ABAL'S MANIFESTO

BRAZILIAN ALUMINUM
FOR A SUSTAINABLE FUTURE

INTRODUCTION

The world has gone through harsh times of systemic challenges that might yield economic and social effects one cannot yet foresee.

The converging pandemic and climate change crises have unfolded a broader context of escalating political, economic, and social issues with repercussions on the global markets.

Similarly, an uncertain and puzzling outlook lies ahead, with a timescale for changes that seems to shrink increasingly.

This context has further unfolded rising protectionist measures, supply chain redesign, a greater appreciation of sustainability-influenced solutions, carbon neutrality, and new players arising as protagonists of fair transition to a new economy.

Optimistic potential for growing circular economy and low carbon solutions has risen in the aluminum segment. We see a variety of instruments in place for assessing, certifying, and acknowledging the sustainability range of the metal, its products, and processes. Examples are the launch of multiple green products and moves by sector-related associations toward maximizing aluminum's benefits to a sustainable society through standards and certifications such as the Aluminium Steward Initiative – ASI.

> BEING SUSTAINABLE AND CARBON-NEUTRAL WILL BESTOW MORE EXCELLENT VALUE AND MARKET ACCESS UPON ALUMINUM.

ABAL does recognize that this is the best timing to restate and address the competitive benefits of Brazilian aluminum, our trajectory of sustainability, and the actions the Brazilian industry has taken to strengthen those benefits. Therefore, it will allow the market to acknowledge and praise our industry and products even further. The **"Brazilian aluminum for a sustainable future"** manifesto has arisen from such a perspective.

Over these 50 years of presence in Brazil, ABAL has never been short of challenges. The elements that have steered us to get this far as a modern, resilient, and prosperous industry are vividly present and will rise in relevance and magnitude with our Roadmap 2030.

OBJECTIVES

- Restate the elements that provide the aluminum produced in Brazil with competitive advantages for a sustainable future, as it will play an even more decisive role in low-carbon product applications.
- Give our stakeholders enlightening assurance on how resilient and empowered our Brazilian aluminum industry is to innovate and tackle challenges.
- Communicate the Brazilian aluminum industry's outstanding attributes when it comes to sustainability and low-carbon processes and products.
- Encourage internal and external engagement by fostering awareness and lining up expectations.

8 PRINCIPLES OF RESILIENCE

1 CONDUCT AND COMPLIANCE

Principles of ethics, compliance and transparency guide ABAL's acting, following our Code of Conduct and Compliance and the Ethics and Compliance Committee.

2 INTEGRATED CHAIN

Brazilian aluminum sustainability stems from an integrated and responsible value chain (mining, refining, smelting, processing, and recycling).

- The Brazilian aluminum value chain stands out for its physical closeness and integration, which minimize the need for conveying alumina and aluminum and, therefore, their related greenhouse gas emissions.
- Bauxite mining fosters Brazilian biodiversity, preserving an area larger than that impacted by its operations. Recently, the European Commission has included bauxite in its list of those raw materials critical to safety and resilience.
- Brazil is the only country in the world, with 100% of ASI certified alumina production.

3 CLEAN AND RENEWABLE ENERGY

Clean and renewable energy provides Brazilian aluminum products with lower carbon print.

- Globally, using energy in primary aluminum production yields indirect GHG emissions, which even exceed the emissions in the process, as occurs in countries with energy produced predominantly from non-renewable sources, such as coal.
- ABAL's actions to expand the geographical reach of natural gas use in the industry will further deplete emissions from refining, manufacturing, and recycling areas.

8 PRINCIPLES OF RESILIENCE

4 HEALTH AND SAFETY IN OPERATIONS

Safe and world-class operations.

→ The aluminum chain industries in Brazil are cutting-edge and fitted with world-class process and safety technologies, featuring efficiency and safety rates among the world's best.

5 SOCIOENVIRONMENTAL RESPONSIBILITY

Unmatched performance in recycling plus relevance to the circular economy.

→ The use of recycled aluminum lowers the carbon footprint compared to the use of aluminum coming from ore. Aluminum recycling rates in Brazil are among the best in the world. In the case of aluminum cans for beverages, it reaches 97%, an index now endorsed by "Cada Lata Conta" [Each Can Matters] program and partnerships focused on reverse logistics.

→ Recycled aluminum accounts for about 56% of the total volume of aluminum products consumed in Brazil. The world average is 26%.

6 POSITIVE IMPACT OF ALUMINUM PRODUCTS

Positive social legacy with a generated value shared with the communities in the regions where operations are located.

→ In addition to the thousands of direct and indirect jobs they provide, aluminum companies in Brazil actively engage in local development through foundation projects, direct investments, or volunteer programs.

→ Presence in the UN Global Compact, upholding, promoting and encouraging engagement with universal principles in the areas of human rights, employment, environment and anticorruption, plus the 17 Sustainable Development Goals.

→ The partnership with local communities and organizations results in key pragmatic actions towards education, income generation, environment and health, which have been strengthened with the actions to fight the coronavirus pandemic.

7 RECYCLING AND CIRCULAR ECONOMY

Encouraging aluminum application developments in products that meet social and environmental needs.

→ The use of aluminum in construction, transport and packaging offers multiple advantages, such as food safety, energy and natural resource conservation, weight reduction, circularity, and durability stimulation, with impacts on lowering GHG emissions.

8 TECNOLOGY AND INNOVATION

Support for technological and social innovation.

→ The industry's approach to disruptive ecosystems and centers of excellence in technology and innovation and initiatives such as the national industry development plan 4.0.

→ Stand up for quality standards and certification of aluminum products through performance and traceability parameters.

→ Stir up information sharing and good practice dissemination.

OUR FORWARD-LOOKING VISION

Stand as an advanced, competitive, and sustainable Brazilian industry and therefore strengthen presence in the international trade, by resuming the installed capacity and supplying certified aluminum products with low carbon footprint, as a way to match with the market demands and offer solutions committed to a sustainable and circular future aiming carbon neutrality.

- Ensure that the Brazilian industry and aluminum are competitive and sustainable, liaise and build partnerships with Brazilian and international government bodies and entities whose interest is in enhancing the regulatory environment, making structural reforms, and strengthening global trade presence.
- Spread the use of natural gas and power at competitive prices in the Brazilian aluminum industry, further reducing products' carbon footprint and boosting their global competitiveness.
- ASI Certification – as a member of the Aluminium Stewardship Initiative and believing in the relevance of an integrated sustainability vision for the aluminum value chain, ABAL will encourage Brazilian companies to decide on membership and certification.
- Support and engage in initiatives arising from government bodies and other agents interested in developing Brazil's carbon market.

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