

Alcoa

ALCOA OF AUSTRALIA LIMITED

Modern Slavery Statement 2021

This is Alcoa of Australia Limited's Modern Slavery Statement, pursuant to s16(1) of the Australian Modern Slavery Act 2018 (Cth) (Modern Slavery Act). This statement sets out the actions we've taken to identify and address modern slavery risks in our business and supply chains in the lead up to and during calendar year 2021. References to 'modern slavery' in this statement have the same meaning as that term is defined in the Modern Slavery Act. This statement was prepared as a joint effort by a wide range of functions within Alcoa including procurement, human resources, sustainability, government affairs, legal and ethics and compliance. This statement was approved by the Alcoa of Australia Limited Board of Directors on 23 June 2022.

Contents

| | |
|-----------------------------------------------------------|-----------|
| Our commitment | 4 |
| Summary | 5 |
| 2021 Progress | 5 |
| Our structure and operations | 6 |
| About Alcoa Corporation | 6 |
| About Alcoa of Australia Limited | 6 |
| Consultation | 7 |
| Our supply chains | 8 |
| Our approach | 10 |
| Policy and governance | 10 |
| Human Rights Council | 11 |
| Managing modern slavery risks in our operations | 12 |
| Human Rights Management Standard | 12 |
| Human Rights Impact Assessments | 12 |
| Employment practices | 12 |
| Training | 13 |
| Managing modern slavery risks in our supply chains | 14 |
| Supplier Standards | 14 |
| Supplier Sustainability Program | 14 |
| Training | 18 |
| Assessing the effectiveness of our actions | 19 |
| Field Audits | 19 |
| Grievance mechanism | 19 |
| Remediation | 20 |
| Our future focus | 22 |

We acknowledge the Traditional Custodians of the lands where we operate, the Noongar, Wadawurrung and Gunditjmara Peoples and pay our respects to their Elders, past, present and emerging.

Our commitment

Alcoa acknowledges our responsibility to respect human rights as fundamentally important to the sustainability of our Company, to our stakeholders, suppliers and customers and to the communities in which we operate.

Underpinning this are our core values to Act with integrity, Operate with excellence, Care for people and Lead with courage.

These are at the heart of everything we do – creating lasting progress by promoting high ethical standards at all times, continually improving models of operation, making every decision with the community in mind and innovating for long term impact.

Our Modern Slavery Statement sets out the ways in which human rights considerations are integrated into every facet of our business.

Prepared in accordance with the Modern Slavery Act 2018 (Cth), it highlights the actions we have taken to identify and mitigate modern slavery risks in our operations and supply chains in 2021.

Building upon our progress in 2020, we have strengthened our due diligence processes with the significant expansion of our Supply Sustainability Program screening.

While we have taken great strides to consolidate our approach, we recognise this important work requires ongoing refinement and have identified key areas of focus for the future.

As a critical next step, we will prioritise validation, training and capacity building in close collaboration with our industry peers.

Prepared by our Human Rights Working Group, this Statement forms part of our annual reporting process and we remain committed to transparency on this complex issue.

I am pleased to say this Statement was formally approved by the Board of Directors of Alcoa of Australia Limited on 23 June 2022.

Michael Gollschewski
Vice President Operations – Australia

Summary

Modern slavery refers to cases of serious human exploitation where the victim cannot refuse or leave and includes human trafficking, servitude, child labour, sex trafficking, forced marriage, forced labour and debt bondage.

2021 PROGRESS

No incidents of modern slavery were identified in our Australian operations or supply chains in the reporting period.

We expanded our responsible sourcing program to implement Environmental, Social and Governance (ESG) screening of our entire supply base.

We integrated ESG factors (including human rights) into our supplier engagement and management system, and enhanced our analytics to deliver actionable insights from our supplier assessments.

We developed a new internal global standard for embedding Human Rights Management into our business processes.

We integrated human rights risk management into our broader business risk management processes.

Our continued participation in the Human Rights Resources and Energy Collaborative saw the development of a Response and Remedy Framework to guide our human resources and procurement personnel on how to respond to incidents of modern slavery.

Our structure and operations

ABOUT ALCOA CORPORATION

Alcoa Corporation is a global industry leader in bauxite, alumina and aluminium products built on a foundation of strong values and operating excellence dating back more than 135 years.

Alcoa Corporation is the parent company of Alcoa of Australia Limited. Our policies and the Supplier Sustainability Program apply across Alcoa Corporation and Alcoa of Australia Limited.

Globally, Alcoa Corporation has ownership in seven active bauxite mines, seven refineries, 13 smelters and six energy assets.

ABOUT ALCOA OF AUSTRALIA LIMITED

Alcoa of Australia is owned by Alcoa World Alumina and Chemicals (AWAC), an unincorporated global joint venture between Alcoa Corporation and Alumina Limited. Alcoa Corporation owns 60 per cent and Alumina Limited owns 40 per cent of AWAC. In this statement, unless expressly mentioned otherwise, references to Alcoa, the Company, we, us and our, refer to Alcoa of Australia Limited and its subsidiaries.

Alcoa's operations represent one of the world's largest integrated bauxite mining, alumina refining and aluminium smelting systems which adds value to Australia's local, state and national economies at every stage of the value chain.

Each year Alcoa mines approximately 34 million dry metric tonnes of bauxite, refines approximately nine million tonnes of alumina and produces approximately 300,000 tonnes of aluminium. We produce almost 45 per cent of Australia's alumina and about 19 per cent of Australia's aluminium. Our alumina production in Western Australia accounts for approximately seven per cent of total world production.

Alcoa's operations include:

- Two bauxite mines in Western Australia (Huntly and Willowdale)
- Three alumina refineries in Western Australia (Kwinana, Pinjarra, and Wagerup)
- One aluminium smelter in Victoria (Portland)
- Two dedicated port facilities in Western Australia (Kwinana and Bunbury)
- Farmlands in Western Australia (Pinjarra and Wagerup)

In 2021, Alcoa's operations supported approximately 4,400 direct jobs predominantly located in regional Western Australia and Victoria. Of those employees, approximately 99 per cent work on a permanent basis. We recruit employees using our own internal teams and do not rely on the services of overseas recruitment agencies, thus reducing our risk in relation to debt bondage.

ALCOA'S OPERATIONS INCLUDE:

Two bauxite mines

in Western Australia (Huntly and Willowdale)

Three alumina refineries

in Western Australia (Kwinana, Pinjarra, and Wagerup)

One aluminium smelter

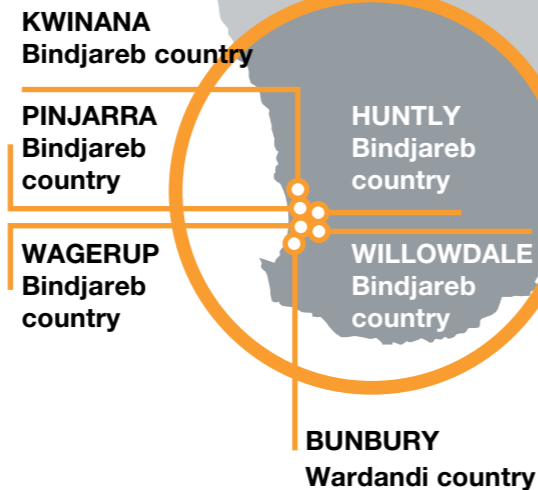
in Victoria (Portland)

Two dedicated port facilities

in Western Australia (Kwinana and Bunbury)

Farmlands

Farmlands in Western Australia (Pinjarra and Wagerup)



CONSULTATION

Alcoa Portland Aluminium Pty Ltd is a 100 per cent owned subsidiary of Alcoa of Australia Limited that acts as the manager for the Portland Smelter and enters into procurement and other contracts as the agent for the joint venture participants in accordance with the terms of the Portland Aluminium Participants Agreement. Alcoa Portland Aluminium Pty Ltd is subject to Alcoa Corporation's policies, standards and governance structures as described in this statement. No separate consultation is required with Alcoa Portland Aluminium Pty Ltd in the preparation of this statement as the Board of Directors of Alcoa Portland Aluminium Pty Ltd wholly consists of directors who are also directors of Alcoa of Australia Limited. The remaining entities that are owned or controlled by Alcoa of Australia Limited are not involved in operational or supply chain decision making.



Our supply chains

Our procurement team supports our entire product lifecycle through exploration, mining, refining, smelting, waste and residue management, rehabilitation, warehousing and transportation.

In 2021, approximately 85 per cent of the goods and services we procured came from suppliers operating within Australia. While our supplier relationships have a strong Australian focus, we acknowledge that the raw materials and manufacturing of what we buy may be global in origin. This introduces the risk that goods, services and raw materials may be sourced from regions where there is a more vulnerable workforce, including low and semi-skilled workers and/or migrant workers.

COVID-19 PANDEMIC RESPONSE

We recognise the ongoing COVID-19 pandemic has placed increased pressures on supply chains, increasing our exposure to vulnerable workforces.

To mitigate these increased risks, we have in turn increased our understanding of our supply chains to ensure we are not directly or indirectly (through sub-contractors) contributing to modern slavery. Please refer to the Supplier Sustainability Program section to read more about how we have adapted to screen 100 per cent of our suppliers, including potential suppliers, for ESG risk.

During 2021 we adapted, scaled and tailored our pandemic response to local circumstances, building on actions taken in the previous year. For further information pertaining to our COVID-19 pandemic response please refer to the [Alcoa 2021 Sustainability Report](#).

In 2021, our major spend categories, higher risk inputs and higher risk countries of origin remained consistent with 2020 data.

Our major spend categories included:

- Process chemicals
- Hydrocarbons
- Civil and mining support services
- Labour hire
- Site maintenance services
- Waste management

Our higher risk inputs are:

- Process chemicals
- Lubricants
- Alloying metals
- Lime
- Calcined coke
- Refractories

Our higher risk countries of origin are:

- China
- Qatar
- Indonesia
- Saudi Arabia
- India

In 2021



\$2.7B

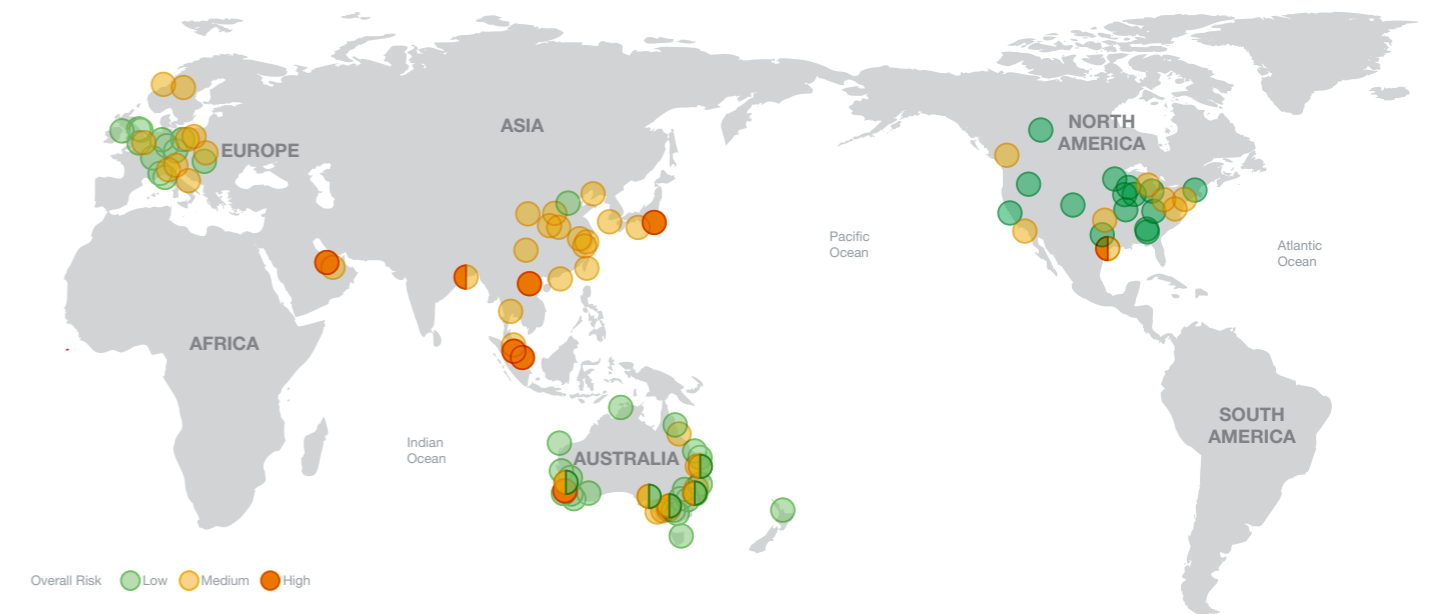
of goods and services were procured and managed in Australia and overseas



2246

suppliers engaged

RESULTS OF ESG SCREENING OF OUR SUPPLY CHAIN





With respect to governance, Alcoa Corporation’s Board of Directors has created a Safety, Sustainability and Public Issues Committee to provide guidance on matters relating to corporate and social responsibility, including human rights risks.

Our approach

To advance sustainably is a strategic priority for Alcoa Corporation and its operations globally. We strive to contribute towards a sustainable future with industry-leading environmental and social standards.

By transforming natural resources into aluminium, we create value for our shareholders, customers, suppliers and the communities where we operate. We continue to seek a balance between maximising benefits for stakeholders while minimising the potentially negative impacts of our operations. Our global Sustainability Strategy guides us as we operate in, or source materials from, countries with less demanding social performance requirements. More information on our Sustainability Strategy can be found in the section Sustainability Approach of [Alcoa 2021 Sustainability Report](#).

POLICY AND GOVERNANCE

Alcoa acknowledges our responsibility to respect human rights as fundamentally important to the sustainability of our Company, to our stakeholders, suppliers and customers and to the communities in which we operate. Through our [Human Rights Policy](#), we acknowledge our responsibility to respect human rights and establish the right due diligence mechanisms to make the policy effective. The policy is aligned with, and refers to, international human rights principles encompassed in the United Nations Universal Declaration of Human Rights, the International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on

Business and Human Rights.

Our Human Rights Policy applies to every employee, supplier, sub-contractor and business partner with whom we engage. The Human Rights Policy prohibits the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking.

Our Human Rights Policy operates in conjunction with our:

- Human Rights Council
- Human Rights Management Standard
- Code of Conduct
- Supplier Standards
- Supplier Sustainability Program
- Integrity Line
- Employee training
- Supplier training

Human Rights Council

The Human Rights Council oversees compliance with applicable United Nations Guiding Principles for Business and Human Rights and the ILO’s fundamental conventions. Members of Alcoa Corporation’s global Executive Team sponsor the Human Rights Council which is co-chaired by the Vice President, Sustainability and the Chief Ethics and Compliance Officer of the Company.

Our Human Rights Council defines and implements management systems that enable us to respect and support individual and collective human rights affected by our operations. The Council includes representatives from each region, including Australia and key resource units. More information on how Alcoa manages Human Rights can be found on the Human Rights section of the [Alcoa 2021 Sustainability Report](#).

Throughout 2021, we maintained a Human Rights Working Group in Australia which brings together legal, government affairs, human resources, procurement, finance, and sustainability expertise to help assess and respond to key risks.

The group reports to the Human Rights Council and implements initiatives and improvements identified in the Human Rights Due Diligence process. The Board of Directors of Alcoa of Australia Limited is represented on this Human Rights Working Group.

Our Vice President of Global Procurement and Transportation has responsibility for assessing and managing modern slavery risks within our supply chain. Our Chief Human Resources Officer is responsible for managing modern slavery risks within our business.

Decision making for our procurement activities is supported by our procurement procedures and policies which are applicable to all procurement team members globally. These procedures and policies provide the framework to ensure our purchasing decisions are aligned with our values. Our approach to supplier selection addresses environmental, health, safety and sustainability management (including human rights), ethical and anti-corruption practices, supplier capability and quality management, financial capacity and continuous improvement.

Alcoa of Australia Limited’s Board of Directors is ultimately responsible for ensuring appropriate procedures are in place to identify, assess, manage, remediate and report any modern slavery risks to comply with the Modern Slavery Act 2018 (Cth).

MANAGING MODERN SLAVERY RISKS IN OUR OPERATIONS

Human Rights Management Standard

In 2021, Alcoa Corporation created a Human Rights Management Standard to operationalise our policy. Our Human Rights Management Standard sets out the ways in which our functions, locations and corporate entity integrate human rights considerations into existing management practices and mechanisms. It requires all locations to identify, prevent, mitigate and report any actual or potential human rights impacts as a result of their business activities. The standard also sets out the requirements for effective remediation should we cause or contribute to an actual human rights impact.

Human Rights Impact Assessments

Each of our operations must ensure they understand their potential and actual human rights risks and impacts. They establish and update their understanding by undertaking Human Rights Impact Assessments. In 2019, Alcoa engaged an independent third party to conduct a comprehensive assessment of human rights and modern slavery risks and impacts in our Western Australian operations and supply chains. Both the inherent and residual modern slavery risks within our operations were assessed as low. We will be updating our Australian Human Rights Impact Assessment in 2022. The scope of the assessment will be expanded to encompass the Portland Aluminium Smelter to provide assurance that the current controls are being applied consistently across all of our Australian operations.

Improvement opportunities identified in the 2019 assessment have been integrated into an action plan that is overseen by our Human Rights Council and implemented by our regional Human Rights Working Group. Actions prioritised for improving the management of human rights risks within our operations include:

- Integrating human rights risk management into our enterprise risk management system.
- Developing improved guidance for our employees on human rights management, due diligence and remediation.

Progress has been made on both of the above items in 2021. Firstly, our global operational risk management process now has social consequences – including those related to human rights risks – embedded in the standard risk matrix. The most salient risks are escalated to the enterprise risk level. These risks and their associated mitigation plans are reviewed and endorsed at the executive level.

Secondly, our new Human Rights Standard has been an important step towards improved guidance for our employees. We also collaborated with our peers within the Human Rights in Resources and Energy Collaborative (HRREC) to develop guidance on how to respond to incidents of modern slavery. Further discussion of the Response and Remedy Framework is included in the Remediation section.



Employment practices

Risks of slavery or servitude are well regulated under Australian laws. For instance:

- The Fair Work Act 2009 (Cth) includes protections to ensure that employment arrangements do not disadvantage employees in relation to the minimum wage in Australia.
- Minimum age standards are comprehensively regulated at the federal and state level.

Alcoa complies with all local applicable laws and regulations relating to hiring children and our hiring practices conform with the ILO conventions for minimum age and child labour. Alcoa's Australian operations do not employ people under the age of 18 (unless under a formal apprenticeship arrangement for people aged 16 years and over, in line with employment regulations) or support the use of child labour. All Alcoa employees are required to provide identification documents that confirm their age and visa status as a condition of employment.

Alcoa Corporation conducted a living wage study of all direct employees of Alcoa across all jurisdictions in which we operate in 2021 based on an analysis of 2020 earnings. The results demonstrated that in all cases, Alcoa pays a living wage.

Training

Alcoa acknowledges the importance of training to drive awareness of human rights and modern slavery within our specific context and more broadly.

Every year, we require every employee to complete [Code of Conduct](#) training. The training covers key policies and procedures and topics of importance including conducting business with integrity, prohibiting retaliation, treating others with respect and respecting and valuing human rights. This is a basic level of training we are working to build on. Due to COVID-19, we have been limited in our ability to deliver training to our shop floor employees.

In 2021 our Human Rights Council developed a three-year implementation plan to deploy the Human Rights Management Standard including a workstream dedicated to improving awareness of human rights issues and building our capacity to manage these risks appropriately.

Within the procurement function we have developed an internal Procurement University training program. Modules include an overview of our responsible sourcing approach with further modules on modern slavery and living wages scheduled for development in 2022. These will be rolled out to both our Procurement team and the Human Rights Working Group later in the year.

Security and Human Rights

Security can be one of the highest risks to human rights. To ensure we respect the human rights of both the communities in which we operate and our employees, we have a security standard that is incorporated into our contracts with third party providers. We also applied to join the [Voluntary Principles on Security and Human Rights in 2021](#) and received confirmation of acceptance in March 2022.

MANAGING MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS

Supplier Standards

In conjunction with our Human Rights Policy, our global [Supplier Standards](#) outline our expectations for the businesses and suppliers who work with us. The Supplier Standards are available on our website including specific regional requirements, referenced in tender documentation and form part of our contracts. Our Supplier Standards connect businesses, suppliers and stakeholders with our Ethics and Compliance Policy including the Integrity Line (Alcoa's grievance mechanism).

Our Supplier Standards explicitly prohibit modern slavery. These expectations are reinforced through our Supplier Sustainability Program.

Supplier Sustainability Program

Our Supplier Sustainability Program (SSP) works to ensure our values are incorporated into our supply chain. It also provides due diligence of, and insight into, the ESG performance of key suppliers and a framework to work with them to advance sustainably.

The SSP consists of three components – assess, audit and advance.

SUPPLIER ASSESSMENT CRITERIA

Environment

- Energy consumption and greenhouse gases
- Water
- Biodiversity
- Local and accidental pollution
- Materials, chemicals and waste
- Product use
- Product end-of-life
- Customer health and safety
- Environmental services and advocacy

Labor and Human Rights

- Employee health and safety
- Working conditions
- Social dialogue
- Career management and training
- Child labor, forced labor and human trafficking
- Diversity, discrimination and harassment
- External stakeholder human rights

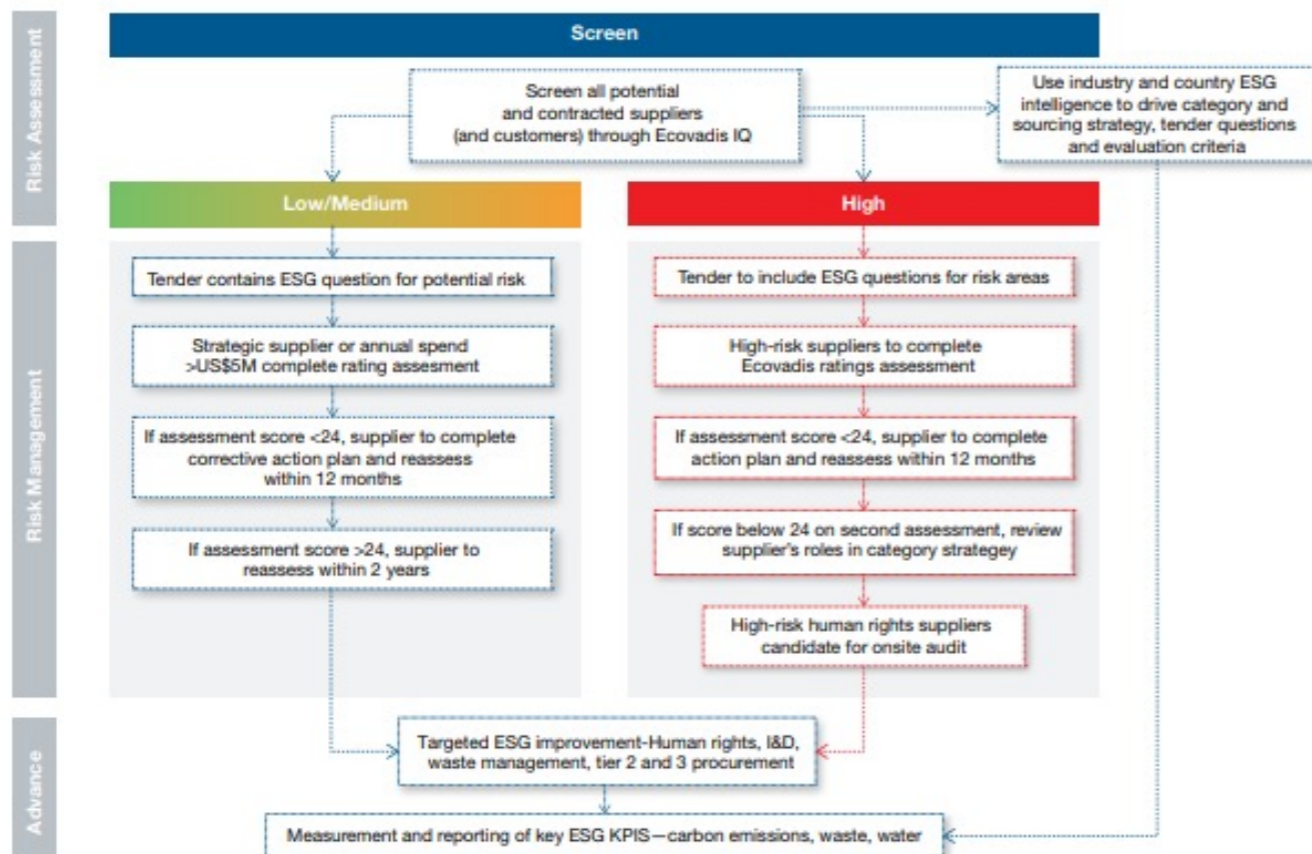
Ethics

- Corruption
- Anticompetitive practices
- Responsible information management

Sustainable Procurement

- Supplier environmental practices
- Supplier social practices

SUPPLIER ESG RISK DECISION TREE



Assess

Our suppliers are screened and assessed through the following program partners.

EcoVadis: We use the Ecovadis IQ platform to screen all suppliers, including potential suppliers, for ESG risk. The screening process combines a supplier's industry, countries of operation and key procurement data, such as criticality of supply to determine if overall ESG risk is high, medium or low. Key ESG intelligence for each supplier's industry and countries of operation is leveraged into our tendering, contracting and supplier management processes.

Descartes MK Denied Party Screening: Potential suppliers and signatories are screened for an appearance on the United States Denied Parties List. Any supplier on the US Denied Parties List is denied from working with Alcoa.

Trace International TRAC Program: We engage with Trace International to support our due diligence program and further manage risk in our supply chain related to bribery and corruption, trade compliance, child and slave labour, criminal history, human trafficking and conflict minerals. TRAC screens suppliers against watch lists and for international sanctions, criminal acts and bankruptcy. This program assesses suppliers with an Alcoa spend greater than US\$50,000 per year that are based in a high-risk country, as well as those with an Alcoa spend above US\$1 million per year in countries of any risk level.

A voice for workers

EcoVadis Ratings Assessments allow us to specifically review performance and maturity across the human rights criteria. Review of 2021 data shows that 56 per cent of audited suppliers have active whistleblower procedures.

Audit

Suppliers with an overall ESG risk rating of high, strategic suppliers and higher spend suppliers are all required to complete further due diligence by undertaking a desk-based audit that uses the EcoVadis Ratings Assessment. Should a supplier already be audited by an equivalent third party ESG ratings provider, the supplier may provide that assessment report for review by our director of responsible sourcing.

The EcoVadis Ratings Assessment audits our suppliers and associated supply chain against 22 criteria covering environment, labour and human rights (including modern slavery), ethics and sustainable procurement tailored to that supplier's industry and countries of operation.

The EcoVadis ratings assessment covers a supplier's policies, third party endorsements and certifications, measures and actions, reporting and [EcoVadis 360° Watch](#) findings to rate the supplier's ESG performance maturity from zero to 100. Because EcoVadis is a third-party solution, suppliers can also choose to share their results with other customers.

Alcoa sets a threshold maturity rating of 24 for our suppliers. Should a supplier score less than 24, we require that supplier to complete a corrective action plan and undertake reassessment within 12 months.

Advance

We work to advance the ESG performance of our suppliers through our SSP partner EcoVadis. The EcoVadis assessment platform provides all suppliers with an actionable scorecard. Each element is given a priority rating and is accompanied by coaching and guidance to assist suppliers to improve over time. This feedback and guidance is used to create improvement plans, set key performance objectives and develop strategic partnerships to manage risk and create long-term value.



EcoVadis IQ

In 2021, we expanded the Supplier Sustainability Program to include ESG risk screening of our entire supply base, integrating risk-based decision criteria to determine which suppliers require further assessment, monitoring or audit.

EcoVadis' labour and human rights screening and assessment covers employee health and safety, working conditions, child labour, forced labour and human trafficking, diversity, discrimination and harassment.

EcoVadis provides us with key ESG intelligence through in-depth country and industry risk scorecards. Screening and assessment is specific to the country of operation and industry of a supplier and assesses a supplier's operations and their own supply chains.

2021 Performance

Our SSP continues to build year on year. The following provides a summary of the 2021 metrics:

- We enhanced our due diligence screening process by onboarding 100 per cent of our supply base to the EcoVadis IQ platform.
- EcoVadis IQ assessments identified 11 high-risk suppliers. Six of these suppliers completed further due diligence through the EcoVadis Ratings Assessment desk-based audit. The remaining five are due for completion in 2022. All assessed high-risk suppliers have achieved the required ratings in the labour and human rights section.¹
- Over 140 suppliers, representing 43 per cent of procurement spend for our Australian operations, have also been through the EcoVadis Ratings Assessment.
- 68 per cent of suppliers to our Australian operations who undertook reassessment against the EcoVadis desktop audit in 2021 improved their rating.

- One supplier did not achieve the required rating in the labour and human rights section of the EcoVadis Ratings Assessment. They have since developed a corrective action plan and are now undergoing reassessment.
- While we did not identify any incidents of modern slavery in our supply chain, 28 suppliers were flagged for further investigation due to potential social and human rights incidents and controversies identified via the EcoVadis 360 Watch Program.²

To ensure the value of these insights is maximised, in 2021 we integrated the management of ESG risk (including human rights) into our supplier engagement and management system. This ensures that Human Rights risks are factored into our decision making and performance management approach. In 2021, we developed an analytics suite to measure, track and provide transparency of our suppliers' performance to our procurement personnel. This analytics suite supports the development of human rights related tender questions and key performance indicators for contract management.

¹ This process is dynamic and screened suppliers are continuously monitored through the EcoVadis 360 Watch program. As we continue to implement the due diligence program we will address high-risk suppliers as and when they are identified via the screening process.

² Findings can be across a supplier's global operations and include subsidiaries and parent companies and all of the EcoVadis Social and Human Rights factors. Where appropriate, suppliers may be asked specific questions in relation to a finding as part of our supplier management process. It is important to note a finding through EcoVadis 360 Watch does not constitute an incident.

INTEGRATION OF SSP INTO SUPPLIER MANAGEMENT PROCESS



Training

In 2021, our program partner EcoVadis introduced the EcoVadis Academy. This eLearning platform guides organisations on how to improve their performance across the environment, labour and human rights, ethics and sustainable procurement categories. This platform will help to build awareness of modern slavery risks and controls within both our business and our supply chain. The training packages available will be used to support our own internal training program for our responsible sourcing professionals and can then be used as a tool by our procurement team working with suppliers with low category scores.

Maritime

Heightened by the going COVID-19 pandemic, the Maritime industry continues to present higher human rights risks globally. As well as screening our maritime suppliers through the Supplier Sustainability Program, we continue to engage the supply base through our pre-berthing survey which asks specific details around crew change locations, rosters and time at sea.



ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

No incidents of modern slavery were identified in any area of our operations in 2021.

Field Audits

We typically verify the effectiveness of our SSP through contractual compliance audits or field verification. Our standard procurement contract provides us with the right to audit suppliers for this purpose. In-field verification audits are a way to provide assurance that our suppliers are implementing their policies and procedures and meeting our expectations. Historically our field verification audits have not focussed on human rights. Limited access to supplier locations due to health and safety measures related to COVID-19 persisted in 2021. We therefore focused on improving our supply base screening and data analytics to determine which segments of our supply chain would benefit most from further assessment.

Our focus for 2022 is to advance our approach by developing a protocol for in-field verification audits. We are active participants in the Human Rights Resources and Energy Collaborative (HRREC) working to develop cross-industry guidance in this area.

Grievance mechanism

To manage modern slavery risks that may be identified in the future, we have a grievance mechanism and remediation process in place that addresses a range of adverse human rights impacts including modern slavery. The three-year implementation plan for our new Human Rights Management Standard includes a workstream to review and enhance our grievance mechanisms at the local level.

We encourage employees and external stakeholders, including suppliers and their employees, who have ethics-related questions or concerns or want to report suspected breaches of laws, policies or our values, to do so through our confidential [Integrity Line](#). Managed by independent company Navex Global, the Integrity Line is available to anyone, including suppliers and their employees within our supply chain. Calls are free of charge and are accessible 24/7 in multiple languages. Reports can be submitted anonymously by phone or online. See the Governance, Ethics and Compliance section of the [Alcoa 2021 Sustainability Report](#) for additional information.

Access to the Integrity Line is publicised via multiple internal and external channels, including our website, corporate policies and procedures and is on display in all locations.

GOLD SUPPLIER CLASSIFICATION

Alcoa Corporation undertakes the EcoVadis assessment and analysis as a supplier on an annual basis.

We maintained Gold supplier classification by EcoVadis through 2021. Gold status indicates we are among the top five per cent of companies in our industry and a leader in sustainability categories of environment, labour practices, fair business practices and sustainable procurement.





Navex Global is a leading vendor of governance, risk and compliance solutions and provides hotline services to Fortune 100 companies including Alcoa Corporation. All issues and concerns reported through the Integrity Line are promptly directed to our global Ethics and Compliance team for follow-up using the following procedures:

- The reporter is given a private code they can reference for investigation status updates. The reporter may obtain updates by calling the Integrity Line, checking the web reporting site or contacting the investigator directly.
- The Ethics and Compliance team conducts an initial review of the matter to determine the most appropriate method of investigation. Where appropriate, the Ethics and Compliance team sends the matter directly to the relevant Alcoa location for investigation. Investigations that are not appropriate for the location to handle are retained for investigation by the Ethics and Compliance team.
- Investigations are handled promptly, thoroughly and confidentially.
- If not anonymous, the identity of the reporter is kept strictly confidential throughout the process and only disclosed to authorised persons when necessary to carry out the investigation or as otherwise required by law.

A final determination is made as to whether the allegation or concern

was substantiated or unsubstantiated. The response to substantiated matters is determined on a case-by-case basis. It is tailored to the seriousness of the substantiated facts.

We use Navex Global benchmarking to assess the effectiveness of our Integrity Line. Navex publishes an annual Ethics and Compliance Hotline Benchmarking Report which contains metrics for report volume, report allegation categories, anonymous versus named reporting, follow up and substantiation rates, case closure times and intake methods.

No incidents of modern slavery were identified in 2021 for our Australian Operations through our global integrity line. In 2022, we plan to update our Human Rights Impact Assessment with particular focus on the effectiveness of our grievance mechanisms for internal and external human rights related concerns.

Remediation

Where adverse impacts are identified through the grievance mechanism outlined above, or through our risk identification and audit processes, we will determine the extent to which we have caused, contributed to, or are directly linked to that adverse impact. Alcoa endeavours to take a victim-centred approach to incidents of modern slavery in our operations or our supply chains.

Collaborating with our peers

In 2021, the Human Rights Resources and Energy Collaborative (formerly the Western Australian Modern Slavery Collaborative) partnered with the Minderoo Foundation's Walk Free Initiative to develop a victim-centred remediation protocol.

The HRREC is a group of Australian companies in the energy and resources sector that are collaborating to share knowledge and develop practical tools to identify and address modern slavery in supply chains. Alcoa is a member of the HRREC and an active participant in their Shipping, Supply Chain and Remedy workstreams. The Walk Free Initiative is a human rights group working to accelerate the end of all forms of modern slavery.

In 2021 the Remedy workstream, together with the Walk Free Initiative, developed the Response and Remedy Framework. This Framework is designed to provide guidance and practical steps for companies to assist their response to any instances of modern slavery or related exploitation they identify they have caused, contributed to or are directly linked to. It also outlines ways to provide for, or cooperate in, remediation to harmed workers. The Framework sets out:

- I. Understanding Remedy.
- II. Remediating Modern Slavery and Related Exploitation: Core Principles.
- III. Example Remediation Steps. An outline of actions that can be taken to facilitate remedy in situations where a company is involved in exploitative labour practices or modern slavery.
- IV. Table of example scenarios that require remediation and sample responses.

The Response and Remedy Framework is anticipated to be launched in mid-2022. Alcoa will use the protocol as a practical guide for our Human Resources and Procurement personnel to identify and manage incidents of exploitation and provide the Walk Free Foundation and the HRREC with feedback on the use and effectiveness of the tool.

Alcoa Corporation is also a member of the International Council on Mining and Metals (ICMM). ICMM is focused on enhancing industry's contribution to society with safe, fair and sustainable practices. As a member, we must meet the commitments of ICMM's mining principles and all associated performance expectations including respecting human rights, the rights of workers and providing fair pay and working hours. Our representatives are actively involved across ICMM's committees and working groups to embed these sustainable practices across industry. In 2022, Alcoa will be an active participant in the newly formed ICMM Human Rights Working Group.



Human Rights Resource
and Energy Collaborative



Our future focus

In 2021 we made some important progress in our SSP with the expansion of our supplier screening processes. We remain committed to building awareness and capacity within our operations and supply chain for identifying and mitigating modern slavery risks.

Our priorities for 2022:

- Continue to collaborate with our peers via both the development of an audit protocol for high-risk suppliers with the HRREC and by actively participating in the newly formed ICMM Human Rights Working Group.
- Support our colleagues in the Human Rights Council to embed our new Human Rights Standard.
- Work with our suppliers to promote human rights training available through the Ecovadis Academy.
- Update and expand our Human Rights Impact Assessment to include Portland, paying particular focus on the effectiveness of our grievance mechanisms for internal and external human rights related concerns.
- Use our new expanded supplier screening analytics to improve awareness and management of Human Rights risks within our supply base.
- Integrate Human Rights field audits into our due diligence process.
- Review and enhance our grievance mechanisms at the local level.

| Mandatory criteria | Page number/s |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| a) Identify the reporting entity | 6 |
| b) Describe the reporting entity's structure, operations and supply chains | 6 to 9 |
| c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls | 8, 12 to 16 |
| d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes | 10 to 18 |
| e) Describe how the reporting entity assesses the effectiveness of these actions | 19 to 21 |
| f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement) | 6 |
| g) Any other information that the reporting entity, or the entity giving the statement, considers relevant | All |

For further information about any aspect of our operations please visit our website: www.alcoa.com/australia



www.alcoa.com/australia/en