

Sustainability Report

Prepared under the Corporations Act 2001 (Cth) and
AASB S2 for the year ended 31 December 2025

Alcoa Australian Holdings Pty Ltd ACN 096 987 370



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Basis of Preparation

AAH's Sustainability Report

2025 climate-related financial disclosures

This report represents climate-related financial disclosures for Alcoa Australian Holdings Pty Ltd (**AAH** or **the Company**) and its subsidiaries (collectively, the **Group**) for the year ended 31 December 2025.

The Group's climate-related disclosures have been prepared in accordance with AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard that has been issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001* (Cth).

This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements (please refer to "Note 18 (s) Principles of consolidation" in the financial statements) and has incorporated climate-related information of the Company and all of its subsidiaries.

This report should be read in conjunction with the Group's Consolidated Financial Statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures, as issued by the AASB. The Group's structure and nature of operations are consistent between this report and the financial statements.

All amounts disclosed within the report are reported in Australian dollars.

As this report is the first year in which the Group has applied AASB S2, the Group has elected not to disclose comparative information in this report. The Group has also applied the transition relief that permits entities not to disclose Scope 3 greenhouse gas (GHG) emissions in the first reporting period.

This report includes details on climate-related physical and transition risks and opportunities over the short-, medium-, and long-term. The time horizons used for the analysis include short-term (five years), medium-term (ten years), and long-term (twenty-five years). The climate risk analysis and time horizons align with the planning horizons used for strategic purposes, including relevant climate targets.

There are no transactions, other events or conditions that have occurred after the end of the reporting period, which could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

This report was authorised for issue in accordance with a resolution of the directors on 15 April 2026.

Directors' declaration

In accordance with a resolution of the directors of Alcoa Australian Holdings Pty Ltd, I state that:

In the opinion of the directors:

The entity has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report are in accordance with the Corporations Act 2001, including sections 296C (compliance with sustainability standards) and 296D (climate statement disclosures).

On behalf of the board

**Tanya Simmonds**

Director

Perth, Australia

17 April 2026

Forward-Looking Statements and Other Information

This report contains forward-looking statements and other information based on projections, information estimates, and assumptions of the Group's management as well as historical data, as at the date of preparation of this report. It includes predictive statements regarding the Group's future actions, including but not limited to those relating to environmental, social, and governance (ESG) related ambitions, which includes intentions to achieve certain outcomes such as a net zero ambition, targets, which include time-based decarbonisation targets, commitments, estimates, assumptions, and strategies. All statements other than statements of historical or current facts, including statements regarding our plans, initiatives, projections, goals, commitments, expectations, or prospects, are forward-looking. Forward-looking statements include those containing such words as "aims," "ambition," "anticipates," "believes," "could," "develop," "endeavors," "estimates," "expects," "forecasts," "goal," "intends," "may," "outlook," "potential," "plans," "projects," "reach," "seeks," "sees," "should," "strive," "targets," "will," "working," "would," or other words of similar meaning. Our actual results could differ materially from our projected results due to a variety of factors, including, but not limited to, assumptions not being realised, scientific or technological developments, geopolitical events, fluctuations in cost and availability of raw materials, evolving sustainability strategies, policy and regulatory changes, or other risks, uncertainties, and events beyond the Group's control. There is a high degree of uncertainty around the extent, nature and timing of climate-related risks and opportunities which makes it difficult to determine their potential impacts with precision.

Scenario analysis in particular has inherent limitations and relies on assumptions that may not prove to be correct or may not eventuate. This may cause actual outcomes to differ materially from those stated or implied by any forward-looking statements.

The Group assesses climate-related risks and opportunities across its value chain using the information and analytical tools currently available. In the absence of comprehensive quantitative data, assessments are primarily qualitative and draw on a combination of internal insights, industry benchmarks, proxy indicators, and relevant external sources. The Group is progressively enhancing its capability in this area by improving data collection processes, strengthening engagement with stakeholders, and increasing collaboration across the industry. These efforts are aimed at refining the methodologies and models used to support future sustainability-related disclosures as more robust data becomes available.

These statements are considered to be made on, and are applicable as at, the date of publication and no representation is made as to their accuracy, completeness, or reliability after this date. Other than as required by applicable regulations or law, the Group does not undertake any obligation to publicly update, release, or review any revisions whether as a result of new information or future events, after this date.

Past performance cannot be relied on as a guide to future performance. No representation or warranty, express or implied, is given as to the accuracy, completeness, or correctness, likelihood of achievement, or reasonableness of any forward-looking information contained in this report.

This report may contain climate- and sustainability-related disclosures that have been prepared on the basis of publicly available information, internally developed data, and other third-party sources believed to be reliable. The Group has not sought to independently verify information obtained from public and third-party sources and makes no representations or warranties as to the accuracy, completeness, reasonableness, or reliability of such information.

The Group, its affiliates, directors, officers, employees, or agents expressly disclaim any liability and responsibility for any decisions or actions which the reader may take and for any damage or losses the reader may suffer as a result of use of or reliance on this material.

This report does not contain or comprise profit forecasts, investment, accounting, legal, regulatory, or tax advice nor is it an invitation for any party to enter into any transaction.

Judgements and uncertainty

The preparation and presentation of this report involve applying judgements to determine relevant, reliable, and useful information for this disclosure, including interpreting reporting requirements, and in other key areas including the use of judgement in identifying climate-related risks and opportunities and the potential effects of those risks and opportunities, the time horizons used in the analysis, the use of scenario analysis, and the judgement and uncertainty involved in setting targets and the pathways to achieve them. In addition, the preparation of this Report has required the use of estimates for certain things that cannot be measured directly, including information regarding forward-looking information, future events, and data estimations.

Corporate information

AAH is the holding company of a 60% controlling interest in Alcoa of Australia Limited (AoA), a major alumina and aluminium producer in Australia. The remaining 40% is held by Alumina Pty Ltd. Both AAH and Alumina Pty Ltd are ultimately wholly owned by Alcoa Corporation.

The Group's operations represent one of the world's largest integrated bauxite mining, alumina refining, and aluminium smelting systems. The Portland Aluminium smelter is a joint venture between AoA (55%), CITIC (22.5%) and Marubeni Aluminium Australia (22.5%). Alcoa Portland Aluminium Pty Ltd (APA) is the manager of the Portland joint venture. The Group also operates shipping terminals at Kwinana and Bunbury, Western Australia. A farmlands operation is situated on landholdings surrounding the Wagerup and Pinjarra refineries.



In Western Australia, bauxite is extracted from the Huntly and Willowdale mines. The extracted bauxite is transported to the Pinjarra and Wagerup refineries for refining into alumina. The resulting alumina is subsequently shipped to domestic and international smelting facilities, including the Portland Smelter in Victoria, where it is processed into aluminium.

The Group also maintains previously closed operations in Australia. These include the former Point Henry Smelter and Anglesea Power Station in Victoria, and the Hedges Gold Mine in Western Australia. In September 2025, Alcoa Corporation announced the permanent closure of the Kwinana alumina refinery, which had been fully curtailed since June 2024.

In addition to the employees that comprise the Group's workforce, the Group also contracts with a range of suppliers providing goods and services critical to its operations. The Group's suppliers play an important role in its ability to do business by providing goods and services that support the objective of maintaining safe and stable operations. The Group's complex and integrated network of suppliers provide chemical inputs, hydrocarbons, energy sources, transportation, and labour for an array of functions.

Governance

Board-Level Oversight

AAH Board and AoA Board

The Board of Directors of AoA (the AoA Board) and the Board of AAH (AAH Board) provide integrated oversight of the Group's strategy, operations, and risk management, including climate-related risks and opportunities. The AoA Board and AAH Board have identical membership, allowing for consistent oversight in matters affecting the Group.

The AAH Board has ultimate responsibility for setting and overseeing the Group's strategy, business plans, annual budgets, and risk management framework. Climate-related risks and opportunities are embedded within these responsibilities and are considered in alignment with the governance expectations and sustainability objectives of Alcoa Corporation, the Group's ultimate parent company. The AAH Board is also responsible for remaining informed on climate-related developments relevant to the Group's operations.

As of 31 December 2025, the AAH Board comprises four directors, two of whom are members of Alcoa Corporation's Executive Team, with one director also serving on Alcoa Corporation's Executive Risk Committee (ERC). This overlapping composition strengthens alignment with Alcoa Corporation's enterprise-wide risk governance and facilitates effective escalation and oversight of significant risks.

The AAH Board collectively brings in-depth experience in areas relevant to climate-related risks and opportunities, including operational leadership, energy, environmental management, and risk governance. The AAH Board further leverages external expertise and training as needed to support informed decision-making.

While the Group maintains its own governance structure for local operations and day-to-day risk oversight, the AAH Board reports to Alcoa Corporation, as it is the beneficial owner entity, on significant strategic and operational matters. As detailed below in the Management Oversight section, climate change and environmental topics are discussed with the AAH Board members and, during 2025, the AAH Board members were also involved in the climate risk assessment review process, which was discussed and included as an agenda item during one of the Board meetings. The Group therefore takes into account climate-related risks and opportunities when overseeing the entity's strategy, decisions and risk management processes, including consideration of any trade-offs, through the AAH Board structure.

Alcoa Corporation Board of Directors and Committees

Governance for sustainability initiatives and risk management is overseen at various levels, from the Alcoa Corporation Board of Directors (the Alcoa Corporation Board) to management committees and working groups across the global organisation. The Safety, Sustainability and Public Issues Committee of the Alcoa Corporation Board (SSPI Committee) provides guidance on matters relating to corporate and social responsibility practices, including safety and health, environmental sustainability, including progress against Alcoa Corporation's key environmental targets and related initiatives, social performance and other relevant topics, as detailed in the SSPI Committee charter. The Alcoa Corporation Board and its Board Committees routinely receive updates addressing ESG-related matters. The Alcoa Corporation Board also maintains oversight of risk management and regularly reviews Alcoa Corporation's enterprise and operational risk management processes.

Remuneration Metrics

The People and Compensation Committee of the Alcoa Corporation Board provides guidance on matters relating to general compensation and benefit policies and programs of Alcoa Corporation. Certain key employees of Alcoa Corporation and its subsidiaries, including AAH, are eligible to participate in the Alcoa long-term incentive program (LTIP), an equity-based incentive program as part of their total remuneration. A component of this incentive program is Performance Restricted Stock Units (PRSUs). PRSU awards are based on achievement against cumulative three-year performance targets, one of which, for awards earned for the 2023-2025 performance period, related to carbon intensity (30% weighting). Alcoa Corporation's Proxy Statement also contains disclosures in relation to compensation of key management personnel, including share-based compensation benefits.

Management Oversight

In 2024, Alcoa Corporation formalised its sustainability governance by establishing a more structured framework for the development, monitoring, and communication of goals and targets, risks and opportunities, and performance. This enhanced framework supports greater alignment and consistency in decision making across the global organisation, including the Group.

The enhanced governance approach included the creation of an Executive Steering Committee (ESC), comprised of executives who have oversight of one or more aspects of sustainability, which includes two executives that are on the AAH Board. In 2025, the ESC received quarterly updates on sustainability progress, including information related to climate-related risks and opportunities.

The enhanced framework also includes two new management committees – the Global Sustainability Committee (GSC) and the Global ESG Disclosures Committee (GDC). Although these committees operate at an enterprise level, their work directly informs and influences the sustainability frameworks and practices adopted by the Group.

The GSC is comprised of the leaders of the various Sustainability Working Groups (SWGs), which are topically focused, and meet on a quarterly basis to monitor performance against commitments and targets, evaluate strategy, including proposed initiatives, goals, and targets, and propose updates to relevant policies and standards. The SWGs are comprised of cross-functional corporate, regional, and operations representatives and meet routinely to evaluate progress on commitments and targets, develop and propose new goals, and share learnings and challenges related to their respective focus areas.

One of the SWGs, the Climate Change Working Group, provides direction and guidance through a cross-functional group of internal Alcoa stakeholders collaborating on climate issues. This group works with global, regional, and site operation teams, including AAH, to implement climate-related transition plan pillars, including ambition and targets, GHG emissions footprint, global decarbonisation strategy, climate-related risk identification, adaptation and resiliency plans, climate policy, and support of voluntary and regulatory climate-related disclosures. Additionally, the Climate Change Working Group reviews current climate ambition and targets with consideration of regional and global issues. Subsequently, the Climate Change Working Group recommends ambition and target revisions within Alcoa.

Through this structure, the Group leverages global knowledge sharing and technical expertise, enhanced consistency in sustainability practices, and access to emerging methodologies and standards adopted by Alcoa Corporation worldwide to support its own local sustainability objectives. At the Group level, the decarbonisation plan has been included in AAH's 2025 regional operations plan. The Group's decarbonisation plan is governed and executed by the Australian Decarbonisation Team, utilising expertise from across the business.

The Global ESG Disclosures Committee (GDC) is a cross-functional committee established to discuss and monitor current and upcoming disclosure activities, trends, risks, and opportunities. The activities of the GDC provide the Group with access to global reporting insights, aligning local disclosures with international expectations and evolving ESG-related regulatory requirements. The GDC reviews and oversees publicly available ESG-related reports and disclosures, which includes this AAH ASRS Sustainability Report.

Assessment, Management, and Integration of Risks

The Alcoa Corporation Board maintains oversight of risk management for global operations, including for the Group, and regularly reviews Alcoa Corporation's enterprise and operational risk management processes. Management routinely reports to the Alcoa Corporation Board on risks that could impact strategy, operations, financial performance, or sustainability objectives, including climate-related matters. Additionally, the AoA Board reviews the top Australia risks at least quarterly.

Alcoa Corporation's governance structure integrates risk considerations into strategic planning, helping to manage both traditional and emerging risks, such as those related to climate change, regulatory compliance, and environmental and social performance.

Alcoa Corporation has two levels of risk identification: Enterprise Risk Management (ERM) and Operational Risk Management (ORM). ERM is the holistic management of strategic, operational, and functional risks that relate to Alcoa Corporation achieving its objectives. ORM evaluates and manages material risks and connects them to enterprise-level risks.

Climate-related physical risks are captured in ORM, and transition risks are included in ERM. Other than the consolidation, additional review, and planned work on climate adaptation, climate-related risks are not prioritised differently than other ORM and ERM risks. This is the Group's first climate-related financial disclosure report, so there are no changes to the processes since the previous reporting period.

Alcoa Corporation's ERM governance framework continues to evolve as part of a multi-year enhancement program designed to increase oversight, improve risk transparency, and reinforce connection between strategy, operations, financial performance, and sustainability impacts. Specific to sustainability impacts, the ERM framework integrates ESG considerations and supports strategic decision-making. This includes addressing climate-related risks, regulatory shifts and evolving social expectations.

Alcoa Corporation's ERM governance structure consists of:

- Alcoa Corporation Board oversight of enterprise level risks and related disclosures;
- The ERC which provides executive level governance, prioritisation, and ongoing oversight of the Company's top risks;
- A centralised ERM function, responsible for risk governance, methodology, integration, and reporting; and
- Operations and other functional risk owners, including those in the Group, who are accountable for identifying, assessing, and managing risks within their respective areas.

To strengthen accountability and clarity, Alcoa Corporation applies a three lines of assurance model.

- First line: Risk owners and business leaders manage and monitor risks (the location and Group level).
- Second line: The ERM function oversees, drives, and supports risk management capabilities.
- Third line: Internal Audit provides independent and objective assurance of controls and governance.

Each function has an ERM Risk Champion who evaluates risks for inclusion within the ERM process, supports cross functional enterprise risk discussions, and reports through the ERM team to the ERC, Alcoa Corporation Executive Team, and the Alcoa Corporation Board. At the Group level, the operational lead team reviews the top operational risks monthly, with quarterly reviews by the AAH Board.

Strategy

Climate-related physical and transition risks and opportunities

In 2025, the Group conducted a review of climate-related risks and opportunities for the business that could reasonably be expected to affect the Group's prospects. The review considered climate-related physical and transitional risks and climate-related opportunities for the Group's operational and previously closed locations and its value chain. Further detail about the Group's process for identifying climate-related risks and opportunities is set out below (see ***Climate-related physical and transition risks and opportunities assessment***).

For each of the identified risks and opportunities, the Group determined:

- The current and anticipated effects on the Group's business model and value chain;
- The current and anticipated effects on the Group's strategy and decision making;
- The effects on the Group's financial position, financial performance and cash flows for the reporting period (**current financial effects**); and
- The effects on the Group's financial position, financial performance and cash flows over the short-, medium-, and long-term (**anticipated financial effects**).

These effects are described below (see *The Group's Climate-related physical and transition risks and opportunities for 2025*).

By integrating consideration of these climate-related risks and opportunities into strategic planning, the Group aims to manage the financial, operational and financial impacts of climate change on its business.

Uncertainty

As outlined in the **judgements and uncertainty** section, the climate-related risk and opportunity assessments are based on a series of assumptions and forward-looking projections that carry inherent uncertainties. Their relevance and reliability are influenced by factors including, but not limited to, assumptions not being realised, scientific or technological developments, geopolitical events, fluctuations in cost and availability of raw materials, evolving sustainability strategies, policy and regulatory changes, or other risks, uncertainties, and events beyond the Group's control that may not be fully reflected in the current qualitative analysis. Accordingly, the outcomes of the scenario assessment should be interpreted with consideration of these uncertainties, recognising that variations in underlying assumptions may materially affect the results and their implications for the Group.

Climate-related physical and transition risks and opportunities assessment

In 2025, the Group reviewed and consolidated the climate-related risks and opportunities for the Group's Australian operational and non-operating locations and value chain. The risk analysis methodology uses a qualitative approach to consider the likelihood and potential consequences of climate-related risk events, across categories including health and safety, environment, social performance, compliance, image and reputation and financial risk. Following the qualitative analysis, a quantitative analysis was undertaken, where necessary, to further distinguish between risks. The climate drivers were used to assess the change in likelihood under the different scenarios.

These assessments were done with a cross-functional group of internal subject matter experts and included peer benchmarking, updating the Group's transition risk scenario analysis based on current scientific, industry, regulatory and stakeholder expectation contexts, and identifying transition and physical risks and opportunities. The assessment also included workshops to assess the risks and controls. Next, the average risk rating across the sites within the region was used to determine the top risks, looking at individual consequence and likelihood assessments, summarising risk ratings across each site at a regional level, and then determining the average risk ratings for the sites to identify the top risks. Through this process, five material risk and opportunity groups were identified that could reasonably be expected to affect the Group's prospects. Those risk and opportunity groups were confirmed through the Group's established processes for risk management (see ***Assessment and Management of Risks*** for more detail on these processes).

Time Horizons

Alcoa Corporation has aligned the time horizons for the climate-related risk and opportunity analysis with its business planning horizons. The short-term horizon (5 years) aligns with the next interim GHG emission reduction targets for 2030. The medium-term horizon (10 years) aligns with the 10-year planning horizons. The long-term horizon of 2050 (25 years) aligns with Alcoa Corporation's net zero ambition for Scope 1 and Scope 2 emissions from global refining and smelting by 2050. Due to the nature of scenario analysis with modelling over a 20- year period, the medium-term analysis is on the scale between the short- and long-term horizons.



Time horizons for climate-related risk analysis

For purposes of risk analysis, the Group's facilities are expected to operate to 2045, aligning with the Group's mineral lease ML1SA for its Western Australian bauxite mining operations. To align with the global business, the long-term planning horizon has not been changed from 2050 as the climate scenarios are for a range of 20 years and are therefore the same for both 2045 and 2050. Rehabilitation and closure obligations for our operating locations will continue beyond 2050.

The Group's Climate-related physical and transition risks and opportunities for 2025

Risks	Opportunity
Exposure to future and emerging regulation changes (transition risk)	Business and innovation opportunities (opportunity)
Extreme temperature (physical risk)	
Extreme rainfall (physical risk)	
Decline in mean annual rainfall and increased time spent in drought (physical risk)	

The risk assessment indicates that 100 percent of the Group's assets and business activities are exposed to the above climate-related risks and aligned with the climate-related opportunity to some extent; however, due to differences in geographical climate factors between Western Australia and Victoria, the Western Australian locations are more exposed to decline in mean annual rainfall and drought. The potential nature and effects of the climate-related risks vary across the Group's asset types due to differences in operating processes, geographic location, and reliance on natural resources. More specific details on each climate-related risk and opportunity are included below.

Current and Anticipated Financial Effects

The Group has assessed the current and anticipated financial effects that climate-related risks and opportunities could have on its financial position, financial performance and cash flows for the current reporting period and the anticipated financial effects that those climate-related risks and opportunities are expected to have over the short, medium and long-term.

In relation to quantitative information about the financial effects of exposure to future and emerging regulation changes (transition risk), the Group has applied the exemption available under paragraphs 19 and 21 of AASB S2. Quantitative information has not been provided because the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

Climate-related matters are managed in conjunction with the Group's operating and capital costs and are not separately identifiable. Therefore, the Group has qualitative disclosures for the anticipated financial effects rather than attributing the effects to individual climate risks.

The Group has not identified material climate-related financial effects related to climate change during the current reporting period and, based on information available and reviewed at the time of reporting, the Group does not expect material adjustments in 2026.

Climate-Related Risks and Opportunities:

Exposure to changes to climate-related government policy or regulation (climate-related transition risk)

Time horizons: Short term (five years); Medium term (ten years); Long term (twenty-five years)

Potential nature and effects on the business model and value chain	Current and anticipated financial effects over the short, medium, and long term
<p>Changes to climate-related government policy or regulations could result in additional complexities and effort to address across the Group, including new or enhanced policies related to required emissions reductions and/or requirements for purchased credits or offsets, product emissions reporting and tracking, and regulatory changes resulting in increased energy prices. For example, the Group's compliance costs for the refineries and smelter could increase if there are changes to the Australian Government's Safeguard Mechanism which affects the Group's emissions baselines or baseline decline rate. Additionally, this risk could impact the value chain, including energy and raw materials, with suppliers incurring costs related to compliance which could then be passed onto the Group.</p>	<p>No material financial impacts related to this climate-related risk occurred during the current reporting period. The Group does not expect material adjustments in 2026.</p> <p>Assessments of the potential impact of future climate change legislation, regulation, and international treaties and accords are uncertain, given the wide scope of potential regulatory change. The potential financial impacts of regulatory or policy changes are uncertain. There is an inherent degree of uncertainty around the extent, nature and timing of any potential regulatory or policy changes. There is also potential for both positive and negative impacts of future regulatory changes. We may realise increased capital expenditures, costs, or taxes resulting from required compliance with revised or new legislation or regulations, including costs to purchase or profits from sales of allowances or credits under a carbon credit/pricing system, increased insurance premiums and deductibles as new actuarial tables are developed to reshape coverage, a change in competitive position relative to industry peers, and changes to profit or loss arising from increased or decreased demand for goods produced by the Group and, indirectly, from changes in costs of goods sold. If we fail to comply with the various reporting frameworks, we could face scrutiny from stakeholders and regulators, incur monetary penalties and reputational harm, and could become subject to litigation or experience other material impacts to our business.</p> <p>As such, quantification of current and future anticipated financial effects has not been provided because the timing, pricing and design of potential regulatory and policy changes are highly uncertain, making any estimate unreliable and not useful for decision-making.</p> <p>We may realise increased capital expenditures (Property, plant and equipment), costs (Cost of sales of goods (COGS) and General administration expenses), or taxes (Current tax liability and Income tax benefit/(expense)), with corresponding cash outflows (Cash and cash equivalents), resulting from required compliance with revised or new legislation or regulations, including costs to purchase or profits from sales of allowances or credits under a carbon credit/pricing system (COGS, Trade and other payables, and Other current liabilities), increased insurance premiums and deductibles as new actuarial tables are developed to reshape coverage (General administration expenses and Trade and other payables), a change in competitive position relative to industry peers, and changes to profit or loss arising from increased or decreased demand for goods produced by the Group (Revenue from continuing operations and Trade and other receivables) and, indirectly, from changes in costs of goods sold (COGS).</p>

Climate-Related Risks and Opportunities:

Extreme temperature (climate-related physical risk)

Time horizon: short, medium, and long term

Potential nature and effects on the business model and value chain	Current and anticipated financial effects over the short, medium, and long term
<p>There is a risk that climate change will result in extreme temperatures, such as extreme heat, which could impact labour force health, safety, and productivity, operational infrastructure, result in higher energy usage, lead to increased risk of drought, heightened risks of shortages or availability of water, and bushfire. Extreme heat events may increase the likelihood of equipment degradation and stress on cooling systems at the Group's refining operations resulting in process balance upsets and/or greater cooling system imbalances, with potential implications for safety, environmental performance, and production continuity.</p> <p>Extreme heat may also increase bushfire risk. Bushfire risk affects both the Group's mining operations and refineries in Western Australia and the smelter in Victoria, given their proximity to vegetation and exposure to prolonged hot, dry conditions. For mining operations, bushfires may disrupt access to active pits, damage infrastructure, and delay rehabilitation activities, while at refineries and the smelter they may pose risks to energy supply, raw material logistics and site access, as well as increased emergency response demands. These risks could cause operational disruption and could impact the value chain if third-party infrastructure is impacted.</p>	<p>No material financial impacts related to this climate-related risk occurred during the current reporting period. In the short term, the Group expects to see increases in future capital projects related to this risk, which are not expected to be significant. Accordingly, the Group does not expect a material adjustment in 2026 that is specifically linked to climate-related matters. Over the medium- to long-term, infrastructure needs may increase the Group's operating expenses, including the costs of suppliers in its value chain and capital expenditures, and correspondingly impact cash flows.</p> <p>The potential financial impacts from extreme temperature are hard to quantify because of the inherent unpredictability of this risk and the variability in frequency and intensity. Costs could depend upon the nature and timing of the event, including variability of repair or remediation costs, the level of repair or remediation required, and the level of and/or timing of associated business interruptions. The range of possible outcomes and probabilities is too large to make a relevant estimate. Therefore, quantitative information about anticipated financial effects of this climate-related risk cannot be provided because the level of measurement uncertainty is so high that the resulting information would not be useful.</p> <p>Extreme temperature may disrupt our operations, hinder transportation of products to us or of our products to customers, interrupt energy supplies, prevent access to our facilities, negatively impact our suppliers' or customers' operations and their ability to fulfill contractual obligations to us, and/or cause damage to our facilities, all of which may increase our costs (COGS) and related liabilities (Trade and other payables and Other current liabilities) and/or reduce production (Revenue from continuing operations and Trade and other receivables). Measures to mitigate the potential disruptions may increase capital expenditures (Property, plant and equipment), and corresponding depreciation (COGS) and related liabilities (Trade and other payables and Other current liabilities), as we adapt our assets. Correspondingly, these measures may result in increased cash outlay (Cash and cash equivalents).</p>

Climate-Related Risks and Opportunities:

Extreme rainfall events (climate-related physical risk)

Time horizon: short, medium, and long term

Potential nature and effects on the business model and value chain	Current and anticipated financial effects over the short, medium, and long term
<p>There is a risk climate change will result in extreme rainfall events, which could increase the risk of flooding, potentially impacting operational infrastructure at the Group's sites and compounding risks associated with materials storage at the Group's operations. Loss of containment risk is most relevant to refineries in Western Australia (Kwinana, Pinjarra, and Wagerup), where higher precipitation rates could increase the likelihood of overtopping and water balance and infrastructure issues. This risk does not exist at the Group's mining operations, the smelter, or other closed locations to the same extent.</p> <p>Changes in rainfall intensity and runoff patterns may increase sedimentation or erosion, requiring enhanced water management and monitoring controls.</p> <p>Loss of containment or water quality impacts caused by extreme rainfall events may cause damage to infrastructure, require environmental remediation, or cause operational disruption.</p> <p>Any risk of loss of containment or water quality impacts caused by extreme rainfall events may also cause the Group's value chain to suffer material financial loss, for example impacts on third party infrastructure, freight assets, or equipment.</p>	<p>No material financial impacts related to this climate-related risk occurred during the current reporting period. This assessment includes the non-operational Kwinana Alumina refinery site. Although water management costs were incurred at Kwinana during the period, these were specifically considered as part of the climate risk assessment and were determined to be climate-related in nature. The Group does not expect material adjustments in 2026.</p> <p>In the short term, this climate risk may cause increased capital expenditures (Property, plant, and equipment), and a corresponding increase in cash outflows. Over the medium to long term, this risk could result in increased capital expenditures and operational control measures for climate-resilient infrastructure. In addition, it could require an increase to asset retirement obligations and the related accretion expense. These risks may also influence asset valuations, particularly if regulatory enforcement, environmental damage, or social license or reputational challenges arise. These risks have been integrated into the Group's financial planning. Planned funding sources include internal cash flows and sustainability-linked instruments.</p> <p>This risk and the potential effects of this risk are influenced by a wide range of variables, including operational decisions, production requirements, local environmental conditions, regulatory frameworks, and long-term climate patterns. These drivers interact in ways that make it challenging to isolate the impacts resulting directly from climate change, compared with those arising from routine operational variability or other external influences. Given the complexity of these interdependencies and in the absence of reliable methodologies to segregate and measure the climate-specific component of these impacts, the Group is currently unable to provide a meaningful quantification of the financial effects of changes in water quality and loss of containment. Some of the key elements of the impoundment management processes include emergency preparedness and response plans for extreme consequence events, such as rainfall and earthquakes, developing hypothetical dam break assessments, and including scenario testing at locations. However, further efforts to analyse and define with greater specificity are needed for the Group to provide quantitative data on the impacts related to climate change. Therefore, quantitative information about anticipated financial effects of this climate-related risk cannot be provided because the level of measurement uncertainty is so high that the resulting information would not be useful.</p> <p>Extreme rainfalls may disrupt our operations, hinder transportation of products to us or of our products to customers, interrupt energy supplies, prevent access to our facilities, negatively impact our suppliers' or customers' operations and their ability to fulfill contractual obligations to us, and/or cause damage to our facilities, including impoundments, all of which may increase our costs (COGS) and related liabilities (Provisions, Trade and other payables, and Other current liabilities) and/or reduce production (Revenue from continuing operations and Trade and other receivables). Measures to mitigate the potential disruptions may increase capital expenditures (Property, plant and equipment) and/or asset retirement obligations (Provisions) and corresponding depreciation and/or accretion (COGS) and related liabilities (Trade and other payables and Other current liabilities) as we adapt our assets. Correspondingly, these measures may result in increased cash outlay (Cash and cash equivalents).</p>

Climate-Related Risks and Opportunities:

Decline in mean annual rainfall and increased drought conditions (climate-related physical risk)

Time horizon: short, medium, and long term

Potential nature and effects on the business model and value chain	Current and anticipated financial effects over the short, medium, and long term
<p>There is a risk that climate change will result in a decline in mean annual rainfall, which could increase the risk of drought, potentially posing a risk of shortages or availability of water, which could disrupt the Group's operations, and could lead to an increased risk of bushfire with the risks associated with this consistent with those described in Extreme Temperature above.</p> <p>Water security risk affects both the Group's mining operations and refineries, but in different ways. Mining operations are more exposed to variability in rainfall and surface water availability, which can affect dust suppression measures, rehabilitation activities, and operational continuity. Refineries are more reliant on secure water supplies for processing and cooling, making them more sensitive to prolonged drought conditions and water availability. Water security considerations influence operational planning, capital investment, and long-term asset resilience differently across asset types.</p>	<p>No material financial impacts related to climate change risks occurred during the current reporting period. In the short term, the Group expects to see some increases in future capital projects related to this risk, which are not expected to be significant. Accordingly, the Group does not expect a material adjustment in 2026 that is specifically linked to climate-related matters. Over the medium to long-term, rising water costs, regulatory changes, and infrastructure needs may increase the Group's operating expenses, the costs of suppliers in its value chain and property, plant and equipment balances, and correspondingly impact cash flows.</p> <p>This risk and the potential effects of this risk are influenced by a wide range of variables, including operational decisions, production requirements, local environmental conditions, regulatory frameworks, and long-term climate patterns. These drivers interact in ways that make it challenging to isolate the impacts resulting directly from climate change, compared with those arising from routine operational variability or other external influences. Given the complexity of these interdependencies and in the absence of reliable methodologies to segregate and measure the climate-specific component of these impacts, the Group is currently unable to provide a meaningful quantification of the financial effects of climate-related water scarcity or water quality issues. Therefore, quantitative information about anticipated financial effects of this climate-related risk cannot be provided because the level of measurement uncertainty is so high that the resulting information would not be useful.</p> <p>Decline in mean annual rainfall which reduces available water and increases fire risk may disrupt our operations, hinder transportation of products to us or of our products to customers, interrupt energy supplies, prevent access to our facilities, negatively impact our suppliers' or customers' operations and their ability to fulfill contractual obligations to us, and/or cause damage to our facilities, all of which may increase our costs (COGS) and related liabilities (Trade and other payables and Other current liabilities), and/or reduce production (Revenue from continuing operations and Trade and other receivables). Measures to mitigate the potential disruptions may increase capital expenditures (Property, plant and equipment) and corresponding depreciation (COGS) and related liabilities (Trade and other payables, and Other current liabilities) as we adapt our assets. Correspondingly, these measures may result in increased cash outlay (Cash and cash equivalents).</p>

Climate-Related Risks and Opportunities:

Business and innovation opportunities (climate-related opportunity)

Time horizon: medium to long term

Potential nature and effects on the business model and value chain	Current and anticipated financial effects over the short, medium, and long term
<p>There is a potential business and innovation opportunity associated with climate change and the effects of climate change. If climate change regulations and policies become stricter, and there are more requirements surrounding emissions reductions and product emissions reductions, there could be heightened demand for lower carbon products and products that are more easily recyclable, creating business and innovation opportunities, potentially leading to increased revenue.</p>	<p>Through our commitment to innovation, Alcoa Corporation is focused on delivering high-performance, lightweight solutions for aluminium's top-end use markets in transportation, building and construction, packaging, consumer durables, electrical and other industrial applications. With the Sustana® brand, the Group currently provides EcoSource® alumina (low carbon), and the Group is well positioned to compete in this space. There is a potential for the Group to capitalise on increased demand for these products in the medium-to-long term; however, future growth may depend on the Group's production limits which are set by its environmental license conditions.</p> <p>In relation to novel and patentable technologies, the Group has applied the exemption available under paragraphs B34-B37 of AASB S2 from disclosing information in relation to a commercially sensitive opportunity.</p> <p>Outcomes remain subject to a range of external and internal factors, including future regulatory developments, the availability of government funding, and ongoing refinements to strategic direction and underlying technologies. Quantitative information about anticipated financial effects of this climate-related opportunity cannot be provided because the level of measurement uncertainty is so high that the resulting information would not be useful.</p> <p>The relevant items, totals and subtotals within the related financial statements that are likely to be affected by business and innovation opportunities relate to property, plant and equipment through potential future capital requirements, revenue through opportunities associated with increased demand for these products, and operating costs as development and scaling activities progress, with associated cash flow impacts as these costs are incurred. The extent of these impacts cannot be reliably quantified at this stage due to significant measurement uncertainty and the commercially sensitive nature of the underlying opportunities.</p>

Strategy, decision making, and risk mitigation

Advancing environmental performance is important to Alcoa Corporation's and the Group's strategy for long-term resilience and value creation, with direct and indirect mitigation plans focusing on reducing GHG emissions, improving energy efficiency, and positioning both Alcoa Corporation and the Group for a low-carbon, resource-constrained world. This requires working cross-functionally throughout the organisation and in collaboration with local communities and the global aluminium industry to address the challenges and seize the opportunities associated with a carbon-constrained world.

Alcoa Corporation's climate-related strategy, which applies to the Group, seeks to:

- Identify decarbonisation opportunities across the operations;
- Focus on efficient energy consumption;
- Build climate resilience through understanding and managing the physical and transitional risks of climate change at operations and in host communities;
- Develop and/or adopt technologies that could result in a lower carbon footprint in products and could result in increased revenue through opportunities associated with increased demand for these products;
- Prepare for increasing regulatory requirements and expectations from stakeholders and host communities; and
- Provide a climate-related transition plan, including with respect to emissions and risk, decarbonisation, finance, governance, adaptation and resilience, and external engagement.

A key pillar of the strategy and climate transition plan is Alcoa Corporation's global decarbonisation strategy and regional decarbonisation strategies that cover the Group's operations. The global and regional decarbonisation strategies are aligned with Alcoa Corporation's long-term ambition to achieve net zero GHG emissions across the global smelting and refining operations by 2050 for Scope 1 (direct) and Scope 2 (indirect) GHG emissions. Further details about targets and ambitions are included in the section on **Alcoa Corporation Climate Ambition and Targets**. Key assumptions and dependencies used in developing these strategies include increased renewable energy and technological advancements, collaboration with key stakeholders, and analyses consisting of current scientific, industry, regulatory, and stakeholder expectations.

Mitigation or adaptation efforts

Alcoa Corporation and the Group focus on implementing mitigation and adaptation measures related to the climate-related physical and transition risks. These mitigation and adaptation measures include both direct and indirect mitigation efforts.

Direct mitigation efforts

The decarbonisation strategies, and emissions reduction efforts, could help mitigate impacts felt from the risk of more stringent emissions reduction requirements being imposed and subsequent credits or offsets required to comply with such requirements. Additionally, the current strategy also focuses on increased renewable energy usage, which could also help lower the carbon footprint of the Group's sites and impacts from more stringent emissions reduction requirements.

Bushfire management plans to reduce the likelihood of forest fires impacting the sites include establishing fire breaks, firefighting and emergency response systems, hot works procedures and adhering to total fire bans, onsite vegetation management, including clearing around power lines, and at the mines adaptive rehabilitation completion criteria.

The Group's approach to water access is grounded in scientific methods and stakeholder engagement. The Group customises water management strategies at each site to consider factors such as the availability of water sources, the water demands of other users in the catchment and environmental sensitivities.

The Group aims to reuse and recycle water as often as possible to minimise freshwater withdrawals and water discharge. At all the Group's locations, it seeks opportunities to use less water in more efficient processes, use fit-for purpose water sources and increase recycling and reuse. Capital projects are being pursued that support water intensity reductions, including residue press filtration at the Pinjarra refinery. This supports Alcoa Corporation's strategic long-term goal to reduce the intensity of total water use in Alcoa-defined water-scarce locations by five percent by 2025 and ten percent by 2030, compared to a 2015 baseline. In 2025, Alcoa-defined water-scarce locations included locations in Western Australia, managed by the Group.

To drive the mitigation plan for the risk of water scarcity, the Group has recruited a dedicated Director of Water Planning for the Australian region in 2025, with a key focus on developing a climate-resilient water management strategy.

Alcoa Corporation is committed to the Global Industry Standard on Tailings Management (GISTM), an integrated approach to the management and operations of tailings storage facilities to enhance the safety of these facilities. The key elements of the impoundment management and governance include:

- A governance structure that provides global oversight to the impoundment's accountable executive, with clearly defined responsibilities.
- Compliance with location-specific regulations and our globally mandated impoundment standards for planning, design, construction, operations, maintenance, and closure.
- Long-term (25-year) strategic plans with matching capital expenditure plans for impoundment life cycle management and technology deployment.
- Review and assurance, including annual independent third-party reviews of our impoundment designs, inspections and audits of all our impoundment facilities, including regulatory certification of tailings dams where relevant.
- Emergency Preparedness and Response plans for extreme consequence events, such as rainfall and earthquakes. These include developing hypothetical dam break assessments on credible failure modes, including scenario testing at locations.

The Group manages and monitors water quality, including turbidity and erosion at its mining operations through the controls embedded in its Mining Water Resources Management Plan (WRMP). These include drainage and sediment control measures and implementing rehabilitation practices focused on stabilising disturbed areas, restoring landforms, and re-establishing vegetation to minimise erosion and promote infiltration.

Through our commitment to innovation, Alcoa Corporation is focused on delivering high-performance, lightweight solutions for aluminium's top-end use markets in transportation, building and construction, packaging, consumer durables, electrical and other industrial applications. With the Sustana® brand, the Group currently provides EcoSource® alumina (low carbon) and the Group is well positioned to compete in this space.

Indirect mitigation efforts

The Group (through its ultimate parent, Alcoa Corporation) applies indirect mitigation actions for its supply chain. These include engagement through the Responsible Sourcing Framework and Supplier Sustainability Standards. Alcoa's Responsible Sourcing Framework is a risk-based decision framework integrated into how the Group identifies, selects, contracts, and manages the goods and services it procures.

Alcoa Corporation's Responsible Sourcing Framework is implemented in the Group through a series of internal guidelines and digital tools to inform global decision making. The market-facing segment of the Responsible Sourcing Framework is the Supplier Sustainability Program.

The Group engages its external business partners through Alcoa Corporation's Supplier Sustainability Program, which screens and assesses suppliers of the Group. Where suppliers are identified as higher risk, they are required to undertake further due diligence as part of the audit stage of the framework. The Group (through its ultimate parent Alcoa Corporation) tracks and monitors the effectiveness of the Supplier Sustainability Program through audit scores, improvement plans, and leading indicators.

Scenario Analysis

Alcoa Corporation, including the Group, prepared a qualitative methodology for the climate-related scenario analysis for physical climate-related risks in 2025. This analysis incorporates a blend of qualitative scenario narratives alongside quantitative data. This approach was selected as this was the first effort in preparing climate-related financial disclosures and would allow the business to develop capacity and test systems in readiness for a future, more comprehensive approach. A top-down approach was followed to frame climate scenarios, using a combination of high-level, standardised scenario components developed by the Intergovernmental Panel on Climate Change (IPCC):

- Representative Concentration Pathways (RCPs) are assumptions about the concentration of greenhouse gases in the atmosphere, which lead to different levels of projected global warming. The higher the number, the greater the resultant global warming (for example RCP2.6 describes a Paris Agreement-aligned global warming future while RCP8.5 describes a future with high levels of global warming).
- Shared Socio-economic Pathways (SSPs) describe different development pathways based on changes to economy and society. There are five SSP pathways including a sustainability-focused growth and equality world (SSP1); a world which broadly follows historical patterns (SSP2), a fragmented world with resurgent nationalism (SSP3), a world of ever-increasing inequality (SSP4), and a fossil-fuelled world with rapid, unconstrained economic growth and energy use (SSP5).

The Group has identified the climate hazards associated with its climate change risks and used scenario modelling of the hazards to understand how they could be impacted by climate change. As the assessment of the risks was based on the maximum consequence level, it is the likelihood of that consequence occurring that will change under the different scenarios and time horizons.

The key physical climate-related risks that have been identified that could impact the Group's locations are:

- Extreme rainfall;
- Extreme temperature; and
- Decline in mean annual rainfall and increased drought conditions.

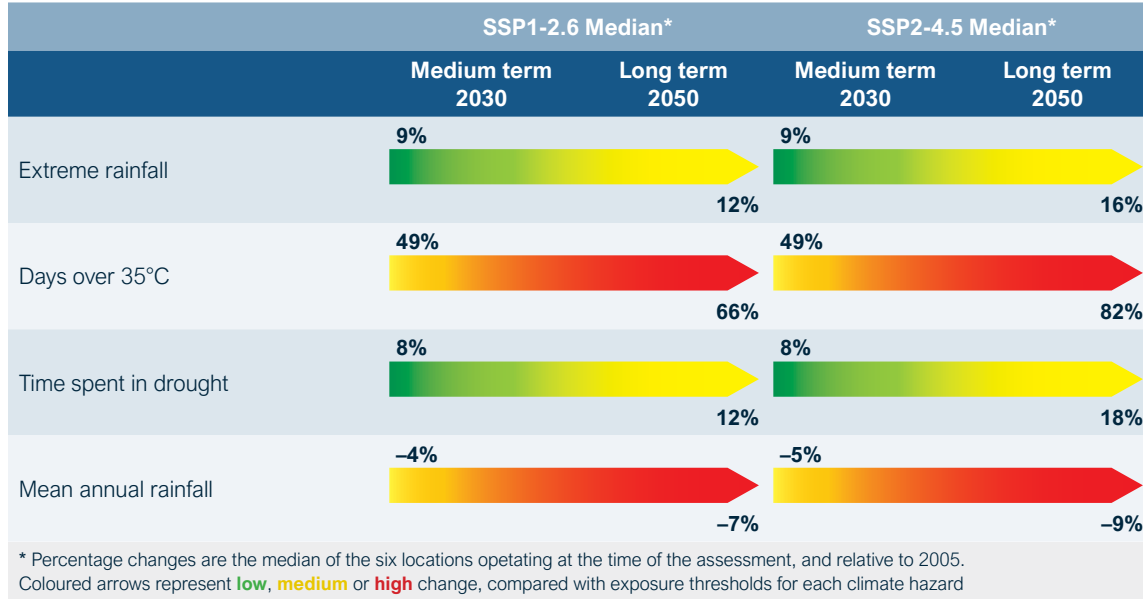
Wind and sea level rise were also assessed, but the forecast change at the Group's locations was not material.

The climate drivers were assessed using the following Shared Socio-economic Pathways (SSP):

- Scenario 1 Low Emissions – Scenarios used include:
 - IEA – Net Zero – aligned with 1.5°C and used for transition risk assessment
 - IPCC – SSP1-2.6 (represents a likely warming range of 1.3 to 2.4 degrees) – a 'Sustainable' pathway, including an immediate reduction in emissions and a rapid transition to 'net zero'. This pathway is likely to keep global warming below 2°C relative to preindustrial times. SSP1-2.6 has been used as a conservative estimate for a <1.5 °C aligned pathway due to the broader availability of physical risk datasets and modelling tools over SSP1-1.9, which more closely aligns with a 1.5°C pathway. The Group does not anticipate any further impacts to our business and physical risks nor how they would manifest in our resilience as a result of the 1.5°C pathway compared to this scenario;
- Scenario 2 Moderate Emissions – Scenarios used include:
 - IEA – Announced Pledges – possible of exceeding 2.5 degrees and used for transition risk
 - IPCC – SSP2-4.5 – a 'Middle of the Road' pathway with emissions starting to fall in the middle of the Century, likely leading to around 2.1°C to 3.5 °C of global warming by 2100, relative to preindustrial times; and
- Scenario 3 High Emissions – Scenarios used include:
 - IPCC – SSP5-8.5 – a 'Fossil-fuelled development' pathway with emissions rising rapidly to approximately double current levels resulting in warming of 3.3°C to 5.7°C of global warming by 2100, relative to preindustrial times. SSP5-8.5 was used for stress testing the risks but due to the greater likelihood only the SSP2-4.5 scenario is presented as a >2 °C pathway.

The median change for the locations is presented below.

Climate Hazard Exposure



Scenario analysis of climate hazards

The findings from climate change risk assessments and scenario analysis allow Alcoa Corporation and the Group to prioritise mitigation actions along with climate adaptation and resilience planning, ultimately informing and guiding overall climate strategy development. In the near term, Alcoa Corporation and the Group will continue efforts implementing long-term climate transition, adaptation, and resiliency plans.

Risk Management

Climate-related risk and opportunity management and integration into business strategy

The findings from the Group’s asset-level physical climate change assessments enable prioritisation of site-specific mitigation actions along with climate adaptation and resilience planning relative to people, the environment, and assets.

The Group continues to leverage transition risk and opportunity assessments, as updated in 2025, to guide actions taken on climate and ongoing climate strategy development. These assessments include peer benchmarking, updating the transition risk scenario analysis based on current scientific, industry, regulatory and stakeholder expectation contexts, and identifying transition risks and opportunities. Building on these assessments, in 2026, Alcoa Corporation plans to implement a long-term climate adaptation and resiliency plan for its global operations, including for the Group; continue to integrate the identified physical risks and transition risks and opportunities into current risk management processes; and refine the quantification of the potential financial impacts to operations and business strategy as climate change risk assessments are updated. Working groups have been established to support the climate adaptation and resiliency plans and the refinement of the potential financial impacts.

Metrics and Targets

Scope 1 and Scope 2 GHG emissions

2025 GHG Emissions (metric tonnes of CO ₂ -e)	
	Group
Scope 1 emissions	4,048,095
Scope 2 emissions (location-based)	2,424,447
Total Scope 1 + 2 emissions	6,472,542

The Group has applied the transition relief that permits entities not to disclose Scope 3 GHG emissions in the first reporting period.

Methodology for the calculation of GHG emissions

Consistent with the reporting for its financial statements, the Group is reporting its Scope 1 and 2 GHG emissions using the financial control approach. This differs from the values published by the Clean Energy Regulator (given that the NGER legislation applies an operational control approach). Accordingly, AoA's 55% share of the Portland Aluminium joint venture and 100% share of the other Australian locations have been included in this Report.

All Scope 1 emissions have been determined using Method 1 and the associated emission factors from the *National Greenhouse and Energy Reporting (Measurement) Determination* 2008 (NGER Measurement Determination) applicable at the time of the emission², with the following exceptions:

- Emissions of CO₂ from natural gas combustion at the refineries have been determined using Method 2 from the NGER Measurement Determination.
- Emissions of perfluorocarbon (PFC) gases from primary aluminium production at Portland Smelter have been determined using Method 3 from the NGER Measurement Determination.
- For additional sources not covered by NGER, the Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) has been used to measure emissions. Applicable GHG emission factors have been sourced from the Intergovernmental Panel on Climate Change (IPCC) Guidelines. These additional sources include:
 - Emissions of PFC gases from low voltage anode effects at Portland Smelter, which have been determined using the Tier 1 method from the IPCC Guidelines 2019 Refinement;
 - Emissions from livestock, which have been determined using the Tier 1 method for enteric fermentation from the IPCC Guidelines 2019 Refinement; and
 - Emissions from land clearing activities for mining operations which have been calculated using the Full Carbon Accounting Model (FullCAM) calibrated for the Group's mining operations.

Scope 2 emissions have been determined using location-based methodology from the NGER Measurement Determination using the emission factor applicable at the time of the electricity use.

For facilities that receive electricity or heat from outside a major grid, facility-specific emission factors have been used, in accordance with the location-based reporting method from the NGER Measurement Determination. These include:

- Portland Aluminium Smelter receives approximately 10% of the electricity from the directly connected Portland Wind Farm owned by Pacific Blue; and
- Pinjarra Alumina Refinery receives approximately half of its steam supply, used for process heat, from the co-located Alinta Pinjarra Generation Facility, which produces electricity and steam via cogeneration. Emissions related to steam generation for that facility have been allocated using the Combined Heat and Power Method as defined in the NGER Measurement Determination.

2. For January to June this was compilation 18 of the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER Measurement Determination) and compilation 20 for July to December.

In accordance with the GHG Protocol, when electricity is generated at a facility and the associated emissions are reported as Scope 1, Scope 2 emissions are not reported for the consumption of that electricity – whether it is used at the generating facility itself or at another facility via a direct connection. For example, Wagerup Alumina Refinery generates most of the electricity consumed both onsite and at the directly connected Willowdale Bauxite Mine; therefore, these emissions are accounted for solely within Wagerup Alumina Refinery's Scope 1 inventory.

This is the Group's first climate-related financial disclosure report, so there are no changes to the measurement approach from the previous reporting period.

For all material Scope 1 and Scope 2 emission sources, the activity data used in the calculation of greenhouse gas emissions is based on actual measured data or third-party invoiced quantities.

Alcoa Corporation Climate Ambition, Metrics, and Targets

Alcoa Corporation has a long-term ambition to achieve net zero GHG emissions across global smelting and refining operations by 2050 for Scope 1 (direct) and Scope 2 (indirect) emissions with short- and mid-term targets to reduce GHG emission intensity (Scope 1 and Scope 2) by 30% by 2025 and 50% by 2030 from a 2015 baseline.

As climate change is a global issue and this is driven by the volume of emissions and not their location, Alcoa Corporation sets its targets at the global level. This enables focus on achieving emission intensity reduction across the portfolio. The goals are not broken down by sub entities. A single gross global target enables decarbonisation efforts to be focused where they can deliver the most effective reductions, as well as enabling consistent governance across the business. Accordingly, there are no disaggregated climate targets applicable to the Group as distinct from the global business; the Group contributes to the achievement of the global climate targets and ambitions. Alcoa Corporation, and therefore the Group, does not acquire unbundled or bundled green attributes, with the exception of limited compliance buying for mine-related emissions in Australia; therefore, no carbon credits are utilised to achieve Alcoa Corporation's voluntary GHG emissions targets. Carbon credits are used by the Group to meet its compliance obligations under Australia's Safeguard Mechanism (see the Safeguard Mechanism section below for further detail).

The targets are not based on a sectoral decarbonisation approach, as one did not exist at the time the targets were developed. Alcoa Corporation understands there are complex and evolving expectations about how companies and industries should independently verify the alignment of their decarbonisation strategies and targets with the latest science. These include the Science Based Targets initiative (SBTi), the ISO Net Zero Standard and similar science-aligned pathways. Alcoa Corporation will continue engaging with these efforts and relevant working groups, including Aluminium Stewardship Initiative's (ASI) Climate Working Group, to define decarbonisation-related disclosures and targets and develop standardised pathways that identify effective ways to reduce emissions that are practical and relevant to the aluminium industry.

Currently, climate targets are validated through an annual limited assurance review process. Performance against the global target is measured using a year-on-year emissions intensity reduction comparison and is reported annually in the Alcoa Corporation Sustainability Report. GHGs covered by the target include carbon dioxide (CO₂), perfluorocarbon gases (CF₄ and C₂F₆), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs) and sulfur hexafluoride (SF₆). Biogenic CO₂e emissions from the combustion of biodiesel and land-based emissions are not included.

More information on how Alcoa Corporation and the Group advances environmental performance, including reducing emissions, can be found in the section, *Strategy, decision making, and risk mitigation*.

Remuneration Metrics

Information on remuneration metrics that were linked to climate-related considerations can be found in the Governance section.

Safeguard Mechanism

The Safeguard Mechanism is an Australian Government regulatory framework that sets legally binding GHG emissions limits – known as **baselines** – for industrial facilities with more than 100,000 tonnes of Scope 1 CO₂e emissions per year. Facilities are required to progressively reduce their net Scope 1 emissions in line with production-adjusted baselines. Facilities exceeding their baselines must surrender eligible credits (ACCU or Safeguard Mechanism Credits – SMCs) to meet compliance obligations. SMCs can be generated at facilities where emissions are below their baseline.

This framework is designed to deliver steady and predictable emissions reductions consistent with Australia's national climate targets of reducing emissions to 43% below 2005 levels by 2030 and achieving net zero emissions by 2050. The annual decline rate for Safeguard Mechanism baselines to 2030 has been calculated based on industry's proportional share of Australia's 2030 Nationally Determined Contribution (NDC). Periodic reviews of scheme settings will assess baseline decline rates and alignment with Australia's NDCs.

Australia's national emissions reduction targets are set by the Federal Government. The Climate Change Authority (CCA) provides independent advice to government on the Annual Climate Change Statement and on future targets (including Australia's NDCs). The Clean Energy Regulator (CER) publishes annual facility and scheme level data for the Safeguard Mechanism, while overall progress toward national targets is reported through the government's Annual Climate Change Statement and national emissions inventories/projections. The first review of the reformed Safeguard Mechanism settings is scheduled for 2026–27 and will be conducted by the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

The GHGs covered by the Safeguard Mechanism at the Group's facilities include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), and perfluorocarbons (CF₄ and C₂F₆). The reported values below are calculated in accordance with the Scope 1 methodology described above for NGER reporting.

Annual information relating to the Safeguard Mechanism is published by the Clean Energy Regulator. This includes information about:

- total covered Scope 1 emissions, including a breakdown by carbon dioxide, methane, nitrous oxide and other GHGs;
- the baseline emissions number, including any adjustments made to account for trade-exposed baseline-adjusted facilities;
- the net emissions number, which includes any adjustments made to account for eligible credits surrendered; and
- types of ACCUs surrendered.

As Safeguard Mechanism baselines are applied on an Australian financial-year basis, the most recent published data relates to the 2024/25 reporting period. For 2024/25, the Group's sites that exceeded the 100,000t CO₂e threshold, and were therefore subject to the Safeguard Mechanism, were Pinjarra Refinery, Wagerup Refinery, Kwinana Refinery and Portland Smelter. All other Australian sites within the Group, (including previously closed locations), remained below the threshold for the period.

Following the full curtailment of alumina production at Kwinana Refinery in June 2024, the refinery circuit continued to operate in 2025 for the purpose of water management. The refinery circuit uses steam as process heat, generated from the onsite cogeneration power station, to evaporate water from the facility. The facility was classified as a grid-connected electricity generator for the reporting year, meaning that GHG emissions associated with cogeneration are covered by a sectoral baseline. Emissions not related to cogeneration are subject to the default baseline of 100,000t CO₂e.

Performance against Safeguard Mechanism baselines for 2024/25

Safeguard Mechanism – Progress against targets for 2024/25 financial year			
Facility	Reported covered Scope 1 emissions (t CO ₂ e)	Scope 1 baseline (t CO ₂ e)	Net Scope 1 emissions ¹ (t CO ₂ e)
Pinjarra Refinery	1,268,082	1,434,251	1,268,082
Wagerup Refinery	1,306,994	1,217,338	1,217,338
Portland Smelter ²	330,006	310,130	310,130
Kwinana Refinery ³	139,861	100,000	100,000

1. Net Scope 1 emissions after surrender of eligible credits

2. Reported based on the Group's financial control share

3. In September 2025, Alcoa announced the permanent closure of the Kwinana alumina refinery in Australia, which had been fully curtailed for alumina since June 2024.

In 2025, the Group purchased 17,050 Australian Carbon Credit Units (ACCUs), which were surrendered in 2026 for the 2024/25 Safeguard Mechanism period. Other surrenders for this period were covered by SMCs generated at Pinjarra refinery. Forecasts indicate that the Group will have sufficient SMCs to cover liability during the short term. In relation to carbon pricing information, Alcoa Corporation and the Group use a carbon price in the long-term planning assumptions, used for business decisions (e.g. by incorporating carbon exposure costs in economic models), corporate development practices or capital expenditure evaluations, as well as defining and assessing climate-related opportunities, including low carbon and innovative products process efficiencies, or increasing use of renewable energy sources. Forecasts of emissions and related costs for the year, are reviewed monthly and 10-year outlooks are updated annually. The Group, supported by reputable carbon price and energy forecast consultancies, developed views on carbon price evolution based on pricing for carbon credits for use in the Safeguard Mechanism. The price forecasts considered relevant carbon policy developments, external benchmarks, and pricing estimates for Australian Carbon Credit Units (ACCUs) using third-party guidance and is an average over the last three years and includes high, low, and base scenario averages. As of 31 December 2025, the internal carbon price ranged from AUD\$34 to AUD\$167, with an average price of AUD\$79.

Standard NGER methodologies are used to report emissions under the Safeguard Mechanism to support comparability across industry. However, some variation may occur due to different order methods used for reporting, the application of hybrid baseline approach (transitioning to 100% industry average baselines by 2029/30) and reduced baseline decline rates for Trade-Exposed, Baseline-Adjusted (TEBA) facilities.

The Scope 1 baselines for 2024/25 were set using 20% industry average emissions intensities and 80% site-specific emissions intensities. Pinjarra and Wagerup Refineries have Scope 1 emissions intensities below the Australian industry average (for both alumina production and electricity generation), due to a focus on energy efficiency and the use of gas rather than coal as the primary fuel source for the refineries. For Pinjarra Refinery, this resulted in Scope 1 emissions that were below the facility's baseline.

Portland Smelter has been designated as a TEBA manufacturing facility, which allows the facility to receive a discounted baseline decline rate, for the three years beginning in the 2024/25 reporting period.



Independent Auditor’s Review Report on specified Sustainability Disclosures

To the members of Alcoa Australian Holdings Pty Ltd

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Alcoa Australian Holdings Pty Ltd (the Company) and its controlled entities (together, the Group) for the year ended 31 December 2025 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Specified Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures (AASB S2)</i> (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section “Governance” on pages 5 to 7
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Climate-related risks and opportunities included in section “Strategy” on pages 10 to 14 Other information included in section “Strategy” on page 8 Risk assessment processes included in section “Climate-related physical and transition risks and opportunities assessment” on page 8
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section “Metrics and Targets”, subsection “Scope 1 and Scope 2 GHG emissions” on page 19 Applicable method and measurement approaches contained within subsection “Methodology for the calculation of GHG emissions” on pages 19 to 20

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, Level 15, 125 St Georges Terrace, PERTH WA 6000,
GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au



We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the Australian Auditing and Assurance Standards Board. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Sustainability Report for the year ended 31 December 2025, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in Preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The specified Sustainability Disclosures in relation to Strategy (risks and opportunities) have been prepared using assumptions about future events, and management's actions, that may not occur.



Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control, and
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosures level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;
- Performed enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;
- Inspected and assessed, on a sample basis, policies, meeting of minutes regarding the monitoring, management and oversight of climate-related matters, and other underlying evidence supporting the climate-related financial disclosures on governance;



- Performed enquiries of management regarding the approach taken by the Group to:
 - Identify climate-related risks and opportunities;
 - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Performed enquiries of management and examined underlying evidence to assess the completeness and accuracy of the establishment of the organisational boundary, and sources of emissions, in the context of the specified Sustainability Disclosures.
- Performed enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- Applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data; and
- Performed testing over the calculations of the Scope 1 and 2 emissions, including testing the activity data utilised within the calculations to third-party records, information captured by onsite measurement devices at the facilities within the organisational boundary and other relevant underlying information, on a sample basis.

PricewaterhouseCoopers

PricewaterhouseCoopers

Rachel Meadows

Rachel Meadows
Partner

Perth
17 April 2026