

RIGOROUS RESPONSIBLE RESILIENT



EXCELLING
TOGETHER

MESSAGE FROM THE PRESIDENT AND CEO



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Aluminerie Alouette set new records in 2020, with our primary aluminum production topping 620,000 tons. We achieved these results in the middle of a pandemic giving us confidence in our future as a company. The mobilisation of our team and our crisis unit's proactive management allowed us to emerge from the COVID-19 pandemic with our heads held high. Bravo one and all!

Alouette is entering a new chapter as we come up on our 30th anniversary. Today more than ever, it is crucial that we position ourselves as a leader in responsible aluminum production. Our environmental performance attests to the rigour with which our passionate employees produce quality aluminum day after day.

We note, however, that there are still too many workplace injuries, despite all of our precautions. Everyone at Aluminerie Alouette—employees and partners alike—must confront this challenge head on.

Enjoy the report!

A handwritten signature in white ink, appearing to read 'Claude Gosselin', written in a cursive style.

Claude Gosselin,
President and Chief Executive Officer



AIMING FOR HIGHER STANDARDS

Aluminerie Alouette, as an independent operating company, shall optimize its operations by applying world-class business principles conducive to continuous improvement of its processes and assets. As a company committed to sustainability, Alouette will maintain high safety and environmental standards, in order to be recognized as a responsible employer and corporate citizen.

A FIVE-POINT STRATEGY

On a daily basis, Aluminerie Alouette is guided by a five-point strategy geared toward achieving excellence and maintaining the organization's standing as a leading producer of primary aluminum. This strategy is driven by the employees' core values—a progressive attitude, teamwork, communication, professionalism and versatility—and is available on the company website. This report presents our results for the year based on these five points.

PEOPLE AND CULTURE



THE ART OF RESILIENCE

Over the years, Aluminerie Alouette employees have faced major changes, including large-scale projects and organizational and operational restructurings. However, no one could have predicted that a pandemic would break out just a few months into a year that held great promise—and that it would reach as far as Sept-Îles! Fortunately, our Alouette family, united by core values, grew even closer (despite social distancing!) in the fight against the virus.

In 2020, our team demonstrated an exceptional ability to adapt. To maintain pace, we explored new options for work schedules, implemented a remote working system and modified our workplaces. Although employees were used to working in close proximity and eating side by side in the cafeteria, they agreed to distance themselves for the good of the community. Together, they adopted new ways of communication and working methods. Some of these will even persist after the pandemic.

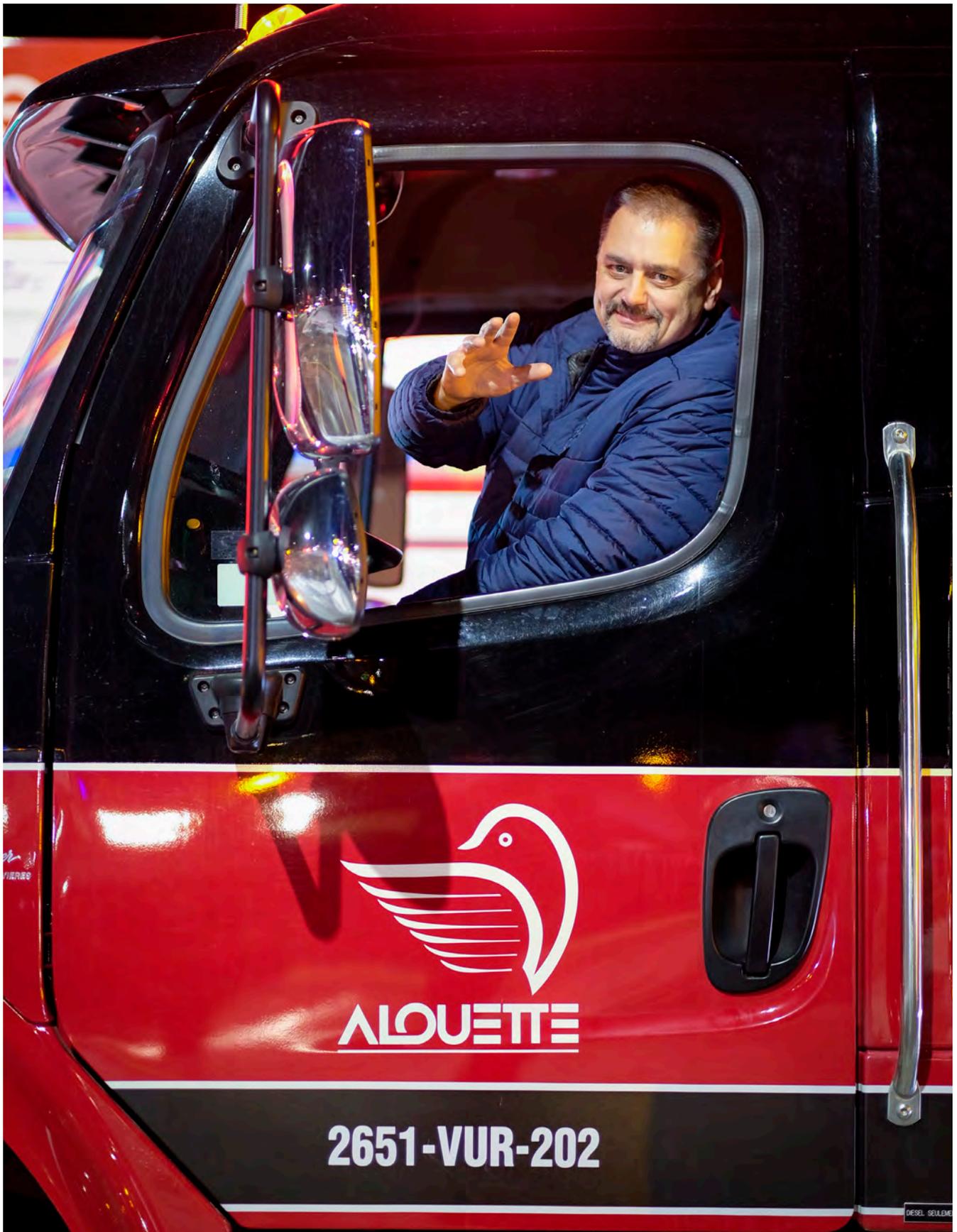
The challenges brought on by COVID-19, in no way, discouraged us. On the contrary, ideas for restructuring and adapting our operations were rolled out in record time. For example, in just a few weeks, more than 100 students and interns were integrated into the organization, in compliance with health regulations—a feat worthy of mention and one that allowed us to identify opportunities in the annual process.



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2020: A lesson in resilience





A BIG FAMILY

The **COBRAL** social club reinvented itself so that it could continue to bring numerous families together

Adapted communication tools and a **multitude of virtual channels** and forums were made available

Self-guided training was provided on **COVID-19** measures

Several thousand face masks were distributed to employees and their families

A **Flash Forum video** presentation was made available to all employees

Gift bags were given to all employees for Christmas

Approximately **70 new employees** were hired across different sectors

Nearly **60 employees** received training in continuous improvement (Lean Six Sigma – White Belt, Yellow Belt or Green Belt)

Over 20 continuous improvement projects were launched during the year

28,020 hours of training were provided to students, interns and employees in all sectors

15 employees celebrated 20 years of service during an adapted from-home tribute evening

3 employees celebrated 30 years of service for the first time ever

The **Café des retraités**, a gift card for retired employees, was still offered

The Alouette Emergency Brigade participated in the Sept-Îles **Christmas Parade**

HEALTH AND SAFETY



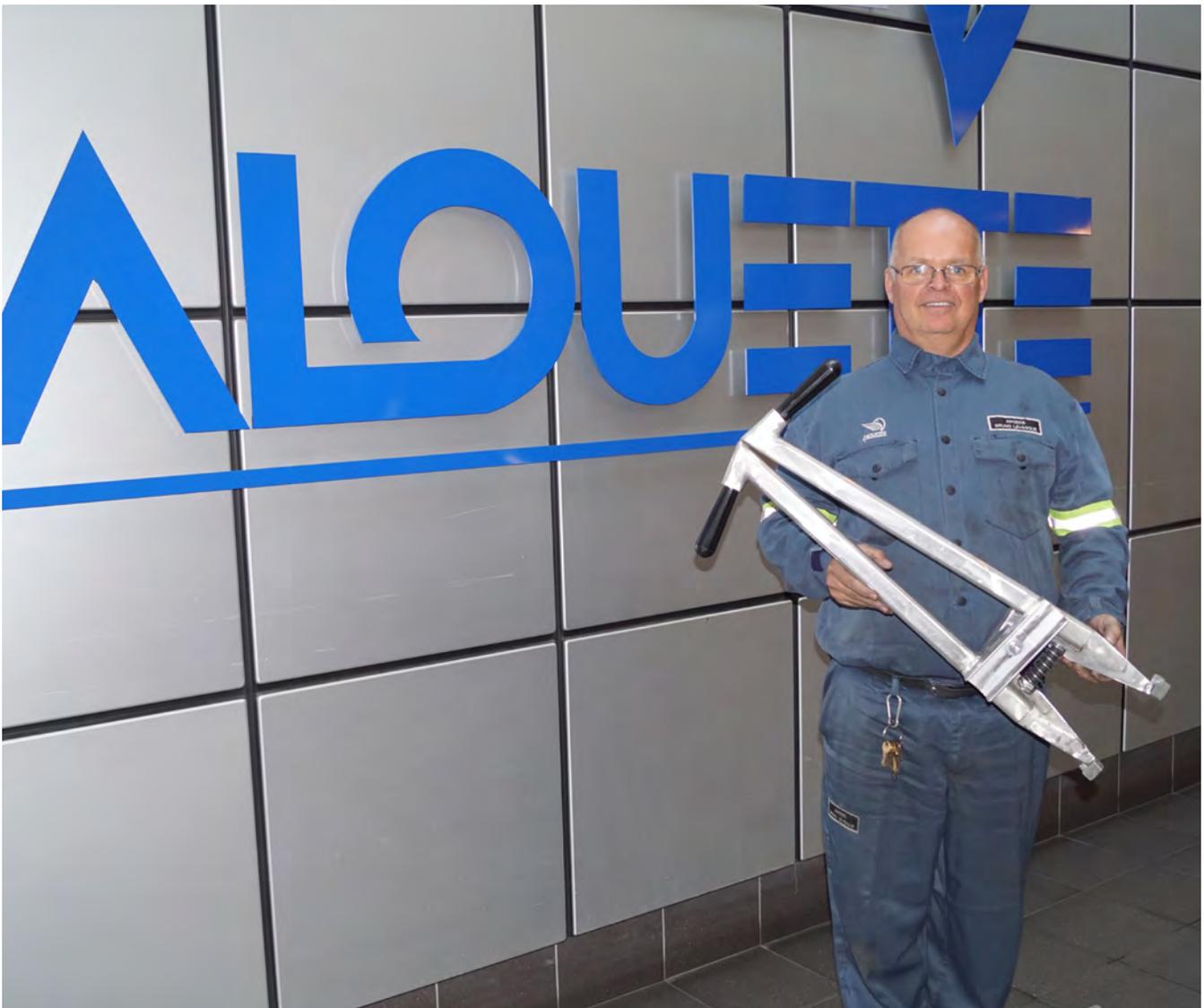
HEALTH AND SAFETY FIRST!

Every day, hundreds of employees pass through our turnstiles into a safe work environment where they can thrive. These people are our mothers, fathers, daughters, sons, loved ones and friends. In 2020, too many of them had to receive first aid, despite a significant improvement on this front compared to last year, with the total injury rate falling by almost 20%. Beyond our aluminum production targets, our goal is to eliminate workplace injuries. As a result of the pandemic, our employees became more conscious of health matters; they were able to keep the virus at bay by ensuring maximum compliance with health measures.

COVID-19 shed light on other important issues too, such as mental health, on which the Health and Wellbeing Committee is particularly focused. Our ISO 45001:2018 certification, which was confirmed at the end of the year, attests to the performance of our occupational health and safety management systems. Nonetheless, all of our employees must continue to be diligent about health and safety every day.

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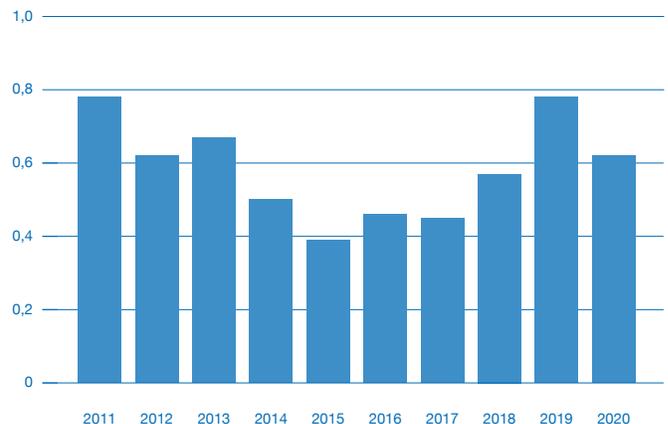


Total Recordable Injury Frequency

In 2020, there were seven incidents with recordable injuries, three fewer than in 2019. However, the fact remains that this is seven employees too many who were unfortunately injured on the job. Eliminating injuries altogether, even the most minor ones, is a priority at all times. The management team, members of the Health, Safety and Environment Committee and all our employees are working to reduce, if not eliminate, risks at their source.

Total Frequency

(number of incidents / 200,000 hours worked)





WE TAKE CARE OF OUR PEOPLE

Rollout of the pandemic procedure	A single confirmed case of COVID-19 at Alouette for the whole year	27 years with no recordable injuries in the laboratory and warehouse
Regular virtual meetings with supervisors and major partners	95% compliance with major risk procedures, measured according to protocols	Maintaining of Entreprise en santé Élite (“Healthy Enterprise – Elite”) certification (BNQ 9700-800:2008)
Promotion of National Mental Health Week	Active participation of employees in the 1,000,000 kilometer challenge of the Grand défi Pierre Lavoie	Promotion of local fruits in an adapted format by the Health and Wellbeing Committee
Elite Level certification in the new ICI on recycle + program	Representation on the regional county municipality’s residual materials management plan follow-up committee	Maintenance of standards ISO 14001:2015 and ISO 17025:2005.
Transition to ISO 45001:2018 (occupational health and safety management systems)	Over \$6.7 million invested in health, safety and environment	Installation of permanent double cloakrooms
Regional winner at the Grands Prix santé et sécurité du travail in the category of Innovation	255 employees trained in the <i>Agir entre nous pour faire la différence</i> program	

ENVIRONMENT



RESPONSIBLE MANAGEMENT

In environmental matters, Aluminerie Alouette is a leader among aluminum producers worldwide, with markedly low greenhouse gas emissions. As in previous years, standards and targets were largely met across all indicators in 2020. This was made possible by a team that is committed to minimizing our environmental footprint, by professionals who consistently monitor contaminants and by state-of-the-art technologies that are constantly improving. As part of its commitment to sustainability, the company obtained certification under the Aluminium Stewardship Initiative (ASI) Performance Standard in 2020. This independent organization is the only internationally recognized body for the certification of responsible social, environmental and governance practices in aluminum production.

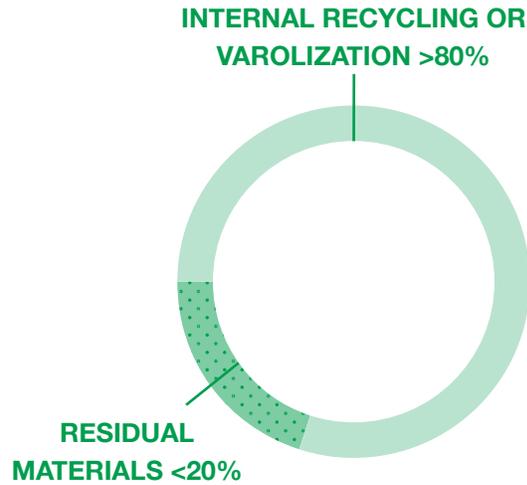
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RECYCLING AND RECLAIMING OF RESIDUAL MATERIALS AND BY-PRODUCTS

The aluminium smelter internally recycles or reclaims over 80% of the residual materials generated by its operations. This approach means that the operations sectors promote an internal circular economy. Other materials, such as wood, are reclaimed externally in partnership with various organizations. The company always strives for sound management of its residual materials, as demonstrated by its Elite level certification as part of the ICI on recycle program. Aluminerie Alouette is the first aluminum smelter in Quebec to obtain this program's highest distinction.

The recycling and reclamation rate for residual materials sent to authorized sites is 82%, excluding spent potlining, for which the rate is 81%.

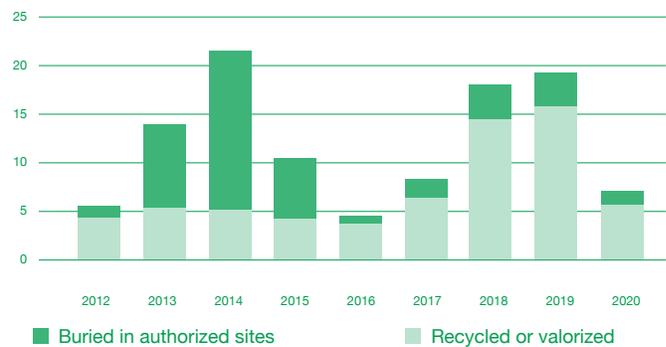


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Hazardous Materials *Excluding spent potlining
Thousands of tons



Spent Potlining
Thousands of tons



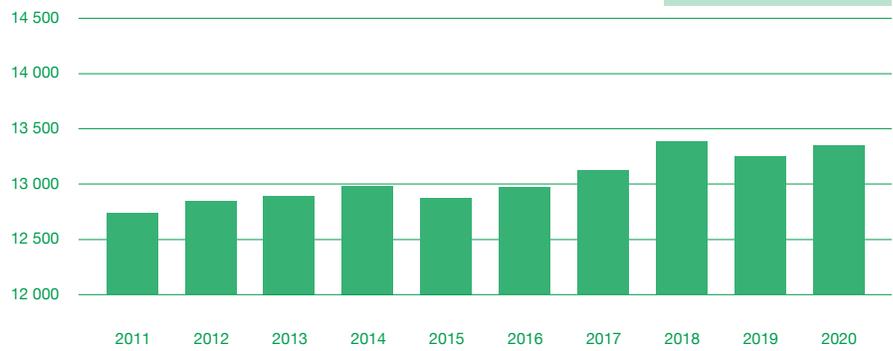
Thanks to the hard work of an engaged team, metal pieces formed following extraction from the electrolytic bath have been reinserted into the pots. In 2020, 2,079 tons were recovered in this way—a prime example of a circular economy with significant environmental and economic benefits.

Energy Consumption

Specific energy consumption in the potroom area sector was 13,348 kWh (direct current) per ton of aluminum. Extensive efforts were deployed to use energy responsibly and remain an industry leader.

Specific Energy Consumption (kWh DC/t Al)

IAI* average:
13,354 kWh/tAl



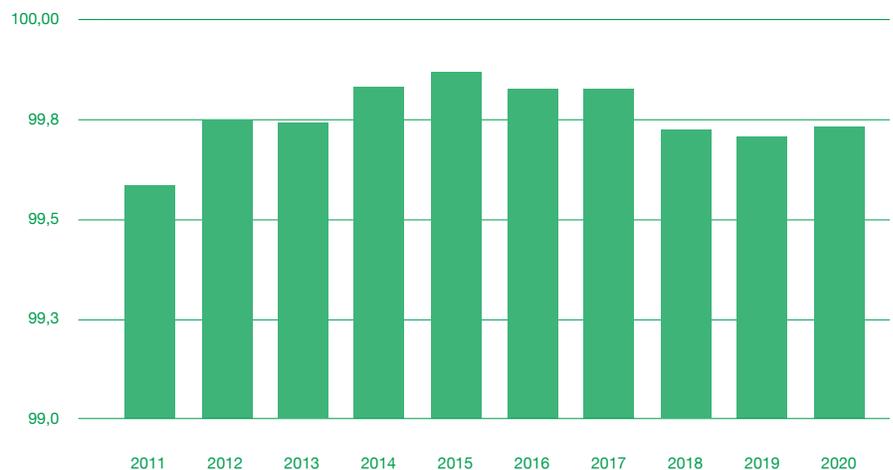
*International Aluminium Institute (IAI) 2019 (global)

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Scrubber Availability

Aluminerie Alouette operates seven scrubbers to protect the environment. There are five gas treatment centres in the potrooms and two fume treatment centres in the anode baking furnaces. In 2020, scrubber availability remained above 99.7%, including planned downtime for maintenance. This shows that the scrubbers were carefully and efficiently operated and maintained by employees.

Rate of availability (%)





For moving raw materials and aluminum, Aluminerie Alouette prioritizes maritime transport via the St. Lawrence River, our blue highway.



Environmental Incidents

In full transparency, Aluminerie Alouette provides a summary of environmental incidents that occurred on its site over the past year and were entered in the records of the Ministère de l'Environnement et de la Lutte contre les changements climatiques (Quebec Department of the Environment and the Fight Against Climate Change). No environmental incidents occurred in 2020.

AIR EMISSIONS

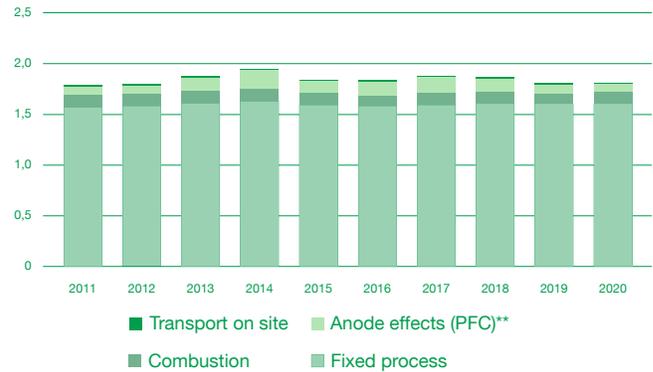
Greenhouse Gas (GHG) Emissions

Direct GHG emissions linked to the aluminum production process, fuels and anode effects* amounted to 1.81 tons of CO₂ equivalents per ton of aluminum produced (tCO₂eq/tAl). The company continues its efforts to reduce GHG emissions by implementing a variety of initiatives. Thanks to continuous improvements in process control, operational practices and alumina feed, there was a reduction in perfluorocarbons (PFCs). In addition, the proposed deployment of a natural gas project will enable Aluminerie Alouette to reduce its GHG emissions generated by anode baking fuels by about 30%. As required under Quebec’s carbon market regulation, GHG inventories are verified annually by an external firm.

GHG emissions linked to electricity consumption accounted for less than 0.01 tCO₂eq/tAl.

CO₂ Equivalent t / t Al

IAI* average: 2.29 tCO₂eq/tAl



*IAI 2015 (global life cycle data, prebake and Söderberg) and IAI 2019 (all technologies)

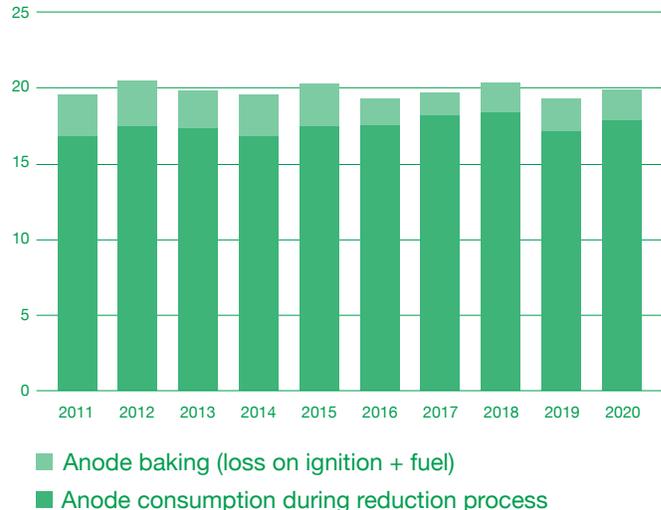
**Anode effects are operational instability phenomena that generate PFCs.

Thanks to the use of renewable energy (hydroelectricity), Aluminerie Alouette’s aluminum production continues to boast one of the lowest GHG emission intensities worldwide.

Sulphur dioxide (SO₂)

In 2020, sulphur dioxide emissions were 20.2 kg/tAl. The sulfur content in raw materials available on the market represents a major challenge for the entire industry. Through optimal practices and operational stability, emissions can be minimized at the source.

SO₂ (kg/t Al)



Total Fluorides from Reduction Process

Fluoride emissions in the smelting sector were 0.45 kgF/tAl. Thanks to employees' efforts to maintain the best operational practices and efficient scrubber management, fluoride emissions were kept well below the regulatory limit. However, the team is still mastering the AP40 technology.

Total Fluorides (kg F/t Al)

IAI* average:
0.63 kg F/tAl



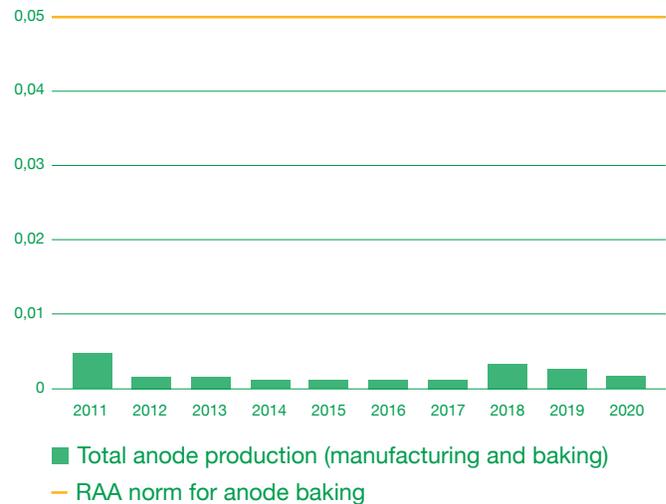
*IAI 2019 (prebaked and Söderberg)

**RAA: Règlement sur l'assainissement de l'atmosphère (The Clean Air Act)

Polycyclic aromatic hydrocarbons (PAH)

PAH emissions at the anode plant (manufacturing and baking) amounted to 0.0017 kg/t of baked anodes and are well below Quebec's regulatory limit for anode baking (0.05 kg/t of baked anodes).

PAH (kg/t baked anodes)



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Particles

Most particle emissions originate from roof vents, scrubbers and baghouses. Particle emissions were 1.15 kg/tAl. This low level may be explained by the reliability of Alouette's scrubbing equipment and the efforts devoted by the team assigned to the equipment.

Particles (kg/t Al)

IAI* average:
1.50 kg/tAl

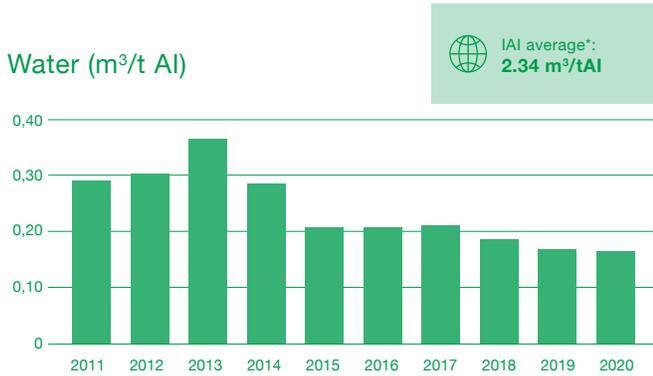


*IAI 2015 (global life cycle data, prebaked and Söderberg)

WATER

Water consumption

Aluminerie Alouette manages potable water consumption in a responsible manner. In 2020, this figure was 0.16 m³/tAl. Potable water is primarily used for consumption, sanitary purposes and cooling process. No process water was discharged into the environment. Instead, it was reused at the fume treatment centres, allowing a substantial amount of water to be saved.

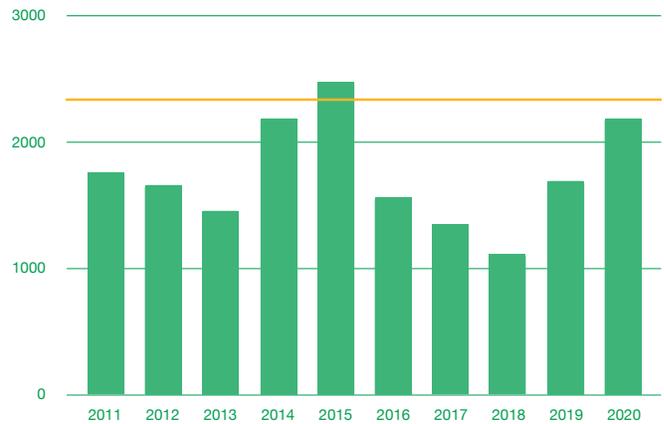


*IAI 2015 (global life cycle data, prebaked and Soderberg)

Runoff water

The storm drainage outfall, located at the place where water leaves the settling pond, gathers rainwater from the site and buildings. The water undergoes continuous sampling at the outfall. The operational strategy for the system is strictly applied. The increased results are partly caused by a higher precipitation in 2020.

Aluminium (kg/yr)



— Specific norm related to depollution attestation

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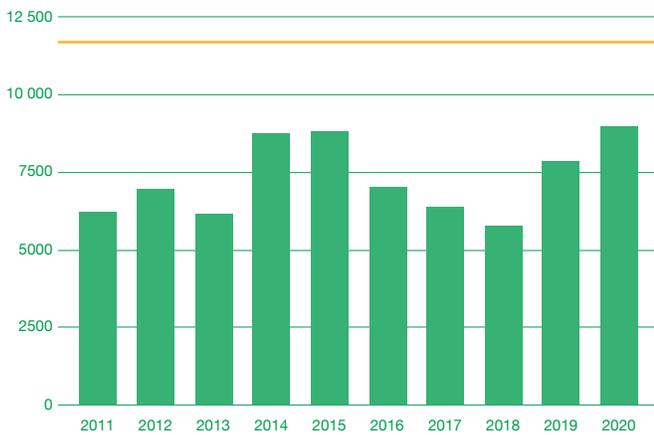


Aluminerie Alouette continued its partnership with the Northern Institute for Research in Environment and Occupational Health and Safety.



Runoff water - Fluorides

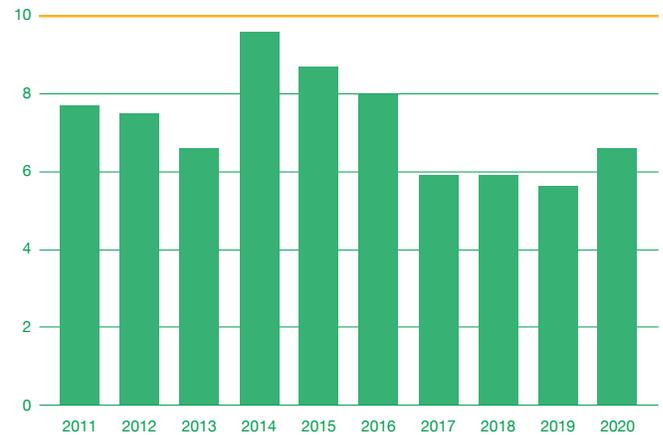
Fluorides (kg/yr)



— Specific norm related to depollution attestation

Runoff water – Suspended Particulate Matters

Suspended matter (mg/l)



— Specific norm related to depollution attestation

AMBIENT AIR

Aluminerie Alouette has four ambient air sampling stations, one of which, is in Sept-Îles. They are operated according to Environment and Climate Change Canada's National Air Pollution Surveillance Program guidelines. Measurements taken at the stations include all air emissions, with no distinction between the sources of the airborne contaminants detected (Alouette or other).

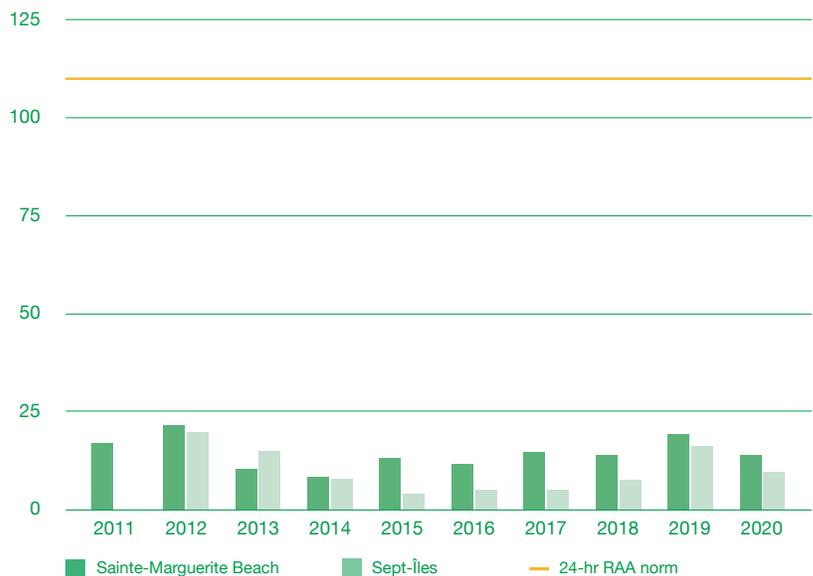
These data contribute to a better understanding of air quality in general as well as the potential impact of the company's operations. The parameters measured are chosen together with the competent authorities, taking into consideration the main air emissions generated by aluminum smelters. In 2020, the results obtained were well below the regulatory limit.

Budding vegetation is more sensitive to fluoride. Therefore, Alouette schedules maintenance of its scrubbing facilities outside of critical budding periods. This maintenance is essential for keeping the equipment in good working order, with a rate of availability and performance (fluoride and dust) surpassing 99%.

Sulphur dioxide (SO₂) in ambient air

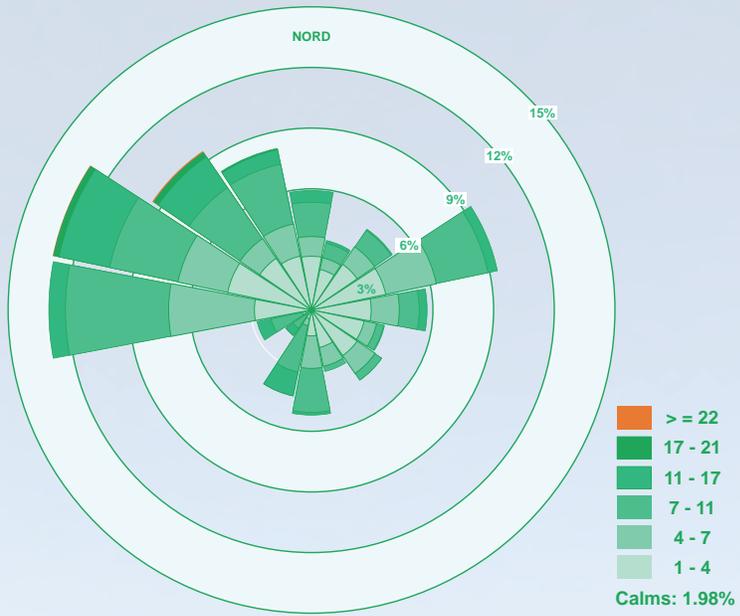
The SO₂ content in ambient air complied with the standard of 110 ppb over a 24-hour sampling time. The maximum of 400 ppb over a four-minute sampling time was never exceeded during the year.

Maximum 24 hours average (ppb)

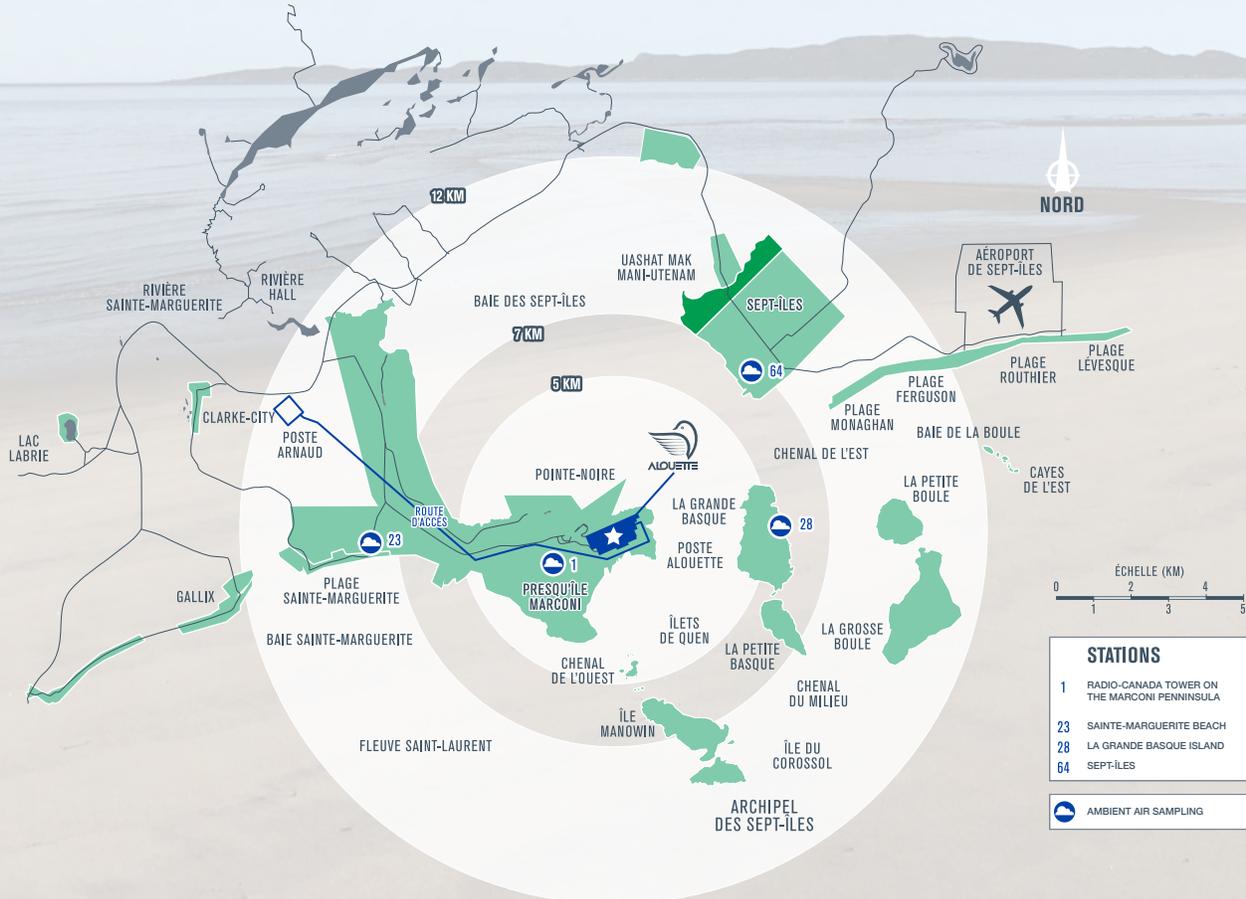


Wind Rose (Knots)

Wind speed and direction from the Pointe-Noire weather station



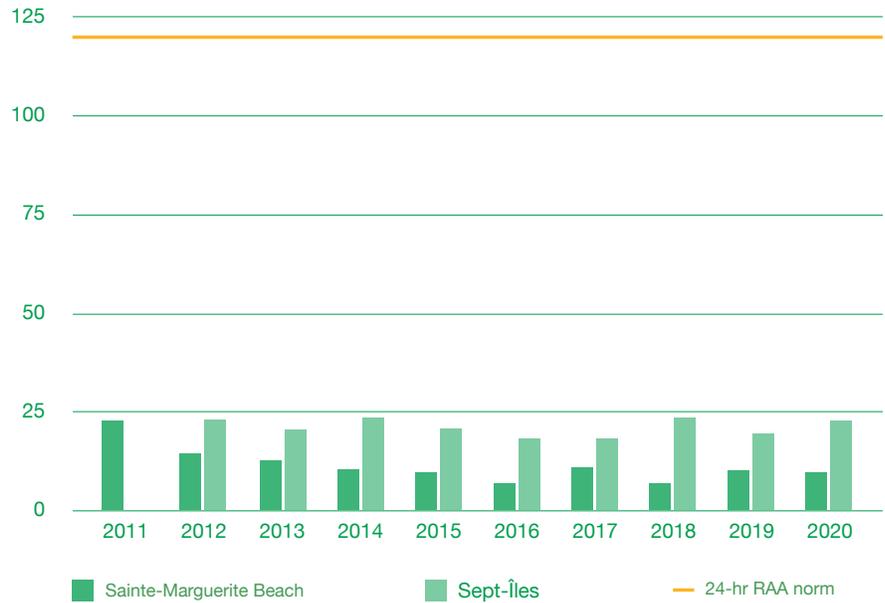
Map of ambient air sampling stations



Total particles in ambient air

The chart opposite shows the annual averages for different samplings. The 24-hour standard was never exceeded.

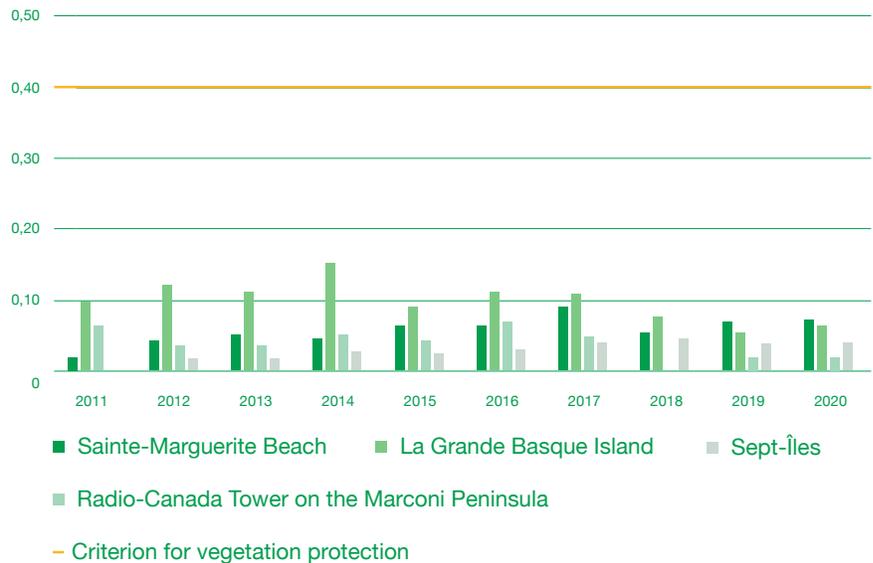
Annual Average ($\mu\text{g}/\text{m}^3$)



Gaseous fluoride in ambient air

Average gaseous fluoride (hydrogen fluoride) concentrations in ambient air remained below the vegetation protection criterion within a radius of seven Kilometres around the smelter, including Grande-Basque Island and Arnaud Avenue in Sept-Îles. Assessments of the condition of vegetation in industrial, residential and recreational areas are carried out annually. In 2019, the assessment once again showed that off-site plant life was unaffected by Alouette’s operations.

Average Concentration HF ($\mu\text{g}/\text{Nm}^3$)



*Exceptionally in 2018, data collection at the Grande-Basque Island sampling station was impossible due to a sampling equipment breakdown.

OPERATIONAL EXCELLENCE

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RECORDS AND PROJECTS

Our performance speaks for itself: 620,706 tons of metal were allocated to shareholders in 2020, despite it being a challenging year. This is a record amount! The previous record was set in 2016, with 608,964 tons. Our team worked hard to achieve this result and should be proud!

In addition, construction of a forced air system to cool the smelter's AP40 reduction cells was completed at the end of the year, enabling Alouette to increase pot amperage and maximize energy use. The project, valued at \$100 million, is the smelter's largest investment since phase 2 was carried out. It was completed within budget and before the deadline—a major feat! With the help of various technologies, new equipment and a determined team, the company was able to break numerous daily and monthly records as well as specific pot production records.

As we come up on our 30th year of operations, Alouette is counting on the expertise of its operators, mechanical technicians, electrical technicians and professionals as we continue to improve and maintain our position as a world leader in primary aluminum production. New technologies, notably those that came out of Industry 4.0, will be further integrated and mastered in the coming years.

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Allocated a record **620,706 tons of aluminum** to shareholders

Set specific per-pot per-day production **records**

Set operational stability **records**

Assembled a team to review **contingency plans** as the pandemic progressed

Resumed **construction work** for the casthouse control room

Completed the **installation** and successfully started the **forced-air cooling** system on the pots

Planned the project of recommissioning one of the transformer-rectifiers

Established and launched a major replacement plan for production vehicles

Announced the **replacement** of anode baking furnace equipment so that it runs on natural gas

Established a **new method** for reclaiming metal residue from bath tapping operation—an example of circular economy

Converted visual workstations to a virtual format

SHAREHOLDERS, COMMUNITY AND PARTNERS

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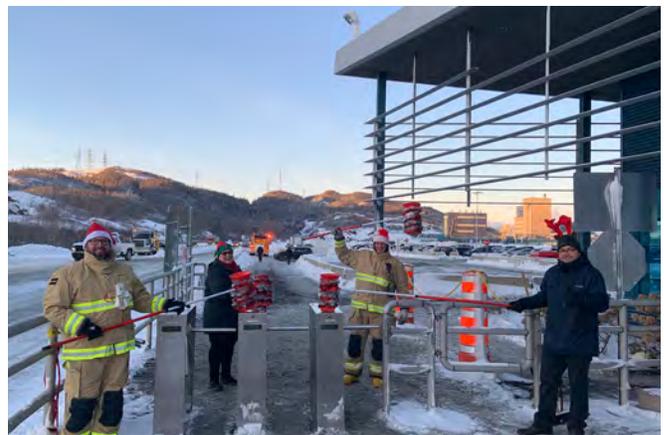
A YEAR OF DISTANCING

Historically, Aluminerie Alouette and its team have always done more than just donate to local organizations. As a company that is fully engaged in its community, we support many different local events.

The pandemic disrupted this partnership model. Nonetheless, we responded to the needs expressed by the community by donating close to half a million dollars to various community, cultural, environmental, educational, and sports organizations, primarily in the Sept-Rivières regional county municipality.

However, the public health crisis forced us to cancel summer and student visits. We compensated for this by increasing our presence on social media and sharing as much information as possible online.

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A COMPANY ENGAGED IN ITS COMMUNITY

Continuation of our substantial support for the **Maison des organismes communautaires de Sept-Îles**

\$120,332 in donations given to Opération Enfant Soleil, in collaboration with our employees

Almost **\$100,000 in donations** given to Centraide Duplessis, in collaboration with our employees

\$50,000 in additional support given to Centraide Duplessis in response to COVID-19

Increased donations to the Centre d'action bénévole de Port-Cartier, Centre d'action bénévole Le Virage, Centre d'amitié autochtone de Sept-Îles and Comptoir alimentaire de Sept-Îles in response to COVID-19

Successful food drive at the site entrance for the Comptoir alimentaire de Sept-Îles

Financial support for three projects of the L'Envert de ta cour program, together with the Corporation de protection de l'environnement de Sept-Îles

Official presenter for the mobile edition of Vieux-Quai en Fête Alouette

Continuation of the cultural development and artist grants agreement

New partnership to provide snacks to students in Uashat mak Mani-Utenam elementary schools

\$20,000 in investments to develop the innovation zone at the Cégep de Sept-Îles

Major partner of the Centre for Industrial Port Expertise

Virtual meetings held with community representatives

FINANCIAL EXCELLENCE



STAYING THE COURSE

The COVID-19 pandemic severely impacted the London Metal Exchange, where aluminum is traded. At the start of 2020, a ton of aluminum was worth about US\$1,750. Then the first wave of the pandemic caused great market instability. At its lowest point, a ton of aluminum was trading for about US\$1,420. Fortunately, the price rebounded as the year progressed and ultimately reached US\$2,000 at the start of 2021.

Experienced and resilient, the Aluminerie Alouette team handled this economic turbulence by controlling production costs.

The global geopolitical context, marked notably by the US elections and the public health crisis, affected all producers. We had very little control over this situation. Alouette got through this challenging time by focusing on continuous process improvement. We maximized the use of our resources (raw materials and energy) along with our productivity.

In good and difficult times alike, the Sept-Îles aluminum smelter ensures its sustainability by investing in its modernization and its facilities. Additionally, we confirmed at the end of 2020 that we will be converting our anode baking furnaces to run on natural gas rather than heavy fuel oil. This is a historic project for the region, as it will lead to considerable environmental and economic gains. Over time, it will reduce greenhouse gas emissions from anode baking fuels by 30%. As part of this project— which will span over 2021—the liquid gas conversion system will launch near the end of the year, and the first anode baking manifolds will be put into operation.

A MAJOR ECONOMIC PLAYER— AND A RESPONSIBLE ONE

Over **\$112 million** in purchases of goods and services from suppliers in the Sept-Rivières regional county municipality

Over **\$44 million in capital projects** to improve our facilities and equipment, keep our assets in good condition and reduce risks

Optimization projects in all sectors

Finalization of a **\$10 million** overall investment to renovate the potroom roof vents

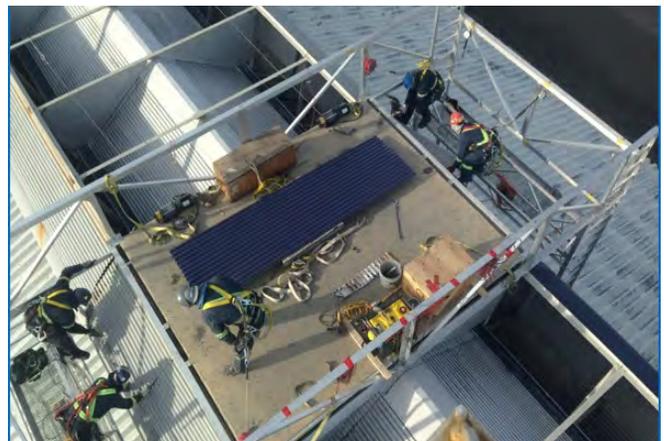
Investment of \$2.5 million to replace compressor cooling towers

Temporary electrical power **reductions** to support the Hydro-Québec network

Confirmation of a partnership with Gaz Métro LNG, a subsidiary of Énergir, to power the anode baking furnaces with natural gas

Subsidy from Transition énergétique Québec to construct the first natural gas service on the Côte-Nord

No financial penalties or fines as a result of major rulings



ALOUETTE CONSORTIUM



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AMAG
AUSTRIA METALL

20%

AMAG AUSTRIA METALL AG
AUSTRIA



Hydro

20%

HYDRO ALUMINIUM
NORWAY



IQ Investissement
Québec
FACILITER • FINANCIER • PROPULSER

6,67%

INVESTISSEMENT
QUÉBEC
CANADA



Marubeni
Métaux & Minéraux
Metals & Minerals

13,33%

MARUBENI METALS
AND MINERALS
JAPAN

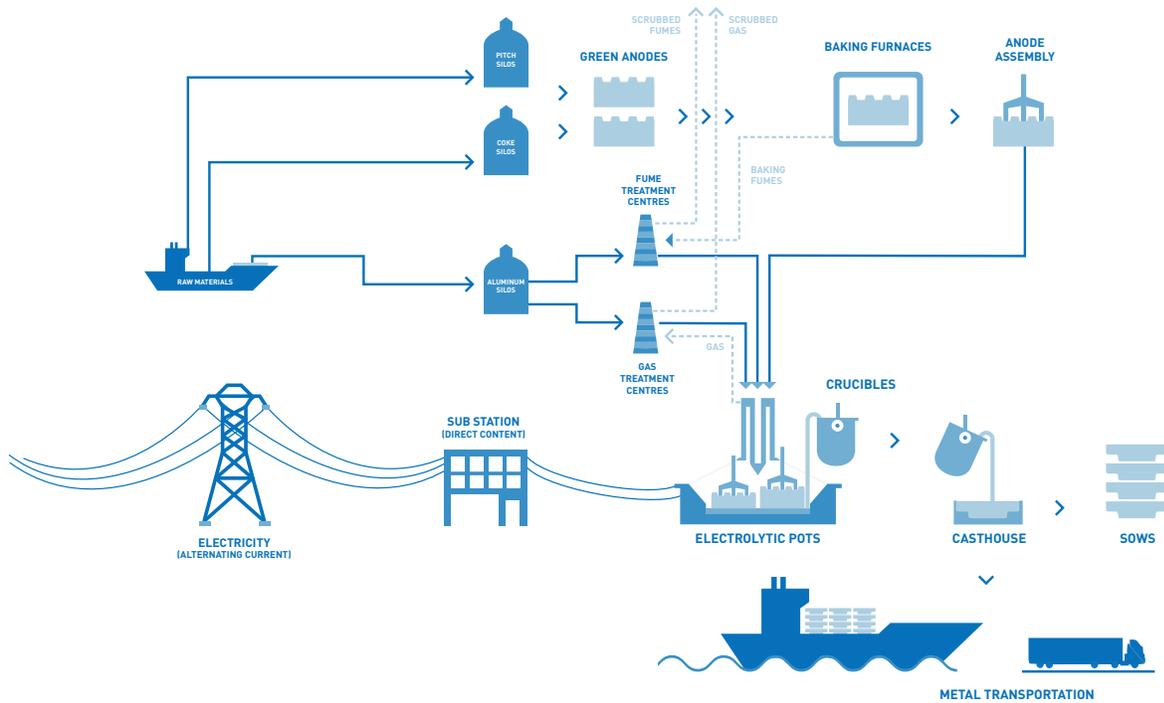


RioTinto

40%

RIO TINTO
CANADA

PRODUCTION PROCESS





EXCELLING
TOGETHER

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With regard to the photos in this report, COVID-19 protocols were followed by all parties present at the time the photos were taken.

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