



KAISER
ALUMINUM

CORPORATE
**Task Force on
Climate-Related
Financial Disclosures
Report**

2021

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Task Force on Climate-Related
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Task Force on Climate-Related Financial Disclosures Kaiser Aluminum Corporation

At Kaiser Aluminum Corporation (“Kaiser Aluminum”), we recognize that long-term excellence requires sustainable business practices and strong stakeholder governance. Our long-standing corporate values reflect a shared commitment to environmental, social and governance (“ESG”) principles and all of our stakeholders as we continue to strive to be a preferred investment, preferred supplier, preferred employer, preferred customer and a valued corporate citizen.

As part of our commitment to continually enhance our ESG disclosures, we prepared this report following the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”). We expect the work done to implement this reporting framework to serve as a foundation for our future work as we continue to expand the disclosure of our ESG initiatives and measurements incorporated into our long-term strategy.



Governance

Describe the organization's governance around climate-related risks and opportunities

A) DESCRIBE THE BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our board of directors is committed to overseeing our continuing commitment to the integration of ESG principles throughout our entire enterprise. As part of this commitment, our board is updated at least quarterly on material changes or developments related to our climate-related risks and opportunities. In addition, at least one full board meeting each year is focused on enterprise risk management ("ERM"), which reflects our approach to monitoring and mitigating enterprise risks, including our approach to our ESG engagement, environmental matters, compliance, and climate-related risks.

While our board provides oversight of ESG matters affecting the company, the board's ESG Committee provides more direct oversight and engages with our executives and senior managers in regard to our ESG programs, initiatives and objectives, including, but not limited to, environmental sustainability, climate-related risks and opportunities, health and safety, employee development and training programs, corporate social responsibility and diversity, equity, inclusion and belonging. As part of that process and the oversight provided, the ESG Committee meets at least quarterly with our executives and senior managers to review and discuss (i) our ESG strategies and initiatives, including internal and external metrics and goals with respect to greenhouse gas ("GHG") emissions and other related ESG metrics, (ii) our ESG performance, (iii) our ESG-related risks and opportunities, including any specific climate related risks and opportunities, and (iv) emerging trends and stakeholder engagement and expectations regarding ESG topics.

In addition, our board's Audit Committee meets at least quarterly to review our financial statements and is responsible for discussing the company's risk management policies as well as our environmental accruals and the underlying issues and factors driving those accruals.

Finally, our executive leadership team updates our board and its committees throughout the year on the execution of our initiatives and strategies, including our ESG strategies. With our overlapping board committee memberships, executive sessions following each of our regular board meetings and the committee reports from each of the committee chairs during those executive sessions, our board, each of its committees and all of our board and committee members have the opportunity and ability to routinely discuss ESG matters and the company's related strategies and execution of those strategies.



B) DESCRIBE MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our executive leadership team oversees the execution of our environmental initiatives and strategies. These responsibilities include guiding our sustainability and climate change assessments, setting objectives, and defining and monitoring resilience strategies and mitigation plans. Our executive leadership team also reviews our ESG disclosure strategies, which incorporate leading standards from the Sustainability Accounting Standards Board and TCFD. Our ESG Task Force, a cross-functional team that includes our Chief Executive Officer, Chief Administrative Officer and General Counsel, and Chief Financial Officer in addition to members of our environmental, operational, advanced engineering, legal and investor relations teams, identifies, implements and monitors our climate-related risks, strategy development and execution of our strategies.

Our executive leadership team reports regularly to our board and the ESG Committee on climate-related topics. In addition, our board and the ESG Committee regularly review our key initiatives and strategies and are provided an update at least quarterly on material changes or developments.

GHG emissions and other environmental data are collected at each of our facilities and reviewed and evaluated on an individual and consolidated basis. Based on the data compiled, each of our facilities develop efficiency and energy reduction strategies that include investments in equipment and changes to products, processes, and capabilities. Collecting, reviewing and evaluating our GHG and environmental data and opportunities facilitate our ability to make more informed decisions regarding the prioritization of different initiatives in the context of our overall strategy. Our ESG Task



Force further facilitates sustainability initiatives, reviews and analyzes performance against metrics and targets, and coordinates stakeholder engagement.

We also review the manufacturing efficiency of all of our facilities and capital investment projects, where applicable. Our focus on the efficiency of our facilities and investments that continue to improve our efficiency help us to minimize our impact on the environment by reducing waste and our GHG emissions intensity.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

A) DESCRIBE THE CLIMATE-RELATED RISKS AND OPPORTUNITIES THE ORGANIZATION HAS IDENTIFIED OVER THE SHORT, MEDIUM, AND LONG TERM

Consistent with TCFD recommendations, we performed a climate risk assessment to review and identify any substantive climate-related risks and opportunities. Assessment periods related to climate risk are considered short-term when less than one year, medium-term when one to five years and long-term when more than five years and up to 15 years. Where data is available, we expanded the assessment beyond 15 years. Using this process, we have identified risks and opportunities that could have a material financial impact on the company through a forward-looking climate scenario analysis and incorporated these inputs into our overall ERM system.

Table 1: Climate-related Risks Identified by Kaiser

RISK	CATEGORY	FINANCIAL IMPACT	TIME HORIZON	STRATEGIC RESPONSE	PRACTICAL MANAGEMENT MEASURES	METRICS
Introduction of carbon price or tax	Transition risk: policy changes and market	<p>a) Increased compliance costs linked to cost for GHG emissions from our manufacturing plants.</p> <p>We anticipate regulatory changes aimed at limiting or reducing GHG emissions. These reforms could potentially influence the company's operations, with higher fossil fuel prices, limiting industrial emissions levels to certain approved thresholds, taxes on GHG emissions, and higher administrative monitoring and reporting costs.</p> <p>b) Potential price increases in energy and raw materials (primary aluminum)</p>	Medium to long term	<p>We have a project underway to change the sourcing of electricity at our Newburgh, Indiana facility ("Warrick") from a coal-fired power plant to a utility with a cleaner energy grid factor and access to renewable clean energy.</p> <p>All of our operations will continue to make internal efficiency improvements while monitoring their local utilities to provide a cleaner source of reliable electricity, specifically to reduce our Scope 2 emissions.</p> <p>We engage with all stakeholders, including environmental groups, state and local government agencies, and industry and business peers to enhance our mutual understanding of opportunities, issues, concerns and challenges.</p>	<p>a) A key part of our strategy to reduce our Scope 1 and 2 emissions intensity by at least 30% by 2030 is our project to improve and update our Warrick facility's infrastructure to enable it to source electricity from a utility with a cleaner energy grid factor and access to renewable clean energy.</p> <p>b) We plan to source primary aluminum for our Warrick facility from cleaner sources instead of the adjacent smelter which also sources its electricity from a coal-fired power plant to reduce our estimated Scope 3 emissions.</p> <p>c) We plan to increase use of recycled scrap aluminum, where possible, to reduce our estimated Scope 3 emissions (through the purchase of less primary aluminum as a percentage of all aluminum purchased), subject to the availability and suitability of the materials.</p>	<p>Scope 1 and 2 and estimated Scope 3 GHG emissions intensity</p> <p>Energy consumption</p> <p>Energy intensity per packed metric ton of product</p>

Table 1 (Continued): Climate-related Risks Identified by Kaiser

RISK	CATEGORY	FINANCIAL IMPACT	TIME HORIZON	STRATEGIC RESPONSE	PRACTICAL MANAGEMENT MEASURES	METRICS
Costs to transition to low-emission technology	Transition risk: technology	Capital investments to transition to future low-emission technology. R&D cost of adopting process technologies	Medium to long term	Identify economically feasible low-emission transition technologies as they become available.	We continue to monitor and review technological advances to identify low-emission transition technologies as they are developed and become economically feasible. Where applicable, our capital expenditures ("CAPEX") takes into consideration the impact on our manufacturing efficiencies. Increasing manufacturing efficiency will in turn reduce our GHG emissions intensity.	CAPEX of efficiency projects
Wind damage linked to increased frequency and severity of weather events (storms, hurricanes, tornadoes)	Physical risks: acute	Our insurance program mitigates risks caused by wind damage from storms and tornadoes in the Midwest. While only one of our facilities, our facility in Florence, Alabama, is close enough to the Gulf Coast to be potentially impacted by hurricanes, it is inland and we believe all of our facilities are reasonably resilient to ordinary climate and weather events.	Long term	Identify potential locations at risk and mitigate impacts by capital or management actions (loss prevention investments), insurance coverage and emergency planning. Apply the same analysis to key suppliers.	Our insurance broker provides expected loss information specific to each of our sites from an industry provider. Similar information can be requested from suppliers.	Average annual loss value specific to each of our sites Diversification of supply chain
Sea level rise and floods	Physical risks: chronic	No potential impacts were identified given the location of our manufacturing sites. While there might be potential supply chain impacts, our initial focus is on the impacts on our own operations.	Long term	As part of scenario analysis, our third party risk management consultant carried out a preliminary site-by-site analysis of flood risks linked to sea level rise. No significant issues have been identified.	Management reviews scenario analysis provided by third party consultant and risk assessment consultant and expected loss information specific to our sites sourced from an industry provider.	Results of scenario analysis
Increased temperatures and a linked decrease in water availability	Physical risk: chronic	Moderately increased costs linked to increased cooling activity; While only three of our smaller facilities are in high stress water regions and none of those facilities are material users of water, increased water cost or lost income due to temporary operation disruptions or stoppage. While there might be potential supply chain impacts, our initial focus is on the impact on our own operations.	Medium to long term	Continue to identify opportunities to improve facility climate control. Monitor water resources and the risk of higher cost water and continue to reduce water usage.	Continued initiatives to increase water usage efficiency. CAPEX dedicated to continue to improve certain affected facilities' climate control.	Total water withdrawal Water usage intensity Water withdrawn in high stress regions

Table 2 Climate-related Opportunities Identified by Kaiser

OPPORTUNITIES	CATEGORY	FINANCIAL IMPACT	TIME HORIZON	STRATEGIC RESPONSE	METRICS
Use of low-carbon aluminum smelting by primary aluminum suppliers	Manufacturing (supply chain)	Decrease costs from potential GHG taxes applicable to Scope 3 emissions	Medium to long term	Progress has been made in recent years towards commercializing inert anodes, which, unlike conventional carbon anodes used in aluminum smelting, do not degrade and do not release CO ₂ as process emissions. While we do not operate any smelters, this is a technology that our suppliers may use to reduce their GHG emissions, and, in turn, our Scope 3 emissions.	Estimated Scope 3 GHG emissions intensity
Increased resource efficiency and reduction of carbon intensity	Raw Materials	Decrease costs from potential GHG taxes applicable to Scope 3 emissions	Short to long term	We plan to diversify the sourcing of primary aluminum for our facilities, including our Warrick facility from sources with lower carbon prime to reduce our estimated Scope 3 emissions.	Estimated Scope 3 GHG emissions intensity
Increased resource efficiency and reduction of carbon intensity	Manufacturing	Decrease costs from potential GHG taxes applicable to Scope 2 emissions	Short to long term	We have a project to improve and update our Warrick facility's infrastructure to enable it to source electricity from a utility with a cleaner energy grid factor and access to renewable clean energy.	Scope 2 GHG emissions intensity
Increased resource efficiency	Energy and water efficiency	Reduced operating costs from reduced natural gas, electricity, and water costs	Medium to long term	In our operations, our sustainability strategy seeks to decouple our growth from its impact on the environment, while increasing the efficiency and resiliency of our operations. Continuing to identify innovative ways to run our operations, using fewer natural resources, procuring renewable energy, lowering emissions, and reducing waste, among other efforts, reduces our environmental impact.	Savings in natural gas, electricity and water per year CAPEX invested in efficiency projects/year
Increased resource efficiency and reduction of carbon intensity	Raw Materials	Reduction of overall emissions from increased use of recycled aluminum to produce secondary aluminum, which typically requires less than 10% of the energy required to produce primary aluminum Reduced operating costs from increased use of recycled aluminum and savings in raw materials costs	Short to medium term	Aluminum recycling is the process by which (pre- or post-consumer) scrap aluminum can be reused by the process of re-melting the metal, which is far less energy-intensive than producing new aluminum through the mining of bauxite, refining of alumina and electrolysis of aluminum oxide.	Usage rate of recycled content Reduction of purchase of primary aluminum as a percentage of all aluminum purchases Cost savings in aluminum purchases and recycled scrap content for each type of products

Table 2 (Continued) Climate-related Opportunities Identified by Kaiser

OPPORTUNITIES	CATEGORY	FINANCIAL IMPACT	TIME HORIZON	STRATEGIC RESPONSE	METRICS
Product Sustainability	Manufacturing	Higher conversion revenue from increasing demand for our products	Short to long term	<p>The inherent properties of aluminum also make it an ideal solution for the automotive and aerospace industry to achieve light-weighting while improving performance and meeting safety targets. Life cycle analysis for our end products indicates that the use of aluminum reduces the amount of GHG created during the product life. This reduction in GHG is an offset to the GHG created during the production process, further lowering our net GHG contribution.</p> <p>Aluminum is also the material of choice for the food and beverage packaging industry because of its infinite recyclability.</p> <p>Our engineers, metallurgists, and sales personnel work collaboratively with our customers to design products with light-weighting properties and the capability to be recycled back into the same packaging product post-consumer.</p>	Shipment and conversion revenues
Sustainability	Manufacturing	Reduced input material costs	Short to medium term	<p>Due to the life cycle benefits of aluminum products there is a projected significant growth in the aluminum product markets. To offset the GHG emissions created by primary production it is critical to increase the amount of post-industrial and post-consumer recycled aluminum captured and consumed in the aluminum value stream.</p> <p>Optimize our use of recycled scrap aluminum, which reduces the carbon footprint of our products and is currently more cost effective in our manufacturing process.</p>	Total amount of recycled scrap aluminum available in the market and the percentage of recycled aluminum consumed

B) DESCRIBE THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES IN THE ORGANIZATION'S BUSINESS, STRATEGY AND FINANCIAL PLANNING

As we move forward with our assessment of our climate-related risks and opportunities in our business, strategy and financial planning, one of our objectives is to ensure that we are developing a credible, measurable and realistic transition plan based on energy management, available technology, product quality and sustainability, and resource and supply chain management.

Energy Management and Associated Scope 1 and 2 Emissions

Manufacturing efficiency, including energy efficiency, is a key consideration for many of our investments and capital projects. One of our goals is to continue to reduce our energy consumption and reduce the energy intensity and carbon footprint of our products by investing in and improving our manufacturing efficiency, promoting the efficient use of energy and material resources and reducing our total Scope 1 and Scope 2 emissions intensity.

Energy management is one of our strategic responses to continue to improve the resilience of our operations in a carbon-constrained environment. We can reduce our direct and indirect emissions through improvements in overall energy consumption by continuing to further improve our energy efficiency, monitoring the development of future technology which we would expect to reduce our Scope 1 emissions, purchasing power from cleaner energy sources that we expect to reduce our Scope 2 emissions and supporting legislation that increases the availability of reliable renewable energy. In addition to reducing the carbon intensity of our products, we expect these efforts to also mitigate the risk of our exposure to the risk of increased carbon costs linked to carbon pricing.

Historically, we have continuously improved our energy efficiency through a wide range of investments, including:

- Our state-of-the-art, highly efficient casting complex at our Trentwood rolling mill in Spokane, Washington which primarily produces sheet and plate for aerospace and general engineering applications.
- The implementation of a multi-year modernization project at our Trentwood rolling mill which included the conversion of our vertical heat treat process to the more energy efficient horizontal heat treat process.
- The implementation of other energy focused investments, including our state-of-the-art rod and bar extrusion facility in Kalamazoo, Michigan which enables us to optimize the use of recycled aluminum, including post-consumer painted scrap.
- Our continued replacement of less efficient equipment with more efficient equipment.
- LED lighting upgrades at our facilities to increase safety, luminosity and use life while reducing energy costs.
- Operational execution focused on improving overall equipment performance and the reduction of internal scrap.



In 2021, we launched a clear and measurable set of GHG emissions intensity reduction goals to::

- Reduce combined Scope 1 and 2 emissions intensity by 20% compared to 2019 levels by 2030
- Reduce estimated Scope 3 emissions intensity by more than 35% compared to 2019 levels by 2030
- Reduce overall Scope 1, 2, and 3 estimated emissions intensity by more than 30% compared to 2019 levels by 2030

Our aluminum rolling mills, which are our two largest facilities, account for the majority of our emissions. Our Scope 1 emissions result from the use of natural gas on site for processes such as melting recycled and primary aluminum. Our Scope 2 emissions result from the electricity supplied to and consumed by our facilities. While access to cleaner energy and energy efficiency improvements will continue to provide reductions in our Scope 2 emissions and we expect our increasing use of recycled aluminum to substantially reduce our estimated Scope 3 emissions associated with our purchase of primary aluminum because melting recycled aluminum produce less than 10% of the

GHG associated with the production of primary aluminum, in order to make longer-term substantial changes in our Scope 1 emissions and offset higher Scope 1 emissions as our use of recycled scrap aluminum continues to increase, new technology that is affordable and commercially deployable will need to be developed to facilitate our ability to melt recycled and primary aluminum without using natural gas.

Our Warrick facility, which we acquired on March 31, 2021, is our largest facility and the largest contributor to our Scope 1 and 2 emissions and our estimated Scope 3 emissions. A key part of our strategy to achieve our Scope 1 and 2 emissions intensity reduction goal is our investment to improve and update our Warrick facility's infrastructure to enable it to switch its power source solely from a coal fired power plant to sources of electricity with a cleaner energy grid factor and access to renewable clean energy.

As noted, our Warrick facility currently sources electricity from an adjacent coal-fired power plant and does not have the infrastructure to source electricity from an alternate source. As part of our acquisition of our Warrick facility, we committed to work with the seller of our Warrick facility and the owner of the adjacent coal-fired power plant to invest in the infrastructure necessary to facilitate access to alternative and cleaner sources of electricity. Once our Warrick facility is enabled to source from a cleaner source of electricity, we expect our total Scope 1 and 2 GHG emissions and our total Scope 1 and 2 emissions intensity to improve as reflected in our total company Scope 1 and 2 GHG emissions intensity reduction goals. In addition, all of our operations will continue to make internal efficiency improvements while monitoring efforts by their local utilities to provide cleaner reliable electricity, that will reduce our Scope 2 emissions and Scope 2 emissions intensity.



Product Quality and Sustainability

Our engineers, metallurgists, and sales personnel work collaboratively with our customers to help them design products for challenging applications where product performance is critical. Our enterprise-wide Kaiser Production System (“KPS”), a unique and integrated application of the tools of Lean Manufacturing, Six Sigma and Total Productive Manufacturing, underpins our continuous effort to advance sustainability and reduce waste through the value stream while advancing superior customer service through the consistent, on-time delivery of superior quality products. Our products also improve the fuel efficiency of our customers’ products by light-weighting in applications such as aircraft and other forms of transportation. Life cycle analysis of our end products indicates that the use of aluminum reduces the amount of GHG created during the product life. This reduction in GHG is an offset to the GHG created during the production process, further lowering our net GHG contribution.

The aerospace and automotive industries remain focused on producing aircraft and automobiles that deliver greater fuel efficiency and reduced GHG emissions while eliminating waste and advancing the sustainability of the value stream. The opportunity to capture and recycle material in a closed loop partnership process reduces the need for primary aluminum, eliminates waste and enhances the process of reducing our overall carbon footprint through lower energy utilization.

As an example, for the past eight years, we have partnered with Boeing to revert scrap from several of its locations back to our Trentwood rolling mill. This closed loop process allows both parties to benefit as the metallurgical properties of material are retained and can be utilized in future production processes, significantly reducing the requirement for primary aluminum and significantly reducing our estimated Scope 3 emissions. We have similar closed loop programs with our packaging customers.

Working in partnership with our Tier 1 automotive suppliers, our aluminum extruded products are transformed into complex shapes with tight tolerances to achieve the demanding and often safety critical structural applications. The inherent properties of aluminum also make it an ideal solution for aerospace and automotive industries to achieve light-weighting while improving performance and meeting safety targets. Global consumption of recycled aluminum in vehicle production is also rising due to its reduced energy footprint.

Our acquisition of our Warrick rolling mill provides a significant opportunity for us, driven by sustainability trends and the secular shift to aluminum in North American beverage and food packaging industry.

The Can Manufacturers Institute (“CMI”) and its members, beverage can manufacturers and aluminum can sheet producers, have recently established several initiatives to increase U.S. recycling of used beverage cans, which is currently at a rate of 45%. The initiatives aim to achieve a recycling rate of 70% by 2030 to improve the recycling rate of the aluminum can and continue to reduce its carbon footprint, as the use of recycled materials results in more than 90% less GHG emissions than a container produced with primary aluminum. We will continue to strongly advocate for higher recycling targets through four pillars of action – advocate for can deposit programs at the state and federal levels, increase and improve consumer recycling at home and away-from-home, catalyze recycling center can capture upgrades, and enhance consumer awareness of recycling. Because the “can to can” recycle cycle time, as reported by the CMI is only 60 days, the increase in recycling rate in the packaging market can have a significant, almost immediate effect on the availability of aluminum scrap and recycled aluminum consumption rate.

Resources and Supply Chain Management

Since our most significant emissions are related to the purchase of primary aluminum, in addition to increasing our use of recycled aluminum, we see an opportunity to further minimize our GHG impact and, in turn, our estimated Scope 3 emissions by sourcing from primary aluminum and other suppliers that are focused on energy efficiency, renewable energy, and advanced technologies.

We have estimated our Scope 3, category 1 – purchased goods and services emissions, as we believe it makes up the bulk of our estimated Scope 3 emissions. In addition,

to increasing our use of recycled aluminum, a key part of our strategy to achieve our estimated Scope 3 emissions intensity reduction goal discussed above is further diversifying our sources of primary aluminum for our Warrick facility. Our Warrick facility currently obtains a significant portion of its primary aluminum from the previously noted adjacent smelter that receives 100% of its electricity from a coal-fired power plant. As we continue to diversify our sources of primary aluminum for the Warrick facility with primary aluminum sources that have a substantially lower carbon footprint, we expect to achieve significant reductions in our estimated Scope 3 and overall carbon footprint and intensities.

As noted, another opportunity for us to reduce our estimated Scope 3, category 1 – purchased goods and services emissions is through the use of recycled metals. The International Aluminum Institute estimates that approximately 90% of the aluminum industry’s carbon footprint results from the production of primary aluminum from raw materials.

For many years, we have been increasing our use of recycled aluminum, including painted scrap, in our manufacturing process and working to identify new sources of recycled metals and processes to reuse it. We have also recently made a significant capital investment to modify a scrap melter at our Warrick facility to improve its ability to utilize more recycled metals. The recycled metals we utilize include recycled metals purchased from traders and distributors, as well scrap and recycled aluminum from customers and internal operations. A significant proportion of the aluminum and other alloying metals we use is scrap.

Indirectly, this approach also addresses our exposure to potential cost increases linked to regulatory actions (carbon pricing) in the raw materials supply chain. We plan to enhance our estimated Scope 3 emission calculations, especially those concerning the purchase of primary and recycled aluminum, to continue to measure and manage our efforts to reduce our Scope 3 emission.

As part of our commitment to improve the sustainability of our supply chains, we have also continued to work closely with our suppliers and partners to:

- Optimize our use of recycled aluminum where possible, subject to availability and suitability;
- Increase our participation in closed loop aluminum recycling programs to reduce our use of more carbon-intensive primary aluminum;
- Identify opportunities to invest in our facilities to enable them to increase their efficiency and purchase cleaner power.



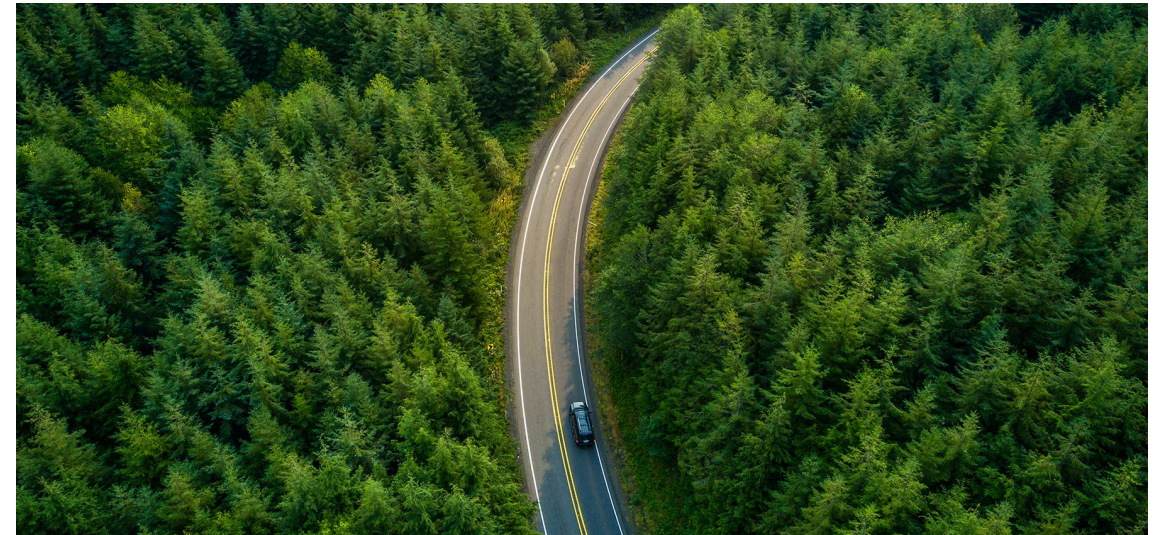
C) DESCRIBE THE RESILIENCE OF THE ORGANIZATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2° C OR LOWER SCENARIO

In 2022, we conducted a qualitative climate risk assessment as we continued to drive our identification, assessment and implementation of strategies to mitigate our climate-related risks. Due to the business criticality of our manufacturing facilities, we considered multiple scenarios from the Intergovernmental Panel on Climate Change ("IPCC") to map potential impacts to our business. The initial approach was to focus on the direct impact of physical risks to our operations.

Our assessment included a worst-case scenario with no policy mitigation actions and a high degree of warming, as well as an intermediate scenario which represents a probable baseline. In both of those scenarios, mitigation efforts are limited or nonexistent, so CO₂e emissions continue to rise through the next few decades, leading to greater degrees of warming than the 1.5° scenario proposed by the Paris Agreement. An assumption in this analysis is that in a 1.5° scenario, physical risks to our business would be negligible.

We also used the following scenarios from the IPCC:

- Representative concentration pathway ("RCP") 8.5, which is a worst-case scenario in which emissions rise through the 21st century, with a worldwide average global temperature increase of 4° C in 2100; and
- RCP 4.5, which is an intermediate scenario where emissions peak in 2040, with an average global temperature increase of 2° C.



The main physical impacts identified in worst-case scenario analysis are:

- Acute physical risks: Increased frequency and severity of extreme weather events, such as storms and floods; and
- Chronic physical risks: Potential for sea-level rise, although no significant exposure to our facilities was indicated, and increased temperatures and a linked decrease in water availability.

A general conclusion from our physical scenario analysis was that no dramatic change in physical risks at our locations is expected from 2020 to 2050. However, in this assessment, we did not include potential supply chain impacts which will be considered for assessment in the future.

For transition-related climate risks, we used the International Energy Agency Sustainable Development Scenario, which assumes a 1.8° C increase of global temperatures. This scenario includes the global adoption of policies, such as a forecasted carbon price of US\$100 per ton of emissions by 2030. Since we assume that there will be no significant physical impacts to our business under this scenario, only the impacts of regulatory changes are assessed. The main impacts identified in this transition scenario are associated with projected carbon pricing schemes in key states and countries, driving cost increases directly from our manufacturing, due to the use of natural gas to melt aluminum in our operations, and in the cost of energy and raw materials as our suppliers pass through costs.



We continue to monitor the potential impacts of legislation around environmental issues such as GHG emissions and water in certain jurisdictions and engage with all stakeholders, including environmental groups, state and local government agencies, and industry and business peers to enhance our mutual understanding of opportunities, issues, concerns and challenges. Currently, our direct mitigation strategy is centered around our energy-efficiency initiatives. As we continue to invest in more efficient manufacturing processes, we expect to also mitigate the potential financial impact of our direct and indirect GHG emissions.

While the focus of both the physical and transition scenario analyses was limited to in-house operations, the outcomes reinforce our current climate-related strategy. Beyond 2050, risk increases locally in the 4° C average temperature increase scenario. While we have not yet developed emissions intensity reduction goals for 2050, our products are part of the solution and efforts to limit global warming to below a 2 degrees Celsius threshold by 2050. We are committed to global efforts to reduce global warming and believe our path to 2050 will require a combination of clean and reliable power grids, new carbon free technologies for melting and heating aluminum, cost effective carbon capture and storage, a circular economy for recycled aluminum, green prime, and thoughtful legislation that does not create unintended consequences. As we move forward, we expect to monitor, support and participate in each of these efforts, including helping our customers in achieving their own climate goals as our company seeks to be a key supplier in the energy transition economy.

Further details around our targets and current progress can be found in the *Environmental Focus and Initiatives* section of our 2021 Sustainability Report.

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks

A) DESCRIBE THE ORGANIZATION'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

Generally, we integrate the identification, assessment, and management of climate-related risks into our company-wide ERM process. These include natural disasters and identified mitigation controls. Our board of directors annually reviews our ERM process and key risks, overseeing the management, monitoring, and mitigation of enterprise risks. Our board's ESG Committee also reviews climate-related risks. Currently, climate-related physical risks are identified as part of our external risk audits, which include audits and reviews by third party engineering service providers and our insurers. Management, including members of our finance and environmental, health and safety teams, reviews the results of the external risk audits. Findings from the catastrophic loss exposure assessment reports, based on weather hazards and climate change risk, estimate our catastrophic loss exposure to be minimal.

In addition to our ERM process, in 2022, we engaged a third party ESG consultant to conduct a climate-related risk analysis of our facilities. The results of the analysis were reviewed by senior management and consistent with the output of our ERM process.

We require each of our facilities to comply with ISO 14001 environmental management system ("EMS") standards. Through the ISO 14001 process and system, we equip our employees and facilities with the information, tools and support they need to prioritize projects to reduce environmental impacts. We also conduct environmental training and audit our facilities using internal and external resources to help facilitate our

compliance with environmental laws, regulations, and our internal standards.

In terms of transition-related risks, our EMS allows us to organize, review and adjust our environmental goals and legal requirements, analyze our environmental impacts, and monitor and measure progress in achieving our objectives. Our senior management is proactively involved in our environmental compliance activities and engages in an ongoing dialogue to ensure our commitment to environmental stewardship is a focus throughout the company.



B) DESCRIBE THE ORGANIZATION'S PROCESS FOR MANAGING CLIMATE-RELATED RISKS

We work to address all identified material risks. Our Risk Committee meets monthly to review company-wide risks and mitigating measures with the assistance of our local teams and is comprised of our Chief Financial Officer, Chief Administrative Officer and General Counsel, Chief Accounting Officer and members from our finance, internal audit, information technology, human resources and operations teams. Our ESG Task Force also participated in the climate risk assessment conducted by a third party in 2022.

Our board is briefed on our enterprise risks annually as part of the ERM review and is responsible for investment decisions exceeding \$2 million. Many decisions around our capital expenditures are driven by a focus on operational efficiency, increasing our use of recycled aluminum and facilitating access to cleaner energy which in turn reduces our energy and resource intensity and enhances our climate resiliency.

C) DESCRIBE HOW PROCESSES FOR IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS ARE INTEGRATED INTO THE ORGANIZATION'S OVERALL RISK MANAGEMENT

Oversight of climate-related risks is integrated into our enterprise-wide ERM processes and our robust internal and external risk assessment processes. Our safety and treasury groups jointly oversee these risk assessments which include the identification of relevant physical climate risks at each of our facilities. Our insurance program is intended to mitigate potential physical risks and prevent substantial loss. In addition, we maintain emergency and business continuity plans across the organization.

In 2022, we also engaged in a third-party climate risk assessment. This involved reviewing our sites for loss prevention, including flood and wind damage.



Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

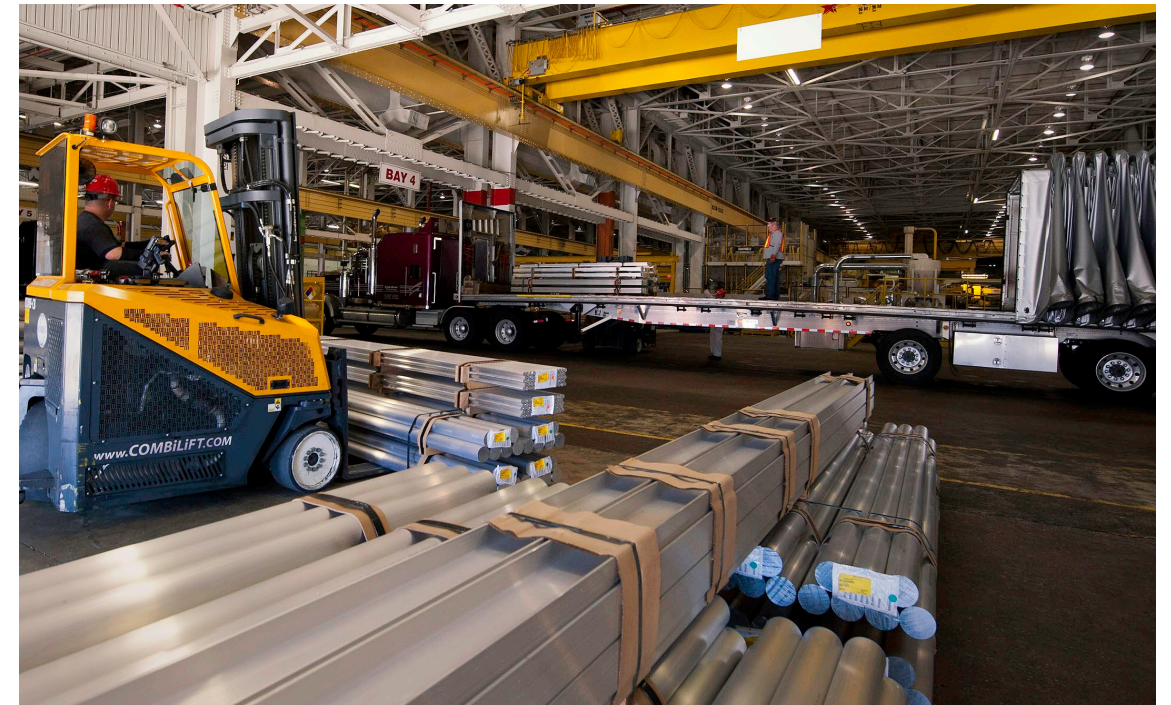
A) DISCLOSE THE METRICS USED BY THE ORGANIZATION TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS

As part of our commitment to sustainability and supporting a low-carbon future, we monitor environmental metrics across our operations. This includes our Scope 1 and 2 GHG emissions, estimated Scope 3 GHG emissions, energy consumption, renewable energy usage, non-GHG air emissions, and water withdrawal. As noted in this report, we have a number of ongoing initiatives to continue to improve our performance in these areas, such as increasing the use of recycled aluminum scrap, purchasing lower carbon primary aluminum and updating the electricity infrastructure at our Warrick rolling mill, allowing it to access cleaner energy. More information on the metrics listed above and our environmental progress can be found in the *Environmental Focus and Initiatives* section of our 2021 Sustainability Report.

We have been measuring Scope 1 and 2 emissions and energy usage since at least 2010. We recently began reporting against a 2019 emissions intensity baseline to better reflect the scope of our reduction targets over time. Our emissions intensity is reported per packed metric ton of product. In addition to ensuring that we take into account internally generated recycled aluminum in our metrics, we believe this is a meaningful metric for us as we anticipate the potential for our absolute emissions to increase in the future as we experience growth. Through our various energy-related initiatives, we expect to increase the efficiency of our operations, making emissions intensity a more accurate measure of our emissions reductions than absolute emissions.

B) DISCLOSE SCOPE 1, SCOPE 2 AND, IF APPROPRIATE, SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS, AND THE RELATED RISKS

Our scope 1 and 2 absolute emissions and emissions intensity data as well as additional information on our methodology and performance can be found in the *Environmental Focus and Initiatives* section of our 2021 Sustainability Report.





C) DESCRIBE THE TARGETS USED BY THE ORGANIZATION TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS

We are actively working to reduce our GHG gas emissions and intensity. In addition to our existing environmental initiatives, we announced several reduction targets in 2021 using our 2019 base year:

- Reducing Scope 1 and 2 emissions intensity by 20% by 2030
- Reducing estimated Scope 3 emissions intensity by 35% by 2030
- Reduce overall Scope 1, 2, and 3 estimated emissions intensity by 30% by 2030

Following the guidelines of the Green House Protocol, we are first focusing our efforts on the most significant contributor to our Scope 3 emissions, which is our purchase of primary aluminum. Accordingly, we are currently only estimating our Scope 3, category 1 – purchased goods and services emissions and have established estimated Scope 3 targets based on this category. Because we believe a substantial majority of our Scope 3 emissions are attributable to our purchase of primary aluminum, we expect that will remain our approach in the near term. As our ability to track our estimated Scope 3 emissions improves, we may consider expanding our estimate and targets to cover additional categories.

Though we have not set long-term 2050 targets, we are committed to global efforts to reduce global warming. As our GHG management process expands and new technologies are developed and become commercially available, we will continue to monitor and assess the feasibility of long-term reduction targets.

Further detail around our targets and current progress can be found in the *Environmental Focus and Initiatives* section of our 2021 Sustainability Report.

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