



**SOHAR
ALUMINIUM**

SUSTAINABILITY
REPORT
2018



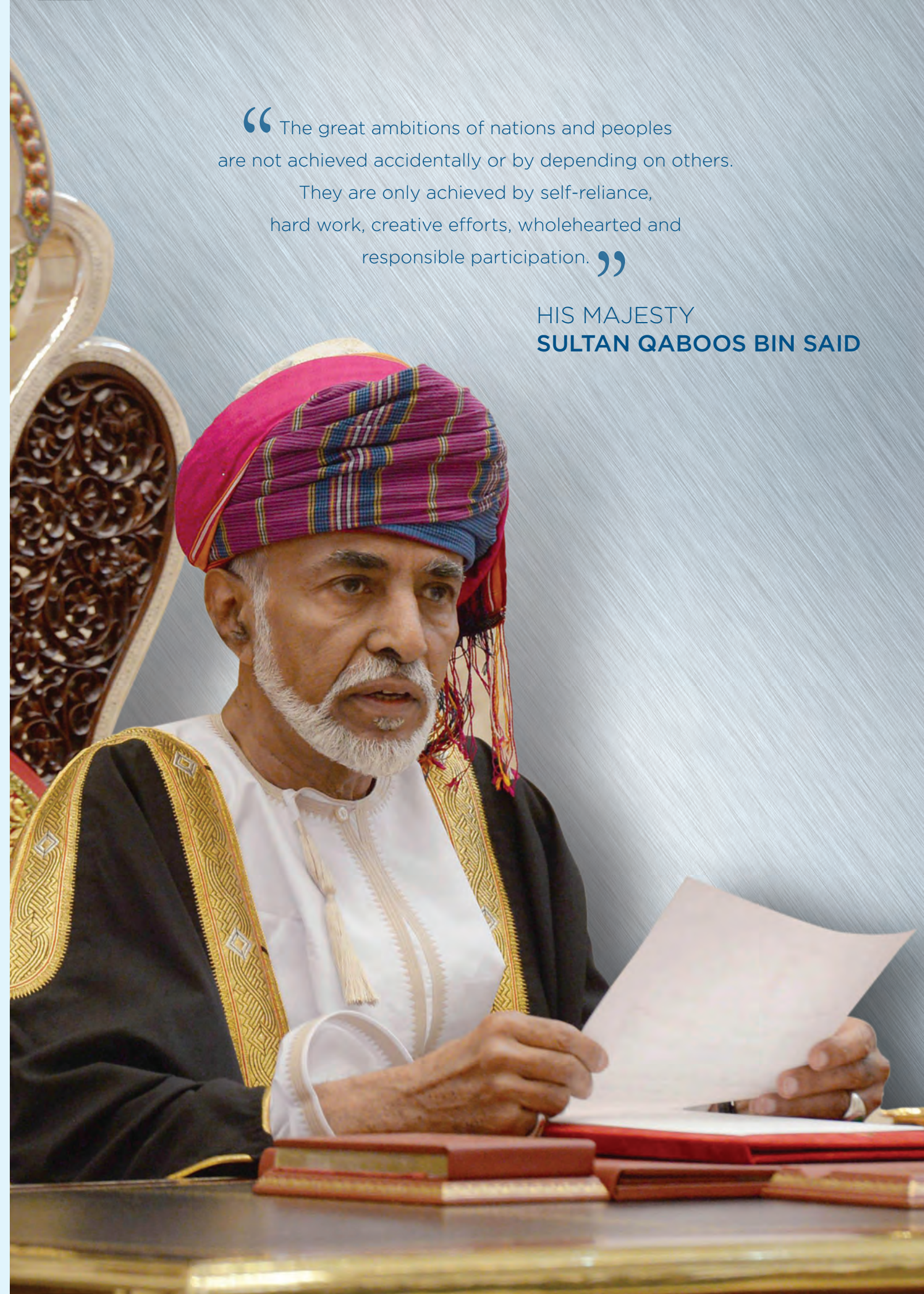
MILESTONES

September 2004	Formation of Sohar Aluminium
February 2005	Shareholders Agreement to found Sohar Aluminium
December 2005	Financial close-out
January 2006	Commencement of construction of the smelter and associated facilities
June 2008	Start of first pot operating at 350 kA
July 2008	First export shipment
August 2008	First downstream hot metal delivery
February 2009	Achieved full capacity for phase 1
April 2009	Official inauguration of Sohar Aluminium under the auspicious of His Highness Sayyid Shihab Bin Tariq Al-Said
June 2009	Technical completion certification
December 2009	ISO 9001 Certification for manufacturing of Primary Aluminium
March 2010	Production of large anodes
December 2010	Ramp-up to 375kA was achieved
August 2011	Cumulative 1 million tonne of aluminium produced
December 2011	Formation of the social responsibility Foundation, Jusoor by Sohar Aluminium, Orpic and Vale
November 2012	ISO 9001 Certification for Power Plant
February 2014	Commencement of Amperage Creep Project
June 2014	Cumulative 2 million tonnes of aluminium produced
August 2014	Key stakeholders' engagements commenced with community members
November 2014	First Pot Changeout Program completed
December 2014	Completion of the GCC's first Automation Infrastructure Virtualization Project
September 2015	Graduation of 55 Omani Multi-functional Technicians from SA Training Institute
February 2016	Received ISO 14001 and OHSAS 18001 Certification
July 2016	Sohar Industrial Training Institute certified by Ministry of Manpower
October 2016	SA Launched its bilingual Technical Dictionary
January 2017	Cumulative 3 million tonnes of aluminium produced
March 2017	Operating at 396 kA
January 2018	Completion of world's best potline recovery
April 2018	Capability Test Signoff
May 2018	Agreement signed with a new downstream customer allowing SA to meet its goal of supplying 60% of its hot metal production to downstream customers

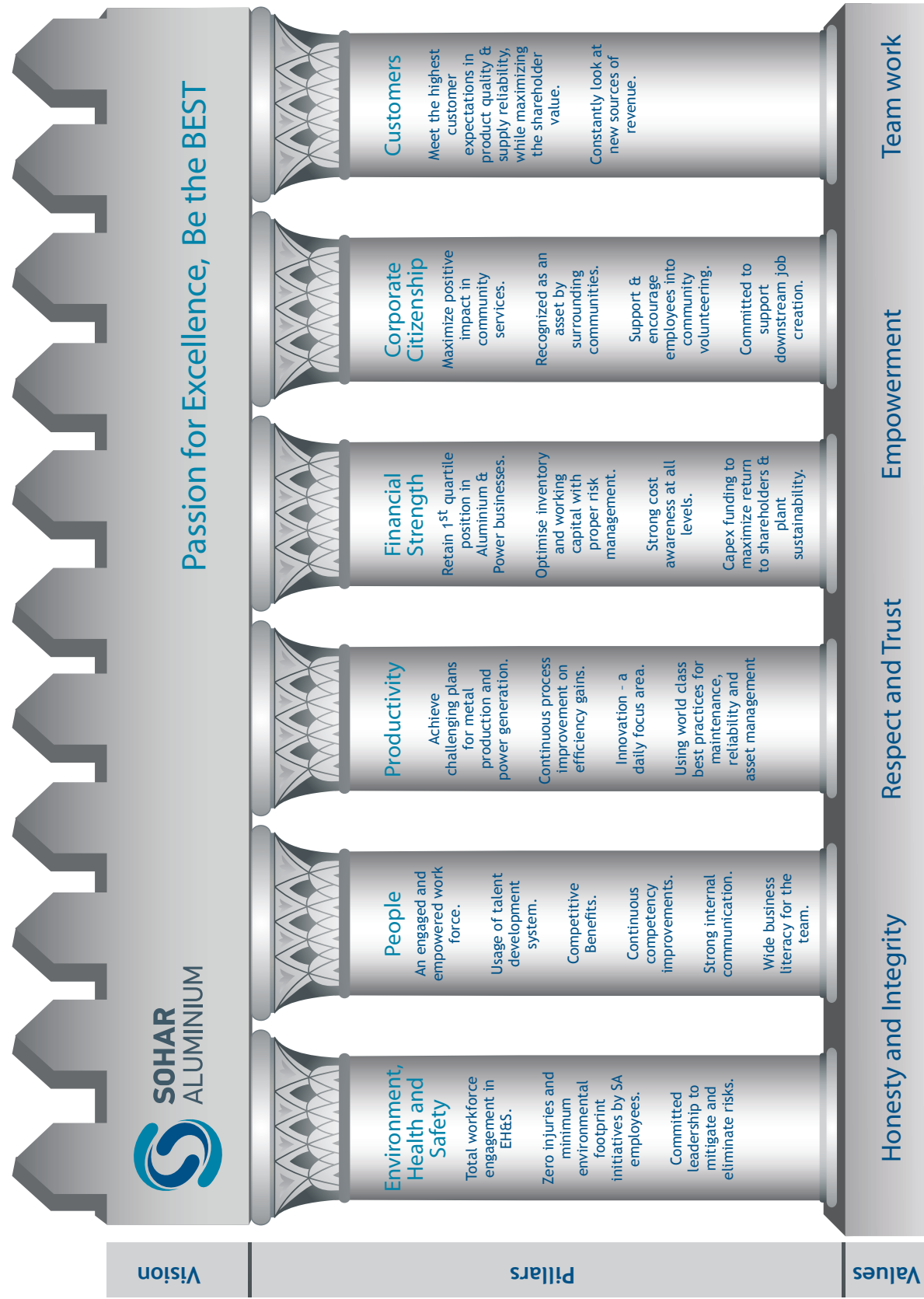


“ The great ambitions of nations and peoples are not achieved accidentally or by depending on others. They are only achieved by self-reliance, hard work, creative efforts, wholehearted and responsible participation. ”

HIS MAJESTY
SULTAN QABOOS BIN SAID



SOHAR ALUMINIUM BUSINESS STRATEGY MAP*



* The Business Strategy map is due to change in 2019 to meet business requirements.

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ABOUT THIS REPORT

This is Sohar Aluminium Company LLC's (Sohar Aluminium) tenth sustainability report highlighting the company's performance and activities on sustainability issues of material importance to the company and its stakeholders across economic, environmental and social dimensions. The report covers the period 1 January to 31 December 2018. This report has been prepared in accordance with the GRI Standards: Core option.

Transparency and Community Reach

Sohar Aluminium believes in transparency, accuracy and the availability of reliable self-reported information on various issues related to its operations.

Sohar Aluminium Sustainability Report

For the Sohar Aluminium Sustainability Report 2018, we undertook a GRI Materiality Disclosures service. GRI is an internationally recognized independent organization that has pioneered sustainability reporting and offers a transparent review that documents the

company's progressive approach in applying best practices in its operational model.

The report provides a detailed overview of the company's economic, environmental and social contributions and performance. This report has been published on recycled FSC certified paper using soy-based ink to minimize SA's footprint on the environment. The report can be accessed publicly on the company's website

www.sohar-aluminium.com.

We welcome your feedback on this report and our performance through the following channels:

Email: sustainability@sohar-aluminium.com

@SoharAluminium

@SoharAluminium

Sohar Aluminium



MESSAGE FROM CHAIRMAN

On behalf of the Board of Directors, it is an honour to present to you Sohar Aluminium's 2018 Sustainability Report. Established just over a decade ago with a clear commitment to business excellence and a solid foundation for sustainable practices, Sohar Aluminium has been evolving on all fronts, realizing goals and achieving one milestone after another.

As Oman's first and only Greenfield aluminium smelter, we have a responsibility to the nation to continue contributing to the Sultanate's sustainable development ambitions and long-term prosperity. Our focus will remain to maintain world-class operations with the highest safety standards, ensure the sustainability of our value chain, and elevate the capabilities and well-being of our people and communities.

During 2018, people development, training and engagement has been a great area of focus. This knowledge and these values were extended as key areas of impact between our business and the community.

Preserving the integrity of the environment was also another big focus for us in the year 2018. We believe that it is our collective responsibility to mitigate environmental risks in order to improve the welfare of individuals and offer a better quality of life for everyone.

Sustainability at Sohar Aluminium is also a concept that is closely integrated with economic development and diversification. We have an unwavering commitment at the company to contributing to Oman's efforts in this regard and being an active partner in contributing to Oman's Vision 2040. We are confident sustainability will play a bigger role in determining the conditions of tomorrow, hence, we are focused on ensuring that it is simultaneously adopted and promoted by our team and our various stakeholders.

Today we stand at a very exciting phase where we transition from ensuring stable operations towards our growth and sustainability. This is all due to the trust that our stakeholders have put in us, and the trust we have in our people. We are confident that our journey of sustainability will be successful, and we will continue carrying out exemplary practices in the aluminium industry.

Finally, I would like to thank the board members, the leadership team at Sohar Aluminium, and all our employees and business partners for their commitment, efforts, and contributions to our achievements in 2018. I would also like to take this opportunity to extend my gratitude to all of our stakeholders, who have contributed to our sustainability performance in 2018. We look forward to continuing working together to achieve our economic, environmental and social goals, building a bright future for generations to come.

Mulham bin Basheer Al Jarf
Chairman of the Board, Sohar Aluminium





MESSAGE FROM CEO

Welcome to Sohar Aluminium's 10th annual sustainability report. This is a landmark year for us, not only operationally, but also from a sustainability standpoint. I am excited to be introducing you to this report that offers an insider look into our achievements, opportunities and plans as an organization that is deeply rooted in tradition and community values, yet, innovative and progressive.

Drawing from our unique corporate culture, Sohar Aluminium boasts an inclusive sustainability framework that integrates six important pillars. We built them around Environment, Health and Safety, Productivity, People, Financial Strength, Corporate Citizenship and Customers. Elevating our sustainable value chain internally and externally has always been at the forefront of everything we do. Over the past decade, we were successful in creating a holistic eco-system showcasing clear results and impact on us and all of our

stakeholders.

We are committed to establish long-term partnerships with our suppliers and business partners to achieve mutual and sustainable success, and to empathize our customers' requirements. Our goal has always been to ensure we deliver quality, while improving efficiency. To capitalize on that, we are implementing the Lean Six Sigma business process to support us in delivering for our customers and enable us to do more with less.

We are also taking a leap into the future leveraging a raft of emerging technologies that form part of the 4th Industrial Revolution. From Mobile Connectivity, Artificial Intelligence and Big Data to Robotics, Internet of Things (IoT) and Machine Learning, Industry 4.0 has the potential to accelerate the digital transformation which is already under way at Sohar Aluminium.

Strategically, our partnerships with third party providers Oman Aluminium Processing Industries LLC (OAPIL), Oman Aluminium Rolling Company LLC (OARC) and Oman Aluminium Cast LLC (OAC) continue to play an extremely positive role in further developing an internationally respected, downstream aluminium industry here in Oman. We began another key strategic partnership in 2018 with Synergy Castings LLC, who are India's leading manufacturer of aluminium alloy wheels. This will allow the construction of a new USD 100 million hi-tech alloy wheel manufacturing plant close to Sohar Aluminium headquarters. This production centre for alloy wheels (for the home market) is going to allow us to develop many more employment and training opportunities for Omanis.

Safety continues to be the most important part of our operations, and we are fully

committed to the health of our employees and the integrity of the environment. As a team we are working on attaining the best safety results in an Aluminium Smelter across the world. We believe this is achievable and sustainable.

We have worked hard to achieve an Omanisation rate of 76%, our highest national employment rate thus far, our youth employment rate stood at 10.8% of our total workforce last year and as we continue to improve these percentages.

We are proud to continue to fulfil our responsibilities as good corporate citizens in a variety of ways. Our numerous corporate social responsibility initiatives continue to play a key role in helping to achieve our goals. Our framework incorporates establishing sustainable investment projects, launching community engagements, operating direct and interactive communication with community members, strengthening the strategic location of the Sultanate, supporting of local initiatives, and a volunteering program for the community. These initiatives culminated in receiving the regional Gulf Aluminium Council Award for 2018 community services.

In 2018, Al Batinah International School (ABIS) which was established by Sohar Aluminium and is now conjointly supported by Orpic, inaugurated its new facilities. This joint venture project has paved way for supporting quality education in the region allowing for the expansion of the school. In addition to the International Community Section, a Global Section opened to provide high quality international education. The Global Section increased the emphasis on English, Arabic and Islamic studies with the aim of helping children grow into Oman's leaders of tomorrow.

We also continue to drive efforts of good corporate governance, which we believe is a critical foundation for achieving true sustainability. We continue to integrate sustainability into our structure and daily operations through investments in comprehensive management systems, a continued commitment to local economic and social development. Hence, Sohar Aluminium has been recognized for the highest levels of transparency and good governance.

I believe 2019 is shaping up to be an outstanding period in Sohar Aluminium's history. On behalf of the entire Sohar Aluminium team, I would like to express our sincere appreciation for all the trust, support, collaborations and contribution from all our stakeholders, our customers, employees, business partners, shareholders, government, non-profit organizations and Al Batinah community, that helped shape Sohar Aluminium to what it is today. I look forward to entering this new and exciting chapter of our journey to create more sustainable shared successes.

Eng. Said bin Mohamed Al Masoudi
Chief Executive Officer, Sohar Aluminium





CORPORATE PROFILE



CORPORATE PROFILE

Founded in 2004 as the Sultanate of Oman's first Greenfield aluminium smelter, Sohar Aluminium Company LLC is a landmark industrial development project and key contributor to Oman's sustainable development ambitions and long-term prosperity. Sohar Aluminium continues to be the only Greenfield Aluminium smelter in the Sultanate.

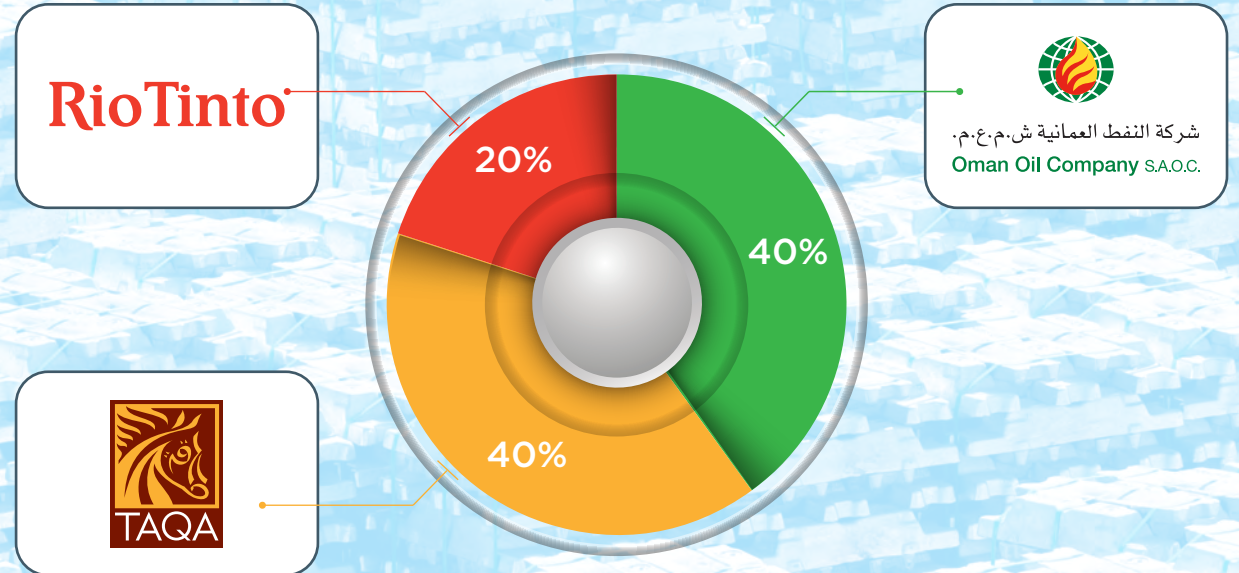
Vision

Passion for Excellence, Be the Best.*

Mission

Bringing Wealth, Prosperity And Growth to the Al Batinah Region through Excellence and Ownership.

OUR SHAREHOLDERS



*The company's vision is due to change in 2019 to meet business requirements.

COMPANY ASSETS

Sohar Aluminium's plant operates under the world-leading AP technology capable of producing primary aluminium.



Sohar Aluminium has its own dedicated Power Plant with a total design peak capacity of 1,000 MW.



Sohar Aluminium operates a dedicated port facility at the Port of Sohar, supporting vessels with a capacity of up to 75,000 Metric Tonnes for receiving raw materials and exporting primary Aluminium.



SOHAR ALUMINIUM CERTIFICATIONS

- ISO 9001:2015 certified Quality Management Systems for Sohar Aluminium's Casthouse.
- ISO 14001: 2015 and OHSAS 18001:2007 certified for Sohar Aluminium's EHS Management System.



CORPORATE GOVERNANCE

Strong governance and commitment to accountability and transparency are central to how Sohar Aluminium operates in line with its mission and core values. Sohar Aluminium has developed and implemented world class management and oversight systems to improve the efficiency, transparency, and quality of its operations at every level.

Operational decisions are guided by the Board of Directors and the Executive Committee, who prioritise and are continuously engaged in sustainable performance management.

Sohar Aluminium Core Values

Honesty and Integrity

Courage to do what is right in all circumstances.

Respect and Trust

For yourself and for others, having a sense of pride in what we do. We put others first and there is no place for discrimination.

Empowerment

Engendering enthusiasm, facilitates teamwork, support and develop, to harness the collective power of employees.

Team work

Interact dynamically, interdependently, and adaptively toward a common goal. Taking collective responsibility.



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' agreements. Sohar Aluminium's board is represented by two members from Oman Oil Company S.A.O.C., two members from Abu Dhabi National Energy Company PJSC (TAQA)

and one member from Rio Tinto who attend quarterly board meetings in order to ensure excellent communication between the governance and executive teams.

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

Sohar Aluminium Board of Directors



Mulham Al Jarf
Chairman



Kumail Said
Member



H.E. Abdulaziz Al Hemaidi
Member



HE Saeed Hamad Al Dhaheri
Member



Matt Liddy
Member



Jerry Van Alphen
Chief Financial Officer



Agnello Borim
Chief Operating Officer



Dinesh Sangar
Services and Maintenance General Manager



Ahmed Al Kharusi
Human Resources and Corporate Affairs General Manager



Ali Al Shamsi
Special Mandate General Manager

EXECUTIVE COMMITTEE (ExCo)

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

ExCo meets on a regular basis to discuss the company's progress, with attention paid to Sohar Aluminium's Business Strategy. In this regard, the ExCo has acute engagement with sustainability topics.

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

Sohar Aluminium Executive Committee



Said Mohamed Al Masoudi
Chief Executive Officer



COMMITTEES OF THE BOARD

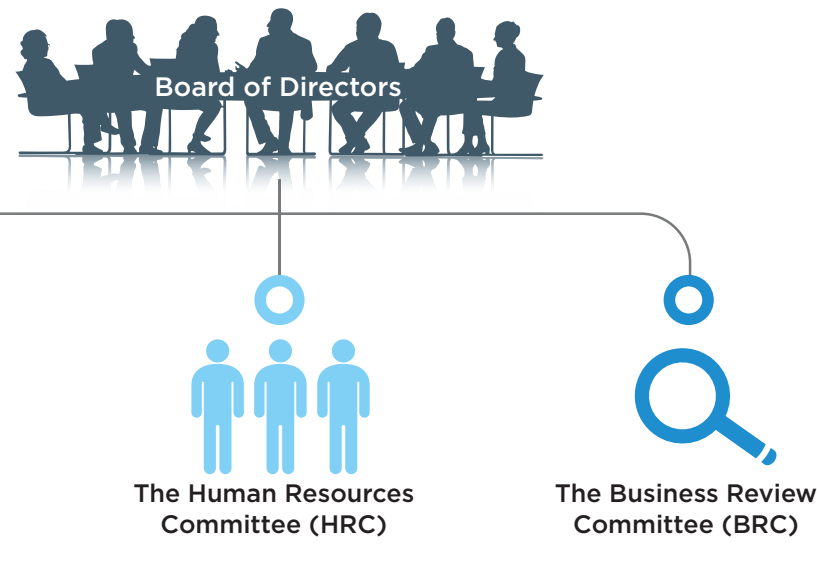
The Finance Audit and Risk Committee (FinCo), represented by one member from each Shareholder, the Chief Financial Officer and the Internal Audit Manager of Sohar Aluminium, considers and reviews all finance, risk and audit related matters which are to be presented to the Board for approval and indicates its support or otherwise in regard to such matters. The Committee also acts as the Audit Committee of the company. The FinCo 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 meets 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 paper for the Board's consideration indicating its support, or otherwise, regarding such matters. The BRC meets twice a year face to face and organizes two telephone conferences in between.

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



CORPORATE AUDITS

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, 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.

The following Corporate audits were conducted in 2018:

- External Insurance Audits undertaken on behalf of the lenders and re-insurers.
- External Audits in line with the International Financial Reporting Standards and Omani law. In 2018, Sohar Aluminium conducted the

following ISO and Operations audits:

- External Quality, Environmental, Health and Safety audits are held annually to benchmark the company's performance against international standards including ISO 9001:2015, ISO 14001: 2015 and OHSAS 18001:2007.
- Annual operational audits performed by an external expert on behalf of the lenders.
- Ad hoc Technical Audits with the support of external or Rio Tinto experts.
- Risk based Internal Audits and reviews performed in-house and by outsourced Internal Auditor provider in line with The International Professional Practices Framework prescribed by the Institute of Internal Auditors.



COMPLIANCE

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.

Amanah reporting channels
 Tel: 80026262
 Email: amanah@sohar-aluminium.com
 Website:
<http://sohar-aluminium.ethicspoint.com>

Please visit our website to learn more:
<https://www.sohar-aluminium.com/en/content/compliance-and-code-conduct>



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.

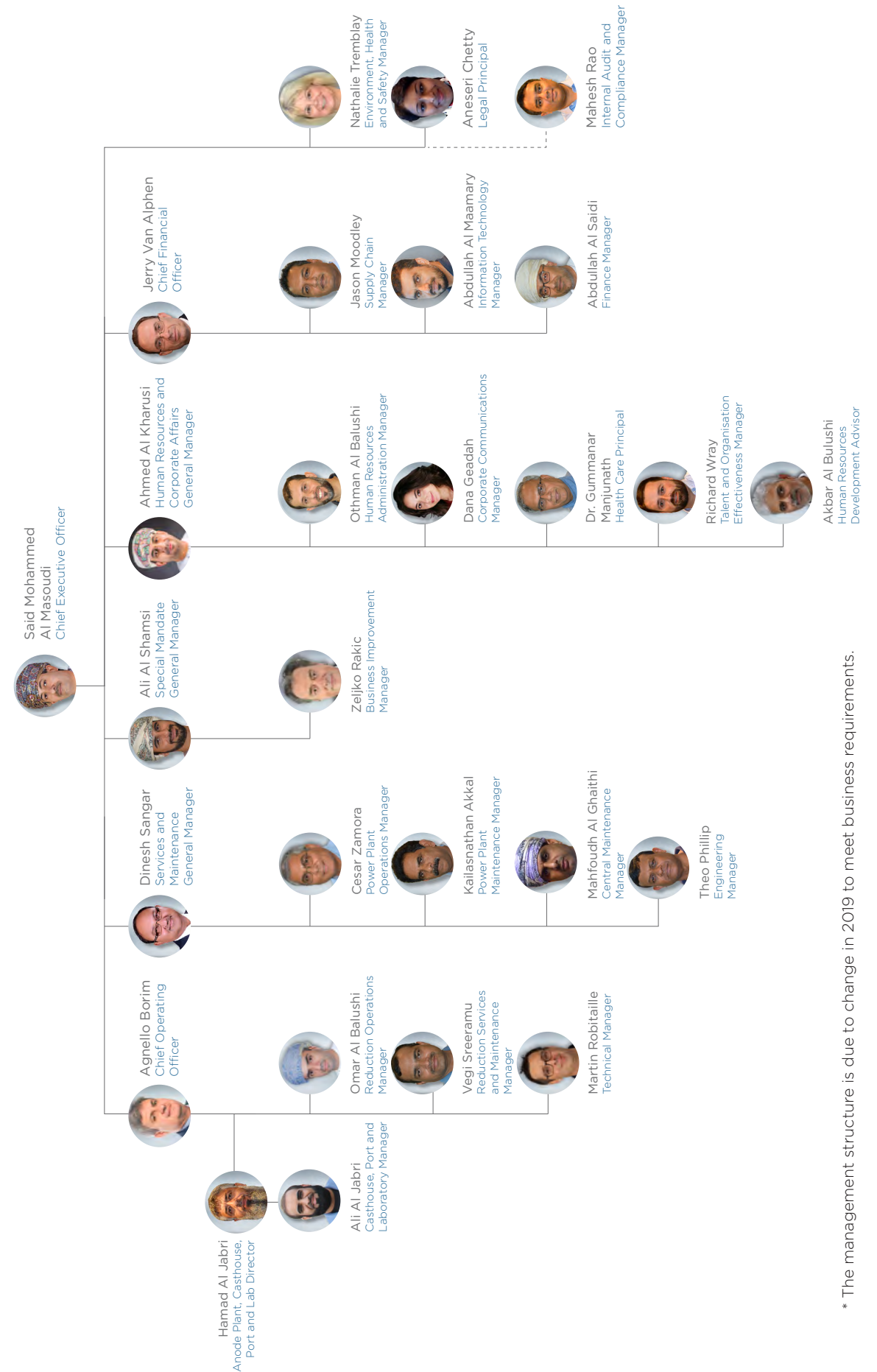
Whistleblowing Policy

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.



SOHAR ALUMINIUM EXECUTIVE COMMITTEE AND MANAGEMENT TEAM



* The management structure is due to change in 2019 to meet business requirements.

SUSTAINABILITY MANAGEMENT

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

Our Sustainability Framework

The six pillars of Sohar Aluminium's Business Strategy (refer Page 3) form the basis for evaluating the company's strength and performance. Thus, Sohar Aluminium's

leadership team is regularly engaged in sustainability performance assessment through the Executive Committee and the Board of Directors. At every board meeting, the Board of Directors receives updates from the members of the Executive Committee on the performance of the organisation in terms of each of these six pillars, in addition to examining specific topics on an ad hoc basis.



102-40, 102-42, 102-43

Listening to our Stakeholders

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

Sohar Aluminium recognises the strategic importance of understanding and engaging with our stakeholders. As a result, we have mapped the priorities for each of our primary stakeholder groups and how Sohar Aluminium is working to address their expectations. A detailed table with our results can be found in Appendix C of this report.



Identifying our Material Issues

Materiality assessment allows us to focus and prioritise the many issues that are relevant to the aluminium industry and our operating context.

Our Materiality Process:

In 2018, we reviewed and updated the materiality process in line with the GRI Standards. We have developed a materiality matrix through the following process:



The materiality matrix presented below is a visual representation of the final output of the materiality process. Accordingly, we have identified the most material issues and presented them below:

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



ENVIRONMENT,
HEALTH AND
SAFETY

ENVIRONMENT, HEALTH AND SAFETY

Strategic Focus

- Total workforce engagement in EHS.
- Zero harm and minimum environmental footprint initiatives by Sohar Aluminium employees.
- Committed leadership to mitigate and eliminate risks.

2018 Performance Highlights

- Updated Sohar Aluminium's EHS policy.
- Conducted situational awareness training sessions with excellent attendance.
- Improved contractor medical and fitness checks compliance.
- Heat Stress Management Program recognized by GCC Chapter of American Society of Safety Engineers with their "Best HSE Initiative Gold Award - 2018".
- Zero heat stress illnesses for the 5th year in a row.
- ISO 14001 recertification.

2019 Commitments

- Approve updated EHS policy.
- Fully implement the Critical Risk Management (CRM) Fatality Prevention Programme.
- Establish a hygiene monitoring program.

Management Approach

Maintaining a strong integrated Environment, Health and Safety (EHS) Management System is critical to Sohar Aluminium's success. 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

Sohar Aluminium has incorporated the latest version of ISO standard in terms of Environmental Management Systems into its operations. The newly released ISO14001:2015 standard incorporates a standardized High-Level Structure (HLS).

The advantage of the new structure is to

allow for easy integration between systems while maintaining consistency between the various ISO standards. The new standard is more inclusive of internal and external issues to the organization while addressing risks and opportunities in a process approach to drive for desired continual improvements.

The engagement of all stakeholders, workforce and contractors is a key factor for successful implementation of the new ISO standard. The certification is a tool of assurance for many stakeholders of Sohar Aluminium and will mark another milestone in our journey towards our vision for excellence.

To deal with the diverse and complex environmental issues associated with its our operations, Sohar Aluminium's



comprehensive environmental management system fosters a system of growth and sustenance in our environmental performance KPI's. Key to our environmental success is our inhouse Environment Steering Committee chaired by senior management which drives continual improvement while exploring new potential opportunities.

In 2018, Sohar Aluminium achieved the following:

- Successfully passed the ISO 14001:2015 recertification audit.

- Revised and updated its EHS policy with input from employees.
- Introduced extra sampling as part of our regular environmental monitoring plan, including Carbon, Hydrofluoride (HF) and pot lining.
- Successfully completed the annual lender's audit from financiers to verify that operational standards for EHS metrics were met, and key focus areas for improvement in 2019, such as Polycyclic Aromatic Hydrocarbons (PAH's) exposure, hydrocarbon-fluoride emissions and anode effects, were identified.

Environment, Health & Safety Policy

Our vision is "Passion for Excellence, Be the Best". This is deeply rooted in the way we drive our Business Strategy through every Business Pillar.

Sohar Aluminium's Environment, Health and Safety (EHS) Policy is embedded into our Business, Pillars and forms an integral part of our journey towards excellence.

Our main EHS goal is to operate our smelting operations and power generation in a manner that minimizes environmental footprint, creates a mindset of Zero Harm and ensures good health of our workforce. We commit to these goals through:

- Engaging total workforce in EHS.
- Implementing initiatives to eliminate all injuries and occupational illnesses.
- Committed leadership to protection of the environment, prevention of pollution and responsible use of natural resources.
- Committed leadership to mitigate and eliminate EHS risks.

The principle of Zero Harm means that all employees and contractors return home safe and sound from their daily tasks.

The way we work at Sohar Aluminium is an everyday proof of our commitment to EHS:

- We commit to a culture of high safety standards and ensure its sustainability among employees, contractors, visitors and the community.
- We commit to continual improvement in EHS performance through adherence to compliance obligations including legal and other requirements which our company is subject to.
- We aim to retain and continually improve on our world class standards, through active participation and cooperation of our employees and interested parties, in an integrated management system, with defined objectives and targets.
- We believe in achieving performance excellence through the systematic application of risk management practices and reinforcement of behavioural based safety.
- We commit to carry out our activities with interest to protect the environment, prevent pollution and practice responsible care of natural resources.

Sohar Aluminium's EHS Policy is owned by our employees. Through a constant effort we will create a successful and sustainable business that meets the aspirations of the interested parties.

This policy is available and openly communicated within the organization and to interested parties including stakeholders.

Said Mohammed Al Masoudi
CEO
9 July 2018



Energy 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 reduce both its environmental impact and costs.

The primary form of energy consumption at Sohar Aluminium is primary fuel, which refers to the natural gas supplied through a long-term contract with Oman Gas Company. In 2018, our total energy consumption increased by 23%. However, total energy consumption intensity decreased by 17% to reach 96 GJ/tonne production. This increase in energy intensity is attributed to the potline incident in August 2017 which reduced the denominator of the energy without significant change in energy-intensive operations.

Power Plant

Sohar Aluminium operates its own power plant of 1,000 MW design peak capacity 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 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.

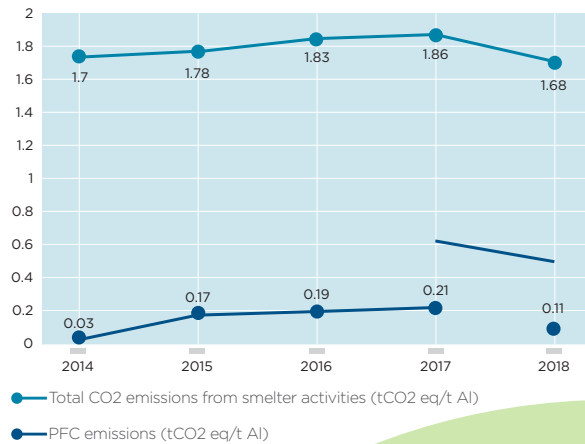
Climate Change and GHG Emissions

Climate change is one of the most pressing challenges that requires collective action from the global community to bring about real change.

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. To that end, Sohar Aluminium seeks to contribute by providing sustainable metal products (aluminium) and assesses possible mitigation measures to manage emissions at all operational levels. The main sources of Sohar Aluminium's GHG emissions are from fuel burned at the

power station and from the electrolytic reaction used to produce aluminium in the smelter.

The main greenhouse gas emitted from Sohar Aluminium's smelter is carbon dioxide (CO2) from the energy consumed by the anodes used in production. In addition, perfluorocarbons (PFC's) 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. In 2018, our PFC emissions intensity decreased by 47%, while total CO2 emissions from smelter activities also decreased by 9%.



Air Emissions Monitoring

In alignment with national environmental regulations, we regularly evaluate air quality and report to the Ministry of Environment and Climate Affairs (MECA). In 2018, there were no significant air quality impacts identified since monitoring began.

Waste Management

Sohar Aluminium is committed to minimising the amount of waste generated through 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. Sohar Aluminium ensures that all waste is disposed of in a responsible manner and in accordance with local laws and industry standards.

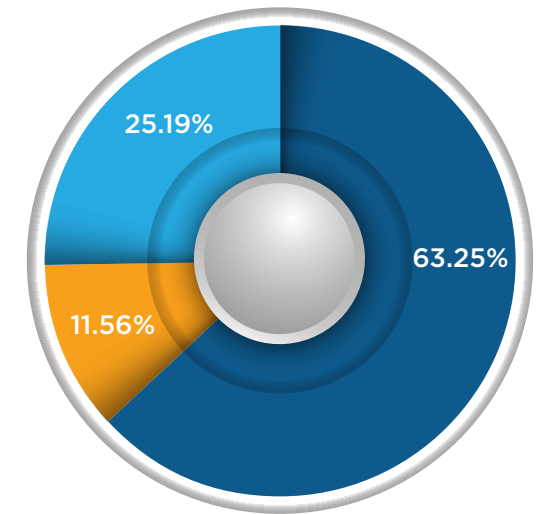
Key components of Sohar Aluminium's waste management strategy are:



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 have their linings replaced. In addition, Sohar Aluminium secured a sustainable solution for one of its main waste streams of SPL by establishing recycling contracts within the Sultanate for existing inventory and forecasted waste generation rates. The strategy also aims to establish a similar approach for one of Sohar Aluminium's top waste product material of 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.

In 2018, Sohar Aluminium's waste generation intensity increased by 31% while total recycled material increased by 215% which is due to low recycled materials in 2017 as a result of the potline incident.



■ SPL ■ Shot Blaster ■ Other

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 zero.

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 our power plant and smelter. In 2018, well water extraction and

seawater used for cooling increased compared to 2017. The increase is attributed to lower consumption being recorded in 2017 due to the potline incident.

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.

Occupational Safety

Sohar Aluminium Safety Culture is aimed at enabling an effective, committed and interdependent safety strategy across the organization. We believe that a proactive approach will mitigate risks and eliminate work injuries and occupational illnesses. Together as a team we actively seek the best safety strategies to meet our aim of Zero Harm.

At Sohar Aluminium, our key safety success is our employee and contractor commitment to safety in every job we do. To assist our teams, foster and actively include safety in their tasks, SA incorporates the following proactive measures such as:

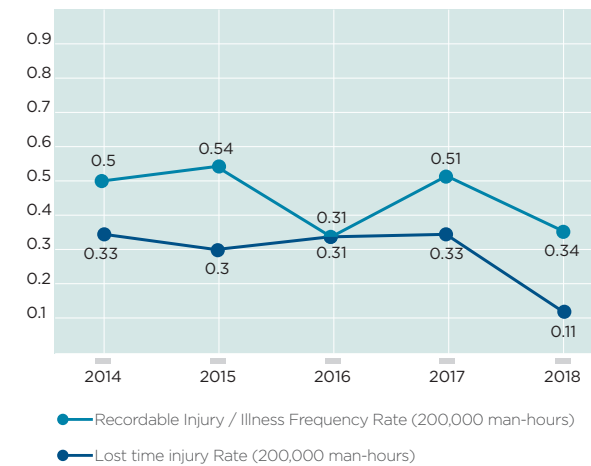
- General Site and Department Inductions “No Induction No Work” philosophy.
- Golden Rules – Identifying the highest risk across any industry and incorporating them into a rule to proactively manage the risk across the site.
- Area Life Saving Rules – Driving specific and focused attention to the department risks.
- Monthly Safety Focus – Driving a specific theme every month to increase employee and contractor knowledge on specific safety topics.
- Critical Risk Management (CRM) – Identifying the highest risk in an area and implementing controls with visual aids
- Human Performance Trainings and Situational Awareness training – help employees and contractors identify hazards and implement controls.
- Leadership Coaching Sessions – training and coaching to help leaders actively assist

team members to improve the way we work and assess employee understanding of work activities.

- Pre-Task Analysis (PSTA) – reviewing the work area for any risks and putting in controls to manage the risk prior to starting any task.
- Daily Lean Meeting – Actively discussing the learnings from the previous days tasks and committing to a safety focus for the day.

In addition to the above SA has incorporated and implemented one of the best Safety systems within each of its standards that are diligently followed within each employee task.

In 2018 SA is proud to have achieved the lowest number of treatments at the SA Medical Centre since start up.



Together as a team we are working 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 is consistently driving 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.

The EHS Department acknowledges the management and EXCO team efforts in supporting the safe work culture and for constantly driving the theme of Safety First. EHS department also thanks all of SA employees and contractors for the efforts made towards making Sohar Aluminium a safe place to work in. SA Recordable Injury Frequency Rate 2010 - 2018

Occupational Health and Well-Being

Occupational Health deals with various aspects of health in the workplace and has a strong focus on primary prevention of health hazards. The health of the workers has several determinants, including risk factors at the workplace, health promotional activities, medical surveillance, and availability of healthcare services.

Sohar Aluminium’s Medical team provides occupational health services, health promotion and awareness, emergency medical response and acute Medical care for employees and contractors at Sohar Aluminium.

In 2018, Heat Stress Management Program lead by our Medical team was recognized by GCC Chapter of American Society of Safety Engineers with their “Best HSE Initiative Gold Award - 2018”. Heat Stress Management Program of Sohar Aluminium has also been recognised in the past by several scientific and professional bodies including the Gulf Aluminium Council (GAC).

Major Health promotional and Occupational Health Campaigns and Activities in 2018:

1. Shift Start Stretching, Microbreaks and Ergonomics Awareness sessions

Medical team conducted shift start stretching and Micro breaks awareness sessions for various departments and contractors’ groups, as part of Sohar Aluminium’s long-term efforts to prevent and reduce incidence and occurrence Musculoskeletal Disorders (MSD).

2. Biological Monitoring and Counselling - Polycyclic Aromatic Hydrocarbons (PAH’s)

Medical team conducted biological sampling for PAH exposed individuals in Carbon Paste Plant, Port and Reduction Delining and Relining areas. Samples were analysed and reported by University of Grenoble in France. Medical Team counselled each of the tested persons individually. In 2018, we had a total of 73 instances of monitoring. This campaign supports the strategy of Sohar Aluminium, to control PAH exposure and protect the employees from adverse health impacts that may be caused by the exposure to PAH.

3. Special Audiometry Screening Campaign

Medical Team organized a ‘special diagnostic Audiometry screening’ campaign in conjunction with a Specialist external Audiologist on April 25, 2018 for selected Sohar Aluminium Employees. This campaign is in addition to periodic Screening audiometry done as part of Periodic Medical Evaluations.

4. World Health Day - 2018

Medical team observed ‘World Health Day’

with health screening campaign at smelter on April 17, 2018 and at Port and Power Plant on April 18, 2018; 314 persons participated in this Campaign and relevant advices were provided to participants.

5. Ramadan Health Promotion

Medical team conducted an exclusive health promotion campaign during Ramadan, with department focussed visits and sharing health tips.

6. Special Cardiac Evaluation on World Heart Day

As part of World Heart Day, Medical team initiated a special Cardiac health check-up for employees aged 50 years and above; the campaign aimed to emphasize periodic detailed cardiac evaluation as preventative measure and to identify cardiac problems in early or latent stage.

7. Breast Cancer Awareness and Screening Campaign

In conjunction with an external medial facility, Medial team organized Breast Cancer Awareness and Screening Campaign for SA Ladies on October 15, 2018. Specialist breast surgeon, radiologist and team visited Sohar Aluminium Health Centre and conducted breast cancer screening with specialized equipment; 57% ladies from Sohar Aluminium participated in the event.

8. Annual Flu Vaccination Campaign

Medical Team initiated a flu vaccination campaign for SA employees in October

2018. Annually, Medial Team organizes flu vaccination for interested employees at the beginning of winter season, to offer protection from common cold of viral origin and its complications -150 individuals were vaccinated in 2018.

9. Diabetes Awareness and Screening Campaign

Medical Team marked occasion of World Diabetes day with screening drive on 14th November at the Smelter and on 15th November at the Port and Power Plant. This Campaign aimed to enhance the awareness and to detect any undiagnosed Diabetes among employees and Contractors. 458 individuals participated in this health promotion campaign and participants were provided with relevant advice.

10. Workshop on Occupational Stress Management

Mental health and wellbeing of employees are integral part Healthy Work culture; Sohar Aluminium Health Centre, in conjunction with HR department organised scientific workshop on 'Occupational (Workplace) Stress Management' by Dr Samir Adawi, Professor of Behavioural Medicine at SQUH, for managers and general managers. The workshop focused on methods of identifying and managing workplace stress.



11. First Aid Training

In conjunction with Human Resources Development Department, Medical Team conducted First Aid Training Sessions for employees of Strategic and Precious Metals Processing LLC (value creation initiative) and for employees from Jusoor in 2018.

Other Activities

1. Association with Regional and International occupational Health forums

• SA Medical Principal continued to serve as the chairman of Health Committee of Gulf Aluminium council (GAC) and provided a leading role.
 • International Aluminium Institute (IAI) recognized the pioneering role of Sohar Aluminium in Heat Stress Management and approved funding for the further research in regard to Heat Stress, Sohar Aluminium Medical Principal will coordinate with project consultant from university of South Florida.

2. Health Screening Campaign for Community

In conjunction with CSR Department of Sohar Aluminium. Medical Team participated in Health Screening campaign for the community. Campaign aimed to screen health parameters of elderly members of the community and raise their awareness.

3. Blood Donation Campaign

SA Medical Team, in conjunction with blood bank of Sohar Hospital, conducted blood donation campaign at our medical centre on 18 December 2018. Response was overwhelming with 97 persons coming forward to donate blood; 74 persons were accepted for donation by blood bank team.











4. Support to Government Healthcare Sector and Ministry of Health:

o Sohar Aluminium Medical Team conducted a risk management workshop for Government Healthcare Providers in conjunction with Vale and Quality Assurance Department of Sohar Hospital, at request of Sohar Hospital.

o Medical team facilitated procurement and donation of oxygen concentrators to Sohar

Hospital in conjunction with CSR Department of Sohar Aluminium
 o in conjunction with CSR department of Sohar Aluminium, Medical team supported Sohar extended health Centre in conducting an intensive Workshop on mental health for nurse trainers.

Throughout the reporting year, Sohar Aluminium organised several health campaigns for its employees including, but not limited to:

-  PAH Bio-monitoring and Individual Counselling
-  Vitamin D Screening Campaign
-  Cervical Cancer Awareness
-  Active Life Style - Walking Club
-  Dental Health Screening Campaign
-  World Heart Day
-  Orthopaedic Assessment Campaign
-  World Diabetes Day
-  Flu Prevention Campaign
-  First Aid Training Sessions
-  Health Advisories
-  Occupational Health Visits



Heat Stress

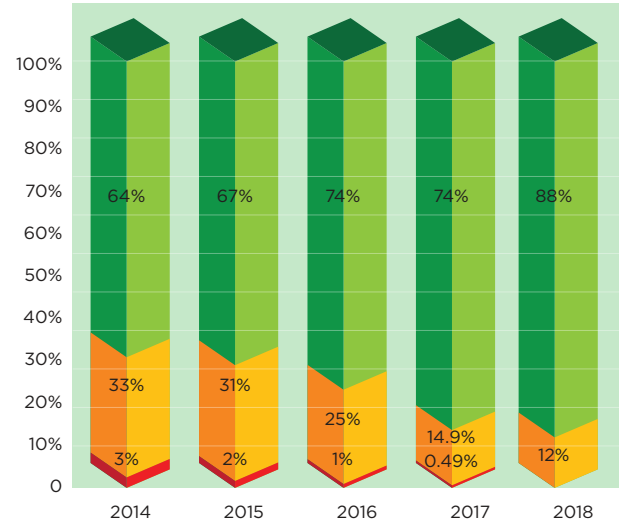
Heat stress is a major occupational risk for Sohar Aluminium, considering the high process temperatures in production departments near pots, furnaces etc. as well as the high ambient temperature and humidity in Oman, especially during summer months.

Sohar Aluminium's model of Heat Stress Management programme has won national, regional and international recognition. The programme is led by the Medical Team under the Heat Stress Management Committee.

Heat Stress Management program focuses on continuing worker engagement and monitoring employees for their hydration status. Other elements of this program are awareness, distribution of fruits, distribution of electrolytes for workers in locations identified with risk of heat illnesses, etc.

In 2018, the hydration status in the tested population improved significantly and 88% of the total tested population was normally hydrated. A total of 2,159 instances of hydration Monitoring were conducted.

2018 was remarkable in terms of Heat Stress Management, with just one case of



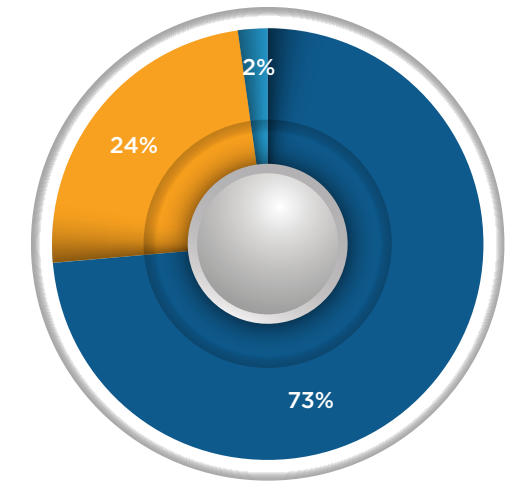
- Red (Dehydrated)
- Yellow (Under Hydrated)
- Green (Normally Hydrated)

mild heat illness for the entire year which is a record since the start of smelter operations. Also, 2018 was the sixth year in a row without any recordable heat illness cases with hydration status of the employees improving consistently over the years.

Emergency Preparedness

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

Sohar Aluminium has its own dedicated emergency response team that is Equipment with a Fire Station and a full fire team. The team can respond to any emergency on site within minutes of the incident occurring. In 2018, Sohar Aluminium carried out 49 emergency response drills to ensure that in the event of an accident or an emergency, the organisation can address the situation as quickly and safely as possible.



- Evacuation Drills
- Fire Drills
- Security Drills



PEOPLE



102-7, 103-1, 103-2, 103-3, 404-1, 404-2

103-1, 103-2, 103-3, 302-1, 302-3, 404-1, 404-2

PEOPLE

Strategic Focus

- An engaged and empowered workforce.
- Usage of talent development system.
- Competitive benefits.
- Strong internal communication.
- Wide business literacy for the team.

2018 Performance Highlights

- 76% Omanisation rate.
- 11% youth employment rate.
- Invested USD 1.165 million in vocational training.
- 30 policies were updated and approved by ExCo.
- 17 new and improved initiatives have been implemented to improve employee engagement.

2019 Commitments

- Continue rollout and adaptation of online WPP system.
- Launch the Learning Management and Succession Planning modules in Successfactors.
- Implementation of Competency Framework.
- Revamp Employee Engagement Scheme.



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 staff community, and we strive to maintain our status as 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.

Workforce Profile

Sohar Aluminium's pride and most valuable asset is its workforce, a staff community that fully embodies our core values. As our operations have matured, we have developed a dedicated and highly competent workforce who shares Sohar

Aluminium's commitment to efficiency, excellence, and positive impact.

Our workforce stood at 974 dedicated employees, with a 76% Omanisation rate in 2018. The majority of our employees are between the ages of 30-40, constituting almost 70% of our workforce. As we continue to optimise our operations, we continue to actively recruit new talent for all position levels and invest heavily on the capacity building of our employees to develop strong technical and leadership skills.

Sohar Aluminium is concentrating on Employee engagement to measure employee happiness and satisfaction in the organization by ensuring high engagement level in the organization towards its business strategy, focusing on a core set of

common practices and philosophies. The following chapter highlights the efforts and measures taken by Sohar Aluminium workforce in 2018 to ensure we maintained a strong quality performance.

Employee Training and Development

We recognise the long-term benefits of investing in the skill development of our employees. At Sohar Aluminium, we focus heavily 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 every other skill necessary to succeed and grow within our business.

In 2018, we invested USD 1.165 million in vocational training. We achieved an average of 12 training days per employee, with 976 employees receiving training.

A new training scheme was launched to support the Omanisation strategy of the Sultanate and to optimise the utilisation of the training facilities in the training and development department. This is through providing training programmes sponsored by the National Training Fund for young Omanis as training for employment contracts.

Sohar Aluminium started rebuilding and upgrading its Human Resources Training and Development premises. This change will provide our employees and individuals from other organisations with outstanding facilities and further improve our ability for training and development. Sohar Aluminium will invest USD 1.9 million to rebuild the premises and which will be completed by the end of 2019.

Competency Assessments

Job competency profiles were prepared for all jobs from supervisor to manager in all SA technical departments. And competency assessments were conducted for job holders from supervisor to manager positions in operation departments plus central maintenance. In addition, job competency profiles were prepared, and

assessments conducted for operator and technician positions in Reduction Operations.

Continuing the effort in understanding employee competencies and their development needs, Sohar Aluminium has partnered with Rio Tinto to conduct the first batch of competency assessment for identified employees within the Operations teams. The exercise was successfully concluded, and individual development plans were generated from the results. From this, training needs analysis was effectively completed for implementation the following year. More competency assessments are being planned to cover all other jobs and employees within the organization.

Developing Future Omani Professionals and Leaders

The company has continued to recruit fresh graduates from universities and provided them with the tools and experience that they need to become professionals in their respective fields. As with previous similar programs, the company has given a commitment to appoint successful graduates into various permanent roles within the organization after the period of development.



Maintenance Technicians Skills Upgrade (Automation)

In collaboration with TOE, IT continued the Plant Automation Training Program intended to upgrade skills of SA Maintenance Technicians (Electrical and Instrument).

About 570 training hours were conducted throughout 2018, and more than 20 technicians benefited from it. The Maintenance Automation Training programme is part of Sohar Aluminium's commitment to its people pillar through providing on-the-job training to its employees in their respective work area. We continue to build the capacity of our maintenance workforce in the fields of electrical, control, and instrumentation in order to ensure they possess an in-depth knowledge on the complexity of automation, adding value to the early resolution of any complex control system problems in their respective areas of the plant.

This is also a value creation initiative that is designed in-house where the cost avoidance is more than USD 250K.

Performance Management

As part of its long-term strategy for continued people development, Sohar Aluminium has invested in Successfactors, considered to be one of the best HR Information Systems in the world. This ensures best practice implementation of various HR processes and world class people management. In 2018, this was kicked off by the implementation of the new performance management module. By doing this, SA did not only achieved a big improvement in managing people performance, it also paved the way for further integration with other HR services for the future.

Every year for the next 4 years, the company intends to add two modules to complement the existing ones until an integrated system is achieved. Learning Management and Succession planning are up next.

Diversity, Inclusion and Equal Opportunity Women's Empowerment

Sohar Aluminium recognises the importance of women's economic empowerment and their increased presence in leadership positions. In 2018, more female staff assumed leadership roles and Sohar Aluminium's female employment rate stood at 4.1%.

We welcome the opportunity for women to join our workforce and are focused on encouraging their presence at Sohar Aluminium. Additionally, we are committed to ensuring that our current female workforce feels empowered and their voices are heard. Several ladies are working as Summer Trainees and contract employees.

Youth Engagement

In 2018, Sohar Aluminium's youth employment (employees between ages 18-30) rate stood at 10.8% of our total workforce. Through our youth engagement and capacity-building initiatives, we contribute to their training in the specialised skills required for smelting operations and promote Omani youth to join our team and grow within the company.

Components of our youth engagement approach include:

Fresh Graduate Programme
In order to nurture fresh talents and prepare the next generation for our leadership pipeline, Sohar Aluminium conducts a Fresh Graduates Programme in which top graduates in various disciplines participate in an intensive development programme. The intensive development programme is a custom-made development curriculum which prepares each of the hired fresh graduates for future technical and/or leadership roles within the organisation.

Summer Students Training

Sohar Aluminium has been offering summer work placements to excellent graduate students in the fields of engineering and industrial sciences. This initiative is part of an annual programme that provides career development and work exposure to industrial plant operations through

production and support services. Sohar Aluminium invited 65 students from various specializations such as human sciences and engineering backgrounds, including mechanical, civil, chemical, mechatronics, process engineering, electrical power and computer engineering.

These students were deployed across all areas in the SA plant and they gained valuable work exposure on how an industrial plant operates through the production and support services. Students were also affiliated with several different institutions, including Sultan Qaboos University, Shinas College of Technology, Sohar University, the University of Nizwa and Al Musana Technical College.

Workshop Organised by GFOTU

Sohar Aluminium's CEO, Eng. Said Al Masoudi took part and gave a presentation in the recently held workshop that was organized by the General Federation of Oman Trade Unions. The presentation shed light on the collaborative relationship between SA's Management Team and the Trade Union. The workshop saw attendance from several CEOs of companies from the industrial estates in North Al Batinah and Heads of Trade Unions in the Governorate.

Nationalisation

Sohar Aluminium is committed to encouraging economic development in Oman and more specifically in the Al Batinah region. In line with Oman Vision 2020, which forms the foundation of our Business Strategy, Sohar Aluminium has seen a steady increase over the past few years in its national employment rate. We are extremely proud to have achieved a high-level of Omanisation in our workforce this year.

With over 743 Omani employees, our Omanisation rate stands at 76% of our total workforce. In 2018, 100% of our semi-skilled employees and 72% of our skilled workforce were Omani.

Employee Attraction and Retention

To ensure we recruit and retain the most talented individuals, we invest heavily in our recruitment, training and development efforts. We also focus on ensuring a balance between the employee turnover and new hires in order to maintain an optimum number of skilled workforce. In the year 2017, the turnover rate was 4.4% and it reduced to 3% in the year 2018 which means our talented work force wants to continue with SA.

In 2018, we hired 45 new employees, 4 of whom were fresh graduates. Graduates were placed in various departments across Sohar Aluminium, including Reduction, Casthouse, Engineering and IT. After the potline recovery we have created new leadership positions and the Chief Operating Officer role was filled in the year 2018. In addition to this, a Director position was filled, and few more Managerial positions were filled to strengthen our operations.

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.



Employee Engagement

Employee engagement is a fundamental material issue of Sohar Aluminium's strategy. We believe that an engaged workforce leads to positivity, higher employee retention rates, better productivity, and a deeper feeling of connection with the company.

Employee Engagement Survey

2018 has been a great year for Sohar Aluminium in terms of the achievements and improvements that were introduced. A testament to this was the excellent outcome of the employee engagement survey. With great effort from everyone, we were able to set an unprecedented participation rate of 82%, which by all measures and standards is an excellent outcome.

Our Job Engagement level which measures the engagement of our employees in their day to day dealings with their peers, subordinates, leaders, work, tasks, etc. posted a score of 69%. It is 1% higher than the last survey. Our Organizational Engagement level which measures the engagement of our employees in their commitment to the company and their belief in the values of Sohar Aluminium as a company posted a score of 84%. This is 3% higher than the last survey.

Our employee engagement ratio which measures the distribution of engaged, not engaged and actively disengaged employees posted an improvement of 2% as well. We have gathered data that shows these are impressive numbers compared against the entire Oman Market and the International Energy Sector.

Employee Engagement Gap Analysis

Back in December 2017, employees' engagement had been identified as a gap after a review had been conducted across the plant. The Communications team was mandated to identify, plan and implement solutions to enhance the engagement of SA people. Since then the team has been fully engaged to rebuild the original pride and engagement of SA Employees through a list of more than 15 new and improved

projects. The team then met with all the leadership teams to gauge current level of satisfaction and areas of improvements for current communications services, tools and channels. A lot of work has been done and many improvements have been implemented.

State of the Plant

In line with our commitment to maintain strong internal communication, Sohar Aluminium implements the State of the Plant, an employee engagement initiative where our Executive Committee members present on the state of the company and various aspects relating to the company, including our Business Strategy, safety aspects, value creation and improvement projects.

In 2018, Sohar Aluminium's Executive Committee and Management Team held the first group of sessions of the State-of-the-Plant in 2018 for SA employees. Five sessions were conducted to cover all shifts and departments. The sessions were led by our Chief Executive Officer, Eng. Said Al Masoudi and supported by the Executive Committee and Management Team.

The sessions shed light on various important issues including the Potline



Employees Deal and Offer

As part of its commitment to provide its employees opportunities to enhance their lifestyle and avail discounts on consumables and external services for personal use, the Company's deals and offers continue to be available for our employees and their family members.

This initiative that was launched in 2016 generates significant interest from the employees. With the renewal of the existing offers, new deals and offers from local providers are announced regularly. The employees are also encouraged to suggest new items and services to be added to the list.

Recovery, Safety Share, People and Financial Strength Pillars, Critical Risk Management, Amperage Creep Project, STIP and Mumtaz Club. The sessions were engaging, and employees had the opportunity to put forward questions to the Executive Committee and the Management Team.

We collected the data of those who participated in the State of the Plant and analysed the findings. This analysis shed light on the level of engagement of Employees and their areas of concern. The queries and concerns which were unanswered during these sessions, were followed up with the right custodians. Action plans have been submitted to address these concerns. This year we will be publishing the feedback internally as part of the Company's transparency and genuine interest to involve its Employees.

Achieveres of Excellence - Board of Fame

A new Achievers Board of Excellence was launched where employees can submit their contributions in the different pillars of our Business Strategy. These were published in common areas. The most exceptional achievers in each pillar will be awarded by end of year a gala event attended by more than 800 employees.

48th National Day Celebrations

SA celebrated Oman's 48th National Day on 18 November 2018 in the presence of the CEO, Executive Committee, Management and Employees from across the plant. The CEO gave a heartfelt speech quoting words from His Majesty the Sultan's speech during the celebration of the 21st National Day in

1991, the "Year of Industry", emphasizing on the importance of maintaining the efforts and hard work to realize the goals and vision of His Majesty the Sultan Qaboos bin Said.

During the ceremony 10 winners in the Employees' National Day Poetry Competition recited their poems to the audience. Two judges from The Ministry of Heritage and Culture were also present at the event to evaluate and rank the poems.

Sohar Aluminium's Football Tournament

Sohar Aluminium's second Football Tournament was conducted during April and May at SA Football Ground with 12 teams and 200 participants from the various departments participating in it. Conducted with the objective of achieving a high team spirit and a strong sense of togetherness among all colleagues, the tournament witnessed many exciting matches.



Internal Communication and News Coverage

SA's internal newsletter has been through major improvements to give more focus on the various achievements across the company, and keep employees consistently involved, informed and aware of the company's happenings. New sections have been added such as personal interviews with high achievers, announcements of new joiners and promotions in the company, employees' new deals and offers, and trainings. Special space has also been dedicated to feature the operational improvements, endeavours in community, medical health advices, and awareness about ongoing campaigns and activities. To ensure sustainability of this news channel, the Communications team launched a Writer's Work Group represented by one employee from each department across the plant. The group was coached to write news and shed light on the achievements and efforts of their respective departments.

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 of service. In 2018, we awarded 245 employees who have completed 10 years of service and 79 employees who completed 5 years of service at Sohar Aluminium.

The Mumtaz Club

The Mumtaz Club, launched in 2015, is an initiative at Sohar Aluminium that aims to increase employee engagement and reward contributions. The programme offers passports to each employee, in which an employee may earn points by fulfilling a variety of action items, ranging from attendance to training to medical check-ups to memorising a safety tenet. If enough points are accumulated, employees can exchange them for cash tokens. Sohar Aluminium organises an annual Mumtaz Club Gala to recognise the employees who excelled in the Mumtaz Club as well as their substantial contributions to the pillars of Sohar Aluminium's Business Strategy.

In 2018, the total Mumtaz achievers were 840, making up 84% of our total workforce. Roughly 98% of Mumtaz participants were 100-point achievers, of which 118 were 150-point achievers.



Mumtaz Club Gala

In recognition of the outstanding employees who contributed to the success of Sohar Aluminium's Business Strategy, Sohar Aluminium held its annual Mumtaz Club Gala at Majan Hall on 5 March 2018 which was attended by 500 employees. The Gala awards employees for their achievements and contribution to the success of the Mumtaz Club in 2017. Special certificates were presented to employees who were nominated as the best contributors towards the objectives of each of the Business Strategy pillars. One employee was then selected for each pillar to receive the highest achievement award from the pillar's champions. These awardees were selected through a rigorous process of nomination and selection by the Sohar Aluminium Management Team. The event also held a raffle which prizes included smartphones, tablets, TV screens and a grand prize.





PRODUCTIVITY

PRODUCTIVITY

Strategic Focus

- Achieve challenging plans for metal production and power generation.
- Continuous process improvement on efficiency gains.
- Innovation – a daily focus area.
- Using world-class best practices for maintenance, reliability and asset management.

2018 Performance Highlights

- Very high purity levels achieved.
- Major inspections completed in Power Plant.
- 4 batches of attendees completed the Maintenance Automation Training programme.
- 2 Batches of Reliability engineers, Analysts and Fresh graduate have completed training in Reliability engineering.

2019 Commitments

- Producing a different type of Aluminium product.
- Upgrade ALPSYS and MESAL systems.
- Complete Cybersecurity assessment for Information and Operational Technology.
- Rollout Lean Six Sigma across the plant.

Management Approach

At Sohar Aluminium, we embody a culture of productivity effectiveness while always maintaining a quality-driven mindset. We have become a benchmark smelter through consistently enhancing and optimising 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 are constantly arising. In order 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, enhanced efficiency, improved cycle time and reduced material costs.

A Sustainable Future Through Aluminium

Aluminium is a vital material that keeps the modern world moving. At Sohar Aluminium, we take pride in producing one of the most sustainable metals available, and we focus greatly on limiting the environmental impact of producing primary aluminium. As a lightweight, strong, versatile and indefinitely recyclable material, aluminium products are a solution to the world's energy needs and a symbol of a more fuel-efficient future. Aluminium products are used but rarely consumed during their lifetime, which means these products are infinitely recyclable. Recycling aluminium can not only be done without any loss of its inherent properties, but it requires up to 95% less energy to do than producing the primary metal – which means significantly less emissions.

The lightweight nature of aluminium products reduces energy consumption for



various kinds of vehicles, lowering energy costs and carbon emissions in the wide range of its uses. Aluminium is long-lasting and durable under various conditions, such as extreme heat or radiation, as the metal has a thermal conductivity and excellent corrosion resistance.

As one of the most malleable and ductile metals, aluminium can be easily cast, machined and formed.

Finally, its versatile nature means that it has a wide range of uses, from the automotive, aviation and construction sectors to high-tech electronics, telescope mirrors, packages and toys.

Smelter Productivity

In 2018, we produced a total of 379,775 metric tonnes of finished product. This significant increase in only a couple of years attests to our focus on achieving the best current efficiency and operating pots levels. During this period we also achieved our best purity level at an average of 586 ppm of Iron (Fe).

Ensuring all safety production targets are met is critical for maintaining reliable plant assets and stable operations. We are committed to preventing the need for any future unplanned shutdowns at Sohar Aluminium.

In order to maintain stable operations, we also need to maintain the reliability of our equipment. A way to ensure our assets are well maintained is to have the Original Equipment Manufacturers (OEM) inspect critical assets site-wide. These inspections are vital as they give a clear indication of the current conditions and future needs of the assets. Obtaining this information

ensures we are prepared for the future and able to plan in terms of budgeting and meeting production needs. Following the inspections, in 2018, 91% of OEM's recommendation compliance were completed.

Anode Plant

The Anode Baking Furnace team is planning to successfully and safely complete a major overhaul essential for sustaining anode quality and productivity for achieving the amperage creep plan.

Continuous focus on people skills development and competency enhancement included Comprehensive Carbon training program by R&D Carbon of Switzerland. Maintenance and Operation personnel attended "Back to School" training sessions by Original Equipment Manufacturers to re-emphasize the learning, share experiences, practice problem solving, and keep up to date with the most recent trends in technology.

Gas Cooling System in Gas Treatment Centre

Gas Cooling System (GCS) was introduced in the Gas Treatment Centre (GTC) of Sohar Aluminium in 2011. The aim of the GCS is to cool down hot gases coming out from electrolysis pots, before they enter the GTCs at temperatures above 135°C, which would damage filter bags. GCS activity is particularly crucial during the hottest days of the year.

The cooling principle consists of injecting water droplets (water + compressed air) through spray lances and nozzles at GTC horizontal inlet ducts. In previous years the consumption of water was quite high due to high gas temperature coming out from

'Amperage Creep' Project

The Amperage Creep project was an initiative managed by Sohar Aluminium to optimise production capacity, energy efficiency and add value to our operations. The project will boost output by a significant 28,000 metric tonnes of primary aluminium annually.

Since the project's beginning, great savings have been realised. In 2017, the Amperage Creep project was completed ahead of time and within budget. This is in part due to our Operations Team, who managed the project to achieve higher operating levels with excellence.

the pots. In 2018 the consumption of water was 282 m³ compared to 2017 where the consumption was high at 14,986 m³. This happened as the gas temperature was stable at low levels due to improvements in GTC performance as well as Potline basement condition, hooding efficiency and Potline stability.

Emergency Silo

An emergency silo with capacity of 15,000 tonnes has been built in the GTC for feeding alumina to the Potline in case of any interruption in alumina transportation from the Port to the Smelter. In previous years the emergency silo faced a lot of issues with existing compressors during summer and frequently tripped at high temperature. To avoid unavailability of the emergency silo due to disturbance of pneumatic air supply to the silo, the GTC team replaced all the plastic hoses which are exposed to the sun's rays with metal ones to eliminate damages in the pneumatic airline. Additionally, an improvement was done to reduce the time of alumina offloading from 1hr 20 min to 45 min with a new design of tanker pipe.

Crushed bath material is transported from the Bath plant to GTC silos via conveying pipes. Due to the ageing of the pipe, leakages had become a regular phenomenon. An ultrasonic test was done for all the pipes in GTC East and West to find out the full picture of pipeline current condition and based on that, all the pipes were replaced with less thick pipes to avoid unexpected leakage on the line. Also, to maintain the reliability of the equipment we monitor the thickness of the pipes regularly to have an early warning to avoid leakages and perform the ultrasonic test as proactive maintenance.

Improvement in GTC Equipment Reliability

To maintain stable operation for GTC and raw material handling, we focused on the reliability of equipment. Many improvements were done in various equipment such as, installing cladding on the wall to reduce the temperature to avoid unnecessary tripping of feeder motors; a soft starter for GTC blowers was installed to

avoid the tripping of the GTC network while starting the two motors and to reduce the motor starting currents; eliminated FCN network tripping by replacing the motor bearings with high temperature bearing and replaced the vibrating screen refused line from 4 inch to 8 inch to avoid a blockage in the pipe.

Cell Reconstruction

The Pot turnaround time was reduced from 15 days to 6 days with the lowest ever rate achieved in the month of January 2018 of 5.1 days. The pot change-out schedule was achieved every month to facilitate target metal production.

The quality of the pot super structure repair improved, and initial and final inspection checklists were implemented. The metal from stopped pots in de-lining was focused on and the quantity reduced by tapping the maximum liquid metal before the pot is stopped. Pot super structure repair shifted to the lining workshop from PTA workshop to facilitate mock drills of pot to pot bridge and other emergency preparedness. Cost saving and value creation initiatives for metal reconciliation were implemented.

Casthouse

One of the key production areas in Sohar Aluminium is Casthouse where pure aluminium is cast into two solid forms ingot bundles & sow which in turn are supplied to various companies across the world. Casthouse also provides liquid aluminium directly to downstream customers for producing products such as wire rod, sheet metal and slabs. Casthouse has 120 personnel working in the area and has the highest Omanization rates in Sohar Aluminium 100% workforce in operations is Omani, there is an active development plan to reach 50% Omani work force in maintenance. Casthouse consists of four holding furnaces 80t capacity and two ingot casting chains where metal filled into furnaces is poured into chain of cast iron moulds and solidified as 23kg ingots, and subsequently stacked as a bundle of 44 ingots. The other solid product is sow where liquid metal from crucible is poured into cast iron moulds and solidified in open air. Casthouse manages a fleet of 8 metal

transport vehicles each carrying 12.5T of liquid metal, as well maintains a crucible shop for rebuilding, cleaning, heating of crucibles and also maintenance of siphon systems. Casthouse is certified for ISO9001 since its commissioning and has been key contributor for Sohar Aluminium's success - low melt loss, high customer satisfaction, best practices on EHS and productivity.

Port

The main functions of SA Port facility is to receive, store, transport of raw materials and finished products. The basic Raw materials required for Aluminium smelter are Alumina, Coke and Liquid Pitch. The Port Team takes the responsibility of the process of following up the set shipping plan and schedule as well as unloading the material and delivery to the smelter. The port is equipped with a continuous operating machine 'Vacuum Ship Unloader'. There are two Storage Silos for Alumina with a capacity of 60000 mt and two Storage Silos for coke with a capacity of 15000 mt. The Liquid Pitch is received in liquid state at temperature of about 200°C. It is unloaded through pumps in built on the ships itself and pumping through the piping network installed on port Liquid Pitch facilities and thereby storing it in two 'LP Storage Tanks' with a capacity of 5000 mt. Both materials are loaded on their designated trucks using special facilities designed to handel the nature of each. These materials are then transported via road by tankers to the Smelter. The finished products are transported to SA Metal Yard.

Laboratory

The Laboratory plays an important part in the process of producing high quality Aluminium and sustaining the quality of our operations. The main goal of the Lab is conducting chemical and physical tests of solid materials, liquids, and gases and analyzes test data for variety of purposes. The Lab Team is in charge of analyzing different kinds of samples for the Anode Plant, Reduction, EHS Departments as well as finish products in the Casthouse and requirements from other departments. The Lab is equipped with advanced sophisticated equipment to ensure the right quality and accuracy of analysis result and meeting ISO

standard requirements. The Lab Team always seeks to maintain and improve its core competencies in inspection, verification, testing and certification.

Central Maintenance

• Sohar Aluminium has 11 alumina and coke trucks, and all have flue gas exhaust underneath them. As per new government law, the exhaust silencer must be located at the top of the trucks to minimize smoke exposure to public. Hence relocation of the exhaust had to be completed in a very short time, which was not only costly but would also take a long lead time if done through the Original Equipment Manufacturer (OEM) and eventually would delay the renewal of vehicle registration. The Workshop team took on this challenge by reviewing the cost and time schedule for the modification, original spares were procured from alternate sources and in-house installation was completed by the Workshop team as per OEM guidelines. This in-house modification has resulted in substantial cost avoidance.

• As per Sohar Aluminium Golden Rules, no person is to be positioned under a suspended load, or in the line of fire of a suspended load. A visual aid approach has been developed to enable the personnel to follow this Golden Rule in the form of a safety warning light on overhead cranes. This spot light gives a visual warning to all persons who could potentially come close to cranes and move away from suspended load. This improvement in warning signage



helps the crane operator to clear the path effortlessly and execute the job efficiently without any distraction.

Asset Management

The Maintenance team executed 91% of the Maintenance scheduled work on time. This reduced the surprise element in work and unsafe situations while rectifying the machines. To ensure availability and trouble-free operation, an assessment by Original Equipment Manufacturers (OEM) is used for critical assets. Compliance to inspection by OEM and completing the recommended actions were adhered to at 91% of the time.

The Maintenance team underwent extensive training on reliability engineering to support the reliability initiatives and hence avoid disruptions to plant assets. The technicians are encouraged to find the root cause of repetitive defects by using practical problem-solving methods and close the cases by taking ownership to execute the solution. As a one-off action plan, Reliability Engineer's walk and Planner's walk are two new monthly initiatives introduced which will take knowledge sharing and best practices learning to the next level.

Power Plant Optimisation

Optimising the operation and efficiency of our Power Plant is an indispensable component of our productivity pillar. Despite the challenges we faced in 2018 with regards to pot line start-ups in quick time and specifically the metal starts, we have managed the best ever performance of the Power Plant in terms of efficiency, a lesser number of process incidents, completion of asset management strategy including OEM health checks on critical equipment and without any recordable injury. Power Plant attained the best efficiency level of 50.34% and achieved an AC production efficiency of 13.33 MWhr/tonne of aluminium.

The major inspection on Steam Turbine-28 was completed and handed over to Sohar Aluminium on 6th February. The inspection was completed without compromising on the quality or the safety of our workforce.

Another major activity completed in the Power Plant was the Rectifier improvement project after one rectifier failure occurred in 2016. This has increased the reliability of the rectifiers and hence the reliability of continuous DC power to smelter operations. We have also completed the second major inspection of Gas Turbine 21 and the machine was handed over to operations.

Apart from the operational efficiency and the plant operations, we have also developed the Enterprise Risk Management (ERM) and the Business Continuity Management (BCM) for Power Plant identifying key risk areas and regular exercise/drills of the ERM/BCM plan has been put in place.

Information Technology as a Strategic Partner

With the new trend of Industry 4.0, IT is becoming increasingly strategic to the business in providing more reliable and advanced solutions which can help the business achieve more stable and predictable operations.

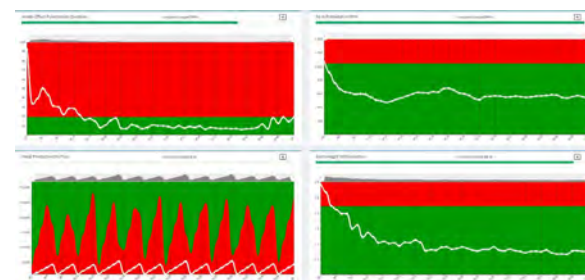
In 2018, many major projects been kicked off, including, MESAL and ALPSYS upgrades to provide SA more features by enhancing the systems performance and reducing energy consumption.

Another Remarkable Year Ahead for Plant Automation

Large-scale projects are moving forward next year which will make it a remarkable year.

•ALPSYS Upgrade

ALPSYS is the Potline Control System used in Reduction. It is used for pot control, work



scheduling and current regulation. The new ALPSYS V15 contains the latest features of the ALPSYS product encapsulated in a completely modernized HMI and IT infrastructure.

•MESAL Upgrade

MESAL system is a leading fully integrated Manufacturing Execution System (MES) for the Aluminium industry. It manages smelter operations and production, including monitoring critical equipment performance, with unprecedented accuracy, certainty, and efficiency.

Next year, the MESAL system is going to be upgraded to the latest version which has more functionalities (e.g., Hot Metal Flow Management) and is compatible with the latest IT platforms.

•Business Applications

The year 2018 was another success story for the IT Business Applications team. The team has extended their support to the entire company by rolling out the new SA dashboard which has been developed in-house. With the new dashboard, all SA departments are empowered to capture and monitor their KPIs which target different pillars, along with other features helping operations to validate whether the work is done in accordance with the standard work procedures.

• Contributing towards the customer pillar, the Business Applications team has reached out to the needs of the downstream customer of having the details of the metal quality sent via crucibles before receiving the metal physically. After carefully analysing all parameters, the team has developed a solution that integrates both the Casthouse MES system with the downstream system by sending the data automatically to the downstream system before they receive the metal. This solution has added a great value to our customers, as they now receive all the quality details which allow them to plan accordingly.

• Furthermore, the team have supported the process of break bulk shipment by developing a quick solution in a very demanding time to handle the shipment of 35,000 tonnes of aluminium to Rio Tinto.

The main obstacle to the solution was to handle the processing of a huge amount of metal in a short time, but with the cooperation between the IT Business Applications and Infrastructure teams this challenge was overcome by providing a workaround to increase the capacity of the network which was supported by providing extra scanning devices and extending the Wi-Fi zone to cover more areas of the metal yard.

• Lab Information Management Solution (SAP LIMS)

The SAP LIMS solution was designed and developed in-house to cater to the Laboratory requirement of a stable IT system. The Laboratory team was working on a system that was going out of service and required a stable application with a secure database. Renewal of the existing solution would have been at a significant cost to SA. The SAP team supported the Laboratory services and proposed to develop a front-end solution in SAP Fiori application to suit the requirement, besides utilizing the existing SAP database and core processes.

• Success Factors System

Business Applications team has also closely worked with Human Resources to implement a new system that captures the employees' performance. SuccessFactors Performance Management and Goal Management solution (SF PMGM) has been introduced to our business to solve a very critical pain with performance capturing. SF PMGM will enable the company and the employees to have the right platform that captures all the efforts by the employee



and award them with accurate agreed grading scores.

• IT Infrastructure

On the infrastructure side, the Virtual Desktop Infrastructure (VDI) project started in SA with the plan to replace all desktops in the organization. This technology will help in reducing the number of desktops in the organization which will have a positive impact on the environment by reducing E waste when it becomes obsolete. It will also reduce power consumption and heat emission.

Cyber Security

With the huge digitalization which is occupying the world, cyber security has become a trend itself and it touches all information and operations technologies and other industries.



Towards that, SA after reviving the Cyber Security Committee in the organization, has participated in Gulf Aluminium Council cyber security meetings and shared its experience and projects related to this field. In addition, SA will conduct a cyber security assessment for Information and Operational Technology besides the Power Plant systems. This assessment is to be completed by 2019 and a roadmap will be drafted with recommendations.

Business Improvement

"It is not the strongest or the most intelligent who will survive but those who can best manage change." Leon C. Megginson

The GCC region finds itself in the period of economic turbulence. How do Omani businesses continue to evolve in such an unpredictable and challenging economic environment? Sohar Aluminium is finding answer in the proven principles of "Lean Six Sigma".

In 2018, Sohar Aluminium decided to re-energize its Lean Six Sigma Program. Learning from the successes and mistakes made in the past, using gained experience as the most valuable source of information that we can improve upon, a new Business Improvement Deployment Program was developed and launched.

The Central Business Improvement Team was established with a Manager (LSS - Master Black Belt), two experienced Lean Six Sigma Black Belts and one Administrative Assistant.

An assessment of Sohar Aluminium's needs and capabilities was conducted, and a 2-year Business Improvement deployment plan was proposed based on it. The ExCo endorsed the plan and execution started in September 2018. We acquired international, highly recognized Lean Six Sigma curriculum, ISO18404 and ISO18053 certified, to ensure highest levels of knowledge transfer and program effectiveness.

- An LSS awareness session was conducted for ExCo in October.
- All Managers were trained for 4 days on LSS Sponsor's training in October and November.
- The 1st batch of 22 candidates were trained as Green Belts and they all acquired LSS Green Belt Theory Certificate in December.
- A tailor-made Sohar Aluminium Yellow Belt Training has been developed and an interactive e-learning module was launched in two languages, English and Arabic.
- One day, stand-alone Minitab Training has been developed and the 1st group of 17 Reliability Engineers have been trained in December.

The members of the BI Team have started their individual Black Belt projects and 20 Green Belt candidates launched their projects required for full Lean Six Sigma Green Belt certification.

In 2019 we have great ambitions and challenging objectives:

- 40 additional Green Belts to be trained.
- 400 Yellow Belts to be trained.
- 10 Black Belts selected from amongst the most successful Green Belts to be trained. First group of 10 Black belts to be assigned to the departments.
- Launch the pilot on Lean Deployment at workshop floor level in well scoped production areas.

Beside the BI deployment work, the central BI Team has played an important role in the development of the new Sohar Aluminium Strategy. The ExCo Strategy Development workshop was facilitated in August 2018 and consequent Strategy Workshop with the Sohar Aluminium Board of Directors in October. As result of this work, Sohar Aluminium has a new, visionary, comprehensive strategy with significant focus on Innovation and Growth. Sustainability is in the core of Sohar Aluminium's strategic orientation as we envision a future where we will move from being a net CO2 producer and fossil fuel-based energy consumer, to an industry with "photosynthetic" impact on the environment with an alternate energy source and net O2 emission from our production process.

We started an excited journey of Business Improvement deployment, with strong support from ExCo and with high ambitions to involve every single member of Sohar Aluminium in this major cultural change. Reaction to the training and the knowledge and skills required to identify and effectively execute major improvement projects has been excellent. We created a strong base of young, future Lean Six

Sigma practitioners. Now, we are heading towards 2019 with the expectation to continue on this path while we start to see tangible results.

Business Continuity Management

In line with best practices to ensure long-term sustainability, SA implemented Business Continuity Management (BCM) during 2018. BCM is defined as the capability of the organisation to continue delivery of products or services at acceptable predefined levels following a disruptive incident.

The Benefits of an effective Business Continuity Plan are:

- Minimise the effect of a disruption on an organisation;
- Reduce the risk of financial loss;
- Retain company reputation and give employees, customers and suppliers confidence in the organisation;
- Enable the recovery of critical systems within an agreed timeframe;
- Meet legal and statutory obligations.

The framework of the approved documentation for BCM at SA consists of the Policy, BCMS manual, and Business Continuity plan comprising Incident Response, Activity Recovery, and Disaster Recovery Plans.

The various incident scenarios considered for BCM are :

- Loss of access;
- Loss of people;
- Loss of supplies;
- Loss of communication;
- Loss of function;
- Loss of data.



FINANCIAL STRENGTH

FINANCIAL STRENGTH

Strategic Focus

- Retain 1st quartile position in aluminium and power businesses.
- Optimise inventory and working capital with proper risk management.
- Provide strong cost awareness across all levels.
- Fund Capex to maximise return to shareholders and plant sustainability.

2018 Performance Highlights

- Settled and closed the insurance claim in record time.
- Retained an excellent position of raw materials in terms of cost and quality.
- Achieved good results in controllable cost per ton.
- Majority of spending in local procurement.

2019 Commitments

- Continue focusing on cost management and further improvement through automation.
- Review and optimize raw materials inventories.
- Update the raw materials strategy and secure supply.
- Increase local procurement spending.
- Continue supporting any potential downstream business that will create in-country value and employment.



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

Our three major shareholders - Oman Oil Company S.A.O.C., Abu Dhabi National

Energy Company PJSC (TAQA) and Rio Tinto - not only provide the necessary funding to support company operations and capital development, but they also provide incredible support, technology and key commercial arrangements.

Supporting Oman's Economic Development

Sohar Aluminium is considered one of the leading successful projects in diversifying the Omani economy. It differs from most other industries in the Sohar Industrial Estate as it is not petrochemical based, nevertheless it relies on natural gas to generate the necessary power for its smelting operations.

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

It is an integral part of Sohar Aluminium's strategy to maximise local economic development and ICV. We have always centred our efforts in investing and building human capital in Oman. Wherever possible, Sohar Aluminium procures locally and supports small and medium-sized enterprises (SMEs). With a consistent increase in national employment, Sohar Aluminium has been a key driver in creating local employment in Oman and the Al Batinah region. Sohar Aluminium has also had a significant effect on the economic development of the surrounding region by

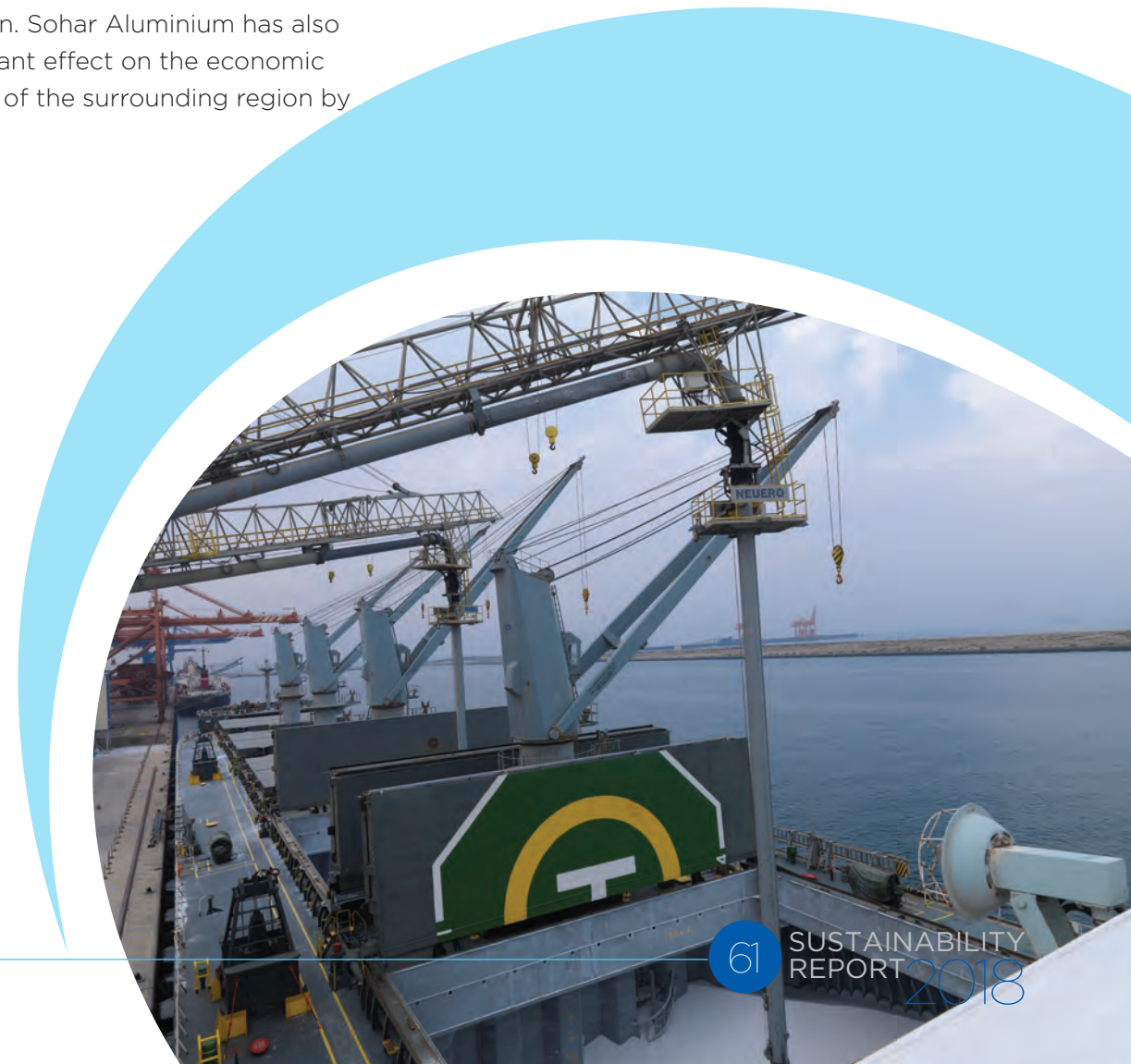
increasing income through its efforts to boost the local suppliers' base and support aluminium downstream factories by supplying molten metal required for their processes.

In 2018, over half of our total suppliers were local. Apart from the materials we must import from abroad, we spend close to 50-60% on local vendors.

Responsible Supplier Management - Doing Business the Right Way

Since its inception, Sohar Aluminium has remained compliant with applicable laws, regulations and international conventions. Sohar Aluminium 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 the requirements. For those who violate the requirements, Sohar Aluminium gives them a notice and if they do not comply, we terminate our contract.

Cost and Productivity Effectiveness Mindset

The aluminium industry is part of a dynamic and ever-changing market, where new challenges are constantly arising. 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 remain one of the best aluminium smelters in the world, we are committed to consistently enhancing and improving our processes to strengthen our results and retain our position in the industry cash cost curve.

Thus, we have come to develop a culture of productivity effectiveness, while always maintaining our quality-driven mindset. During the shutdown in August 2017, Sohar Aluminium departments continued to operate with excellence and resumed full production in a record recovery period. In 2018, Sohar Aluminium was considered one of the best smelters in the world in terms of cost of production. Our cost management approach focuses on consistently communicating to all Sohar Aluminium employees the importance of cost awareness, the economics of our business, and the impact each individual 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

and/or cash are implemented and tracked – many of these ideas come directly from 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 result, we apply basic lean manufacturing principles to our operations. This process creates more value for customers 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.



In 2018, more care was given to Value Creation initiatives. The focus was on restructuring the Business Improvement Department to strengthen the process and drive initiatives across the organisation. Further, we have achieved higher value creation in 2018 and targeting to continue capturing the opportunities through improving the process, green belts and black belts projects with proper training and recognition.

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. In 2018, a green belt project initiated with the aim to improve the inventory level.

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.

Enterprise Risk Management

An Enterprise Risk Management (ERM) section was established at Sohar Aluminium in the beginning of 2018, and since then it has managed to establish the main fundamentals for risk management. This includes an approved ERM Framework, improved risk aware culture through ERM workshop/training, comprehensive risk identification and consequent risk assessment including risk mitigation action plans, and risk reporting.



CORPORATE
CITIZENSHIP



CORPORATE CITIZENSHIP

Strategic Focus

- Maximise positive impact in community services.
- To be recognised as an asset by surrounding communities.
- Support & encourage employee community volunteering.
- Committed to support downstream job creation.

2018 Performance Highlights

- Hosted the Gulf Aluminium Dinner and two other international conferences.
- Inaugurated the Oman Association for the Disabled Building in Sohar.
- Organized 7 community engagement events.
- Received the GAC community award.
- Completed 1164 man-hours of volunteering.
- Supported and sponsored 30 local initiatives.

2019 Commitments

- Celebrate SA's 10th Anniversary with key stakeholders.
- Conduct volunteering campaigns exceeding past records in volunteering manhours.



Sohar Aluminium's corporate citizenship has been creating value for the company by caring for the well-being of all stakeholders, including the environment. Through our efforts to engage with the local community, we have developed strong ties and support networks in Oman and, in particular, the Al Batinah region. It is our mission to bring wealth, prosperity and growth to the Al Batinah region and to continue to pursue sustainable business operations.

Management Approach

We are proud to have a deep-rooted and applauded 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 and promoting the growth of SMEs in Oman.

Right from the early years of its inception, Sohar Aluminium has concentrated its efforts towards fostering all-round development within the country. The company has always focused on serving Oman with national pride, which is a defining feature of all its endeavours. 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 company.

SA identifies issues of concern within the community in collaboration with leaders from the community and SA's various committees. SA also regularly engages with the community through direct and interactive communication and engagement events to share its values of health, safety and environmental protection.

Sohar Aluminium (SA) has been awarded the Gulf Aluminium Council Community Award for the 2nd time in a row since it was introduced in 2017. The award was received by Sohar Aluminium Chief Executive Officer, Engineer Said AL Masoudi at the annual Gulf Aluminium Dinner which was held in Abu Dhabi on 20 March 2019 for its community services throughout the year 2018.

SA is a company rooted in community involvement; a good corporate entity and a great place to work. It continues to evolve while focused on its responsibility towards the community.

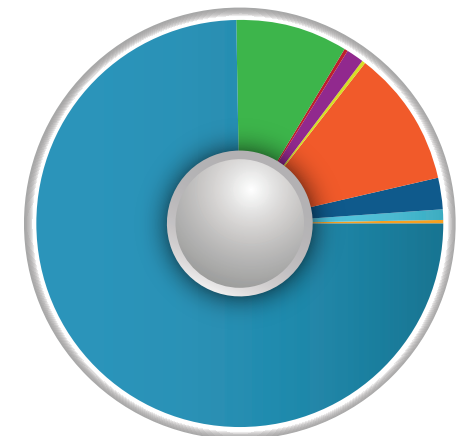


Corporate Citizenship Strategy Focus Areas:

-  Strengthening the Strategic Location of the Sultanate
-  Community Engagement
-  Volunteering Program
-  Sponsorships
-  Academic Cooperation
-  Transparency and Community Reach
-  Sustainable Projects
-  Jusoor

Please reference the chart below to view our budget allocation of community investment to our flagship initiatives in 2018.

Jusoor	74.79%
Sponsorships	10.79%
Sustainable Projects	9.00%
Donations	2.36%
Social Contributions	1.44%
Community Engagements	0.96%
EHS Initiatives	0.33%
Education	0.21%
Student Visits	0.12%





Strengthening the Strategic Location of the Sultanate

Through international initiatives, Sohar Aluminium seeks to set 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. These 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.

Gulf Aluminium Dinner

Sohar Aluminium hosted the Gulf Aluminium Council's (GAC) eighth annual dinner in Muscat. The event brought together around 250 regional and global aluminium Industry leaders, technology providers, power generation manufacturers and traders to celebrate their successful partnerships and reinforce the Gulf's strong position in the global metals market.

SA Chairman gave the welcome speech where he thanked the Shareholders, Board of Directors, Employees, Vendors, and Partners of choice for their commitment and unwavering dedication to the company's vision, operational and corporate stewardship goals. SA also organised tours and networking opportunities for the guests and gifted them souvenirs from Oman.

International Forum for Technical Knowledge Sharing

SA hosted Fives Group "Back2School" Training Programme in October. More than 100 people from 15 countries attended this five-day programme which is dedicated to improving the technical and process knowledge of smelters' operational and maintenance teams. The participants were invited to visit Sohar Aluminium site and have practical sessions at the smelter. The participants were also invited to a Gala Dinner that was hosted by Sohar Aluminium and presided by its CEO and Fives Aluminium Division CEO. During the event, the guests enjoyed an evening filled with Omani traditional arts and food.

GCC Potline Failure Seminar

On 18 October 2018, the Gulf Aluminium Council organized a seminar in Oman to share the knowledge and practical applications of potline failures which occurred in all the GCC smelters. Presenters from Emirates Global Aluminium (EGA), Aluminium Bahrain (Alba), Saudi Arabian Mining Company (Ma'aden) and Sohar Aluminium toured all 4 countries to share the learnings of potline shutdowns and restoration. These incidents played a crucial role in our learning to improve at every level of how we operate. It is our right, to be proud and celebrate the recoveries, but more importantly, to benefit and learn from the mistakes.

Arab Aluminium International Conference (ARABAL)

Sohar Aluminium participated in the ARABAL conference as a strategic partner. In 2018 ARABAL was held in Kuwait in November under the theme of "Honouring the past; Embracing the future".



Community Engagement

Sohar Aluminium seeks to fund new ways to achieve greater impact and promote sustainable development through continuous engagement with the society. Through these initiatives, the Company focuses on engaging its employees in various activities that aim at enriching a culture of a safe and healthy lifestyle and spreading its knowledge and good practices among the local community.

SA Recognizes Public and Private Entities and Community Dignitaries

In recognition of their support during the Potline Recovery and the successes in previous years, Sohar Aluminium held an event to recognize public and private entities as well as dignitaries from the local communities. The event that was held under the auspices of His Excellency, Sheikh Muhana bin Saif Al Lamki, Governor of North Al Batinah, was attended by top officials from the governorate, representatives of some companies and Sohar Aluminium's Management.

"Because We Care" Community Engagement Events

Fully recognizing its duties and obligations as a corporate citizen and with a genuine desire to give back to the community where we operate, community engagement is a key pillar of this framework and we look forward to the relationships it will foster, and to its impact on the well-being of the community as it promotes awareness of vital health, safety and environmental issues. In 2018 Sohar Aluminium held six (6) community events under the name of "Because We Care". During these events SA celebrates with the community national holidays and special occasions in a

fun-filled and educational agenda that communicates socially responsible messages and create awareness on important topics such as heat stress management, hazards at home, safe driving, and environmental stewardship by representatives from our workforce.

In all aspects of our operations, we prioritise the safety and good health of our employees, and the integrity of the environment. "Because We Care" allows us to share our company's values and our knowledge with members of the surrounding community towards a safer and healthier environment. These family-oriented community engagement events which started in 2014, are held 6 times every year in high footfall locations in Sohar and see the attendance of around 500 people with their children.

Contractor Ethical Standing

Sohar Aluminium ensures ethical practices and social responsibility compliance of our contractors and major suppliers. Our EHS and Supply Chain teams visit contractors' accommodation and check their living conditions on a regular basis. SA ceases business with uncompliant contractors.

Heat Stress Management Campaign Extended to the Whole of the Sultanate

Sohar Aluminium broadcasted awareness



messages through the local Radio channels both in Arabic and English about heat stress management. This initiative, supported by the Ministry of Health, consisted of giving general Heat Stress advice to the general public on a daily basis with the intention to contribute in reducing heat illnesses during summer season across the Sultanate. The campaign reached 1 million listeners throughout the Sultanate.

Going a step further, SA's Communications and Corporate Social Responsibility teams organised visits to local schools in Al Batinah to share their knowledge about Heat Management with the young students. SA believes that educating young children will help influence the wider community to stay safe and enhance the culture of healthy behaviour and attitudes.

Sohar Aluminium Volunteering Programme

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

The Sohar Aluminium Volunteering programme aims to promote the organisation's "Zero Harm" mindset in the local community -- part of its good corporate citizenship role -- and to protect the environment.

Employees who are interested in volunteering are continually influencing and shaping the programme to maximise its benefits and serve the society at large. Launched in 2014, this program is now recognised as one of the most active and outstanding community service programmes in the region.

The success of this program is driven by the employees who come up with ideas for causes that they feel strongly about, and support communities through their areas of expertise. This program is seeing excellent involvement from various departments across the plant and it shows continued growth year on year.

In 2018 the landmark program saw 138 of its employees set a new record by completing 1,164 man-hours of community volunteering receiving major acclaim from the community at large. Through these initiatives, Sohar Aluminium volunteers successfully reached out to more than a million people across the Sultanate.

Some of the salient Volunteering activities carried out by our employees are:

Installing Solar Lights in Shinas Park

The Port department fixed five new solar lights in Shinas children's park. The initiative also included fixing green nets for five shades, re-painting of swings and fixing five new chairs. A lot of hard works was done by the team who besides the repair works also did some general housekeeping in the park.

Making Environment and Safety Improvement in a Local School

The SA Port team planted 60 different types of trees while also painting the entrance of the school shade and distributing some garbage baskets. The project is hoped to provide a cool area

Sohar Aluminium was recognized and honoured by H.E. Sheikh Khalifa bin Hilal Al Alawi the Wali of Shinas during a public ceremony. The Wali thanked SA for their many community service programs and their continuous support and efforts towards the Wilayat and its people.



through the plantation works and give a beautiful look to the entrance of the school while increasing awareness of good housekeeping among the students in the school.

Installing Air Fans in a School at Majees

The Central Maintenance Department installed mist air fans in the shaded assembly areas of schools located in Majees. These fans are hoped to help the students to attend the assembly in a comfortable environment and provide a cool playground place during recession periods especially during high temperature times.

Basma Campaign

The Basma Campaign, name translates in English to "Smile", is an initiative by Sohar Aluminium to bring a smile on the faces of those admitted to the Sohar Hospital during the Eid al-Fitr period. In 2018, Sohar Aluminium volunteers distributed gifts to 300 patients, including children and adults, from various units of the Sohar Hospital.

Ramadan Charity Drive

Every year, Sohar Aluminium hosts a Ramadan Charity Campaign that collects donations to assist low-income families in purchasing coupons from local grocery shops. Donation boxes are located in the reception area and in the departments in the smelter, the power plant and the port.

In 2018, our Ramadan Charity Drive supported 270 families, covering remote villages around Shinas, Liwa, Sohar and Saham.

Sponsorships

Sohar Aluminium sponsored many national initiatives throughout 2018 as part of its good corporate citizen role. These sponsorships reinforce our commitment to society and the company's role in maximizing the positive impact of local initiatives. Some of these sponsorships are highlighted below:

- Al Noor Association for the Blind Asian Meeting.
- Al Suwaiq Club.
- The 5th International Sculptors' Camp in Sohar.
- Oman Open Golf Tournament.
- Ministry of Education Sohar and Hawa'a Schools Awareness Gathering on Climate Change and Sustainable Development.
- His Majesty's Cup organised by the Oman Football Association.
- The World's and Arab Water Days 2018 organised by D.G. Regional Municipalities and Water Resources North of Al Batinah.
- MENATOX Activities in Oman organised by the Ministry of Health.
- A fundraising event for the Environment Society of Oman.
- The Sohar Tennis Tournament.
- Sohar Sports Club participation in His Majesty's Sultan Qaboos Football Cup.
- Oman Down Syndrome Association in Sohar.
- The Communicable Disease Conference organised by Sohar Hospital.
- The Annual International Evening at ABIS.
- Bahjat Al Anwar for Elementary School.
- Shinas Health Centre events.
- Majlis set-up in Ibri.



- Liwa Horse Racing event.
- The General Federation of Oman Trade Union Labour Day event.
- The Celebration of Best Secondary Student Award organised by Sohar Shura Member.
- Public gathering in Fizh organized by Wali Liwa office.
- The annual Camel Racing tournament organised by Wali Sohar Office.
- The public forum for Oman Vision 2040 Conference organised by the Supreme Council for Planning.
- The 4th traditional gathering in North Batinah organised by Ministry of Heritage and Culture.
- Diwali Celebrations organised by the South Asian community in Sohar.
- North Al Sharqiya Tourism Gathering organised by Oman Chamber of Commerce and Industry.
- The 48th National Day Celebration organised by Wilayat of Liwa.
- Oman Sustainability Conference organised by Oman Centre for Governance and Sustainability.
- The 48th National Day Celebration organised by Wali Shinas.
- Open Day for employees of fellowship fund organised by Ministry of Commerce and Industry.

The schools and colleges were appreciative of SA's willingness to receive students for these educational tours which further enhances their learning experience. These visits promote SA as the Employer of Choice, help enrich the students' knowledge and give insight about the process of manufacturing primary aluminium metal.

Health Educational Channel at SQUH

The health educational channel aims to provide educational information and community awareness in medical field as well as highlighting the latest modern services in the medical field. The channel also will collaborate with Oman TV for an official health awareness program in future as well as will be published on SQU Hospital You Tube channel which will have Opportunity to reach out to a wider audience.

Hands and Fingers Awareness with Al Batinah International School Students

In October, Al Batinah International School students were invited to SA to learn about hand and fingers injury safety procedures. The students then made a commitment with SA management to always care for their hands and fingers in everything they do.



Academic Cooperation

Sohar Aluminium seeks to build ties and synergies with academic institutions for the development of local talents to lead the future. The company believes that long-term positive change begins with quality education. With this in mind, we are committed to contributing to the 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.

Students from Around Oman Seek to Visit Sohar Aluminium

Sohar Aluminium (SA) received more than 200 students from various colleges and universities in Oman part of their educational tour about the major industries.



Welding & Fabrication Training Program

A one-year program targeted at Secondary school graduates from surrounding communities. Twenty young trainees joined the program at SA Training centre where they will undergo comprehensive courses in several fields such as welding and fabrication, safety, Math and English. This program is part of SA's efforts to provide training opportunities to member of the surrounding communities and qualify them to join the job market.

Sign Language Project

The Sign Language Project aims to increase the rate of people speaking sign language within the community. To increase the rate of people speaking sign language, training will be conducted for 40 individuals with the help of Oman Association for Disabled.

Al Batinah International School (ABIS)

ABIS is a very special place to learn.

Through the guidance of our world-class teachers, we strive to meet the needs of each and every student in our care and support them in becoming independent and lifelong learners.

By providing quality International Baccalaureate (IB) education as well as an interdisciplinary, authentic and interactive

learning environment, we have fostered a culture of independence, enlightenment and motivation. Through our academically rigorous and balanced curriculum, we provide our students with the necessary skills to help them succeed in college and in a professional business environment.

ABIS inaugurated its new facilities under the auspices of H.E. Sheikh Mohammed bin Marhoon Al Maamari, State Counsellor, Their Excellencies representatives of the State Council, and community leaders. ABIS believes in holistic development of our students in line with the IB Learner Profile. We seek to develop not only academically able but also ethically and morally sound, technologically capable, caring and internationally minded individuals. Our mission at ABIS is to recognize and motivate students to achieve their potential and empower them to be life-long learners.

ABIS was proudly established by Sohar Aluminium and is now conjointly supported by Orpic. The school offers world class programs to both expatriate and Omani students from K1 to Grade 12, with a campus designed using the latest research to create an environment focused around



students and their learning. It includes top quality sports facilities, innovative Learning Communities, purpose build play areas and a farm that links our Omani heritage.

This joint venture project has paved 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 high quality international education that ABIS is known for. The Global Section increased the emphasis on English, Arabic and Islamic studies with the aim of helping children grow into Oman's leaders of tomorrow. For more information about the school, visit: www.abisoman.com



Sohar Aluminium believes in transparency, accuracy and the availability of reliable self-reported information on various issues related to its operations.

Sohar Aluminium Sustainability Report

The SA Sustainability Report for the year 2017 has been audited and certified by the Global Reporting Initiative (GRI), an internationally recognized independent organization that has pioneered sustainability reporting and offers a transparent review that documents the company's progressive approach in applying best practices in its operational model. The report provides a detailed overview of the company's economic, environmental and social contributions and performance.

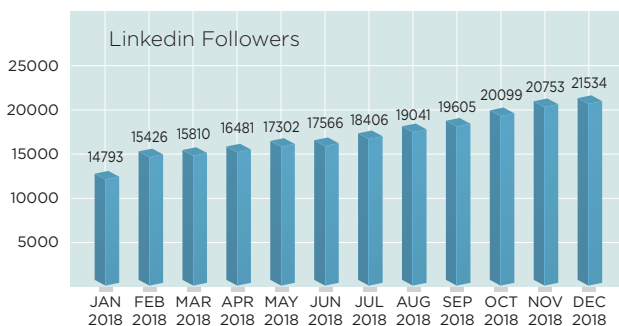
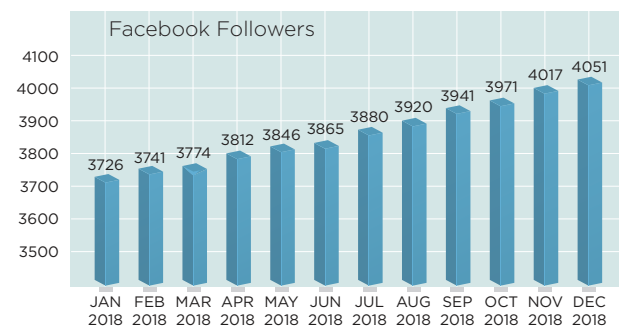
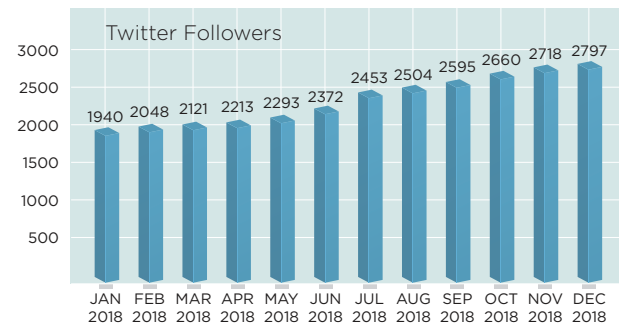
1st Sustainability Conference

SA participated in the 1st Sustainability Conference organized by Oman's Centre for Governance and Sustainability under the auspices of His Excellency Dr. Yahya bin Mahdoudh Al Munthari, the Chairman of the State Council. SA was recognized as one of the top companies in Oman that has always published its Sustainability Reports since

2009 at the highest levels of transparency and good governance.

Sohar Aluminium Social Media Platforms

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 2018: Facebook (10.7%), Twitter (50.2%) and LinkedIn (53.3%).



Online Platforms

The contacts page has been revisited on SA website to include details of the recruitment, procurement, marketing teams as well as the Hotline details. This will facilitate communication with SA and will provide visitors with a pleasant experience and ease of functionality. Visitors can now quickly find the required information and communicate easily with the right party. The page is also linked to our active corporate social media accounts like Twitter, Facebook, and LinkedIn to give visitors a way to engage with our business. Communications department also worked with Supply Chain Management and IT department to optimize the usage of Tender Announcements thereby publishing on SA Website. A full description of the tender will be featured along with a link to the Vendors Registration Page.

Building Media Relationship

The Communications team met with all major publishing houses in Oman and Chief Editors to maintain good media relations. Letters were handed out with our Contact details assuring 24/7 availability to validate any information related to Sohar Aluminium and ensuring full transparency. The media complemented this genuine approach that supports the journalism integrity.



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

Corporate Social Responsibility Policy

We have a well-established corporate social responsibility (CSR) framework. 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, 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 commitment 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 2018, our total community investment was USD 2 million.

The Oman Association for the Disabled's (OAD) new Sohar Centre

Sohar Aluminium inaugurated Building for Oman Association for the Disabled (OAD) new Sohar Centre funded by Sohar Aluminium was officially inaugurated by H.E. Ahmed bin Abdullah Al Shuhi, Minister of Regional Municipalities and Water Resources. The new building will enable and empower the disabled community to lead healthy and enriched lives in a stimulating, caring and nurturing environment. More than 350 people with disabilities along with their families will benefit from the centre. It is equipped with state-of-the-art facilities to help them overcome intellectual and developmental challenges, become active members of society and improve their quality of life

Prosthetic and Orthotic Services Centre at Khoula Hospital

The construction phase of the 780 m2 Prosthetic and Orthotic Services Centre at Khoula Hospital commenced in 2018. The new centre was initiated by Sohar Aluminium and is jointly funded by Salah Methanol Company (SMC) and Oman India Fertiliser Company (OMIFCO). This OMR 155,000 centre will utilise the industry's latest medical technology and will serve more than 7,000 patients annually. The construction phase is scheduled to be completed in early 2020. This state-of-the-art centre will enable Khoula

Hospital to expand its services giving additional space for clinics, staff and modifications workshops. The center will also include comprehensive assessments for additional patients as well as designing, manufacturing and fitting of artificial limbs for health patients across the Sultanate. It will help in facilitating and mitigating the challenges faced by the staff to provide more accurate and rapid service.

SA Funds Medical Device for Shinas Polyclinic

Sohar Aluminium funded the purchase of a Troponin Cardiac Reader Machine for Shinas Polyclinic. This initiative considers the increasing number of Cardiac Arrest patients in the area. The lack of this machine that can help in diagnosing these cases in the surrounding communities leads to delay in discovering the symptoms and then providing the cure and ultimately leads to chronic complications among the patients.

This project is also hoped to contribute to reducing the number of transfers to Sohar Hospital that is 60 kilometers away from Shinas and will consequently reduce the expenses of transportation to Sohar Hospital for the patients and provide quick and excellent service for urgent cases. The initiative will also serve all health centres in Shinas and Liwa that will be using the Lab in Shinas Polyclinic.

Sohar Hospital Donations

SA donated 9 Oxygen Concentrators to Sohar Hospital. These devices help patients who require long term oxygen therapy.

Falaj Al Gell Maintenance

The project is to maintain Falaj Al Gell is located in Wadi Al Jizzi. The falaj length is about 1,530 meters and it irrigates 7,000 palm trees in addition to other plants. Recently the water flow in the Falaj has decreased and this has affected the irrigation system that the people were using.



Jusoor is a collaborative CSR organisation established jointly by Sohar Aluminium, Vale and Orpic to touch the needs of the people and address common social development opportunities in Oman, particularly in the Al Batinah region.

Rehabilitation Centre

Jusoor is committed to supporting health programs in the community, and the project to establish a Drugs Rehabilitation Centre for drug addiction and psychotropic substances in Sohar was the most important aspect of this commitment. Through it, Jusoor bridged the health services provided by the Ministry of Health with the support of the private sector. This cooperation resulted in achieving one of the most important objectives of the service institution with a sustainable cultural character.

Beneficiaries - Drug addiction and psychotropic substances people in Oman
Status - In progress and will be handed over to the Ministry of Health in 2019.
Investment amount - 1,611,000 OMR

Al Wafa Centre for Handicapped Children

Support of Jusoor for social welfare projects continues through the funding of the rehabilitation centre for handicapped children project in Liwa, which includes a cadre providing educational, cultural and mental programs to provide care and psychological and physical rehabilitation to persons with disabilities. Thus, Jusoor continues its support for the special needs group and its contribution to health services provided to them with the efforts of the Ministry of Social Development. It is designed to include all the necessary facilities for rehabilitation.

Beneficiaries - Handicapped people in Liwa
Status - Project Completed and handed over.
Investment amount - 250,000 OMR

Autism Centre

Jusoor was the first to contribute to the establishment of a specialized Autism Centre, which is the first of its kind in the Sultanate to care for children with autism disorders, offering them therapeutic services in an innovative educational, cultural and mental methods. Jusoor and the Ministry of Social Development work together to provide a healthy environment for patients with autism disorder in the Sultanate.

Beneficiaries - Autistics disorder people in Oman
Status - In progress. Construction work is completed and interior work in progress.
Investment amount - 350,000 OMR

Public Majlises

Jusoor believes in the importance of joining forces with all members of the community and ensuring the preservation of Oman's heritage and culture by contributing to the support of public Majlises, which in the past and present represent an effective and important platform for people where they participate in various social and cultural events. Jusoor has adopted an annual support program as partial funding to support the establishment of public Majlises in the various Wilayats of the North Al Batinah Governorate.

Beneficiaries - Local communities
Status - 13 public majlises completed
Investment amount - 65,000 OMR

Investment buildings, Majees Sport Club and Al Khaboura Sport Club

In its support to the sports sector, Jusoor is based on an integrated strategy to provide the sector with infrastructure and resources

and develop individual competencies through several integrated programs. Two of these projects are supporting the funding of Majees Club investment building and Al Khabourah Sport club Investment building. This is in order to provide these clubs with financial resources to enable the clubs to manage their various sports and cultural activities, which contribute to the development of the young Omani and the sports competencies that the club has.

Beneficiaries - Majees sport club community
Status - In progress
Investment amount - 200,000 OMR

Beneficiaries - Al Khaboura sport club community
Status - In progress
Investment amount - 175,000 OMR

Grassroots Development Centre - ASHBAL

The project aims to help children develop their physical skills, get exercise, make friends, learn to play as a member of a team, learn to play fair, and improve self-esteem. It also prepares each student to be able to participate fully in competitive and entertaining opportunities outside the school environment. Moreover, to ensure that every child can maximize sporting potential and find a sport that can enjoy and participate in success journey.





CUSTOMERS

CUSTOMERS

Strategic Focus

- Meet the highest customer expectations in product quality & supply reliability, while maximising shareholder value.
- Constantly look at new sources of revenue.

2018 Performance Highlights

- Good customer satisfaction survey results.
- Signed agreement with new downstream customer which allow to us to reach our target of 60% of our product to be delivered locally to downstream customers.
- Tender process made available online on website.

2019 Commitments

- Deliver more than 200,00 tonnes of aluminium to downstream customers.

Management Approach

Sohar Aluminium firmly believes that building strong and long-lasting relationships is essential to providing an excellent customer experience and fulfilling the needs of each customer in a successful and sustainable way. As we have continued to grow and become a leader in the global aluminium industry, we are coming to fully realise the extent to which our business is contributing to economic development – locally, regionally and internationally – through revenue generation, shareholder returns and the provision of aluminium.

We have significantly contributed 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.

We have a passion for excellence, and we strive to continue to meet customer expectations while maximising shareholder 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 maximise the value of our products and put our business in a better position to continue to be the partner of choice, a leader in our markets and a creator of significant value for our customers and business partners.

Our Customers

We believe in building long-term supply relationships with our customers, and for that reason, we strive to ensure our 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

In order to ensure we are meeting the expectations of our customers and continue to deliver excellent customer experience; we disseminate an annual satisfaction survey to our customers. This survey, conducted two times a year, serves as one of the many direct communication channels for our customers to address any concerns or inquiries with us.

The favourable results of these surveys clearly attest to our excellent partnership driven mindset, which can be seen even 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 and resolve areas of weaknesses.

New Downstream Customer

A significant milestone in 2018 was SA's partnership with Synergies Castings LLC, the leading manufacturer of aluminium alloy wheels in India. The agreement signed means that SA will be supplying more than 24,000 tonnes of aluminium per year to Synergies Castings LLC to produce high-end aluminium alloy wheels for vehicles, in the Sultanate of Oman. The wheels produced will then be supplied directly to automobile manufacturers around the world.

The USD 100 Million hi-tech alloy wheel manufacturing plant is expected to be completed by 2020 and will be in the Sohar Industrial Estate adjacent to Sohar Aluminium. Once operational, the plant will contribute to Oman's economic growth and create new sources of employment for high skilled talent, producing around two and a half million wheels annually with an estimated 500 direct jobs created.

With this agreement in place, SA will meet its goal of supplying 60% of hot metal production to downstream partners.

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.

Local Procurement

Sohar Aluminium is committed to developing partnerships with local Omani suppliers as a means of improving our supply chain and contributing to local economic development. Although several products, such as machinery, primary raw material and alumina, is 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 time. 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.

Vendor Symposium

More than 190 local companies and Small and Medium Enterprises (SMEs) attended Sohar Aluminium's two sessions of the 'Vendor Symposium' in Sohar and Muscat. In line with the company's strategy to boost its In-Country Value (ICV) contributions, the two-day event outlined upcoming projects, business opportunities for 2018, tendering procedures and EHS practices.

The Symposium was designed to engage businesses across Oman to learn about Sohar Aluminium's procurement process and the wide variety of partnership opportunities available. These include supply of machinery spare parts and tools, safety consumables, general hardware items, electrical parts, manpower, consultancy requirements, and hiring of vehicles to name but a few.

Local economic development and ICV creation are central aspects of the company's economic focus. Over the years, it has dedicated its resources to significantly contribute to the economy and as a result, Sohar Aluminium's impact today transcends the job market to include sustainable social development and the national gross domestic product.

Contractor Management

Contractors continue to be a key stakeholder at Sohar Aluminium as they provide the technical and maintenance services, we need to meet the requirements

of our plant assets and manpower demand. 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 Environment, Health and Safety performance and mandated to abide by Sohar Aluminium's rigorous safety standards.

Contractor Working Conditions

Sohar Aluminium is committed to respecting 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's standards.

Contractor Safety

Safety induction trainings are provided for all contractors and service providers as part of Sohar Aluminium's uncompromising commitment to safety. While on-site, the contractor workforce is considered a part of Sohar Aluminium's resources, and as such, their successful engagement is measured as one of our key performance indicators.



Quality and Reliability

Sohar Aluminium is committed to delivering comprehensive, quality-based management for successful customer relationships and product sales. In order to maintain product quality and reliability, Sohar Aluminium has 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. In 2018, Sohar Aluminium updated its Quality policy to be in line with the ISO 9001:2015 version.

Quality Policy

Our vision at Sohar Aluminium is "Passion for Excellence, Be the Best". This is deeply rooted in the way we drive our business strategy through every business pillar.

Sohar Aluminium's Quality Management System (QMS) is embedded into our core values and business pillars, and forms an integral part of our journey towards excellence.

One of the core business pillars of Sohar Aluminium's business strategy is customers as without them we cannot sustain our business.

In our QMS, a measure of excellence is to consistently "meet the highest customer expectations in product quality and supply reliability, whilst maximizing the shareholder value".

ISO 9001:2015 specifies requirements for a QMS when an organization:

- Needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and
- Aims to enhance customer satisfaction through the effective application of the QMS, including processes for improvement of the QMS and the assurance of conformity to customer and applicable statutory and regulatory requirements.

At Sohar Aluminium we are proud to commit to these standards and to meet the highest customer expectations by:

- Creating a "high definition" picture of the customer and their needs.
- Delivering products that consistently meet our customer's quality specifications.
- Ensuring supply reliability and quick response to customer inquiries.
- Creating a unique customer experience and maintaining the highest level in customer service.
- Continuously improve business synergies to add value to our customer's experience thereby contributing to our mutual success.

Said Mohammed Al Masoudi
CEO
14 March 2018



APPENDICES

APPENDICES

Appendix A – Acronyms

ABIS	Al Batinah International School	MW	Megawatt
AI	Aluminium	LSS	Lean Six Sigma
ALPSYS	Aluminium Pot Control System	OEM	Original Equipment Manufacturers
ARABAL	Arab International Aluminium Conference	OH	Occupational Health
BI	Business Improvement	OMIFCO	Oman India Fertiliser Company
BCM	Business Continuity Management	OMR	Omani Rials
BRC	Business Review Committee	OOC	Oman Oil Company
CEO	Chief Executive Officer	PAH	Polycyclic Aromatic Hydrocarbons
CFO	Chief Finance Officer	PFC	Perfluorocarbons
CO2	Carbon Dioxide	PLC	Programmable Logic Control
COO	Chief Operations (or Operating) Officer	PSTA	Pre-Start Task Analysis
CRM	Critical Risk Management	PTA	Pot Tending Assembly
CSR	Corporate Social Responsibility	RT	Rio Tinto
EHS	Environment, Health and Safety	ROP	Royal Oman Police
ExCo	Executive Committee	SA	Sohar Aluminium
FinCo	Finance Audit and Risk Committee	SAMY	Sohar Aluminium Metal Yard
FTAC	Factory Talk Asset Centre	SAPP	Sohar Aluminium Power Plant
GAC	Gulf Aluminium Council	SMC	Salalah Methanol Company
GCC	Gulf Cooperative Council	SME	Small and Medium-Sized Enterprise
GDP	Gross Domestic Product	SOP	Standard Operating Procedures
GFOTU	General Federation of Oman Trade Unions	SPL	Spent Pot Lining
GJ	Giga Joules	SQUH	Sultan Qaboos University Hospital
GRI	Global Reporting Initiative	t	Tonnes
GTC	Gas Treatment Centre	TAQA	Abu Dhabi National Energy Company
GCS	Gas Cooling System	TOE	Talent and Organisation Effectiveness
HB	Hydrocarbon-Fluoride	USD	United States Dollars
HRA	Human Resources Administration	VDI	Virtual Desktop Infrastructure
HRC	Human Resources Committee	WPP	Work Performance Plan
HRD	Human Resource Development	WPR	Work Performance Review
ICV	In-Country Value		
IB	International Baccalaureate		
IDP	Individual Development Plan		
IT	Information Technology		
Kg	Kilograms		
KPI	Key Performance Indicator		
MECA	Ministry of Environment and Climate Affairs		
MESAL	Manufacturing Execution System for Aluminium		
MENA	Middle East and North Africa		
MFT	Multi-Function Technicians		
MOMP	Ministry of Manpower		
MT	Metric Tonnes		

Appendix B – Report Scope and Boundaries

Aspect Boundaries

This report covers Sohar Aluminium's operations in 2018 as an independent entity operating only in the Sultanate of Oman with headquarters in Sohar, located in the Al Batinah region. Sohar Aluminium does not control or have significant influence over the financial or operational policies of other entities, nor does Sohar Aluminium own any subsidiaries. SA is engaged in joint ventures, ABIS LLC and Jusoor. The scope of this report was prepared in accordance with the four GRI principles: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness.

Materiality Process

Our Materiality Process required the following four steps: 1). Identification of material issues; 2). Categorising the issues specific to the 6 pillars of Sohar Aluminium's Business Strategy; 3). Prioritising issues to create a matrix; 4). Executive Committee review and approval.

Reporting Cycle

This report covers the year 2018.

Stakeholder Inclusiveness

At Sohar Aluminium, stakeholder engagement is a crucial component of our operations and development plans. Therefore, ensuring we maintain consistent and systematic dialogues with our stakeholders is a crucial component of our company assessments and strategies for future development. "Our operations affect many different stakeholders, ranging from our employees, social partners, investors and suppliers" to the government, media and neighbouring communities mainly in the Al Batinah region.

Balance

The content of the report is presented in a way that allows a balanced view of the company's economic, social, and environmental performance.

Comparability

Comparisons are made throughout the report against the 2017 report.

Completeness

To ensure the completeness of this report, we took into consideration issues that are relevant to Sohar Aluminium's upstream and downstream entities. By engaging our stakeholders and identifying relevant material topics, we ensured that this report covered all significant information, maintaining the utmost transparency of our operations.

Data Measurement Techniques

To the best of Sohar Aluminium's knowledge, all the information within this report is accurate and represents the best data available to the organisation and its stakeholders.

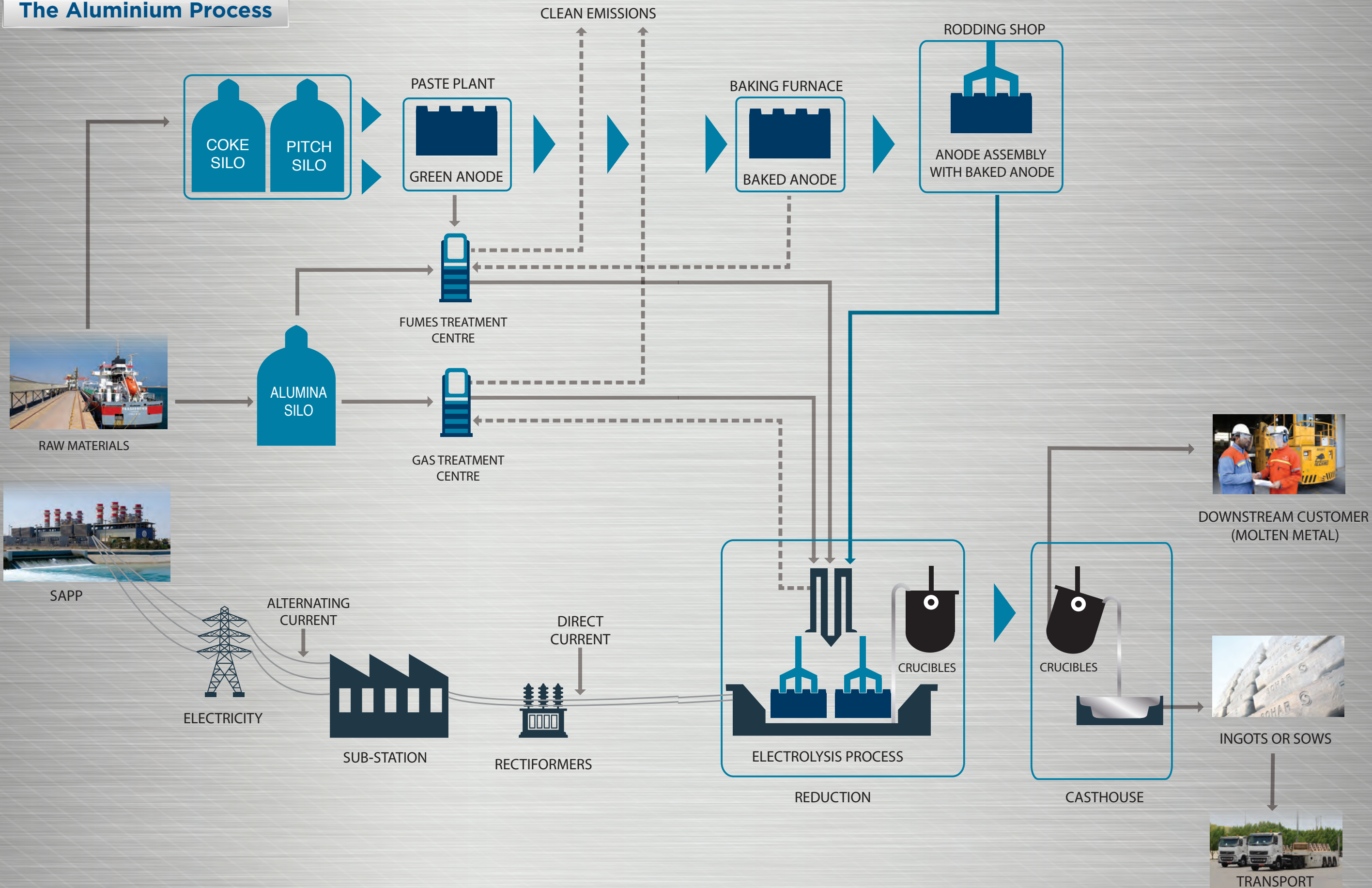
Significant Changes

No significant change to scope, boundary or measurement methods.

Assurance

The report has not been externally audited or assured.

The Aluminium Process



Appendix C – Stakeholder Engagement

Stakeholder Group	Stakeholder Priorities	Sohar Aluminium Priorities	How Sohar Aluminium Addresses Stakeholder Priorities
Internal Stakeholders			
All employees and their families (full-time and equivalents), the Sohar Aluminium Trade Union and Contractors	<ul style="list-style-type: none"> • Remuneration and benefits • Working conditions and personal safety • Personal development and professional advancement • Company workplace and culture • Contribution to community 	<ul style="list-style-type: none"> • Safe and productive workplace • Remaining an employer of choice in Oman • Developing talent and long-term employment • Healthy and happy workforce • Engaged workforce 	<ul style="list-style-type: none"> • Competitive benefits • Workforce performance plans • Leadership and training programmes • Medical clinic and health promotion events • Employee and community engagement programmes
Shareholders and Lenders			
Oman Oil Company, Abu Dhabi National Energy Company PJSC - TAQA and Rio Tinto; consortium of international lending banks	<ul style="list-style-type: none"> • Reliable and safe operation • Financial performance • Security of investment and debt repayments • Cost control and lean production 	<ul style="list-style-type: none"> • Transparency, integrity and accountability • Effective cost management • Operational efficiency and reliability 	<ul style="list-style-type: none"> • Company mission, vision and Business Strategy • Code of Conduct and governance practices outlined in shareholders' agreement • Meetings of the Committees of the Board
External Stakeholders			
Oman Oil Company, Abu Dhabi National Energy Company PJSC (TAQA) and Rio Tinto; consortium of international lending banks	<ul style="list-style-type: none"> • Corporate governance • Contribution to regional and national development objectives 	<ul style="list-style-type: none"> • Leadership in downstream industrial development of aluminium sector • Anti-corruption and strong governance • Effective risk management 	<ul style="list-style-type: none"> • Internal and external audits of performance and practices • Annual sustainability and shareholders' reporting
Government			
The Governor's Office of North Al Batinah, Wali Offices of Sohar, Liwa, Shinas and Saham, Shura Council, the Ministries of Manpower, Health, Oil and Gas, Commerce & Industry, Finance, Environment and Climate Affairs, Social Development, Municipalities of Sohar and Liwa, Royal Oman Police, Telecom Regulatory Authority and the General Federation of Oman Trade Unions	<ul style="list-style-type: none"> • Contribution to the national economy • Downstream industrial development • National employment and talent development • Corporate governance • Regulatory compliance 	<ul style="list-style-type: none"> • Leadership in aluminium sector development • Omanisation and leadership training programmes • Governance and Code of Conduct • ISO and national audits of performance and compliance 	<ul style="list-style-type: none"> • Regular communication with ministries and regulatory bodies • Annual performance and sustainability reporting • Training institute certification under Ministry of Manpower • Aluminium production and sales performance • Sponsoring and supporting of National initiatives

Appendix C – Stakeholder Engagement

Stakeholder Group	Stakeholder Priorities	Sohar Aluminium Priorities	How Sohar Aluminium Addresses Stakeholder Priorities
Media			
Local, national and international media in the form of electronic, print, radio and television	<ul style="list-style-type: none"> • Local and national community engagement • Accountability and transparency 	<ul style="list-style-type: none"> • Recognised as an asset by local community • Exposure and reach for community services • Cooperative Media Relations 	<ul style="list-style-type: none"> • Community engagement events • Regular Communications with Media Agencies • Whistleblowing Policy • Annual Sustainability Report • 24x7 Availability for fact-checking material
Business Partners			
Customers, suppliers, service providers, Local Vendors and Small & Medium Enterprises	<ul style="list-style-type: none"> • Transparent and fair tender and contracting process • On-time payments • Product quality and reliability of delivery • Communication and relationship building 	<ul style="list-style-type: none"> • Customer satisfaction • Production quotas and on-time product delivery • Customer retention and identifying new customers • National economic impact through local procurement 	<ul style="list-style-type: none"> • Supplier screening and assessment • Tenders and public announcements • Customer service and logistics • Supporting national initiatives for SMEs and local business opportunities • Surveys
Social Partners			
Neighbouring communities, education institutions, Al-Batinah International School, Jusoor, Vale, Orpic, Hospitals and Polyclinics, non-government organisations and non-profit organisations	<ul style="list-style-type: none"> • Training and research opportunities • Partnerships and sponsorships • Investment in the community 	<ul style="list-style-type: none"> • Community and employee engagement • Recognised as an asset by community • Maximise positive impact in the community 	<ul style="list-style-type: none"> • Key stakeholder engagement events • Infrastructure investment • CSR Programmes • Sohar Aluminium Volunteering Programme • Support downstream job creation • Interactive communication on social media
Influential Groups			
International Aluminium Institute, Gulf Aluminium Council, Sohar Links, Oman Chamber of Commerce, other GCC Smelters, Auditors	<ul style="list-style-type: none"> • Production and operational integrity • Product sales and reliability • Corporate engagement • Knowledge sharing 	<ul style="list-style-type: none"> • Operational reality • Revenue creation and profitability • Reputation and leadership • Knowledge sharing 	<ul style="list-style-type: none"> • Participation in major events in the Aluminium industry • International certification for operations (ISO, OHSAS, etc.)

Appendix D – Company Performance 2015-2018

Health, Safety and Environment

Waste Management				
Years	2015	2016	2017	2018
Waste Disposal (tonne)	6,252	5,554	6,662	8,939
Waste Disposal (Kg/T Al)	16.6	14.4	16.4	23.60
Waste Generation Intensity (kg non-recycled waste/t AL)	16.6	20.3	26.4	34.62

Waste Recycled				
Years	2015	2016	2017	2018
Recyclable Steel (m ³)	576	1,118	1,422	1,212
Recyclable Wood (m ³)	1,614	2,136	8,820	8,838
Paper and Cardboard (m ³)	1,074	1,128	2,184	2,340
Recycled Plastic (m ³)	522	366	986	66
Hazardous Waste Non-Recyclable (m ³)	2,376	2,244	2,926	3,066
Total Recycled (m ³)	5,817	4,748	4,152	13,110

Energy Management				
Years	2015	2016	2017	2018
Natural Gas Consumption (MMBTU)	38,265,529	38,873,353	27,904,148	36,510,560
Fuel Oil / Diesel Usage (Litres)	134,036	40,471	21,498	229,765
Total Power Generated (MWh)	5,586,481	5,706,811	4,072,941	5,403,186
Power Used by Smelter and Port Operations (MWh)	5,467,238	5,579,039	3,826,323	5,344,905
Energy Consumed (GJ)	40,377,046	41,015,005	29,429,039	38,520,685
Energy Consumption Intensity (GJ/Tonne)	107.0	106.1	116	102.0
Generation Efficiency (%)	50.2	49.8	49.8	50.34
Conversion Efficiency (A.C.MWh/t Al)	14.49	14.44	15.14	14.13

Water Management				
Years	2015	2016	2017	2018
Seawater Used for Cooling (m ³)	372,250,419	390,469,778	338,743,094	390,305,547
Seawater Consumption in the Reverse Osmosis Plant (m ³)	0	0	0	0
Brackish Well Water Extraction (m ³)	2,928,257	2,965,676	2,116,604	2,446,153
Well Water Intensity (m ³ /tonne Al)	7.76	7.68	8.38	6.48
Process Water Produced (m ³)	1,120,327	1,153,851	791,071	944,654
Brine Discharged to the Sea	1,604,753	1,622,590	1,195,324	1,351,402
Demineralised Water Used for Heat Capture in the Heat Recovery Steam (m ³)	175,145	175,818	126,054	142,686

Appendix D – Company Performance 2015-2018

Health, Safety and Environment

Water Management				
Years	2015	2016	2017	2018
Process Water (Non-Potable) Exported to Majis Industrial Services Company (m ³)	599,231	617,571	352,332	513,437
Sewage Water Imported from Neighbouring Communities for Irrigation (m ³)	109,141	105,288	107,049	115,596
Treated Sewage Water Used for Irrigation (m ³)	133,329	136,910	146,106	1,925
Percentage of Treated Sewage Water Re-Used for Irrigation (%)	100	100	100	100

Emissions Management				
Years	2015	2016	2017	2018
Total CO ₂ Emissions Generated (tonnes CO ₂ / MWh)	0.5	0.51	0.55	0.50
PFC Emissions (t CO ₂ eq/t Al)	0.17	0.19	0.21	0.11
Total CO ₂ Emissions from Smelter Activities (t CO ₂ eq/t Al)	1.78	1.83	1.86	1.68
Total CO ₂ Emissions from Sohar Aluminium Facilities (Smelter, Power Plant and Port) per Tonne of Aluminium Product (t CO ₂ eq/t Al)	7.51	7.58	8.52	7.15
Hydrogen Fluoride-Gas Treatment Centre (GTC) (Tonne Gaseous HF)	15.39	27.2	9.56 (till Jun'17)	13.39
Total Fluoride Emissions-Smelter (kg HF/t Al)	0.5	0.61	0.60 (till Jun'17)	0.59
Fluoride Emissions Intensity (kg/t of Al)	0.5	0.61	0.54 (till Jun'17)	0.59

Occupational Health / Medical Clinic				
Years	2015	2016	2017	2018
Medical Centre Visits for Health Check-ups and treatments	7,349	6,709	7,206	6,945
Total Number of clients served	7,349	6,709	7,206	6,945
Walk-in Clients	6,353	5,957	6,399	6,001
Number of PAH Bio Monitoring	20	20	57	73
Urine Fluoride Monitoring	122	109	560	164
Number of Heat Stress Monitoring Instances	2,544	2,012	3,255	2,159
Recordable Heat Induced Illnesses	0	0	0	0
Medical Treatment Frequency Rate (200,000 man-hours)	0.2	0	0.14	0.17
Recordable Injury/Illness Frequency Rate (200,000 man-hours)	0.54	0.31	0.51	0.34
Lost Time Injury Rate (200,000 man-hours)	0.3	0.31	0.33	0.11

Appendix D – Company Performance 2015-2018

People

Workforce Profile (Percentage)				
Years	2015	2016	2017	2018
Workforce	982	978	955	974
Omanisation Rate	74%	75%	76%	76%
Youth Employment Rate	24	11	12	10.8
Female Employment	4	4	4.3	4.1
Turnover Rate	4.86	2.97	4.36	3
Employee training	12	15	14	12

Employee Breakdown by Designation (Numbers)												
Years	2015			2016			2017			2018		
Nationality	Omani	Expat	Total	Omani	Expat	Total	Omani	Expat	Total	Omani	Expat	Total
Semi-Skilled	340	0	340	343	0	343	319	0	319	296	0	296
Skilled	219	125	344	219	118	337	240	117	357	266	108	374
Professional	82	44	126	81	43	124	77	39	116	82	35	117
Management	84	88	172	90	84	174	91	72	163	99	88	187
Total	725	257	982	733	245	978	727	228	955	743	231	974

Employee Age (Numbers)				
Years	2015	2016	2017	2018
20-30	236	111	119	105
30-40	564	633	621	619
40+	182	234	215	250

Training (Numbers)				
Years	2015	2016	2017	2018
Investment in Vocational Training (USD Million)	1.2	1.1	0.783	1.164
Average Training Day Per Employee	12	15	14	12
Number of Employees Received Training	982	978	944	976
3-Year Maintenance Technician Programme - Omani Employees	22	18	0	4
Total Number of Training Hours	94,609	119,769	83,665	95,172
Training Hours Per Employee	96	122	89	97.5

Appendix D – Company Performance 2015-2018

Productivity

Productivity				
Years	2015	2016	2017	2018
Total Metal Production (Metric Tonnes)*	377,186	386,395	252,714	379,775
Power Plant Generation Efficiency (%)	50.2	49.8	49.8	50.34
AC Production Efficiency (MWh / tonne of Aluminium)	14.77	14.49	14.33	13.33
Finished Good Production (Tonnes)	376,994	386,623	252,054	378,550
Production Rate (kg Al/Pot/Day)	2,877	2,962	2,952	2,929
Specific Energy Efficiency Levels (kWhrs/kg)	13.687	13.531	13.64	13.33
Operating Amperage (kA)	382.1	394	392.517	384.01
Purity Levels (ppm of Iron (Fe))	1,066	902	915.8	586.52
Percentage of scheduled maintenance work (%)	88.04	87.5	85.6	91

Financial Strength

Value Creation (US\$)				
Years	2015	2016	2017	2018
Total Value Creation (USD Million)	34	19.8	2	27
Cost savings due to productivity gains (USD Million)		7.7	0.6	25

Percentage of Local and Foreign Suppliers (Local Procurement)				
Years	2015	2016	2017	2018
Foreign Suppliers (%)	52.7	47	45	45
Local Suppliers (%)	47.3	53	55	55
Amount Spent on Local Suppliers (USD)	33,344,116	30,750,972	65,708,384	52,765,769

Corporate Citizenship

Corporate Citizenship				
Years	2015	2016	2017	2018
Total Community Investment (USD)	2,220,700	2,191,355	1,321,239	2,041,039
Community Public Engagement Events	5	6	6	6
Volunteering Manhours	174	884	543	1,164
Number of Volunteers	36	175	143	138

* Restated to include Molten Metal and Scrap Metal production.

Appendix D - Company Performance 2015-2018

Corporate Citizenship

Corporate Citizenship				
Years	2015	2016	2017	2018
Contractor Ethical Standing Ensure ethical practices and social responsibility compliance of our contractors and major suppliers. SA visits contractors accommodation and checks their living conditions. SA ceases business with noncompliant contractors.	N/A	1 Visit/Quarter	6-7 Visits per Quarter	6-7 Visits per Quarter
Social Media Management (Followers on Social Media Channels)	3,383	4,362	5,503	28,404
Community and Student Visits to the Smelter	119	126	156	236
Sustainability Reporting	Published and prepared using the GRI Guidelines and Launched in a public event	Published and prepared using the GRI Standards	Published and prepared using the GRI Standards	Published and prepared using the GRI Standards

Percentage of Community Investment Budget Breakdown (Percentage)

Years	2015	2016	2017	2018
Jusoor Projects	51.3	61.64	74.23	74.79
Sustainable Projects	18.81	4.4	4.13	9.00
Education	4.28	5.28	0.82	0.21
Social Contributions & Voluntary Projects	8.55	8.81	3.75	1.44
SMEs	0	0	0.82	0.00
EHS	2.57	7.05	2.29	0.33
Group Initiatives	0.85	0.88	0	0.00
Sponsorships	10.16	8.72	10.37	10.79
Donations	2.39	2.27	2.01	2.36
Community Events	1.03	0.89	1.46	0.96
Student Visits	0.06	0.06	0.12	0.12

Customers

Customers				
Years	2015	2016	2017	2018
Liquid Metal Sales (OAPIL) (Tonnes per annum hot metal)	58,426	37,444	41,604	50,134
Liquid Metal Sales (OARC) (Tonnes per annum hot metal)	24,275	26,895	23,620	91,271
Liquid Metal Sales (OAC) (Tonnes per annum hot metal)	--	--	7,464	4,760
Total liquid metal sold to existing downstream customers (tonnes)	82,701	64,339	72,688	146,165
Customer insights resolved (%)	100	100	100	100

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."



GRI Standard	Disclosure	Page number(s) and/or URL(s)	
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	General Disclosures		
	102-1	Name of the organization	Sohar Aluminium
	102-2	Activities, brands, products, and services	10-13, 50-51
	102-3	Location of headquarters	Sohar, Al Batinah North Governate, Oman
	102-4	Location of operations	Al Batinah Region of Oman
	102-5	Ownership and legal form	11
	102-6	Markets served	80-83
	102-7	Scale of the organization	12, 40, 51, 80-83, 94
	102-8	Information on employees and other workers	42, 83, 94
	102-9	Supply chain	81
	102-10	Significant changes to the organization and its supply chain	81-82
	102-11	Precautionary Principle or approach	4-7, 18, 20, 28
	102-12	External initiatives	20, 25
102-13	Membership of associations	Sohar Aluminium is part of the following associations: <ul style="list-style-type: none"> • Oman Chamber of Commerce and Industry • Gulf Aluminium Council • International Aluminium Institute • AP 30 Club 	
Strategy			
102-14	Statement from senior decision-maker	4-7	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	10-11	
Governance			
102-18	Governance structure	14-21	

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Stakeholder engagement		
	102-40	List of stakeholder groups	23
	102-41	Collective bargaining agreements	30% of Sohar Aluminium employees are members of the Trade Union
	102-42	Identifying and selecting stakeholders	23
	102-43	Approach to stakeholder engagement	23, 90-91
	102-44	Key topics and concerns raised	25, 90-91
	Reporting practice		
	102-45	Entities included in the consolidated financial statements	90
	102-46	Defining report content and topic Boundaries	87
	102-47	List of material topics	25
	102-48	Restatements of information	95
	102-49	Changes in reporting	No significant changes
	102-50	Reporting period	January 1 -December 31, 2018
	102-51	Date of most recent report	Sohar Aluminium 2017 Sustainability Report was published in 2018
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	3
	102-54	Claims of reporting in accordance with the GRI Standards	3
	102-55	GRI content index	97-105
	102-56	External assurance	This report was not checked by third-party.

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
Material Topics			
GRI 200 Economic Standard Series			
GRI 103: Management Approach 2016	Economic Performance		
	103-1	Explanation of the material topic and its Boundary	25, 60-63
	103-2	The management approach and its components	60-63
	103-3	Evaluation of the management approach	60-63
GRI 201: Economic Performance 2016	Economic Performance		
	201-1	Direct economic value generated and distributed	60-63
GRI 103: Management Approach 2016	Market Presence		
	103-1	Explanation of the material topic and its Boundary	25, 40
	103-2	The management approach and its components	40, 43
	103-3	Evaluation of the management approach	40, 43
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	94
GRI 103: Management Approach 2016	Indirect Economic Impacts		
	103-1	Explanation of the material topic and its Boundary	25, 60, 66-67
	103-2	The management approach and its components	60, 66-67
	103-3	Evaluation of the management approach	60, 66-67
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	66-77
	203-2	Significant indirect economic impacts	66-77
GRI 103: Management Approach 2016	Procurement Practices		
	103-1	Explanation of the material topic and its Boundary	25, 60-63
	103-2	The management approach and its components	60-63
	103-3	Evaluation of the management approach	60-63

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 200 Economic Standard Series		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	60-63
GRI 103: Management Approach 2016	Anti-corruption	
	103-1 Explanation of the material topic and its Boundary	25, 18-19
	103-2 The management approach and its components	18-19
	103-3 Evaluation of the management approach	18-19
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	100%
	205-2 Communication and training about anti-corruption policies and procedures	100%
GRI 300 Environmental Standards Series		
GRI 103: Management Approach 2016	Energy	
	103-1 Explanation of the material topic and its Boundary	25, 30
	103-2 The management approach and its components	30
	103-3 Evaluation of the management approach	30
GRI 302: Energy 2016	302-1 Energy consumption within the organization	30, 92
	302-3 Energy intensity	30, 92
GRI 103: Management Approach 2016	Water	
	103-1 Explanation of the material topic and its Boundary	25, 31-32
	103-2 The management approach and its components	31-32
	103-3 Evaluation of the management approach	31-32
GRI 303: Water 2016	303-1 Water withdrawal by source	31-32, 92-93
	303-2 Water sources significantly affected by withdrawal of water	31-32, 92-93

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 200 Economic Standard Series		
GRI 103: Management Approach 2016	Emissions	
	103-1 Explanation of the material topic and its Boundary	25, 30-31
	103-2 The management approach and its components	30-31
	103-3 Evaluation of the management approach	30-31
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	30-31, 93
	305-2 Energy indirect (Scope 2) GHG emissions	30-31, 93
	305-4 GHG emissions intensity	30-31, 93
	305-5 Reduction of GHG emissions	30-31, 93
	Effluents and Waste	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 31
	103-2 The management approach and its components	31
	103-3 Evaluation of the management approach	31
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	92
	306-2 Waste by type and disposal method	31, 92
GRI 103: Management Approach 2016	Environmental Compliance	
	103-1 Explanation of the material topic and its Boundary	25
	103-2 The management approach and its components	30-32
	103-3 Evaluation of the management approach	30-32
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	30-32

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 400 Social Standards Series		
GRI 103: Management Approach 2016	Employment	
	103-1 Explanation of the material topic and its Boundary	25, 40
	103-2 The management approach and its components	40, 43
	103-3 Evaluation of the management approach	40, 43
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	43
GRI 103: Management Approach 2016	Occupational Health and Safety	
	103-1 Explanation of the material topic and its Boundary	25, 32-36
	103-2 The management approach and its components	32-36
	103-3 Evaluation of the management approach	32-36
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	32-36, 93
GRI 103: Management Approach 2016	Training and Education	
	103-1 Explanation of the material topic and its Boundary	25, 40-42, 94
	103-2 The management approach and its components	40-42, 94
	103-3 Evaluation of the management approach	40-42, 94
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	40-42, 94
	404-2 Programs for upgrading employee skills and transition assistance programs	40-42, 94
	404-3 Percentage of employees receiving regular performance and career development reviews	42

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 400 Social Standards Series		
GRI 103: Management Approach 2016	Diversity and Equal Opportunity	
	103-1 Explanation of the material topic and its Boundary	25
	103-2 The management approach and its components	42
	103-3 Evaluation of the management approach	42
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42
GRI 103: Management Approach 2016	Non-discrimination	
	103-1 Explanation of the material topic and its Boundary	25, 20
	103-2 The management approach and its components	20
	103-3 Evaluation of the management approach	20
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	zero
GRI 103: Management Approach 2016	Freedom of Association and Collective Bargaining	
	103-1 Explanation of the material topic and its Boundary	25, 43
	103-2 The management approach and its components	43
	103-3 Evaluation of the management approach	43
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	43
GRI 103: Management Approach 2016	Child Labor	
	103-1 Explanation of the material topic and its Boundary	25, 20
	103-2 The management approach and its components	20
	103-3 Evaluation of the management approach	20
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Zero

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 400 Social Standards Series		
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 20
	103-2 The management approach and its components	20
	103-3 Evaluation of the management approach	20
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Zero
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 61-62, 82
	103-2 The management approach and its components	25, 61-62, 82
	103-3 Evaluation of the management approach	25, 61-62, 82
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	25, 61-62, 82
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 66-67
	103-2 The management approach and its components	66-67
	103-3 Evaluation of the management approach	66-67
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	66-67
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 61-62, 81-82
	103-2 The management approach and its components	61-62, 81-82
	103-3 Evaluation of the management approach	61-62, 81-82
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	61-62, 81-82

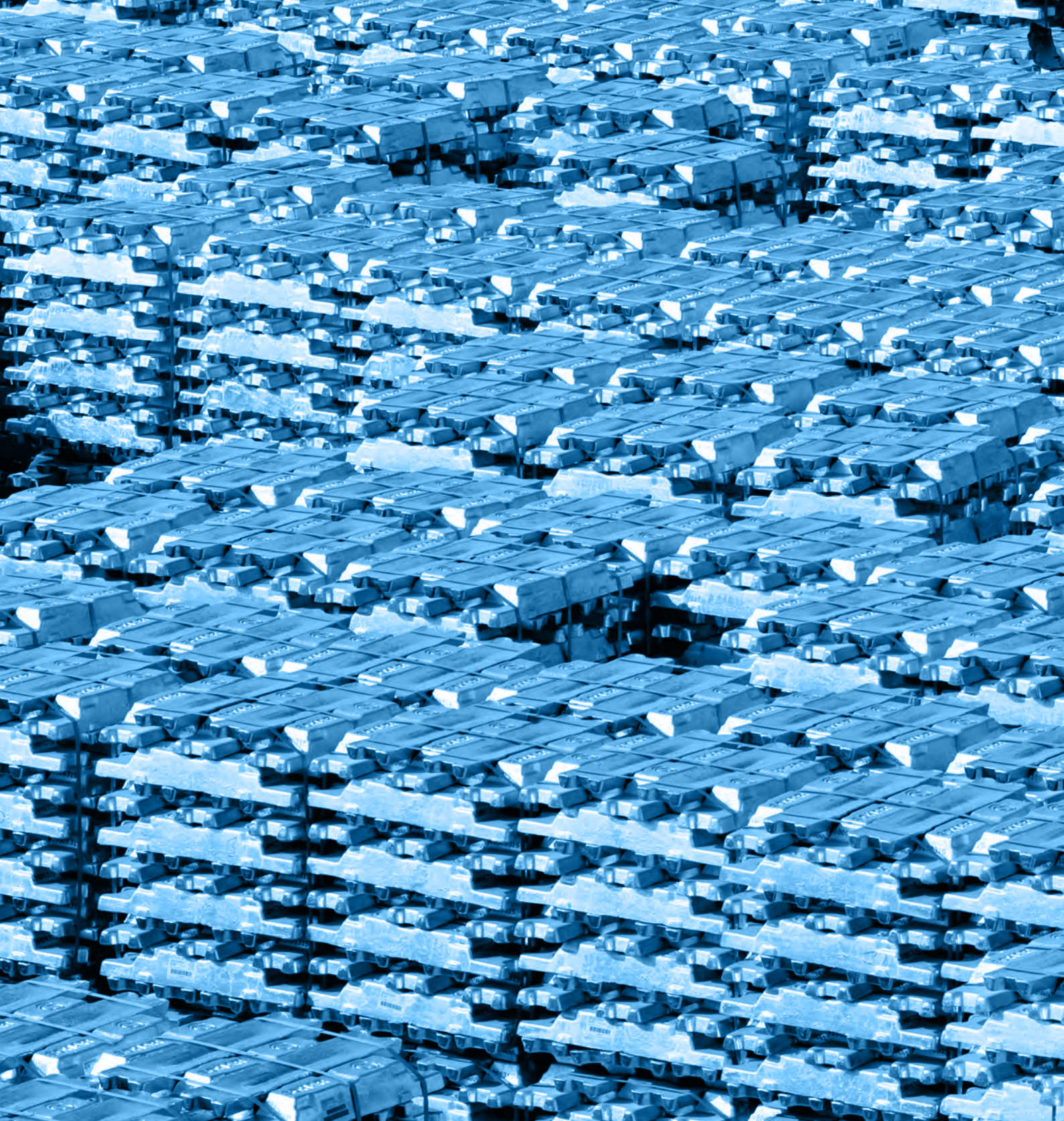
GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 400 Social Standards Series		
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 80-81
	103-2 The management approach and its components	80-81
	103-3 Evaluation of the management approach	80-81
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	100%
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25
	103-2 The management approach and its components	13, 28-29
	103-3 Evaluation of the management approach	13, 28-29
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	None
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56
	103-2 The management approach and its components	56
	103-3 Evaluation of the management approach	56
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero

Cautionary Message

This report contains statements that may be deemed as “forward-looking statements” that express the way in which Sohar Aluminium intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as “plans”, “aims”, “assumes”, “continues”, “believes”, or any variations of such words that certain actions, events or results “may”, “could”, “should”, “might”, “will”, or “would” be taken or be achieved.

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