



Annual Report 2023

Alcoa Norway AS

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Letter from the Chair of the Board

In 2023, Alcoa faced a myriad of external challenges, including a volatile market, fluctuating electricity prices, and evolving framework conditions. Despite these obstacles, the company has maintained a trajectory of positive development, underscored by a series of exciting projects poised to fortify robust and sustainable operations for the long term.

At the forefront of these initiatives, Alcoa Lista has heralded the completion and operational commencement of a new pre-heat furnace within the casthouse. This strategic enhancement has not only bolstered safety standards but also reduced liquefied natural gas (LNG) consumption and augmented operational productivity. Thus, 2023 represents a more optimized, environmentally friendly, and safer casthouse at Alcoa Lista.

This is not the only investment that has been made in the south. The introduction of new rectifiers, state-of-the-art gas-treatment centers, and other investments aimed at value augmentation underscore the company's commitment to continuous improvement.

Despite facing challenges, Alcoa Lista has responded with relentless enhancements to its operations, steered by a team of adept and dedicated employees.

The revision of the carbon dioxide (CO₂) compensation scheme in 2023 has emerged as a significant concern. Alcoa has communicated unequivocally to Norwegian authorities that this scheme represents a partial offset of incurred costs. It is imperative to prevent carbon leakage from Norway to nations with either more favourable support mechanisms or no climate-related costs. Alcoa remains steadfast in advocating for framework conditions that guarantee the predictability vital to the industry.

Alcoa Mosjøen is witnessing substantial progress in its major growth investment, adhering to the planned trajectory with

an optimistic outlook. The project has adhered to its financial and progress benchmarks without encountering any serious setbacks. The projected 7% increase in primary aluminium production capacity is expected to be achieved by 2026.

Alcoa Mosjøen has earned the distinction of being Northern Norway's largest land-based company measured in number of employees and export value. This leadership position was further solidified with the insourcing of the maintenance department in December 2023, which welcomed 100 new colleagues. Alcoa Mosjøen persists in implementing organizational measures to reinforce its operational framework.

The year 2023 marked the introduction of our fourth inclusion group – ABLE (Alcoans Moving Beyond Limited Expectations). In concert with our existing inclusion groups – AWN (Alcoa Women Network), AWARE (Alcoans Working Actively for Racial-Ethnic Equality), and EAGLE (Employees at Alcoa for LGBT+ Equality) – Alcoa has reaffirmed its unwavering stance against discrimination based on gender, sexual orientation, age, ethnicity, or disability.

The communities in which we operate are intrinsically intertwined with our operations, fostering a symbiotic relationship that nurtures growth, allure, and optimism – key factors in attracting and retaining talent. Both at Mosjøen and Lista there is a close contact between the municipalities and the smelters, encompassing both political and administrative spheres. Through initiatives like the Alcoa Foundation and grant funds, Alcoa manifests its support for organizations such as Young Entrepreneurship Norway and Forskerfabrikken, emphasizing the importance of early education in society, technology, and development.

Anchored by robust values, a cadre of proficient employees, and a metal integral to the green transition, Alcoa is unwavering in its quest to reinventing the aluminium industry for a sustainable future.

Grethe Hindersland
Chair of the Board

We are Alcoa Norway

Alcoa Corporation

Alcoa (NYSE: AA) is a global industry leader in bauxite, alumina, and aluminium products. Built on a foundation of strong values and operational excellence, we have a history of over 135 years stretching back to when our founder invented the modern aluminium production process, the Hall-Héroult process. Given its amazing properties as a strong, lightweight, and eternally renewable metal, aluminium has become a vital part of modern society. With our purpose to Turn Raw Potential into Real Progress, Alcoa is once again aiming to reinvent the aluminium industry for a sustainable future.

Alcoa Norway

In Norway, Alcoa has two aluminium smelters, one at Lista, Farsund municipality in Agder and one in Mosjøen, Vefsn municipality in Nordland, both part of the proud industrial history we have in Norway. Alcoa can trace its first activity in Norway back to the 1920s and established itself in Norway in 1963 through a part-ownership with Elkem. Alcoa then became the sole owner of the operations in 2009. Alcoa produces high-quality aluminium with 100% renewable electricity.

Alcoa Mosjøen

Alcoa Mosjøen has been the main employer since 1958 and provide jobs for approximately 650 full-time employees. The operations consist of an anode plant, potrooms, a casthouse, and an induction furnace for post-industrial scrap. Approximately 200,000 tons of primary aluminium are produced in the potrooms, which is turned into about 230,000 tons of aluminium alloys in the form of slab and ingots. The anode bakery and green mill produces 300,000 tons of anodes annually. The anodes are used in own production (100,000 tons) and as export to Alcoa's aluminium smelter in Iceland, Fjarðaál (200,000 tons). Our products are mainly exported to the EU by sea. Alcoa Mosjøen is Northern Norway's largest land-based company in terms of number of employees and turnover. We are Norway's northernmost aluminium smelter.

Alcoa Lista

The Alcoa Lista aluminium smelter consists of 3 potrooms and a casthouse, as well as support facilities. Lista produces billets for extrusion that are exported to Europe, as well as molten alloyed metal sent directly to the neighboring car part manufacturer Aludyne. Lista has been a main employer since 1971 and has approximately 280 full-time employees. At fully utilized capacity, approximately 94,000 ton of primary aluminium are produced. However, the total capacity for production from the casthouse is approximately 135,000 tons by introducing purchased aluminium and other metals so that the product is alloyed according to customer specifications. Alcoa Lista is Norway's southernmost aluminium smelter.

Safety first

Safety is our main focus area. Every day, we work tirelessly to ensure that our employees leave the workplace as whole, both physically and mentally, as when they came to work. EHS is therefore central to everything we do and is a continuous area of improvement.

Value-based

Alcoa is a value-based company and our values form the foundation of everything we do. We are unwavering in acting with integrity, operate with excellence, care for people and we lead with courage.

Reinventing the aluminium industry for a sustainable future

Aluminium is defined by the EU as a critical material in the green transition. It is used in electric cars, solar panels, bicycles and recyclable soda cans, to name just a few of the many applications aluminium has today. More than 75% of all aluminium ever produced is still used as aluminium is strong, lightweight and eternally renewable. Through own technology development and technology implementation, Alcoa in Norway is looking to eliminate both the small and the large sources of emissions. Alcoa has committed to becoming CO₂ neutral in scope 1 and scope 2 emissions by 2050. To achieve this, Alcoa is a leader in the development of new technology.



"Alcoa Mosjøen is an important contributor in our municipality. Alcoa's environmental efforts are clearly visible to the outside. Being a pioneering company in terms of the environment is important for the reputation of the smelter, but also our municipality. At the same time, it is important to us that Alcoa is a team player, working together with us so that we will be an attractive community in other areas as well. The efforts Alcoa makes has positive impacts on recruitment which stand to serve both the company and the municipality in general. That is why I greatly appreciate the good dialogue we have with Alcoa – a cornerstone of our community."

Rune Krutå, Mayor of Vefsn municipality

ELYSIS™ is the world's first carbon-free smelting technology. Described as the greatest breakthrough in the aluminium industry since the late 1800s, this Alcoa-invented technology has the potential to completely revolutionize the global aluminium industry. The ELYSIS process emits pure oxygen as a byproduct and eliminates all of the greenhouse gas emissions associated with traditional smelting.

ASTRAEA™ is Alcoa's process to convert post-consumer scrap into high purity aluminium. It's a proprietary technology that can purify any aluminium scrap to such high levels that it has the potential to create an entirely new value chain by converting to quality levels far exceeding the purity levels at commercial smelters, potentially tapping vast supplies of unused aluminium scrap.

Refinery of the Future includes a variety of processes and practices such as Mechanical Vapor Recompression and Electric Calcination. Refinery of the Future builds on existing sustainability improvements at our refineries and a comprehensive portfolio of products that helps our customers lower the carbon footprint of their supply chain.

Shape your world – Shape your future

At Alcoa, all parts of the company can develop both vertically and horizontally. You can apply internally for new roles as you want to try something new, you can be promoted internally or you can develop your career at our other locations abroad. We also have a strong focus on developing our employees professionally. Courses, certificates, education and various skill enhancing initiatives are sponsored by Alcoa.

A diverse workplace

Alcoa has a strong focus on well-being, diversity and an inclusive workplace. Through several initiatives, we are working to create tomorrow's industrial workplace. At Alcoa, our employees should thrive, be safe, trust each other and have equal opportunities regardless of ethnicity, gender, age, disability or sexual orientation.

Through our inclusion groups, we create an environment free from discrimination where our employees are treated with openness and respect, and feel valued and accepted.

AWN (Alcoa Women's Network) – Our network for women and women's interests. AWN takes care of our female colleagues and puts the spotlight on how Alcoa can become an even better workplace for women in what has been a traditionally male-dominated profession.

EAGLE (Alcoa for LGBT+ Equality) – Our network for LGTB+. Your gender identity is not a good measure of how skilled you are at making aluminium. EAGLE therefore works to ensure that everyone who shares our values, regardless of sexual orientation, is welcome to become part of our project.

AWARE (Alcoans Working Actively for Racial-Ethnic Equality) – Our network for ethnic diversity and anti-racism. AWARE is focused on creating a workplace where everyone is welcome, regardless of skin color and culture. At Alcoa, there is zero tolerance for bullying.

ABLE (Alcoans moving Beyond Limited Expectations) – Our network for people with disability. ABLE see the value in, and creating respect for, people with disabilities regardless of whether the functional variation is physical, mental, visible or invisible.

In addition, we work with GWD (Good Work Design), which is a project for accessibility. These programs work to take into account all the different facets a person comes in. Thus, we work actively to ensure that all individuals feel represented and welcome at Alcoa, as we wholeheartedly believe that diversity is a strength.

With love for the local community

Both of our operations are cornerstones in their respective local communities, which requires a special responsibility and makes the smelters and communities mutually dependent on each other. We communicate regularly and transparently to our surroundings to build bridges between our industry and all our stakeholders. We are also engaged in the well-being of our local community through sponsorship.

Through Alcoa Foundation Grants, we typically sponsor long-term project engagements in education and sustainability, particularly aimed at developing young people's ability to engage in developing a better tomorrow.

Through ACTION Grants, Alcoa empowers its own employees to engage with the local community by funding volunteer actions.

We are Alcoa

We Turn Raw Potential into Real Progress



"Alcoa Lista is the company that everyone in Farsund municipality has a relationship with. In its privileged role as the center of the industrial park, it is good to see a company that rolls up its sleeves in the face of challenges. I am happy that the municipality and the smelter have a well-functioning collaboration, as is the tradition in Norway, and even more happy that Alcoa is an active contributor to the local community of its own free will, encompassing both volunteering in various initiatives and sponsoring."

Ingrid Merethe Williamsen, Mayor of Farsund municipality

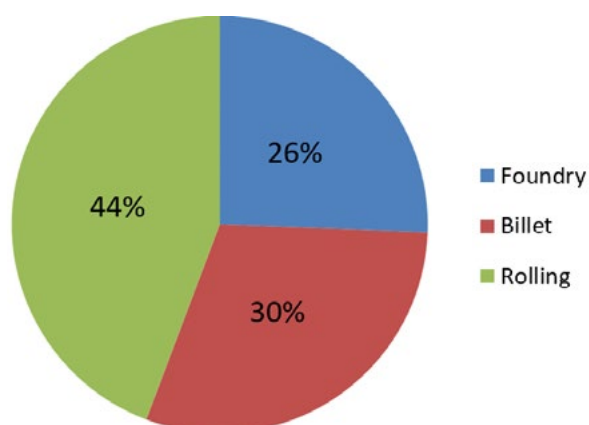
Key Events 2023

- Alcoa Lista was certified under the new Aluminium Stewardship Initiative (ASI) Performance Standard version 3. The standard sets new, higher expectations to sustainably run smelting operations.
- Alcoa Mosjøen successfully complete the insourcing of the maintenance department. Northern-Norway’s largest land-based company grows even bigger from approximately 550 employees to approximately 650 employees.
- Alcoa Lista’s new pre-heat oven successfully tested and fully implemented. The Lista cast house is now safer, more optimized, and greener.
- Alcoa Mosjøen’s large growth investment is developing according to schedule. On course for a 7% increase in primary aluminium by end of 2026.

Key Figures

	2023 AS	2022 ANS
Net operating revenues NOK million	9,978	12,651
Income from operations NOK million	503	2,507
Net operating margin (%)	5%	20%
Net profit NOK million	434	2,571
Cash Flow from operations NOK million	870	4,008
Equity ratio (%)	47	83
Dividend paid NOK million	0	460
Average LME-3 month quotation USD/T	2,287	2,718
Number of full time-equivalents	948	839

Sales 2023



Our story began with the thought of possibility

Through innovation and hard work, we launched an industry and changed the way we live, build, move, and fly. Now, there are new paths to forge and processes to perfect. But what drives us still holds true. We stand firm with the integrity, care, excellence, and courage that has always defined our character. Our determination overcomes doubt. When we tap the ingenuity in each of us, we unleash brilliance that can change the world. Because we turn ideas into innovation. Impossibility into impact. What if, into what is.

OUR PURPOSE

We Turn Raw Potential into Real Progress

OUR VISION

Reinvent the aluminium industry for a sustainable future

OUR PRIORITIES

- Reduce Complexity
- Drive Returns
- Advance Sustainably

OUR VALUES:

Act with Integrity

- Be open, honest, and accountable
- Do the right thing the right way
- Promote high ethical standards at all times

Operate with Excellence

- Continually improve standards of operation
- Analyze every angle to overcome difficulty
- Empower everyone with the right resources to do their best work

Care for People

- Put safety and health first
- Seek solutions with diverse, inclusive teams
- Make every decision with the community in mind

Lead with Courage

- Embrace opportunities to reinvent
- Innovate for long-term impact
- Challenge the status quo

Annual report

(All numbers in brackets refer to corresponding 2022 figures for Alcoa Norway ANS.)

Alcoa Norway's total net revenues amounted to 9,978 mill. NOK in 2023 (12,651). Income from operations was 503 mill. NOK (2,507) while income before tax was 429 mill. NOK (2,571). Annual cash flow before financing and dividends was 5 mill. NOK (4,008).

Alcoa Norway was restructured from a partnership to a limited liability company in 2022. The 2022 figures above reflect the conversion of the company on 30 December 2022, meaning Alcoa Norway AS only had one full day of operation that year. All other account items were therefore reported for Alcoa Norway ANS. In 2023 Norsk Alcoa AS, Norsk Alcoa Smelting AS and Norsk Alcoa Holding AS were merged into Alcoa Norway AS. The mergers have accounting effect from 1 January 2023.

Market development

Weak demand was a persistent feature of the global aluminium industry in 2023. High inflation levels, in part driven by Russia's illegal invasion of Ukraine, sapped investor confidence and curbed infrastructure investments. Market fluctuations amplified towards the end of the year following supply problems for Asian and Middle Eastern imports and heightened sanctions against Russian metal. China's aluminium production kept surging in 2023 and is now close to its capacity cap of 45 million tons annually.

Global demand for primary aluminium rose by 1,1% to 70 million tons in 2023, according to CRU. Primary aluminium consumption in China grew by 4,9% year-on-year following easing COVID restrictions in the country. Global demand outside China, on the other hand, fell by 4,3% due to lower economic growth and warehouse draw-downs. Consequently, China's share of overall global aluminium demand increased to 61% from 59% in 2022.

European demand remained subdued due to high inflation and comparatively high energy costs. Aluminium consumption in the important construction and packaging sectors was hit hardest. According to CRU, total demand for primary aluminium in Europe (Russia included) decreased by 8,4% year-on-year.

Global aluminium supply increased by 2,6% to 70,6 million metric tons. Higher output was recorded in China, North and South America and the Middle East.

The average 3-month delivery LME¹ price dropped to USD 2,287 per ton, 431 dollars per ton lower than the corresponding average in 2022. Regional European premiums (P1020 ingot from Rotterdam warehouses) were also affected by subdued market conditions and fell to an average 276 dollars per ton in 2023, 185 dollars lower than the year before.

Alcoa Norway's business concept is to supply customised products to meet customer specifications. The prices obtained by Alcoa Norway are based on the LME quotation for primary aluminium with an additional product premium, dependent on the specific product to be delivered to the customer. This product premium varies with alloy and shape. All exports from Alcoa Norway to the end customers are managed by Alcoa Nederland Holding B.V., a Dutch company.

Shipments of metal processed in Alcoa Norway's casthouses totalled 319.194 tons in 2023 (345,297). The slight downturn in shipments were a result of weaker demand and reduced production capacity for billets.

Operations

Total production from Alcoa's potrooms at Lista and Mosjøen was 263,229 tons, 18,633 tons less than in 2022.

On Augst 30 2022 Alcoa announced the curtailment of a third of potroom capacity at Lista, an effort to curb excessive energy costs for the smelter. The curtailed pots on the smelter's Line 2 remained out of operation throughout 2023. Lista's potroom production totalled 62,119 tons in 2023, considerably lower than 81,937 tons the year before.

Mosjøen's prebake smelter achieved a record annual output level of 201,110 tons in 2023 on the back of higher number of pots in operation, better current efficiency and good production stability throughout the year. Potroom production at Mosjøen has been consistently good for several years. Total production from the anode plant was 296,000 tons.

Casthouse production totalled 318,018 tons in 2023, 28,331 tons lower than in 2022. Lista's casthouse output has been stable for a number of years, but 2023 billett production fell by around 23,000 year-on-year due to weaker product markets and lower potroom output because of the

¹ LME = London Metal Exchange, where a considerable share of global aluminium is traded. The LME price is the commonly used reference price for the global aluminium market.

curtailment. Mosjøen's 2023 casthouse production was on par with the year before as foundry markets improved while rolling ingot markets declined.

Alcoa Norway's two casthouses are flexible units capable of efficiently delivering high-value products. Total casthouse production capacity is approximately 380,000 tons of aluminium products. This exceeds potroom capacity. Lista's and Mosjøen's casthouses supplement potroom metal with remelting of purchased metal.

Total full-time equivalents at end 2023 was 948, 109 more than previous year-end. The higher number of full-time equivalents can mainly be attributed to Alcoa Mosjøen insourcing maintenance operations from an external provider in 2023.

Financial results

Operating profits decreased by 2,004 mill. NOK, from 2,507 mill. NOK in 2022 to 503 mill. NOK in 2023. The operating margin was 5% (20%). Return on invested capital was 10%, compared to 56% in 2022.

Lower LME prices and product premiums had a negative impact on earnings in 2023 compared to previous year.

Falling raw material prices did not have a discernable impact this year, and did not, therefore, offset the impact of lower product prices. Falling energy prices, most notably electricity prices, did however offset the negative impact as Alcoa Lista was able to secure power contracts at more favourable prices than the year before. A weaker Norwegian Krone vis-à-vis the Euro raised the value of future power purchases in our power purchase agreements (PPAs). Alcoa booked an unrealised currency loss of minus 662 mill. NOK in 2023 compared to a positive 362 mill. NOK in 2022.

In the 2024 state budget, presented in October 2023, the Norwegian government proposed to curb CO₂ compensation payments, to be paid in 2024, to eligible industries. Alcoa reversed 189 mill. NOK of booked payment accruals in the fourth quarter of 2023, compared to expected CO₂ compensations earlier in the year.

Alcoa's conversion costs per ton of aluminium increased due to general cost increases and higher maintenance costs. Alcoa Mosjøen retains a strong position on the global aluminium market's cash cost curves, while Alcoa Lista has a weaker position due to lower-than-normal activity due to the partial curtailment and higher energy costs.



2023 has been a year characterized by change. New operations manager, restructuring of the organization and insourcing of maintenance give us a good starting point for further development of the operations. Over many years, we have laid the foundations for, and managed, good cooperation between the trade union and management, and this autumn we showed good cooperation when the CO₂ compensation scheme was proposed to be changed. With over 500 members at Alcoa Mosjøen, we are by far the largest trade union and the partnership with leadership is characterized by respect for each other and the responsibility we have on behalf of those we represent. Through tough but constructive negotiations, both parties want to lay the foundations for a sustainable workplace. One of my favorite quotes is "an organization is just an ongoing conversation". In the years ahead, we depend on the organization being aware of this and that we play as a team to make a good place to work even better.

Stian Nordal Jensen, Union leader at Alcoa Mosjøen



Challenging times and common cause. 2023 was a year in which the industry was challenged on its framework conditions. The CO₂ compensation scheme is very important to ensure the industry's competitiveness in a global market. The trade union thus naturally engaged with politicians who wanted to weaken the scheme and through the unbeatable combination of trade union and industry we got the decision-makers to the negotiating table. It was also a challenging year on the energy side. With a power agreement lasting until 2024, we have more time to turn the situation around. As a result, we are happy to have avoided redundancies. By retaining skilled workers, we are better equipped when the market improves. With approximately 95% of the work force organized under Lista Kjemiske Fagforeningen we will continue to fight for the members' interests and be a positive force in developing our workspace. We look forward to many exciting and constructive conversations under the leadership of the new operational manager, Tor Arne Berg.

Steinar Syvertsen, Union leader at Alcoa Lista

When compared to the American dollar, the Norwegian Krone weakened from 9,62 in 2022 to 10,56 i 2023.

Net finance positions totalled minus 74 mill. NOK in 2023 (64). Ordinary depreciation totalled 400 mill. NOK (417).

Capital investments in 2023 amounted to 602 mill. NOK (552). In May 2022, approximately 500 mill. NOK was allocated to direct investments and approximately 300 mill. NOK to critical infrastructure in order to raise production capacity in Mosjøen by 14,000 tons. These investments follow a pre-established step-wise investment plan, and increased production capacity is expected to be finalised in 2026.

Alcoa Norway completed the insourcing of the maintenance organisation from external provider Quant AS 1 December 2023. 115 employees and some equipment and stocks of operating material stocks were transferred in this process.

Following the 2022 restructure of the Norwegian company, balance values were written up in 2023. 319,7 mill. NOK were booked as goodwill while 334,7 mill. NOK were booked to specific assets.

Net cash-flow from operating activities was 870 mill.NOK (2,350). Compared with income before tax at 429 mill.NOK paid taxes at 503 mill.NOK reduce the cash-flow while added depreciation at 376 mill.NOK and m-t-m change derivatives at 654 mill.NOK add to the cash-flow calculation.

Alcoa Norway's working capital at 1,400 mill. NOK end-year 2023 was 44 mill. NOK lower than it was at the start of the year, 1,444 mill. NOK. Inventories and payables have decreased while customer receivables are unchanged from year-start levels.

Liquidity reserves at the end of 2023 were 7 mill. NOK (2). Group account funds have been moved out of liquidity reserves in the cash-flow statement and is now reported as financing activity.

Total equity at year-end was 4,690 mill. NOK. The equity ratio was 47%.

Taxes are now booked in Alcoa Norway AS accounts. The total booked tax payable at the end of 2023 is 422 mill. NOK.

This financial statement has been prepared under the premise of continued operations.

Financial risk

Financial risk consists of market risk, credit risks and liquidity risks. Alcoa Norway is exposed to all these risk factors in their operations.

Prices of alumina are tied to the API (Alumina Price Index), an internal pricing mechanism derived from a weighted average using last month's daily spot prices from three separate market indexes.

Over the past five years, Alcoa Norway has signed several long term power purchase agreements (PPAs) covering over 50% of Alcoa Norway's annual power demand for the period 2020 to 2035. In 2023, approximately 25% of Mosjøen's power procurement came from the spot market, while Lista's demand was fully covered through contracts.

In early 2022 Alcoa took efforts to mitigate the impact of soaring electricity prices for Lista. The smelter was partially curtailed in August 2022. In July 2022 Alcoa signed a power contract covering Lista's full consumption from the fourth quarter in 2022 to end-2023. In 2023 Alcoa Norway revised the terms of existing contracts to secure more power in 2024 alongside signing other temporary power contracts.

Alcoa's eligibility for indirect carbon cost exposure mitigation entitles the company to a partial financial reimbursement of the CO₂ price impact on power prices, in line with EU regulations and Norwegian CO₂ compensation framework conditions.

Alcoa Norway has secured access to physical deliveries of coke and pitch through contracts with the Alcoa Corporation. Aluminium is quoted in USD in all markets. Changes in the USD exchange rates affect prices denoted in local currency. Most of Alcoa Norway's exports are invoiced in Euro while major raw materials are invoiced in USD. The currency risk is managed at group level.

Alcoa Norway does not insure its credit risk. Most sales are intercompany transactions.

Alcoa Norway is a guarantor for a 1.250 mill USD credit facility, another yen credit facility of 250 mill USD and a further credit facility of 200 mill USD. In addition, Alcoa Norway is a bond credits guarantor for a loan held by Alcoa Nederland Holding B.V. In 2024 Alcoa Norway's assets will be pledged as security for these facilities.

Long term internal loans of 2.300 mill NOK and 718 mill NOK were transferred from Norsk Alcoa Holding AS in the fourth quarter of 2023 as part of the structural reorganisation of the company.

Directors' liability insurance

The company has signed a directors' liability insurance for its managing director and other management team members. The insurance is provided for by a financially solid insurer with satisfactory financial viability/credit rating.

True and fair overview and presentation of annual accounts

The annual accounts have been prepared in accordance with the Accounting Act and the Regulation on Simplified IFRS. The Board of Directors is of the opinion that the annual accounts and disclosures give a true and fair view of Alcoa Norway AS and the company's assets and liabilities, financial position and profit. Profit for the year and financial position are affected by uncertainty related to accounting estimates.

Alcoa's social and environmental efforts and targets

We have a noticeable presence in our local communities. Although Alcoa's operations are technologically advanced production units, primary aluminium production is a formidable electrochemical and mechanical process with lots of input factors, heat, noise and logistics. Keeping our local footprint and adverse impacts on our communities as low as possible is a priority. This requires formidable efforts in many different fields. In the following, we describe how we









work to to have as little negative impact on our communities as possible and to improve our efforts in doing so.

Alcoa's environmental efforts and targets are aligned throughout the organization and adapted to domestic regulation, the corporation's and the operations' development areas and available resources. Environmental and sustainability efforts are normally allocated to relevant departments within the organization. Specific projects, both contents and progress, are routinely discussed in Alcoa Norway's Technology Council, which also monitors potential new developments Alcoa considers engaging in. Project work involving both environmental and operational improvements is supported by Alcoa's Centre of Excellence (CoE), a team of Alcoa employees with relevant technical expertise dedicated to helping operations employ new technologies.

Alcoa Corporation's, and Alcoa Norway's, environmental achievement ambitions are categorized to the UNs Sustainability Goals. In sum, Alcoa Corporation's ambitions and achievements are summarised in Table 1 below:

Table 1: Alcoa Corporation's long term ambitions represented through UN Sustainability Goals

Long term strategic goals

SDG	Goal	Progress
	Align our GHG emissions intensity target (Scope 1 and 2 associated with our refining and smelting operations) with the 2°C decarbonization pathway by reducing intensity by 30 percent by 2025 and 50 percent by 2030 from a 2015 baseline. Ambition to achieve net-zero GHG emissions by 2050.	27% reduction from 2015
	From a 2015 baseline of 3.79 m ³ water/mt Al, reduce the intensity of our total water use from water-scarce locations by five percent by 2025 and 10 percent by 2030.	5,3% decrease from 2015
	From a 2015 baseline of 131.7mt, reduce landfilled waste by 15 percent by 2025 and 25 percent by 2030	37,6% decrease from 2015
	From a 2015 baseline of 53 m ² /1000t m ² / k mt Al, reduce bauxite residue land requirements per metric ton of alumina produced by 15 percent by 2030	15,6% decrease from 2015
	Maintain a corporate-wide running five-year average ratio of 1:1 or better for active mining disturbance (excluding long-term infrastructure) to mine rehabilitation.	0,82:1 ratio for the 2018 to 2022 period
	Zero fatalities and serious injuries (life-threatening or life-altering injuries and illnesses)	Zero fatalities and one serious injury in 2022
	Achieve a more inclusive culture that reflects the diversity of the communities where we operate	Increased the percent of women in our global employee population from 17,17 to 18,48 percent. The percent of new hires from underrepresented populations was 51,26
	By the end of 2022, implement a social performance management system (SP360) at all locations, including the definition of performance metrics and long-term goals to be achieved by 2025 and 2030	Completed the implementation of SP360 in our mining operations in Australia and Brazil, defined performance metrics and identified a long-term goal.

Source: Alcoa Corporation, Sustainability report 2022

The remainder of this section presents an up-to-date assessment of sustainability work and targets for both Alcoa Corporation and Alcoa Norway.

Diversity and EHS Environment, health and safety

Safety

Alcoa's safety culture is summarized through the expression: "safety first – above operation, above profitability, above all". Each briefing from management starts off with a safety review.

Due to the nature of our operations, chemical, physical (noise, ergonomic, radiation, heat and vibration), biological, and other types of hazards are present at various levels within our sites. A safe working environment, with safe workplaces and effective preventive measures an embedded part of Alcoa's operations and our top priority. Alcoa is firmly committed to providing its employees the best possible

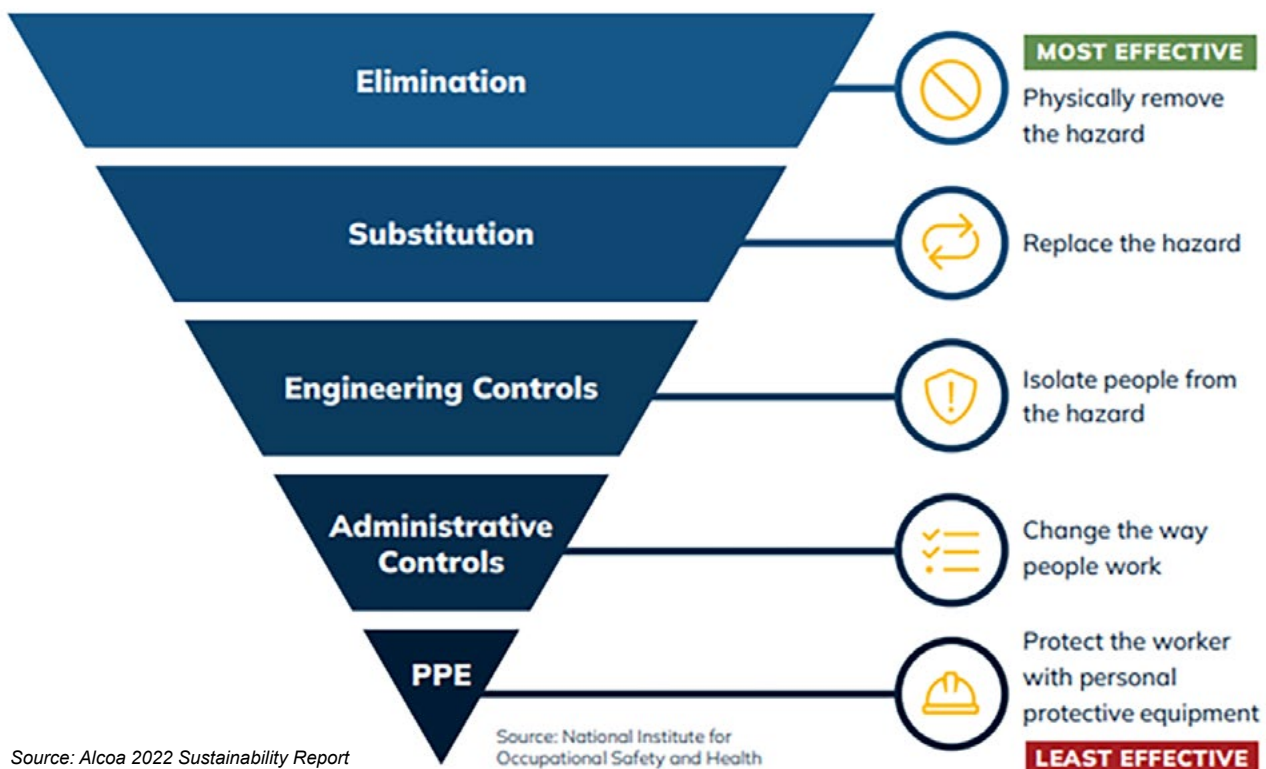
insight into and tools to avoid injuries and sickness in their places of work.

Safety measures and efforts to prevent against injuries and health hazards are implied in a systematic fashion, where the most effective measures are prioritized and directed to where the need is greatest. Alcoa's main effort is to, if possible, physically remove any hazards that exposes employees to risk. Removing or limiting risk exposure is done using the "skyscraper principle", i.e. starting with the greatest exposure.

If physically removing health hazards is impossible, the next step involves replacing the hazard with something that is risk-free. In case this, too, is impossible, controls are put in place or improved to remove the worker from the hazard, or change working methods to achieve the same result. Supplying adequate personal protective equipment (PPE) is a measure of last resort. Our hierarchy of controls is represented in the figure below.

Figure 1: Alcoa's hierarchy approach to mitigating health hazards

HIERARCHY OF CONTROLS



Source: Alcoa 2022 Sustainability Report

A continuous effort to improve safety at the workplace and to improve employees' safety awareness and safe ways to perform worktasks has yielded consistently good results. However, safety performance statistics in 2023 were unfortunately negative. The table below presents an overview of work-related injuries, categorized by severity, for both Norwegian operations in 2023 and, for comparison, 2022.

Table 2: Injuries at Alcoa's Norwegian smelters 2023, 2022 in brackets

	Alcoa Norway	Alcoa Lista	Alcoa Mosjøen
H1-incidents ²	3 (4)	1 (1)	2 (3)
H2-incidents	13 (10)	3 (3)	10 (7)
H3-incidents	54 (49)	15 (17)	39 (32)

Source: Alcoa Lista and Alcoa Mosjøen

² H1 is injuries which cause temporary absence from work, while H2 injuries require medical treatment and/or reassignments to other worktasks. H3 injuries require first aid.

ABLE is Alcoa's newest inclusion group, but its values have always been with us.

Alcoa has for a long time supported Mosjøen's local football team for people with disabilities, both with financial donations and by playing together.

"The many initiatives that Alcoa makes possible through financial support of is exchanged for the most important currency in the world – smiles and laughter."

Jan Strand, Alcoa-employee and coach Halsøy Tigers



The joy of football.

Photo: Alcoa



International Women's Day on 8th of March is annually celebrated at Alcoa's operations. The day included a webinar from Fafo researcher Ragnhild Steen Jensen about women in the aluminium industry.

"We also celebrated World Day for the Elimination of Violence against Women at Alcoa Mosjøen. We handed out red buttons at lunch to focus on this very important matter."

AWN-leader Alcoa Mosjøen, Maren S. Lauritzen

<< The Red Button is the symbol of the alliance against violence towards women.

Photo: Alcoa

Alcoa has been a strong supporter of the Pride initiative both at Lista and Mosjøen for some time. 2023 was no exception.

"It has always been important for Alcoa to convey that, who you love has nothing to do with how capable you are at making aluminium. By proudly participating in Pride, we show everyone that Alcoa is an open and inclusive workplace."

Eagle-leader Alcoa Lista, Gunnar Fosslund

Alcoa Lista is a proud supporter of the Pride movement.

Photo: Alcoa



The language café at Alcoa Lista has been a sound success.

Photo: Alcoa

Alcoa paid special remark to the 21st of March, The International Day for the Elimination of Racial Discrimination. In Mosjøen, we have also continued the language café project, which has become an important social arena in addition to developing language skills.

As if that wasn't enough...

"Alcoa Mosjøen has been a supporter to establish a network for newcomers. Creating social settings for people hailing both domestically and internationally."

Aware-leader Alcoa Mosjøen, Karina Fermann

While injury numbers for Lista improved, Mosjøen's went the other way. H2 and H3 incidents rose compared to the year before, making Alcoa Norway's overall injury statistics worse than in 2022. This unfortunate development demonstrates why safety must remain a top priority, and that hazards must be detected and comprehensively dealt with. On the other hand, the reduction in serious incidents from 2022 to 2023 is definitely positive.

Efforts to identify silent exceptions³ were upheld from 2022 to 2023, as was the effort to impose measures to mitigate the number of silent exceptions. Different workteams are tasked to find and report incidents where, for example, urgency may tempt workers to deviate from rules and regulations. Submitted reports are promptly analysed, typically resulting in an agreement with workteams where every team commits to eliminating such deviations.

This form of reporting and mapping is only of value if findings are dealt with, followed through and verified. Alcoa applies the CCFV-Infield system which requires weekly follow-ups to ensure that managers and help-chains spend necessary time in the field to verify that rules are followed, and risks of hazard are mitigated to prevent unwanted incidents.

Both Lista and Mosjøen comprehensively map their operations. Twice a year each smelter maps every department where work-tasks or equipment exposes workers to potential risk of serious incidents. This work began in 2012. Since then, many health hazards have been removed or mitigated, but Alcoa still finds areas where health hazards can occur. Any such finding is reported immediately to both operations management and then to Alcoa's EHS department. Upon finding and reporting immediate efforts are taken, usually in the form of physical barriers or changing ways in which work-tasks are performed.

Health

Alcoa's motto is that all employees leave work as healthy as they were when they came to work. All employees and contractors shall have sufficient insight, time and know-how to plan and perform work-tasks in a way that is safe and promotes health.

Alcoa Lista's 2023 sick leave was 5,94 %, a small increase compared to the previous year (5,61%). Sick leave at Alcoa Mosjøen in 2023 was 7,77%, a noticeable increase from 2022 levels (6,87%). The increase in sick leave at both smelters was largely attributable to normal seasonal illnesses.

Throughout 2023, Alcoa continued to make multiple improvements to the working environment. One such improvement is to ensure employees' awareness of health

impacts. All undertaken work-tasks are continuously monitored and employees continuously trained in how to carry them out safely and with minimum impact to their health. The company's Good Work Design programme (GWD) triggers efforts to reduce physically challenging work and making numerous workplaces more ergonomically efficient.

Alcoa routinely undertakes EHS audits. The audits are performed by a group consisting of local HSE experts, consultants, occupational health services, and employee representatives.

Environment

Alcoa wants to avoid any environmental impact employees may become exposed to in their day-to-day operations. This is a necessity to ensure a healthy, motivated and competent workforce. Efforts are directed at both physical and psychosocial elements. Employees are encouraged to be physically active and are offered nutrition courses. Instances of fatigue should be avoided, and employees are trained to detect and react to signs of fatigue.

Improving physical conditions includes many specific efforts, of which many involve reducing physical exposure to elements that can be detrimental to health. Examples include exposure to welding fumes, noise, and chemicals. Employees also received education on health impacts of this type of exposure.

Equality, diversion and discrimination

Alcoa offers an inclusive workspace where employees thrive, are safe, trust each other, and have equal opportunities regardless of race, culture, gender, age, and sexuality. Our employees are treated with openness and respect, they feel accepted and valued. Alcoa has zero tolerance for discrimination or sanctions of any kind against individual employees. Work to promote equality, diversion and inclusion will never be considered fulfilled – there will always be some potential to improve.

For many years Alcoa has committed to build an «everyone included» culture. Our employees shall feel they are valued and respected, and given an opportunity to speak their mind without fear of retribution. Our inclusion work pays particular attention to providing opportunities to people who may feel their opportunities are limited or repressed. In 2023, close to 50% of new hires were from under-represented categories.

Alcoa's Norwegian operations meet the company's requirements to increased equality, inclusion and diversity in the work-space. As a technically advanced industrial company, Alcoa has a highly skilled and sustainable working environment, motivated to solve problems collectively. Our

³ «Silent exceptions» (in Norwegian: «stille avvikk») describes a situation where breach of procedure is so engrained they have become standard practice.

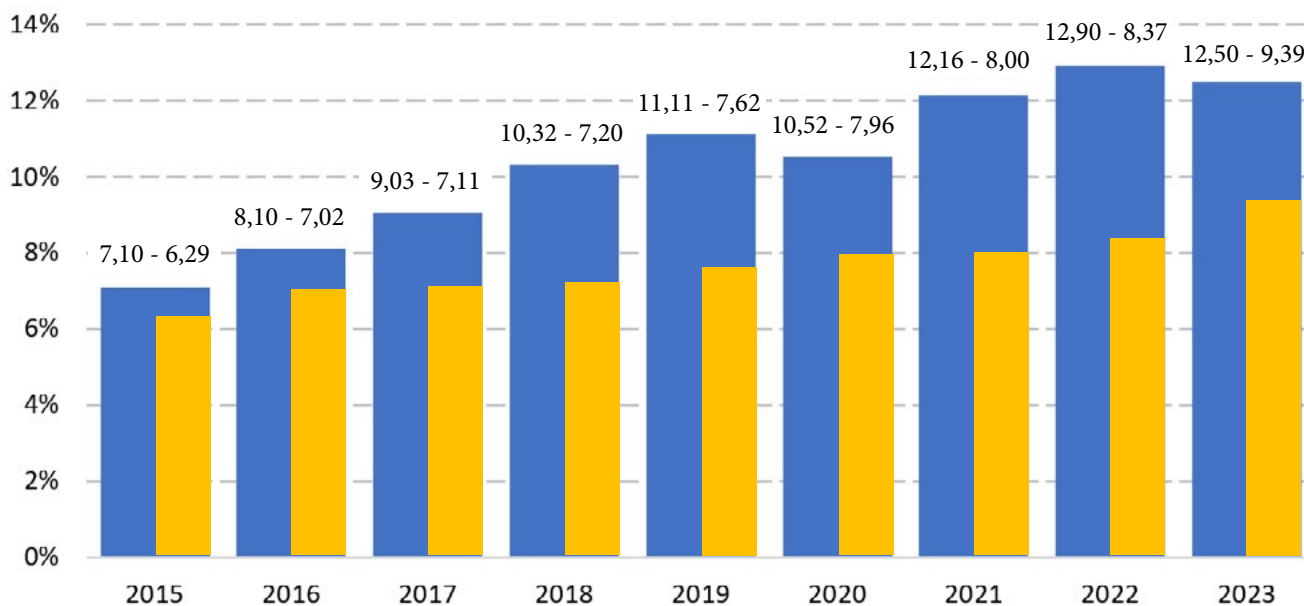
belief is that a diverse and inclusive working environment is an important asset for both our operations and that this generates value through development of a more diverse talent pool.

Alcoa is highly aware of our sector being a traditionally male-dominated industry, and works actively to try and change that. Our approach is top-down. At the end of 2023, three of eight positions in the company's Executive Team

was held by women. Women are moreover recruited to management positions to the highest degree possible.

The female share of the workforce at both our Norwegian operations remains regrettably low. Mosjøen's female representation is presented in Figure 2 below. Following a steady increase from 2015, the share of female employees declined somewhat in 2023. This demonstrates that it remains difficult to recruit women in our sector.

Figure 2: Share of women in workforce, Alcoa Mosjøen (blue) and Alcoa Lista (yellow) 2015-23



Source: Alcoa Norway

Lista's share of female employees, at around 10% in 2023, is even lower. To be fair, this is one percentage point higher than the year before, but this is mainly attributable to a reduction in the work-force, all of which were men retiring or leaving their positions, in 2023. The female share among part-time employees, at approximately 30%, is somewhat higher for both operations. Among full-time employees, the female share of operators is 11%, and 15% for office workers at both operations.

Alcoa regards diversity as a commercial benefit. A low female representation in the workforce is, as such, a shortcoming in both inclusion and in commercial matters. While there is no single reason for the low share of female employees, it is presumably at least partly influenced by Alcoa's operations being regarded as a male-dominated environment. Alcoa believes more targeted recruitment efforts are needed, and that females should be actively encouraged to apply for jobs in operations. Alcoa also recognises the need to recruit women for management positions, both in operations and in administration.

When considering whether own targets for an inclusive working environment with high participation from people with under-represented backgrounds, Alcoa measures diversity in both workforce, applicants and retained workers. In addition, Alcoa measures pay equality. Alcoa has its own Global Inclusion & Diversity Council, consisting of several members of leadership teams. The council has set up the following inclusion groups:

- Alcoa Women's Network (AWN)
- Alcoans moving Beyond Limited Expectations (ABLE)
- Employees at Alcoa for Gay, Lesbian, Bisexual and Transgender Equality (EAGLE)
- Alcoans Working Actively for Racial-Ethnic Equality (AWARE)

In 2023, Alcoa Lista employed 16 apprentices and 34 temps at the end of the year. Respective figures for Mosjøen were 23 and 72. Both Alcoa Lista and Alcoa Mosjøen are important workplaces for apprentices. We recruit apprentices mostly from vocational courses, such as industrial mechanics.

Reducing the environmental impact Emissions to air

In the following, emissions to air are defined as emissions of particles and dust and does not include emissions of greenhouse gases. Greenhouse gas emissions are described in a later chapter. Alcoa's operations makes use of raw materials and other elements that lead to emissions to air and water. These emissions can have detrimental impacts on surroundings if they are not appropriately managed.

Emissions to air are regulated through permits issued by the Norwegian Environment Agency. Alcoa Mosjøen's permits were renewed in July 2023, Lista's in November 2023. The Environment Agency's permits confirm that emissions to air at both Alcoa's operations do not exceed permitted levels airborne particles such as polycyclical aromatic hydrocarbons (PAHs), fluorides, dust and sulphur dioxide. Permits also regulate emission limits for heavy metals such as arsen, lead and nickel. In addition to specifying emission limits, the permits include instructions for improvement measures where these are considered to be needed, either because of non-compliance or minor deviations.

Alcoa Mosjøen managed to close seven reported environmental deviations in 2023. Such deviations are most commonly reported as environmental permit violations, which operations need to address in order to get the permits renewed. PAH emissions to water totalled 48 kg in 2023, 22 kg below permitted PAH emission levels at 70 kg. Particle emissions to water for the year ended at 21 kg per ton aluminium per month, well below the 35 kg/ton limit. Fluoride, hydrogen fluoride and dust emissions exceeded permitted in a few months, but remained well below total limits for the year as a whole.

Alcoa Lista recorded one violation of emission permits. Traces of oil were detected in the water coming from the oil separator in the casthouse's mold workshop. The Environment Agency's emission permit contained other requirements, all of which have been fulfilled. The list of requirements included handing in two reports in 2023. Some of these reports' contents were:

- Suggested sampling procedures for state-of-play environmental report for phase 2 of the industrial area
- Risk assessment and recommended emission limits from leachates from closed waste deposits
- In addition, Lista received one complaint in 2023 concerning noise from unloading raw material at the harbour.

Lista's PAH emissions to water, dust emissions to air and fluoride emissions to air in 2023 were all at an all-time low. Emissions well below permitted limits was part of the smelter's ASI certification process.

Alcoa Lista has strived to improve safety and curb emissions. Its 2023 efforts were acknowledged by the Alcoa Company in early 2024, as Lista was awarded the company's internal EHS award. The award was granted for the following work:

- New pumphouse
- LED-lighting
- More secure diesel storage tanks
- New ceiling and walls in the dross storage area

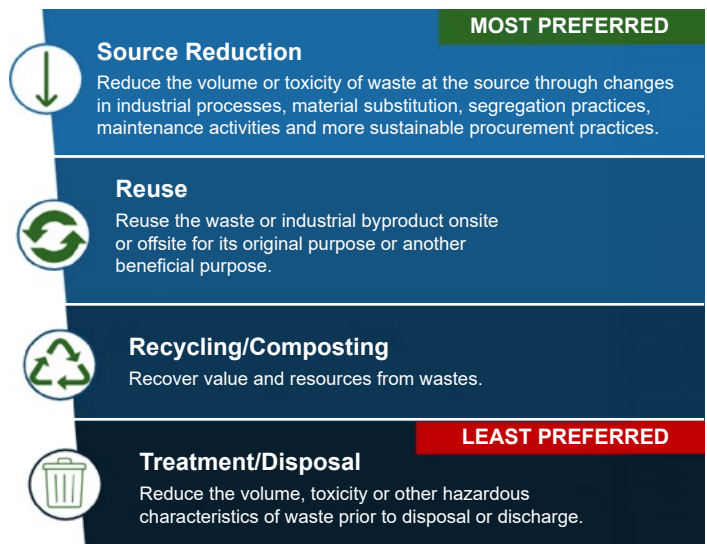
Another key project for Lista in 2023 was the work to reduce the amount of average anode effect minutes per pot day. Anode effect is a condition produced by polarization of the anode in the electrolysis of fused salts and characterized by a sudden increase in voltage and a corresponding decrease in amperage. Reducing anode effect minutes means a more stabilised amperage and production. Anode effect minutes is usually a bigger problem for Soderbergh smelters than pre-bake smelters. Lista is a Soderbergh smelter, whose anode effect minutes are now comparable to those of a pre-bake.

Besides improved stability, a reduction of anode effect minutes gives to other benefits. First, it improves energy efficiency. Second, it reduces perfluorocarbon emissions, a highly potent greenhouse gas.

Waste treatment

Producing primary aluminium is an energy- and resource-intensive electrochemical process. A consequence of this form of industrial production is that it generates leftover materials that are difficult to use elsewhere, meaning it is often labelled as waste. Waste is an unwanted byproduct in Alcoa. The company strives to use and reuse all materials as much and as often as possible before they are deposited. Alcoa takes a step-wise approach to minimising waste. The first step is to cut waste from the source. The second step involves making use of waste in an environmentally sustainable way, while deposits to landfills is considered a last resort option.

Figure 3: Alcoa's approach to waste treatment



Source: Alcoa Sustainability Report (2022)



Alcoa participates in a range of projects where the aim is to reduce waste and increase reuse of leftover material from aluminium production. Through these projects, Alcoa cooperates with numerous other industries in areas such as monitoring waste streams eligible for reuse in other industrial processes.

Polluting waste from Alcoa’s processes can in a broadbrush sense be grouped into three categories: 1) polluting refractory/carbon materials, 2) polluting dust from filter processes and 3) polluted metal. All categories contain valuable materials, and polluting waste is not necessarily synonymous with hazardous waste. The common features of the forms of waste is that they contain valuable materials, but that separation and extraction of these materials is exceptionally difficult.

The amount of waste and waste processing at Alcoa’s Norwegian smelters is presented in Table 3 below. More than half of hazardous waste is recycled at both smelters.

Land use and biodiversity

Management of our land is done in a way that does not harm the nature or natural resources that surround our operations. Alcoa is completely dependent on our local ecosystems to provide good and sustainable water supply, ground conditions that prevent floods and erosion and which does not harm the health of people or flora and fauna.

At the very least, Alcoa strives to prevent any form of pollution to the ground, such as spills of oil or other substances. Alcoa had one incident of spill in 2019, where pitch was spilled to the sea while offloading at the harbour. Total spillage was approximately 30 kg, and was recovered shortly after by divers. The incident was reported. No spills have occurred since.

Both Lista and Mosjøen have developed preparedness and response plans for spills and other sudden emissions. The plans include risk assessments for these forms of emissions on how comprehensive they are and what might be potential consequences.

Table 3: Waste and waste processing at Alcoa’s Norwegian smelters in 2023, tons

	Energy recycling	Material recycling	Deposits
Lista			
Hazardous waste	180	1570	4 817
Ordinary/non-hazardous waste	159	2 110	683
Total Lista	339	3 680	5 500
Mosjøen			
Hazardous waste	77	8 260	5 052
Ordinary/non-hazardous waste	472	4 208	2 183
Total Mosjøen	549	12 468	7 235
Total Alcoa i Norge	888	16 148	12 735

Source: Alcoa Norway

Landfills

Depositing waste at landfills is strictly regulated. Both Norwegian smelters deposit waste this way, mostly in external landfills or waste facilities. Lista and Mosjøen have closed and sealed off their landfill deposits for hazardous waste. Management and maintenance of these landfills is done in accordance with Environment Agency rules and regulations. The landfills are closely monitored, and potential concerns are promptly reported. Both operations are in the process of restoring the landfills to nature, while assessing how the biodiversity can be improved while not being exposed to any landfill effects. The local high school in Mosjøen takes part in our mapping of the area and considering efforts to improve biodiversity. The Environment Agency has completed its final review of the landfills in both Lista and Mosjøen.

Biodiversity

Nature restoration work is being done at all our closed landfill sites. In Mosjøen the local high school has been tasked with exploring how the biodiversity can be improved at the sealed off landfill site at Store Åsnevdal. Similar work is done at the sealed landfill deposits at Lista, including planting and cultivation of biomass specific to the local area.

Alcoa Lista owns parts of the Husebybukta, Einarsneset og Røyrjtjønn areas. Landscape restoration is one of the Agder county state administrator’s key concerns, and Alcoa remains an important contributor. The work is important to Alcoa for two reasons: healthy vegetation is needed to limit noise to surroundings, and upholding biodiversity is important for vegetation well-being.

Alcoa has developed its own procedure for monitoring and taking care of biodiversity and eco-systems. The procedure involves analysing which eco-system and eco-

system services may be impacted by our activity, what this impact looks like and what triggers, and what is needed to prevent this impact. In addition, Alcoa has implemented a Biodiversity Action Plan which defines and follows up efforts taken by Alcoa to ensure biodiversity and a sustainable management of local eco-systems.

Energy consumption and efficiency

Energy consumption

Production of primary aluminium is a highly energy-intensive process. This is due to the chemical features of bauxite and alumina oxide. Large amounts of electricity is needed in the electrolysis process to separate oxygen from aluminium in an oxide solution. Technically, electricity is therefore used for industrial purposes, not energy purposes. No energy carrier can replace electricity in this form of process. This is why Alcoa, as with other metallurgical industry, is exempted from paying electricity taxes.

Conventional measuring of electricity consumption in the primary aluminium industry is in MWh per metric tonne metal produced. Normal electricity intensity levels for aluminium electrolysis are somewhere between 14 and 15 MWh/tonne. Some electricity is «lost» in the smelters’ rectifiers, making the consumption in direct current higher than in alternating current. The difference is approximately 2,5% on average.

Total energy consumption for Lista and Mosjøen in 2023 is presented in Table 4 below. While electricity makes up for most energy use, Alcoa also uses sizable amounts of natural gas and smaller amounts of propane. Both natural gas and propane are supplied to the smelter in liquid form, Liquefied Natural Gas and Liquefied Propane Gas (LNG and LPG) respectively. It is converted into gas-form on use.

Table 4: Energy consumption Lista and Mosjøen 2022

	Lista	Mosjøen	Totalt
Electricity, GWh	1 172	3 049	4 332
Gas - LNG, GWh	51	327	378
Gas - LPG, GWh	1	2	3
Total, GWh	1 224	3 378	4 602

Source: Alcoa Norway

Use of electricity amounted to 92% of Alcoa Norway’s total energy consumption in 2023, reflecting just how electricity-intensive primary aluminium production is. An annual electricity consumption of 4,2 GWh makes Alcoa Norway’s second greatest electricity consumer, after Hydro. With this level of consumption, both on electricity and gas, Alcoa is naturally very attentive to any ways in which energy can be saved and energy use can be made more efficient.

Gas is used for different purposes. At Lista it is used solely for remelting of metal in the casthouse, while propane is used for pre-heating pot electrodes before they are put into operation.

Some of Mosjøen’s gas consumption also takes place in the casehouse, but more is used for the baking of anodes.

Most of Alcoa’s electricity consumption is covered through Power Purchase Agreements (PPAs). Lista’s PPA, with Statkraft, covered all consumption in 2023. Mosjøen has three wind-power PPAs with, respectively, Tromsø Vind AS and Raudfjell Vind AS (same project but separate contracts), Guleslettene Vind AS and Øyffjellet Wind AS. These wind-power PPAs cover on average about 75% of Mosjøen’s electricity consumption, while the remainder is sourced from the day-ahead spot power market.



Lista preheating oven

Photo: Alcoa

Seeing opportunities

– Alcoa Lista with new investments

A challenging market, high energy costs and erosion of framework conditions defined 2023, yet at Norway's southern-most aluminium smelter challenges are met with persistence, grit and investments.

Safety focus with new pre-heat oven

Started in 2022, in 2023 Alcoa Lista could welcome its newest addition to the cast house. A pre-heat oven works kind of like a pizza oven. Cold metal goes into one end and comes out the other at about 450 degrees Celsius warmer. As simple as it may sound, there are some very real advantages to this.

By always having access to pre-heated metal we cut melting time and simultaneously get a more effective casting process. Thus, there is an element of operational excellence with the pre-heat oven.

- In addition to the increased production rate with the new preheating furnace, there is also the safety factor. When we pre-heat the metal, we remove moisture, which can be dangerous in combination with molten metal. Due to waters expanding properties as it becomes steam, it can cause metal to be flung about with explosive force. The pre-heating oven's ability to eliminate moisture thus removes a significant HSE risk. This helps us handle cold metal more safely and safety is the main focus of everything we do, says cast house manager, Stein Jørgensen.

As if that was not enough, the pre-heat oven is ran on renewable electricity and consequently displaces LNG. That saves CO₂. All in all, with the pre-heat oven we are more prepared.

But the pre-heat oven is not the only investment Alcoa Lista has initiated.



Upgrading the potrooms

Alcoa Lista used 2023 to carry out a number of maintenance tasks. And, the bad with the good, it is far easier when the potroom is turned off.

- We have changed gaskets which introduces savings both for our wallet and the environment. We have also rebuilt the busbars which provide lower magnetic interference and more stable pots. And in addition to general maintenance, we have made a huge investment in completely new transformers. All which will strengthen the capabilities of the electrolytic process, says Potroom Manager, Kyrre Opsal.

Hence Alcoa Lista is well equipped to seize opportunities that may arise.

Norway's electricity markets is split into five so-called bidding zones, also referred to as price areas. Lista belongs to price area NO2 while Mosjøen sits in NO4. Lista is directly connected to the transmission power system, managed by Statnett, the TSO. Mosjøen is connected to Linea's regional power grid.

Most natural gas is delivered by tanker, while gas trucks are more common for Lista. Propane is delivered by truck to both smelters.

Both Alcoa's Norwegian operations are ISO 50001-certified. This certification confirms that Alcoa regularly conducts energy management work as instructed by the certificate. The energy management work includes mapping of energy consumption, documentation of how oversight and planning is carried out and identification and quantification of all forms of energy loss. It also includes requirements for improvement efforts if needed.

Water use and emissions to water

It takes a lot of water to make aluminium. Most of it is used for cooling different parts of casthouse operations and rectifiers. Some water is also used for filtering and other forms of cleaning. All this makes ample access to water a

critical part of this type of industry process. Across all its global operations, Alcoa monitors its water consumption while identifying where water supplies are or may become scarce and how operations must adjust water consumption accordingly. Lista and Mosjøen have good access to water and are both labelled low-risk operations.

Alcoa's Norwegian operations use mostly sea-water. Proximity to the sea, where the water is inherently clean, makes for good access and reliable supply. Sea-water is discharged to the Huseby bay area at Lista and the Vefsnfjord in Mosjøen after use. Before discharge, the water must be purified in accordance with Environmental Agency regulations.

Reliable and sustainable water management is a priority for Alcoa on a global scale. Alcoa's aim is to curb water consumption as much as possible across all operations and re-use as much water as possible as many times as possible. Both Lista and Mosjøen have successfully reduced water use. This is mostly a result of both smelters working actively to better monitor and understand its own water consumption through increased use of water meters. Water use at both smelters is presented in the table below.

Table 5: Water use Alcoa Lista and Alcoa Mosjøen, 2015 and 2023, thousand litres

LISTA	2015	2023	Change in %
Total fresh water	3 804 681	2 505 909	- 34 %
Sea water	40 821 784	17 924 870	- 56 %
MOSJØEN	2015	2023	Change in %
Total fresh water	12 380 738	15 213 170	23%
Sea water	43 677 864	42 202 947 ⁴	-3%

Source: Alcoa Norway

Alcoa compels all operations to find and use all possible ways to recycle water. At Lista industrial water is used as many times as possible before being purified and released back to Kråkenesvannet. Consumption of sea water has fallen markedly since 2015. Installation and use of sand filters at hall gas scrubbers has made recycling water easier. At Mosjøen fresh-water consumption has increased over the same period. This trend is expected to be reversed once new meters are installed.

Mosjøen's use of fresh water has increased over the last eight years, although the last three years have been stable. The increase in use is mainly attributable to higher activities in both the potrooms and the casthouse from 2015 to 2023.

Throughout 2023, Alcoa's Norwegian operations have taken samples of water and biota in Huseby Bay and Vefsnfjorden in 2022, as per Environment Agency instructions. NIVA reports from Huseby Bay in 2022 showed PAH-values in shells exceeding threshold limits (EQS) in the water

framework directive. Despite emissions to water being lower than ever, improvement work is still carried out. A successful pilot involving coagulation substances to improve Alcoa's sand filter systems proved successful and has been extended.

Greenhouse gas emissions

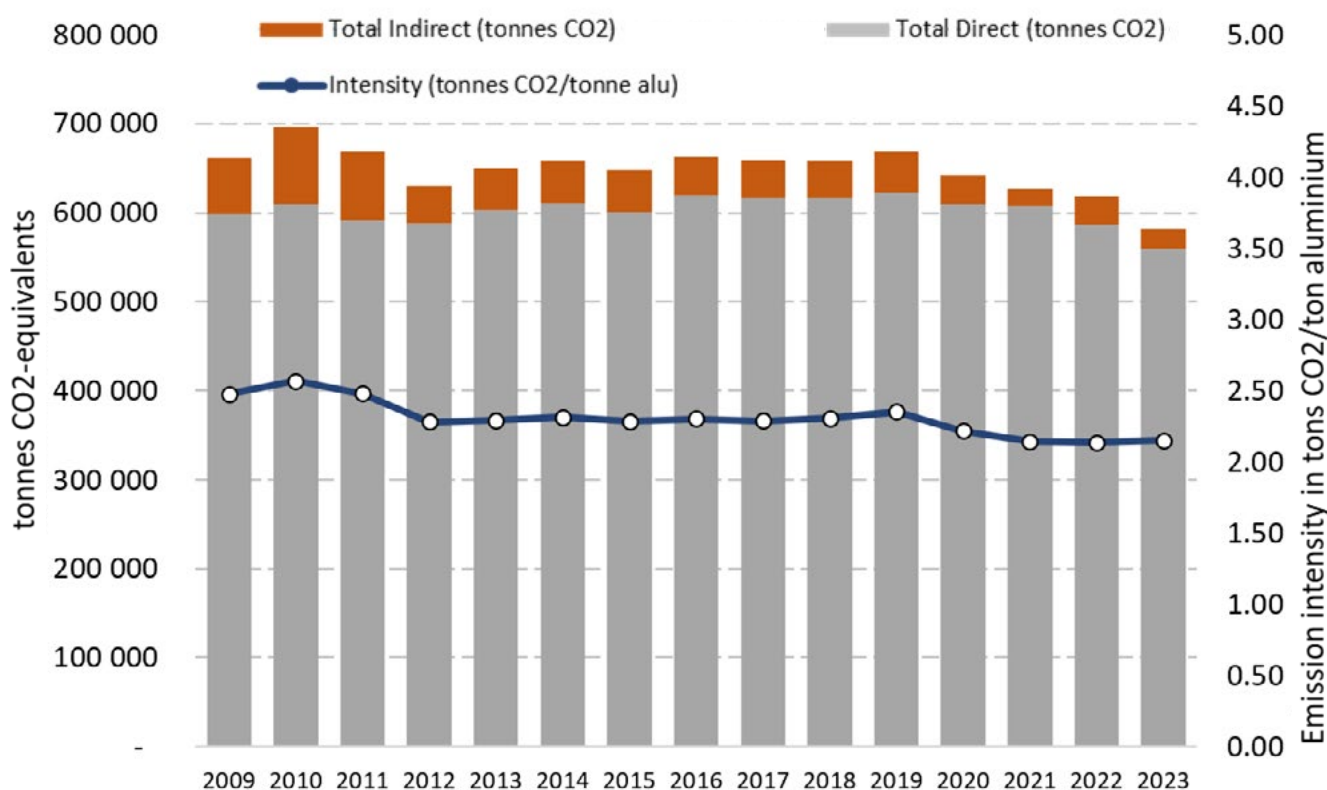
Alcoa's greenhouse gas emissions have steadily declined in the past fifteen years. This is a result of continuous operational improvements, better use of resources and better raw materials (see Figure 4 below). More recent drops in emissions, in 2022 and 2023, came from Lista curtailing a third of its production in autumn 2022 due to high electricity prices.

The emission intensity of Alcoa's two Norwegian smelters is quite low compared to similar operations in other parts of the world. Low emission intensity levels stem mostly from using renewable electricity, rather than gas- or coal-fired electricity.

⁴ This figure is from 2022.



Figure 4: Alcoa emissions of CO₂-equivalents, tonnes and tonnes of CO₂ per metric tonne of aluminium



Source: Alcoa Norway

Emissions from Alcoa’s operations are grouped in three categories: energy consumption for heat (natural gas and propane), mass balance and perfluorocarbons (PFCs). Mass balance is the calculation of carbon content in materials used in the electrolysis and, for Mosjøen, anode manufacturing. Mosjøen’s emissions from anode manufacturing are calibrated in accordance with Mosjøen shipping a large share of produced anodes to Alcoa’s smelter in Fjærdaal, Iceland. Emission numbers in 2022 were as follows:

- Energy consumption = 14%
- Mass balance = 83%
- PFC = 3%

The mass balance is mainly made up of coke and pitch, both relatively carbon-rich materials with well-suited chemical traits for aluminium production. Alcoa’s efforts to curb greenhouse gas emissions are therefore focussed on changing the electrolysis process.

Other greenhouse gas emissions not included above are emissions from power generation. These indirect emissions, or Scope 2 emissions, are very low as both Lista and Mosjøen make use of electricity generated using renewable sources, hydro and wind.

Alcoa products

Aluminium is a key ingredient in the future low carbon society. Some of its assets is that it is widely used in the manufacture of renewable energy equipment (wind turbines, solar panels etc), electric vehicles, batteries, electricity infrastructure and much more. It is also a very durable metal, and highly recyclable.

A society will never be fully carbon-free until its building blocks are. This is a recognition growing in strength with our customers, who show an increasing appetite for low-carbon products. Alcoa meets this demand with our Sustana™ products, the most comprehensive collection of low carbon products in the aluminium industry. The figure below presents our most important Sustana products.

Table 6: Alcoa's Sustana products



Sustana
EcoLum
Low-carbon aluminium

- **Primary aluminium with a carbon footprint that is 3 times better than the industrial average**



Sustana
EcoSource
Low-carbon alumina

- **Alumina products from a refinery portfolio with average emissions intensity two times better than the industry average**



Sustana
EcoDura
Aluminium with recycled content

- **Aluminium with at least 50 percent recycled content, supporting the circular economy**

Source: Alcoa Corp

The products made at Lista and Mosjøen are EcoLum-certified. Both Norwegian operations are moreover certified by the Aluminium Stewardship Initiative – ASI. ASI is the industry's most comprehensive third party verification for production processes, and covers a number of sustainability elements along the entire value chain.

Decarbonisation efforts

The Alcoa Company's ambition is to be climate-neutral by 2050. This will mean reducing greenhouse gas emissions to levels that are compatible with the 1,5 degree target as defined by the UNPCC. More immediate targets for Alcoa are to reduce greenhouse gases by 25% CO₂-equivalents⁵ in 2025 compared to emission levels in 2015 and by 50% in 2030.

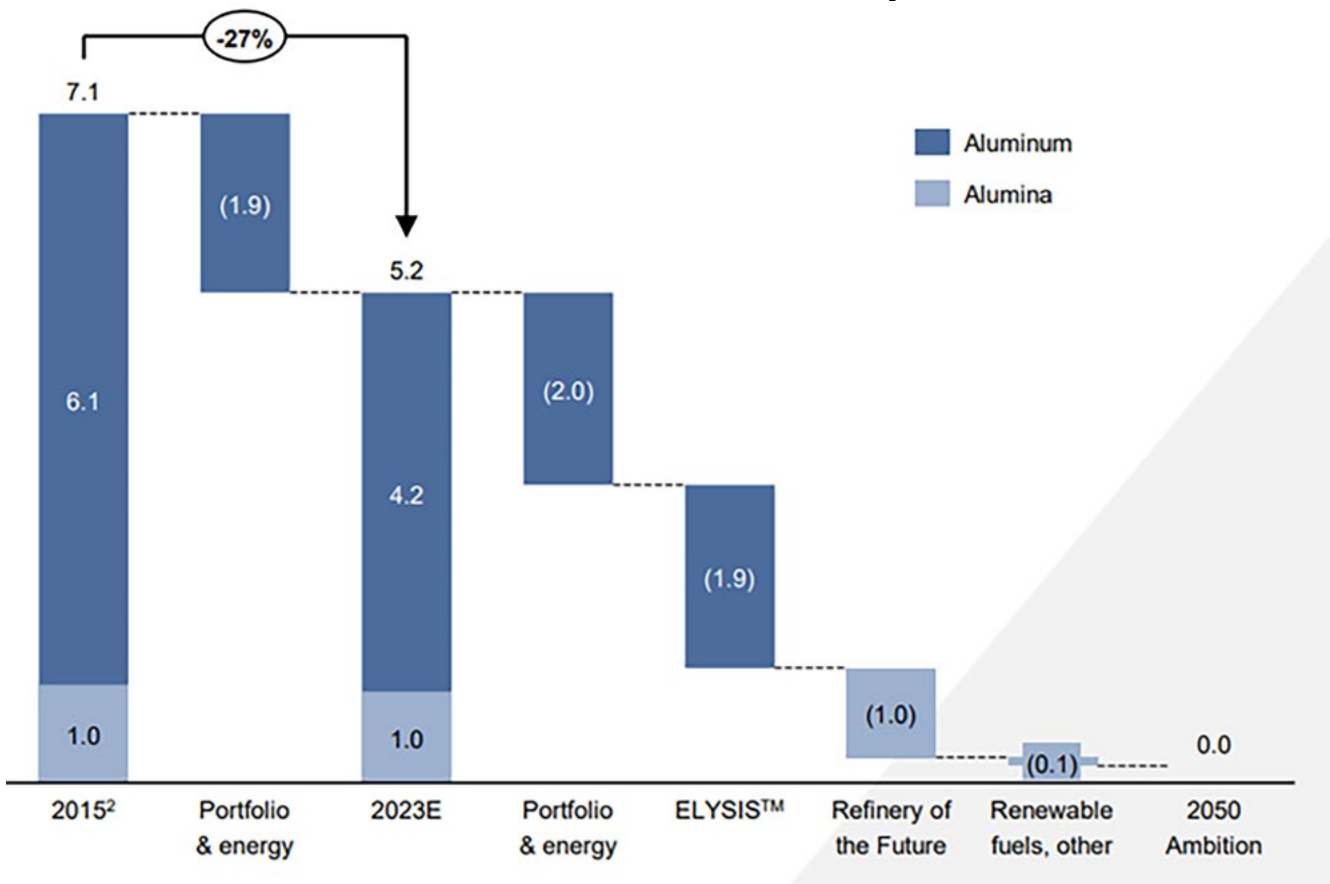
Going emission-free requires new technologies for all parts of the value chain. Alcoa's technology roadmap presents a set of strategic procurements and in-house developed technologies to help the company achieve this. Put together, these developments imply a significant change to all our processes, where the end-result is aluminium without any form of Scope 1 or Scope 2 greenhouse gas emissions. Alcoa's technology roadmap includes the following main elements:

- Zero Scope 2 emissions; in the long term, all Alcoa operations will be supplied with electricity generated from renewable sources
- Refinery of the future providing solutions to direct refinery emissions using «Mechanical Vapour Recompression (MVR)»-technology and electric calcination
- Elysis™; use of inert anodes instead of carbon-based anodes, allowing production of primary aluminium without any CO₂ emissions
- Astraea™, innovative remelting technology creating high purity aluminium from post-consumer scrap

The technology roadmap's contribution to emission cuts is illustrated in Figur 4 below. Efforts already undertaken and planned for the immediate future mainly involve transitioning to renewable energy, coupled with adjustments in the production portfolio to reduce Scope 2 emissions. In terms of specific projects, Elysis is directed to cutting emissions from the electrolysis process in Alcoa's different smelters. The development of the technology edges closer to where it is feasible to deploy it on an industrial scale. It is expected that it will take some years before Alcoa's first Elysis smelters is operational.

⁵ CO₂-emissions are labelled as CO₂-equivalents, which besides CO₂ include perfluorocarbons (PFC), methane og nitrous oxides.

Figure 5: Alcoa's estimated emission reductions Scope 1 & 2 by initiative, CO₂-eq per tonne



Kilde: Alcoa Corp, Investor Presentation February 2024

Emissions from Alcoa's Norwegian operations will be almost entirely removed when Lista and Mosjøen are retrofitted to Elysis production technology. Alcoa's first full-scale Elysis smelter will be one of the company's three smelters in Canada, a precondition for the support given by Canadian authorities to develop the technology. Retrofitting Norwegian operations will be done at a later point in time.

EU's industrial and climate policies and impact on Alcoa

The production of primary aluminium is an activity exposed to carbon leakage, meaning that EU-unique emission policies and costs risk shifting aluminium production to countries with laxer emission policies and lower emission costs, thereby raising global emissions. Being exposed to carbon leakage means Alcoa's European operations are entitled to getting most of the required emission allowances for free. The share of free allowances was approximately 87% in 2022. It is expected to remain at this level till 2025.

The EU's emission allowance directive, known as the ETS directive, was revised in 2023. The most significant revision was raising the collective emission reduction for ETS industries to 62% in 2030 compared to 2005 levels. The previous target was 43%. Higher emission reduction ambitions means fewer emission allowances available in the market. From 2021-2023, the total number of issued allowances fell by 2,2%. From 2024-2027 the annual

reduction will be 4,3%, then 4,4% up to 2030. Fewer emission allowances suggest higher prices for allowances, though other features will also have an impact on the emission price.

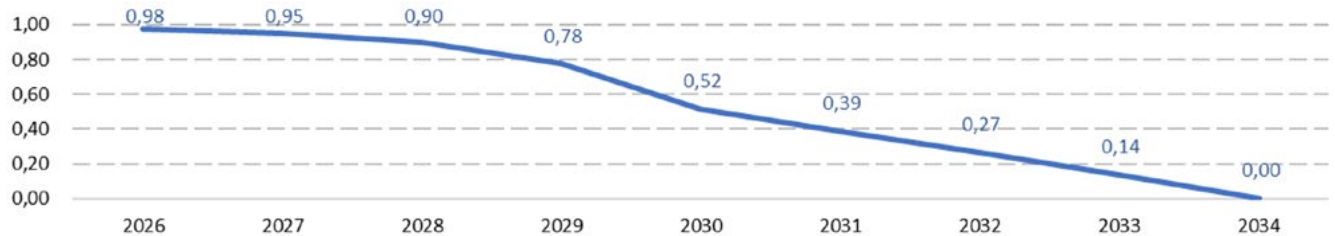
A new emission and trade policy, the Carbon Border Adjustment Mechanism – CBAM, kicked into force in 2023. Since CBAM is a new and comprehensive policy, with uncertain impact on EU industrial competitiveness, it's first years will be a pure test-phase. It will start in earnest in 2026. The purpose of the test-phase is to collect experience and data. Data collection will be a requirement for importers of CBAM sectors (aluminium is one of these). Importers are to present emission intensities for imported products and, from 2026 and onwards, pay a CBAM fee equivalent to the prevailing ETS price. If the exporting country has a carbon price, this is deducted from the CBAM fee.



The introduction of CBAM means that the number of free allowances for European industries will fall. At the same time, when importers pay a CBAM fee it is expected that they will pass this on to their sales price, meaning a higher premium for CBAM products. This dual impact will be phased in gradually. To begin with in 2026, the so-called

CBAM factor will be low, then rise to 1 in 2034. In effect, this means that from 2034 EU manufacturing of products covered by CBAM will receive no free allowances, and importers pay the full CBAM fee. The CBAM factor is shown in the figure below.

Figure 6: The CBAM factor 2026-2034



Source: The EU Commission

For aluminium, CBAM will at the offset only cover Scope 1 emissions. The EU Commission is contemplating extending CBAM to Scope 2 emissions, but has so far not found a way to do so that will sufficiently deal with the risk of carbon leakage.

Another climate policy development in 2024 will be the revision of the EU Climate Law. The main change compared to the current legislation is a new emission reduction target for 2040. Political processes, on the cusp of being finalised, strongly suggest that the 2040 target will be 90%. It is assumed this will mean a reduction in the number of available allowances.

Aluminium is part of the EU Commission’s Critical Raw Materials (CRM) act. This means aluminium is considered a necessary and strategic EU material going forward, and that the EU will impose measures intended to preserve and expand manufacturing of aluminium on the Continent. CRM is a policy response to the EU becoming ever more dependent on imports of many materials and products, making the Continent vulnerable to international supply chain disruptions.

Innovation and social responsibility

Research, innovation and climate projects

Alcoa was involved in numerous research projects for recycling of waste and bi-products in 2023. One example was a research project, finalised in 2023, for the recovery of graphite from used cathode linings. Graphite can be purified up to 98% using a vacuum method and high temperatures. The project was financed by the Norwegian Research Council’s IPN scheme. Alcoa co-participated with Hydro, Sintef and Reel Norway. Although tests were encouraging, the participants could not find buyers for the

recycled graphite, meaning that a full-scale industrialization of the process is still some way away. On the other hand, the tested method has improved our capability of separating specific materials from cathode linings and increased recycling of these materials.

Electrolytes are bi-products from the aluminium electrolysis process, made from pollutants in the alumina oxide raw material. Surplus electrolytes has commonly been sold as slags to other industries, often at price levels too low to be commercially viable. Electrolytes, mixed in with other elements, have therefore often been deposited to landfills. In an IPN project, where Alcoa cooperates with Hydro, Noralf and Sintef, the aim is to industrialise recovery of valuable fluorides in electrolytes. In 2023 the project participants managed to produce batches weighing 10-20 kg per hour. The aim for 2024 is to raise this to 30 kg per hour.

Residues from the casthouse process, called dross, consist of both oxidized metal elements from alloys and aluminium metal. This residue metal is currently recycled at Speira’s facility in Rød. Alcoa is involved in yet another IPN project with Sintef and Hydro aimed at improving the volume and yield of recycled metal, while also improving the quality of what is recycled. Project activities in 2023 were limited as the project was re-staffed and ambitions re-scaled. Planned pilot initiatives were consequently postponed to 2024.

Recovering heat is a recurring issue for a large energy consumer like Alcoa. In 2023, Alcoa carried out two case studies and multiple workshops aimed at finding more local users for excess heat. As of today, the only recycled waste heat from Mosjøen goes from the casthouse to Mosjøen Fjernvarme, a district heating company. District heating infrastructure in Mosjøen is piecemeal, and selling excess

heat is not a profitable undertaking for Alcoa. Low returns on increased deployment of waste heat makes it hard to commit to doing more. However, more uses of waste heat is getting increased political attention, and may be promoted. One example is drying of seaweed, a growing industry. Lista

delivers waste heat to the nearby sports facility, though only a small share of it.

An overview of Alcoa’s engagement in research and innovation projects is presented in the table below.

Table 7: Research and innovation projects at Alcoa’s Norwegian operations in 2023

Project	Description
Norwegian processing of bi-products from the aluminium industry (NoBAI)	Residual metal from aluminium production, also known as «pot pads», is aluminium left over at the bottom of the pots after the pots are closed for maintenance/repairs. NoBAI is a collaborative research project between Alcoa, Hydro, Real Alloy and Sintef intending to improve processing of dross and pot pads from pot room production. The intention is to make dross and pot pads better suited for internal metal recovery.
IndigenousNodeSPol – reduce deposits of Spent Pot Lining	Spent Pot Lining (SPL) is carbon and refractory materials left over in «exhausted» (spent) pots. This is hazardous waste normally deposited in closed sites. Some SPL can be reused in other processes, e.g. production of cement. Alcoa participates in a research program intended to purify SPL making it suitable for graphite or anode production.
BadEland – prevent deposits of bath materials	Electrolyte bath (cryolite) is a recyclable bi-product from the electrolysis process. In 2020, Alcoa, Hydro and Noralf initiated a research project to turn the cryolite into aluminium fluorides, improving the recyclability.
Recycling refractory materials	Alcoa Mosjøen recycles two thirds of refractory materials to producers of the material. Alcoa participates in research projects intended to improve sorting of these materials. Assembly methods of outer cathode walls was changed in 2022 allowing for use of recycled materials.
Induction furnace Mosjøen	Installed autumn 2021. The furnace, which remelts scrap metal, uses electricity instead of natural gas, reducing GHG emissions by roughly 4 400 tons CO ₂ per year.
AGATHE – purification technology enabling energy saving and recycling	Together with Sintef and REEL Norway, Alcoa completed the piloting of a novel compact purification process (PIA TM) in 2022. REEL will construct, test and certify the new technology when it is ready.
HighEFF	HighEFF is a broad collaborative research project striving to develop a research centre for industrial energy efficiency. According the Sintef Energy, the project’s coordinator, HighEFF targets a reduction of industrial energy consumption by 20-30% and a reduction of emissions by 10%. Several workshops took place in 2022.

Kilde: Alcoa Norway

The list in the table above is not exhaustive. Both Lista and Mosjøen participate in a wide range of projects, big and

small, intended to improve EHS, functionality or financials, or various combinations of these, plus decarbonization projects.



Alcoa Mosjøen with new strategic outlook

- 2023 was the year we took back maintenance

For 25 years, maintenance at Alcoa Mosjøen has been outsourced to various tenderers. But in the work to create a new and stronger Alcoa, it was decided not to renew the contract and thus insource the maintenance division. The 1st of December 2023, we welcomed 98 new colleagues who now proudly wear the Alcoa logo on their uniform.

Will strengthen Alcoa Mosjøen for the future

- Maintenance has developed into a core task for the company and thus it was a natural step to bring it under direct control. Over time, this will strengthen our operations and Alcoa Mosjøen's competitive position, Technical Manager Arve Næstby said at the time.

Alcoa Mosjøen has for some time worked on strengthening the aluminium plant in order to meet the needs of the future. The ambition to be among the leading smelters in the world has led to a change in strategy. This comes on top of Mosjøen's investment initiative which has seen Alcoa carry out or committed to, growth spending of over one billion

Norwegian kroner since 2021. Right now, the focus is on building tomorrow's Alcoa Mosjøen.

Welcome party with a very special waiter

Not surprisingly, the almost 100 new employees were to be celebrated. The workshop was rigged with a stage for live entertainment, its own Alcoa soda boxed in Alcoa aluminium and with the new operations manager, Jesús Maroño, as both waiter and speaker. The new colleagues were synonymous in describing it has a heartwarming reception.

On the can it says:

The Sound of Mosjøen

On top of this can you will find Norwegian aluminium. A surprisingly complex alloy. A precision that is an ever-so-small technical marvel. Light, strong, and eternally renewable.

Brought to you from the town in the middle of Norway, from the smelter in the middle of the town. Alcoa Mosjøen is a proud producer of the metal you find in recyclable aluminium cans.





Alcoa' indigenous peoples policy

Our approach to sustainability obliges Alcoa to bring value to the local communities we belong to. This means Alcoa must have a good and compliant relationship with those around the company's operations. This applies in particular to indigenous communities. Alcoa's social performance standard, inspired from the same standard developed by the Aluminium Stewardship Initiative (ASI), obliges Alcoa to comply with the requirements contained therein.

Lista's and Mosjøen's ASI certificate is due for renewal in 2024. Both smelters were therefore subjected to a comprehensive ASI review in 2023. Part of ASI's review involved a due diligence of Alcoa's human rights' policy and work. This due diligence was done by ERM, a human rights consultancy. ERM's report was not finalized in 2023, though some findings were made available to Alcoa. The findings were overall positive and included some recommendations on reporting for Alcoa to implement.

Alcoa adopted a new self-developed social performance management system in 2021. This system is designed to find out whether, and to what extent, Alcoa fulfills its social responsibilities. A significant part of the system concerns human rights, cultural heritage and indigenous rights. Alcoa turns this into practice by being accessible, honest and responsible in all dealings with indigenous peoples and indigenous interests. When Alcoa's activities affect the interests of indigenous peoples, Alcoa must act in accordance with established regulations and legal practice by fulfilling requirements for free and prior informed consent (FPIC) and other statutes laid down in ILO Convention 169 on indigenous peoples and UN Convention 27 on the civil and political rights of indigenous peoples.

Indigenous peoples

In April 2020, Norske Samers Riksforbund (NSR), an interest association for Norwegian indigenous peoples, contacted Alcoa regarding the development of the Øyfjellet wind power project. The wind power plant is located in along a trekking route for reindeer to one of the Jillen-Njaarke reindeer district's winter grazing areas. NSR expressed concern that Alcoa, which buys power produced at Øyfjellet, would be in breach of our own indigenous policy. The Jillen-Njaarke reindeer herding district later motioned for a temporary injunction in court. The court ruled in favour of the project developer. In response to the inquiry from NSR, Alcoa initiated a third-party assessment of whether the company had breached its own policy. The conclusion was that Alcoa had entered into a power agreement with a project with a legally binding licence and was not to be regarded as a breach of international law. In 2020, Jillen-Njaarke filed for a temporary injunction in court, without success.

ASI has recommended that Alcoa assume a more direct involvement with the Jillen-Njaarke reindeer district in order to better understand their position and what impact Øyfjellet may have on their activities. Alcoa met with Jillen-Njaarke for a two-day meeting in March 2023 for this purpose. Alcoa was given a comprehensive presentation on reindeer herding practice in the area and made note of the information. Alcoa has since met with Jillen-Njaarke in different settings.

The transparency law

Adherence to sound due diligence practice is stipulated in Alcoa's own guidelines for social responsibility, ethics and compliance, as described in our Sustainability Report⁶. The Sustainability Report explains how we inform, teach, report and examine the demands on social responsibility we face and how we comply with them. Ethics and compliance requirements are aligned with Alcoa's board of directors. In addition, Alcoa has developed its own practice for responsible conduct and ethics («Code of Conduct and Ethics⁷») plus a set of requirements we insist our suppliers have to adhere to («Alcoa's Supplier Standards⁸»).

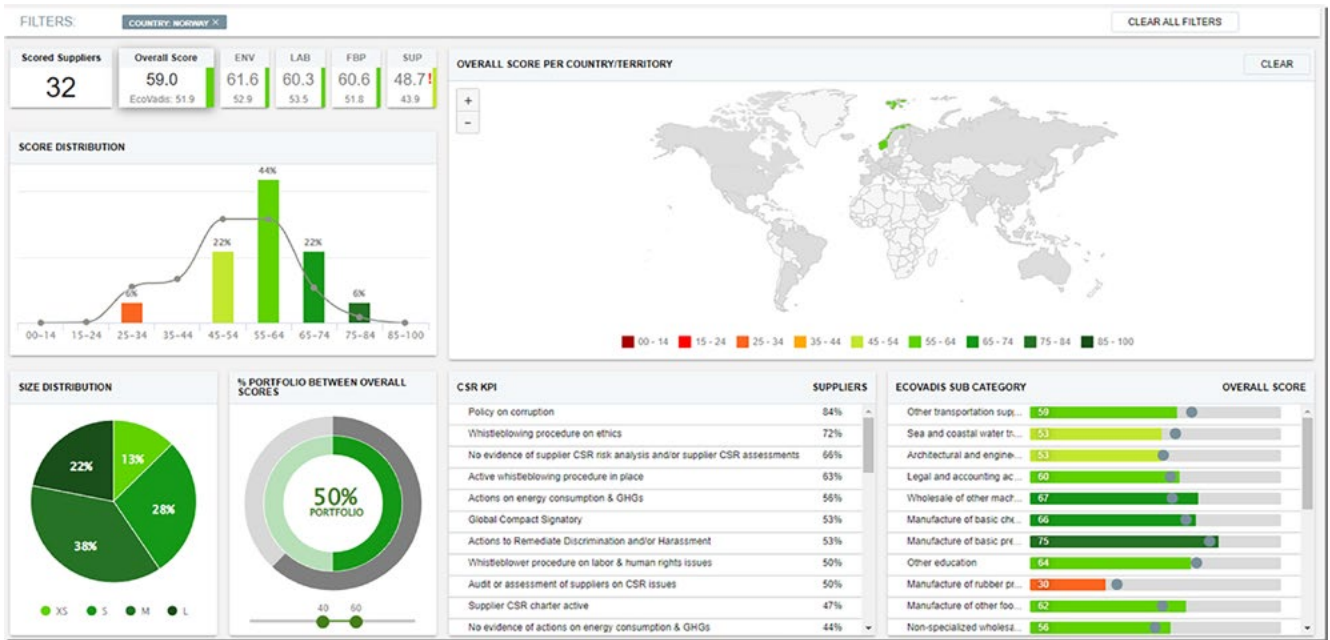
Alcoa surveys and monitors all its suppliers' compliance with Alcoa's social responsibility requirements. The monitoring tool used, Ecovadis, contains an interface that gives a good overview of all Alcoa's suppliers and how well they comply with Alcoa's requirements. The company's own sustainability department assesses all suppliers continuously, for example by using surveys, news items and the suppliers' self-reporting. The valuation of each individual supplier is very traceable, and any matter of concern, such as possible violations of human rights and decent working conditions, becomes easy to discover and follow up.

⁶ <https://www.alcoa.com/sustainability/en>

⁷ Code_Conduct_English.pdf (alcoa.com)

⁸ <https://www.alcoa.com/global/en/who-we-are/ethics-compliance/supplier-standards>

Figure 7: Snippet of Ecovadis interface



Source: Ecovadis

All requirements for due diligence assessments, social responsibility, ethics and compliance, as documented in the group's sustainability report, also apply in their entirety to Norway. Employees must be familiar with Alcoa's guidelines and the systems used. Alcoa regularly ensures that employees are familiar with the ethics and compliance requirements applying to the company and suppliers. Employees in the purchasing department attend courses every year to understand and uncover risk elements in our value chain. From 2023, participation in these courses has been made compulsory for plant management and other individual employees outside the purchasing department.

Guidelines for human rights, indigenous considerations and responsible behavior are prerequisites for being certified by the Aluminium Stewardship Initiative (ASI, discussed in more detail in the next chapter). Both Alcoa Lista and Alcoa Mosjøen are ASI-certified. The certification is twofold; ASI Performance Standard (responsible production) and ASI Chain of Custody Standard (responsible procurement). Obtained certification confirms approved practices for due diligence assessments, socially responsible behaviour, respect for human rights, respect for decent working conditions and environmental management. Alcoa also has its own management system for social responsibility, the Social Performance Management System, discussed in the chapter above.

In addition to due diligence assessments, the Transparency Act requires Alcoa to hand over information about the business, including value and supply chains, guidelines for social responsibility and degree of compliance, description of products and services, etc., upon request. The request must be within reasonable limits, for example in the form that we cannot share information that is considered

company secrets or stock exchange sensitive. Contact information for questions covered under the Transparency Act can be found on the company's website. The responsibility sits with Alcoa's communications manager.

Aluminium Stewardship Initiative and other certifications

Both Lista and Mosjøen are certified according to the Aluminium Stewardship Initiative's (ASI) Performance Standard. ASI certification confirms the company meets requirements concerning environmental management and socially responsible conduct are met. It thereby confirms that Alcoa's aluminium production is done in a way environmentally and socially responsible way. This proves that Alcoa manages resources according to strict requirements for consideration for surroundings, and that Alcoa minimizes all types of emissions and takes biological diversity into account.

Both operations were submitted to an ASI revision in 2023, where the operations' activities were assessed with ASI's new standard, Version 3. New requirements in the updated version include stricter requirements to socially responsible conduct and include a substantially higher number of reporting requirements.

Compliance with ASI requirements for sustainability activity and socially responsible conduct means Alcoa is entitled to use ASI certification to demonstrate product quality. All aluminium produced at Alcoa's Norwegian smelters is also certified according to ASI's Chain of Custody standard, which complements Alcoa's Sustana™ certification. Alcoa's Sustana™ products include the Ecolum™ standard, which both Norwegian plants achieve with good margin. Ecolum products must have a carbon footprint below 2.5 tons of CO₂



per ton of aluminium, 75% lower than the global average for aluminium production. Alcoa Mosjøen also meets the Ecodura™ standard for cast aluminium products, where the requirement is that at least 50% of the content of the aluminium product must come from recycled content.

Local community support

Alcoa Norway is keen to return value to its local communities by sponsoring a wide range of activities and projects. All forms of sponsorship are facilitated through three programmes.

Alcoa Foundation

The Alcoa Foundation is a US-registered foundation owned and operated by the Alcoa Corporation. Its original purpose was to provide support for educational initiatives in the United States. In recent years, the Alcoa Foundation has been expanded both geographically and thematically. The Alcoa Foundation had its 70th anniversary in 2022.

The Alcoa Foundation's contributions can be both large and small. Larger contributions are awarded through Alcoa Foundation Grants. These contributions are handed out over a 3-year period and only to organizations involved in humanitarian disaster relief, training/education and/or environment/sustainability. Funding is transferred directly from the foundation to the recipient. Alcoa's local businesses in Lista and Mosjøen act solely as application recipient agencies.

The following organizations were either on-going recipients of previously awarded funds or awarded Alcoa Foundation funds in 2023:

- Grønt flagg/FFE (Foundation for Environmental Education); small scale support to environmental projects and recyclable materials in nurseries (Mosjøen og Lista)

- Ungt entreprenørskap; entrepreneurial development programme for youth and children (Mosjøen and Lista)
- Forskerfabrikken; summer lab for youth and children (Mosjøen and Lista)
- Kirkens Bymisjon; work programme for challenged individuals (Mosjøen)
- Helgeland Friluftsråd (Helgeland Open Air Council); outdoor activities for youth and children (Mosjøen)

Alcoa ACTION Grants

ACTION, or Alcoans Coming Together In Our Neighborhoods, is a purpose-development sponsorship scheme directed at making Alcoa employees more actively engaged in their local communities. Such activities may include sports clubs, charitable organisations, volunteer groups or other organised non-professional activities. In order to be eligible for donations, at least 8 current or retired Alcoa employees must offer at least 4 hours of voluntary work. Successful applicants receive a lump-sum payment up to 3.000 USD, or approx. 30.000 NOK.

The following organisations received ACTION Grant funding in 2023:

- **Lista;** Farsund RC klubb, Pride-parade Farsund, Game of Lister, Farsund Undervannsklubb, Farsund Folk Festival, Farsund Atletklubb, and Farsund Skytterlag
- **Mosjøen;** Mosjøen Idrettslag, Halsøy Idrettslag, Granmoen ungdomsklubb, Mosjøen skolekorps, Sumpenes Vel, Mosjøen judoklubb, Mosjøen sanitetsforening, Termik, Mosåsens venner, Mosjøen hundekjøreklub, Mosjøen kjøre og rideklubb, NMK Grane, Vefsn Jeger og Fiskerforening, Mosjøen MC klubb, Mosjøen Skytterlag and Fustvatn Skytterlag.

Direct sponsorship

Alcoa has the opportunity to award sponsorship on top of the smelter's budgets. Such support is restricted only to charitable projects which, for various reasons, are ineligible for Alcoa Foundation or Alcoa ACTION grant support.

The following organisations and activities received direct sponsorship in 2023:

- Lista; FLIK-avtalen and Farsund Maraton
- Mosjøen; Mosjøen Pride and Bysprinten

Alcoa Norway awarded a total of 3,7 mill NOK in contributions to our communities in 2023.

Development and prospects

The LME price has so far in 2024 averaged around 2.200 US dollars per ton. Product premiums have started to edge upwards compared to the fourth quarter in 2023, and demand for aluminium has started to rebound.

The partial curtailment of potroom production at Lista is continued. Revisiting the power procurement strategy is a priority for the smelter. The impacts from the Russian invasion of Ukraine remains an uncertainty.

The Alcoa Corporation will continue to focus on productivity and cost control measures. Long term market projections are positive. The Corporation's main priorities are sustainable growth, improved operations and higher margin. The company will devote considerable attention to in-house tools such as Alcoa Business System and complete on-going automation efforts. As always, the company will strive to improve operational skills, and improve safety and environment.

Restructuring of the company structure

The restructuring of the Norwegian company was completed in 2023 with the following transactions:

- Norsk Alcoa AS procured Norsk Alcoa AS' shares of shares of Alcoa Norway AS
- Alcoa Norway AS issued dividends to Norsk Alcoa AS worth 5.500 mill. NOK
- Norsk Alcoa AS and Norsk Alcoa Smelting AS were merged into Norsk Alcoa Holding AS
- Norsk Alcoa Holding AS was merged into Alcoa Norway AS with the latter being the sole remaining Norwegian company

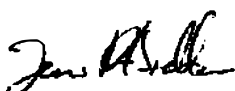
Distribution of profits

Profits will be transferred to equity.

Mosjøen, 11. June, 2024
for Alcoa Norway AS



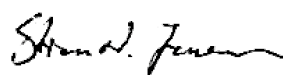
Grethe Hindersland
Chair of the Board



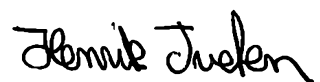
Jens Albrektsen



Tor Arne Berg



Stian Nordal Jensen



Henrik Tveten


Comprehensive income

Amounts in NOK million	Note	2023	2022
Sales primary		9,921	
Other sales		57	
Sales	1,2,3	9,978	
Raw materials and energy	3	(6,341)	
Salaries, wages and related costs	4	(799)	
Depreciation and write-downs	5,6	(400)	
Other operating costs	7	(1,273)	
Other gains and losses	8	(662)	
Operating costs		(9,475)	
Income from operations		503	
Intercompany interest income	3	127	
Intercompany interest expenses	3	(170)	
Foreign exchange gains/ (-) loss		3	
Other financial income/ (-)expenses		(34)	
Net financial items		(74)	
Income before tax		429	
Income taxes	19	5	
Income after tax		434	
Transfers:			
Transferred from equity	13	(5,066)	
Dividend payment		5,500	
Total transfers		434	

Balance sheet

Amounts in NOK million	Note	2023	2022
ASSETS			
Intangible fixed assets	6	320	0
Tangible assets	5,6	3,697	3,142
Total fixed assets		4,017	3,142
Long term receivables	9	43	40
Long term financial derivatives	1	0	251
Deferred tax assets	19	91	0
Other long-term receivables		134	291
Inventories	10	1,696	1,891
Accounts receivable	11	682	721
Short term receivables	12	3,420	4,222
Short term financial derivatives	1	0	203
Cash and short term deposits		7	2
Total current assets		5,805	7,039
Total assets		9,956	10,473
EQUITY AND LIABILITIES			
Share capital	13	1	1
Company capital	13	4,689	8,725
Owners equity		4,690	8,726
Pension Liabilities	14	4	5
Other long term accruals	15	89	144
Accrued deferred tax	19	0	25
Accrued liabilities		93	173
Long term debt	16	3,018	0
Long term financial derivatives	1	493	87
Other long-term liabilities		3,512	87
Accounts payable	17	977	1,143
Other current payables	18	207	285
Short term financial derivatives	1	55	59
Tax payable	19	422	0
Current liabilities		1,661	1,487
Total equity and liabilities		9,956	10,473

Mosjøen, 11. June, 2024
for Alcoa Norway AS


Grethe Hindersland
Chair of the Board


Jens Albrektsen


Tor Arne Berg


Stian Nordal Jensen


Henrik Tveten

Cash flow Statement

Amounts in NOK million	Note	2023	2022
Net profit		429	
Paid tax	19	(503)	
Depreciation fixed assets	6	376	
Write-down retired assets	6	8	
Derivates		654	
Change in working capital		69	
Change in other accruals		(162)	
Net cash flow from operating activities		870	0
Investments in tangible fixed assets	6	(602)	
Group bank account	12,18	(260)	
Long term receivable	9	(3)	
Net cash flow from investing activities		(865)	0
Net cash flow before financing activities		5	
Net cash flow from financing		0	0
Net change in liquid reserves		5	2
Liquid reserves 1 January		2	0
Liquid reserves 31 December		7	2
Cash and short term deposits		7	2
Liquid reserve including credit facilities 31 December		7	2



Accounting principles

CORPORATION

Alcoa Norway AS is a 100% subsidiary of Alcoa Nederland Holding B.V. Alcoa Norway AS is part of the Alcoa Corp. group, which is headquartered in Pittsburgh, Pennsylvania, United States.

ANNUAL ACCOUNTS

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and regulations relating to simplified IFRS (FOR-2022-02-07-182). This essentially means that the recognition and measurement follow international accounting standards (IFRS) and the presentation and disclosures are in accordance with Norwegian Accounting Act and generally accepted accounting principles in Norway.

The Company has adopted the following simplifications of recognition and valuation rules in IFRS:

- IFRS 1 D6 on the continuation of the cost of investments in subsidiaries, associated companies and joint ventures.
- IFRS 5 is not applied.
- IAS 10.12-13, IAS18.30 and IFRIC 17.10 are waived so that dividends and group contributions are recognized in the financial statements according to the Norwegian Accounting Act.
- IFRS 9 are waived so that the contracts for the purchase of physical power to use in the company's own production is not accounted for as investment contracts in the company accounts.
- Financial assets and liabilities designated at fair value under IFRS 9 have been expanded to include financial instruments in which the criteria are met in overhead accounts.

Corporate accounts are based on the principles of historical cost accounting, with the exception of the following accounting records:

- Financial instruments at fair value, financial instruments available for sale are carried at fair value.

All amounts are in million Norwegian kroner, unless otherwise indicated.

ACCRUAL, CLASSIFICATION AND VALUATION PRINCIPLES

Assessments of the individual items in the financial statements are based on the current IFRS standards.

The accounts are primarily based on a historical cost basis except for derivative financial instruments which are carried at fair value. Fixed assets are recorded at the lower of book value and fair value. Fair value is measured as the highest of the assets value in use and sales value less cost to sell.

Provisions are made when there is an actual liability, it is likely that it will be paid and the cost can be estimated reliably. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period the changes occur, if they apply the current or previous periods. If the change applies future periods, the revision affects both current and future periods.

Classification of balance sheet items as current or non-current is based on a 12 months period. Items that have a lifespan of more than 12 months are long term, while other items are current. This applies to both assets and liabilities.

REVENUES

Revenue is the expected remuneration from sale of goods and is recognized as income after a pattern that reflects the transfer of control over goods or services to the customer, that is, revenue from sale of goods is recognized when title is transferred to the buyer, that is according to the agreed delivery terms. Revenue related to sale of services is accounted in accordance with the degree of completion. Revenues are net of VAT, discounts and bonuses.

MAINTENANCE COSTS

Ongoing maintenance costs are expensed as incurred. Recurring maintenance jobs (periodic maintenance), replacements and upgrades of assets are classified as investments and recognized in the balance sheet.

RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred, while expenditure on development is capitalized if the criteria according to IAS 38 are met.

ENVIRONMENTAL COSTS

Imposed environmental investments that are essential for continued operations is treated as an investment and capitalized. Estimates for the costs of repairing damage to the environment resulting from construction of new facilities are included in the cost price and depreciated with the actual plant. Costs of repairing damage to the environment arising out of production are expenses as incurred.

PENSION COSTS AND COMMITMENTS

Pensions are accounted for in accordance with IAS 19. Pension costs and pension liabilities for defined benefit plans are calculated according to linear service charges based on assumptions about discount rates, future salary increases, pensions and social security benefits, and actuarial assumptions regarding mortality, voluntary retirement etc. The discount ratio is based on long term covered bonds at the balance date adjusted for expected duration of pension liabilities. Changes in liabilities due to changes in pension plans are recognized in full when determined and publicized. Changes in liabilities due to changes in assumptions (actuarial gains and losses) are recognized directly in OCI with a finite amount.

CURRENCY

The company's functional and presentation currency is Norwegian Krone (NOK). Transactions in foreign currencies are recorded at the rate on the transaction date, while monetary items in foreign currencies are remeasured to the end of period currency rate on the balance sheet date. Foreign exchange gain/losses, including translation differences are recognized as financial items. For hedge accounting, see derivatives.

DERIVATIVES

The company uses derivative financial instruments to hedge the exposure of currency and price risk relating to finished goods, raw materials and other major purchases.

Derivatives are recognized initially at cost and are valued in the following periods at fair value and recorded as assets or liabilities. Gains and losses resulting from sale or changes in fair value are recognized in profit and loss if the derivatives are not part of a hedging portfolio that meets the criteria for hedge accounting. Gains and losses on derivatives that are part of a hedging relationship are recorded simultaneously and classified consistently with the transaction that is hedged. This means the effects related to hedging of future

transactions (cash flow hedge) is recognized temporarily in equity and recognized in the income only when the hedged transaction is realized. Gains and losses on derivatives treated as fair value hedges are recorded in profit and loss and offset wholly or partly changes in value of the hedged item.

RECEIVABLES

Accounts receivable and other receivables are recorded at nominal value less provision for doubtful debts. Provisions for losses are based on an individual assessment of each receivable.

INVENTORIES

Inventories are valued at the lower of average historical cost and net realizable value. Net realizable value is measured as expected selling price minus selling costs. For raw materials and work in progress net realizable value is calculated to net sales value of finished goods reduced for the remaining production costs. The cost of manufactured products includes direct materials and wages, plus a proportionate share of overhead cost based on normal operating capacity.

FIXED ASSETS AND DEPRECIATION

Fixed assets are valued at historical cost less depreciation. Depreciation is calculated on the basis of cost less any residual value and is distributed linearly over the estimated useful life of each asset. Cost includes direct planning and project costs, and interest incurred during construction. Depreciation starts when the asset is ready for use and is revised annually.

GOODWILL

Goodwill is the difference between the acquisition cost of the acquisition of a business and the fair value of the company's share of net identifiable assets. In connection with the restructuring of the company in 2023, a goodwill based on the added value that exists in the past was recognised. Goodwill is distributed among the corresponding cash flow generating unit. The cash flow generating unit is defined as the lowest level at which independent cash flows can be measured. For Alcoa Norway AS, the cash flow generating unit will be at company level. Goodwill with an indeterminate useful life is not depreciated, but is tested for impairment annually or in case of indications of impairment. Impairment of goodwill is not reversed.



LEASING

IFRS 16 regulates the recognition, measurement, presentation and disclosure requirements relating to leases and requires that leases be capitalized in the accounts of the lessee in the form of a lease obligation (obligation to pay rent) and an asset that represents the lessee's right to use the underlying asset. This is as accounting of financial leases under IAS 17. The standard allows leases that are short term (up to 12 months) or where underlying assets have a low value (must be made a material valuation) to be expensed. At initial recognition, the liability is measured as the present value of future lease payments during the lease term. The right to use the asset is measured at cost. In retrospect, the usage right is depreciated and interest expense on the liability is expensed under finance costs. The lease payments ("installments") reduce the carrying amount of the lease.

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include

cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

INCOME TAX

The tax expense in the income statement includes both tax payable during the period and changes in deferred tax and deferred tax assets. Tax costs related to equity transactions are recognised directly in equity. Deferred tax is calculated as 22 percent of the temporary differences that exist between accounting and tax values at the end of the financial year. Deferred tax and tax assets that can be recorded on the balance sheet are listed net.

IMPLEMENTATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New and revised standards have not had a material effect on the accounts.



Notes to the accounts

1. FINANCIAL MARKET RISK - RISK FACTORS

In addition to the operative risk, Alcoa Norway is exposed to risk in the product and input factor markets, as well in foreign exchange.

Aluminium and alumina

From 1 March 2021 all exports from Alcoa Norway has been done through the Dutch Alcoa company Alcoa Nederland Holding BV. The sales prices between the two entities reflect the sales prices to the end customers less a selling fee.

The alumina is supplied from Alcoa Corporation based on an internal index price.

Currency risk

Fluctuations in the value of Norwegian kroner against other currencies are important to Alcoa Norway's net income because the company exports the majority of its product to markets where the price is fixed in a foreign currency. Aluminium is quoted in USD in all markets, and changes in the USD exchange rates have an impact of the price realized in local currency. In addition, fluctuations in NOK also affects the prices of raw materials.

As a result of IFRS 9, all derivative contracts are recognised at fair value. When calculating the fair value, all derivative contracts are measured against the observed forward exchange rate on the balance sheet date day.

DERIVATIVES

All derivatives are booked at fair value. The original contract is measured against the relevant market rates

For fair value hedges, any changes in the value of derivative contracts are reported in the income statement. The same applies to the currency element of the underlying hedged items.

Power

Beginning in 2017, Alcoa entered into several long-term power purchase agreements, which secured approximately 50 percent of the necessary power for the Norwegian smelters for the period of 2020 to 2035. In 2023, approximately 25 percent of the necessary power at the Mosjøen smelter was purchased at spot rates.

Beginning in 2022, the Company acted to mitigate spot energy pricing at the Lista smelter which was partially curtailed in August 2022. In July 2022, the Company entered into a fixed price power agreement effective for the fourth quarter of 2022 through 31 December 2023. In February 2023, the agreement was amended with improved fixed pricing and lower volume commitments. During 2023, the Company amended an existing long-term power agreement to fix the price for 2024 for a portion of the smelter's power requirements and entered into additional fixed price contracts for nearly all of the remaining power requirements for the smelter for 2024.

Financial compensation of the indirect carbon emissions costs passed through in the electricity bill is received in accordance with EU Commission Guidelines and the Norwegian compensation regime.

at year-end. Consequently, fair value is unrealised gain/loss on derivatives.

	Change cash flow hedges	31.12.2023	
		Fair value	Nominal value
Fair value hedge			
Currency forwards, currency swaps		(81)	289
Power contracts		(467)	0
Total		(548)	289

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31.12.2023	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized Cost	Financial instruments measured at fair value through OCI (derivatives used for hedging)	Total
Assets				
Receivables from customers (note 11)	0	682	0	682
Other current receivables (note 12)	0	3,420	0	3,420
Cash and short term deposits	0	7	0	7
TOTAL FINANCIAL ASSETS	0	4,109	0	4,109
Liabilities				
Payables to suppliers (note 17)	0	977	0	977
Other current payables (note 18)	0	207	0	207
Other long term liabilities (note 14 and 15)	0	93	0	93
Long term debt (note 16)	0	3,018	0	3,018
Derivatives (note 1)	548	0	0	548
TOTAL FINANCIAL LIABILITIES	548	4,296	0	4,844

31.12.2022	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized Cost	Financial instruments measured at fair value through OCI (derivatives used for hedging)	Total
Assets				
Receivables from customers (note 11)	0	721	0	721
Other current receivables (note 12)	0	4,222	0	4,222
Derivates (note 1)	251	0	203	454
Cash and short term deposits	0	2	0	2
TOTAL FINANCIAL ASSETS	251	4,945	203	5,399
Liabilities				
Payables to suppliers (note 17)	0	1,143	0	1,143
Other current payables (note 18)	0	285	0	285
Other long term liabilities (note 14 and 15)	0	173	0	173
Derivates (note 1)	146	0	0	146
TOTAL FINANCIAL LIABILITIES	146	1,601	0	1,747

Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the following valuation techniques:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques, for which all inputs that either directly or indirectly have a significant effect on the recorded fair value, are observable.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value, but which are not based on observable market data.

As of 31.12.2023 the company held the following financial instruments measured at fair value:

Financial assets and liabilities measured at fair value	31.12.2023	Level 1	Level 2	Level 3
Currency forwards	(81)	(81)	0	0
Power contracts	(467)	(467)	0	0

During the reporting period ending 31 December 2023, there were no transfers between Level 1 and Level 2.

2 NET SALES BY MARKETS (%)

	2023
Netherlands	92
Norway	3
Iceland	5
Total:	100

3 RELATED PARTIES TRANSACTIONS

	2023
Net sales primary	9,672
Other net sales & cost recharge	68
Raw materials	2,666
Other operating cost	266
Interest income	112
Interest cost	170

4 SALARIES, WAGES AND RELATED COSTS

	2023	2022
Salaries	654	
Social security tax	63	
Pension costs	37	
Other	45	
Total	799	

Number of full-time equivalents at year-end 948 839

Remuneration Chairman of the board, 1000 NOK

	2023
Salary and performance pay	2,386
Other benefits	119
Total remuneration	2,505
Pension	97

Chairman of the board 2023 has been employed by Alcoa Norway AS.

Stock-based compensation benefits are provided to certain employees through the issue of shares/options in the listed ultimate parent entity Alcoa Corporation. Alcoa Norway AS recognizes the compensation expenses according to IFRS 2 Share-based payment. Stock options under Alcoa's stock-based compensation plans have been granted at exercise prices that are not less than market prices at the dates of grant. Stock option features are as follows:

Grant date	Vesting	Term	Reload feature	Method of Settlement
2010 and forward	3 years (1/3 each year)	10 years	None	Equity

Alcoa granted restricted share units (stock awards) vest in three years from date of grant.

The following table summarizes the total compensation expenses recognized for all options and restricted share units: Compensation expenses reported in income before social security tax, NOK 1000:

	2023
Stock option grants	0
Restricted share unit grants	2,705
Total compensation expense:	2,705

	Stock options	Restricted share units
Outstanding at December 31.12.2023 NOK 1000	127	5,670

6 FIXED ASSETS

Cost price and net book value	Machinery	Buildings& structures	Land and depletable asset	Construction work in progress	Software	Goodwill	Total
Cost price:							
Balance 01.01	8,072	2,764	77	514	40	0	11,466
Additions	646	41	3	245	1	320	1,256
Retirements	(81)	(1)	0	0	0	0	(82)
Balance 31.12	8,637	2,803	80	759	41	320	12,640
Depreciation and Write-down:							
Balance 01.01	(6,361)	(1,968)	(19)		(38)		(8,386)
Retirements	81	1	0		0		82
Ordinary depreciation	(323)	(52)	0		(1)		(376)
Write-down	(8)	0	0		0		(8)
Balance 31.12	(6,610)	(2,019)	(19)		(39)		(8,687)
Net book value:							
Balance 01.01	1,710	795	58	514	2	0	3,080
Balance 31.12	2,026	784	61	759	2	320	3,953

Investments in and sales of fixed assets	2023	
	Inv.	Sale
Machinery and equipment	646	
Buildings	41	
Other fixed property	3	
Constr. work in progress	245	
Software	1	
Goodwill	320	
Total	1,256	

Write up, assets and goodwill

Alcoa Norway AS booked a write up in November 2023 related to consolidation of Norsk Alcoa Smelting into Norsk Alcoa Holding, and merger into Alcoa Norway AS.

Assets	334.7	Remaining useful life 7 years
Goodwill	319.7	Annual impairment testing according to IAS 36

7 OTHER OPERATING COSTS

	2023
Travel- and entertainment costs	5
Expensed machinery, inventory and other materials	18
Repair and maintenance	162
Distribution costs	273
Other external services	556
Property tax	14
Other operating costs	244
	1,273

Expenses auditor, NOK 1000

Audit fees	1,342
Audit fees, US	170
Other authorization services	54
Auditors assistance	671
Total remuneration	2,238

All amounts excl. VAT

8 OTHER GAINS AND LOSSES

	2023
Fair Value adjustments power contracts	(662)
	(662)

9 MORTGAGES AND GUARANTEES

Alcoa Norway is a guarantor of unsecured credit facilities (i.e. USD 1,25 billion Revolving Credit Facility, the USD 250 million Japanese Yen Revolving Credit Facility and USD 200 million Standby Letter of Credit Facility) and senior unsecured corporate bonds for which Alcoa Nederland Holding B.V. is the borrower. During 2024, all of those unsecured credit facilities (both revolvers and standby letter of credit) will become secured, which will include assets to be pledged by Alcoa Norway.

	2023	2022
Guarantee liabilities, payroll tax	44	39
Guarantee liabilities, other	3	44
Restricted account	43	40

10 INVENTORIES

	2023	2022
Finished goods	177	218
Work in process	488	529
Raw materials	930	1054
Operating materials	101	91
	1,696	1,891

11 ACCOUNTS RECEIVABLE

	2023	2022
Receivables from external customers	20	28
Receivables from Alcoa customers	661	692
	628	721

12 CURRENT RECEIVABLES

	2023	2022
Other current receivables	1,566	1,420
Alcoa Nederland Holding BV		
- Financial account		
Other current receivables		
Alcoa Group	1,001	2,089
Other current receivables	852	713
	3,420	4,222

13 EQUITY

	Share capital	Other comprehensive income	Other equity	Total
Opening balance 01.01.2023	1		8,725	8,726
Profit 2023			434	434
Other comprehensive income 2023:				
Cash Flow hedges 2023		(203)		(203)
Deferred income tax swap		45		45
Remeasurement pension liability		(1)		(1)
Stock option program		(3)		(3)
Other equity transaction 2023:				
Other transactions			654	654
Restructure and merge Norwegian entities *			537	537
Transactions with owners 2023:				
Dividend 2023			(5,500)	(5,500)
Equity 31.12. 2023	1	(162)	4,850	4,690

* Restructure of Norwegian entities:

As part of the restructure Alcoa Norway ANS was converted to Alcoa Norway AS year end 2022. With effect from 1 January 2023, a vertical merger has been made between the companies, accounted for using the continuity method. Group continuity is used. No change of ownership.

Norsk Alcoa AS acquired Norsk Alcoa Smelting AS's shares in Alcoa Norway AS.

Norsk Alcoa AS and Norsk Alcoa Smelting AS merged into Norsk Alcoa Holding AS.

Norsk Alcoa Holding AS merged in to Alcoa Norway AS.

14 PENSION PLANS

The pension costs show the future pension entitlement earned by employees in the financial year. This may be in the form of an annual contribution to the employee pension plans (contribution plan) or the entitlement to a specified future pension (defined benefit plan) earned during the year.

Defined contribution plans

Defined contribution plans comprise arrangements whereby the company makes annual contributions to the employee's pension plans, and where the return on the pension plan assets will determine the amount of the future pension.

Defined benefit plans

Defined benefit plans comprise of a multi employer plan. The pension cost is booked similarly as a defined contribution cost. The company have granted additional pensions for some of the pensioners. The defined benefit obligations relating to these pensioners are included in the balance sheet.

The company follows the IAS 19 requirements for pension. Hence the unfunded pension obligation is measured at fair value in the balance sheet and all accumulated gains and losses during year are recognised in Other Comprehensive Income.

The company's pension schemes are in accordance with Norwegian pension law.

Changes in net pension liabilities through the year	2023	2022
Net pension liability ending balance previous year	5	0
Net pension liability opening balance	5	0
Net pension cost for the year	(0)	0
Contributions	1	0
Conversion from Alcoa Norway ANS	0	5
Remeasurements loss (gain)	(0)	0
Net pension liability 31.12.	5	5

Components of net periodic pension cost incl payroll tax	2023	2022
Current service cost (incl. social tax)	0	0
Interest cost on pension liability	0	0
Net periodic pension cost	(0)	0
Defined contribution plan	36	0
Multi-employer plan - New early retirement scheme	12	0
Pension cost, total	48	0

The net total of pension liability	2023	2022
Gross pension liability /funded and unfunded plans (PBO)	4	5
Net pension liability /-fund	4	5
Net pension liability /-fund	4	5

Economic assumptions:	2023	2022
Discount rate	3.20%	3.20%
Assumed salary increase	3.75%	3.75%
Assumed pension increase	2.00%	2.00%
Assumed adjustment in National Insurance base rate (G)	3.50%	3.50%

The company's pension scheme covers 1300 full- and part time employees and 74 retirees as of 31.12.2023

15 LONG TERM ACCRUAL

In Mosjøen the plant has received a new permit for the operation of the landfill in Store Åsnevdal until 2030. Cost of closing this landfill was capitalized in 2018 and there is a corresponding long term liability of NOK million 18 that payments will be booked against. As of December 2023 NOK million 4 has been accrued for future demolition costs of the old paste plant in Mosjøen.

At year-end 2023 NOK 27 million received as prepayment for future deliveries to one major customer has been booked as other deferred credits. The balance will be reduced with deliveries of finished metal in agreement that started late 2021.

In addition Alcoa Norway has NOK 4 million stock option liabilities towards the employees and NOK 40 million in long term leasing liabilities booked, see also note 5.

16 LONG TERM DEBT

Intercompany long term loans at NOK 2.300 million with expiration date 14 July 2027 and intercompany loan at nok 718 million was transferred from Norsk Alcoa Holding AS in 2023 as part of the reorganisation project of the Norwegian company structure.

17 ACCOUNTS PAYABLE

	2023	2022
Payables to suppliers	749	1,008
Intercompany current payables Alcoa	229	135
	977	1,143

18 CURRENT PAYABLES

	2023	2022
Other current payables Alcoa Netherland Holding BV - Financial account	8	122
Value added tax, vacation pay and employee tax payables	162	142
Other current payables	36	20
	207	285

19 TAXES

Taxable time of effect for Alcoa Norway AS is 01.01.2023.

Tax basis	2023
Profit before taxes	429
Permanent differences	2
Carry forward interest cost previous year through merge 2023	(90)
Changes in temporary differences	744
Tax basis	1,085

Temporary differences	
Inventory reserve	49
Other	(559)
Short-term items	(510)
Fixed assets reserve	342
Environmental accrual	(26)
Right of Use Assets	18
Other	(4)
Long-term items	330
Temporary differences	(180)

	2023
Accrued 22% taxable income 2023	236
Accrued tax related to thin capitalization	186
Tax payable in the balance sheet	422

	2023
Accrued 22% deferred tax temporary differences	(91)
Deferred tax in the balance sheet	(91)

	2023
Accrued 22% tax taxable income 2023	145
Change deferred tax	(116)
Adjustment prior year tax (merged companies)	(34)
Tax expense	(5)

20 OWNERSHIP STRUCTURE

Company name:	2023	2022
Alcoa Norway ANS		100.00%
Alcoa Nederland Holding B.V.	100.00%	
	100.00%	100.00%

21 MAJOR OCCURENCES AFTER 31.12.2023

There are no known events after the balance sheet date.

Auditor's Report



To the General Meeting of Alcoa Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Alcoa Norway AS (the Company), which comprise the balance sheet as at 31 December 2023, the comprehensive income and cash flow statement for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements



Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Mosjøen, 12 June 2024

PricewaterhouseCoopers AS

Silja Eriksen

State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

10 years summary

Income Statement

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net operating revenues	9,978	12,651	9,779	7,070	7,461	7,791	7,430	6,110	6,261	5,967
Cost of goods sold	(9,075)	(9,727)	(6,779)	(5,856)	(7,259)	(6,244)	(5,761)	(4,669)	(5,549)	(5,072)
Depreciation	(400)	(417)	(414)	(398)	(406)	(390)	(382)	(393)	(396)	(418)
Income from operations	503	2,507	2,586	817	(204)	1,157	1,287	1,048	316	477
Net financial items	(74)	64	9	8	1	(9)	(47)	(61)	3	11
Net income	429	2,571	2,595	825	(203)	1,147	1,240	987	318	489
Income taxes	5									
Income after tax	434									

Balance sheet

Intangible assets	320	-	-	-	-	4	3	1	1	3
Fixed assets	3,697	3,142	2,998	3,012	3,101	3,202	3,364	3,563	3,767	4,000
Long-term receivables	134	291	30	-	-	8	48	34	390	703
Current assets	5,805	7,039	9,338	6,099	5,025	4,747	3,654	2,030	1,861	2,919
Total assets	9,956	10,473	12,367	9,110	8,126	7,949	7,026	5,642	5,662	7,313
Equity	4,690	8,726	6,455	4,325	3,494	3,666	2,948	2,235	2,123	6,198
Long-term liabilities	3,605	260	2,549	3,178	3,041	2,695	2,386	30	107	19
Current liabilities	1,661	1,487	3,247	1,608	1,591	1,588	1,691	3,377	3,432	1,096

Cash flow/liquidity

Net cash flow from operations	870	2,350	1,745	1,112	921	986	1,690	1,209	1,347	1,071
Capital expenditures	(602)	(552)	(374)	(296)	(252)	(235)	(187)	(192)	(144)	(170)
Other investments/receivables	(263)	2,209	(1,253)	(251)	(349)	(675)	(1,346)	(301)	(140)	1,015
Net cash flow before financing	5	4,008	118	565	320	76	156	715	1,063	901
Dividend	-	(460)	(465)	-	-	(400)	(481)	(850)	(4,400)	-
Net debt	-	(2,773)	(46)	4	25	53	431	-	2,300	
Liquid reserves	7	1,300	525	918	349	5	276	170	305	1,342

Profitability

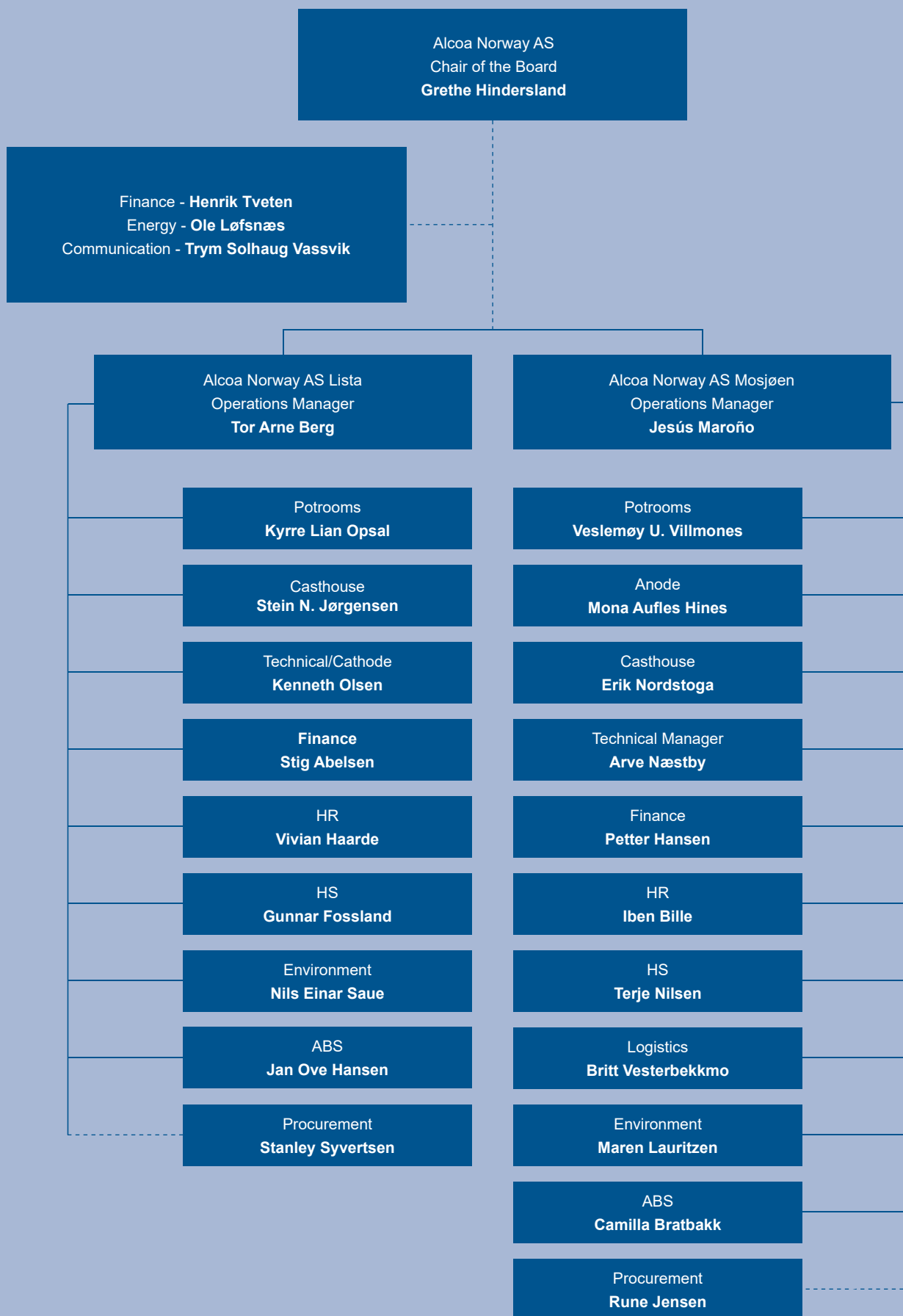
Net operating margin %	5	20	26	12	(3)	15	17	17	5	8
Return on assets %	5	22	24	9	(3)	15	20	19	5	7

Other data

Primary aluminium capacity 1000 tons	294	294	294	294	294	292	292	292	290	290
Primary aluminium shipments 1000 tons	319	345	374	359	374	369	369	360	335	361
Sales outside Norway %	97	96	97	96	97	97	98	98	97	97
Average LME 3 USD/ton	2,287	2,718	2,488	1,731	1,811	2,116	1,979	1,609	1,682	1,893
Currency rate NOK/USD	10,56	9,62	8.60	9.40	8.80	8.13	8.25	8.40	8.07	6.30
Employees at year-end Nos.	948	839	824	763	757	744	731	725	722	726
Lost workday injuries Nos./mill. Work hours	2.1	2.1	2.1	1.8	1.4	0.7	0.8	0.7	-	-

2022 figures are Alcoa Norway ANS og Alcoa Norway AS combined.

Organisasjonskart





Alcoa Norway AS
Postboks 750
NO-8651 MOSJØEN
+47 75 17 91 00

www.alcoa.com/norway

