



2019
**SUSTAINABLE
VALUE
REPORT**

vimetco
alro 

ALRO GROUP¹ DEFINITION

One of the largest vertically integrated aluminium producers in Europe by production capacity with operations in Romania and Sierra Leone and with a global distribution.

The entities included within ALRO Group are: ALRO S.A. (“ALRO”), Alum S.A (“ALUM”), Conef S.A (“CONEF”), Vimetco Extrusion SRL (“VE”), Global Aluminium Ltd. (“GAL”), Bauxite Marketing Ltd. (“BML”), Sierra Mineral Holdings I Ltd (“SMHL”).

GRI: 102-1, 102-3, 102-4

SIERRA LEONE
Bauxite Mining

ROMANIA

TULCEA
Chemical Process and
Alumina Refining

SLATINA
Aluminium Smelting and
Product Use
Production offices

BUCHAREST
Headquarter

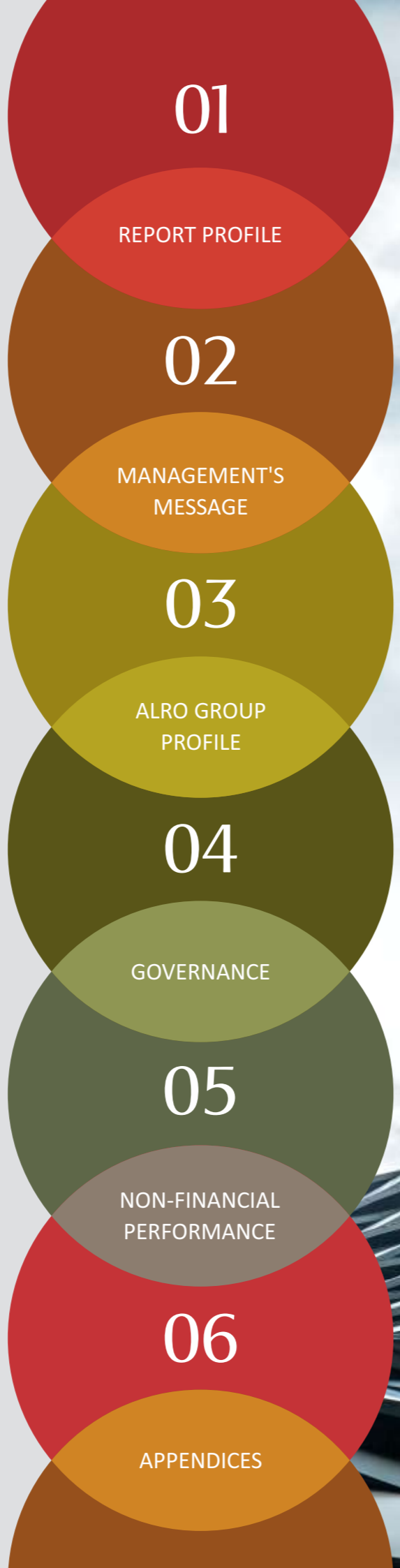
1

Group is registered with FSA as per Decision No. A/632/ 26 November 2013.

For the purpose of this report, the terms “ALRO Group”, “the Group” and “Company” are sometimes used for convenience where references are made to ALRO S.A., ALUM S.A., Vimetco Extrusion S.R.L, si SMHL, in general, and the term “Parent-company” is sometimes used for convenience where references are made to ALRO S.A.

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A red sports car is shown from a low-angle, rear-quarter perspective, driving on a two-lane asphalt road that curves into the distance. The road is flanked by a dark, rocky volcanic ridge and a dry, hilly landscape under a clear sky. The car's rear wheel, side mirror, and door are visible. The overall scene conveys a sense of speed and adventure.

01.

REPORT
PROFILE

METHODOLOGY, DEFINITION AND PRINCIPLES

In accordance with our commitments of reporting non-financial information, we publish for the third consecutive year, our 2019 Sustainability Report which presents the most important initiatives for sustainable value creation. This report has been prepared in accordance with the GRI Standards: Core Option and GRI G4 Mining and Metals Sector supplement.

The Romanian legislation regarding the non-financial reporting, Ministry of Public Finance (MPF) Orders No. 1938/2016 and No. 2844/2016, requests us to publish a non-financial statement at Group level and at company level for ALRO and ALUM. This will be published jointly as the 2019 Sustainable Value Report for ALRO Group, an integrated, separate non-financial report.

In addition, the report presents information on the sustainable development performance of the following companies: VE and SMHL. The reporting process followed the principles for defining the content – Materiality, Stakeholder inclusiveness, Sustainability context and Completeness – and for ensuring the quality of information – Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability included in GRI 101 Standard. Thus, we conducted an in-depth materiality analysis that helped us in establishing the most important non-financial topics necessary for understanding the Group’s development, performance, position and impact of our activity, relating to environmental, social and governance’s topics. Within the report, we are presenting comprehensive information about the strategy’s objectives and targets and the way we are managing the most important sustainability topics.

GRI: 102-52, 102-54, 102-45, 102-46



01. REPORT PROFILE

All the material non-financial topics are comprised within a single chapter “The Non-financial performance” and detailed in specific sub-chapters that contain information about the disclosure management approach and the key performance indicators. In addition, in some sub-chapters we have included other information, which, although not material, was considered useful for stakeholders to be presented in the report. For more details, the report contains references to other documents that can be found on the website www.alro.ro, such as the 2019 Consolidated Annual Report.

In drafting the report, ALRO Group has benefited from the support of INNOVA Project Consulting as an external sustainability consultant.

Reporting period: 1 January – 31 December 2019.

Date of publication: 30 June 2020.

The previous Sustainability Report was published in 2019, reporting the results of ALRO Group’s sustainability performance of 2018.

Assurance: the content of the report has not been audited by a third party through an assurance process. The existence of this report was verified by the Company auditor, Ernst & Young, Assurance Services S.R.L. in accordance with art. 48 of MPF Order No. 2844/2016.

GRI: 102-51, 102-50, 102-56



A large commercial airplane is shown on a runway at dusk. The image is a close-up of the engine and landing gear. The engine is a large, circular turbofan engine with many blades. The landing gear is visible below the engine. The sky is filled with clouds, and the ground is a flat, paved surface. The overall tone is dramatic and professional.

02.

MANAGEMENT'S
MESSAGE

COMPETITIVE

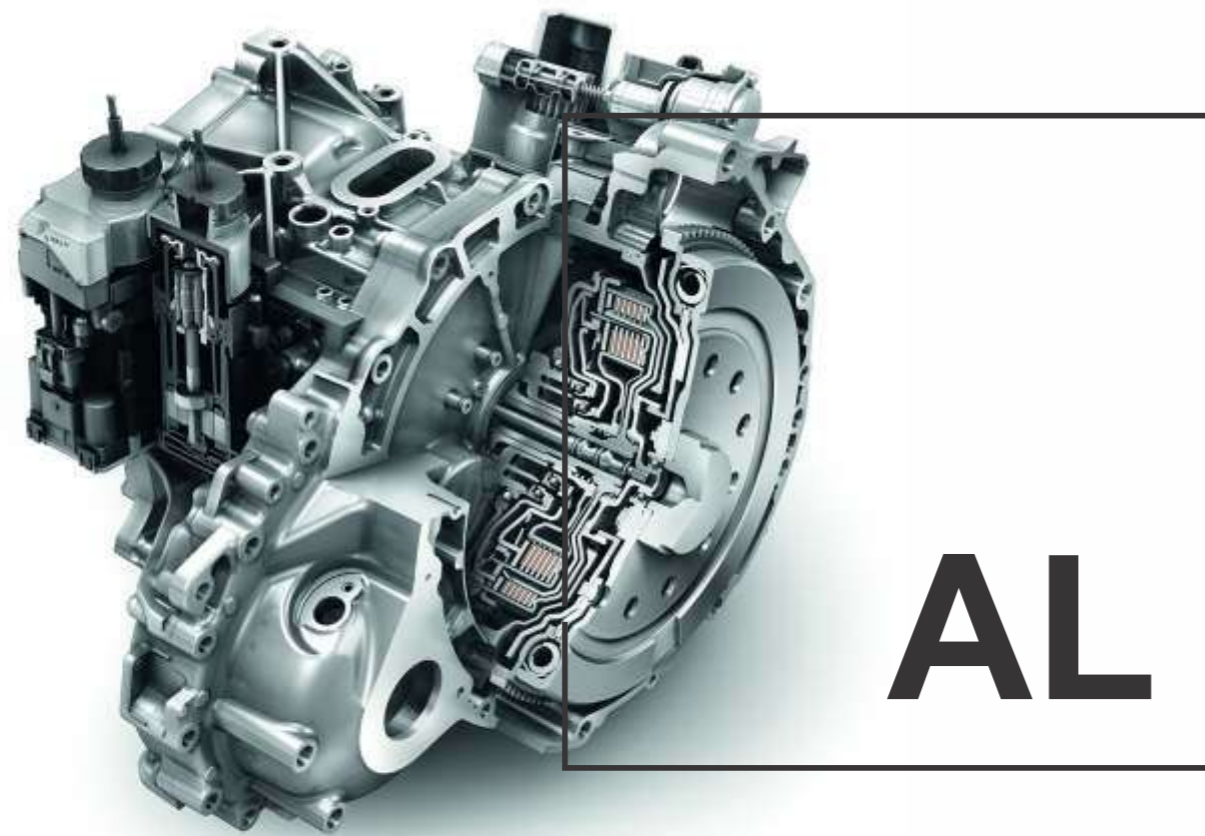
The drivers of our competitiveness are our human capital, integration of state-of-the-art technologies and our ability to attract and create lasting relationships with our customers by providing high quality products and respect. In the next period, we will focus on increasing the production mix in favour of high and very high value-added products and continuing investing in energy efficiency.

MARIAN NĂSTASE
Chairman of the Board of Directors
ALRO

GRI: 102-14



In 2019, we continued to implement measures, to create systems and to make progress integrating sustainability into everything we do.



GRI: 102-14

Dear readers,

After an unfavourable, challenging and unpredictable 2019, in the last few months, we faced a powerful virus, COVID-19, a new and invisible enemy, which has determined us to suddenly change our behaviour and the way we live. Unfortunately, according to experts, the biggest economic crisis the world has ever faced is waiting for us, a crisis that will test the resilience and competitiveness of all companies globally. However, we must also see the huge opportunity behind these difficulties, which is generated by global commitments to fight against climate change, as investing in reducing greenhouse gas emissions protects companies and investors from a number of risks, contributing at the same time to creating new jobs. You know very well that aluminium is one of the strongest decarbonising vectors in the economy, making our Group one of the key players in achieving the goals of the Paris Climate Change Agreement and the European Green Deal on climate neutrality. In this context, our ambition is to become a green factory, innovative and sustainable with near to zero emissions and waste with the support of state-of-the-art technologies, but also to strengthen our competitiveness by increasing the production mix in favour of high and very high value-added products. In the pages of this Sustainable Value Report, I invite you to discover the measures we have implemented in 2019, the systems we have created and the progress we have made to integrate sustainability into everything we do.

MARIAN NĂSTASE
Chairman of the Board of Directors
ALRO



GRI: 102-14

THE FUTURE

Having in view the unique properties of aluminium as it can be recycled infinitely without losing its features, which ensures its sustainable utilisation and extensive applications, our Group represents a major player in achieving a more environmental-friendly global industry.

GHEORGHE DOBRA
Chief Executive Officer
ALRO

In 2019, we continued the implementation of the energy efficiency programs and the integration of the circular economy principles in our business, through extensive research & development programs and by increasing the quantities of aluminium scrap recycled and re-melted.



GRI: 102-14

Dear readers,

To achieve this ambitious goal of becoming a green factory, innovative and sustainable with near to zero emissions and waste, in 2019 we have made fundamental steps to increase the energy efficiency of our technological processes, by commissioning 25 electrolysis pots based on AP12LE technology (Aluminium Pechiney 120 kA Low Energy). Through the contract signed at the end of 2018 with Rio Tinto Aluminium Pechiney („RTA”), we committed in the following years to reline all pots using the new technology (c. 8-9 years) and an important positive impact on the quantity of energy consumed is expected. According to RTA studies, after the implementation of this project our Group will be positioned into the top-four performers from an energy efficiency perspective of the electrolysis area within our European peers. Following the same direction of increasing efficiency and lowering our impact on the environment, we continued to increase the amount of recycled and re-melted aluminium scrap in the Eco-Recycling Facility and in the Cast-House and we are glad that this year we reached the level of 400,000 tonnes of aluminium scrap used since 2013. At the same time, in 2019 we continued our strategic program implemented at ALUM to transform the red mud into a commercially viable product in other industries, such as agriculture and construction. Our focus remains on identifying the best solutions for the capitalization of by-products and waste in all our companies while integrating the principles of the circular economy, thus creating new long-term economic opportunities for our Group.

GHEORGHE DOBRA
Chief Executive Officer
ALRO



INNOVATIVE

In the context of the new European Green Deal requirements, our focus will be redirecting our capital towards long-term environmentally sustainable investments and the integration of innovative technology. We want to be a viable choice for all investors that are interested in green investments' opportunities that align with the greenhouse gas emissions European targets.

GENOVEVA NĂSTASE
Chief Financial Officer
ALRO

GRI: 102-14

Through this Sustainable Value Report, we are making available to our stakeholders the investment plans, which have as ultimate goal making our operations environmentally friendly.



GRI: 102-14

Dear readers,

Achieving the objectives of the European Green Deal will require consistent efforts from both public institutions and private companies. Through this Sustainable Value Report, we will make available to all our stakeholders not only our investment plans, which have as ultimate goal making the operations environmentally friendly, but also details about how we assume our position of being one of the largest producer of aluminium in Europe from a sustainable point of view. In the light of the latest legislative changes at European level, like the Taxonomy for Sustainable Finance Regulation and the amendments to the Non-Financial Reporting Directive, our Group is determined to accordingly comply to and adapt its development strategy and programs. In 2019 we invested almost USD 16 million only at ALRO's level and the budgeted investments for 2020 are of USD 24 million. One of our main ongoing strategic objectives is lowering our energy dependency by increasing the Eco-Recycling facility's capacity while improving the energy efficiency of our existing processes. In addition to this, we strive to reduce our greenhouse gas emissions by permanently complying with the latest BAT ("Best Available Techniques") requirements and environmental safeguard regulations. In this way, we are confident that we will manage to keep our reputation as one of the main contributors to the Romanian economy from different perspectives and as the company that is still reinventing itself after almost 55 years through research & development projects and innovative investments.

GENOVEVA NĂSTASE
Chief Financial Officer
ALRO

A long-exposure photograph of a multi-lane highway at night. The road curves to the right, and the headlights and taillights of cars create vibrant, glowing streaks of light in yellow, white, and red. In the background, a city is illuminated with numerous small lights, and mountains are visible under a dark, twilight sky. The overall scene is a blend of natural landscape and human-made infrastructure.

03.

ALRO GROUP PROFILE

ALRO GROUP'S PRESENTATION

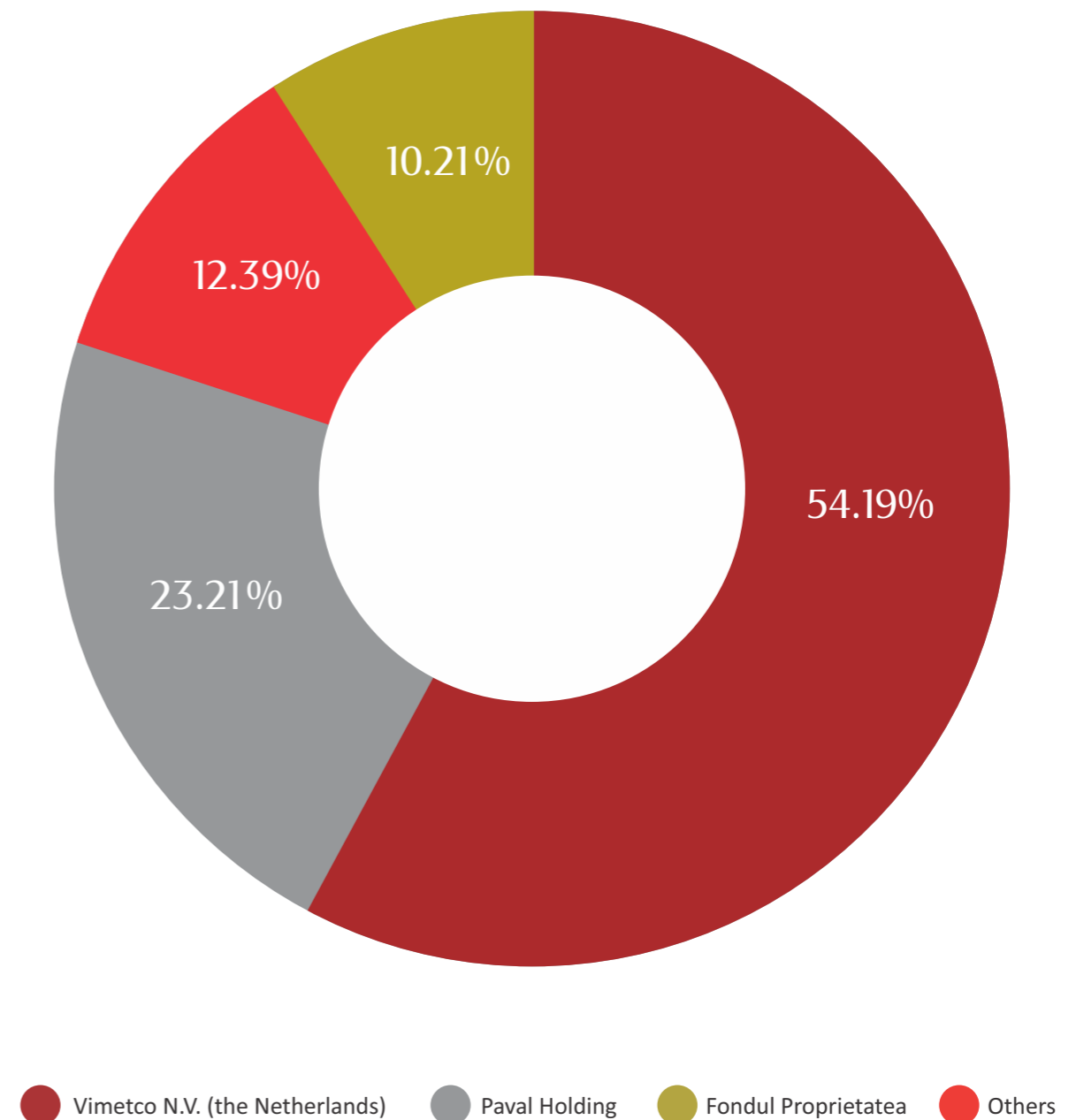
Vertically integrated primary and processed aluminium (Flat Rolled Product "FRP" and extrusion) producer, ALRO Group is headquartered in Bucharest. Our refining, smelting and processing facilities are based in Tulcea and Slatina - Romania and the bauxite mine is located in Sierra Leone - Africa.

The largest and the most important company within the Group is ALRO (formerly named Aluminium Factory 16 February) established in 1961 and founded for an unlimited period of time under the form of a joint-stock commercial company in accordance with Romanian Government Decision No. 30 of 14 January 1991 on the establishment of commercial companies in the non-ferrous metallurgy sector.

The company's facilities are located in Slatina, Olt County. ALRO has been listed on the Bucharest Stock Exchange since 16 October 1997 and its shares are traded under the symbol "ALR". Starting from 18 March 2019, the Index Committee of the Bucharest Stock Exchange approved the inclusion of ALRO in BET, the main index of the market and in BET-TR, the total return version of BET.

GRI: 102-2, 102-3, 102-4, 102-5

Shareholder's structure of ALRO



03. ALRO GROUP PROFILE

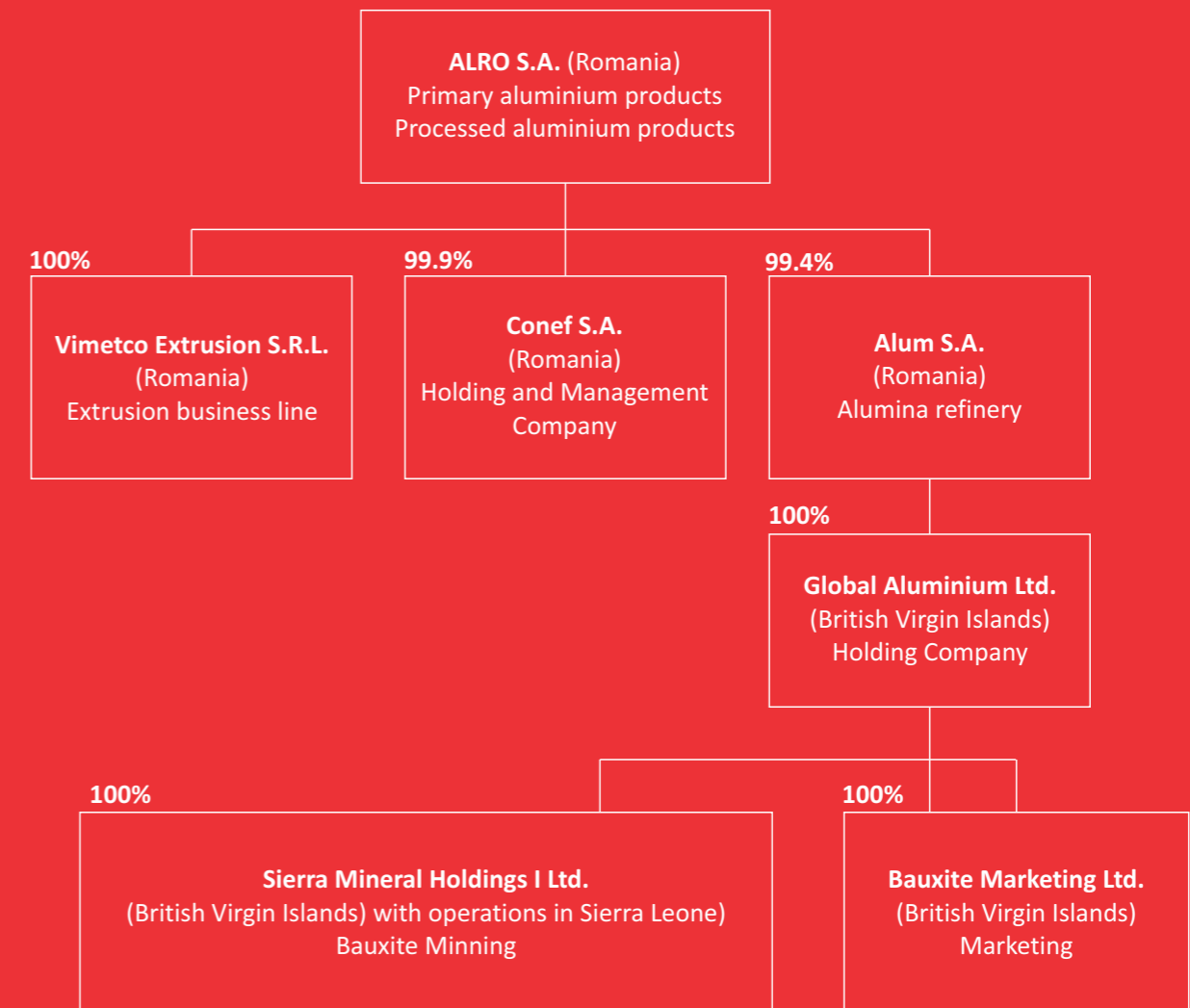
ALUM, part of ALRO Group, is a joint-stock company set up under the Romanian law, established in July 1973, being the only one producer of calcined alumina in Romania and is located in Tulcea. The main activity is hydrometallurgical processing of bauxite to obtain aluminium oxide, the main raw material for obtaining aluminium. ALUM is listed on Bucharest Stock Exchange. Originally, ALUM was listed on RASDAQ (since 2 December 1997), but since May 2015 migrated toward ATS segment, AeRO category. Its shares are traded under the symbol “BBGA”.

VE located in Slatina and established in 2006 represents the largest extruder in Romania and a significant player in the Western Europe extrusion market. The company is currently operating two extrusion presses, being focused on producing a large array of shapes (standard and customized), requested by customers throughout Europe from several industries.

SMHL is responsible for the Group’s mining operations and holds a mining lease of 321.7 km² located in the Bo, Bonthe and Moyamba Districts in Sierra Leone that lies along the same belt with the world-known Guinea bauxite deposit. SMHL is supplying bauxite to Alum and is part of ALRO Group since 2011. With reserves to support at least a further ten years of production, SMHL is the only operational bauxite mine in Sierra Leone and is the second-largest mining employer in the country.

GRI: 102-5

ALRO ownership structure



ALRO GROUP AT A GLANCE

25

AP12LE electrolysis
pots relined in 2019²

1.547 tCO₂e/tAl

ALRO Carbon Intensity
in 2019³

3.87 tCO₂e/tAl

ALRO Indirect
Emissions in 2019⁴

1st place

for Safety in Smelting⁵

Red mud

Circular Economy
Project continued
in 2019

> 400,000 t

of aluminium scraps
recycled and re-melted
since 2013

> 10 mn t

of electrolytic
aluminium produced
since 1965

9.5 points

(out of 10) for ALRO in
VEKTOR evaluation

ALRO

was included in the main
index of the market (BET)
in 2019

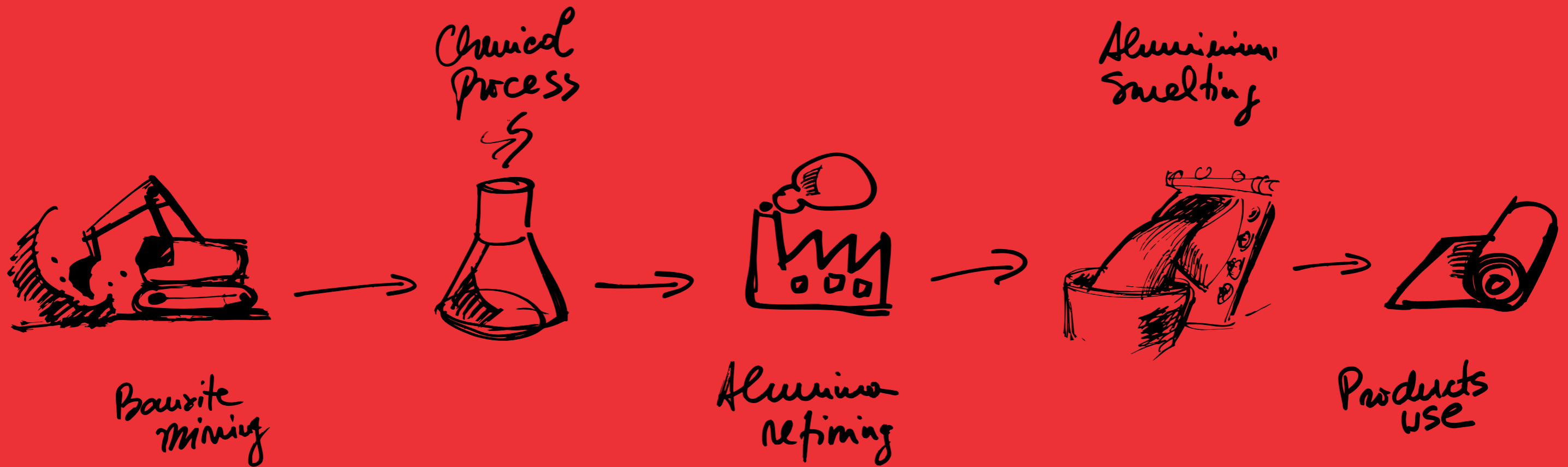
² According to the Rio Tinto Aluminium Pechiney studies after the implementation of AP12LE (Aluminium Pechiney 120 kA Low Energy) project, ALRO will be a top four performer from an energy efficiency perspective in the electrolysis area among its European peers.

³ It represents direct emission of CO₂. According to CRU, the European average is 2.3 tCO₂e/tAl .

⁴ It represents indirect emission of CO₂. According to CRU, the European average is 9.6 tCO₂e/tAl .

⁵ In accordance with "2019 Safety Statics Report" issued by European Aluminium.

VALUE CHAIN



03. ALRO GROUP PROFILE

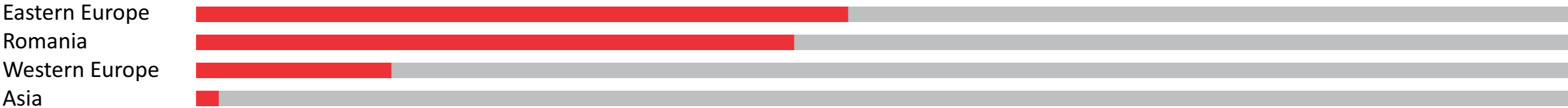
Bauxite is mined in Sierra Leone mine.

The majority is sold to Alum – Alumina producer – and satisfies 100% of the Group needs.
Any excess is sold to third parties.

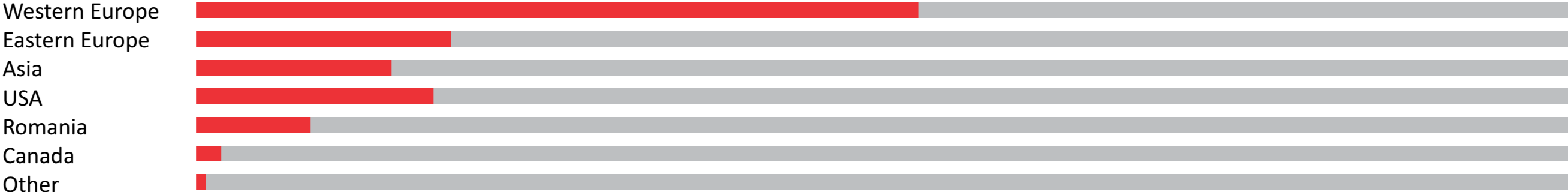
Alumina is produced in Tulcea facilities.

The majority is used by ALRO Group’s Slatina facilities, satisfying 100% of the needed amount to produce aluminium.
Any excess is sold to third parties.

Primary aluminium (wire rods, billets, slabs, occasionally ingots) is produced in Slatina and sold internationally:




The Majority of slabs and billets produced by ALRO’s primary aluminium facilities are used to create processed aluminium (FRPs and extruded products, respectively) with remainder sold directly to third parties:



GRI: 102-2, 102-6



ALRO GROUP ACTIVITIES AND PRODUCTS



Since we are fully vertically integrated, the improvement of the aluminium production life-cycle is one of our main concerns along with obtaining the best quality products for our clients and optimizing the use of all necessary resources.

280,326 tonnes
Primary aluminium
production in 2019

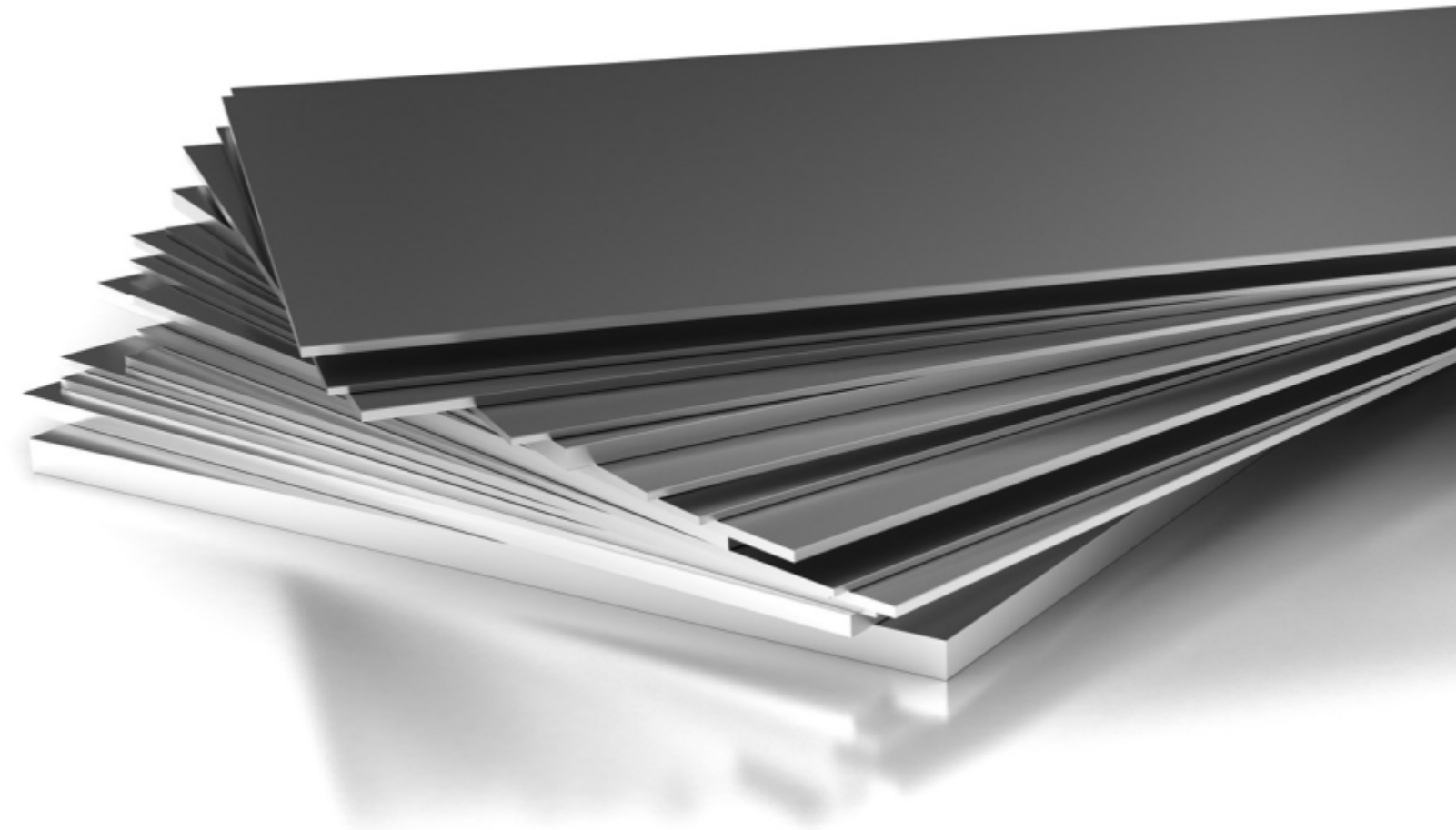
03. ALRO GROUP PROFILE

The process starts with the production of bauxite in our mine in Sierra Leone. In 2019, the production of bauxite was of 1.9 million tonnes. The bauxite is shipped by sea to Romania, and it is used as a raw material in our alumina production facility – Alum – in Tulcea that has an annual production capacity of 600,000 tonnes (in 2019 the total production of alumina was 460,911 tonnes). From the alumina production process, we also obtain aluminium hydrate that is used as a raw material for different applications: production of various chemicals used in water treatment, glasses, ceramics, refractory, etc. The alumina produced in Tulcea is then transported by rail to Slatina in our aluminium production facility – ALRO – and represents the raw material for the production of electrolytic aluminium. Here we have two production divisions.

The first one is the Primary Aluminium Division that, after consistent investments in equipments' upgrading and new technology, reached the annual production capacity of 265,000 tonnes of primary aluminium and 325,000 tonnes of cast aluminium. This Division includes Anode plant, Aluminium Smelter, Cast-House, the Eco-Recycling Facility, Repairs and Spare Parts Production Units, Road and Rail Transportation and other additional sections. The final products that come out from the Primary Aluminium Division are wire rods, billets, slabs and ingots.

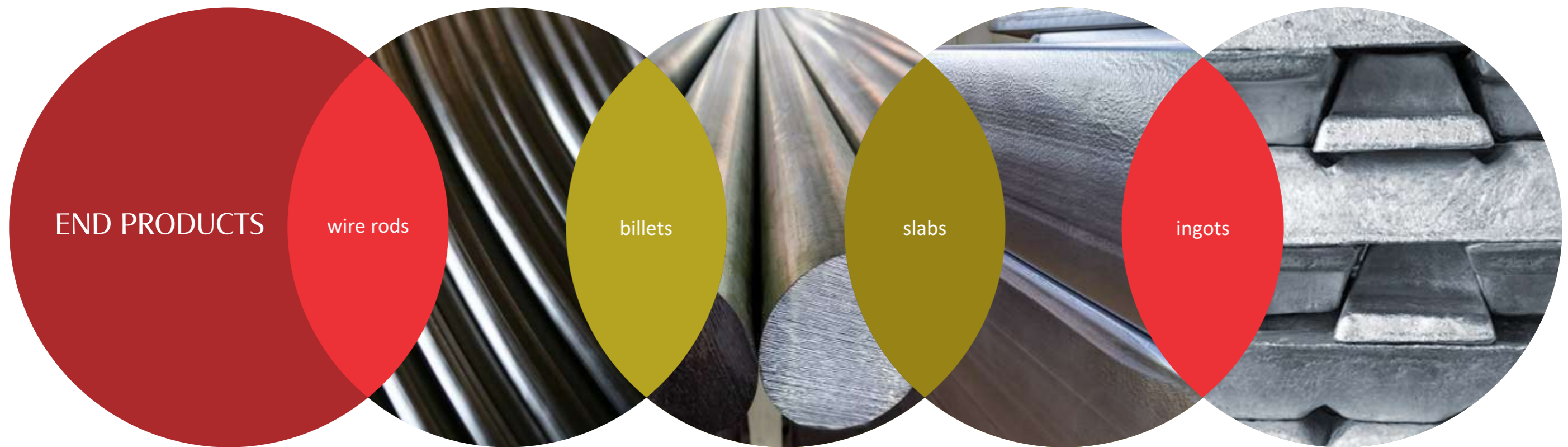
Wire rods are used for high-voltage electric cables and wires in general, which are further processed into end-products such as power cables and conductors which are considered an essential component of the public utilities sector.

Our billets are used for the extrusion process and our slabs are mostly used as feedstock for our cold and hot rolling mill for further processing within the Processed Division. In 2019, the total production of primary aluminium was 280,326 tonnes.



GRI: 102-2, 102-6

END PRODUCTS & END MARKETS



END MARKETS



Energy & Power cables



Transport

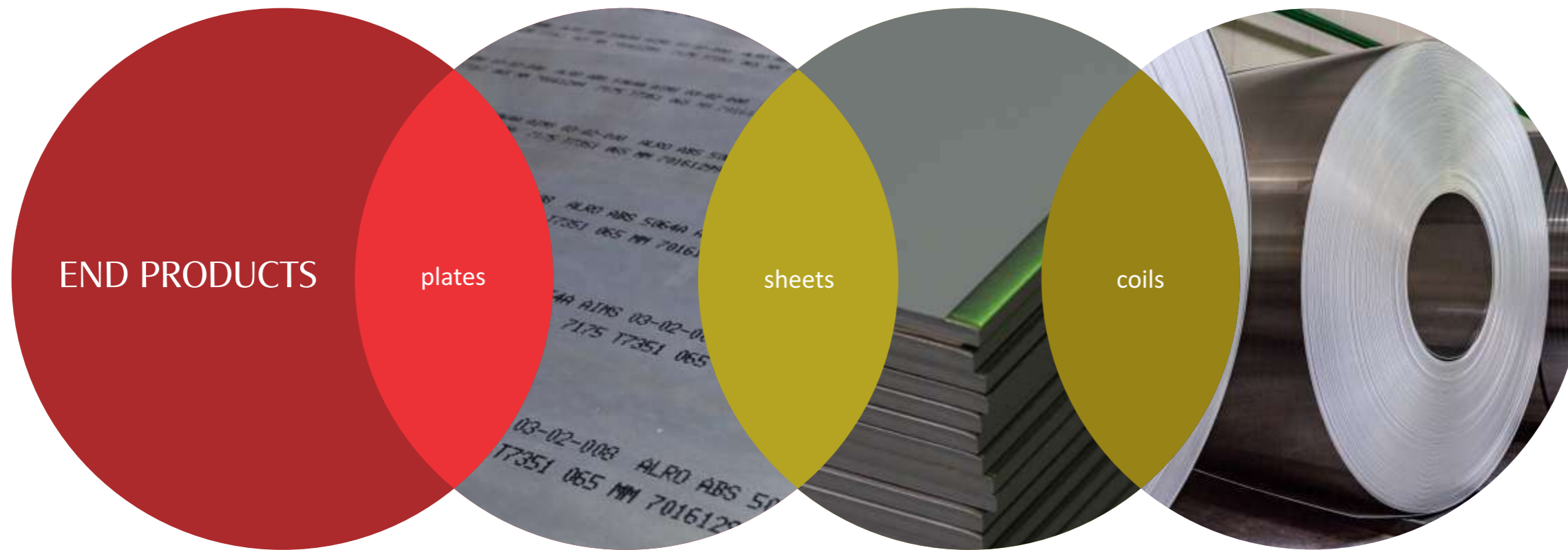


Manufacturing



Construction

GRI: 102-2, 102-6



High Value Added Products & Very High Value Added Products

END MARKETS



Transport



Marine Industry



Aero-space



Construction



Automotive



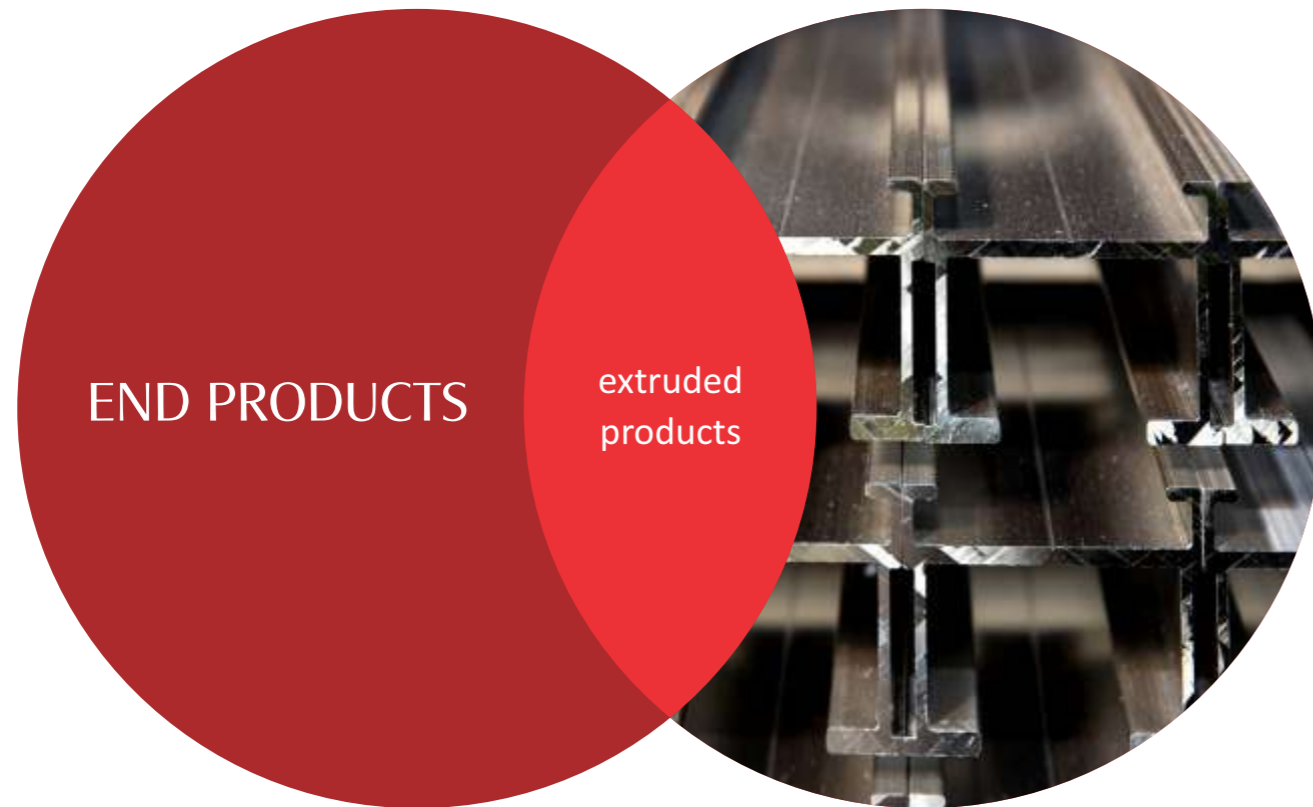
Telecommunication

The second one is the Processed Aluminium Division with a processing capacity of 100,000 tonnes of processed aluminium, depending on the production mix. In 2019, the total production of processed aluminium was 83,144 tonnes. Currently, there is an ongoing program to reach a production capacity of 120,000 tonnes. The products that result from the Processed Aluminium Division are flat-rolled products such as plates, sheets and coils.

GRI: 102-2, 102-6

These products are further used by customers to produce end-products, such as lightweight composition for vehicles, aircraft and engineering applications, transport and automotive, construction and photovoltaic panels. These are products in which aluminium's good mechanical and corrosion characteristics are advantageous and for which the low weight of the material plays an essential role.

Our products represent input raw materials for different important industries at the global level. For this reason, we concentrate our efforts to ensure a high level of quality for all our clients.



Our billets are used for the extrusion process to make standard or customized profiles and the extrusion process is performed internally by our company Vimetco Extrusion that has an annual capacity production of 25,000 tonnes.

Over the years we have concentrated our activities to obtain products that respect high international quality standards. This allowed us to expand our clients' portfolio and serve with our products strategic industries at global level. Our efforts have been recognized by obtaining important certifications and accreditations such as the NADCAP, NADCAP Supplier Merit and EN 9100 certifications for conformity with aerospace industry requirements. We are also certified ISO 9001 for quality laboratory and ISO TS/IATF 16949 certified for the automotive industry.

High Value Added Products & Very High Value Added Products

END MARKETS



Transport



Energy



Electronics



Telecommunication

GRI: 102-2, 102-6

04.

GOVERNANCE



GOVERNANCE STRUCTURE

We are committed to improving our governance rules and mechanisms in line with the latest regulations and best practices. In this regard, we adhered to the Code of Corporate Governance issued by the Bucharest Stock Exchange in August 2016.

Having in view that ALRO is the parent company, its governance structure ensures the coordination of the entire Group. Thus, the Group is managed in a unitary system and has four management levels: the General Shareholder's Meeting ("GSM"), the Board of Directors (the "Board" or the "BoD"), the Executive Management and the Operational Management. Similar structures are present at the level of each company within the Group, but the general coordination is ensured by ALRO governance structure.

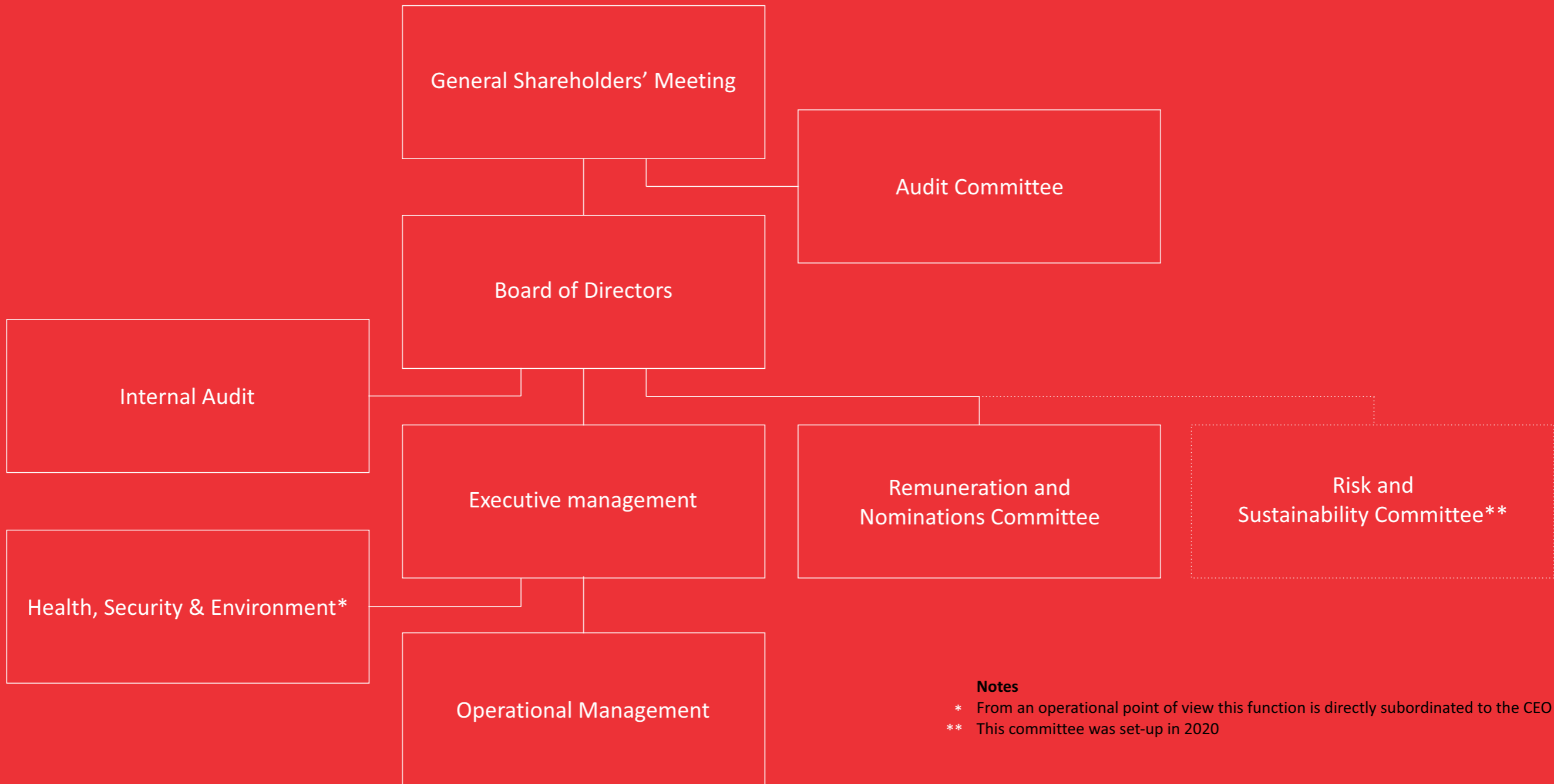
More information on these structures are available on the web pages of ALUM, VE, SMHL.

GRI: 102-18

We set our foundation on a solid governance structure that allows us to ensure sound management and the necessary transparency to all our stakeholders.



ALRO GOVERNANCE STRUCTURE



General Shareholders Meeting

The General Shareholders Meeting can be Ordinary or Extraordinary. The first one takes place at least once a year and not later than four months after the end of the financial year or whenever it is necessary. The second one takes place whenever it is necessary to make decisions about specific issues, as reported in the 2019 Consolidated Annual Report at page 52. In conformity with the legal provisions, the General Shareholders Meeting has appointed the Audit Committee that consists of three members, out of which two are independent. The Committee is responsible for the financial reporting activities, external and internal audit, risk and internal control, and conflict of interest provisions. More information can be found in the “Audit Committee Terms of Reference” available on our website.

The Board of Directors

The Board of Directors in office consists of 11 members, including two independent members and two women. It activates accordingly with the Company’s Articles of Association and the Rules of Organisation and Operation of the Board of Directors. The Board meets at least once every month, or whenever it is necessary.

GRI: 102-18, 405-1, 102-22

Board of Directors of ALRO on 31 December 2019

Name	Position in the Board of Directors	Type
Marian-Daniel NĂSTASE	Chairman	Non-Executive
Svetlana PÎNZARI	Vice-chairman	Non-Executive
Gheorghe DOBRA	Member	Executive
Pavel MACHITSKI	Member	Non-Executive
Aleksandr BARABANOV	Member	Non-Executive
Vasile IUGA	Member	Independent Non-Executive
Marinel BURDUJA	Member	Independent Non-Executive
Laurențiu CIOCÎRLAN	Member	Non-Executive
Oana-Valentina TRUȚĂ	Member	Non-Executive
Voicu CHETA	Member	Non-Executive
Pavel PRIYMAKOV	Member	Non-Executive

04. GOVERNANCE

The members of the Board of Directors are nominated for a four-year mandate basis on a rigorous selection process following the recommendations of the Remuneration and Nominations Committee. Candidates can be proposed, according to the legal provisions, only by the shareholders or Directors. To ensure transparency to the whole selection process, on the Group's website are published the CVs of the candidates proposed as Directors as well as the qualifications they hold. The Chairman of the Board of Directors is a non-executive member appointed on 25 April 2019, and he was also appointed on 12 August 2019, as Chairman of the Remuneration and Nominations Committee. He is a member of the management team with responsibilities to represent the Board in relation to the company and shareholders, organizing and leading the meetings of the Board of Directors, organizing and leading the meetings of the General Shareholders Meeting, fulfilling the formalities provided by law for specific actions (convening meetings, signing reports).

Responsibilities of the Board of Directors

The Board of Directors is responsible for indicating the main directions of the company's activities and development. Also, the Board has responsibilities for the accounting and financial control system, the revenue and expenditure budget, and approves the year's financial plan. The other main duties are: approving the relocation of the company's headquarters; approving the change of the company activities' secondary object; establishing marketing tactics and strategy; approving the company's investment plan; deciding on which market the securities issued by the company are or will be quoted, choosing the authorized independent registration company that keeps records of the shares issued by the company.

GRI: 102-24, 102-23, 102-26, 102-19, 102-20, 102-32, 102-33, 102-34, 102-28

Furthermore, the Board of Directors delegates the responsibilities for the sustainability objectives and targets' achievement to the Risk and Sustainability Committee and the Executive Management. The Sustainable Value Report is approved by the Board of Directors after the endorsement of the Risk and Sustainability Committee.

Communication of critical aspects

The Board of Directors is continuously in contact with the Executive Management and Operational Management to be updated with all the Company's important facts. Thus, the Board receives periodically ad hoc reports that highlight critical aspects regarding financial and operational, occupational health and safety, human resources, procurement, investments, research and development, community relations and charitable issues. During 2019, the Board of Directors has been notified of critical aspects related to the provision of essential raw materials (electricity, natural gas); inventory management; staff aging and retirement's process; company's financing needs; company's access to state aid schemes specific to the aluminium industry; market challenges in terms of sales strategy. To successfully manage these critical aspects, the Board of Directors established detailed action plans and set up dedicated working groups with the Executive Management and Operational Management.

Evaluation of the Board of Directors

The Board of Directors is evaluated once a year through a self-assessment process, taking into consideration Board members' competences, other appointments, presence at the Board's meetings and in the Committees.

04. GOVERNANCE

Following the evaluation of 2018, in 2019 the number of the Board's members increased from seven to eleven. On this occasion, the number of independent members of the Board changed from one to two, and respectively the number of female members from one to two. At the same time, also the Board members' professional competences were strengthened by recruiting recognized specialists in specific key areas such as audit, banking, financial analysis and legal. To improve their capabilities, the Board of Directors' members can benefit from different resources such as external consultants, specific training courses, participation at events, etc. Moreover, it is also evaluated the independence level of the Board's members through the evaluation criteria established by the Corporate Governance Code issued by the Bucharest Stock Exchange.

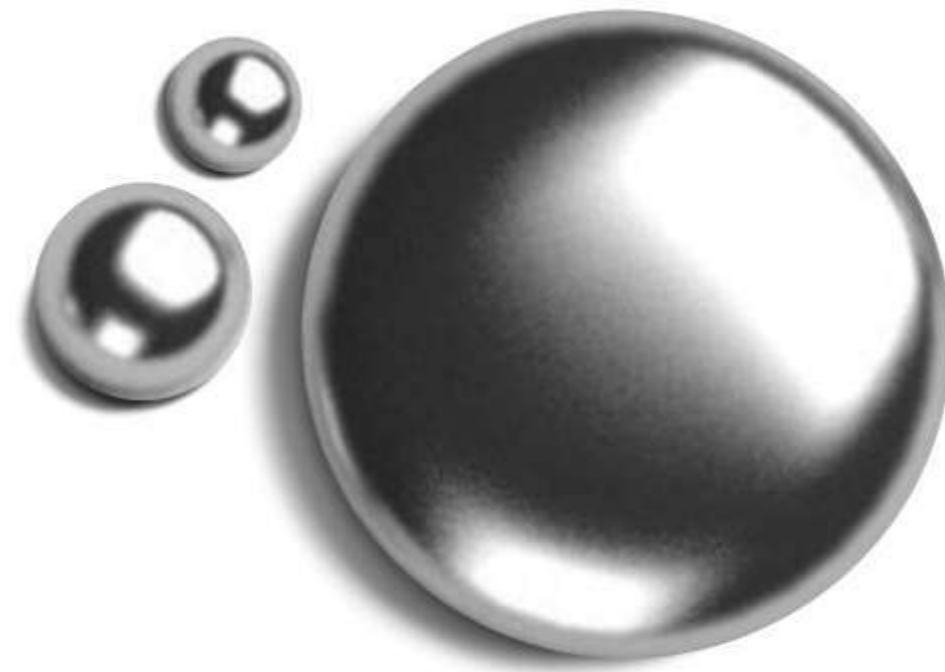
Board of Directors' Committees

The governance structure of the company is strengthened by two committees that are under the responsibility of the Board of Directors: the Remuneration and Nominations Committee and the Risk and Sustainability Committee. The first one is responsible for supervising the remuneration policy of the executive and operational management, and the general remuneration policies of the Group; the executive and operational management recruitment and ensuring succession plans. The second one, established in 2020, is responsible for supervising both the risk management and the management of environmental, occupational, health and safety and corporate social responsibility issues.

GRI: 102-27, 102-18, 102-19, 102-20

Executive Management and Operational Management

The Executive Management consists of two Managers: the Chief Executive Officer and the Chief Financial Officer, who are appointed for a four-year mandate by the Board of Directors. They have the responsibility of the Company's management within the limits of the company's object of activity and in compliance with the law or the Articles of Association. The Chief Executive Officer is also responsible for the management and reporting of economics, social, and environmental issues. The Executive Management periodically submit an activity report to the Board of Directors that evaluates its operation. The daily activity of the Group is ensured by the Operational Management that guides each Group companies' division.



RISK MANAGEMENT

We have developed and adopted a risk management system to ensure that all our decisions are taken with full consideration of actual and potential future risks.



GRI: 102-29, 102-30, 102-31, 201-2, 103-2, 103-3, 102-15, 102-11

The Group's risk management system consists of a set of rules, procedures and organizational structures intended to ensure the appropriate key risks' identification, measurement, management and monitoring process and to secure the Group's operations. In order to manage the financial and non-financial risks to which the Group is exposed (market risk for traded products - including currency risk, interest rate risk, cash flow risk and price risk, credit risk, liquidity risk and operational event-type risk) the Board of Directors has appointed the Risk and Sustainability Committee in charge of supervising and monitoring the management processes of all risks faced by the Group. Risk mapping and mitigation are under the responsibility of the Executive Management.

The Board's members support, coordinate and actively get involved in the improvement of the risk management system through continuous and direct monitoring. Thus, the Board approves the Risks' Matrix and the Risks' Control Plan prepared by the Executive Management, based on the approval of the Risk and Sustainability Committee. Furthermore, in order to evaluate the effectiveness of the risk management activities, the Board receives regularly reports regarding the risks' status from the Executive Management and from the Internal Audit, accompanied by the Risk and Sustainability Committee's opinion and, for the risks associated with the financial reporting, also by the Audit Committee's opinion. Following the analysis of these reports, the Board of Directors may request information, order measures or request the elaboration and implementation of action plans by the Executive Management. Risk management is an essential part of the decision process for the realization of major projects and for the implementation of a new strategy. Thus, different meetings are organized at the top management level to discuss and assess the risks associated with a specific major project. During these meetings, relevant opinions of third-party specialists are considered (e.g. internal audit, external consultant, etc.), can be taken into consideration in order to support the adoption of the best decision for the Company.

ETHICS AND ANTI-CORRUPTION

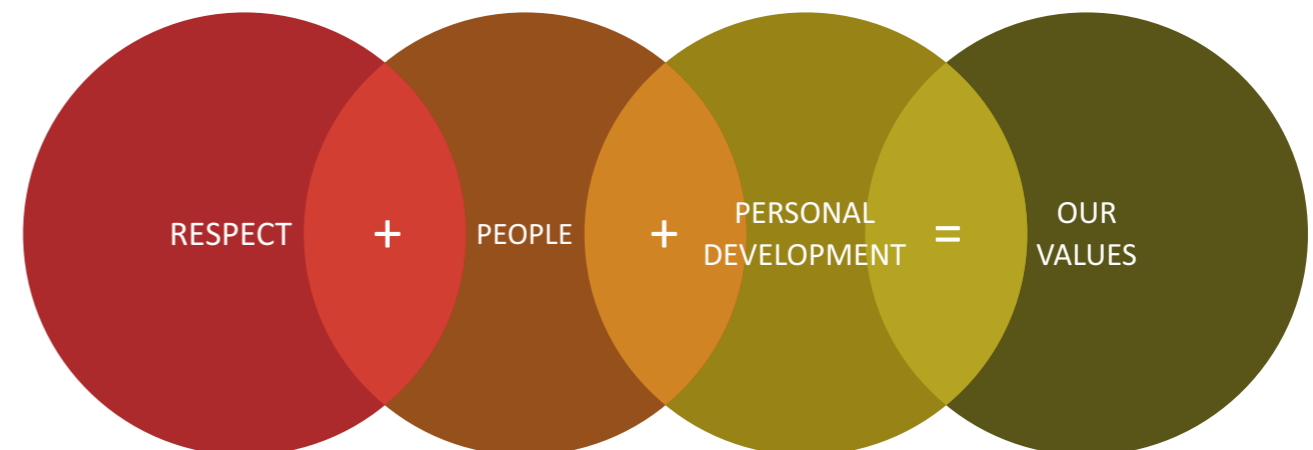
We have adopted consistent procedures and instruments to prevent possible adverse events that can damage our good reputation. Thus, our Code of Conduct establishes the way we conduct our activities and our approach in interacting with the stakeholders.

The Code provides guidelines and useful information for our employees about how to solve ethical issues and is mandatory for the organization structures. All our employees and Board's members shall comply with this Code.

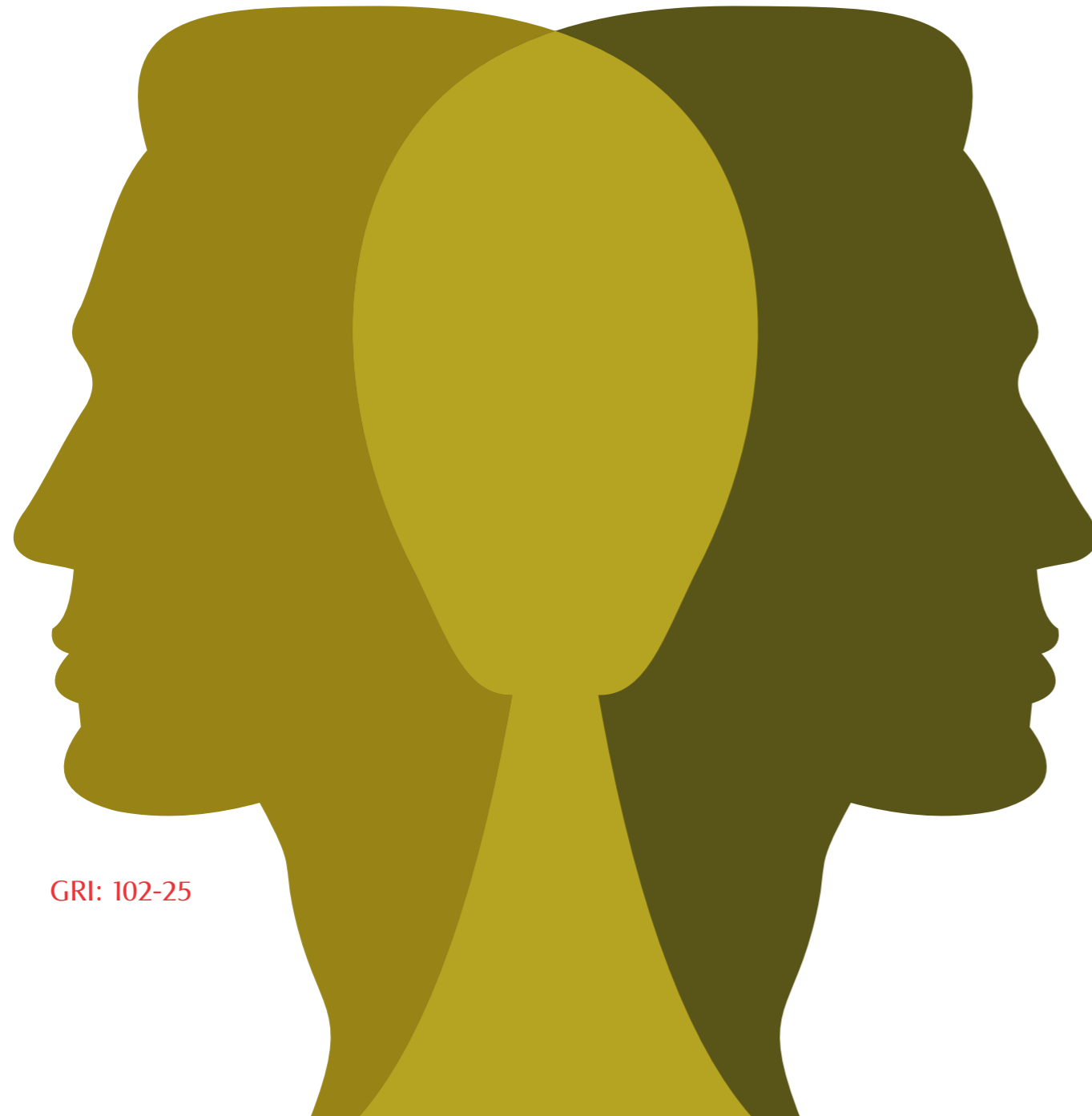
According to the Code of Conduct, the main responsibility of our employees is to use at best and in the interest of the Group their competences and professional experience. They must act ethically and effectively to respond honestly to the needs of our shareholders, customers, employees and local communities. Thus, they must strictly respect the legislation and all regulations, norms and procedures that are applicable to us. To avoid possible cases of corruption, we have also established specific procedures for managing payments, purchases of goods, sales of products, provision of services and other collaborations with third parties.

GRI: 102-16, 415-1, 102-17, 103-2, 103-3

Any cash gift or equivalent (shares or commodities) to or from a competitor company, to or from any person or company that is in a business relation with us or is attempting to have a business relation with us is strictly forbidden. Furthermore, the use of financial resources, goods or services of the company to support political parties or individuals for political activities is strictly prohibited. Any exception to this rule is possible only with the written approval of the Board of Directors or the Board's Chairman. In case an employee discovers an event of a doubtful, fraudulent or illegal nature that is or may be a violation of our policies and may damages us is obliged to report it immediately to the Management that will take all the necessary measures to verify the truthfulness of the event. Furthermore, our employees can report anonymously any problems via the speak-up boxes available in our Group's Companies.



CONFLICT OF INTERESTS



GRI: 102-25

At Group level, the conflict of interest is regulated explicitly by a specific procedure available on our web site (<http://www.alro.ro/en/ir/alro/corporategovernance>). According to this procedure, the members of the Board of Directors have the obligation to communicate any possible interest contrary to the interests of the Company in any operations. All conflicts of interests must be urgently brought to the attention of the Chairman of the Board of Directors. The conflict of interests can be reported by the Chairman of the Board of Directors and by any other member of the Board who is aware of it. In this case, the Board of Directors will decide, with the vote of the majority of its members, on the existence of a conflict of interests.

In accordance with the legislation in force (art. 82 of Law no. 24/2017 regarding the issuers of financial instruments and market operations), any legal act (contract, additional act, annex, etc.) concluded by the company with the directors, employees, majority shareholder, as well as with the persons involved with them, must be reported to the Financial Supervisory Authority and Bucharest Stock Exchange. The transaction in securities issued by the Company and carried out on its own account by the Directors must be notified to a person expressly designated for internal control and will be published on the Company's website immediately.



05.

NON-FINANCIAL
PERFORMANCE

WHAT IS IMPORTANT TO US

In order to ensure the conformity with the national legislation's provisions about the disclosure of non-financial information, we have implemented a specific process that helped us to establish the relevant stakeholders' categories and the non-financial topics necessary to understand our impact on economy, society and environment.

Stakeholders' identification and prioritization

One of the most important elements of conducting a successful and responsible business is the ability to understand and respond to the expectations of all our relevant stakeholders. For this reason, we believe that a continuous and transparent communication with the stakeholders can help us to identify in time and properly manage risks and opportunities.

A first step that we made in this direction was to revise our initial list of stakeholders. Thus, we have updated the list by identifying and prioritizing our stakeholders based on two variables: our impact on stakeholders and the stakeholders' influence on our Group. For the realization of these activities were created four working groups that collaborated within four workshops (three in presence and one on-line) to obtain the ALRO Group Stakeholders Map.

GRI: 102-40, 102-42, 102-43, 102-44



05. NON-FINANCIAL PERFORMANCE

The results of these activities on the one hand are input for the reporting of non-financial information and on the other hand gave us the possibility to streamline the relationship with our stakeholders and through open dialogues to better understand their expectations, both now and in the future.

At the level of each companies within our Group, we established various communications channels based on the relation type. We have in place specific procedures regarding the submission of complaints and notifications from any interested person, we have installed speak-up boxes and we have established the possibility to participate in audiences with the management of the company available both to our employees, as well as to other citizens.

At SMHL, the Community Affairs unit organizes different stakeholders' meetings to gather their concerns, recommendations and requests regarding our operations in Sierra Leone. The main aspects that emerged from these meetings are submitted to the attention of the Board in order to establish adequate response measures for economic, social and environmental issues.

SMHL organizes stakeholders' consultative meetings (21 were organized in 2019) through chiefdom and community levels on a quarterly basis and at the same time during community complaint investigations. Radio discussions through community radio stations, especially at company's operational areas, are also engaged as a forum to reach out to stakeholders

who are encouraged to give their contributions and feedback through phone calls that are responded to or sometimes recorded for company attention. More information about our communications channels is available in section "Community relations".

Non-financial material topics identification

For the realization of this report, we have conducted a materiality analysis in order to identify the non-financial material topics, namely those that are most significant for us. The activities performed in this sense are in conformity with internationally recognized guidelines and standards, such as the GRI Standards.

We started with the analysis of the sustainability context in which we operate to understand the main trends for our sector. The sources used for the analysis included the best-known reporting standards and specific methodologies (GRI Standards, GRI G4 sector disclosure, European Aluminium Industry's Sustainability Roadmap Towards 2025, Sustainability Accounting Standards Board – S.A.S.B., ROBECOMSAM 2019 Sustainability Yearbook), and peers' sustainability measures and performance reported. We discussed the results within four internal workshops (three in presence and one on-line) to establish the most relevant and material non-financial topics.

GRI: 102-21

05. NON-FINANCIAL PERFORMANCE

Validation and Review

The validation of the non-financial material topics has been realized by our management. For the next reporting cycle, we will review and update the results of this materiality process involving our principal stakeholders.

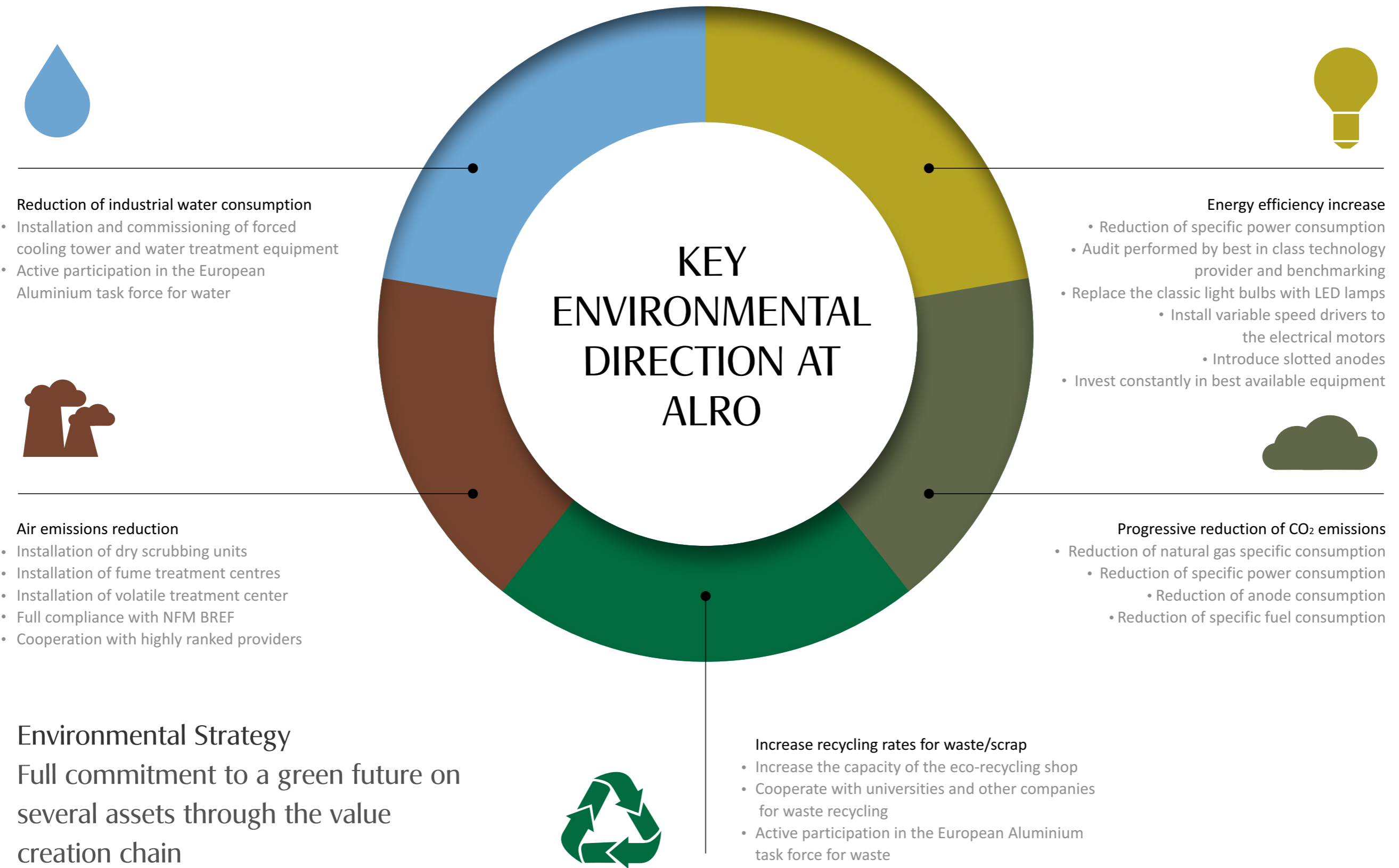
ALRO Group Material Topics

1. Our contribution to the economic development in the production areas
2. Business ethics
3. Corporate Governance
4. Energy management
5. Emissions management
6. Waste management
7. Water and effluents management
8. Hazardous Substances Management
9. Contribution to a circular economy
10. Research & Development and the new technologies
11. Human Resources Management
12. Occupational health and safety
13. Community relation
14. Emergency preparedness
15. Customer management
16. Supply chain management

GRI: 102-47, 103-1



05. NON-FINANCIAL PERFORMANCE



Environmental Strategy
 Full commitment to a green future on several assets through the value creation chain



MATERIAL TOPICS

Information about the following material topics are available in the first part of the report in the corresponding specific sections: our contribution to the economic development in the areas where we operate, business ethics and corporate governance.

ENERGY MANAGEMENT

We strive to reduce our environmental footprint through an efficient management of our energy need. Thus, over the years, we have always focused on improving energy efficiency through the production process' optimization and the introduction of state-of-the-art technology.

Each company within our Group has implemented an energy management system that consists of specific procedures and principles for energy management. Thus, we constantly monitor the energy consumption in order to identify in time the adequate measures that allow us to reach our objectives. Within ALRO we have implemented an energy management system based on ISO 50001-2018. For the correct application of this management system 20 employees graduated ISO 50001/2018 Energy Management System and the Internal Auditors Training courses.

The energy consumption is verified by a dedicated staff through an on-line metering and monitoring system (SCADA - Supervisory Control and Data Acquisition). The electricity consumption is monitored through general meters on all electrical connections to the electricity transmission and/or distribution system and local meters on the production and auxiliary services. The consumption of natural gas is monitored through one general meter and different meters on the production sections, auxiliary services and thermal power plants.

Within the Group, ALRO represents the biggest energy consumer cause of the electrolysis process necessary for the production of aluminium. For this reason, we have established a specific strategy in order to optimize the energy consumption until 2022.





ALRO energy efficiency strategy

- modernization of 316 electrolysis pots with Rio Tinto AP12LE technology (2019-2022);
- modernization of natural gas metering systems (2021);
- replacing the compressor station for production and preparation of compressed air at 13 bars (2020);
- installation of a recirculating and cooling facility of industrial water at the cast house (2021).

05. NON-FINANCIAL PERFORMANCE

In 2019, the total energy consumption was of 3,356,790.74 MWh, down on 2018. To reach this result, we have implemented different energy efficiency activities, such as: installation of stirring equipment on G15, G16, G17 furnaces; installation of LED lighting systems; installation of frequency converters for variable speed LBR2; modernization works for electrolysis pots.

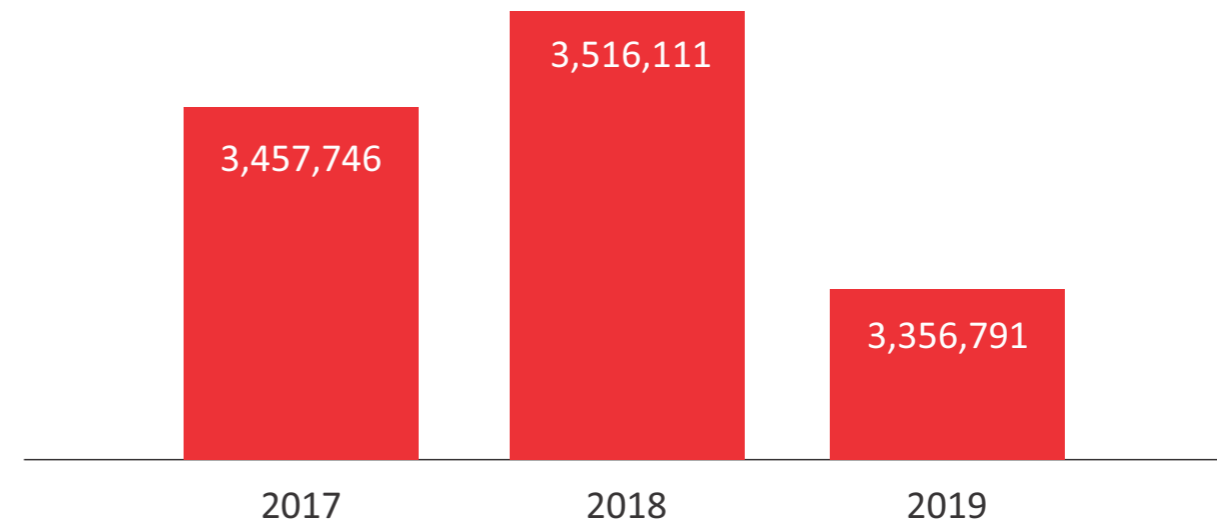
AP12LE Project

In 2018, ALRO started at Slatina a project together with Rio Tinto Aluminium Pechiney (“RTA”) to implement a new low energy reduction pot design (“AP12LE”), allowing the company to reduce the amount of electricity needed to produce aluminium while maintaining the current production. The AP12LE pots design is based on the “Technology Brick” approach developed by RTA and uses new relining materials, new cathodes, metallic bar assemblies and slotted anodes.

Modernization of the plant will be completed in stages, in line with the pot repair schedule and will not impact the aluminium production. The AP12LE technology targets an energy consumption below 13 MWh/tonne from an average of 13.28 MWh/tonne while keeping current efficiency at its current level (more than 95.5%). In May 2019, the first AP12LE successfully started and the first five pots AP12 Low Energy were put into operation. At the end of 2019, 25 AP12LE pots were in operation and the programme will be continued in the following years, until all the pots are relined according to the new technology.

GRI: 302-1, 302-4

ALRO Total energy consumption (MWh)



Increasing energy performance in ALUM is another main objective of our Group. Starting with 2017, we have implemented in ALUM an energy management system based on ISO 50001. During the years, we have conducted different energy audits that helped us to improve our energy performance management. In 2019, with the support of ELSACO company, we carried out an energy audit to estimate the implementation status of the measures established in 2014 and also to establish a new set of measures for the following four years (2019 – 2022).

A black and white photograph of an industrial facility, likely a power plant or refinery. The image shows a complex network of pipes, walkways, and large cylindrical tanks. A crane is visible in the upper left corner. The sky is overcast. Two large, semi-transparent green circles are overlaid on the image, one on the left and one on the right, containing text.

ALUM energy efficiency measures

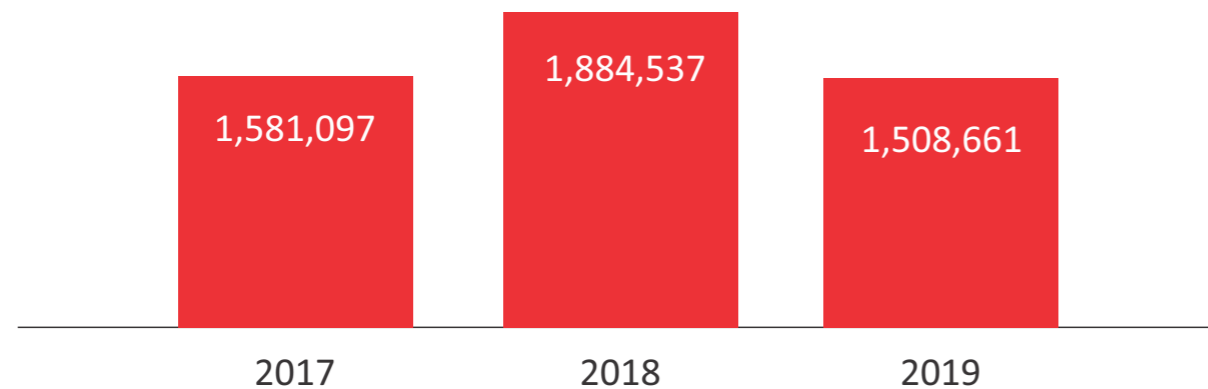
- modernizing boiler no.4 at the Power House;
- installing new heat exchangers at the precipitation installation;
- modernizing the C2AP no. 2 boiler;
- modernizing lighting installations;
- replacing thermal insulation;
- modernizing digestion batteries.

05. NON-FINANCIAL PERFORMANCE

In 2019, the specific energy consumption per tonne of alumina produced decreased by 0.99%, equivalent to a total saving of 36,873 GJ. The result was obtained due to the implementation of the following projects: steam boiler 105 to/h 16 bar refurbishment; replacement of burned gases exhauster at the C2APno2 steam boiler of 120 t/h 90 bar; installation of heat exchangers for heat recovery from the aluminate solution and cooling solutions; replacement of pump units with low energy efficiency, installation of frequency converters for electric motors; replacement of classic lighting with economical LED lighting.

At VE we conduct each year an energy audit in order to verify the status of the energy efficiency measures established. For the activities implemented by VE, the main energy sources are fuel consumption and electricity. In 2019, the total energy consumption was 269.31 MWh, down on 2018. During the reporting period, the electric lighting installation was completely replaced, leading to an energy saving estimation of 120 MWh/year.

ALUM Total energy consumption (MWh)



For the mining activities implemented in Sierra Leone by SMHL, the energy management aspect is regulated and monitored by the Ministry of Energy and Petroleum Regulatory Agency that conducts regularly auditing processes. During the reporting period, we implemented some energy efficiency measures for our non-critical aspects, such as implementation of a solar lighting system for security cameras and promoting activities to create awareness on the importance to switch off the light during non-working hours.



GRI: 302-1

EMISSIONS MANAGEMENT

Being aware of our environmental impact, we continuously monitor our emission and implement specific measures having in view our strategy to become a green factory, innovative and sustainable with near to zero emissions' and waste.

ALRO total GHG scope 1 emissions (tCO₂)



GRI: 305-1



05. NON-FINANCIAL PERFORMANCE

Within ALRO, we implemented an integrated management system for quality, environment, energy, assets, information security, occupational health and safety, social responsibility, a system that complies with the standards EN ISO 9001, SAE AS / EN 9100, IATF 16949, ISO 14001, EN ISO 50001, ISO 55001, ISO / IEC 27001, SA 8000, ISO 17025, ISO 45001. The monitoring of GHG emissions is performed in accordance with the procedures of the Integrated Environmental Management System certified according to ISO 14001. In order to improve our environmental performance, within ALRO and ALUM, we have implemented a system that allows the continuous monitoring of the emissions from fixed sources. The GHG emissions are calculated and reported annually in conformity with the EU Regulation No. 601/2012 on the monitoring and reporting of GHG emissions. Thus, each year, the GHG Emissions Monitoring Plan and the GHG Emissions Monitoring Report (validated by an accredited body) are prepared and sent to the competent authority, in the format sent by the National Agency for Environmental Protection. The evaluation of the emissions management process's efficiency is performed in relation to the requirements of the integrated environmental permit and the greenhouse gas emissions permit.

The report on the results of the emission monitoring is submitted daily, monthly and annually, as the case may be, to the competent environmental authorities. Within ALRO we produce GHG emissions for combustion. Other GHG emissions result from the technological process that requires the use of raw materials or materials with carbon content, such as: calcined petroleum coke, raw anodes, baked anodes, soda ash. GHG emissions are generated from the production process of baked anodes, from the consumption of baked the anodes in the electrolysis process, from the appearance of the anodic effect that generate PFCs and from thermal decomposition.

GRI: 103-2, 103-3, 305-1, 305-5

In 2019, we modernized the combustion system for the homogenization furnaces from the cast house by replacing the current methane gas - atmospheric air burners with regenerative burners, and we also put into operation two slabs homogenization furnaces.

This investment will contribute to an increase of about 20% of the production and it will also contribute to the reduction of gas consumption by about 30-50%. Comparing to 2018, the positive effect of this investment was a reduction of CO₂ emissions of 6% and a reduction of PFC emissions of 22%.

For 2020, we plan to start the extension of the fume treatment plant in the cast house at the melting and alloying furnaces by installing state of the art fume filter systems for the collection and filtering of the emissions generated by the furnaces.

Due to this project, we will be able to respect the new associated emission levels from aluminium melting, treatment and casting in primary aluminium production, as imposed through the new BAT regulations.



ALUM total
GHG scope 1
emission in 2019

257,313 tCO₂

05. NON-FINANCIAL PERFORMANCE

ALUM total GHG scope 1 emission (tCO₂)



Within ALUM, in order to optimize the emissions management process, we have established a program of measures for reducing emissions, constantly following the application of the best techniques available in the field.

During the reporting period, we have modernized the natural gas burning systems at the boilers from Power House, replaced the old heat exchangers with modern welded plate heat exchangers and managed efficiently the chemical washes on plate heat exchangers. This measure lead to a decrease of GHG emissions scope 1 of 20.73% compared to 2018.

We are committed also to reduce the dust emissions coming from the mud dump at ALUM to reduce our impact on the community. In this sense, we have introduced a wetting system and we use shading nets that are sited on the mud. Furthermore, we have also planted trees to realized forest curtains. Following the environmental agreement obtained for the overflow project of the mud dump, in 2020 we will start monitoring also the sedimentary dust coming from the mud dump with the help of an accredited laboratory.

GRI: 305-1



WASTE MANAGEMENT

Within our Group, we ensure the management of waste in accordance with the environmental management system implemented in each of our companies.

We have developed and implemented specific procedures for identification, collection, sorting, recovery or disposal of all types of wastes we produce. Also, we periodically conduct external audits in order to verify and improve our management system. Within our Group, the wastes are collected selectively according to the EU standards (hazardous and non-hazardous recyclable wastes and hazardous and non-hazardous non-recyclables wastes).

The waste storage is realized in specially arranged places in order to prevent any contamination of the soil and to minimize any release of fugitive emissions into the air. These areas are correspondently marked and delimited. The recycling, recovery and disposal of wastes are realized via authorized agents based on specific contracts.

At ALRO we have built two green waste dumps and we have completely removed the asbestos as construction material, and inert wastes, such as crushed concrete generated from building demolishing works, are recycled. At Group level, we recycle the non-hazardous wastes such as scrap metal, carbon-containing wastes, but also hazardous wastes from oils which are recycled by relevant authorized operators.

In 2019, at ALUM premises, the selective collection points were expanded and the storage and collection spaces were reorganized to make the process more efficient. In 2020, an external audit will be performed which will follow the verification of the waste management method. In ALUM the waste storage includes the central recyclable waste landfill (a concrete platform of about 5,000 m², divided into boxes for different waste categories and surrounded by a concrete slab fence); used oil depot (a specially arranged closed warehouse, provided with a concrete platform, with secure access door, in which used oil containers are stored, properly inscribed, by types and quantities, sealed to prevent contamination); cardboard paper warehouse (a specially arranged closed warehouse, provided with a concrete platform, with secure access door, where paper and cardboard waste collected in the 12 points of selective waste collection are stored); dump for storing red mud, the main waste resulting from the production activity.

An aerial photograph of a large industrial site, specifically an alum red mud dump. The landscape is dominated by vast, flat areas of reddish-brown mud, some of which are partially submerged in water, creating a mix of red and blue tones. In the foreground, there are green trees and a dirt road. A large, semi-transparent circular overlay is positioned in the center of the image, containing text. The sky is clear and blue, and the overall scene is captured from a high-angle perspective.

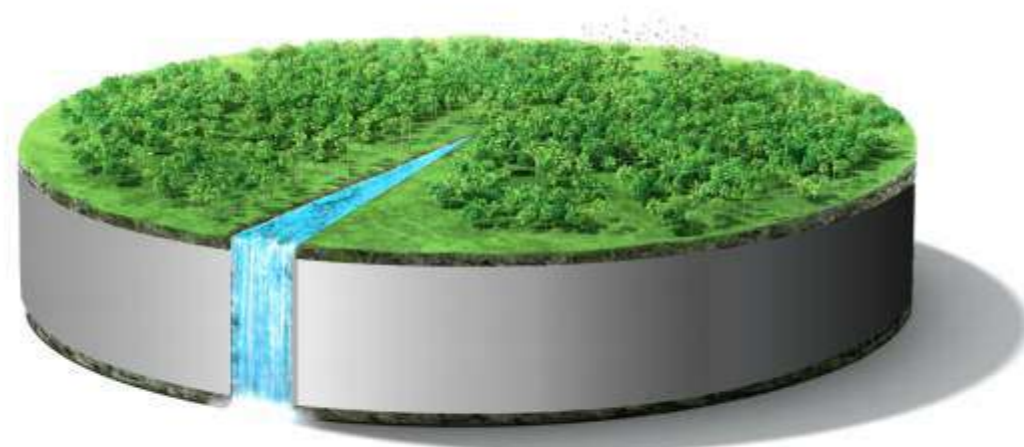
ALUM red mud dump

The red mud dump is located about 3.5 km from the plant, with a total area of 79.4 ha, of which the active red mud storage area of about 54 ha.

WATER AND EFFLUENTS MANAGEMENT

We are aware that water represents a necessary resource for our activities. For this reason, in the last years, we implemented different projects that allowed us to improve our water management system, optimizing water production and treating and reusing almost 90% of the water used.

GRI: 103-2, 103-3, 303-1, 303-3



We use water in all main activities. For our mining operations in Sierra Leone, we usually extract from Taia river 6,808,840 liters of water per year, out of which 6,233,769 liters are recovered and only 476,760 liters are actually utilized in the processes. The main use of this water is for the production of premium washed bauxite, dust suppression and domestic usage. We implemented a strict water management system to monitor water consumption and recycling. The system is in conformity with the EPA Act 2010 and Water Management Resources Act 2017 and includes indications for recycling and reusing water. Effluents go through the Tailing Storage Facility and are processed before discharge. We are periodically audited and monitored on our water management system including our strategies, procedures and responsibilities. Furthermore, we conduct Water Resources Assessments (WRA) in order to improve the planning and management of water resources. These assessments are implemented by measuring, collecting and analysing specific parameters on the quantity and quality of water resources.

At ALUM, we use water from the Danube river for cooling the industrial units during aluminium oxide production. We constantly monitor the volume and the quality of water withdrawal through laboratory analysis of specific parameters according to our environmental authorization. For the production of alumina, we use water to produce steam and cool the plant. Steam is used in all installations except for the calcination process. In order to improve our water performance in the Tulcea facilities, we implemented a water management system, which includes a program of measures to reduce water consumption, as well as a program to self-monitor the quality of drained water. Thus, we have introduced three industrial water-cooling installations that recirculate conventionally clean industrial water, with a very low consumption of additional water, due to the process of water evaporation in the cooling towers. Through this system we can recover a proportion of 95% - 97% of the used cooling water.

ALUM water consumption reduction measures

- replacing old heat exchangers with heat exchangers that have modern welded plates

- using spent liquor instead of water to cool the aluminate solution

- performing additive dosing test to purify the water used in the cooling towers

05. NON-FINANCIAL PERFORMANCE

Due to these investments, we have improved our water performance. In order to evaluate the efficiency of the water management process, the water consumption is monitored monthly by calculating the water consumption per ton of alumina, and depending on the results, additional measures can be established regarding the consumption optimization. Annually, within the analysis report performed by the management, we include evaluation of the efficiency of the water consumption.

Thus, in 2019 it was 6.14 m³ / ton of alumina, compared to 9.32 m³ / ton of alumina in 2018. In 2019, in Tulcea, the water from the Danube withdrawal in 2019 was 3,274,611 m³ and the total drinking water withdrawal of 77,044 m³. The specific water consumption used in the technological process decreased by 34.12% compared to 2018.

Effluent management is carried out on the basis of the Water Management Authorization. Water discharges resulting from the technological process of manufacturing calcined alumina consist of technological wastewater that requires treatment, rainwater and conventionally clean water that does not require treatment and domestic sewages.

The effluent quality indicators are monitored based on the results from the monthly analysis reports, sent by RENAR accredited laboratories, for the water samples collected at the presence of the representatives of the water management authority. These reports are transmitted to the competent authorities in the field of environmental protection. In 2019 the total water discharge was 1,847,989 m³.

At ALRO, water is captured from the ground and surface. In terms of groundwater, we satisfy our needs through ten deep wells drilled in the company's premises, very close to the existing water household which

consists of two buried reception tanks of 100 m³ and 400 m³, a chlorination station, the network water pumping station, a water tower and the distribution network made of underground metal pipe. The total groundwater withdrawal in 2019 was of 615,049 m³, specifically 421,498 m³ for the production of primary aluminium and 193,551 m³ for the production of processed aluminium. In terms of surface water, we capture water from the Olt river through three sockets (Arcești lake socket, Olt socket and temporary socket). In 2019, the total surface water withdrawal was of 2,020,195 m³, mainly for the production of primary aluminium. Within the ALRO's premises, there is also an ALM flow meter which indicates and counts the flow supplied. Furthermore, we have installed 15 water meters: two ultrasonic meters on freshwater capture from the Olt river, 10 meters for drilling water extracted from the ground, an ultrasonic meter for industrial water discharge and two electromagnetic meters for domestic water discharge.

In 2019 ALRO total water discharge was 2,502,755 m³. At ALRO for the discharge of the industrial water we monitor the following indicators: pH, Fluorides, Aluminium, Chlorides, CCOCr, filterable residue at 105 0C, suspensions, extractable substances. For the domestic water we monitor the pH, CCOCr, CCOMn, CBO5, ammoniacal nitrogen.

ALRO is also the drinking, industrial and softened water provider of VE. The highest consumption is for industrial water that is recirculated along all the technological process. The activities performed by VE do not require significant water consumption. In one year, the average water consumption is around 20,000 m³, out of which industrial water consumption is approximately 13,000 m³.

GRI: 303-2, 303-4

HAZARDOUS SUBSTANCES MANAGEMENT

In the implementation of our activities, we pay great attention to the management and use of hazardous substances in order to allow to our employees to work in safe and secure conditions.



GRI: 103-2, 103-3

At each company level, we have established specific management procedures for the handling, storage and analysis for these substances. A person is also responsible for the reporting of all information about hazardous substances to the competent authorities, such as: a list with all hazardous substances which are present on the sites, the maximum storage capacities for each site, as well as the relevant data from the safety data sheets of the substances.

In our companies, we mainly use drug precursors, explosive precursors, caustic soda, industrial oils and greases. For the activities conducted in Sierra Leone, the harmful substances are managed according to the indications of the Environmental Protection Agency (Regulation of 2008 – 2010 and Environmental and Social Regulation for Mining Sector 2013). We provide all the departments/sections in which hazardous substances are used with the Safety Data Sheets in order to train staff on how to manage these substances, protection measures and how to prevent potential risks.

In order to avoid possible accidents linked to the management of hazardous substances that can have significant consequences on our employees and our communities, we have established for each of our companies a specific management system that allows us to systematically identify and periodically evaluate the probability of major accidents through analysis, preparation, training, testing and review activities.

05. NON-FINANCIAL PERFORMANCE

In the event of a major accident, as well as in the event of a potential danger of such an accident, our intervention teams shall act by minimizing and limiting the effects on the health of the population, on the environment and on material goods. Furthermore, we are obliged to communicate all the necessary information to the competent authorities within two hours from the event, to provide the necessary logistics in terms of occupational health and safety and protection of and to ensure, to ensure the ecological restoration of the affected area following a major accident.

We comply with the legislation on the classification, labelling and packaging of chemicals, known as REACH (Regulation No. 1907/2006 on Registration, Evaluation, Authorization and Restriction of Chemicals), and CLP (Regulation No. 1272/2008 on Classification, Labelling and Packaging of substances and mixtures) respectively, which represent the European regulations with a major impact on industry, including the aluminium industry. Thus, we inform all users of chemicals about the registration requirements of the purchased substances in order to be sure that those substances will be available in the future and their use will be included in the registration documentation. At each companies' level, we have nominated a person who is responsible for dealing with the monitoring of the registration and use of chemical substances. ALRO is a member of the REACH Consortium, formed by the European Aluminium Association (EAA), which prepares the full dossier for aluminium, aluminium oxide and aluminium hydroxide.



OUR CONTRIBUTION TO THE CIRCULAR ECONOMY

Our eco-recycling facility from ALRO is one of our reference projects in the field of circular economy, reaching since 2013 when the eco-recycling facility was commissioned until June 2019 of a level of 400,000 tonnes of aluminium scrap recycled and re-melted, out of which 187,000 tonnes in the eco-recycling facility and the rest in the cast house. As the energy required to recycle aluminium is around 5% of the primary production demand, we plan to increase even more the activity of this eco-recycling facility to reach a total waste processing capacity of 100,000 metric tonnes per year.

Creating value by operating a sustainable and long-term business represents one of ALRO Group development strategy fundamental pillar. We are allocating significant resources for minimizing our environmental footprint, identifying the best solutions for the capitalization of by-products and waste in all our companies. Having in view that aluminium continuously recovers its original properties, even after several recycling cycles, which allows it to be used repeatedly for the same purpose, we are focused on promoting the principles of the circular economy in order to create new economic opportunities and stimulating long-term competitiveness of our Group.

The amount of energy saved through recycling (up to 95%) corresponds with an equivalent saving of greenhouse gases emission.



05. NON-FINANCIAL PERFORMANCE

We are also continuing our strategic program of converting the red mud from ALUM into a commercially viable product for other industries, especially in agriculture for neutralizing acidic soils and increasing crop's productivity.

The research work for this project was initiated back in 2011 and since then several monitoring reports, research and laboratory tests have been carried out on the storage and use of red mud by prestigious research institutes in Romania, such as ICIM Bucharest (The Research Institute of the Ministry of Environment), ECOIND Bucharest, IMNR Bucharest, IPROCHIM SA Bucharest etc.

Moreover, meetings with farmers and other interested parties in such a project were held, in order to collect and analyse the perception and feedback on this work.

At the moment, the project is continuing as planned, the results being promising. Thus, on 6 March 2019, ALUM announced that allocated more than one million US dollars in 2018 for safely storing the red mud derived from bauxite processing.

Additionally, at the level of ALUM we set up a "By-products Working Group" responsible for identifying the best solutions for the capitalization of by-products and waste in the company. The attributions and responsibilities of the working group aim at:



- pursuing the observance of the extended responsibility of the producer;
- drawing up the evidence of the information related to the sale of by-products and waste from the company, to interested and authorized clients;
- tracking and keeping records on the traceability of these by-products and waste;
- compliance with European and national legislation on waste management;
- the application of the "pay for what you throw away" principle, with the responsibility of each factor involved in the waste management chain.

GRI: 103-2, 103-3

05. NON-FINANCIAL PERFORMANCE

In order to achieve the objectives mentioned above, a short-term action program was drawn up, aiming at identifying all recyclable and recoverable waste and their quantities, in order to increase the degree of recirculation and recovery, as well as identifying potential customers to recover by-products and waste from society.

Materials used by weight or volume	Unit	2019	2018	2017
The total quantity of materials used to produce ALRO products	tonnes	82,598*	74,212*	79,152 *
The total quantity of materials used to package ALUM products	Big bag (pcs)	27,257	28,652	29,712
	Pallets (pcs)	11,388	9,416	9,704

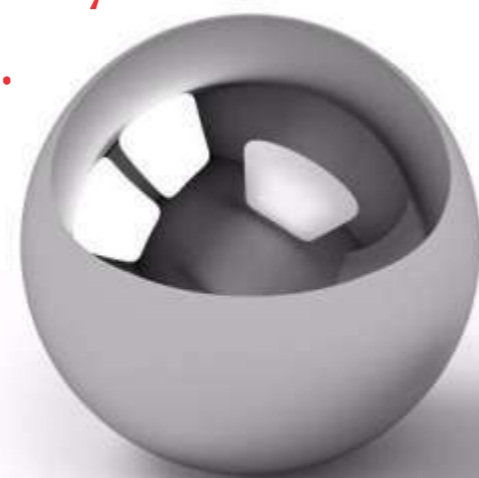
Recycled input materials used	2019	2018	2017
Percentage of recycled input used to manufacture the organization's primary Products.	29%	26%	28%
Percentage of residual leach waste capitalized in the technological process, as raw material.	1%	0.70%	2%

* The quantity refers only to Al recycled from internal and external sources

GRI: 301-1, 301-2

RESEARCH AND DEVELOPMENT (R&D) AND NEW TECHNOLOGIES

We are aware that the high level of competitiveness of our products can only be maintained through a solid R&D activity that allows us to do better what we already do and to identify new opportunities to innovate.



We have established a Research and Development Strategy that guides the Research and Development Department, consisting of 62 people. The Strategy has four main directions - decreasing energy consumption, improving products' quality, increasing products' competitiveness, developing new products, articulated in a specific research topic program.

We have also established a management system that allows us to improve the R&D activities. Thus, each month we analyse and define which is the status of each research project in implementation, and the final report of each project is presented in order to obtain approval by the ALRO Technical Economical Commission. Furthermore, annually we elaborate the Annual Report of the R&D activities that is approved by the Director of Technical Quality Investments Division and the Chief Executive Officer. We have established, also, fruitful collaboration with important research institutions and with Romanian and European universities for the realization of the research plan that represents our roadmap until 2024.

At the moment, we are concentrated on the implementation of the following research projects: double filtration on casting; modeling the heat treatments according to the alloy and the holding temperature in the oven; cathodes with microwaves in electrolysis tanks (reduction of electricity by approximately 100 kWh/tonne; collaboration with Pechiney Aluminium for a new tank design for reducing electricity consumption in electrolysis by 300 kWh/t; optimization of the emissions' aspiration under the hood of the electrolysis tank by improving the design of the aspiration in the diving area.

The Research and Development Department constantly monitors the production processes and its parameters in order to identify optimization solutions.

05. NON-FINANCIAL PERFORMANCE

Furthermore, the Department develops mathematical models to create products based on specific parameters, identifies industrial research topics based on the needs of production processes and supports the implementation of the measures established following the technical consulting missions. For the clients from the aerospace and automotive industry, we conduct specific analysis within our metallographic analysis laboratory in accordance with their quality requirements.

The equipment purchased within the project “Investments for the Research Development Department of ALRO aiming at developing the research/innovation infrastructure for the aluminium alloy heat treated plates with high qualification industrial applications” we are developing new technologies for the production of thin aluminium sheets, equipment composed of: an independent equipment for studying the hardening treatment of aluminium alloy plates, an independent equipment for studying the process of removal of residual stresses from aluminum alloy plates up to 20 mm thick and an independent equipment for studying the aging treatment of aluminium alloy plates. In January 2019, all the commissioning tests of the three pieces of equipment were completed. The research topics within this project aimed to study the influence of the cooling environment temperature on the mechanical characteristics of the aluminum alloy sheets with structural hardening and the heating speeds of the sheets up to the holding temperature on the distribution in the volume of the calibrated workspace of the mechanical properties obtained after the Artificial Aging Treatment of the aluminum alloys.

In 2019 we have finalized the implementation of the project “Endowment of Alum’s Research and Development Department with independent reliable research installations to support the increase in economic competitiveness and business development”, co-funded by EU grants within the European Regional Development Fund through the Competitiveness Operational Programme 2014-2020: “Investment in Sustainable Development”.



05. NON-FINANCIAL PERFORMANCE

By this project, three state-of-the-art equipments were purchased, installed, adjusted and put into operation, which are currently endowed by the ALUM Research-Development Department:

- independent installation for the research and development of dry technology to obtain dry aluminium hydroxide;
- independent installation for the research and development of technology to grind and sort dry aluminium hydroxide;
- independent installation for the research and development of wet aluminium hydroxide grading technology.

Another outstanding result achieved through the implementation of this project was the creation of 26 new jobs, exceeding the initial expectations.

The results of our R&D activities are recognized at international level being discussed at important events and published in remarkable sector publications. In 2019, ALRO participated at the 148th Annual Meeting & Exhibition TMS 2019, San Antonio, USA, with three works: “Coupled Fluid Flow and Heat Transfer Analysis of Ageing Heat Furnace”; “The Influence of the Distance Between the Plate and the Top Nozzles During the Soft Quenching Process of the 6061 Aluminium Alloy Plates”; “The influence of quenching and stretching process conditions of aluminium alloy plates on residual stresses”. All these works were published in the “Light Metals 2019” book.



Also in 2019 we participated at the XI International Congress & Exhibition Non-Ferrous Metals and Minerals 2019, Krasnoyarsk, Russia, with the following works: “Influence of Rate of Heating to Aging Temperature on Mechanical Properties of 6082 Aluminium Alloy Plates” and “Effects of Ti Addition into Core Alloy on Mechanical Properties and Corrosion Resistance of 4343/3003/4343 Aluminium Alloy Clad Sheets.” This last work was awarded as the “Best Report” in the “Casting, deformation and recycling” section.

HUMAN RESOURCES MANAGEMENT

We make any effort to ensure that all our people are constantly involved, motivated and connected to the needs of the company, by maintaining a fair and safe work environment, based on respect for human rights, equal opportunities and zero tolerance for discriminatory behavior.

We are well aware that the long-term sustainability of ALRO Group and the success in providing high-quality products is based on its capacity to attract and maintain the most qualified and talented people.

Providing safe and secure jobs for all our employees, especially in most challenging and difficult times, is and will remain one of our main concerns.

For this reason, we have designed and implemented a human resources management that allows us pursuing clear objectives, like:

- analysis and organization of the activities,
- establishing the organizational structure,
- human resources planning,
- staff recruitment, selection and orientation,
- continuous professional training,
- evaluation of the individual performances,
- ensuring an efficient rewards and benefits mechanism,
- ensuring occupational health and safety,
- ensuring the discipline and a work environment corresponding to the
- development in optimal conditions of all activities.

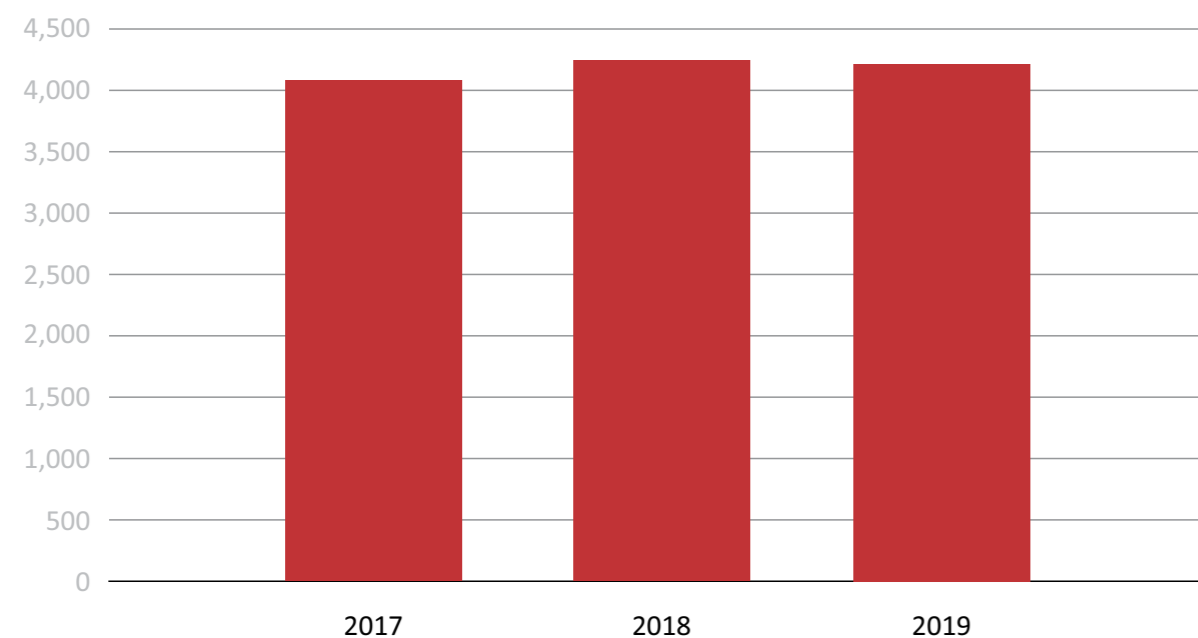
In all areas where we operate, we are one of the largest employers, contributing to the local employment and economic growth. The robustness and solidity of our activities allow us to maintain a relatively constant number of employees, without large fluctuations from one year to another. Thus, in 2019, the ALRO Group employed more than 4,100 staff, out of which more than 700 women, within two countries: Romania and Sierra Leone.

GRI: 103-2, 103-3



05. NON-FINANCIAL PERFORMANCE

Total number employees ALRO Group



One of the factors that ensures this success is the guarantee and respect of employees' rights, and a correct remuneration policy, which is, in general, above the national average. 100% of our employees in Romania are covered by the Collective Bargaining Agreement and 76.4% in Sierra Leone.

Ratios of standard entry level wage by gender compared to local minimum wage

Location of operation	Year	The ratio between the minimum salary in the company for entry level employees and the minimum salary in the economy	
		Women	Men
Bucharest	2017	3.3	2.0
	2018	3.2	2.0
	2019	3.1	3.0
Slatina - ALRO	2017	1.1	1.2
	2018	1.1	1.2
	2019	1.3	1.3
Slatina - VE	2017	1	1.02
	2018	1	1
	2019	1	1
Tulcea - ALUM	2017	1.11	1.11
	2018	1.11	1.11
	2019	1.21	1.21
Sierra Leone - SMHL	2017	1.37	1.37
	2018	1.47	1.47
	2019	2.50	1.90

GRI: 102-8, 102-41, 202-1

05. NON-FINANCIAL PERFORMANCE

Performance Management

Our human resources system ensures the recognition of our employees' contribution to achieving the Group's objectives, making them fully engaged at work and building a unique culture. The reward system is comprised of attractive remuneration packages and includes: a fixed based remuneration paid monthly and other fixed-payments, such as fixed bonuses and special allowances according to the Collective Labour Agreements. More details about the benefits granted to our employees are available at pg. 113.

At the base of our remuneration system lays the evaluation of the employees' performance that takes place annually through a dialogue between each employee and his direct manager. The emphasis is on feedback and increasing its frequency, thus encouraging continuous and open communication between managers and employees. In 2019, 3,781 of employees from ALRO Group received an evaluation of their competences.

Number of employees receiving regular performance and career development reviews

Indicator	Employees			Management		
	2019	2018	2017	2019	2018	2017
Numbers employees who received performance review ALRO	2,266	2,261	2,256	18	18	18
out of which women	368	373	374	2	2	2
Numbers employees who received performance review ALUM	780	775	722	14	14	16
out of which women	129	129	117	2	2	2
Numbers employees who received performance review VE	244	240	232	30	29	24
out of which women	109	110	99	10	10	7
Numbers employees who received performance review SMHL	491	496	446	93	93	77
out of which women	41	45	38	7	9	8

GRI: 404-3, 103-2, 103-3



05. NON-FINANCIAL PERFORMANCE

Training

In order to obtain ALRO Group products at the highest standards, is required to have a motivated and involved team with the adequate competencies and abilities, in line with the demands of the competitive business environment. Therefore, we are constantly investing in professional training programs for our employees. Through the training and professional development of the employees, ALRO Group is directly involved and contributes to their growth and performance and implicitly to the increase of the team's performance and thus of the organization.

The continuous professional training of the employees within ALRO Group is carried out based on the annual training programs and the allocated budget established at the level of each company. The main objective of these programs is to increase the professional skills of all participants in training programs accordingly to the specific activities developed, in order to improve their individual and team performance. An important emphasis is placed on "in house" training programs addressed to operators and the first line managers, which aim to increase the performance of production teams.

The annual program consists of a diversified range of training activities, such as: periodic professional trainings for all employees from a sector with in-house trainers; introductory, qualification, requalification and specialization authorized courses; postgraduate programs (MBA, in-depth studies, etc.); team-building programs organized at departmental or interdepartmental level; participation in symposia, conferences, workshops, fairs and exhibitions; specialized consulting services, etc.

GRI: 103-2, 103-3



The programs organized annually are continued, ensuring their traceability and the professional training and specialization of the employees involved in different projects. The training theme emphasizes the change of the employees' mentality regarding self-control, product quality, cost reduction, efficient use of resources, new techniques and technologies, environmental protection, compliance with system and operational procedures, improvement of communication, etc. These programs are dedicated to employees with executive functions but especially to operators directly involved in the production flow.

05. NON-FINANCIAL PERFORMANCE

For example, within ALRO the training programs dedicated to the operators who carry out activities in the field of obtaining aluminium products and aluminium alloys destined for the aerospace and auto industries are finalized with internal certification on the job valid for 2 years. ALRO is an authorized training provider for the qualification courses of non-ferrous metallurgist and laminator, qualifications specific to our field of activity, but which are deficient on the labor market.

At the same time, our Group focuses on the development and implementation of dedicated training programs, which correspond to the needs identified by permanent communication between management, job leaders and employees, emphasizing both professional developments, through talent management programs, but also on the development personal and team.

Upon employment, all new employees with an undetermined period labor contract, regardless of their gender, are included in training or development programs, in order to facilitate their integration within the company, familiarization with the activities and specific working procedures. Depending on the results obtained, their professional training continues, being included in other specific programs.

For some of our companies we are rolling specific training programs in order to establish a reserve of employees with particular qualifications, taking into consideration also the state-of-the-art technologies. For ALRO, these types of programs are organized within ALRO Skills Academy.

Within ALRO Skills Academy are organized professional training programs whose main objectives are:

- increasing the professional skills and abilities of employees, depending on the technique and technologies newly emerged at the organizational level;
- adapting the new employees to the activities and work procedures specific to the development in optimal conditions of the activities;
- inclusion of the working personnel in poly-qualification, specialization, authorization, internal attestation programs, etc. leading to increased internal mobility as well as certification of professional skills;
- anticipated training of the workforce, achieved by organizing specialized internship programs, internship programs, with the participation of pupils and students.

05. NON-FINANCIAL PERFORMANCE

Being aware of the importance of attracting new talent and ensuring the transition for certain key functions in our field of activity, we ensure the organization of internships and awards of scholarships for students based on different partnerships we establish with educational institutions. In 2017, ALRO was the first economic agent in the south of Oltenia to conclude contracts with students of the vocational school in a dual system. In 2020, ALRO will have the first graduates of this education system. More details about the organization of internships in 2019 within ALRO are available in the section “Community relations”.



GRI: 404-1

Total hours of training per year

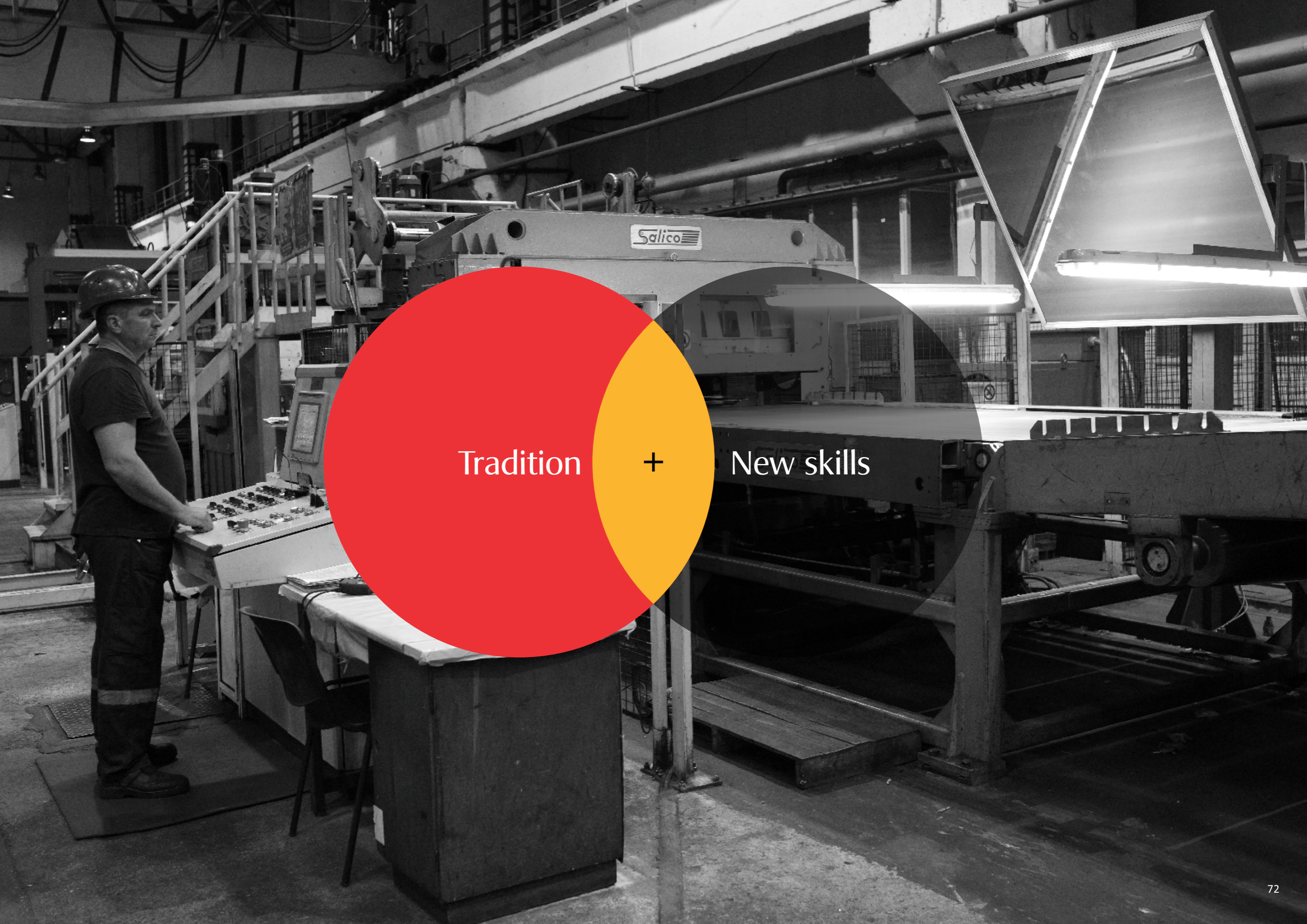
Indicator	Employees			Management		
	2019	2018	2017	2019	2018	2017
Total number of training hours offered to employees ALRO	66,746	91,305	74,875	219	233	184
out of which women	8,853	10,403	9,897	54	180	66
Total number of training hours offered to employees ALUM	34,905	26,906	25,436	380	308	592
out of which women	3,214	3,494	7,602	72	60	92
Total number of training hours offered to employees VE	6,272	5,040	5,644	3,086	2,531	4,794
out of which women	2,832	2,400	1,697	1,396	1,442	1,940
Total number of training hours offered to employees SMHL	672	242	145	96	84	40
out of which women	4	86	24	32	18	4

05. NON-FINANCIAL PERFORMANCE

Programs for upgrading employee skills and transition assistance programs

ALRO		
Program type	Program name	Skills
Internal training	Internal training programs for all the categories of personnel within each activity sector.	Improving and developing the professional competencies and skills; Acquiring / maintaining the competencies and abilities necessary for the products specific to the aerospace and auto industries.
Vocational training program	ALRO Skills Academy	Acquiring competencies and abilities necessary for the efficient practice of ALRO specific occupations
External vocational training program	Improving the professional training of specialists in all fields of activity (technical, economic, legal, other specialties), in order to access the most advanced technical, economic and other information of interest to company.	acquiring and developing new competencies specific to the development of activities, increasing the degree of efficiency, rapid adaptation to any problematic situation that occurs

GRI: 404-2



Tradition

+

New skills

05. NON-FINANCIAL PERFORMANCE

ALUM		
Program type	Program name	Skills
Vocational training program	Crane Operator	improving job-specific skills
Vocational training program	Foremen school	improving job-specific skills
Vocational training program	Forklift Operator Course	improving job-specific skills
Vocational training program	HSS Responsible	improving job-specific skills
Vocational training program	SRAC auditors Course	improving job-specific skills
Vocational training program	Waste management Course	improving job-specific skills
Vocational training program	Six Sigma Course (champions+ Green Belt)	improving job-specific skills
Vocational training program	Total Productive Maintenance Course	improving job-specific skills
Conferences / seminars	Seminar in the field of psychology	improving job-specific skills
Conferences / seminars	Biocidal products and chemicals - complete methods of approval, registration and authorization	improving job-specific skills
Internal training	"Increasing professional performance in the field of technological process of manufacturing calcined alumina through the Bayer process" Monthly HSS training at work	improving job-specific skills
External training	AFER - CFU staff Environmental responsible	improving job-specific skills

GRI: 404-2



Competences

+

Abilities

05. NON-FINANCIAL PERFORMANCE

SMHL		
Program type	Program name	Skills
Outdoor	Performance Management	the importance of PM and the role of Supervisor/Line manager in the process.
Classroom and outdoor	Team Building	Group cohesion and recommitment to achieving organisational goal
Classroom and outdoor (practical)	Customer Service group coaching	best approach to ensure customer satisfaction (internal & external)
Classroom and outdoor (practical)	Occupational Safety and Health	hazard awareness and precautionary approach
Classroom	Supervisory and first line managerial skill	establishing "execution gap" i.e. setting goal to achieving it
Classroom	Leadership and Management Training	identifying the differentiating behaviours and enhance coaching both one-on-one and group base
Classroom	Conflict Management for professional workplace	conflict mitigation and mediation, and build a repertoire of conflict-handling skills
Classroom	Emotional Intelligence Mastery - Data Driven	creating & institutionalizing effective Emotional Intelligence behaviours

GRI: 404-2



Motivation

+

Commitment

VE		
Program type	Program name	Skills
Soft skills - training	Feedback, Communication, Time Management	improving communication and relationship skills
Conference	Legal, financing, human resources	improving notions and updating legislative information
Technical training	Temperature management, Notions of extrusion, Catalogue of defects	improving job-specific skills



GRI: 404-2

05. NON-FINANCIAL PERFORMANCE

Human Rights

Human rights are one of the essential values of our Group because we believe that all people must live with dignity, freedom, equality, justice, and peace. The respect of these rights represent represents an essential condition for the ethical development of our business and also the communities in which we operate.

The respect of human and employees' rights is ensured within the collective bargaining agreements that we negotiate annually at the level of each company.

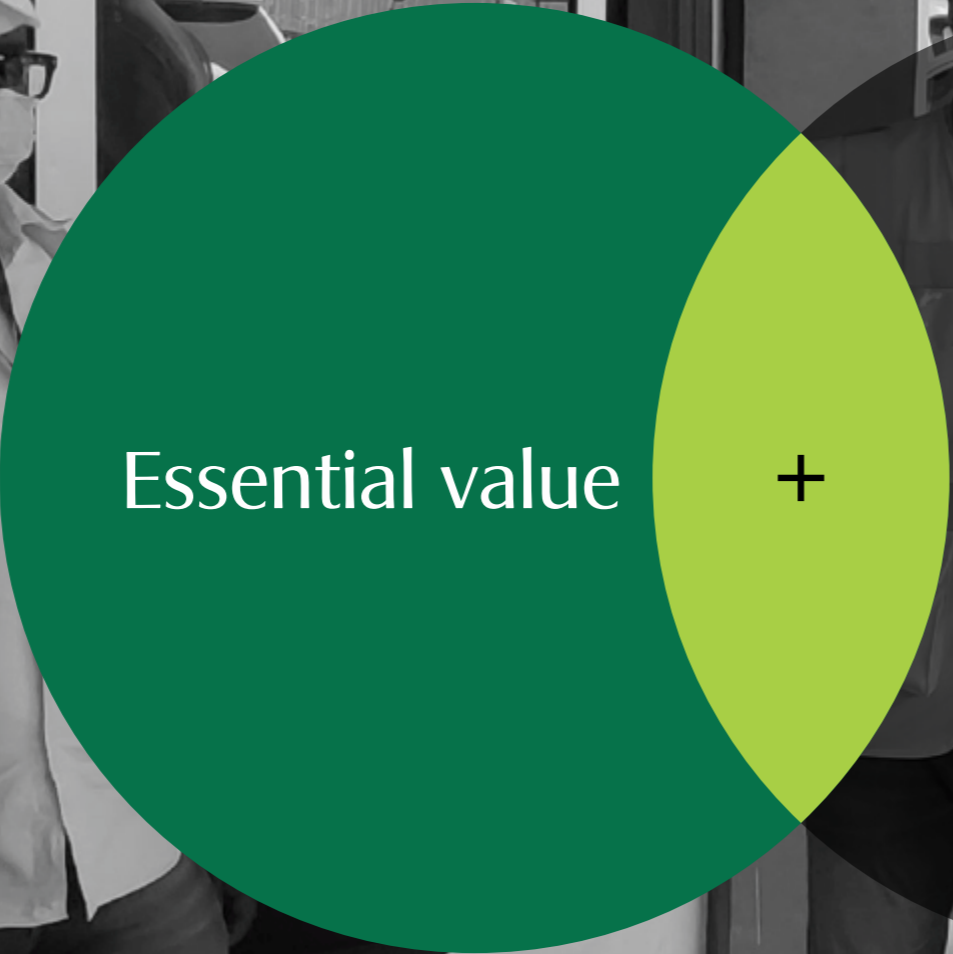
For this reason, we did not face the risks of forced labor or exploitation of minors, respecting the Labor Code and none of our operations are exposed to the risk of incidents of forced, compulsory labour or child labour.

The recruitment, employment and promotion procedures established within the Group are based strictly on criteria related to the competence and performance of each employee and represent one of our positive action that facilitate the enjoyment of basic human rights. These are complemented by the occupational health and safety measures that ensure an adequate and safe working environment for all our employees and the right to freedom of association.

Within our Group all our employees have the right to register in one of the 7 existing union, as follows: "Sindicatul Liber ALUM" - 95.27% from the total number of employees from ALUM are members, "Sindicatul Liber ALRO", "Sindicatul Liber Aluministul", "Sindicatul Solidaritatea", "Sindicatul Prelucrarea Aluminiului", "Sindicatul Alroproduct", "Sindicatul U.P.S. (Uniunea Profesionala "Stiinta")" - 90% from the total number of employees from ALRO are members. In Sierra Leone the freedom of association is ensured by the 1991 Constitution and also by the Regulations of Wages and Industrial Act No. 18 of 1971. Junior Staff employees (414 employees) are members of the United Mines Workers Union (UMU). Senior Staffs are also on the verge of form an association.

In conformity with the national laws, we respect the right to inform all our employees' in case significant changes to our operations are necessary that could affect their jobs. For this, we are providing a reasonable notice period that is regulated within the Collective Bargain Agreements existing at the level of each company from the Group. ALRO Group does not tolerate discrimination in any form. All employees have equal opportunities, regardless of gender, nationality, age, family status, language, religion, etc. In 2019, we had zero incidents of discrimination.

GRI: 409-1, 408-1, 402-1, 406-1, 103-2, 103-3



Essential value

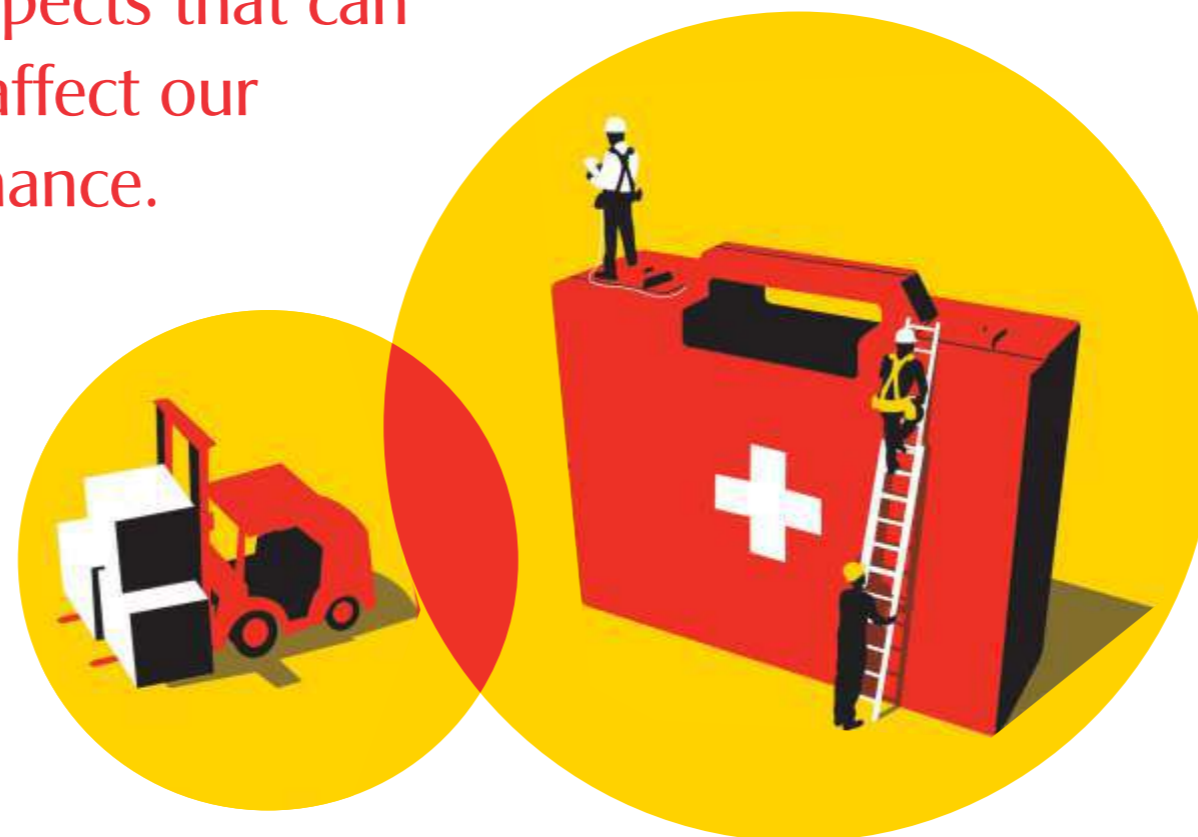
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Respect

HEALTH AND SAFETY

One of our main priorities is to ensure a healthy and safe working environment for all our employees. This means efficiently managing all aspects that can positively and negatively affect our health and safety performance.

In all our companies we have implemented a strong health and safety management system. The system voluntarily implemented within the three Romanian companies is certified according with ISO 45001:2018 and includes procedures for employees training, monitoring employees' health, minimum requirements for signalling workplace hazards, research and registration of occupational health and safety events, as well as a program of occupational safety and health measures for the prevention of work accidents. Within SMHL, we implemented a management system based on the OSHA Standards, according to the legislation in force in Sierra Leone. All our employees contribute to the process of realization, implementation and evaluation of the management systems. In conformity with the standard, a representative of employees participates in the internal and external audits.



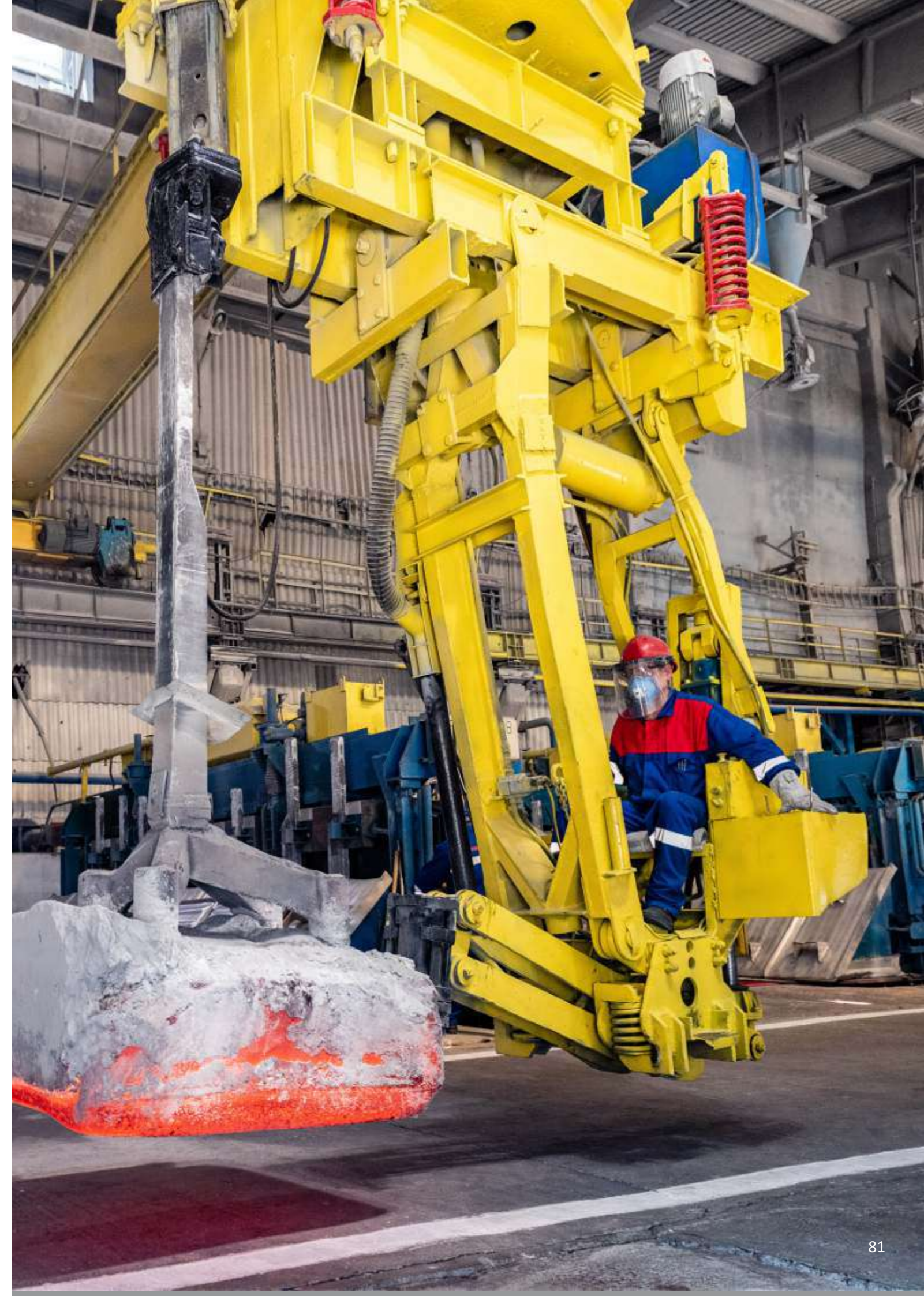
05. NON-FINANCIAL PERFORMANCE

We identify and evaluate the risks related to the workplace analysing all the main related elements, such as: legal requirements, work system, non-conformities, accidents, audit results, employees' opinion, medical observations and best practices. For each risk category, we establish the concrete form of risk manifestation, and the level of risk is determined according to the maximum foreseeable consequence, the severity level and the probability of occurrence.

For the risks that have a high alert score, we realize a plan of measures for the elimination/reduction of the respective risk. In order to improve our performance, we periodically carry out specific health and safety controls in all our production sites. The outcomes of these activities result in specific measures that are proposed to resolve all the non-conformities found. Following risks identification and evaluation activities, within ALRO we identified specific health and safety risks, as follows: contact with hot materials, falling from a height, catching / hitting by moving equipment elements, electric shock and exposure to dust or gases.

Within ALUM, we identified and assessed workplace hazards based on risk assessment sheets and risk level calculation for each workplace. The most important risks that led to the occurrence of work accidents were classified as follows: 20% eye and skin splashes with alkaline solutions (chemical burns), 11.5% contact with slippery surfaces and 10.4% falls from the same level (fractures, sprains, dislocation). In order to prevent similar situations and to eliminate these risks, we established a program of measures and all staff was trained.

GRI: 403-2, 103-3, 403-9, 403-10



05. NON-FINANCIAL PERFORMANCE

According to the Romanian legislation, at the level of each company (ALRO, ALUM and VE) there is an Occupational Health and Safety Committee with the following responsibilities:

- supervises the current status of the health and safety activities; proposes improvements taking into account the presence of groups
- sensitive to specific risks;
- verifies how legislation is respected;
- analyses the proposals of the employees regarding the prevention of work accidents and occupational diseases, as well as for the improvement of the working conditions;
- performs its own verification regarding the application of health and safety instructions.

100% of our employees are represented by these committees.

Within SMHL, the health and safety activities are supervised by three Occupational and Safety Committees. In this case, our employees are represented only in a proportion of 50%.

In order to prevent the occurrence of health and safety accidents or incidents we have implemented a system of health and safety signals that provide information on existing risks or dangers, imposition of prohibitions, marking of emergency exits, identification of first aid points and protection equipment.

All the employees benefit of individual protective and comfortable equipment specific to each job, purchased after a testing period. Also, each installation has first aid kits equipped with first aid materials and emergency showers.

GRI: 403-4, 403-3, 403-7, 403-6, 403-5

We guarantee protective nutrition to the employees who implement their activities in divisions that require this. Within each company, there is a medical office that provides continuous medical assistance.

Moreover, at ALUM, in order to promote employees' access to medical services outside the workplace, we provide health insurance for some employees and we offer financial supports for employees with health problems, by providing social assistance for the treatment and investigation of various diseases. Permanently, we promote actions to prevent and reduce health and safety risks by assessing the potential risks for each position and we train periodically our staff on compliance with measures to prevent and reduce/eliminate health and safety risks. All our employees are trained in health and safety subjects according with the Annual Training Plan.

We perform introductory-general trainings for the newly hired staff, visitors, subcontractors and periodic trainings for all the hired staff. In 2019, within ALRO we have implemented a new training system for visitors on health and safety issues. Also, additional trainings are performed when some employees change their job position, when some employees were absent from the job for more than 30 days.

For example, in 2019, 99 employees of ALRO participated in a first aid training course organized by a specialized training provider and seven employees from ALUM job leaders and TESA staff participated in specific health and safety training course organized with the support of the Territorial Labor Inspectorate of Tulcea. At VE, in 2019, we have carried out the "Free Injuries" project consisting of weekly inspection for each department. Following this project, an improvement measures plan was developed and is currently being implemented.

COMMUNITY RELATIONS

We are aware of the important role we play, influencing the economic, social and cultural life, so we do our best to act responsibly to positively influence the community in which we operate.



Due to our economic and financial potential, but also due to the fact that we are the only producer of aluminium and aluminium alloys in Romania and one of the most important company in Sierra Leone, we are a representative company not only for the areas in which we operate, but for the entire national industries. For the Southern part of Romania, ALRO Group is an example of how technical and financial management intertwines with environmental protection and community relations management and in 2019 for Sierra Leone we were awarded for our high level of compliance in paying taxes.

ALRO Group is actively involved in community life by engaging in corporate responsibility programs, from providing social assistance or goods for events following natural disasters, to education, sports and health programs.

We believe in the sustainable development of society, being constantly concerned with improving and developing the partnerships and sponsorships, promoting and encouraging CSR practices and principles and protecting the environment and contributing to the wellbeing of the communities' members.

05. NON-FINANCIAL PERFORMANCE

Annually, ALRO, as the largest and most important company within our Group, publishes a CSR Report, presenting the initiatives implemented for the community. Partnerships, donations and sponsorships are one of the forms in which ALRO Group interacts in a strategic way with the community. We are constantly trying to solve the social needs of the communities.

Based on the existing internal procedure, available at each company level, we have established a clear and non-discriminatory system for selecting and granting sponsorships. Thus, within each company we established a Sponsorship Commission which is meeting every month and analyzes each request received based on the following criteria: the legal nature and object of activity of the applicant, the value of the sponsorship, the use and justification of the sponsorship, as well as other specific criteria. We have established a specific department within each company which is responsible for receiving, registering and submitting sponsorship requests.

The requests are redirected to the Secretary of the Sponsorship Commission to be analyzed by the members of the Commission. In order to verify the purposes for which the various sponsorships were granted, we established a monitoring and verification system that contains both specific contractual clauses and the realization by the beneficiaries of detailed implementation reports and on-site visits.

GRI: 103-2, 103-3



05. NON-FINANCIAL PERFORMANCE

In 2019, ALRO Group implemented more 45 CSR initiatives for the community and for its employees from Slatina and Tulcea counties and from Sierra Leone. Main programs implemented for the local communities:

- “Dual vocational education with a duration of three years”;
- “Spring Cross - Slatina 5km”;
- The National Mechanics Olympiad and the National Mechanics Competition for students from vocational schools. The event was organized in partnership with the Slatina Technical Metallurgic College;
- Support for ALUCRO Association for awarding one of the prizes within Can Art & Design festival;
- The project organized with the National Red Cross Society of Romania - Tulcea branch, attended by employees of ALUM (volunteers), representatives of the Directorate of Assistance and Social Protection Tulcea;
- The "That's What I Want" (AVE) project organized in partnership with Nalbant High School;
- Presentation of the details regarding the completion of the implementation of the financing project "Equipping the Research-Development Department of SC ALUM with independent and performant research installations for increasing economic competitiveness and business development". Representatives of the media, ALUM management, consultants, authorities, ALUM employees involved in the project participated;
- Support for "The Mentoring Project" Association the publication and launch of the paper “Energy. Operational concepts and tools”;
- Support for ECOIND for organizing the event International Symposium "Environment and Industry SIMI 2019”;
- Support for “Save the Children” Association for educational projects;
- Support offered to the Red Cross, Olt Branch, for the development of the social project "First aid camp for children in rural areas”;
- Emotional development camp for 16 children from DGASPC;
- Support for Slatina County Hospital with the purchase of a monitor for vital functions fully equipped for the neonatology department;
- Projects implemented in Sierra Leone, as follows: scholarship to 207 students; road rehabilitation; construction of water wells, construction of school and staff quarter; construction of market buildings, construction of youth secretariat/complex, rehabilitation of health Centre.

GRI: 413-1

05. NON-FINANCIAL PERFORMANCE

Between June-July 2019, within ALRO took place an Internship Program for the students and graduates of "Non-ferrous Metallurgy" specialization courses. We offer to the participants the possibility to adapt to the working environment, to participate in discussions and working meetings with specialists in the field, as well as in thematic trainings and workshops.

We have been traditionally involved in educational projects for future employees, rolling partnerships with high schools, post-high school and collegial organizations, such as the Technical Metallurgic College in Slatina, Technical High School "Henri Coanda" Tulcea, the Polytechnic Universities in Bucharest and Brasov, the University of Craiova etc. The programs are facilitating the practical training of the students, their annual practical projects, graduation or PhD projects on various research themes or professional classes focused on specializations that are of interest to us.

Starting with 2017, we are implementing the project "Dual vocational education with a duration of 3 years" for the school year 2017/2018, 2018/2019 and 2019/2020 in partnership with the Technical Metallurgic College in Slatina in the mechanical and electrical field. The first dual education class had 27 students who learnt both theoretical and practical aspects of the job over a three-year curriculum and graduated as equipment and industrial installation mechanics.

We offered internships and a monthly 200 RON scholarship for each student, as well as a daily hot meal for the entire duration of the internships. Also, these partnerships facilitated the organization of internships for the students registered at vocational school from machine tool operators with numerical control, foundries and electro-mechanics classes. At SMHL we embark on the implementation of different scholarship scheme in order to develop the required skills for employment opportunities level, having in view the high level of community dependence we have for jobs (80% of employees are nationals – Sierra Leone).

Another of our preoccupation is referring to the environmental protection and ensuring the welfare of the communities in which we operate. For this, we have continued to invest for the modernization and efficiency of environmental management by implementing several measures, such as:

- monitoring emissions on the premises and in the area of production areas;
- promoting an organizational culture and an environmental protection mentality among employees, including through specific training seminars (Water production, storage, treatment and distribution training; Waste management training; Environmental Responsible Course etc.);
- efficient waste management;
- ensuring the protection of human settlements and improving ecosystems.

ALUM 46 YEARS

of value creation for community



05. NON-FINANCIAL PERFORMANCE

In February 2019, we organized a public debate of the report regarding the environmental impact for the project "Increasing dykes of the bauxite residue storage area" in order to identify the possible concerns of the community from Tulcea and to provide the necessary clarifications needed.

In Sierra Leone we respect a distance of at least 300 meters from any community, we have ensured the integrity of the existing infrastructure and we are implementing measures for keeping the dust and noise pollution at acceptable level standards. Due to our management procedure we didn't have to relocate any villages and or any significant disputes (complaints and lawsuits pending) related to land use and other rights of local communities. From our total operations from Sierra Leone, eight are within or near the territories belonging to indigenous population and for five of it we have established formal agreements with these populations.

We are also concerned to maintain a permanent dialogue with all local authorities, including those from emergency situations or environmental protection areas, but also with our employees and different community members. In order to ensure and allow this dialogue, we have established a specific procedure regarding the submission of complaints and notifications (grievance) from any interested person. In 2019, we received all kinds of requests from the local community that we solved, but we didn't receive any complaints. Also, we have installed speak-up boxes so that any interested party to be able to submit a complaint or a notification.

GRI: MM6, MM5, 413-2, 103-2, 103-3

Another communication instrument that we created is the organization of audiences to the management of the companies by the employees as well as by other citizens, to address specific requests, complaints, notifications and proposals.

In this sense, we elaborated specific procedures for each company within the Group. Additionally, in Sierra Leone we are organizing Radio Discussions with the support of community radio stations in order to collect feedbacks, concerns and recommendations for our actions directly from the community.

Within SMHL, having in view our important impact at community level, we set up a community relations unit to facilitate the liaison between company and communities, to receive support on establishing specific procedures and policies of the company, and, at same time, to guide the company on the traditions and social and economic rights of the community population. Like this, we ensure having an environment conducive for mining operations, attracting mutual benefit to the organization and the host communities.



EMERGENCY PREPAREDNESS

Emergency preparedness is a legal requirement for our Group, being mandatory for any economic operator. In Romania, we are subject to the following laws and orders apply: Law 307/2006 on fire protection; Law 481/2007 on civil protection; Order of MIA 163/2006 regarding the approval of the general norms of fire protection; Law 59/2016 on control over major accident hazards involving dangerous substances.

Based on these legislative norms, we elaborated at the level of each company within our Group internal procedures and action plans in order to manage any emergency situations and protect the employees and the community.

Within ALRO the Chief Executive Officer is the coordinator of the activity for emergency situations, also having the position of Head of the ALRO Emergency Cell, constituted according to the legal requirements. The Chief Executive Officer is also a member of the County Committee for Emergency Situations, a committee headed by the County Prefect.

GRI: 103-2, 103-3



05. NON-FINANCIAL PERFORMANCE

The official documents realization and the relation with the public authorities, as well as monitoring how employees comply with specific internal procedures is under the responsibility of the Manager for Emergency Situations. The Manager for Emergency Situations has professional competencies and qualifications in the field of fire prevention and civil protection. The Manager for Emergency Situations is also a member of the Local Committee for Emergency Situations, led by the Mayor of Slatina.

For the operations from Romania, ALRO Group has in place a service contract with Rivergate Fire S.R.L., a private services company for emergency situations that support us in implementing all the necessary measures.

In Sierra Leone, we have an Emergency Response Plan (ERP). ERP is being reviewed and emergencies are being identified depending on operational situation and circumstances of national and international concern. If the situation requires it, we form an emergency response committee that is in charge with the implementation or revision of the ERP and for the coordination of the responsible task force. SMHL outsourced its security operations to a local security agency licensed and registered under the local laws providing specific services, such as: surveillance, river patrol, armed guards and security manager. The security company's personal is trained directly by SMHL.

We carry out a risk identification activity that taking into consideration environmental aspects and impact and the specific of each job and we perform simulations to test the response capacity of employees in case of possible accidents.

GRI: 103-2, 103-3

Based on the results of this analysis, we establish programs for the implementation and realization of different measures and works for the prevention of accidental pollution or human accidents and we establish the action plan both in case of accidental pollution and in case of human accidents.

We are evaluating the emergency preparedness capacity, plans and procedure internally and externally. We are performing exercises and simulations, followed with evaluation reports, which are sent to the competent institutions and to Group management. Rivergate Fire performs controls in the field of emergency situations for the company ALRO and prepares reports that are presented to the General Manager. As a result of these controls, if necessary, corrective action measures are implemented by the heads of the sectors where the irregularities were found.

In 2019, several exercises and simulations were organized, as follows:

- 24 exercises on emergency situations by Rivergate Fire (two each month, both day and night) – ALRO
- 32 simulations, according to ISO standards on emergency preparedness and response capacity - ALRO
- According to the European directive Seveso III, transposed in the Romanian legislation by Law no. 59/2016, 12 theoretical preparations and three exercises per year are done.

Also, annually, the competent institutions, respectively General Inspectorate for Emergency Situations and the Environmental Protection Agency executes a control mission. SMHL performs mock drills to evaluate the efficiency and preparedness of ERP. Any shortfalls identified during the process are adjusted/amended.

CUSTOMER MANAGEMENT

We manage the relationship with our clients taking responsibility for all aspects of the working relationship and ensuring the highest quality of our products.



An important tool, part of our management system, are the procedures for establishing the client's requirements regarding a product, the performance of the deliveries and for evaluating the customer satisfaction. These procedures define the responsibilities and methods used in ALRO Group to ensure that all products delivered comply with applicable requirements, norms, standards, specifications and sales contracts.

Client satisfaction monitoring is done annually, based on a specific procedure, aiming to establish the client's perception of meeting its requirements, the general perception about the company, clients' expectations and the perception about the effectiveness of the interface between ALRO Group and clients.

We monitor this information by submitting client satisfaction assessment questionnaires, the feedback received being a key factor in improving the quality of our products and services. All the answers are centralized and depending on the result, where necessary, improvement action plans are drawn up.

05. NON-FINANCIAL PERFORMANCE

In 2019, the average score obtained for the VE products was 4.1 points, out of a possible maximum of 5 points, for the following evaluated aspects:

- The quality of products
- Observance of the delivery term confirmed by Order Confirmation
- Delivery term offered according to the client's needs and expectations
- Quality of product packaging
- Communication with designated representatives
- Complaints management (reaction time, technical solutions)
- Quality of value-added products (mechanical processing)
- Quality of products with surface treatment (Painting and anodizing)
- The company's ability to offer technical solutions in case of need
- General communication between companies
- Price offered
- General satisfaction of cooperation between companies

Also, according to our procedure, all clients have at their disposal an instrument for addressing their complaints.

Our management system also ensures the confidentiality of our clients' data adopting efficient strategies that help us in preventing issues of confidentiality breaches. Due to our management system and our constant preoccupation of ensuring the quality of all our products, in 2019 we didn't receive any complaints, regarding the violation of customer confidentiality and we haven't been subject to administrative sanctions for non-compliance with the provisions of legislation and regulations regarding marketing, communication and labelling issues.

GRI: 418-1, 417-2; 417-3



SUPPLY CHAIN MANAGEMENT

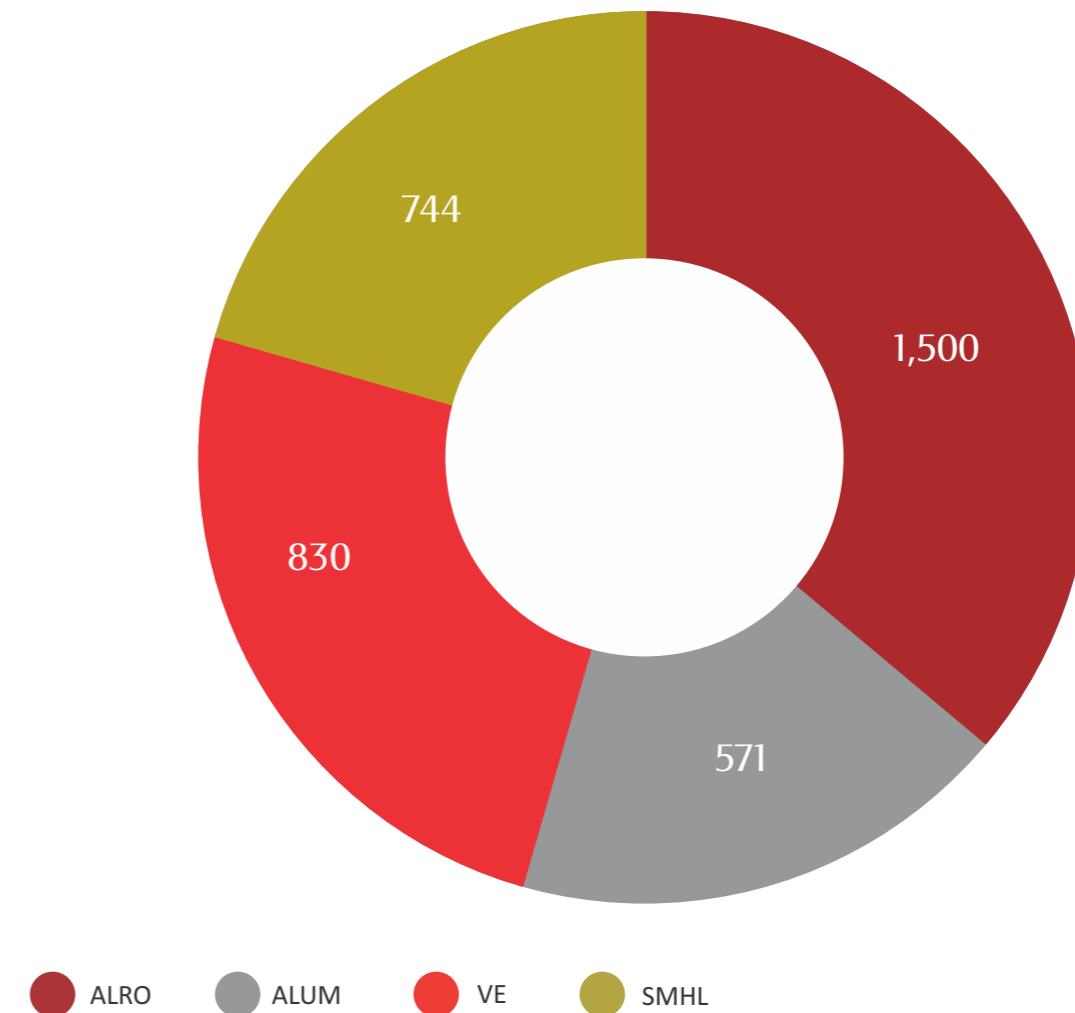
We encourage local and national businesses to be part of our supply chain and seek to ensure together with our suppliers an ethical, safe and healthy business environment. We are implementing efficient management systems in order to ensure a business behavior in an economically, environmentally and socially responsible manner.

GRI: 204-1, 102-9, 103-2, 103-3

Our supply chain is focused on ensuring the materials and raw materials necessary for the safe operation of the production process, allowing the achievement of the Group general development objectives. The supplier data base of ALRO Group totals more than 3,645 suppliers, with a global geographical location.

The supply activity generates an estimated value of payments to suppliers annually of approx. USD 1,080 million. In 2019, more than 80% of our total expenditures with suppliers were made at local level.

ALRO Group Suppliers





SMHL owns several deposits in the Gondama and Mokbanji area. Total concession area of 321.7 Km².

32 shipments in 2019

05. NON-FINANCIAL PERFORMANCE

When planning the supply, within ALRO Group we pay systematic attention to the quality and price factors. We are constantly working with our suppliers to identify potential opportunities to reduce costs, create long-term value and reduce risks for our business. One of the supply chain management system' tools is the supply policy that has as fundamental principle the correlation of stocks with production needs to ensure the rhythmicity of the supply of raw materials, so that there is no syncope in this process. With the support of our internal system, safety stocks are sized for the main raw materials without unnecessarily blocking financial resources and avoiding the risk of stopping the production due to a lack of raw materials.

The procurements are carried out according to the procurement plan established at company level and following a unitary procedure. Each department is launching a procurement request and the suppliers are sending the corresponding offers by e-mail. The offers are technically analyzed by the department that launched the request and after the validation and negotiation, the final offer is selected. If the procurement exceeds the value of 10,000 USD, at least two more offers will be requested in order to ensure the selection of the best offer from technical and financial point of view or, in case of ALRO, an electronic selection is organized on a specialized website.

GRI: 103-2, 103-3, 102-9



05. NON-FINANCIAL PERFORMANCE

	ALRO		ALUM		VE		SMHL	
	Expenses with local suppliers	Expenses with other suppliers	Expenses with local suppliers	Expenses with other suppliers	Expenses with local suppliers	Expenses with other suppliers	Expenses with local suppliers	Expenses with other suppliers
Percentage of total purchases 2017	79%	21%	52%	48%	91%	9%	90%	10%
Percentage of total purchases 2018	84%	16%	60%	40%	90%	10%	77%	23%
Percentage of total purchases 2019	79%	21%	60%	40%	91%	9%	95%	5%

The Procurement and Supply Chain Department from SMHL is organized in three units, respectively: Procurement Department, Warehouse and Fuel unit and has the responsibility to source all needed goods for the company to operate in proper condition respectively: diesel used for generators and all vehicles, spare parts and consumables for existing installation and machines, vehicles, trucks, heavy equipment building materials, also food, housekeeping materials, medicines stationaries and IT products; also to contract the services which cannot be provided by company itself, i.e. transportation services for company employees, transportation services for bauxite ore, rental of heavy equipment for mining, engineering and consultation services, other third party services.

All acquisitions are made based on the formal approval request (Necessary note) or based on the instructions given by General Manager by email. The suppliers' selection is made by offer analysis of minimum 2-3 vendors. The first consideration is given to the local vendors, but most of the products are sourced from overseas due to the quality requirements or non-availability on the local market.

The evaluation of new suppliers is performed at the beginning of the collaboration, and is introduced in the List of Authorized Suppliers, based on an internal form containing: general information, financial data, contact persons, mention of certifications, field of activity etc.

GRI: 102-9, 204-1, 103-2, 103-3

05. NON-FINANCIAL PERFORMANCE

The main authorized suppliers, which provide key materials and services (directly influence production and productivity) are evaluated between every 6-24 months (depending on the company), by the procurement specialists based on an internal form containing criteria like: price, quality, compliance with delivery time, payment term, etc.

The procurement specialists are monitoring suppliers by performance criteria in the electronic database for suppliers ("Suppliers KPI"), giving each supplier a score (from 1 to 5). Based on these criteria, a total KPI is calculated for each provider, thus resulting a level of risk for each of them. When a supplier's level of risk increases, it is informed of the causes and is required to take corrective action to improve performance criteria. Therefore, there is a constant control over the contractual clauses that the suppliers must fulfill. At the same time, each provider has access permanently to information on its KPI, ensuring the total transparency of this process.

Although, ALRO Group does not directly assess the environmental and social impact of its suppliers, however in the supplier evaluation process, we also make a reputational risk assessment which consists in verifying the information regarding the possible legal problems or conflicts in which the evaluated supplier is involved. If the supplier has a legal history of incidents and actions in court, including for violations of environmental legislation, we consider these issues as reputational risks.

Also, in the evaluation file of all suppliers, we request the presentation of the following documents regarding the environment:

- copy of the Environmental Authorization (issued/revised in the current year) or of the document certifying that it is not necessary issued by the National Agency for Environmental Protection;
- the updated form of the Safety Data Sheet for each class of chemicals delivered (document issued either by the supplier or by the manufacturers according to the EU Regulation no. 830/2015);
- the completed form of the REACH questionnaire for each class of chemicals delivered (document issued either by the supplier or by the manufacturers at least according to EU Regulation no. 830/2015).

One of the principles of the supply policy is related to the attention paid to the personnel engaged in the procurement activity, respectively to the continuous increase of its competitiveness and efficiency, to the stimulation and encouragement of the initiatives of the contract managers. The process of continuous improvement of specialized personnel is ensured by regular participation in courses and events related to market developments, new regulations in domestic / international trade, models of digitization of supply activity, other essential topics of supply activity and subscriptions to specialized publications. We are evaluating annually our procurement personnel based on their performances.

GRI: 308-1; 308-2; 414-1; 414-2, 102-9, 103-2, 103-3



06.

APPENDICES

Economic

Scale of the organization

GRI: 102-7	2019				2018				2017			
	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL
	(K RON)	(K RON)	(K RON)	(K USD)	(K RON)	(K RON)	(K RON)	(K USD)	(K RON)	(K RON)	(K RON)	(K USD)
Turnover	2,492,611	783,644	289,800	63,743	2,598,735	875,818	314,035	67,413	2,466,032	635,446	313,701	60,278
Profit/Loss	-152,901	77,311	472	884	225,957	52,326	6,532	13,885	317,686	14,021	4,348	7,245
Sales	2,492,611	783,644	289,800	69,549	2,598,735	875,818	314,035	74,428	2,466,032	635,446	313,701	66,282
Equity	741,546	384,357	31,072	-33,761	1,223,639	307,473	30,600	-34,710	1,379,276	255,405	24,067	-48,437
Debt	1,381,022	231,709	69,069	73,886	1,560,456	233,350	84,243	73,612	1,201,698	259,537	79,822	79,555
Quantity of products provided (t)	233,147	458,478	25,378	1,815,277	231,389	568,576	22,803	1,957,280	233,381	475,566	25,078	1,687,312

06. APPENDICES

Direct economic value generated and distributed

201-1	2019				2018				2017			
	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL
	(K RON)	(K RON)	(K RON)	(K USD)	(K RON)	(K RON)	(K RON)	(K USD)	(K RON)	(K RON)	(K RON)	(K USD)
Direct economic value generated	2,586,339	783,644	291,791	69,549	2,635,936	875,818	316,157	74,428	2,466,032	635,446	316,348	66,282
Direct economic value distributed	2,896,073	776,870	284,381	59,106	2,650,212	792,040	303,198	64,169	2,120,925	600,433	302,480	55,347
Direct economic value retained	-309,734	6,774	7,410	10,443	-14,276	83,778	12,959	10,259	345,107	35,012	13,867	10,935

Environment

Energy consumption within the organization

302-1	2019				2018				2017			
	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL
Total fuel consumption within the organization from non-renewable sources in MWh	7,651.63	4,507	353.89	124,438.03	7,855.70	5,388	562.95	126,712.98	7,617.91	4,385.00	548.78	109,182.76
Total electricity consumption MWh	2,929,260.13	77,514	9,180	2.83	3,086,141.34	93,660	9,449.31	2.24	3,029,382.05	62,287	9,829	2.11
Total heating consumption MWh	0	0	0	0	0	0	0	0	0	0	0	0
Total gas consumption MWh	419,878.99	1,428,441	0	0	422,113.92	1,787,143	0	0	420,745.96	1,510,203	0	0
Total electricity sold MWh	0	1,801	0	0	0	1,654	0	0	0	1,778	0	0
Total heating sold MWh	0	0	0	0	0	0	0	0	0	0	0	0
Total energy consumption MWh	3,356,790.74	1,508,661	2,908.13	124,440.86	3,516,110.96	1,884,537	3,194.48	126,715.22	3,457,745.91	1,581,097	10,377.78	109,184.87

06. APPENDICES

Energy intensity

302-3		2019	2018	2017
Energy intensity [MWh/1000 lei] - ALRO		1.313	1.386	1.415
Energy intensity [MWh/1000 lei] - ALUM		1.924	2.151	2.495
Energy intensity [MWh/1000 lei] - VE		0.030	0.028	0.031

Direct (Scope 1) GHG emissions

305-1	ALRO	UM	2019	2018	2017
Total GHG scope 1 ⁶		tCO ₂	404,989	418,739	417,147
out of which CO ₂ (carbon dioxide)		tCO ₂ e	401,168	413,783	411,583
out of which PFCs (fluorocarbon)		tCO ₂ e	3,821	4,956	5,564
out of which SF ₆ (Sulfur hexafluoride)		kg	1,059	888	888

305-1	ALUM	UM	2019	2018	2017
Total GHG scope 1		tCO ₂	257,313	324,631	273,169
out of which CO ₂ (carbon dioxide)		tCO ₂	257,313	324,631	273,169

⁶ Include the emissions from Primary and Processed Aluminium Divisions.

06. APPENDICES

Indirect (Scope 2) GHG emissions

305-2	ALRO	UM	2019	2018	2017
Total GHG scope 2		tCO ₂	775,346	1,229,249	952,801

305-2	ALUM	UM	2019	2018	2017
Total GHG scope 2		tCO ₂	See the footnote	26,668	21,450

GHG emission intensity

305-4	ALRO	UM	2019	2018	2017
GHG emission intensity		tCO ₂ /tAl	See the footnote	5.74	6.42

GHG specific emission

	ALRO	UM	2019	2018	2017
GHG specific emission		t CO ₂ /t aluminium	1.92	1.90	1.92

	ALUM	UM	2019	2018	2017
GHG specific emission		t CO ₂ /t alumina	0.58	0.59	0.64

This information has to be computed based on data provided by the ANRE report for 2019 which will be available starting in the 2nd half of 2020

06. APPENDICES

Nitrogen oxides (NO_x), sulfur oxides (SO₂), and other significant air emissions

305-7 Atmospheric pollutants	ALRO	UM	2019	2018	2017
SO ₂ (Sulphur dioxide)		t	1,092	1,142	1,304
NO _x (nitrogen oxides)		t	297	309	321
Persistent organic pollutants		t	N/A	N/A	N/A
NM-VOC (non-methane volatile organic compounds)		t	0	0	0
Hazardous air pollutants		t	N/A	N/A	N/A
Particulate matter		t	148	155	547
Other standard categories of air emissions identified in relevant regulations		t	N/A	N/A	N/A

06. APPENDICES

Nitrogen oxides (Nox), sulfur oxides (SO₂), and other significant air emissions

305-7 Atmospheric pollutants	ALUM	UM	2019	2018	2017
SO ₂ (Sulphur dioxide)		t	0.71	3.73	5.21
NOx (nitrogen oxides)		t	87.56	333.77	217.52
Persistent organic pollutants		t	N/A	N/A	N/A
NM-VOC (nonmethane volatile organic compounds)		t	N/A	N/A	N/A
Hazardous air pollutants		t	N/A	N/A	N/A
Particulate matter		t	5.46	8.73	6.50
Other standard categories of air emissions identified in relevant regulations		t	N/A	N/A	N/A

06. APPENDICES

Waste by type and disposal method

306-2	UM	2019				2018				2017			
		ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL
Total weight of non-hazardous waste	t	129,738.28	504,460.19	5,047.20	57.60	129,018	617,228.64	6,663.72	31.30	50,160	501,375	6,781.13	62.14
out of which reused	t	101,486.91	11,212.26	0	0	95,305	13,602.40	0	0	19,994	8,172	0	0
out of which recycled	t	670.29	790.78	4,979.22	32.10	621.10	260.44	6,595.46	28.30	494	2	6,724.43	37.40
out of which recycled	t	N/A	0	0	5	N/A	0	0	0	N/A	0	0	0
out of which recovered, (including energy recovered)	t	10,009.04	0	67.98	0	16,282	0	68.26	0	13,825	0	56.70	0
out of which incinerated (mass burned)	t	N/A	0	0	8.30	N/A	0	0	0	N/A	0	0	0
out of which Landfilled	t	N/A	0	0	0	N/A	0	0	0	N/A	0	0	0
out of which Deep well injected	t	0	0	0	0	N/A	0	0	0	N/A	0	0	0
out of which onsite stored	t	9,137.14	491,842.37	0	5.20	877	603,019.77	0	0	N/A	493,201	0	0
out of which eliminated through other methods	t	8,434.90	614.78	0	7	15,933	346.03	0	0	15,847	0	0	0

06. APPENDICES

Waste by type and disposal method

306-2	UM	2019				2018				2017			
		ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL	ALRO	ALUM	VE	SMHL
Total weight of hazardous waste	t	70.06	3.23	603	102	180.39	9.82	615	111.10	72.40	0	520	65
out of which reused	t	35.64	0	0	15.40	0	0	0	8.30	0	0	0	0
out of which recycled	t	N/A	0	0	65	116.76	9.82	0	50	N/A	0	0	38
out of which composted	t	N/A	0	0	0	N/A	0	0	0	N/A	0	0	0
out of which recovered, (including energy recovered)	t	N/A	0	0	0	63.40	0	0	0	53.04	0	0	0
out of which incinerated (mass burned)	t	0.06	0	0	18.60	0.23	0	0	52.80	19.36	0	0	22
out of which Landfilled	t	N/A	0	0	0	N/A	0	0	0	N/A	0	0	0
out of which Deep well injected	t	N/A	0	0	0	N/A	0	0	0	N/A	0	0	0
out of which onsite stored	t	N/A	3.23	0	3	N/A	0	0	0	N/A	0	0	5
out of which eliminated through other methods	t	33.86	0	603	0	0	0	615	0	0	0	520	0

06. APPENDICES

Transport of hazardous waste

306-4	SMHL	UM	2019	2018	2017
Total weight of hazardous waste transported		t	0.18	0.14	0.12

Total amounts of overburden, rock, tailings and red mud

MM3	SMHL	UM	2019	2018	2017
Total amounts of overburden, rock, tailings and red mud		t	244,298	519,768	177,200.20

Water withdrawal

303-3	Water withdrawal by source 2019	UM	ALRO	ALUM	VE	SMHL
Total water withdrawal		m ³	2,643,244	3,351,655	14,061	6,906.20
out of which surface water		m ³	2,028,195	3,274,611	0	5,878
out of which groundwater		m ³	615,049	0	0	97.2
out of which produced water		m ³	0	0	0	931
out of which third-party water		m ³	0	77,004	14,061	0

Water consumption

303-5	Water consumption 2019	UM	ALRO	ALUM	VE	SMHL
Water consumption 2019		m ³	2,643,244	1,847,989	14,061	6,906.30

Social

Human resources

102-8	Information on employees and other workers	2019	2018	2017
	Total number of employees ALRO	2,559	2,625	2,594
	out of which women	428	434	438
	Total number of employees ALUM	794	789	738
	out of which women	131	131	119
	Total number of employees VE	274	269	256
	out of which women	119	120	106
	Total number of employees SMHL	584	589	523
	out of which women	41	45	38
	With ILC, undetermined period, full time ALRO	2,507	2,547	2,502
	out of which women	420	414	427
	With ILC, undetermined period, full time ALUM	698	643	646
	out of which women	118	113	117
	With ILC, undetermined period, full time VE	254	252	249
	out of which women	111	112	104
	With ILC, undetermined period, full time SMHL	507	534	473
	out of which women	36	41	35
	With ILC, undetermined period, part time ALRO	6	5	5
	out of which women	5	4	4
	With ILC, undetermined period, part time ALUM	6	8	7
	out of which women	2	2	1

06. APPENDICES

102-8	Information on employees and other workers	2019	2018	2017
	With ILC, undetermined period, part time VE	3	3	3
	out of which women	2	2	2
	With ILC, undetermined period, part time SMHL	77	55	50
	out of which women	5	4	3
	With ILC, determined period, full time ALRO	46	73	87
	out of which women	3	16	7
	With ILC, determined period, full time ALUM	95	145	90
	out of which women	12	16	9
	With ILC, determined period, full time VE	16	14	4
	out of which women	8	7	2
	With ILC, determined period, full time SMHL	77	55	50
	out of which women	0	0	0
	With ILC, determined period, part time ALRO	0	0	0
	out of which women	0	0	0
	With ILC, determined period, part time ALUM	1	1	2
	out of which women	0	0	1
	With ILC, determined period, part time VE	1	1	1
	out of which women	0	1	1
	With ILC, determined period, part time SMHL	77	55	50
	out of which women	0	0	0
	Number of supervised employees ALRO	0	0	0
	out of which women	0	0	0
	out of which self-employed	0	0	0
	Number of supervised employees ALUM	0	0	0
	out of which women	0	0	0
	out of which self-employed	0	0	0
	Number of supervised employees SMHL	56	58	46
	out of which women	4	5	4
	out of which self-employed	0	0	0

For VE the number of supervised employees is zero.

06. APPENDICES

202-2 Proportion of senior management hired from the local community		
Location of operation		Percentage of senior employees in management positions recruited from local communities
Slatina ALRO	2017	67 %
	2018	67 %
	2019	67 %
Slatina VE	2017	65%
	2018	69%
	2019	80%
Tulcea	2017	50%
	2018	57.14%
	2019	64.29%
Sierra Leone	2017	34%
	2018	29%
	2019	26%

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401-1		New employees			
Location	Age category	Year	Number of new people hired	Out of which women	
Bucharest	< 30	2017	1	0	
		2018	0	0	
		2019	0	0	
	30-50	2017	1	1	
		2018	1	1	
		2019	2	2	
	> 50	2017	0	0	
		2018	0	0	
		2019	0	0	
Slatina ALRO	< 30	2017	83	7	
		2018	62	7	
		2019	23	1	
	30-50	2017	97	14	
		2018	127	19	
		2019	59	9	
	> 50	2017	4	1	
		2018	14	3	
		2019	13	1	
Slatina VE	< 30	2017	17	6	
		2018	25	10	
		2019	18	3	
	30-50	2017	16	6	
		2018	38	17	
		2019	25	11	
	> 50	2017	1	1	
		2018	6	1	
		2019	3	1	

06. APPENDICES

401-1		New employees			
Location	Age category	Year	Number of new people hired	Out of which women	
Tulcea	< 30	2017	14	1	
		2018	35	5	
		2019	28	1	
	30-50	2017	54	9	
		2018	73	15	
		2019	45	10	
	> 50	2017	19	1	
		2018	28	1	
		2019	28	1	
Sierra Leone	< 30	2017	16	3	
		2018	5	1	
		2019	4	0	
	30-50	2017	73	6	
		2018	42	5	
		2019	22	2	
	> 50	2017	6	0	
		2018	4	0	
		2019	1	0	
401-2		Benefits			
ALRO	Bonuses: Easter, Metallurgist's Day, Christmas, holiday, for the financial results of the previous year, child birth, fidelity; gift and meal vouchers; treatment ticket in the amount of 2,800 lei / employee, granted to employees with occupational diseases; pillar III pensions; daily provision of a hot meal to each employee; working equipment; medical assistance through the ALRO medical dispensary; additional medical insurance.				
ALUM	Long service allowance; bonuses: Easter, Christmas, Metallurgists' Day, March 8 for women, holidays; meal tickets; gift vouchers; private pension; paid days off for family events (childbirth, marriage, deaths), hygienic-sanitary materials; antidote; free annual medical check-up.				
VE	Meal and holiday vouchers (for employees in the production area and TESA employees), 60% public transport season ticket coverage (for employees in the production area), Easter bonus, Metallurgist's birthday bonus, Christmas bonus.				
SMHL	Accommodation, Accommodation Allowance, Education Allowance, Electricity Allowance, Food Allowance, Maternity/Paternity Leave, Leave Allowance, End of Service Benefits, Telephone and Close User Group calling, Medical facilities and reimbursement, training development.				

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401-3		Parental leave				
			The total number of employees who are entitled to parental leave	The total number of employees who received parental leave	Number of employees who returned to work during the reporting period, following the end of the leave period	Number of employees who returned to work during the reporting period following the end of the leave period and who are still employed 12 months after returning
ALRO	Women	2017	2	2	2	2
		2018	3	3	1	1
		2019	3	3	0	0
	Men	2017	22	0	1	0
		2018	36	3	1	0
		2019	24	4	1	0
ALUM	Women	2017	2	1	4	4
		2018	0	1	0	0
		2019	3	2	4	1
	Men	2017	8	1	0	0
		2018	8	1	1	0
		2019	4	2	1	1
VE	Women	2017	6	5	2	2
		2018	7	4	4	4
		2019	3	6	3	1
	Men	2017	6	2	0	0
		2018	5	3	2	2
		2019	4	0	3	1
SMHL	Women	2017	3	3	3	3
		2018	5	5	5	5
		2019	3	2	3	3
	Men	2017	29	29	29	29
		2018	14	14	14	14
		2019	18	18	18	18

06. APPENDICES

405-1	ALRO BoD Structure	2019	2018	2017
	Total number of Board members	11	7	7
	out of which women	2	1	1
	out of which members under the age of 30	0	0	0
	out of which members aged 30-50 years	6	3	3
	out of which members over 50 years old	5	4	4

405-1	ALUM BoD Structure	2019	2018	2017
	Total number of Board members	5	5	5
	out of which women	1	1	1
	out of which members under the age of 30	0	0	0
	out of which members aged 30-50 years	2	2	2
	out of which members over 50 years old	3	3	3

405-1	VE BoD Structure	2019	2018	2017
	Total number of Board members	5	5	5
	out of which women	0	0	0
	out of which members under the age of 30	0	0	0
	out of which members aged 30-50 years	3	3	3
	out of which members over 50 years old	2	2	2

405-1	SMHL BoD Structure	2019	2018	2017
	Total number of Board members	3	3	3
	out of which women	1	1	1
	out of which members under the age of 30	0	0	0
	out of which members aged 30-50 years	3	3	3
	out of which members over 50 years old	0	0	0

06. APPENDICES

405-1	Employees Structure by category - ALRO						
	Executive Staff			Management			
	2019	2018	2017	2019	2018	2017	
Total number of employees	2,541	2,607	2,576	18	18	18	
out of which women	426	432	436	2	2	2	
under 30 years	192	218	185	0	0	0	
between 30-50 years	1,248	1,350	1,408	6	6	6	
over 50 years old	1,101	1,039	983	12	12	12	

405-1	Employees Structure by category - ALUM						
	Executive Staff			Management			
	2019	2018	2017	2019	2018	2017	
Total number of employees	780	775	722	14	14	16	
out of which women	129	129	117	2	2	2	
under 30 years	58	69	66	0	0	0	
between 30-50 years	354	352	330	5	5	5	
over 50 years old	368	354	326	9	9	11	

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405-1	Employees Structure by category - VE								
	Executive Staff				Management				
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Total number of employees	244	240	232	30	29	24			
out of which women	109	110	99	10	10	7			
under 30 years	43	53	63	1	1	1			
between 30-50 years	165	160	146	25	25	21			
over 50 years old	36	27	23	4	3	2			

405-1	Employees Structure by category - SMHL								
	Executive Staff				Management				
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Total number of employees	566	569	504	18	20	19			
out of which women	39	43	36	2	2	2			
under 30 years	49	39	39	1	0	0			
between 30-50 years	429	508	413	15	17	16			
over 50 years old	88	22	52	2	3	3			

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Health and Safety

403-9	ALRO Work-related injuries							
	Number			Rate				
Employees	2019	2018	2017	2019	2018	2017		
Fatalities as a result of work-related injury	0	0	0	0	0	0		
High-consequence work-related injuries	0	1	0	0	0.225	0		
Recordable work-related injuries	18	16	17	4.14	3.61	3.90		
Hours worked	4,344,998	4,434,661	4,344,526					
Workers who are not employees but whose work and /or workplace is controlled by the organization	2019	2018	2017	2019	2018	2017		
Fatalities as a result of work-related injury	N/A	N/A	N/A	N/A	N/A	N/A		
High-consequence work-related injuries	N/A	N/A	N/A	N/A	N/A	N/A		
Recordable work-related injuries	N/A	N/A	N/A	N/A	N/A	N/A		
Hours worked	N/A	N/A	N/A					

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403-9		ALUM Work-related injuries						
		Number			Rate			
Employees		2019	2018	2017	2019	2018	2017	
Fatalities as a result of work-related injury		0	0	0	0	0	0	
High-consequence work-related injuries		0	1	0	0	0.78	0	
Recordable work - related injuries		14	7	14	10.53	5.46	11.57	
Hours worked		1,329,343	1,280,778	1,209,997				
Workers who are not employees but whose work and /or workplace is controlled by the organization		2019	2018	2017	2019	2018	2017	
Fatalities as a result of work-related injury		N/A	N/A	N/A	N/A	N/A	N/A	
High-consequence work-related injuries		N/A	N/A	N/A	N/A	N/A	N/A	
Recordable work - related injuries		N/A	N/A	N/A	N/A	N/A	N/A	
Hours worked		N/A	N/A	N/A				

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403-9	VE Work-related injuries								
	Number			Rate					
Employees	2019	2018	2017	2019	2018	2017	2019	2018	2017
Fatalities as a result of work-related injury	0	0	0	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0	0	0	0
Recordable work - related injuries	2	1	6	4.06	2.12	12.75			
Hours worked	492,314	469,587	470,403						
Workers who are not employees but whose work and /or workplace is controlled by the organization	2019	2018	2017	2019	2018	2017	2019	2018	2017
Fatalities as a result of work-related injury	0	0	0	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0	0	0	0
Recordable work - related injuries	0	0	0	0	0	0	0	0	0
Hours worked	76,859	83,047	67,710						

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403-9	SMHL Work-related injuries							
	Number			Rate				
Employees	2019	2018	2017	2019	2018	2017		
Fatalities as a result of work-related injury	6	1	3	1.32	0.28	0.92		
High-consequence work-related injuries	17	18	37	3.73	4.98	11.39		
Recordable work-related injuries	4	6	12	0.88	1.66	3.69		
Hours worked	4,559,504	3,612,576	3,249,082					
Workers who are not employees but whose work and /or workplace is controlled by the organization	2019	2018	2017	2019	2018	2017		
Fatalities as a result of work-related injury	N/A	N/A	N/A	N/A	N/A	N/A		
High-consequence work-related injuries	N/A	N/A	N/A	N/A	N/A	N/A		
Recordable work-related injuries	N/A	N/A	N/A	N/A	N/A	N/A		
Hours worked	N/A	N/A	N/A					

Memberships

Aluminium Reach Consortium
American Chamber of Commerce in Romania (AMCHAM)
Automobile Constructors Association
Bureau of International Recycling
Chambre de Commerce, d'Industrie et d'Agriculture Francaise en Roumanie (CCIFER)
Cru International
EUROMETEUX
European Aluminium Association
Foreign Investors Council (FIC)
Romanian Association of Large Energy Consumers (ABIEC)
Romanian Investor Relations Association (ARIR)

Abbreviations

AL Aluminium
ATS Alternative transaction system
BAT Best Available Technologies
BoD Board of Directors
CBO5 The amount of oxygen (mg/mass) required for oxidative degradation by microorganisms of organic substances contained in one liter of water at 20°C for 5 days
CCOCr Chemical consumption of CCO-Cr oxygen (potassium bichromate method) represents the equivalent mass concentration of oxygen to the amount of potassium bichromate consumed for the acidic oxidation of dissolved and suspended organic materials present in wastewater.
CO₂ Carbon Dioxide
CCOMn Chemical oxygen consumption (potassium permanganate method)
CSR Corporate Social Responsibility
CET Economic Technical Commission

DGASPC General Directorate of Social Assistance and Child Protection
EAA European Aluminium Association
EPA Environmental Protection Agency
ERP Emergency Response Plan
EU European Union
FRP Flat Rolled Product
FSA Financial Supervisory Authority
GHG Greenhouse Gas
GHG Scope 1 Direct emissions from operations that are owned or controlled by the organization
GHG Scope 2 Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam
GJ Gigajoule
GRI Global Reporting Initiatives
GSM General Shareholders Meeting
Ha hectar
HSS Health, Safety, Security
Km Kilometres
KPI Key Performance Indicator
Kwh Kilowatt-hour
LED Light-emitting Diode
m² Square meter
m³ Cubic meter
MBA Master of Business Administration
MIA [HYPERLINK "https://context.reverso.net/traducere/engleza-romana/Ministry+of+Internal+Affairs"](https://context.reverso.net/traducere/engleza-romana/Ministry+of+Internal+Affairs) Ministry of Internal Affairs
mm millimeter
MPF Ministry of Public Finance
MWh Megawatt hour
NADCAP (National Aerospace and Defense Contractor Accreditation Program of Performance Review Institute - SAE)
No Number
PFCs Perfluorocarbon emissions
PM Performance Management
R&D Research and Development
REACH Registration, Evaluation, Authorisation and Restriction of Chemicals
RTA Rio Tinto Aluminium Pechiney
SASB Sustainability Accounting Standards Board
SCADA Supervisory Control and Data Acquisition
t tonne
TESA Technical, Economic and Socio-Administrative
UMU United Mines Workers Union
WRA Water Resources Assessments

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
General Disclosures				
GRI 102: General Disclosures	Organizational profile			
	102 -1 Name of the organization	2	ART 44 (1)(a)	Business Model
	102 -2 Activities, brands, products, and services	15, 19, 22, 23, 24, 25	ART 44 (1)(a)	Business Model
	102 -3 Location of headquarters	2,15	ART 44 (1)(a)	Business Model
	102 -4 Location of operations	2,15	ART 44 (1)(a)	Business Model
	102 -5 Ownership and legal form	15-16	ART 44 (1)(a)	Business Model
	102 -6 Markets served	19, 22-25	ART 44 (1)(a)	Business Model
	102 -7 Scale of the organization	99	ART 44 (1)(a)	Business Model
	102 -8 Information on employees and other workers	65, 109, 110	ART 44 (1)(a)	Business Model
	102 -9 Supply chain	93-97	ART (1)(a)	Business Model
	102 -10 Significant changes to the organization and its supply chain	At the end of 2018, ALRO successfully completed the largest private placement made on the Bucharest Stock Exchange, and in 2019, a new shareholders' structure of the company was in force. More information about the new shareholders' structure are available at pg. 15 of this report. During the GMS of 25 April 2019, the structure of the Board of Directors was modified, from 7 members to 11.	ART 44 (1)(a)	Business Model
102 -11 Precautionary Principle or approach	32	ART 44 (1)(a)	Business Model	

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
GRI 102: General Disclosures	102 - 12 External initiatives	ALRO endorses the Sustainability Roadmap 2025 published by the European Aluminium Association.	ART 44 (1)(a)	Business Model
			ART 44 (6)	Additional Information
	102 -13 Membership of associations	122	ART 44 (1)(a)	Business Model
	Strategy		Business Model and risks	
	102 -14 Statement from senior decision-maker	8-13	ART 44 (1)(a)	Business Model
	102 -15 Key impacts, risks, and opportunities	32	ART 44 (1)(a)	Business Model
	Ethics and integrity		ART 44 (1)(d)	Main Risks and Business Relationship
	102 -16 Values, principles, standards, and norms of behavior	33		
	102 -17 Mechanisms for advice and concerns about ethics	33		
	Governance			
	102 -18 Governance structure	27, 29, 31		
	102 -19 Delegating authority	30,31		
	102 -20 Executive-level responsibility for economic, environmental, and social topics	30,31		
	102 -21 Consulting stakeholders on economic, environmental, and social topics	37	ART 44 (6)	Additional Information about Social Dialogue

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
GRI 102: General Disclosures	102 - 22 Composition of the highest governance body and its committees	29		
	102 -23 Chair of the highest governance body	30		
	102 -24 Nominating and selecting the highest governance body	30		
	102 -25 Conflicts of interest	34		
	102 -26 Role of highest governance body in setting purpose, values, and strategy	30		
	102-27 Collective knowledge of highest governance body	31		
	102 -28 Evaluating the highest governance body's performance	30		
	102-29 Identifying and managing economic, environmental, and social impacts	32		
	102 -30 Effectiveness of risk management processes	32		
	102 -31 Review of economic, environmental, and social topics	32		
	102 -32 Highest governance body's role in sustainability reporting	30		
	102 -33 Communicating critical concerns	30		
	102-34 Nature and total number of critical concerns	30		
	102 -35 Remuneration policies	2019 Consolidated Annual Report pg. 50-51		
	102 -36 Process for determining remuneration	2019 Consolidated Annual Report pg. 50-51		

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
GRI 102: General Disclosures	Stakeholder engagement			
	102 -40 List of stakeholder groups	36		
	102 -41 Collective bargaining agreements	65		
	102 -42 Identifying and selecting stakeholders	36		
	102 -43 Approach to stakeholder engagement	36	ART 44 (6)	Additional Information about Social Dialogue
	102 -44 Key topics and concerns raised	36		
	Reporting practice			
	102 -45 Entities included in the consolidated financial statements	5		
	102 -46 Defining report content and topic Boundaries	5	ART 44 (1)	Disclosure on sustainability matters
	102 -47 List of material topics	38	ART 44 (1)	Disclosure on sustainability matters
	102 -48 Restatements of information	Where necessary and possible, restatements are explained in footnotes		
	102 -49 Changes in reporting	No changes comparing to previous Report		
	102 -50 Reporting period	6		
	102 -51 Date of most recent report	6		

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
GRI 102: General Disclosures	102 -52 Reporting cycle	5	
	102 -53 Contact point for questions regarding the report	Any question regarding the sustainability report can be addressed to sustainability@alro.ro	
	102 -54 Claims of reporting in accordance with the GRI Standards	5	
	102 -55 GRI content index	123-141	
	102 -56 External assurance	6	
			ART 48 Assurance

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	
	103 -2 The management approach and its components	2019 Consolidated Annual Report pg. 25 – 31	
	103 -3 Evaluation of the management approach	2019 Consolidated Annual Report pg. 25 – 31	
GRI 201: Economic Performance	201 -1 Direct economic value generated and distributed	100	
	201 -2 Financial implications and other risks and opportunities due to climate change	32	ART 44 (6) Additional information about Climate change
			ART 44 (1)(d) Main Risks and Business Relationship

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
	201 -4 Financial assistance received from government	In 2019 ALRO S.A. has received 3,572,000 RON as research and development grants from the government. In 2019 ALUM S.A. has received 839,000 RON as research and development grants from the government.	
Market Presence			
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	
	103 -2 The management approach and its components	33	
	103 -3 Evaluation of the management approach	33	
GRI 202: Market Presence	202 -1 Ratios of standard entry level wage by gender compared to local minimum wage	65	
	202 -2 Proportion of senior management hired from the local community	111	
Procurement practices			
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	
	103 -2 The management approach and its components	93-97	
	103 -3 Evaluation of the management approach	93-97	
GRI 204: Procurement practices	204 -1 Proportion of spending on local suppliers	93, 96	
Anti-corruption			
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	
	103 -2 The management approach and its components	33	
			Anti-corruption and Bribery
			ART 44 (1) Disclosure on sustainability matters
			ART 44 (1)(b) Policy and Due Diligence Processes

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
	103 -3 Evaluation of the management approach	33	ART 44 (1)(c)	The Outcomes of the Policy
GRI 205: Anti - corruption	205-3 Confirmed incidents of corruption and actions taken	In 2019, at Group level, there were zero confirmed incidents of corruption.	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about instruments in place to fight corruption and bribery
Anti-competitive behavior				
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	33	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	33	ART 44 (1)(c)	The Outcomes of the Policy
GRI 206: Anti - competitive behavior	206 -1 Legal actions for anti -competitive behavior, anti-trust, and monopoly practices	In 2019, at Group level, were registered zero legal actions for anti-competitive behavior, anti -trust, and monopoly practices.	ART 44 (1)(e)	Non - financial KPIs
GRI 300 Environmental Standards Series				
Materials				
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	57, 59	ART 44 (1)(b)	Policy and Due Diligence Processes

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
	103 -3 Evaluation of the management approach	57, 59	ART 44 (1)(c)	The Outcomes of the Policy
GRI 301: Materials	301 -1 Materials used by weight or volume	60	ART 44 (1)(e)	Non -financial KPIs
	301 -2 Recycled input materials used	60	ART 44 (1)(e)	Non -financial KPIs
Energy				
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	41	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	41	ART 44 (1)(c)	The Outcomes of the Policy
GRI 302: Energy	302 -1 Energy consumption within the organization	43, 45, 101	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about the use of renewable and/or non -renewable energy
	302 -3 Energy Intensity	102	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about the use of renewable and/or non -renewable energy
	302 -4 Reduction of energy consumption	43	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about the use of renewable and/or non -renewable energy
Water				
GRI 103: Management Approach ⁴	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	52	ART 44 (1)(b)	Policy and Due Diligence Processes

GRI: 102-55

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
	103 -3 Evaluation of the management approach	52	ART 44 (1)(c)	The Outcomes of the Policy
GRI 303: Water	303 -1 Interactions with water as a shared resource	52	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about water use
	303 -2 Management of water discharge -related impacts	54	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about water use
	303 -3 Water withdrawal	52, 108	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about water use
	303 -4 Water discharge	54	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about water use
	303 -5 Water consumption	108	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about water use
Emissions			Environmental	
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	47	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	47	ART 44 (1)(c)	The Outcomes of the Policy
GRI 305: Emissions 2016	305 -1 Direct (Scope 1) GHG emissions	46-47, 49, 102	ART 44 (1)(e) ART 44(6)	Non -financial KPIs Additional information about Greenhouse gas emissions Additional about air pollution

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
GRI 305: Emissions 2016	305 -2 Energy indirect (Scope 2) GHG emissions	103	ART 44 (1)(e) ART 44(6) Non -financial KPIs Additional information about Greenhouse gas emissions Additional about air pollution
	305 -4 GHG emissions intensity	103	ART 44 (1)(e) ART 44(6) Non -financial KPIs Additional information about Greenhouse gas emissions Additional about air pollution
	305 -5 Reduction of GHG emissions	47	ART 44 (1)(e) ART 44(6) Non -financial KPIs Additional information about Greenhouse gas emissions Additional about air pollution
	305 -7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	104-105	ART 44 (1)(e) ART 44(6) Non -financial KPIs Additional about air pollution
Effluents and Waste			Environmental
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
	103 -2 The management approach and its components	50	ART 44 (1)(b) Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	50	ART 44 (1)(c) The Outcomes of the Policy
GRI 306: Effluents and Waste	306 -2 Waste by type and disposal method	106-107	ART 44 (1)(e) Non -financial KPIs

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
	306 -4 Transport of hazardous waste	108	ART 44 (1)(e)	Non -financial KPIs
GRI G4 - Mining and Metals Disclosures	MM3 Total amounts of overburden, rock, tailings, and sludges and their associated risks	108	ART 44 (1)(e)	Non -financial KPIs
Environmental compliance			Environmental	
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	41, 47, 50, 52	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	41, 47, 50, 52	ART 44 (1)(c)	The Outcomes of the Policy
GRI 307: Environmental compliance	307 -1 Non -compliance with environmental laws and regulations	In 2019, at Group level, no monetary and non-monetary sanctions for non-compliance with environmental laws and regulations were registered	ART 44 (1)(e)	Non -financial KPIs
Supplier Environmental Assessment			Environmental	
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	93-97	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	93-97	ART 44 (1)(c)	The Outcomes of the Policy
GRI 308: Supplier Environmental Assessment	308 -1 New suppliers that were screened using environmental criteria	97	ART 44 (1)(e)	Non -financial KPIs
	308 -2 Negative environmental impacts in the supply chain and actions taken	97	ART 44 (1)(e)	Non -financial KPIs
GRI 400 Social Standards Series			Employees	
Employment			Employees	

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	64, 66	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	64, 66	ART 44 (1)(c)	The Outcomes of the Policy
GRI 401: Employment	401 -1 New employee hires and employee turnover	112,113	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about working conditions
	401 -2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	113	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about working conditions
	401 -3 Parental leave	114	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about working conditions
Labor Management Relations			Employees	
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	78	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	78	ART 44 (1)(c)	The Outcomes of the Policy
GRI 402: Labor management relations	402 -1 Minimum notice periods regarding operational changes	78	ART 44 (1)(e) ART 44 (6)	Non-financial KPIs Additional information about working conditions Additional information about the respect for the rights of workers to be informed and consulted
Occupational Health and Safety			Employees	

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
	103 -2 The management approach and its components	80	ART 44 (1)(b) Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	81	ART 44 (1)(c) The Outcomes of the Policy
GRI 403: Occupational Health and Safety	403 -1 Occupational health and safety management system	80	ART 44 (1)(e) Non -financial KPIs Additional information about working conditions ART 44 (6) Additional information about Health and safety at work
	403 -2 Hazard identification, risk assessment, and incident investigation	81	ART 44 (1)(e) Non -financial KPIs Additional information about working conditions ART 44 (6) Additional information about Health and safety at work
	403 -3 Occupational health services	82	ART 44 (1)(e) Non -financial KPIs Additional information about working conditions ART 44 (6) Additional information about Health and safety at work
	403 -4 Worker participation, consultation, and communication on occupational health and safety	80,82	ART 44 (1)(e) Non -financial KPIs Additional information about working conditions ART 44 (6) Additional information about Health and safety at work
	403 -5 Worker training on occupational health and safety	82	ART 44 (1)(e) Non -financial KPIs Additional information about working conditions ART 44 (6) Additional information about Health and safety at work

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
	403 -6 Promotion of worker health	82	ART 44 (1)(e) ART 44 (6) Non -financial KPIs Additional information about working conditions Additional information about Health and safety at work
	403 -7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	82	ART 44 (1)(e) ART 44 (6) Non -financial KPIs Additional information about working conditions Additional information about Health and safety at work
	403 -8 Workers covered by an occupational health and safety management system	In 2019, at Group level, 100% of our employees was covered by an occupational and safety management system	ART 44 (1)(e) ART 44 (6) Non -financial KPIs Additional information about working conditions Additional information about Health and safety at work
	403 -9 Work -related injuries	81, 118-121	ART 44 (1)(e) ART 44 (6) Non -financial KPIs Additional information about working conditions Additional information about Health and safety at work
	403 -10 Work -related ill health	81	ART 44 (1)(e) ART 44 (6) Non -financial KPIs Additional information about working conditions Additional information about Health and safety at work
Training and Education			Employees
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
	103 -2 The management approach and its components	66, 68	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	66, 68	ART 44 (1)(c)	The Outcomes of the Policy
GRI 404: Training and Education	404 -1 Average hours of training per year per employee	70	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about working conditions
	404 -2 Programs for upgrading employee skills and transition assistance programs	71, 73, 75, 77	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about working conditions
	404 -3 Percentage of employees receiving regular performance and career development reviews	66	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about working conditions
Diversity and Equal Opportunity			Employees	
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	64	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	64	ART 44 (1)(c)	The Outcomes of the Policy
GRI 405: Diversity and Equal Opportunity	405 -1 Diversity of governance bodies and employees	29, 115-117	ART 44 (1)(e) ART 44 (6)	Non -financial KPIs Additional information about actions taken to ensure gender equality Additional information about working conditions
Non-discrimination			Employees	
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	78	ART 44 (1)(b)	Policy and Due Diligence Processes

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
	103 -3 Evaluation of the management approach	78	ART 44 (1)(c) The Outcomes of the Policy
GRI 406: Non-discrimination	406 -1 Incidents of discrimination and corrective actions taken	78	ART 44 (1)(e) Non-financial KPIs
Child Labor			
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	78	ART 44 (1)(b) Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	78	ART 44 (1)(c) The Outcomes of the Policy
GRI 408: Child Labor	408 -1 Operations and suppliers at significant risk for incidents of child labor	78	ART 44 (1)(e) Non-financial KPIs Additional information about actions taken to ensure the respect of human rights
Forced or Compulsory Labor			
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	78	ART 44 (1)(b) Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	78	ART 44 (1)(c) The Outcomes of the Policy
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	78	ART 44 (1)(e) Non-financial KPIs Additional information about actions taken to ensure the respect of human rights
Rights of Indigenous Peoples			
	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
GRI 103: Management Approach	103 -2 The management approach and its components	88	ART 44 (1)(b) Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	88	ART 44 (1)(c) The Outcomes of the Policy
GRI G4 – Mining and Metals Disclosures	MM5 Total number of operations taking place in or adjacent to indigenous peoples’ territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples’ communities	88	ART 44 (1)(e) Non-financial KPIs Additional information about actions taken to ensure the respect of human rights

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index
Local Communities			Social
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
	103 -2 The management approach and its components	84, 89-90	ART 44 (1)(b) Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	84, 89-90	ART 44 (1)(c) The Outcomes of the Policy
GRI 413: Local Communities	413 -1 Operations with local community engagement, impact assessments, and development programs	85	ART 44 (1)(e) Non-financial KPIs Additional information about dialogue with local communities and actions taken to ensure the protection and the development of those communities ART 44 (6)
	413 -2 Operations with significant actual and potential negative impacts on local communities	88	ART 44 (1)(e) Non-financial KPIs Additional information about dialogue with local communities and actions taken to ensure the protection and the development of those communities ART 44 (6)
GRI G4 - Mining and Metals Disclosures	MM6 Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	88	ART 44 (1)(e) Non-financial KPIs Additional information about dialogue with local communities and actions taken to ensure the protection and the development of those communities ART 44 (6)
Supplier Social Assessment			Social and Human Rights
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1) Disclosure on sustainability matters
	103 -2 The management approach and its components	93-97	ART 44 (1)(b) Policy and Due Diligence Processes

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
	103 -3 Evaluation of the management approach	93-97	ART 44 (1)(c)	The Outcomes of the Policy
GRI 414: Supplier Social Assessment	414 -1 New suppliers that were screened using social criteria	97	ART 44 (1)(e)	Non-financial KPIs
	414 -2 Negative social impacts in the supply chain and actions taken	97	ART 44 (1)(e)	Non-financial KPIs
Public Policy				
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	33	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	33	ART 44 (1)(c)	The Outcomes of the Policy
GRI 415: Public Policy	415 -1 Political contributions	33	ART 44 (1)(e) ART 44 (6)	Non-financial KPIs
Marketing and Labeling				
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	91	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	91	ART 44 (1)(c)	The Outcomes of the Policy
GRI 417: Marketing and Labeling	417 -1 Requirements for product and service information and labeling	For calcined alumina and aluminium hydroxide we report labelling information regarding the content, disposal methods And environmental or social impacts.	ART 44 (1)(e)	Non-financial KPIs
	417 -2 Incidents of non-compliance concerning product and service information and labeling	92	ART 44 (1)(e)	Non-financial KPIs
	417 -3 Incidents of non-compliance concerning marketing communications	92	ART 44 (1)(e)	Non-financial KPIs
Customer Privacy				
Social				

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Order MPF 2.844/2016 Requirements Index	
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	91	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	91	ART 44 (1)(c)	The Outcomes of the Policy
GRI 418: Customer Privacy	418 -1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	92	ART 44 (1)(e)	Non-financial KPIs
Socio-Economic Compliance			Social	
GRI 103: Management Approach	103 -1 Explanation of the material topic and its Boundary	38	ART 44 (1)	Disclosure on sustainability matters
	103 -2 The management approach and its components	33	ART 44 (1)(b)	Policy and Due Diligence Processes
	103 -3 Evaluation of the management approach	33	ART 44 (1)(c)	The Outcomes of the Policy
GRI 419: Socio - Economic compliance	419 -1 Non-compliance with laws and regulations in the social and economic area	In 2019, at Group level, no monetary and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area were registered	ART 44 (1)(e)	Non-financial KPIs

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