	76	77	77
Females	%	4.1	4.1	4
Young employees (18 to 30 years old)	%	10.8	6.6	5.4
New Employees	Number of employees	45	23	8
Turnover Rate	%	3	2.7	2.1
Top Management	Number of employees	187	223	189



Training and Development

Employees Training and Development

We recognise the long-term benefits of investing in the skills development of our employees. At Sohar Aluminium, we maintain a steady focus on increasing the technical and leadership skills of our workforce and providing comprehensive mentorship. We ensure that all employees receive extensive opportunities to build leadership, communications, management, and other skills necessary to succeed and grow within our business.

To ensure recruitment and retention of the most talented individuals, we invest heavily in our recruitment, training, and development efforts. Through our significant investments in training and development of our employees, we are able to ensure that our employees are engaged effectively from recruitment to exit.

Leadership Program “Qaaed”

Sohar Aluminium Leadership Program “Qaaed” that was launched in 2019 continued its initiatives in 2020. The program, inspired by the values of values of Tamkeen (Empowerment), Tatwir (Development) and Taqadum (Progress), aims at developing and empowering current and potential leaders in the company and creating a strong leadership bench for years to come.



In 2020, all team leaders, managers and the senior management went through leadership assessments to create customized development programs for each. Supervisors underwent a leadership essentials program focusing on the main principles and best practices of leadership. They were also given access to in-depth online courses on specific skills, such as: strategic thinking, conflict management, negotiation, and time management.

Starting in Q4, the company kicked off its new quarterly theme activities in which each quarter will have a specific theme and all development activities will be based on that theme. The Q4 theme of 2020 was Performance Management. Examples of the activities utilized were weekly messages, readings, podcasts, online courses as well discussions with the Executive Committee. The program will continue in 2021 with themes focusing on collaboration, strategic thinking, and role of the leaders in developing their team members.

Graduate Development Program

The company prides itself with its Graduate Development Program that started in 2014 and continued to take fresh graduates and develop them to become full-fledged engineers. The graduates join as full employees but go through an intensive 4-year development program where they acquire unique skills in the manufacturing and aluminium industry. The beginning of the year saw the graduation of the 2016 batch and the review of the late batches. The plan was also set to take a new batch in early 2021 in the disciplines of electrical, mechanical, and chemical engineering as well as logistics and EHS.

Training and Development Indicator	Units	2018	2019	2020
Number of employees who received training	Number of employees	976	972	976
Average days of training per employee	days	12	10	2
Average hours of training per employee	Hours	97.5	80	15
Total number of training hours	Hours	95,172	77,758	14900

Qudwa: SA Mentoring Program

“Qudwa” (Arabic word for “Role Model”) is a semi-structured mentorship program that utilizes the cumulative expertise of our staff and directs it to the development of less competent individuals. The program aims to create a mentor/mentee relationship where each employee works closely with an experienced colleague, meets periodically, sets development goals, and allows for knowledge transfer.

The program was launched in June 2020 in the Power Plant (SAPP), focusing specifically on technical competencies where the experienced engineers and team leaders shared their knowledge and expertise in a structured framework.

A total of 20 mentors and 19 mentees went through a training program to understand their roles and responsibilities. The matching resulted in 24 mentor/mentee relationships that continued for 6 months. The post-program assessment showed a 46% average competency improvement for the mentees. The program will be rolled out to other department in 2021.

Summer Students Training Program

Due to the situation imposed by COVID-19 in 2020, the Summer Student Training Programme was cancelled. This step came in line with the implemented procedures to limit the number of staff in offices and other work locations.



Corporate Social Responsibility

SA is keen on supporting Small and Medium Enterprises (SMEs) and has executed several projects to establish and sustain SMEs and their growth.

Sohar Aluminium firmly believes in supporting and giving back to the local communities within which it operates. Our established CSR framework ensures we execute several projects that impact various sections of the society in a positive manner.

Sohar Aluminium goodwill is our recognition that, our company, has social, cultural, and environmental responsibilities to the community where we operate, as well as economic and financial ones to our shareholders. Our community activities demonstrate our commitment to integrity and transparency and indicates pride to be associated with Sohar Aluminium. Through our continuous engagement and support to our key stakeholders we hope to establish and maintain sustainability within the business for generations to come.

We are proud to have an innate and commended commitment to our community. We fulfil our responsibilities as corporate citizens in a variety of ways, ranging from sustainable investment projects, volunteering, and sponsorships to awareness campaigns along with promoting the growth of SMEs in Oman. SA's community initiatives are, in fact, pegged on strategic sustainable ventures. It follows a community-centric approach that has established its credentials as a people's company.

Corporate Social Responsibility Policy

Our CSR strategy is guided by the CSR committee, which offers strategic guidance in identifying vulnerable populations, budgeting for, and organising target activities as well as mobilising community engagement. The Committee reports to the Chairman of the Board, and includes the Chief Executive Officer, Chief Financial Officer, HR and Corporate Affairs General Manager, Communications Manager and CSR Superintendent. The Board of Directors endeavours to allocate appropriate community investments and make a commitment to set an independent budget for CSR activities. This dedication is one of the key drivers for the high investment in Sohar Aluminium's CSR programmes. The annual budget allocated directly by the Board of Directors is equal to 1.5% of shareholders' distributions (no less than USD 1 million and not exceeding USD 3 million annually).

In 2020, most of the CSR funds were directed to supporting the national health sector in its battle against COVID-19. More than USD 650,000 (OMR 250,000) were spent in this field.

Positioning the Sultanate Globally

At a regional and global scale Sohar Aluminium always endeavours to position Oman as a highly strategic destination for major international investments and events, and a world class tourist and cultural destination with the highest standards of hospitality. Regional and international events are the perfect platform to promote the importance of the Gulf region as an emerging hub in the global aluminium industry and mark the progress and development of the Oman Aluminium industries and the recognition of its importance to the World.



TasHeel

With the ongoing demand to HR services related to official letters and the current pandemic situation, it has been a must step-up by IT Business Application to the business request to come up with an employee self-service platform. Toward that, TasHeel solution been designed and implemented which eased HR Operation work and give the employees a quick access to HR services in a matter of clicks.

Long Service Awards

Sohar Aluminium awards long service team members in recognition of their achievements, tireless efforts, and dedication that they have put forward through their years in service. In 2020, we awarded 13 employees who have completed 10 years of service and 38 employees who completed 5 years of service at Sohar Aluminium.

Deals and Offers to all SA Employees and their Families

Various new deals and offers were acquired from vendors operating in Sohar, Muscat and the GCC countries, which Sohar Aluminium employees, contractors, and their families can avail and benefit from. The Programme continued to provide these opportunities to our employees. A new target of minimum of 30 deals and offers was set and achieved throughout 2020.

Social Contribution & Voluntary Projects

Through its social contributions and voluntary projects, Sohar Aluminium is committed to sharing its values, best practices while fostering strong and close ties with the surrounding communities along with maximising its positive impact in community services.

The award-winning Sohar Aluminium Volunteering programme aims to promote the organisation's "Zero Harm" mindset in the local community. Employees who are interested in volunteering are continually influencing and shaping the programme to maximise its benefits and serve the society at large. In 2020, due to the COVID-19 pandemic, most of the volunteering activities were restricted with only some volunteers contributing towards various efforts to counter the impact of the pandemic.

Sponsorships

Our sponsorships reinforce our pledge to society and the company's role in maximising the positive impact of local initiatives. Below are some of the initiatives and programmes that we supported and sponsored in 2020:

- SohArt 7th Sculptors Camp
- Al Rahma Association programmes
- SQU Engineering Society Activities
- General Federation of Oman Worker 10 Anniversary
- Oman Golf Open 2020 Tournament
- Ministry of Environment and Climate Affairs (previously) Workshop
- Economic support to the families impacted by COVID-19
- Funding the procurement of Laptops for COVID-19 Testing for MoH

In 2020, most of the CSR funds were directed to supporting the national health sector in its battle against COVID-19. More than USD 650,000 (OMR 250,000) were spent in this field.



Education

Sohar Aluminium persistently builds ties and synergies with academic institutions for the development of local talents to lead into the future. The company believes that long-term positive change begins with quality education. With this mindset, we are dedicated to contribution towards promotion of knowledge and education in our community to ensure that every child can grow confident about their success in life and has the potential to change the world for the better.

MOU with Ministry of Education

Sohar Aluminium and the General Directorate of Education for Al Buraimi Governorate signed a Memorandum of Understanding (MoU), to fund technological devices for educational purposes for the schools in the governorate.

The project aims to enhance the quality of education, contribute to building technical capabilities and encourage E-Learning in 30

governmental schools.

Donation Platform

The IT team created a flexible donation platform to allow the employees to donate towards noble causes such as COVID-19 pandemic.

Sustainable Projects

Sohar Aluminium is determined to help lead Oman and the Al Batinah region to a better future through its focus long-term sustainable projects that will continue to have a positive impact in decades to come. These projects reinforce Sohar Aluminium's obligation to the community and extending its continuous support to impactful projects and good causes.

Jusoor Projects

Jusoor is a collaborative CSR organisation established jointly by Sohar Aluminium, Vale

and OQ Refineries and Petroleum Industries L.L.C. to touch the needs of the people and address common social development opportunities in Oman, particularly in the Al Batinah region.

Some of the major projects executed by Jusoor in 2020 are:

Al Qurum Natural Park Development

Al Qurum Park Development project in the Wilayat of Shinas, North Al Batinah Governorate, is a project for developing a park at the heart of Qurum Nature Reserve. This park overlooks the waterway of the reserve and is surrounded by Avicennia Marina as well as many marine mammals and migratory birds such as the Socotra cormorant, Spoonbill, Western Reef Heron, Little White Heron, Grey

Heron, Common Redshank, and the Greater Flamingo. The park offers breathing space for visitors and attracts wildlife enthusiasts.

This project is a first-of-its-kind project in the Wilayat in terms of area and equipment with a nature-inspired design in the form of an Avicennia leaf. The project includes the development of several facilities on an area of 28,000 square meters, including:

- 3km long walkway
- Amphitheatre
- Birds watching tower
- Barbecue areas
- Entrance gate and guardroom
- Rest areas for families
- Crossing bridge over the waterway
- Children's play area
- Green surfaces

Community Investment Budget Breakdown Indicator	Units	2018	2019	2020
Jusoor Projects	%	74.79	55.84	39.00
Sustainable Projects	%	9.00	2.49	8.00
Education	%	0.21	15.19	18.00
Social Contributions & Voluntary Projects	%	1.44	3.46	4.00
EHS	%	0.33	3.04	17.00
Commitments	%	--	--	14.00



Al Batinah International School (ABIS)

ABIS was proudly established by Sohar Aluminium and is now jointly supported by OQ Refineries. The school offers world class international programs to both expatriate and Omani students from K1 to Grade 12 which prepares them for the wider world. The campus is designed using cutting-edge research to create an environment focused on students and their learning. It includes innovative learning spaces, extensive sports facilities, purpose built play areas and a farm that links our Omani heritage.

This joint venture project has paved the way for supporting quality education in the region allowing for the expansion of ABIS capacity to 550 students with additional land to expand the school capacity to 1200 students when required. In addition to the International Community Section, a Global Section opened to provide the high quality international education that ABIS is known for. The Global Section provided for young

Omani students increased the emphasis on English, Arabic, Social Studies and Islamic studies with the aim of helping children grow into the Sultanate's leaders of tomorrow.

Due to its early adoption of technology where students from Grade 3 onwards learn in class using I-pads, ABIS was well placed when education switched to online learning. This ensured that learning continued even from a distance thereby lessening the impact of being unable to attend classes in-person at the school. As the year progressed, ABIS was at the forefront to implement preventive precautions and measures to receive students and was one of the first schools in North AL Batinah to be given the go-ahead to resume physical classes towards the end of 2020.

For more information about the school, visit: www.abisoman.com



Jusoor Projects

- Coffee shop
- Mosque
- Toilets

Government Partner:

Ministry of Interior - North Al Batinah Municipalities

Funding Companies:

Sohar Aluminium and OQ

Al Khaboura Investment Building

This project falls within the scope of sports development and promotion and will be an investment destination for Al-Khaburah Sports Club. It will provide a sustainable source of income, thus contributing to financing various sports and cultural activities of the Club, establishing a true partnership with public sector institutions and the local community as well as supporting the Club's local sports teams.

The project was completed in November 2020. It consisted of an investment building made up of 32 shops, divided into two buildings with an area of 1408.4 square meters. These shops will provide an important source of income for the club and will support its sustainability.

Government Partner:

Ministry of Sport, Culture, and Youth

Funding Companies:

Sohar Aluminium and OQ

Al Hailain Park

Al Hailain Park is a park with natural landscape features that goes along with the surrounding mountains. It offers a spacious area for the residents of Al Hailain and the Wilayat of Al Suwaiq.



The Park is built on a total area of 2000 square meters with a 320-meter walkway, surrounded by playgrounds and basic facilities such as coffee shops, toilets and rest areas for families to relax and enjoy their time.

Government Partner:

Ministry of Interior - North Al Batinah Municipalities

Funding Company:

Sohar Aluminium



Innovation and Growth

United Nation's Sustainable Development Goals



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Innovation and Growth

SA Strategic Objectives

- To be a state-of-the-art mega smelter producing over 1M tons of green aluminium annually.
- Lead development of breakthrough innovations and growth in aluminium smelting and power generation aiming for long-term sustainability.

Innovation and Growth is a new strategic objective that has aligned into SA's Business Strategy. Built around manifesting growth and new opportunities for us to become a market leader, it focuses on pursuing innovative opportunities that will help the company develop and sustain its business and operations.

Lean Six Sigma (LSS)

In 2020, and despite the difficulties and challenges inflicted by COVID-19, Sohar

Aluminium continued the deployment of the Lean Six Sigma methodology and trainings. Lean Six Sigma is a synergized managerial concept of Lean and Six Sigma. Lean traditionally focuses on the elimination of the eight kinds of waste classified as defects, over-production, waiting, non-utilized talent, transportation, inventory, motion, and extra-processing.

Six Sigma seeks to improve the quality of process outputs by identifying and removing

Together, Lean Six Sigma uses the five DMAIC phases:

DMAIC phases



Innovation and Growth Indicator	Units	2019	2020
Green Belt Projects Completed	Number	15	25
Black Belt Projects Completed	Number	4	5
KAIZEN events Conducted	Number	5	17
Theory Certified Black Belts	Number	13	12
Theory Certified Green Belts	Number	64	0
Certified Kaizen facilitator	Number	0	2
Certified Yellow Belts	Number	720	32
Value Creation (delivered)	USD million	16.2	15.1

the causes of defects (errors) and minimizing variability in (manufacturing and business) processes.

The different levels of certifications are divided into belt colours, like Judo. The highest level of certification is a Black Belt, signifying a deep knowledge of Lean Six Sigma principles. Below the Black Belt (BB) are the Green and Yellow Belts (GB & YB). For each of these belts, skillsets are available that describe which of the overall Lean Six Sigma tools are expected to be part at a certain Belt level. These skillsets provide a detailed description of the learning elements that a participant will have acquired after completing a training program.

In 2020, 22 Sohar Aluminium's employees were trained in Yellow and Black Belts programmes and 30, Green and Black Projects, were completed within the year. Also 17 KAIZEN events were conducted (higher by 12 projects than 2019). In addition to this, 2 Kaizen facilitators were certified during the year.

12 employees from Sohar Aluminium and partnering companies attended the second online Black Belt Training Programme. This programme was also fully designed and developed internally by SA's Business Improvements Team, as a result of their accumulated knowledge, and experience. This reiterates Sohar Aluminium's leading position as one of the pioneers in Oman in Lean Six Sigma.

Value Creation

2020 witnessed the introduction of the monthly Value Creation Award which saw the best Value Creation initiative across the plant being recognised and awarded. The programme facilitates the generation, capture, selection and documentation of all initiatives along with the commitment, assignment, and execution plan by the project's team. All SA departments are involved in this well-structured programme that sees a lot of interest and attention from our management. The efforts of the teams resulted in saving an outstanding amount of USD 15.1 Million.

2020 Innovation Achievements:

- Ideathon 2020 conducted together with Sohar University.
- First spare parts delivered through reverse engineering approach with Sohar University.
- 2 challenges raised with EJAAD Platform
- New online LSS BB fully certifiable course developed and delivered to 12 candidates with success.
- New GB online, non-certified training developed and delivered to 9 candidates in IT Department.
- New A3 management online training developed and is included in HR offer of official training programs.
- Aggressive Value Creation target of 12 million US \$ surpassed in delivery.
- COVID-19 restrictions, social distancing, stop of in class trainings, work from home, focus on securing undisturbed operation as

1st priority, have presented significant challenge to BI activities.

Pi vision is a data visualization tool that plays a vital role in decision making. It enables various business units in all levels of an organization to gain insight into their critical operations and processes in real-time.

With a vision of having "Data for everyone", a tremendous effort made by IT team to design and promote the utilization of Pi Vision tool across Sohar Aluminium.

Few examples of some developed solutions in Pi Vision:

- Plantwide Real-time Monitoring Anytime, Anywhere
- Condition Based Assets Monitoring
- Casthouse Metal Delivery Tracking
- GTCs Filters Bags Leak Detection & Auto Flow Monitoring

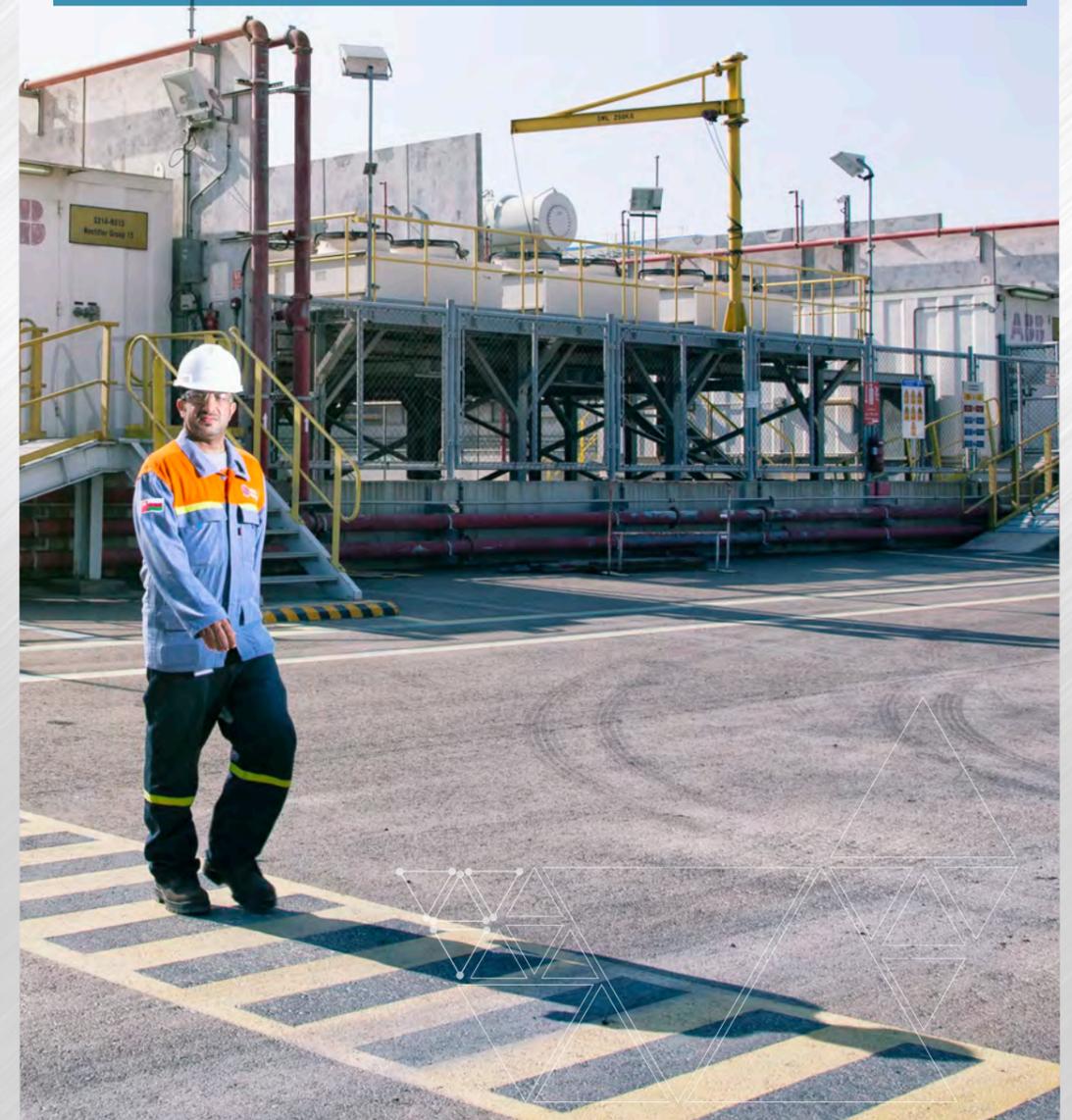
Engineered Improvements

- Execute and close 50 projects while overcoming all challenges and obstacles caused by COVID-19 Pandemic.
- Achieving 93% compliance on projects schedule.
- Completion of the Training Facilities, an approximately 1400 square meter building.
- Handing over the SPL crushing facility project to Oman Cement Company (located at their premises).



2021 Commitments:

- Deliver 2 LSS GB trainings and 1 LSS BB.
- Develop new, Sohar Aluminium, fully Internationally certifiable LSS GB and BB training.
- Develop internal SA Statistical Process Control training and start implementing SPC in operation departments.
- Facilitate and support Integrated Improvement Project Generation, Selection and Execution Process by deploying Central BI Team resources in the departments. This should lead to securing delivery of adopted Value Creation targets for year 2021.
- Facilitate and support, together with external facilitator, Strategy Review Process.



Customers



Customers

SA Strategic Objectives

- Meet the highest customer expectations through quality products, supply reliability and responsive employees.
- Maximize revenue growth opportunities, support downstream industry development, and expand company's operations through a diverse product portfolio.

As we continue to grow to become a leader in the global aluminium industry, our contribution to the local, regional and global economic development through revenue generation, shareholder returns and the provision of aluminium is now fully embedded in our business model.

We continue to contribute significantly to Oman's burgeoning downstream metals industry, both through the direct supply of metals to local manufacturers and strong participation in local markets for the procurement of goods and services.

Zero Incidents of Non-Compliance with Environmental, Social and Economic Law and Regulation were recorded in 2020

Sohar Aluminium is committed to delivering comprehensive, a quality-based management for successful customer relationships and product sales. In order to maintain product quality and reliability, Sohar Aluminium uses a quality policy which designates specifications for technical aspects of our products. Sohar Aluminium Casthouse has been certified under the updated ISO 9001:2015 Quality

Management Systems and continues to deliver quality metal to our customers better than expected.

We endeavour to meet customer expectations while maximising shareholder's value. Our demonstrated ability to provide reliable delivery of quality products as well as our responsible and effective supply chain management have made us a partner of choice. Our supply chain and customer relationships amplify the value of our products and put our business in a better position as a leader in our markets and a creator of significant value for our customers and business partners.

We believe in building long-term supply relationships with our customers, and for that reason, we ensure our lasting arrangements are based on quality and reliability. Looking forward, maintaining and building strong relationships with our customers will continue to create value for Sohar Aluminium.

Customer Satisfaction

To ensure we meet the expectations of our customers and continue to deliver excellent

Sales Figures Indicator	Units	2018	2019	2020
Liquid Metal Sales (OAPIL)	Tonnes per annum hot metal	50,134	54,157	53,234
Liquid Metal Sales (OARC)	Tonnes per annum hot metal	91,271	101,794	86,767
Liquid Metal Sales (OAC)	Tonnes per annum hot metal	4,760	1,729	1,925
Total liquid metal sold to existing downstream customers	Tonnes per annum hot metal	146,165	157,680	141,926



Zero Incidents of Non-Compliance with Environmental, Social and Economic Law and Regulation in 2020

customer experiences; we disseminate an annual satisfaction survey to our customers. This survey, conducted twice a year, serves as one of the many direct communication channels for our customers to address any concerns or inquiries with us.

These results clearly attest to our excellent partnership-driven mindset, which can be seen from the very start of our partnership. The results from our surveys confirm the confidence our partners have in our efforts and continued success, as well as our ability to immediately address areas of improvement.

Sustainable Supply Chain Management

Sustainable supply chain management focuses on minimising risks, optimising price, and eliminating production disruptions through timely and reliable delivery and critical item contingency planning. It presents an opportunity for Sohar Aluminium to reduce costs through warehouse and stock management as well as sound supplier negotiation and contingency planning.

Responsible Suppliers

Since its inception, Sohar Aluminium has remained compliant with applicable laws, regulations, and international conventions. The Company also requires that its partners comply with these laws and guidelines and respect its Code of Conduct.

Sohar Aluminium works closely with local vendors and suppliers to improve their technical skills so they can meet our requirements and, in the process, improve our collaborative efforts. Upon partnering with vendors, we use a Vendor Assessment System in which we conduct inspections of our partners to ensure they fulfil essential requirements.

Local Procurement

Sohar Aluminium works steadfastly to develop partnerships with local Omani suppliers as a means of improving our supply chain and contributing to local economic development and progression. Although several products, such as machinery, primary raw material, and alumina, are sourced internationally, Sohar Aluminium continues to grow its partnerships with local manufacturing companies as it focuses on identifying items and services that can be procured locally. Through our continued efforts to build our local supply chain, we have developed a strong network of nationally based suppliers who provide a variety of goods and services, from administrative items to specialised manpower. Local suppliers represent a significant opportunity to enhance the Omani metals and manufacturing sector while reducing costs and product delivery timelines.

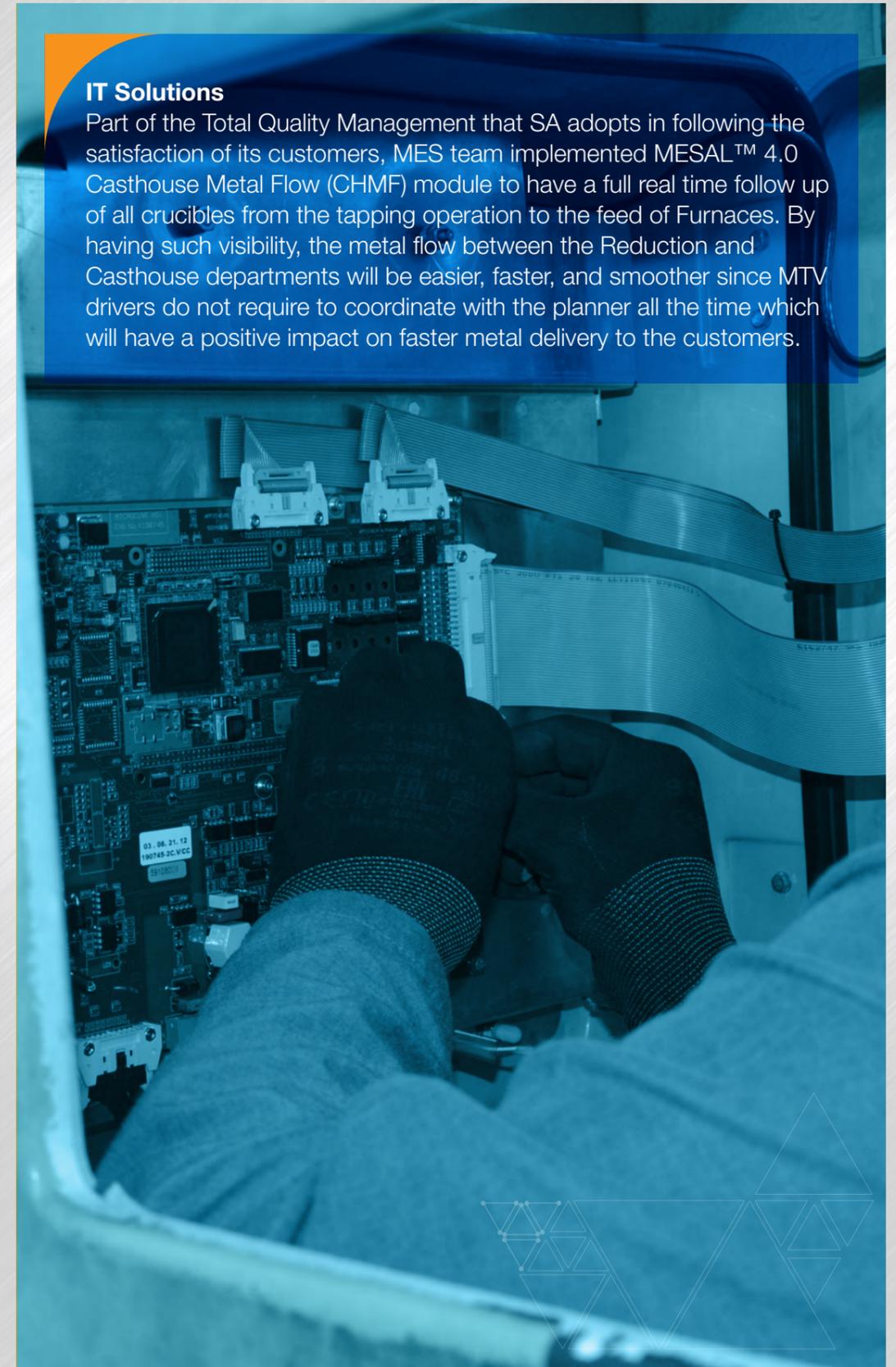
We have also established a link with the online Business Portal of the Oman Chamber of Commerce and Industry while making our tenders available on the SA website. This provides increased opportunities for local vendors to view available SA tenders and apply for them.

With the COVID-19 pandemic severely impacting global supply chains, Sohar Aluminium's Supply Chain Management team ensured that operations are not impacted due to lack of raw materials or critical spares. The team also urgently facilitated the procurement of large quantities of masks, sanitizers and relevant COVID-19 consumables, especially at the start when there was a shortage due to sudden global demand.

Local Procurement Indicator	Units	2018	2019	2020
Foreign Suppliers	%	49	44	41
Local Suppliers	%	51	56	59
Amount Spent on Local Suppliers	USD	52,765,769	41,598,138	36,997,286

IT Solutions

Part of the Total Quality Management that SA adopts in following the satisfaction of its customers, MES team implemented MESAL™ 4.0 Casthouse Metal Flow (CHMF) module to have a full real time follow up of all crucibles from the tapping operation to the feed of Furnaces. By having such visibility, the metal flow between the Reduction and Casthouse departments will be easier, faster, and smoother since MTV drivers do not require to coordinate with the planner all the time which will have a positive impact on faster metal delivery to the customers.



Financial Strength



Financial Strength

SA Strategic Objectives

- Retain a strong position in the 1st quartile on the cost curve in aluminium and power generation through safeguarding return on investment and cost management.
- Maximise the shareholder's economic welfare and support the company's future growth. Resource efficiency, waste elimination and sustainability in the supply chain of raw materials.

Sohar Aluminium operates in a financially responsible manner with a significant contribution to the economic development of Oman. The stakeholders are at the core of our financial strengths, and in recognising their priorities and expectations, we ensure the business's success. Contribution to the economic progress of the nation is one of our key priorities, which includes having a positive impact on the Sultanate's gross domestic product (GDP) and job creation, as well as cultivating broader social development.

Our shareholders not only provide the necessary funding to support the company's operations and capital development, but they also provide support, technology, and key commercial arrangements.

2020 was an abnormal year as COVID-19 pandemic triggered a global economic recession, LME went to below \$1500/t in Q2 2020. In spite of difficult market situations, SA concluded the year with positive financial results above Business Plan supported by lower cost of production coupled with an increase in production volume.

Lower LME in Q2 puts significant pressure on the company's cashflow. The Company had urgently taken a number of measures to keep cashflow positive. CapEx budget reduced by 35% with a proper risk assessment and rescheduling. Controllable costs had been reviewed deeply and made significant budget cuts that touched all areas carefully without impacting safety and quality. The measures which had been taken have proven their effectiveness on the financial performance. The company had positive bottom-line results and met all financial commitments.

Cost Awareness

The aluminium industry is part of a dynamic and ever-changing market, where new challenges constantly arise. The sales prices of our products are set on international commodity markets, which means we must always maintain a competitive advantage in our industry.

In order to persist as one of the best aluminium smelters in the world, we unfailingly enhance and improve our processes to fortify our results and retain our position in the industry cost curve. Consequently, we have developed a culture of productivity effectiveness, while always maintaining our quality-driven mindset. Currently, Sohar Aluminium is considered one of the best smelters in the world in terms of production cost. Our cost management approach focuses on constant communication with all employees to stress the importance of cost awareness, the economics of our business and the impact each decision can have on our cost management and the volatility of aluminium prices in the international market. We use a process of value creation in which projects with a positive impact on income or cash are implemented and tracked – many of these ideas are generated directly by our workforce, and we ensure to give them full credit where it is due.

Central to our mission is minimising waste while maximising the quality of our operations, which leads to lower costs and improved competitiveness. As a consequence, we apply basic lean manufacturing principles to our operations. This process creates more value for our products while using fewer resources –

specifically waste, the non-value-added component – using powerful methodologies and tools. By applying these principles to our manufacturing operations, we have been able to significantly improve our waste reduction efforts, efficiency, cycle time, productivity, and material costs.

Sohar Aluminium also focuses heavily on working capital – Supply Chain Management implements continuous improvements on our inventory management by reducing money tied up in the company working capital through better raw materials prices negotiations, frequent review on consumables and spares inventory balances.

Along with its three major shareholders, Sohar Aluminium has been financed by a consortium of international lending banks, each of which has been serviced as prescribed in agreements. Sohar Aluminium has consistently met the requirements of all lenders, and we continue to provide satisfactory financial returns. While doing so, we ensure that the needs and expectations of our diverse group of stakeholders – economic or otherwise – are respected.

Supporting the development of Oman

Sohar Aluminium is considered one of the leading efficacious projects in diversifying the Omani economy. It differs from most other

industries as it is not petrochemical-based, although it relies on natural gas to generate the necessary power for its smelting operations.

The Company invests heavily in improving the local and national economy and promoting In-Country Value (ICV) creation. As a result, Sohar Aluminium effectively augments its positive impact on national GDP. It supports potential future investment opportunities in aluminium downstream companies, further contributing to the Sultanate's long-term vision for a diversified economy.

Sohar Aluminium's efforts are centred around investing and building human capital in Oman. Wherever possible, Sohar Aluminium procures locally and supports small and medium-sized enterprises (SMEs). It has also had a significant effect on the economic development of the surrounding region by increasing commercial activities through its efforts to boost the local suppliers' base and support aluminium downstream factories to supply hot metal required for their processes.

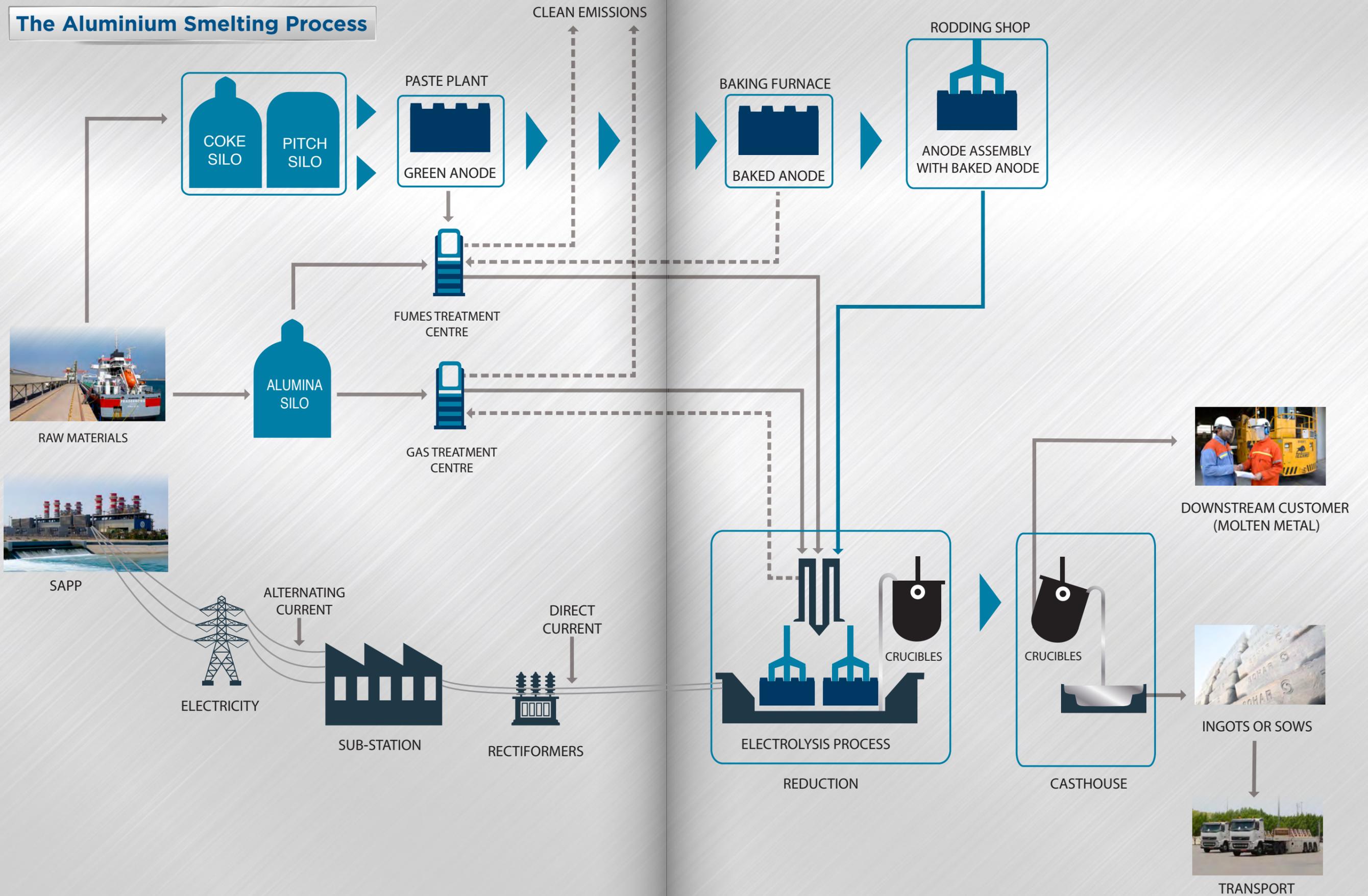
In 2020, over half of the SA suppliers were local. Apart from the materials that SA imports from abroad, it has spent over 36.9 million USD on local vendors.



Appendices



The Aluminium Smelting Process



GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the English version of the report.

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
GRI 101: Foundation 2016		
General Disclosures		
Organizational Profile		
GRI 102: General Disclosures 2016	102-1 Name of the organization	Sohar Aluminium
	102-2 Activities, brands, products, and services	12,14
	102-3 Location of headquarters	Sohar Industrial Estate, Sohar, Sultanate of Oman
	102-4 Location of operations	Sohar Industrial Estate, Sohar, Sultanate of Oman
	102-5 Ownership and legal form	12
	102-6 Markets served	72
	102-7 Scale of the organization	12
	102-8 Information on employees and other workers	52
	102-9 Supply chain	74
	102-10 Significant changes to the organization and its supply chain	No significant changes happened in the reporting period
	102-11 Precautionary Principle or approach	26
	102-12 External initiatives	26
	102-13 Membership of associations	<ul style="list-style-type: none"> • Oman Chamber of Commerce and Industry • Gulf Aluminium Council • International Aluminium Institute • AP 30 Club
Strategy		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	6-8
	102-15 Key impacts, risks, and opportunities	24-25
Ethics and integrity		
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	20-21
	102-17 Mechanisms for advice and concerns about ethics	20-21

GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
General Disclosures		
Governance		
GRI 102: General Disclosures 2016	102-18 Governance structure	16-19
Stakeholder Engagement		
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	28
	102-41 Collective bargaining agreements	30% of Sohar Aluminium employees are members of the Trade Union
	102-42 Identifying and selecting stakeholders	26
	102-43 Approach to stakeholder engagement	28
	102-44 Key topics and concerns raised	28
Reporting Practices		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Sohar Aluminium
	102-46 Defining report content and topic Boundaries	28
	102-47 List of material topics	28
	102-48 Restatements of information	No restatements of information were deemed necessary.
	102-49 Changes in reporting	No changes.
	102-50 Reporting period	01/1/2020 – 12/12/2020
	102-51 Date of most recent report	2019
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	5
	102-54 Claims of reporting in accordance with the GRI Standards	5
	102-55 GRI content index	84
102-56 External assurance	This report is not externally assured	

GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
Material Topics		
GRI 200 Economic Standard Series		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78
	103-2 The management approach and its components	78
	103-3 Evaluation of the management approach	78
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	78
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78
	103-2 The management approach and its components	78
	103-3 Evaluation of the management approach	78
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	78
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74
	103-2 The management approach and its components	74
	103-3 Evaluation of the management approach	74
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	74

GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
Material Topics		
GRI 300 Environmental Standard Series		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36
	103-2 The management approach and its components	36
	103-3 Evaluation of the management approach	36
GRI 302: Energy 2016	302-1 Energy consumption within the organization	36
	302-3 Energy intensity	36
	302-4 Reduction of energy consumption	36
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36-37
	103-2 The management approach and its components	36-37
	103-3 Evaluation of the management approach	36-37
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	37-38
	303-2 Management of water discharge-related impacts	38
	303-3 Water withdrawal	38
	303-4 Water discharge	38
	303-5 Water consumption	38

GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37
	103-2 The management approach and its components	37
	103-3 Evaluation of the management approach	37
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	37
	305-2 Energy indirect (Scope 2) GHG emissions	37
	305-4 GHG emissions intensity	37
	305-5 Reduction of GHG emissions	37
	305-6 Emissions of ozone-depleting substances (ODS)	37
Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39
	103-2 The management approach and its components	39
	103-3 Evaluation of the management approach	39
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	39
	306-2 Management of significant waste-related impacts	39
	306-3 Waste generated	39
	306-4 Waste diverted from disposal	39
Material Topics		
GRI 400 Social Standard Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	52

GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
Material Topics		
GRI 400 Social Standard Series		
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41
	103-2 The management approach and its components	41
	103-3 Evaluation of the management approach	41
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	41
	403-2 Hazard identification, risk assessment, and incident investigation	41
	403-3 Occupational health services	41
	403-4 Worker participation, consultation, and communication on occupational health and safety	41
	403-5 Worker training on occupational health and safety	41
	403-6 Promotion of worker health	41
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	41
	403-8 Workers covered by an occupational health and safety management system	100%
	403-9 Work-related injuries	41
	403-10 Work-related ill health	41
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54
	103-2 The management approach and its components	54
	103-3 Evaluation of the management approach	54
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	55
	404-2 Programs for upgrading employee skills and transition assistance programs	54-55

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GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
Material Topics		
GRI 400 Social Standard Series		
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52
Non-discrimination		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	https://www.sohar-aluminium.com/en/content/compliance-and-code-conduct
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None
Child Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	https://www.sohar-aluminium.com/en/content/compliance-and-code-conduct
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	None
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	https://www.sohar-aluminium.com/en/content/compliance-and-code-conduct
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None

GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s) and/or direct answers
Material Topics		
GRI 400 Social Standard Series		
Security Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	https://www.sohar-aluminium.com/en/content/compliance-and-code-conduct
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	100%
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	59
	103-2 The management approach and its components	59
	103-3 Evaluation of the management approach	59
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	59
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74
	103-2 The management approach and its components	74
	103-3 Evaluation of the management approach	74
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	100%
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	None

Appendices

Appendix A – Acronyms

ABIS	Al Batinah International School	MESAL	Manufacturing Execution System for Aluminium
Al	Aluminium	MENA	Middle East and North Africa
ALPSYS	Aluminium Pot Control System	MFT	Multi-Function Technicians
ARABAL	Arab International Aluminium Conference	MOMP	Ministry of Manpower
BI	Business Improvement	MT	Metric Tonnes
BRC	Business Review Committee	MW	Megawatt
CEO	Chief Executive Officer	LSS	Lean Six Sigma
CFO	Chief Finance Officer	OEM	Original Equipment Manufacturers
CO ₂	Carbon Dioxide	OH	Occupational Health
COO	Chief Operations (or Operating) Officer	OMIFCO	Oman India Fertiliser Company
CRM	Critical Risk Management	OMR	Omani Rials
CSR	Corporate Social Responsibility	OOC	Oman Oil Company
EHS	Environment, Health and Safety	PAH	Polycyclic Aromatic Hydrocarbons
ExCo	Executive Committee	PFC	Perfluorocarbons
FinCo	Finance Audit and Risk Committee	PLC	Programmable Logic Control
FTAC	Factory Talk Asset Centre	PSTA	Pre-Start Task Analysis
GAC	Gulf Aluminium Council	PTA	Pot Tending Assembly
GCC	Gulf Cooperative Council	RT	Rio Tinto
GDP	Gross Domestic Product	ROP	Royal Oman Police
GFOTU	General Federation of Oman Trade Unions	SAMY	Sohar Aluminium Metal Yard
GJ	Giga Joules	SAPP	Sohar Aluminium Power Plant
GRI	Global Reporting Initiative	SMC	Salalah Methanol Company
GTC	Gas Treatment Centre	SME	Small and Medium-Sized Enterprise
GCS	Gas Cooling System	SOP	Standard Operating Procedures
HB	Hydrocarbon-Fluoride	SPL	Spent Pot Lining
HRA	Human Resources Administration	SQUH	Sultan Qaboos University Hospital
HRC	Human Resources Committee	t	Tonnes
HRD	Human Resource Development	TAQA	Abu Dhabi National Energy Company
ICV	In-Country Value	TOE	Talent and Organisation Effectiveness
IB	International Baccalaureate	USD	United States Dollars
IDP	Individual Development Plan	VDI	Video Desktop Infrastructure
IT	Information Technology	WPP	Work Performance Plan
Kg	Kilograms	WPR	Work Performance Review
KPI	Key Performance Indicator		
MECA	Ministry of Environment and Climate Affairs		



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