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Report on the Fight Against Modern Slavery 2023

1. Introduction

This report (the “**Report**”) is produced by Aluminerie Alouette Inc. (“**Alouette**”) in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ending December 31, 2023 (the “**reporting period**”). It outlines the measures Alouette has taken during the reporting period to prevent and mitigate the risk of forced or child labour at any stage of the production of goods or their importation into Canada.

As a company committed to sustainable development, Alouette is committed to maintaining high standards of health, safety and the environment, so as to be recognized as a responsible employer and corporate citizen. With recognized leadership and rigor in its field, Alouette demonstrates a high level of integrity, proactivity and compliance that is reflected in the numerous certifications it holds. Among others, Alouette has been certified to the ASI Performance Standard since July 13, 2020, and to the ASI Chain of Custody Standard since September 1, 2022 (as described below), which recognize Alouette's production of responsible aluminum throughout its value chain.

Aluminerie Alouette complies with all applicable laws and regulations. More specifically, in connection with this report, it should be noted that Alouette employs only workers aged 18 and over, and that no coercive measures apply to foreign workers. In addition, its open and participative corporate culture encourages dialogue and the rapid resolution of any problems that may arise.

Alouette is committed to managing its operations responsibly and seeks to continually deepen its understanding of environmental, social and governance dimensions, to innovate and to improve its performance in these areas. In keeping with its values, Alouette recognizes its responsibility to respect and protect the human rights and well-being of all individuals associated with its business. Firmly rooted in its community, the company is recognized for its proactivity and exemplarity.

2. Measures Taken to Prevent and Mitigate the Risk of Forced or Child Labour

In general, Alouette has taken the following measures during the reporting period to prevent and reduce the risk of the use of forced or child labour in its operations and supply chains:

- certification to the Chain of Custody Standard, a certification program offered by the Aluminium Stewardship Initiative (“**ASI**”), which aims to support supply chains by establishing independently auditable requirements, based on criteria that include forced and child labour;
- carrying out an internal evaluation of the risks of forced and/or child labour in the organization's activities and supply chains;
- continue to develop and implement due diligence policies and processes to identify, address and prohibit the use of forced and/or child labour in the organization's operations and supply chains;
- implementation of a document management and validation process, aimed at assessing the organization's policies and procedures relating to forced labour and child labour;
- carrying out a prioritization exercise to focus due diligence efforts on significant risks of forced and child labour;
- continue to require suppliers to put in place policies and procedures to identify and prohibit the use of forced and/or child labour in their operations and supply chains; and
- requires alumina suppliers to provide ASI accreditation, or alternatively to provide a third-party report certifying that equivalent practices are being followed.

Details of these measures are provided in this Report.

3. Structure, Activities and Supply Chains

3.1 Structure

Founded in 1989, Alouette Alouette Inc. is a Quebec corporation engaged in the primary aluminum industry, with a solely operating plant site in Sept-Îles, Quebec. Alouette is the largest aluminum smelter in the Americas.

Today, Alouette consists of five international partner-shareholders: AMAG Austria Metall AG (Austria, 20%), Hydro Aluminium (Norway, 20%), Investissement Québec (Canada, 6.67%), Marubeni Métaux & Minéraux (Japan, 13.33%) and Rio Tinto (Canada, 40%) (collectively, the “**Shareholders**”).

As one of the largest private employers in Sept-Îles, Alouette employs over 900 people, all located in Canada.

3.2 Activities

Alouette operates in the aluminum industry, producing aluminum from alumina (aluminum oxide). Its operations include the production of primary aluminum. This is then marketed by Alouette's shareholders.

Alumina, the basic chemical compound needed to produce aluminum, is imported into Canada by shareholders from Australia and Brazil.

3.3 Supply Chains

Alouette receives alumina, a raw material, from its shareholders (in proportion to their shareholding), and transforms it into primary aluminum, which is redistributed to shareholders on the same pro rata basis. Although Alouette does not buy alumina or sell aluminum, it does purchase all other materials, goods and services required to operate the smelter. Its main suppliers offer a range of goods and services, including :

- hydro-electricity;
- natural gas;

- other raw materials, including pitch and petroleum coke; and
- other consumables and utilities required for operation.

Alouette is committed to working with suppliers who meet the highest Environmental, Social and Governance (“**ESG**”) criteria. To this end, its Finance and Business Development department is responsible for selecting suppliers and negotiating contracts with them, including on the basis of certain ESG criteria.

4. Due Diligence Policies and Processes

4.1 Policies

Alouette's commitment to preventing the risk of forced and child labour in its operations and supply chains is supported by a variety of due diligence policies and processes.

Alouette aims to deploy its strategic planning and actions in harmony with ESG criteria, in accordance with current legislation and recognized best practices, in order to strengthen its position as a responsible, sustainable company. To this end, it works closely with various stakeholders to understand their expectations and facilitate the achievement of common objectives. Alouette integrates responsible sourcing practices into its due diligence policies and practices.

(a) Social Responsibility Policy

In addition to respecting human rights and applicable laws, Alouette aims to contribute to the well-being of its community and employees. Alouette's Social Responsibility Policy is a collective commitment that applies to all its employees and partners. The Social Responsibility Policy sets out Alouette's commitments to, among other things, respect and support human rights, not tolerate discrimination or any other human rights violations in its operations and supply chains, not tolerate or support any form of modern slavery, such as forced labour and child labour, in its operations and supply chains, not contribute to forced labour, either directly or through placement or recruitment agencies or by subcontracting, and issue an annual report under the Act.

This policy is publicly accessible on the Alouette [website](#).

(b) *Code of Ethics and Business Conduct*

Alouette's Code of Ethics and Business Conduct (the “**Code**”) is designed to guide all employees and partners (including shareholders, consultants, and suppliers of goods and services) in ethical practices. Training on the Code is provided to each employee upon hiring. The Code is available on Alouette's intranet and website, and forms an integral part of supplier contracts in the form of a reference incorporated into contracts or purchase orders. The Code stipulates that Alouette is committed to maintaining a fair, healthy, safe and discrimination-free work environment. The Code provides that Alouette reserves the right to validate compliance with the Code through audits, which include the review of procedures and training programs. It also includes information on how to access a whistleblowing hotline, a tool that encourages anyone to report non-compliance with the Code to an independent third party.

This code is publicly accessible on the Alouette [website](#).

(c) *Partner Code of Conduct*

The Partner Code of Conduct (the “**Partner Code**”) defines Alouette's expectations of its suppliers, subcontractors, consultants, agents and other partner organizations. In particular, the Partner Code sets out an expectation that each partner will provide fair compensation and acceptable working conditions, including acceptable working hours in accordance with applicable laws and regulations. In addition, the Partner Code states that Alouette expects its partners to ensure that all work is freely chosen, without recourse to forced or compulsory labour, that their employees are of local legal working age and prohibit the use of illegal child labour, and that employees can legally and peacefully form or join the unions of their choice and bargain collectively. The Partner Code is available on Alouette's intranet and website, and also forms an integral part of supplier contracts in the form of a reference incorporated into contracts or purchase orders.

The Partner Code is publicly accessible on the Alouette [website](#).

(d) *Internal and External Communications*

Alouette has adopted a procedure for internal and external communications, which describes the various methods and tools used to communicate both internally and externally. This procedure also includes details on how to address questions and/or concerns to the organization, as well as details relating to the whistleblowing line, a tool enabling anyone wishing to report, anonymously to a specialized third party, observed breaches of the Code or the Partners' Code, among others.

The tip line itself is publicly accessible via the Alouette [website](#).

(e) *Employment Policies and Procedures*

Since its inception, Alouette has adopted numerous internal policies, including the Employee Relations Policy, the Health and Safety Management Manual and the Employee Manual, which help it maintain its commitment to ensuring a safe working environment for its employees, providing and maintaining a workplace where everyone is treated with respect and civility, and fair and equitable compensation for all.

4.2 **Due Diligence Process**

(a) *Procedure for Managing the Purchase of Goods and Services*

During the reporting period, Alouette continued to apply a detailed procedure for managing the purchase of goods and services, which is designed to govern the pre-qualification, qualification, evaluation and re-evaluation of suppliers doing business with the organization. The relevant elements of this procedure are summarized below.

The procurement team gathers information on a potential supplier to determine the willingness to provide a good or service that meets Alouette's requirements. Once qualified, a supplier is eligible to obtain contracts or purchase orders for goods and/or services from Alouette. Alouette also conducts a performance evaluation of targeted suppliers, which is designed to measure a supplier's performance on a number of scales, including health and safety. To this end, a representative of Alouette's procurement team

or a person authorized to initiate an audit completes an evaluation grid that assesses certain risk categories, including subcontractor labour disputes and data confidentiality. A system is also in place to enable the procurement team to better track cases of non-compliance raised by suppliers. For certain major service providers, a supplier report card may be produced by Alouette to assess services rendered on an annual basis. In addition, Alouette undertakes to initiate a re-evaluation of critical suppliers meeting certain predetermined criteria, at most every five years, and as required for any other regular supplier.

(b) *Employment Practices and Committees*

Alouette is committed to respecting the human rights of its employees by complying with local laws and regulations regarding human rights and employee rights, including through business policies and practices. Alouette is committed to integrating responsible practices into its hiring processes.

More specifically, Alouette undertakes to conduct an annual salary review to ensure fair and equitable compensation for its employees. In addition, Alouette has set up a number of advisory committees made up of employees and managers to contribute to efforts in the areas of work climate, health and wellness, and health and safety. These committees provide a forum for employees to raise concerns about their work environment.

(c) *Whistleblower Line*

As described above, the Whistleblower Line is a tool enabling anyone to anonymously report to an independent and specialized third party any breaches of the governance principles set out in the Code or the Partners' Code, among others, including situations involving the use of forced labour or child labour. Any concerns can be reported via the online tool or a toll-free telephone number.

(d) *Certifications*

Alouette is certified ASI - Performance, ASI - Chain of Custody, ISO 9001 | Quality, ISO 14 001 | Environment, ISO 45 001 | Occupational Health and Safety, Analytical

Laboratory Accreditation Program (PALA), based on international standard ISO/IEC 17025, CAN/BNQ 9700-800 | Health and Wellness in the Workplace (Enterprise en santé - Élite) and ICI on recycle + | Residual Materials Management.

5. Risks of Forced Labour and Child Labour in Operations and Supply Chains

5.1 Activities

Given that its workforce consists mainly of employees involved in aluminum production in Quebec, that all of its employees are located in Quebec, that it has adopted robust labour law and human rights practices, and that it is an ASI-certified entity, Alouette considers the risk of using forced and child labour in its direct operations to be relatively low. In addition, the organization's governance is supported by numerous human resources policies designed to ensure compliance with the laws applicable in Quebec.

5.2 Supply Chains

During the reporting period, Alouette began the process of making a preliminary assessment of the risks of forced and child labour in its supply chains, including classifying certain suppliers according to high-risk locations and sectors.

Alouette acquires products and services from a variety of suppliers, both national and international, but their origin presents a low risk in terms of the use of forced or child labour.

6. Measures to Assess and Manage Risks of Forced Labour and Child Labour in Activities and Supply Chains

6.1 Activities

Alouette's hiring process requires that all new employees have a valid work permit and be at least 18 years of age. In addition to complying with all employment and labour laws and regulations, Alouette is committed to conducting an annual salary review to ensure fair and equitable compensation for its employees.

6.2 Supply Chains

Although Alouette has not completed a comprehensive assessment of the risks of forced and child labour in its supply chains, it has initiated a risk assessment, starting with mapping activities. This mapping process has enabled us to begin our assessment of certain risks of forced and child labour that may exist in our supply chains due to the jurisdictions and/or industries of certain suppliers.

At the same time, during the reporting period Alouette continued to identify opportunities to strengthen its human rights due diligence practices when assessing its suppliers and partners.

(a) Contractual Measures

Alouette aims to ensure that a purchase order or contract is drawn up with each of its direct suppliers. Contracts entered into with direct suppliers in the normal course of business incorporate by reference a link to the Partner Code, which includes a requirement that suppliers ensure that they do not use forced or child labour, and that they actively promote the same expectations with their own suppliers.

(b) ASI Certifications (Performance Standard and Chain of Custody Standard)

As stipulated in its ASI Chain of Custody Management Procedure (ASI-CoC), Alouette is committed to meeting chain of custody requirements for ASI-CoC certified materials, including alumina for aluminum production, its identification and allocation to shareholders.

The ASI Performance Standard sets out certain principles and criteria for sustainable development in the aluminum value chain.

During the reporting period, Alouette obtained a renewal of its certification, as well as a transition to the ASI-Performance V3-2022 standard, following an audit by the *Bureau de normalisation du Québec*, an independent external organization. Among other things, this audit evaluates compliance with several criteria, including legal compliance, responsible

sourcing, and measures relating to forced labour and child labour. The results of the audit for the reporting period demonstrate the effective use of policies and tools to counter child and forced labour in its alumina operations or supply chains, and that Alouette implements good human resources practices.

In addition, Alouette aims to ensure that all its alumina suppliers are accredited by the ASI, failing which Alouette undertakes to request a third-party report on a non-accredited supplier, for example, through a governance report.

Under its ASI Chain of Custody Management Procedure, Alouette produces a report on an annual basis to review the quantity of alumina received, the portion of alumina meeting ASI-CoC requirements, the quantity of metal produced, and the proportions of metal designated ASI-CoC. These data are stored and reviewed in accordance with a management system.

7. Remedial Measures

Having identified no cases of forced labour or child labour in its operations or supply chains, Alouette has not had to take any measures to remedy forced labour or child labour or to remedy any loss of income suffered by vulnerable families as a result of measures taken to eliminate the use of forced labour or child labour in its operations or supply chain.

Alouette invites anyone who witnesses breaches of the governance principles set out in the Code or in the Partner Code to report the matter, either directly or through the above-mentioned whistleblower line.

8. Training

Alouette did not offer any formal training to its employees on forced labour or child labour during the reporting period. However, since the beginning of 2024, as part of the integration process for new employees, the human resources department has offered mandatory training on certain notions of modern slavery, including forced labour and child labour. In addition, presentations on these concepts were also given at team meetings held in May 2024.

In addition, all new employees receive mandatory training on the Code when they are hired, and Alouette asks its partners to take on-line training on the same subject. This mandatory training does not directly address the notions of forced or child labour, but confirms Alouette's commitment to ensuring that everyone working on behalf of the organization maintains high standards of health, safety and the environment, as well as respect and equality in employment.

9. Efficiency Assessment

During the reporting period, an independent organization, the *Bureau de normalisation du Québec*, conducted a review of Alouette's activities, processes and policies. This independent assessment identified that Alouette implements good human resources practices.

In addition, Alouette has a whistleblowing line accessible to anyone who wishes to report suspected or proven ethical violations (including situations of modern slavery). Reports submitted via the whistleblowing line are reviewed quarterly by the Shareholders' Committee.

10. Conclusion

As more fully described in this Report, Alouette complies with applicable laws and regulations, and considers environmental, social and governance dimensions, including issues relating to forced labour and child labour, as priorities to enable it to seize new opportunities and meet challenges responsibly and ethically.

11. Approval and Certification

The Board of Directors, through the President and Chief Executive Officer of Aluminerie Alouette Inc. approves this Report in accordance with subparagraph 11(4)(a) of the Act.¹

2024-05-31

¹ The official , signed version of this document is French, available on [Aluminerie Alouette's website](#).