



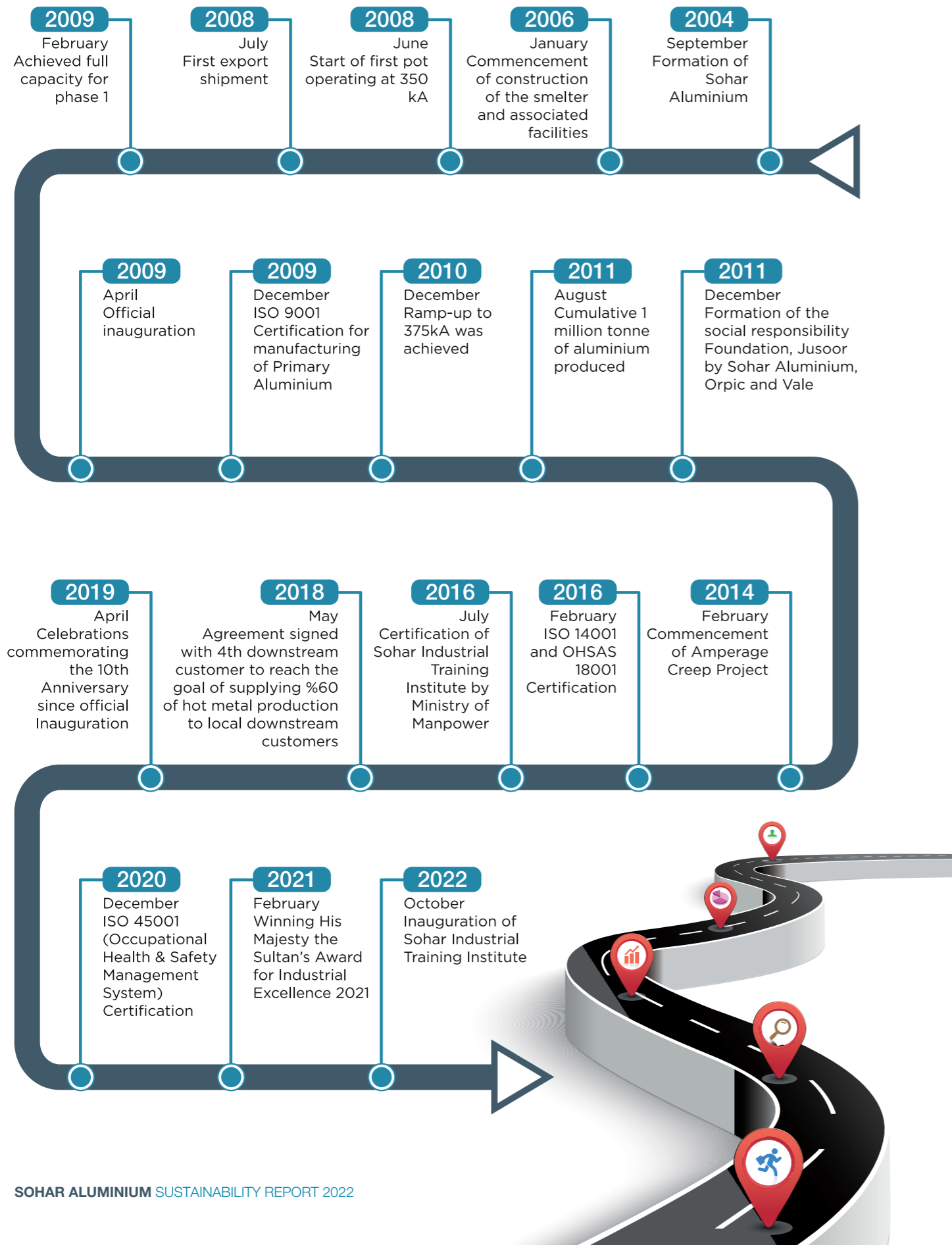
SOHAR
ALUMINIUM

Producing Aluminium for a
**Sustainable
Future**



SUSTAINABILITYREPORT
2022

Milestones



HIS MAJESTY
SULTAN HAITHAM BIN TARIK

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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Producing Aluminium for a Sustainable 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 are constantly mindful of sustainably conducting our business and operations with minimum impact on the environmental and our community. 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 many 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 continuing path towards a resilient, responsible, and reliable future.

About this Report

Welcome to the 14th edition of the Sustainability Report of Sohar Aluminium covering the reporting period from 1st January 2022 to 31st December 2022. This report has been prepared in accordance with the GRI Standards. 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. 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 its contributions to global sustainability commitments, Sohar Aluminium conducted in 2019 an in-depth exercise to align its business strategy with the UN's Sustainable Development Goals (SDGs). We have continued along the same lines in this report for 2022.

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. For the printed version, recycled FSC certified paper was used, using soy-based ink to minimize the footprint on the environment.

We welcome your feedback on this report and our performance through the following channel:
Email: SA-CorporateCommunications@Sohar-Aluminium.com



Chairman's Foreword

Welcome to Sohar Aluminium's 14th Sustainability Report.

This report embodies the company's unwavering commitment to sustainable practices and responsible business operations. It reflects the collective efforts of our dedicated team and the partnerships we have fostered to achieve remarkable milestones in environmental stewardship, social progress, and corporate governance.

At Sohar Aluminium, we firmly believe that governance and sustainability are integral pillars of our business. We have diligently strived to embed these principles into every aspect of our operations, ensuring transparency, accountability, and ethical practices.

This report showcases our relentless pursuit of excellence in everything we do, as well as our dedication to minimize our environmental impact and maximize societal value. It highlights the remarkable milestones we have achieved through our robust governance frameworks and sustainability initiatives.

As we move forward, we remain steadfast in our commitment to upholding the highest standards of protecting the interests of our stakeholders and contribute to a resilient and prosperous future for Oman.

I extend my heartfelt gratitude to Sohar Aluminium's exceptional team, its valued business and social partners for their support and commitment to the company's vision.

Ayad Al Balushi
Chairman of the Board
Sohar Aluminium



Ayad Al Balushi
Chairman of the Board
Sohar Aluminium

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At Sohar Aluminium, we firmly believe that governance and sustainability are integral pillars of our business.

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CEO's Message

It is with great pleasure that we present to you Sohar Aluminium's 14th Sustainability Report, highlighting our 2022 achievements and milestones, unwavering commitment to contributing to the Sultanate of Oman's national economy development, and our Environmental, Social, and Governance (ESG) contributions.

We have strived to create a sustainable future by embedding ESGs principles into our business operations. We firmly believe that economic growth must be achieved hand in hand with social progress and environmental stewardship. Our initiatives have focussed on fostering economic diversity, supporting local communities, and protecting our natural resources.

Through strategic partnerships, we have actively contributed to Oman's national economy development, driving innovation, creating employment opportunities, and nurturing local talent. Our firm dedication to ESG practices has allowed us to achieve significant milestones, reducing our environmental footprint, enhancing the well-being of our employees and contractors, and ensuring the highest standards of corporate governance.

As we move forward, we remain resolute in our commitment to sustainable growth, recognizing that it is not only a responsibility but also an opportunity to make a positive impact on our beloved Oman's economy and society.

Thank you for your continued support and collaboration as we strive for a brighter and more sustainable future together.

Said Al Masoudi
Chief Executive Officer
Sohar Aluminium



Said Al Masoudi
Chief Executive Officer
Sohar Aluminium



We have strived to create a sustainable future by embedding ESGs principles into our business operations.



About Us

Founded in 2004, as a landmark industrial development project and a key contributor to the Sultanate of Oman'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 and environmentally friendly technology. It has an annual design capacity of 390,000 tonnes of high-quality aluminium, a 1,000 MW dedicated Power Plant, and Port facilities.

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. About 60% of its annual production is committed to its local downstream industry customers. The company has a diverse workforce, of which more than 78% is Omanised. The company also has its own internationally recognised training institute.

Beautifully Versatile Metal

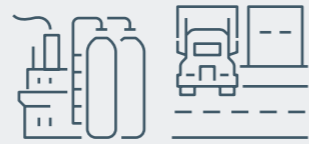
Hailed as one of the world's fastest growing major metals, Aluminium has extremely desirable properties that make it stand apart from other metals. It is strong yet pliable, lightweight yet versatile. Aluminium made products are affirmed as a solution to the world's energy needs and a symbol of a more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

The company works to create value for its shareholders, customers, suppliers, and the community where it operates and tirelessly focuses on balancing its inputs and outputs to maximize the benefits and minimize the negative impacts of its processes.



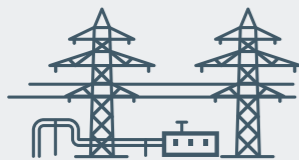
2004

Sohar Aluminium was founded in 2004



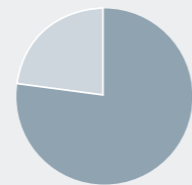
390,000

Annual design capacity of 390,000 tonnes of high-quality aluminium



1,000

1,000 MW dedicated Power Plant



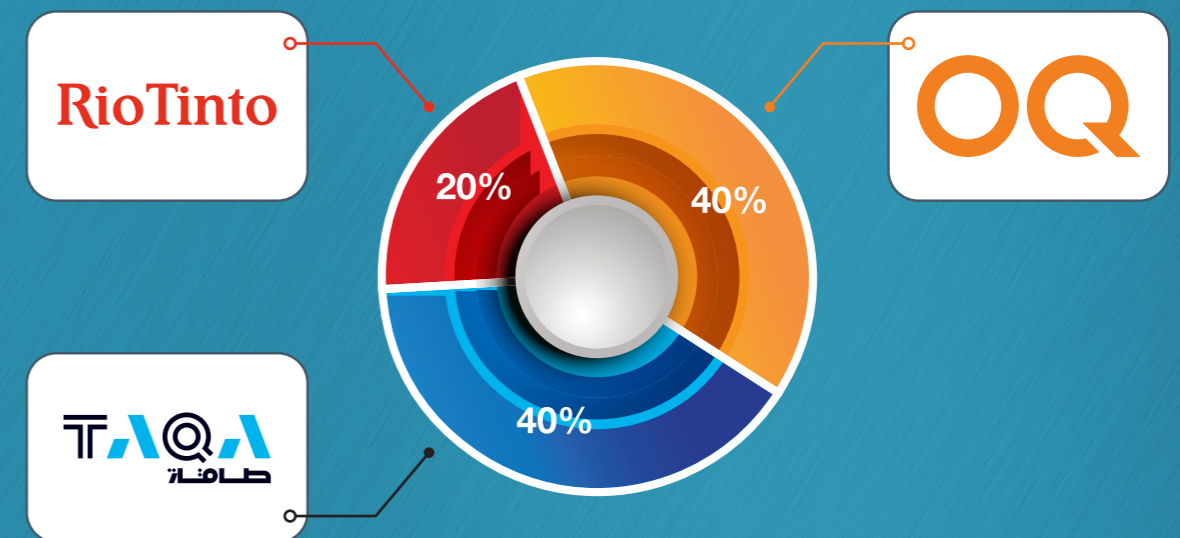
78%

Diverse workforce, of which more than 78% is Omanised



Shareholders A Powerful Alliance

Sohar Aluminium was created through the alliance of three formidable shareholders: OQ SAOC (40%), Abu Dhabi National Energy Company PJSC – TAQA (40%) and Rio Tinto (20%).





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



1.2km

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 AP36 smelting technology.



75,000

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.



Smelter

Sohar Aluminium has a single 1.2 km long potline operating on Rio Tinto Aluminium's AP Technology™ – one of the most energy-efficient and productive smelting technologies available commercially.

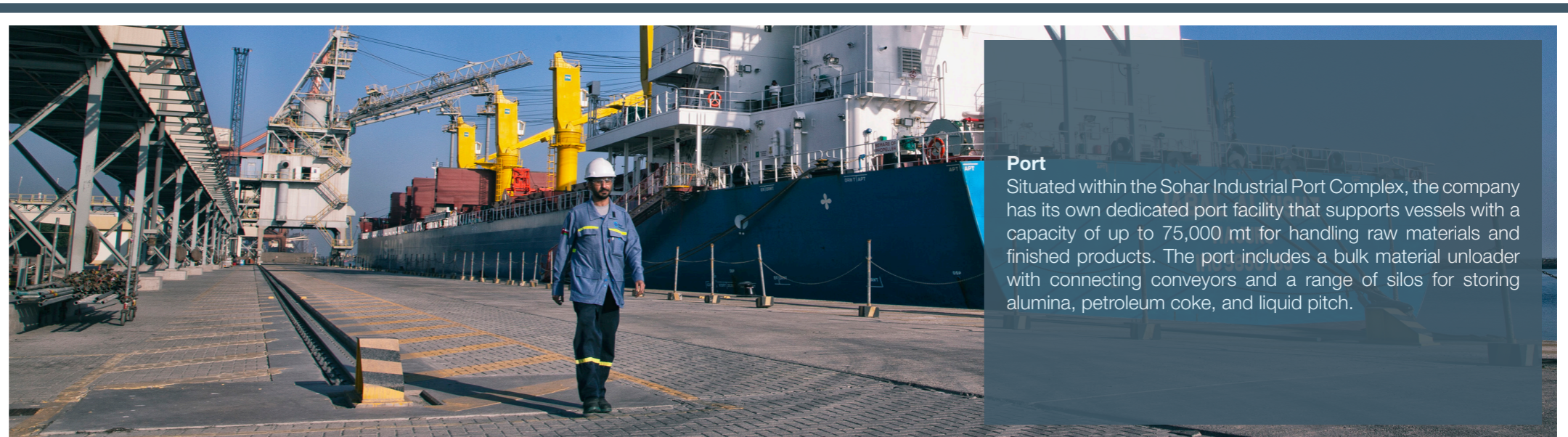
With an operating current of above 390kA, the smelter has a design production capacity of 390,000 metric tons of high-purity aluminium per annum.

The Smelter has an onsite Carbon Plant producing anodes to ensure maximum efficiency to the potline, as well as a Casthouse with 2 ingot casting lines and 1 sow caster, with 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 close to 50% efficiency in converting gas energy into electricity while meeting the stringent requirements set out by the local official authorities. Strategically positioned to maximize access to natural gas supply whilst accessing seawater that is used for cooling purposes, Sohar Aluminium's 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 desalination facilities to supply water to the smelter and power plant sites.



Port

Situated within the Sohar Industrial Port Complex, the company has its own dedicated port facility that supports vessels with a capacity of up to 75,000 mt for handling raw materials and finished products. The port includes a bulk material unloader with connecting conveyors and a range of silos for storing alumina, petroleum coke, and liquid pitch.

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. Members of the company's Executive Committee attend quarterly board meetings in order to ensure excellent communication between the governance and executive teams.



Ayad Al Balushi
Chairman of the Board
Sohar Aluminium

Executive Committee (ExCo)

Sohar Aluminium Executive Committee (ExCo) is responsible for the daily management of the company's operations. The Committee is composed of the 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.

In December 2022, Ali Al Shamsi, General Manager of Strategy and Growth left the company. Also, in March 2023, Jerry Van Alphen, CFO, left the company. Ricardo Fontes Santana assumed the position in January 2023.



Said Al Masoudi
Chief Executive Officer



Ahmed Al Amry
Member



Farid Al Awlaqi
Member



Omar Al Hashmi
Member



Eric Murray
Member



Agnello Borim
Chief Operating Officer



Jerry Van Alphen
Chief Financial 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, FinCo 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)

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 Organisational Effectiveness Manager of Sohar Aluminium. The Human Resources Administration Manager serves as the Secretary of the committee. The committee supports and advises the Board on all human resources related matters and meets twice a year.



The Business Review Committee (BRC)

Represented by a minimum of one member from each shareholder, together with the company's Management Team and supported by ExCo, the BRC 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 paper for the Board's consideration indicating its support, or otherwise, regarding such matters. The BRC meets twice a year in person and organises two telephonic conferences in the interim.



:Please visit our website to learn more
<https://www.sohar-aluminium.com/Corporate-Governance>

Corporate Audits and Certifications

Supplemented by independent audits, Sohar Aluminium has both structured and periodic audits ensuring that its objectives are both met and surpassed. These audits aim at certifying products, quality, and sound operational and financial performance. They are conducted on an annual and ad hoc basis to ensure that the company maintains the effectiveness and efficiency of its operations, reliability in financial reporting and compliance with laws, regulations, and standards. The company has a pool of trained internal auditors who conduct regular internal audits across the organisation leading to thorough compliance to management systems adherence.

Since its inception in 2009, Sohar Aluminium has been certified for ISO 9001 (Quality Management) for its finished products 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



ISO 9001 (Quality Management)
ISO 14001 (Environment), OHSAS 18001, and ISO45001 (Occupational Health & Safety)

found in the ISO 9001 audit conducted during 2022 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 at the company as mature.

Sohar Aluminium is also certified for ISO 14001 (Environment), OHSAS 18001, and ISO45001 (Occupational Health & Safety) management systems for the smelter, and power plant.

Since 2015, there have been no major non-conformities, with negligible non-conformities reported during the 2022 audit. This is significant considering the size and nature of the company's operations.



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 click here or visit the Compliance and Code Of Conduct page on our website to learn more.



Code of Conduct

At Sohar Aluminium, our ethical standards illustrate the way we bring integrity into our business practices. The company's Code of Conduct sets clear expectations of behaviour at the workplace. It details the responsibilities that Sohar Aluminium and its employees have towards each other, our business partners, and 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.



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.

Amanah reporting channels:

Tel: 80026262

Email: amanah@sohar-aluminium.com

Website: sohar-aluminium.ethicspoint.com



Sustainability at Sohar Aluminium

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 while 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 INCREASED THROUGHOUT THE YEAR 2022

 Facebook **27%**

 Twitter **5%**

 LinkedIn **18%**





Environment, Health and Safety

- Reduction in the number of First Aid Cases by 38%.
- Launch of Sohar Aluminium's Human Rights Policy.
- Launch of E-Himayah, an integrated digital platform for EHS Systems.

Productivity and Incremental Improvements

- Optimisation of Pot turn-around and extension of Pot life.
- 72% completion of Carbon Plant Flue wall 2nd generation change project.
- Achievement of best record in Sow cast reject rate

People and Community

- Launch of Sharaka and Al Majlis Programmes to boost employees' engagement.
- Increase in the number of training hours by 157%.
- Completion and initiation of major social projects.

Innovation and Growth

- Continuation of Value Creation Programme driving improvements across the plant.
- Increased involvement of teams in creating value.
- Continued focus on Lean Manufacturing Systems efforts.

Customers

- Achievement of 140% in the Customers KPI.
- Achievement of 91% in customer satisfaction.
- Achievement of the highest annual offtake of liquid metal by 2 customers.

Financial Strength

- Achievement of highest financial results in the company's history.
- Improvement in controllable costs results.
- Establishment of a long-term contract to import alumina.

Stakeholder, 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 2021.

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, 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 9 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 materiality matrix.

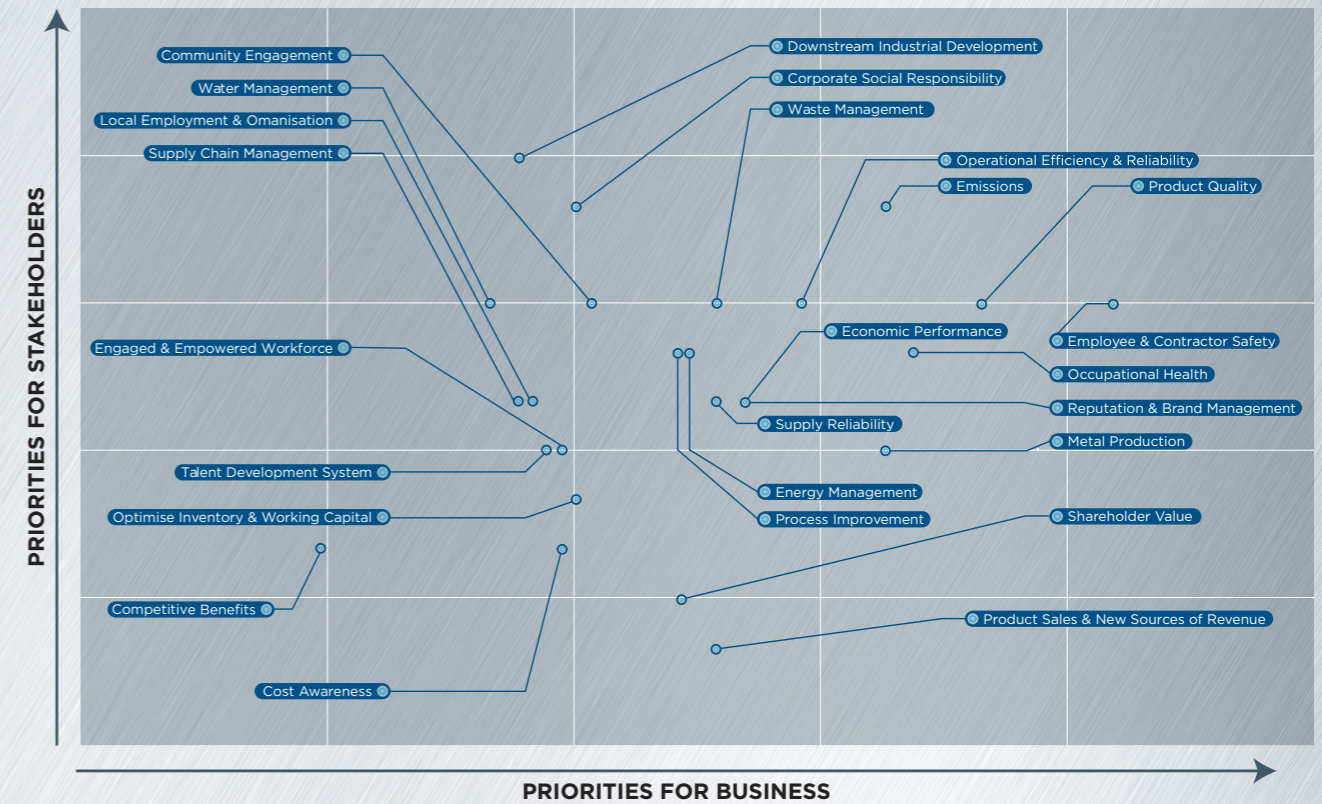


ADDITIONALLY, SOHAR ALUMINIUM CONDUCTED AN IN-DEPTH EXERCISE TO UNDERSTAND THE PRIORITY LEVEL GIVEN BY EVERY STAKEHOLDERS' GROUP TO THE HIGHLIGHTED MATERIAL TOPICS. THE RESULTS ARE SHOWCASED IN THE BELOW MATERIALITY MATRIX.

UN SDGs

Sohar Aluminium Objectives	Sustainable Development Goals	Material Topics	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)

MATERIALITY MATRIX



The Way Ahead

Sohar Aluminium plays a significant role in the development and growth of the Omani industrial sector and its efforts towards economic diversification and advancement of the manufacturing sector in accordance with Oman's Vision 2040. The company implements years of industry insight, practices, excellence, and transparency in all its operations, projects, and initiatives.

One of the examples of its world-class practices is the adoption of the Environment, Social, and Governance Standards (ESGs). These global standards determine the sustainability and future financial performance of an organisation and its commitment to local social development. Sohar Aluminium strives to provide sustainable metal products while managing emissions at all operational levels. The company has incorporated several projects and elements into the design and construction of its facilities to control its operational footprint on the environment and prioritises its preservation, as well as the health, and safety of its workforce and the surrounding communities, which is achieved through an integrated system to create a culture of Zero Harm.

Sohar Aluminium maintains high working standards, transparent policies, and moral responsibilities. Its

Human Rights Policy governs its internal and external business practices, as it strives to enhance equal opportunities for its workforce. The company also continuously reviews and amends its contracts to incorporate rigorous requirements for providing welfare for its contracted workforce.

The company aims to be a committed partner of the community and a responsible corporate citizen. Its Corporate Social Responsibility (CSR) framework focuses on executing sustainable social projects and initiatives, supporting vital sectors such as education and health, and supporting non-profit civil and community associations and institutions. For that, it has received several local, regional, and international awards for employee welfare, operational excellence, health and safety, and community support.

Sohar Aluminium continues to build on its history and consolidate its position as a key player in the global aluminium industry with confidence and assuredness, placing the Sultanate of Oman on the global aluminium map.

ENVIRONMENT

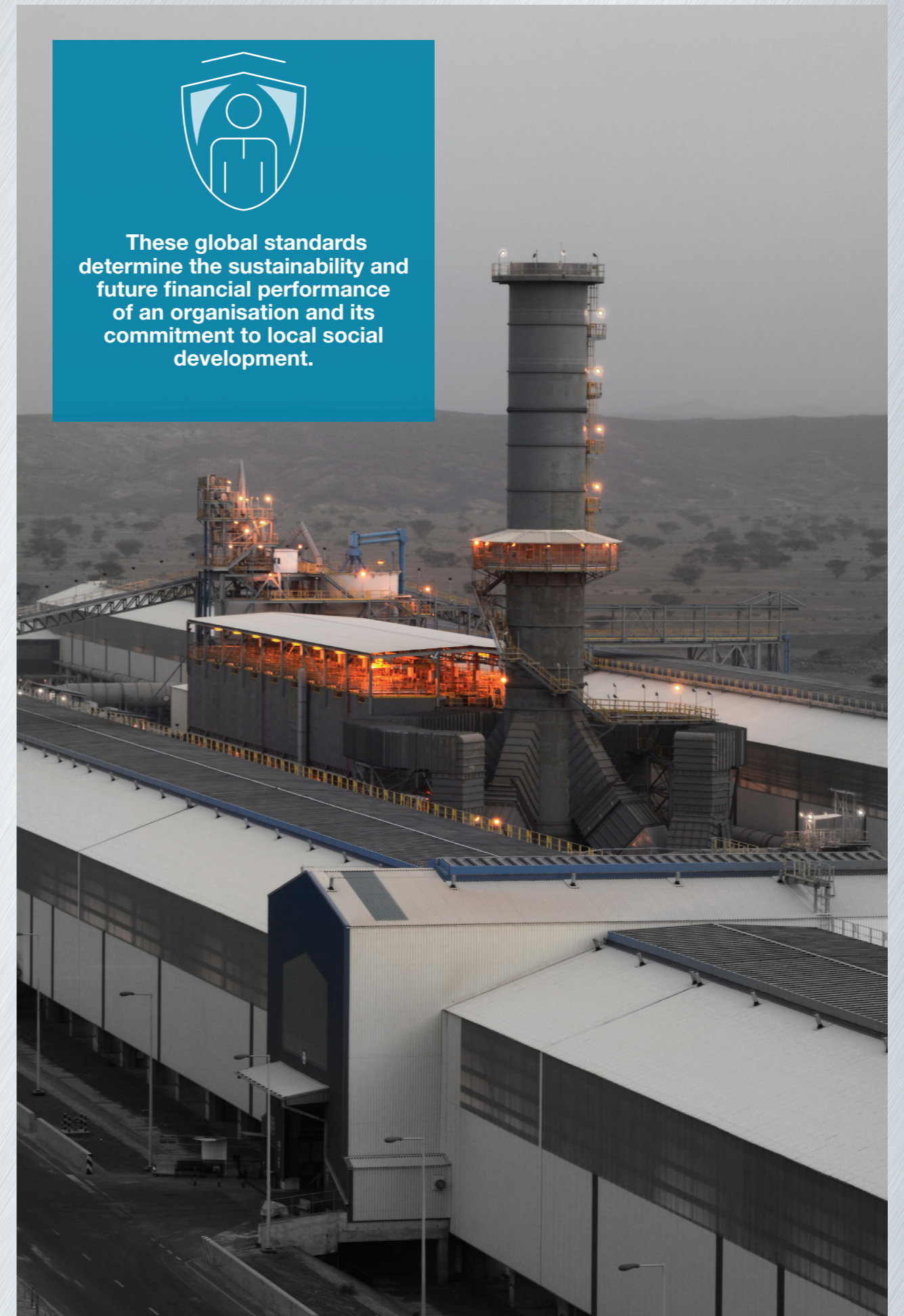
E


SOCIAL

S


GOVERNANCE

G


These global standards determine the sustainability and future financial performance of an organisation and its commitment to local social development.



Environment, Health & Safety



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



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts

Environment, Health & Safety

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 improve 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 natural gas, which is supplied through a long-term contract with the Omani government. Besides gas, our power plant also uses diesel for any emergency. The latter, saw a decrease in 2022 by 82.7% compared to 2021. The total energy consumption intensity, however, slightly increased by 0.6% to reach 102.4 GJ per tonne of aluminium produced.

Sohar Aluminium operates its own Power Plant to



SA STRATEGIC OBJECTIVES

Enable an effective, committed and interdependent culture of safety across the organisation 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.

ensure reliable electricity supply for the smelting process. The Power Plant also 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.

Energy Indicators

Indicator	Unit	2020	2021	2022
Power Plant Natural Gas Consumption	mmbtu	38,348,249	38,101,665	38,311,534
Power Plant Fuel Oil / Diesel Usage	Litres	18,299	59,433	10,262
Total Power Generated by Power Plant	MWh	5,659,466	5,624,051	5,633,546
Smelter Operations Energy Consumption	MWh	5,207,565	5,201,969	5,195,125
Smelter Operations Energy Consumption Intensity	MWh/t Al	13.12	13.16	13.16
Total Energy Consumption	Gj	40,459,550	40,199,390	40,420,814
Total Energy Consumption Intensity	Gj/t Al	102.2	101.7	102.4

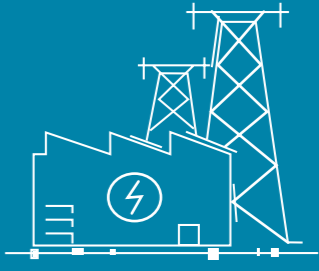
In addition to the international political agreements such as the signing of the 2016 Paris Agreement on Climate Change, private sector commitments are necessary to drive change. In support of this initiative, Sohar Aluminium seeks to contribute to this field by providing sustainable aluminium products while assessing and implementing possible mitigation measures to manage emissions at all operational levels. Since becoming a member in the Aluminium Stewardship Initiative (ASI) in 2021, the company has been actively undertaking initiatives, implementing practicing, and following the procedures of the ESGs.

Greenhouse Gas

The main sources of Sohar Aluminium's Greenhouse Gas (GHG) emissions are from fuel burned at the Power Plant 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 from the reactions of manufacturing Aluminium. Sohar Aluminium's production also generates other air emissions in the form of gaseous Hydrogen Fluoride.

Despite the slight increases in GHGs emissions from the smelter and power plant, the company is seriously and actively monitoring and controlling these emissions at its operations. Sohar Aluminium is considered among the most local establishments that are committed to national standards and legislation to control these and other emissions as well.



Sohar Aluminium operates its own Power Plant to ensure reliable electricity supply for the smelting process. The Power Plant also supports the Oman National Grid as part of a cooperative electricity sharing agreement



Green House Gas

Indicator	Unit	2020	2021	2022
Total Emissions Intensity - Power Plant	tCO ₂ /MWhr	0.38	0.38	0.38
Perfluorocarbons (PFCs) Emissions Intensity	t CO ₂ eq./t Al	0.03	0.03	0.04
Total Emissions Intensity - Smelter	t CO ₂ eq./t Al	1.63	1.62	1.65
Total Emissions Intensity - Smelter, Power Plant and Port	t CO ₂ eq./t Al	7.11	7.07	7.14
Total Hydrogen Fluoride Emissions - Gas Treatment Centre	t HF	14.81	15.2	14.7
Hydrogen Fluoride Emissions Intensity - Smelter & Potline	kg HF/t Al	0.44	0.43	0.41

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 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. Demineralised water is also produced as a byproduct of the power plant's steam turbines and for process water.

The largest consumers of process water within our operations are the power plant and smelter. The Power Plant also draws sea water to be used for cooling operations. In 2022, the amount of seawater used for cooling witnessed a decrease by 8% compared to 2021. This water goes through a treatment process after use prior to being returned to the sea.

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. The company ensures that all waste is disposed in a responsible manner and in accordance with local laws and industry standards.

Hazardous Waste Management

The 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 linings replacement.

Adding to its sustainability, Sohar Aluminium uses a viable solution for this waste to be recycled and reused within the Sultanate of Oman. The material is used by local cement companies as a raw material for special cement used in the oil and gas industry's process and construction sector.

The company applies a similar approach for the Shot

Water Management

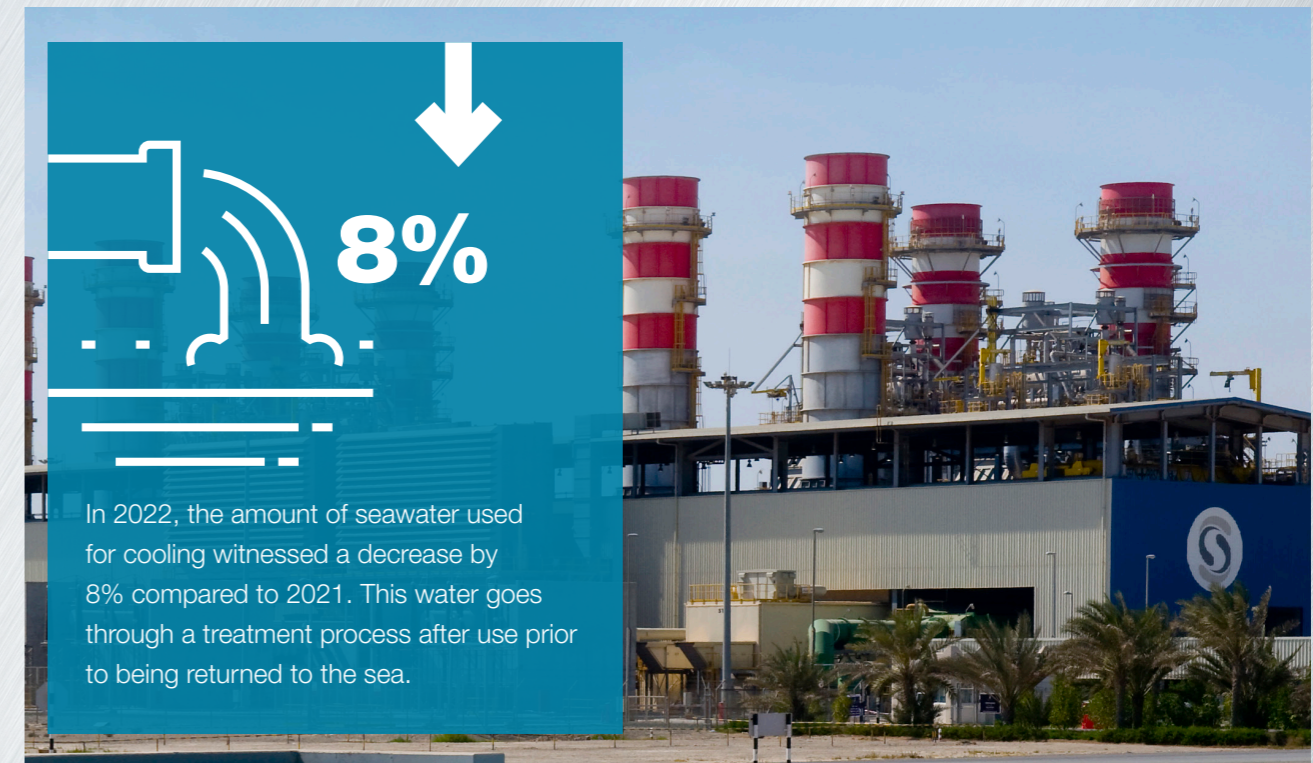
Indicator	Unit	2020	2021	2022
Sea Water Use for Cooling	m3	396,059,540	389,418,387	359,292,012
Seawater Consumption in the Reverse Osmosis Plant	m3	0	0	0
Brackish Well Water Extraction	m3	1,393,741	1,486,045	1,546,563
Well Water Intensity	m3/t Al	3.51	3.76	
Process Water Produced	m3	513,045	576,719	584,877
Brine Discharged to the Sea	m3	787,787	820,871	863,797
Demineralised Water Used for Heat Capture in the Heat				
Recovery Steam	m3	121,867	177,078	185,296
Process Water (non-potable) Exported to Majjs Industrial				
Services Company	m3	116,975	5,062	6,331
Sewage Water Imported from Neighbouring Community for				
Irrigation	m3	72,705	31,380	0
Treated Sewage Water Used for Irrigation	m3	130,657	158,415	2,430
Percentage of Treated Sewage Water Re-used for Irrigation	%	100	100	100

Blasting through sound industrial techniques. This involves elimination or reduction at the source and monitoring minimal generation rates by implementing continual improvement methodologies.

Most Waste Management indicators witnessed varying, but slight, increases during 2022. While the company realises the challenges of these aspects, it, however, works hard to increase its efforts to mitigate these wastes, as it applies a policy of controlling the sources of wastes, in order to discard these wastes and control their initial generation.



Sohar Aluminium seek to use innovative solutions to improve waste management and increase recycling-to-waste ratio.



In 2022, the amount of seawater used for cooling witnessed a decrease by 8% compared to 2021. This water goes through a treatment process after use prior to being returned to the sea.

Waste Management

Indicator	Unit	2020	2021	2022
Waste Disposal	m3	7,952	7,657	8,958
Waste Disposal Intensity	Kg/t Al	20.00	19.36	22.71
Waste Generation Intensity	kg non-recycled waste/t AL	14.50	23.90	25.90
Steel Recycled	tonnes	405	642	369
Wood Recycled	tonnes	94	144	241
Paper and Cardboard Recycled	tonnes	28	23	33
Plastic Recycled	tonnes	54.82	34	84
E-waste Recycled	tonnes	6	10	3
Batteries Recycled	tonnes	6.7	31	21
Total Materials Recycled	tonnes	594	883	750
Hazardous Waste-Non Recyclable	m3	264	222	204

* Starting from this report the measurement unit has been changed from M3 to Tonnes as per the Global practices

Health

Promotion and protection of employee health is a key factor for sustainable growth of the organisation. Sohar Aluminium Medical Team provides occupational health services, health promotion and awareness, emergency medical response and acute medical care for employees and contractors.

In 2022, and as the world moved gradually to normal status post-COVID-19 pandemic, the Medical Team initiated and conducted several health promotional activities such as the World Heart Day, and World Health Day awareness campaigns. The Team also conducted the annual seasonal flu vaccination campaign aiming to enhance immunity of our people against common flu. 500 doses were administered to employees and contractors; a 30% increase compared to 2021.

Heat Stress

The Heat Stress Management Programme is supervised by the Heat Stress Management Committee with representatives from operations teams and other relevant areas. The programme receives more focus

during the hot months of the summer between May and September. In 2022, Sohar Aluminium sustained its record of zero recordable heat illness for the 10th consecutive year. Heat Management was the monthly EHS focus of April, during which, weekly elements and topics of heat stress management were promoted through various communication channels. Summer fruit supply and centralized electrolyte distributions were organised to promote nutritional status of the workforce. Also, hydration monitoring, and spot awareness sessions continued to be the cornerstone of our heat stress management programme.

Together as a team, we continuously 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, our EHS department consistently drives leaders 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.

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 qualified and trained to swiftly respond to any emergency on site.

Health and Safety

Indicator	Unit	2020	2021	2022
Medical Treatment Frequency Rate	200,000 man-hours	0.06	0	0
Recordable Injury/Illness Frequency Rate	200,000 man-hours	0.06	0.12	0.05
Lost Time Injury Rate	200,000 man-hours	0	0.12	0
Total Number of Clients Served by Medical Centre	Number	6,254	5,768	5,653
Walk-in Clients Served by Medical Centre	Number	5,027	4,563	4,950
Number of Heat Stress Monitoring Instances	Number of evaluations	1,437	1,055	1,055
Recordable Heat-Induced Illness	Number	0	0	0
Number of Polyaromatic Hydrocarbons (PAH) Bio Monitoring	Persons evaluated	208	167	347

500 doses were administered to employees and contractors; a 30% increase compared to 2021.



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, as well as regular and random visit to workers camps to make sure they abide by Sohar Aluminium standards.



Human Rights Policy

Sohar Aluminium released in July 2022 its Board-approved Human Rights Policy. The policy underlines the company's respect to the human rights of all its stakeholders, such as employees, contractors, and the surrounding community, regardless of their ethnicity, religion, or race. It also emphasises the company's steadfast commitment to respect internationally recognised human rights as adopted by the Sultanate of Oman.



Productivity and Incremental Improvements



8 DECENT WORK AND ECONOMIC GROWTH

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



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

Productivity and Incremental Improvements

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 2022, and despite the slight increase of our daily production rate, our metal production slightly decreased by 0.1%, reaching 394,780 tonnes. This was the cause of some technical challenges faced by the operations team during the second half of the year. These were, however, overcome by the end of the year. Purity level indicator continued to rise during 2022 reaching 649.98 ppm of Fe.



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.

Future-Proofing Operations

Sohar Aluminium continues to harness the transformational potential of the Fourth Industrial Revolution (Industry 4.0) to position itself as a 'Smelter of the Future'. Data Analytics is an example of Industry 4.0 technology that the company adopts leading to

Productivity				
Indicator	Unit	2020	2021	2022
Hot Metal Production	Tonnes	396,929	395,360	394,780
Finished Good Production	Tonnes	396,046	393,987	393,545
Production Rate	kg Al/Pot/day	3,008	3,015	3,024
Cost Savings Due to Productivity Gains	USD million	3.97	2.3	2
Specific Energy Efficiency Levels	kWhr/kg	13.19	13.197	13.192
Operating Amperage	kA	395.69	397.46	398.21
Purity Levels	ppm of Fe	593.08	625.64	649.98
Percentage of Scheduled Maintenance Work	%	90.1	93.9	96.8

enhancing maintenance and operational processes by improving uptime and allowing for proactive maintenance and resulting in achieving high level of operational production. 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 Efforts

Sohar Aluminium continued the ongoing plant-wide awareness programme designed to ensure that its technical staff are on board with the delivery of the project. We have embraced some elements of Industry 4.0 ever since we came on stream, and we continue to evaluate and adopt new technologies and innovations as they materialise. This is a continuous journey of improvement which we don't 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.



The company has made advanced technology a priority ever since its formation, Robotic cranes, for example, assist in the stacking of refined metal bundles and applying labels.

People and Community



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



3 GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for each individual at all ages.



1 NO POVERTY
End poverty in all its forms everywhere.



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



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



5 GENDER EQUALITY
Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making.

People and Community

Our People

Sohar Aluminium firmly believes that an engaged and empowered labour force 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, development programmes, and social support. Through our focus on local employment, capacity building, competitive benefits, and employee engagement, we have developed a united and engaged work community.

At Sohar Aluminium, Omanisation, which continually increased by 1.8% in 2022 reaching 756 employees of the total workforce, is a major driver within the company. Job creation and development opportunities for young employees are a key factor in maintaining the workforce. With that in mind, the recently revamped and inaugurated Sohar Industrial Training Institute opens doors for further learning and career growth for employees. The company also focuses on ensuring a balance between the employee turnover and new hires in order to maintain an optimum number of skilled employees. In 2022, 20 new employees were hired.

Learning And Development

Sohar Aluminium recognises the long-term benefits of investing in the skills development of its employees. The company maintains a steady focus on increasing the technical and leadership skills of its 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



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.



معهد صحر للتدريب الصناعي
Sohar Industrial Training Institute

Sohar Industrial Training Institute opens doors for further learning and career growth for employees.

Workforce

Indicator	Unit	2020	2021	2022
Total Workforce	Number of employees	964	952	939
Omani Nationals	Number of employees	745	744	746
Expats	Number of employees	219	208	193
Omanisation Rate	%	77	78	79.45
Women	%	4	3.7	3.94
Young employees (18 to 30 Years Old)	%	5.4	4.3	3.41
New Employees	Number of employees	9	11	20
Turnover Rate	%	2.1	2.4	3.4
Top Management	Number of employees	189	186	178

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.

The mentorship programme “Qudwa” continued its activities over the year where 12 employees from Carbon Plant, Casthouse, and Reduction Services were mentored by their senior peers for 6 months. The programme resulted in a 40% improvement in the competencies identified.

Training and Development

Indicator	Unit	2020	2021	2022
Number of Employees Who Received Training	Number of employees	976	934	868
Average Days of Training per Employee	Days	2	2.3	6.6
Average Hours of Training per Employee	Hours	15	19	52.7
Total Number of Training Hours	Hours	14,900	17,745	45,762



Qaa'ed Programme

In 2022, Sohar Aluminium's Leadership Program “Qaa'ed” that is overseen by the Talent and Organisational Effectiveness Department (TOE), executed its quarterly-themed programmes where each quarter focuses on a specific leadership competency.

The 4 themes were: Role of the Leader in Developing their Employees, Collaboration, Driving Change, and Building Vision. In each quarter, leaders were involved in various activities, including training courses, online learning programmes, discussion panels, and weekly messages.

Also, the mentorship programme “Qudwa” continued its activities over the year where 12 employees from Carbon Plant, Casthouse, and Reduction Services were mentored by their senior peers for 6 months. The programme resulted in a 40% improvement in the competencies identified.

Corporate Social Responsibility

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

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

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 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 targeted 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, Corporate Communications and Social Responsibility 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 US\$ 1 million and not exceeding US\$ 3 million annually).



Corporate Social Responsibility				
Indicator	Unit	2020	2021	2022
Jusoor Projects	%	39.00	40	33
Education	%	18.00	19	13
Social Contributions & Voluntary Projects	%	4.00	4	2
EHS	%	25.00	25	15
Commitments	%	14.00	12	37

Sponsorships

Our sponsorships reinforce our pledge to society and the company's role in maximising the positive impact of local initiatives. Among others, here are some of the initiatives and programmes that we supported and sponsored in 2022:

- Al Roya Economic Forum
- Organs Donation Application Promotional Campaign
- The Green Hydrogen Summit 2022
- Sohar Club Golden Jubilee Championship
- Symposium on Tropical Cyclones and Flash Floods
- Workshop on Opportunities and Challenges in Recycling Projects
- Sohar Festival

Social Projects and Initiatives

Supporting Integrated Education

This project aims at providing support for public schools in North Al Batinah, Buraimi, and Musandam governorates with educational tools and equipment to

enhance the levels of education, contribute to building technical capabilities of the youth, and boost E-Learning. The project, that was launched in 2019 to support schools in North al Batinah Governorate, reached its 5th phase in 2022. Also, Al Buraimi phases have been seeing steady progress. The company extended the project to include Musandam governorate by signing an MoU with DG of education in Musandam in 2022. The project is expected to be completed in 2023.

Boosting the Health Sector

In continuation of its efforts to boost the health sector in Oman, in 2022, Sohar Aluminium signed four MoUs with the Ministry of Health to finance projects that serve the health sector in the governorates of North Al Batinah and Al Dhahirah. These include a CPR training centre, and a breast cancer screening unit, as well as funding ultrasound equipment and CPR training equipment.

The company also initiated a project to design and construct a new dialysis unit for Dhank Health Centre,



in Al Dhahirah Governorate. The project came following a study of the major needs of the centre that have a crucial positive impact on a big number of beneficiaries.

In August 2022, Sohar aluminium celebrated the signing of an MoU with the DG of Health Services in Musandam that entails the funding of medical equipment for health institutions in the governorate.

The company also kicked off a governorate-wide training programme in First Aid and CPR in Al Buraimi. The programme that is being conducted in collaboration with Al Buraimi Health Committee and titled "A Rescuer at our Home" aims to train 1,000 people who will acquire an American Heart Association certificate.

Social Contributions Projects

In 2022, Sohar Aluminium embarked on funding initiatives to fix and maintain Water Wells in Wadi Faize and supportive well for Safi and Al-Qabil Falaj in Shinas. These projects fall under the efforts of preserving natural resources and agricultural environment through

securing an abundant and sustainable water source.

Also, following the completion of the construction of the Hydrotherapeutic Swimming Pool in the new building of the Association of Early Intervention for Children with Disability, Sohar Aluminium expanded its support to the project by funding the purchase of special furniture and equipment for the pool.

Sohar Aluminium also joined the celebration of the Hassad Liwa Charity Team's Investment Building, that the company co-funded with OQ, and Jindal Shadeed Company. Sohar Aluminium's Engineering Superintendent, Khalil Al Saadi, served as Project Engineer of the construction phase of the building.

Also, as part of its social contributions' expansion outside north Al Batinah, and in line with the national initiative to plant 10 million Omani wild trees, Sohar Aluminium signed and MoU in 2022 with the Directorate of Environment in Musandam to plant thousands of trees in the governorate.



Sohar Aluminium was announced the winners of the Gulf Aluminium Council's (GAC) Community Award 2022.

This is the third community award and fourth GAC award that Sohar Aluminium has won in its history. It is yet another testimony for our efforts towards the community.



"A Rescuer at our Home" aims to train 1,000 people who will acquire an American Heart Association certificate

1,000 People

Jusoor Projects

Early in 2022, and as part of its social investment in North Al Batinah, Jusoor Foundation celebrated the inauguration of 4 new social projects at a total cost of OMR 345,000 and funded by Sohar Aluminium and OQ. The celebration was held at Al Qurm Natural Park in Shinas.

The first project was the 28,000-square-metre Al Qurm Natural Park in the Wilayat of Shinas that was funded by Sohar Aluminium and OQ. It consists of a 3 kms walkway, an arena theatre, a migratory bird viewing platform, family rest areas, barbecue sites, a bridge, a playground area, green fields, a cafe, a mosque, a guards' room, toilets, and car parks.

The second project was the construction of a park in the mountainous area of Al Hayleen in the Wilayat of A'Suwaik that was funded by SA on an area of 2,000 square metres and is surrounded by a 320m walkway and includes a playground, cafe, toilets, and family rest areas.

The third and fourth projects were funding beach cleaning equipment, and the supply and installation of

recreational rides for public parks in the Wilayat of Sohar.

Also, throughout the year, the Foundation celebrated several major projects such as the delivery of the Mobile Mammography Unit for Breast Cancer screening for the governorates of North and South Al Batinah, the Digital Educational Studio in the Directorate General of Education in North Al-Batinah Governorate, and the inauguration of the Physiotherapy and Rehabilitation Center at Shinas Health Complex.

Jusoor Foundation celebrated the inauguration of 4 new social projects at a total cost of

OMR 345,000



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 Omani heritage.

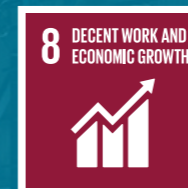
This joint venture project has paved the way for supporting quality education in the region allowing

for the expansion of ABIS capacity to 550 students with additional land to expand to accommodate 1,200 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 of Oman's leaders of tomorrow.

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



Innovation and Growth



8 DECENT WORK AND ECONOMIC GROWTH

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



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

Innovation and Growth

Innovation and Growth is a new strategic objective that has aligned into our 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

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 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 are the Green and Yellow Belts. For each of these belts, skill sets are available that describe which of the overall Lean Six Sigma tools are expected to be part at a certain Belt level. These skill sets provide a detailed description of the learning elements that a participant will have acquired after completing a training programme.

In 2022, our employees completed 12 Green Belt, and 6 Black Belt projects. Also 32 KAIZEN events were conducted throughout the year.

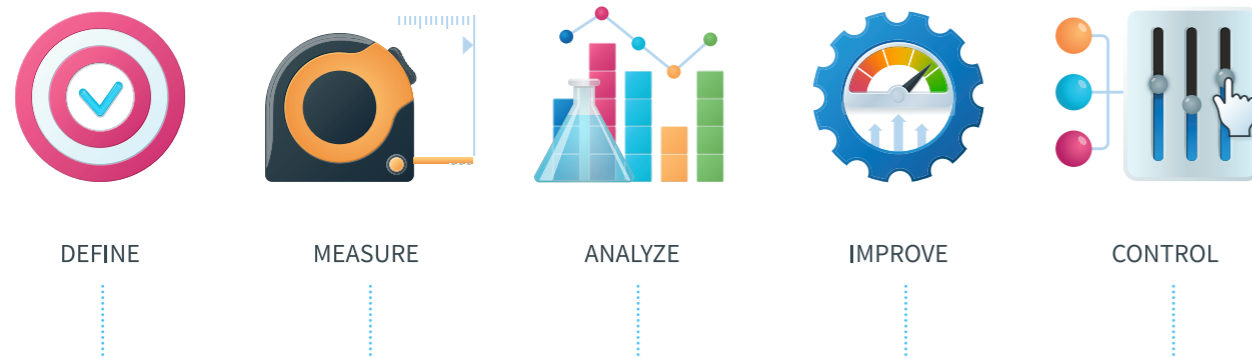


SA STRATEGIC OBJECTIVES

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.

In an effort to strengthen its pioneer position locally in Lean Six Sigma, the Business Improvement Department conducted a number of training programmes in this methodology for employees of some government and private institutions. Also, a number of the company's experts in this field were seconded to government institutions with the aim of training employees and consolidating this methodology in these institutions. Also, one of our Business Improvement Department's Specialists obtained international accreditations in Lean Six Sigma to become among the top 20 experts in the world in this methodology.



Innovation and Growth				
Indicator	Unit	2020	2021	2022
Green Belt Projects Completed	Number	25	9	12
Black Belt Projects Completed	Number	5	12	6
KAIZEN Events Conducted	Number	17	41	32
Theory Certified Black Belts	Number	12	10	10
Theory Certified Green Belts	Number	0	16	15
Certified Kaizen Facilitator	Number	2	2	2
Certified Yellow Belts	Number	32	4	40

Value Creation(Delivered)				
Indicator				
Value Creation	US\$ Million	15.1	14.6	11.8



Customers



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

Customers

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.

Customers Network

By supplying metal to its fourth local downstream customer Synergies Casting Oman Company (SCO), and when SCO reaches its full production capacity, Sohar Aluminium will come closer to fulfilling its commitment to supply 60% of its production to the local customers; a target that has been sought ever since the establishment of the company. The company is committed 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.

Sohar Aluminium is committed to delivering comprehensive, and 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 value. Our demonstrated ability to provide reliable delivery of quality products as well as our



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.

responsible and effective supply chain management have made us a partner of choice.

Our supply chain and customer relationships improve 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.

Sales

Indicator	Unit	2020	2021	2022
Liquid Metal Sales (OAPIL)	Tonnes per annum hot metal	53,234	53,951	56,707
Liquid Metal Sales (OARC)	Tonnes per annum hot metal	86,767	119,467	139,256
Liquid Metal Sales (OAC)	Tonnes per annum hot metal	1,925	3,706	3,889
Synergies Castings	Tonnes per annum hot metal	0	48	2,960
Total Liquid Metal Sold to Downstream Customers	Tonnes per annum hot metal	141,926	177,172	202,812



Customer Satisfaction

To ensure we meet the expectations of our customers and continue to deliver excellent customer experiences, we disseminate an annual satisfaction survey to our customers. This survey, conducted twice a year, serves as one of the direct communication channels for our customers to address any concerns or inquiries to 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.

Local suppliers represent a significant opportunity to enhance the Omani metals and manufacturing sector while reducing costs and product delivery timelines.

Procurement				
Indicator	Unit	2020	2021	2022
Foreign Suppliers	%	41	51	38
Local Suppliers	%	59	49	62
Amount Spent on Local Suppliers	USD	36,997,286	39,902,488	46,731,639

Financial Strength



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

Financial Strength

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 of Oman'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.

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.



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 shareholders' economic welfare and support the company's future growth.
- Resource efficiency, waste elimination and sustainability in the supply chain of raw materials.



In order to persist as one of the best aluminium smelters in the world, we are unfailingly enhancing and improving our processes to fortify our results and retain our position in the industry cost curve. Consequently, we have come to develop 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 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.




Central to our mission is minimising waste while maximising the quality of our operations


Supporting the Development of Oman

Sohar Aluminium is considered one of the leading effective 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.

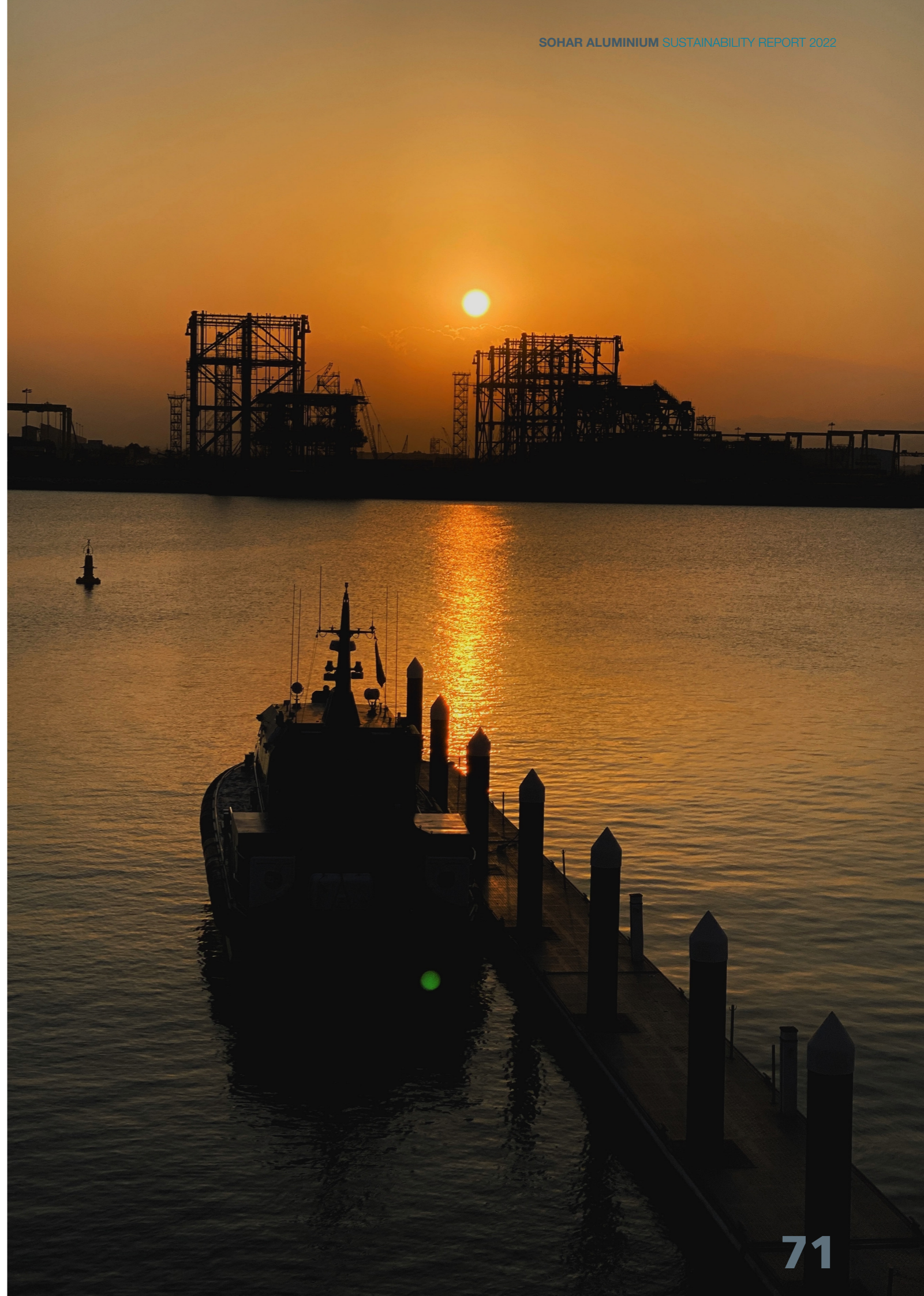
The company invests heavily in improving the local and national economy and promoting In-Country Value (ICV) creation. As a result, Sohar Aluminium effectively augments its positive impact on national GDP. It supports potential future investment opportunities in aluminium downstream companies, further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

Sohar Aluminium's efforts are centered around investing and building human capital in Oman. Wherever possible, we procure locally and support small and medium-sized enterprises (SMEs). This has had a significant effect on the economic development of the surrounding region by increasing commercial

activities through our efforts to boost the local suppliers' base and support aluminium downstream projects by supplying hot metal required for their processes.



The company invests heavily in improving the local and national economy and promoting In-Country Value (ICV) creation



Appendices

GRI Content Index



CONTENT INDEX ESSENTIALS SERVICE

2023

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

Statement of use	Sohar Aluminium Co. LLC has reported in accordance with the GRI Standards for the period 1-1-2022 till 31-12 2022.
GRI 1 used	GRI 1: Foundation 2021
Content Index	Essentials Service

GRI Universal Standards 2021	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Sohar Aluminium
	2-2 Entities included in the organisation's sustainability reporting	Sohar Aluminium
	2-3 Reporting period, frequency, Contact Point	01/1/2022 – 31/12/2022 7
	2-4 Restatements of information	No restatements of information were deemed necessary.
	2-5 External assurance	This report is not externally assured
	2-6 Activities, value chain and other business relationships	12-16
	2-7 Employees	48-49
	2-8 Workers who are not employees	40-41
	2-9 Governance structure and composition	16-19
	2-10 Nomination and selection of the highest governance body	16-19
	2-11 Chair of the highest governance body	16-19
	2-12 Role of the highest governance body in overseeing the management of impacts	16-19
	2-13 Delegation of responsibility for managing impacts	16-19
	2-14 Role of the highest governance body in sustainability reporting	16-19
	2-15 Conflicts of interest	20-21
	2-16 Communication of critical concerns	21
	2-17 Collective knowledge of the highest governance body	16-19

GRI Content Index

GRI Universal Standards 2021	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	16-19
	2-19 Remuneration policies	Confidentiality constraints
	2-20 Process to determine remuneration	Confidentiality constraints
	2-21 Annual total compensation ratio	Confidentiality constraints
	2-22 Statement on sustainable development strategy	22, 26, 28, 29
	2-23 Policy commitments	30-31
	2-24 Embedding policy commitments	30-31
	2-25 Processes to remediate negative impacts	20-21
	2-26 Mechanisms for seeking advice and raising concerns	20-21
	2-27 Compliance with laws and regulations	40-41, 48-49
	2-28 Membership associations	Oman Chamber of Commerce and Industry Gulf Aluminium Council International Aluminium Institute AP 30 Club
	2-29 Approach to stakeholder engagement	26-27
	2-30 Collective bargaining agreements	30% of Sohar Aluminium employees are members of the Trade Union
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26-29
	3-2 List of material topics	28
Employee and Contractor Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 38-41

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GRI Universal Standards 2021	Disclosure	Location
Occupational Health		
GRI 3: Material Topics 2021	3-3 Management of material topics	34
Occupational :403 GRI 2018 Health and Safety	403-1 Occupational health and safety management system	38-39
	403-2 Hazard identification, risk assessment, and incident investigation	38-39
	403-3 Occupational health services	38-39
	403-4 Worker participation, consultation, and communication on occupational health and safety	38-39
	403-5 Worker training on occupational health and safety	38-39
	403-6 Promotion of worker health	38-39
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38-39
	403-8 Workers covered by an occupational health and safety management system	100%
	403-9 Work-related injuries	38-39
	403-10 Work-related ill health	38-39
Energy Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	34
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	34
	302-3 Energy intensity	34
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	35
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	35
	305-2 Energy indirect (Scope 2) GHG emissions	35
	305-4 GHG emissions intensity	35
	305-5 Reduction of GHG emissions	35
	305-6 Emissions of ozone-depleting substances (ODS)	35
Metal production		
GRI 3: Material Topics 2021	3-3 Management of material topics	44

GRI Content Index

GRI Universal Standards 2021	Disclosure	Location
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	36
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	36-37
	303-2 Management of water discharge-related impacts	36-37
	303-3 Water withdrawal	36-37
	303-4 Water discharge	36-37
	303-5 Water consumption	36-37
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	36-37
	306-2 Management of significant waste-related impacts	36-37
	306-3 Waste generated	36-37
	306-4 Waste diverted from disposal	36-37
Process Improvement		
GRI 3: Material Topics 2021	3-3 Management of material topics	58-59
Operational Efficiency & Reliability		
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45
Local Employment and Omanisation		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48-49
Engaged & Empowered Workforce		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49

GRI Content Index

GRI Universal Standards 2021	Disclosure	Location
Talent Development System		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	49
	404-2 Programs for upgrading employee skills and transition assistance programs	49
Competitive Benefits		
GRI 3: Material Topics 2021	3-3 Management of material topics	Confidentiality constraints
Corporate Social Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	50-55
Community Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	50-55
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	50-55
Downstream Industrial Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-65
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	62-64
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	62-64
Reputation and Brand Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	22
Product Quality		
GRI 3: Material Topics 2021	3-3 Management of material topics	44

GRI Content Index

GRI Universal Standards 2021	Disclosure	Location
Supply Reliability		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-65
Product Sales & New Sources of Revenue		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-65
Supply Chain Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	64
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	64
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	43-44
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	43-44, 68-70
Optimise Inventory & Working Capital		
GRI 3: Material Topics 2021	3-3 Management of material topics	43-44
Cost Awareness		
GRI 3: Material Topics 2021	3-3 Management of material topics	68-70
Shareholder Value		
GRI 3: Material Topics 2021	3-3 Management of material topics	13

Appendices

Appendix A – Acronyms

ABIS	Al Batinah International School	IB	International Baccalaureate
Al	Aluminium	IT	Information Technology
ARABAL	Arab International Aluminium Conference	Kg	Kilograms
BI	Business Improvement	KPI	Key Performance Indicator
BRC	Business Review Committee	MT	Metric Tonnes
CEO	Chief Executive Officer	MW	Megawatt
CFO	Chief Finance Officer	OEM	Original Equipment Manufacturers
CO ₂	Carbon Dioxide	OH	Occupational Health
COO	Chief Operations (or Operating) Officer	OMR	Omani Rials
CSR	Corporate Social Responsibility	PAH	Polycyclic Aromatic Hydrocarbons
EHS	Environment, Health and Safety	PFC	Perfluorocarbons
ExCo	Executive Committee	PSTA	Pre-Start Task Analysis
FinCo	Finance Audit and Risk Committee	PTA	Pot Tending Assembly
GAC	Gulf Aluminium Council	RT	Rio Tinto
GCC	Gulf Cooperative Council	SAPP	Sohar Aluminium Power Plant
GDP	Gross Domestic Product	SME	Small and Medium-Sized Enterprise
GJ	Giga Joules	SOP	Standard Operating Procedures
GRI	Global Reporting Initiative	SPL	Spent Pot Lining
GTC	Gas Treatment Centre	t	Tonnes
HB	Hydrocarbon-Fluoride	TAQA	Abu Dhabi National Energy Company
HRA	Human Resources Administration	TOE	Talent and Organisation Effectiveness
HRC	Human Resources Committee	USD	United States Dollars
ICV	In-Country Value		



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