



**KAISER**  
ALUMINUM

**2019**

**INTERIM CORPORATE SUSTAINABILITY REPORT**



## INTERIM UPDATE

The 2019 Interim Corporate Sustainability Report has been updated to reflect highlights as noted on sub-sections with the update icon pictured below and the Company's financial performance through September 30, 2019.

**Update**

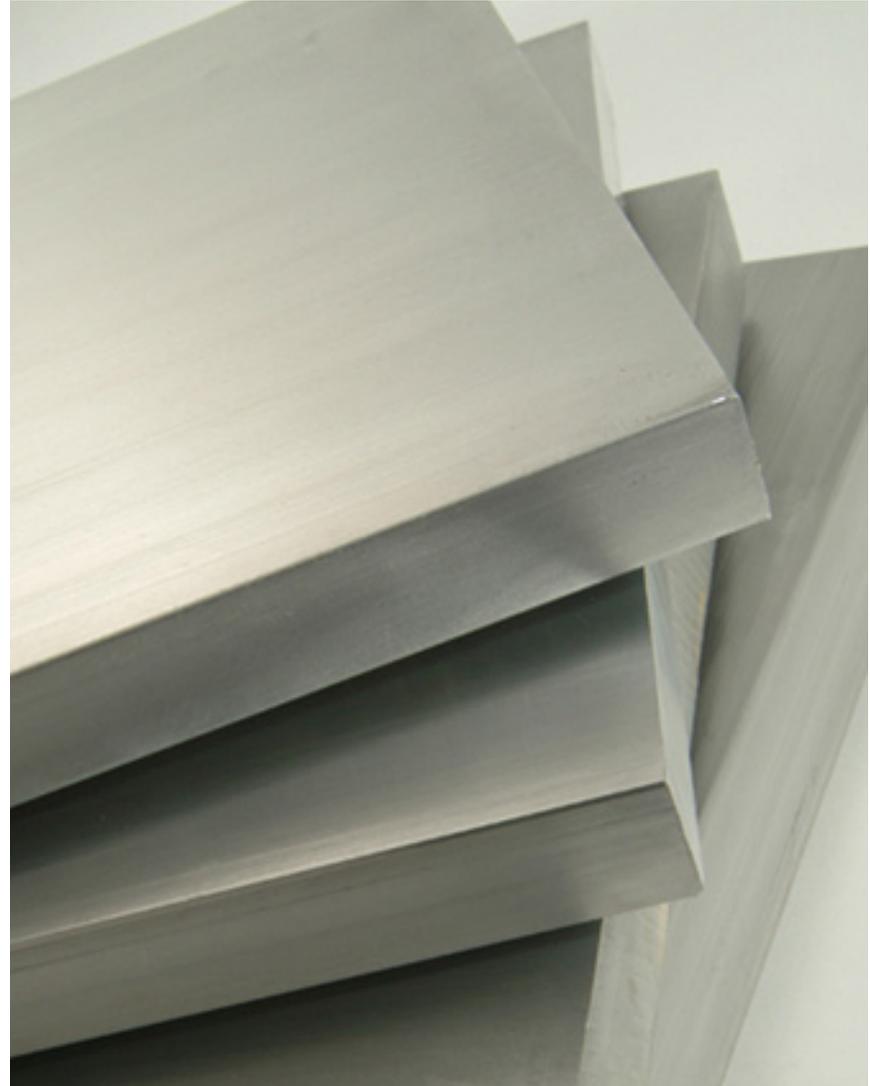
The Company intends to issue its 2019 Sustainability report mid- 2020.

# CONTENTS

<b>Interim Update</b>	<b>2</b>		
<b>Forward Looking Statements</b>	<b>4</b>		
<b>Chairman and CEO Letter</b>	<b>5</b>		
<b>Update</b> Executive Summary	7		
<b>Update</b> 2019 Highlights	9		
Sustainable Value Creation	11		
Corporate Values	12		
<b>Update</b> Key Initiatives	13		
<b>Our Company</b>	<b>14</b>		
<b>Update</b> Business	15		
Facilities	16		
<b>Update</b> Consistent, Competitive Strategy	17		
<b>Update</b> Markets Served	18		
<b>Update</b> Capital Allocation	21		
<b>Update</b> Shareholder Value	22		
Leadership Structure and Risk Management	23		
Environmental, Social and Governance Oversight	23		
Sustainability Strategies	24		
<b>Products and Operations</b>	<b>25</b>		
Production Processes	26		
Use of Recycled Scrap	27		
Closed Loop Recycling	27		
Supplier of Choice	28		
Manufacturing Excellence	28		
Innovation	29		
<b>Environment</b>	<b>30</b>		
Environmental Focus and Initiatives	31		
<b>Update</b> Environmental Management System	32		
<b>Update</b> Energy Conservation	32		
Carbon Emissions	34		
Case Studies	36		
Air Quality	38		
Water Consumption	38		
Waste Management	39		
Stakeholder Engagement	40		
REACH	40		
<b>Responsible Business Practices</b>	<b>41</b>		
<b>Update</b> Corporate Governance	42		
<b>Update</b> Commitment to Corporate Governance	43		
<b>Update</b> Board of Directors	44		
<b>Update</b> Compensation Best Practices	46		
<b>Update</b> Alignment of Strategy, Performance and Executive Compensation	47		
Stockholder Engagement	48		
Code of Ethics and Business Conduct	49		
InTouch	49		
Conflict Minerals	50		
Compliance	50		
<b>People and Communities</b>	<b>51</b>		
<b>Update</b> Workplace Health and Safety	52		
The Boultinghouse Award	54		
<b>Update</b> Employee Wellness	55		
<b>Update</b> Talent Development	56		
<b>Update</b> Labor Relations	57		
Community Engagement	58		
<b>Summary</b>	<b>60</b>		

## FORWARD LOOKING STATEMENTS

The information contained in this report includes statements based on management's current expectations, estimates and projections that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include statements regarding the company's anticipated financial and operating performance, relate to future events and expectations and involve known and unknown risks and uncertainties. The Company cautions that such forward-looking statements are not guarantees of future performance or events and involve significant risks and uncertainties and actual events may vary materially from those expressed or implied in the forward-looking statements as a result of various factors. For a summary of specific risk factors that could cause results to differ materially from those expressed in the forward-looking statements, please refer to the company's reports filed with the Securities and Exchange Commission, including the company's most recent Forms 10-Q and 10-K. All information in this report is as of the date of the report. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations except as may be required by law.





## CHAIRMAN AND CEO LETTER

Creating sustainable value for our stakeholders is an integral part of our corporate values, the end markets we serve, how we manage our business and what we view as just good business practices.

As our founder Henry J. Kaiser was fond of saying, “Having an aim is the key to achieving your best.” We have adhered to this maxim throughout Kaiser Aluminum’s strategic evolution. We are proud of the legacy of Kaiser Aluminum and of the company we are today. We believe we have a good story to tell and have sought to articulate our story through our inaugural sustainability report in a manner that captures highlights of our sustainability culture and initiatives.

We maintain a strong focus on financial strength and flexibility and manage our liquidity and

conservative capital structure to remain strong through business and economic cycles.

Our core values drive our strategic initiatives which are further translated into annual Key Initiatives and Key Process Indicators focused on results. Our incentive compensation structure includes performance metrics to ensure we are aligned with our common goal of creating enduring value in our company for all of our stakeholders. We strive to be the employer of choice by providing equal opportunity employment and a non-discriminatory workplace, protecting the health and safety of our employees, maintaining a positive and constructive relationship with our employees and their designated representatives, developing and

empowering our employees and being responsible and active members of our communities.

We believe it is important to the success of our business that we be good stewards of our environment and resources. To that end, we focus on both compliance and ensuring that we are taking the steps now to facilitate compliance in the future. We have found that our focus on lean manufacturing processes also helps us proactively mitigate our environmental footprint.

Our board of directors is highly independent, engaged, diverse in perspective and background and is focused on overseeing our company's business strategies, risk management, talent development, and succession planning. Our board of directors has and will continue to

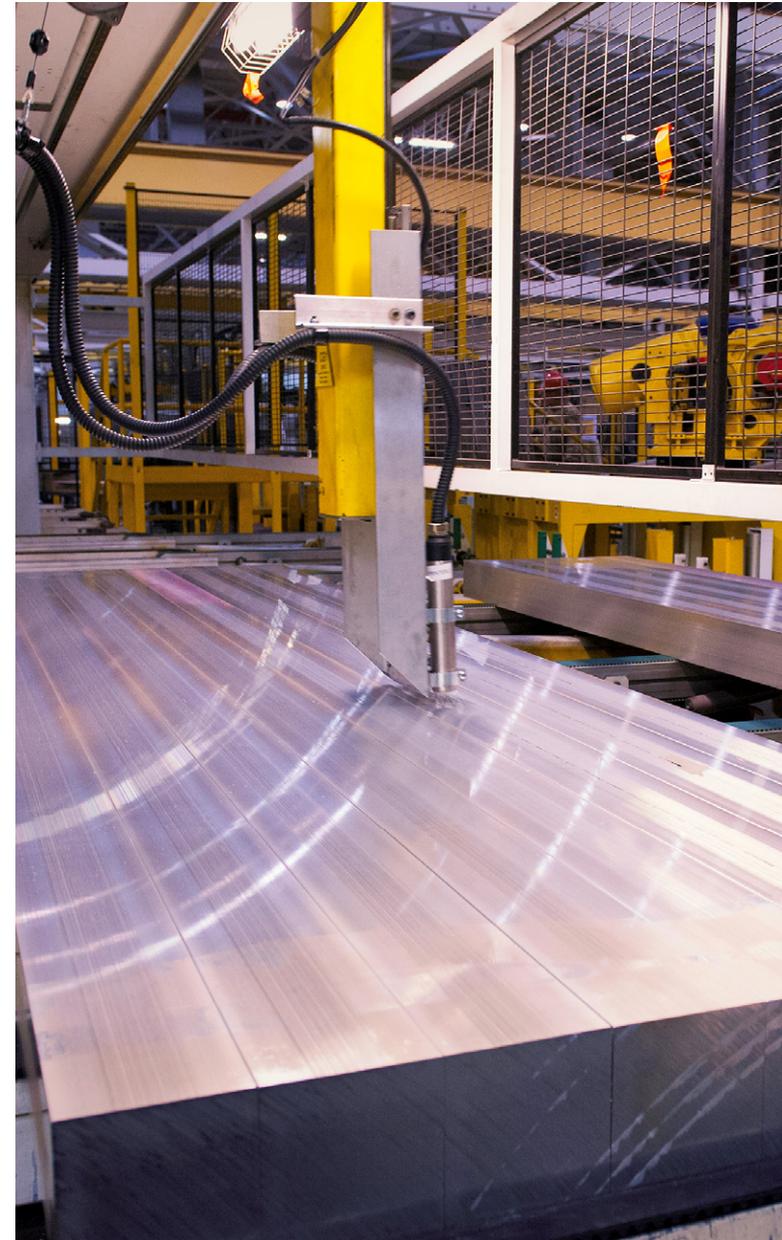
be vigilant in the oversight of our long-term strategy development and execution. By focusing on our long-term outlook, we are best able to support the continued growth of our business, and the sustainability of our company and its operations over the long term.

Sincerely,



**Jack A. Hockema**

Chairman and CEO



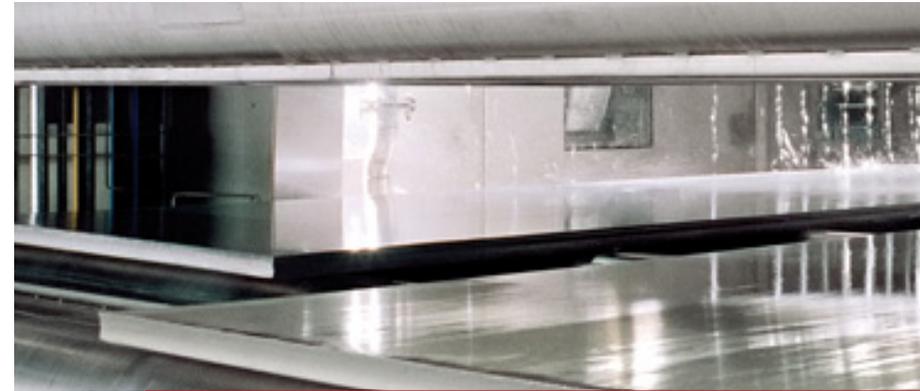
## Executive Summary

Update



### COMPANY OVERVIEW

- Leading North American producer of highly engineered aluminum mill products
- Focus on demanding applications for aerospace, automotive and general industrial end-markets



### PERFORMANCE HIGHLIGHTS

- Achieved key cost position with plant & equipment investments at 2x rate of depreciation
- Manage for the downturn to maintain financial strength through business cycles
- Effective and balanced capital allocation ~\$1.7B since 2007<sup>1</sup> - organic investments, modest bolt-on acquisitions and significant cash returned to shareholders through increasing dividends and disciplined share repurchases
- Outperformed S&P 600 Materials Index with total shareholder return (TSR) of 119.8% since 2007<sup>1</sup>



### BOARD OF DIRECTORS

- Diverse and highly independent Board
- Elected new independent director in 2018 with significant CEO, board and manufacturing experience
- Robust and multi-tiered Board and Committee annual assessment process
- Continuing focus on identifying critical skills needed to support company strategy and succession planning
- United Steelworkers (USW) has right to nominate 40% of the members of our Board

<sup>1</sup>As of September 30, 2019



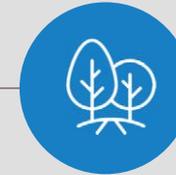
## BUSINESS MODEL

- Fundamental part of our business model is to mitigate the impact of aluminum price volatility
- Long-standing customer relationships – original equipment manufacturers (OEMs), tier 1 suppliers and metal service centers
- Differentiate through broad product offering and “Best in Class” customer satisfaction
- Significant ongoing investment in talent development throughout company



## EXECUTIVE COMPENSATION

- Approximately 75% of CEO and COO target compensation is “at-risk”, with > 50% subject to stringent performance metrics
- Approximately 65% of other NEO target compensation is “at-risk”, with >50% subject to stringent performance metrics
- Compensation programs supported by best practices and aligned with our strategic objectives and shareholder interests



## ENVIRONMENT AND SUSTAINABILITY

- Sustainability is an integral part of our corporate values
- We manage our business for long-term success in a manner that is economically, environmentally and socially responsible
- Our products are part of the carbon solution, facilitating light weighting and increased fuel efficiency
- Aluminum is infinitely recyclable and we have continued to increase our use of recycled scrap
- Our investments increasing our manufacturing efficiency reduce our environmental impact and the impact of our customers



## Executive Summary—2019 Highlights

Update



### COMPANY OVERVIEW

- Appointed Neal E. West as Senior Vice President and Chief Financial Officer early 2019
- Continuing investment to further manufacturing efficiency, quality and capacity to support ongoing growth
- Remain well - positioned in attractive, growing market segments – strong secular growth in aerospace and automotive; steady albeit slowing growth in general industrial markets



### PERFORMANCE HIGHLIGHTS

- Record 9 month 2019 results confirm strong underlying momentum, despite -\$15 million impact from planned and unplanned downtime at our Trentwood facility and the impact from automotive program transitions
- Continued to return cash to shareholders through dividends and share repurchases, increased quarterly dividend for the 8th consecutive year
- Completed a new \$375M Senior Secured Credit Facility, maturing 2024, and a \$500M Senior Notes Offering, maturing 2028
- USW members at Newark, OH and Spokane, WA ratified new 5-year master labor agreement effective Oct. 1, 2020 through Sept. 30, 2025



## BOARD OF DIRECTORS

- Ongoing commitment to board refreshment - three new highly qualified independent directors added to the board in 2019
- Continued focus on identification of critical board skills and succession planning
- Strong support for continued proactive shareholder engagement (> 50% annually)
- Extended director designation agreement with the USW through December 31, 2025



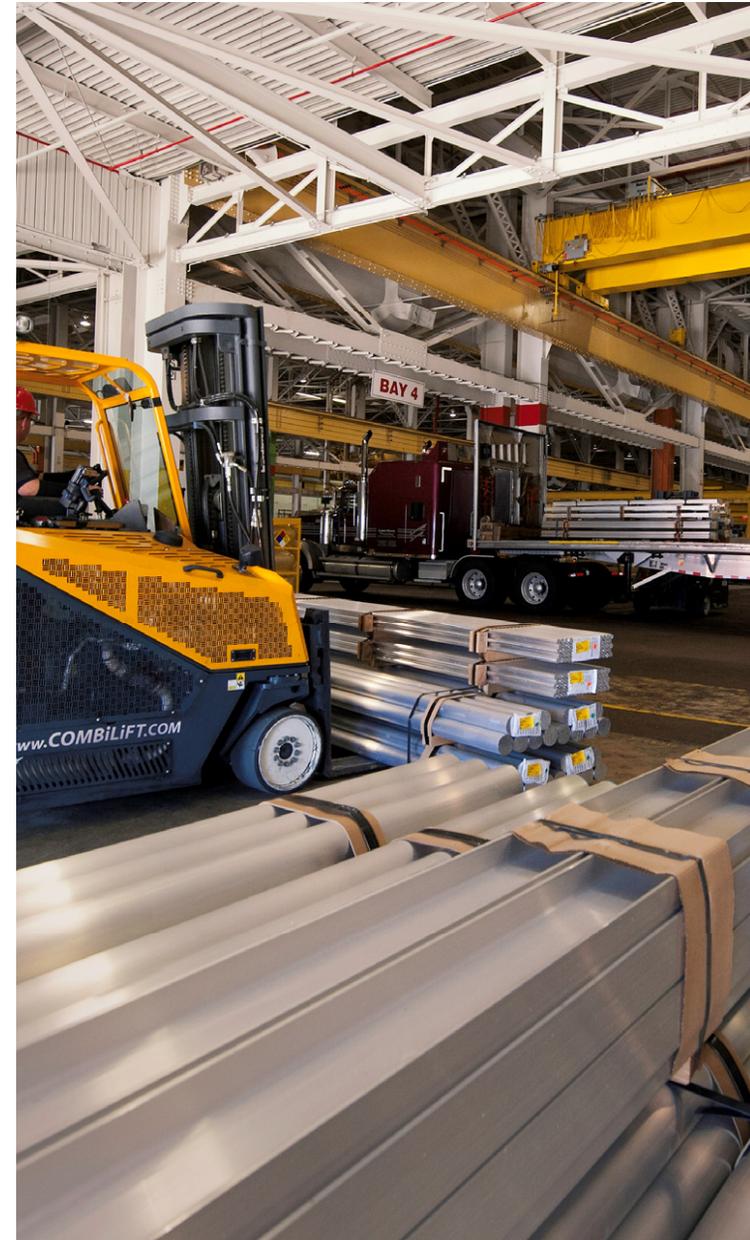
## EXECUTIVE COMPENSATION

- Continued shareholder support for executive compensation received 84% approval in 2019
- Incentive plans continue to reflect increasing levels of performance
- Revised weighting of LTI performance metrics to increase TSR from 30% to 60%, while maintaining 40% cost performance



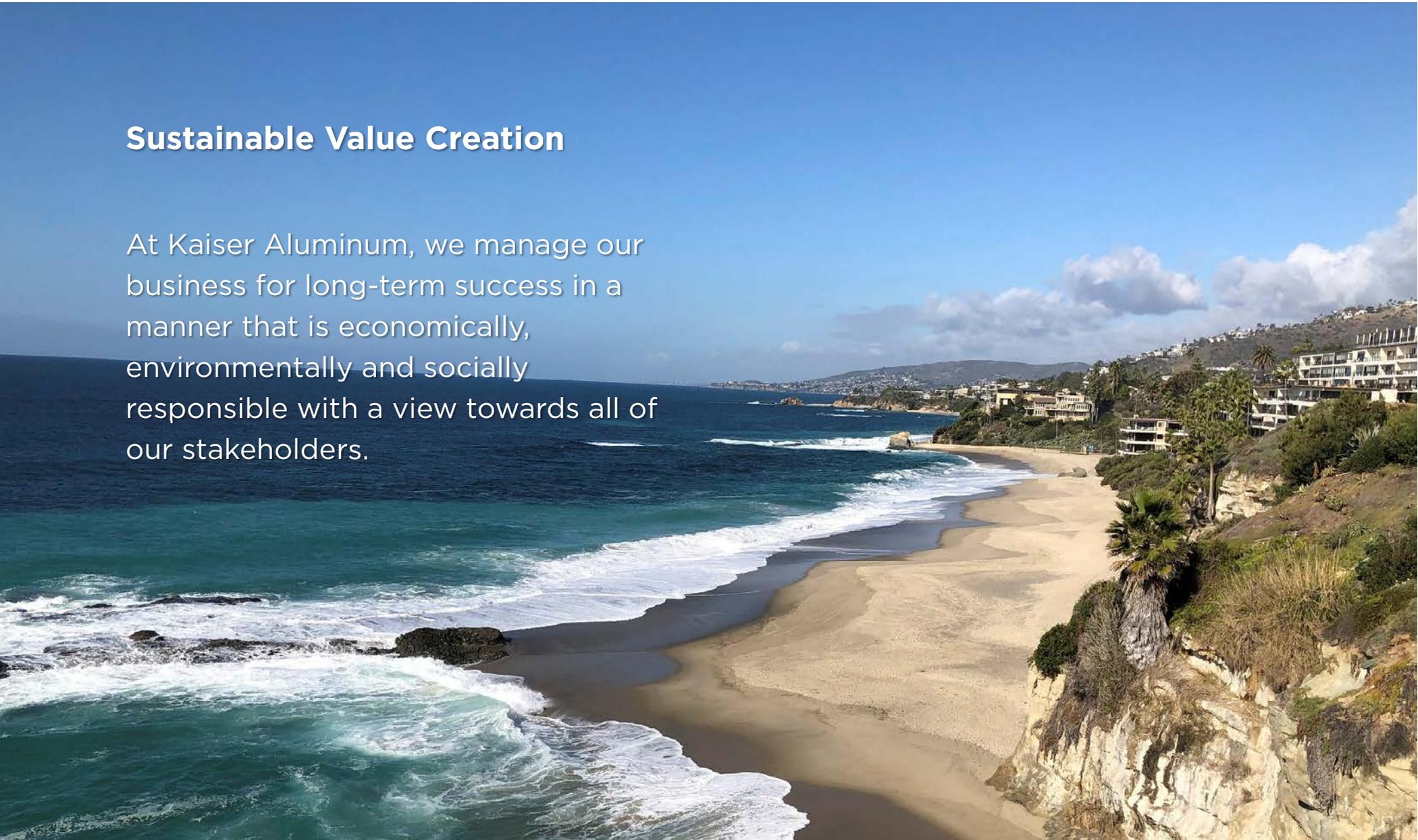
## ENVIRONMENT AND SUSTAINABILITY

- Inaugural sustainability report issued early 2019
- Increased focus on talent development - implemented Front Line Leadership Development Program at two of our largest facilities to strengthen organizational performance through ethical, effective and sustaining leadership
- Continued investments and initiatives to improve operational efficiencies and lessen impact on environment
- Ongoing engagement with BlueGreen Alliance and environmental groups



## Sustainable Value Creation

At Kaiser Aluminum, we manage our business for long-term success in a manner that is economically, environmentally and socially responsible with a view towards all of our stakeholders.



## Corporate Values

Our corporate values support and serve as the foundation for our strategic initiatives and truly reflect the Company's "tone at the top" which is embedded in our culture and continues to drive our behavior.

PREFERRED INVESTMENT	PREFERRED SUPPLIER	PREFERRED EMPLOYER	PREFERRED CUSTOMER
<ul style="list-style-type: none"> <li>• Create and deliver long-term value to shareholders                             <ul style="list-style-type: none"> <li>• Focus on long-term shareholder value</li> <li>• Emphasize transparency of results and long-term value creation</li> <li>• Prohibit "make-the-period" operating and/or accounting philosophy</li> </ul> </li> <li>• Employ disciplined capital allocation priorities for organic growth, inorganic growth, regular dividends and return of excess cash to shareholders</li> <li>• Maintain financial strength and flexibility</li> <li>• Create and sustain a defensible competitive position</li> <li>• Communicate a clear and simple story to investors</li> <li>• Proactively engage to build relationships with investors</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a Best in Class customer experience                             <ul style="list-style-type: none"> <li>• Deliver on time, every time</li> <li>• Consistently provide the shortest lead times</li> <li>• Achieve zero claims</li> <li>• Accept customer claims on a no-fault basis (subject to limitations for \$ amount and/or chronic abuse by individual customers)</li> <li>• Provide superior support, service, training and rapid response</li> <li>• Be the "easiest to do business with"</li> </ul> </li> <li>• Offer competitively priced products commensurate with the value provided</li> <li>• Employ rigorous process controls to provide consistent attributes in all of our products</li> <li>• Develop new products, processes and capabilities that address current or emerging customer needs</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a safe and clean workplace</li> <li>• Treat employees with dignity and respect</li> <li>• Be responsive to employees</li> <li>• Provide an environment of empowerment, responsibility and accountability</li> <li>• Assure effective, open two-way individual and group communications</li> <li>• Develop and maintain a positive relationship with all employees and their designated representatives</li> <li>• Provide an environment that embraces creativity, learning and innovation</li> <li>• Offer competitive pay and benefits that attract and retain employees</li> <li>• Offer a variable pay component linked to performance and economic profit</li> </ul>	<ul style="list-style-type: none"> <li>• Pay a competitive price for value provided</li> <li>• Be easy to do business with</li> <li>• Assure integrity and fairness</li> <li>• Encourage effective two-way communications</li> <li>• Demand excellence through collaboration</li> <li>• Set clear and consistent expectations and demand accountability</li> </ul>
			VALUED CORPORATE CITIZEN (ESG)
			<ul style="list-style-type: none"> <li>• Be socially responsible and active members of our industry and our communities</li> <li>• Enforce the values embedded in preferred investment, preferred supplier, preferred employer, and preferred customer</li> </ul>

## Key Initiatives

Update

Our key initiatives are the areas in which we focus our efforts. The key initiatives are aligned with our business concept and values and represent six strategic areas the company has identified as vital to achieving long-term success and delivering shareholder value.

### SUPPLIER OF CHOICE

Advance our position as the **Supplier of Choice**

### LOW COST PRODUCER

Enhance our position as a **Low Cost Producer**

### PROFITABLE SALES GROWTH

Achieve **Profitable Sales Growth**

### TECHNICAL & MANAGERIAL TALENT & DEPTH

Develop and strengthen **Technical and Managerial Talent and Depth**

### FINANCIAL STRENGTH & FLEXIBILITY

Sustain **Financial Strength and Flexibility**

### VALUED CORPORATE CITIZEN

Enhance our standing as a **Valued Corporate Citizen**



## OUR COMPANY

- Leading positions in attractive, growing market segments
- Strong track record, excellent earnings growth potential
- Balanced capital allocation
- Financial strength provides sustainability through cycles



## Business

Update

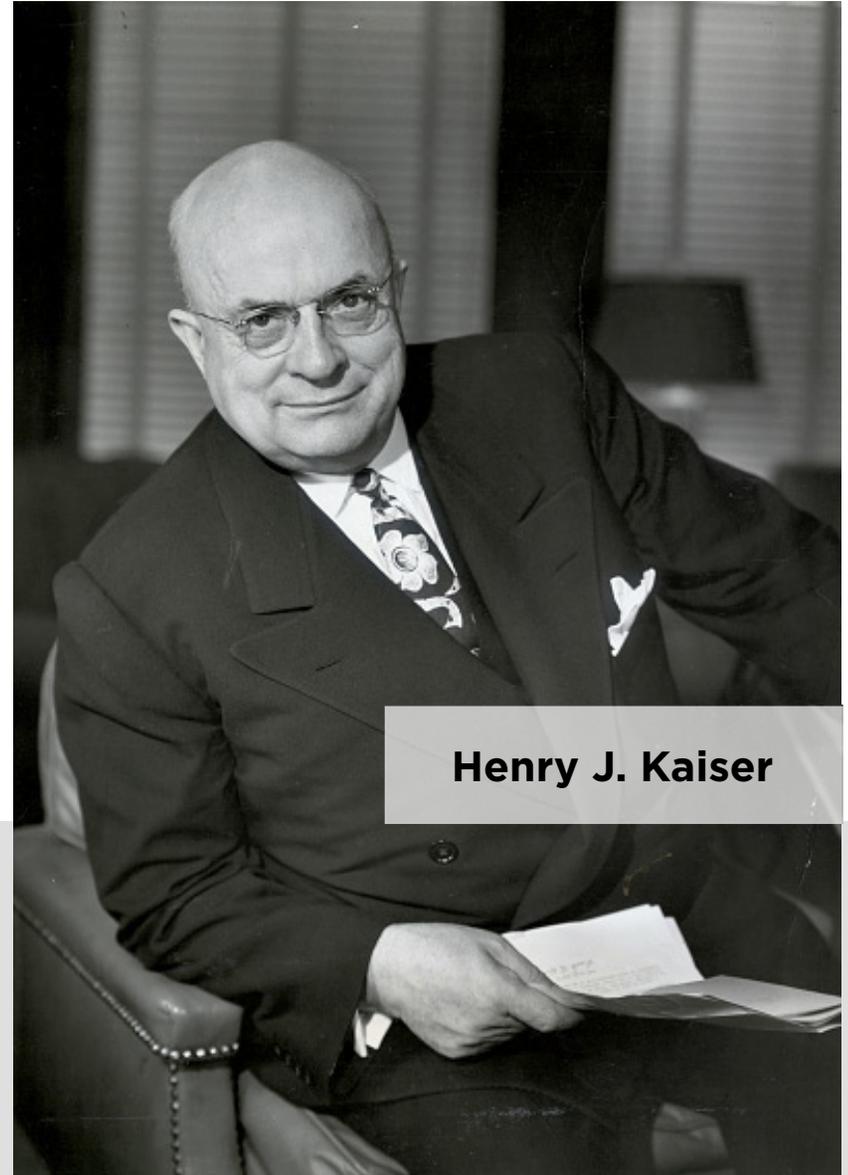
Kaiser Aluminum Corporation is a leading producer of semi-fabricated aluminum products. Manufacturers and major suppliers around the world look to Kaiser to deliver highly engineered solutions for their most demanding aerospace, automotive and industrial applications. The reason is simple: we adhere to the same strong commitments to quality, innovation and service today as when the company was founded in 1946.

### Key Facts and Figures

- Ticker: NASDAQ: KALU
- Market Cap<sup>1</sup>: ~\$1.6B
- LTM Revenue<sup>1</sup>: \$1.5B
- Headquarters: Foothill Ranch, CA
- Operations<sup>1</sup>: 13 Facilities
- Employees<sup>1</sup>: ~2,800

### 73RD YEAR OF KAISER ALUMINUM'S PROUD HISTORY

Legendary industrialist Henry J. Kaiser founded Kaiser Aluminum in 1946. In keeping with Henry J. Kaiser's legacy, Kaiser Aluminum continues to be a sustaining brand, as well as a recognized leader in metallurgy and innovative, highly engineered solutions in its chosen end markets. The company remains committed to upholding its fundamental values to be a preferred investment, preferred employer, preferred supplier, preferred customer and a valued corporate citizen.



**Henry J. Kaiser**

<sup>1</sup>As of September 30, 2019

## Facilities

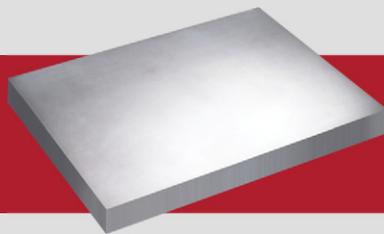
Kaiser operates 13 production facilities across North America. Collectively, these facilities allow us to produce an impressive range of value-added plate, sheet, and extruded products. This latter category includes extruded shapes as well as rod, bar, tube, forged stock and wire products.

Each of our facilities specializes in manufacturing products for specific industries, allowing us to not only develop a deeper understanding of each market, but also differentiate our processes to more efficiently meet the needs of our customers operating in those markets. Our commitment to

continuous improvement is a big reason customers turn to Kaiser Aluminum time and again to deliver effective, innovative solutions. In fact, many customers have been with us since our founding.

Our customers know there's something different about the way we do things at Kaiser. They recognize our

dedication to developing leading-edge solutions is backed by an uncommon commitment to good old-fashioned customer service and an uncompromising passion for exceeding expectations. It's not an experience that's easy to find these days. But it is **The Kaiser Experience.**



Flat Rolled Products



Extrusions



Drawn Products

## Consistent, Competitive Strategy

### Update

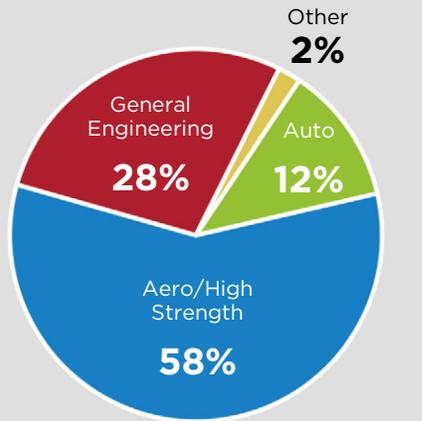
We have a strong track record of profitable growth. Our success over the years has been driven by a highly focused and consistent strategy. We are well positioned in attractive growing markets, focused on technically challenging applications where we have competitive strength.

LTM<sup>2</sup>

Value Added Revenue<sup>1</sup> Mix

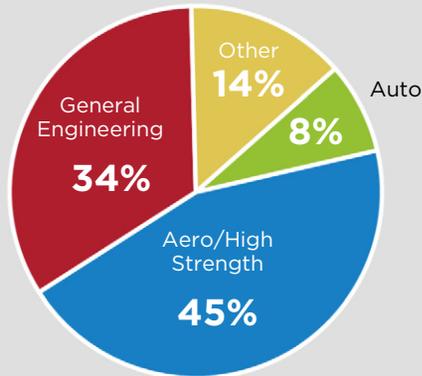


4% CAGR<sup>3</sup>



2005

Value Added Revenue<sup>1</sup> Mix



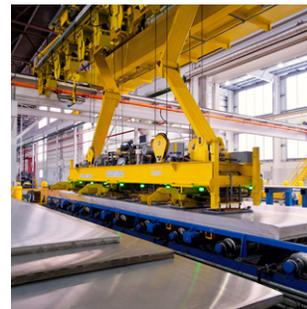
### FOCUS

Demanding applications with barriers to entry



### DIFFERENTIATION

Product quality, service and KaiserSelect<sup>®</sup> attributes



### VALUE CREATION

Operating leverage and manufacturing efficiency

<sup>1</sup> Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.

<sup>2</sup> LTM = Last Twelve Months ended September 30, 2019

<sup>3</sup> CAGR = compound annual growth rate

## Markets Served—Aerospace and High Strength

Update

Recognized for a long history of adding value to the aerospace and high-strength markets, Kaiser Aluminum’s dedication to these markets is supported by significant capital investments over the past decade to more than double its capacity, expand its capabilities and enhance product quality to support the ongoing secular growth for aerospace applications.

Serving the leading aerospace OEMs and their suppliers for commercial aerospace, military and business jets and industrial applications, Kaiser provides a broad product



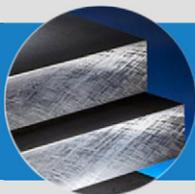
offering including its differentiated **KaiserSelect®** products for numerous structural and safety critical aerospace applications.

With continued growth in global air travel, the airframe manufacturers maintain an 8-year order backlog and have increased annual build rates that will continue to drive demand for fuel efficient aircraft.



For more information, visit the Aerospace and High Strength **Markets** page on our website. For aerospace customer testimonials, visit the **Best in Class** page on our website.

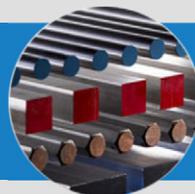
### Aerospace and High Strength Product Offerings



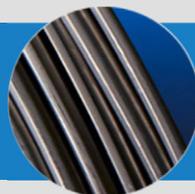
**KaiserSelect®**  
Aerospace Plate™



Small and  
Intermediate Hard  
Alloy Extruded  
Shapes



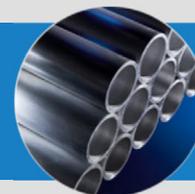
Hard Alloy Cold  
Finished Rod & Bar



Hot Rolled  
Redraw Rod



Aerospace  
Sheet & Coil



Hard Alloy Drawn  
Seamless Tube



Wire



Hard Alloy Extruded  
Forge Stock

## Markets Served—Automotive

Kaiser Aluminum has been serving the automotive extrusion market for more than two decades, embracing a strong automotive culture and offering technical and manufacturing competence through our dedicated applications engineering team. Today, aluminum is one of the most cost effective materials to achieve fuel efficiency

standards. Lightweight, high-strength, energy crash absorbent, durable, corrosion resistant, easily formable and infinitely recyclable, the growth in aluminum content in vehicles is a key demand driver for our automotive extrusions. Working in partnership with leading Tier 1 suppliers, Kaiser has continued to expand the production of extruded products that can be transformed into complex shapes with tight tolerances, offering cost effective ways to form and machine products ideally suited for demanding and often safety critical structural applications.



For more information, visit the Automotive **Markets** page on our website.

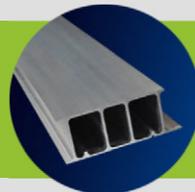
### Automotive Product Offerings



ABS Block



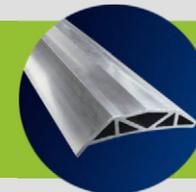
Driveshaft Tubes



Bumper Extrusion



Apron Tube



Crush Can

## Markets Served—General Engineering

Through our long-standing partnerships with leading metal service centers, Kaiser’s products and experience are counted on for a wide variety of industrial end-market applications.

Kaiser’s aluminum products can be found in everything from the armor used in military vehicles and ordnance to manufacturing cells for semiconductors and electronic devices to aftermarket motor sports parts. Our aluminum is also used in the manufacture of tooling plate, parts for machinery and equipment, and all types of bolts, screws, nails or rivets. Many of these products must also stand up to the demands of further fabrication.

What do all these applications have in common? The need for high-quality aluminum that delivers superior machinability, structural strength, and often critical mechanical or ballistic properties.

Working with our partners and their customers, Kaiser offers the experience and know-how to deliver products

that are engineered to consistently improve throughput, reduce waste and help save on production costs. From **KaiserSelect®** General Engineering Plate and **KaiserSelect®** SEMIK Plate for semiconductor manufacturing to **KaiserSelect®** Precision Rod and **KaiserSelect®** Manifold Bar, our products have proven superior in application after application.



Parts from **KaiserSelect®** Precision Rod



For more information, visit the General Engineering **Markets** page on our website.

## General Engineering Product Offerings

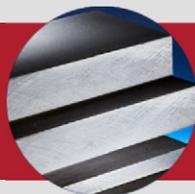
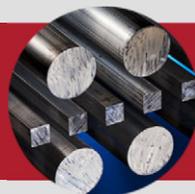
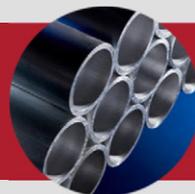


Plate and Sheet



Rod and Bar



Seamless and Structural Extruded Tube



Cold Finished Rod and Bar



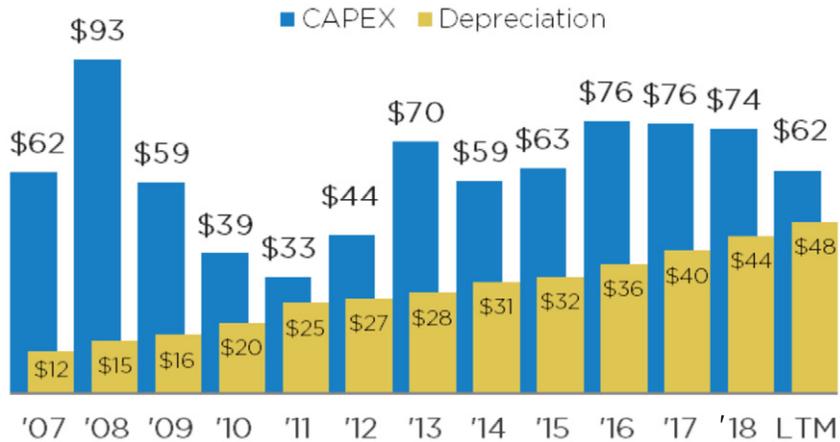
Standard Shapes

## Capital Allocation

Update

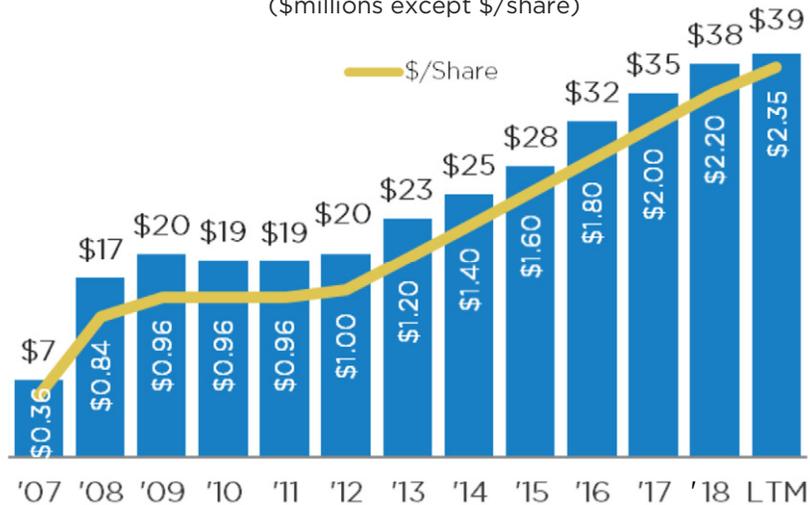
### Capital Spending / Depreciation

(\$millions)



### Dividends

(\$millions except \$/share)



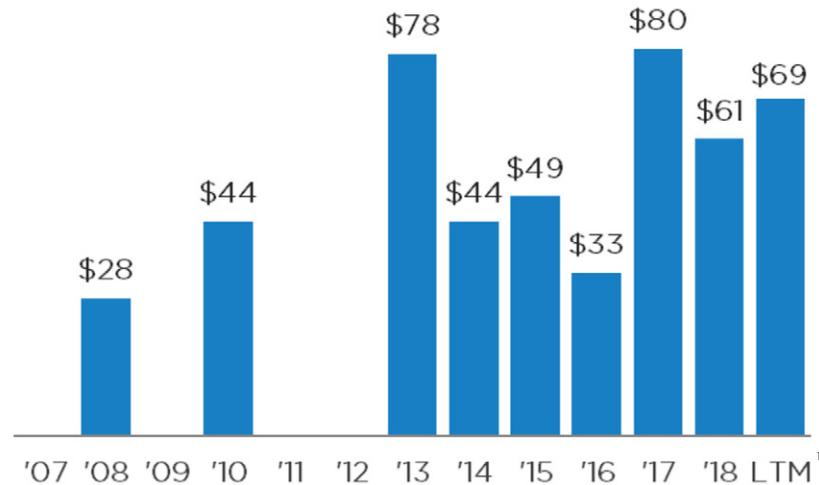
<sup>1</sup>LTM = Last Twelve Months as of September 30, 2019

Effective, balanced capital allocation with clear priorities for cash deployment consistently applied:

- Invested ~\$800M in our business since 2007 (2x depreciation, sustaining ~75% of depreciation)
- Distributed ~\$800M to shareholders since 2007
  - Dividends increased each year since 2011
  - ~6.9 million shares repurchased at an average price of \$66.47

### Share Repurchases

(millions)



## Shareholder Value

**Update**

- Strong track record for growth in value-added revenue<sup>1</sup>, adjusted EBITDA<sup>2</sup> and EBITDA margin<sup>3</sup> has exceeded industry demand
- Continued strong industry demand growth: Aerospace (~3% CAGR); Automotive (~5% CAGR); and N.A. Industrial (~1% CAGR)
- Continued improvement in manufacturing cost efficiency
- Consistently reinvest in the business to facilitate competitive strength, organic/inorganic growth and margin expansion



## TSR<sup>5</sup> Performance

(January 3, 2007 – September 30, 2019)

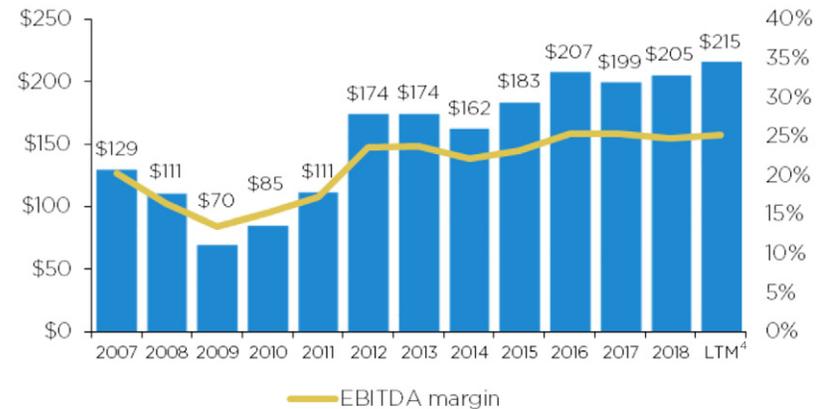
Our focused and consistent strategy has allowed us to outperform industry peers and the broader index over the long term



## Adjusted EBITDA<sup>2</sup> and Margin Growth

EBITDA (\$mm) and EBITDA margin

Maintain strong EBITDA margins through the cycle



<sup>1</sup> Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.

<sup>2</sup> EBITDA = For comparability, prior to 2010 defined as Fabricated Products Operating Income less corporate expenses before non-run-rate items plus Depreciation and Amortization. For 2010 and later, defined as Consolidated Net Income (Loss) before Interest, Other Income (Expense), Income Tax and non-run-rate items plus Depreciation and Amortization; refer to appendix

<sup>3</sup> EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR); VAR = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.

<sup>4</sup> LTM = Last Twelve Months as of September 30, 2019

<sup>5</sup> TSR = Total Shareholder Return. Returns the compound total return, with dividends reinvested by default on the exdate, for dates requested. The prices used in the total return calculations are adjusted for special cash dividends (i.e. special cash dividends are not being reinvested on the ex-date).

## Leadership Structure and Risk Management

Our board of directors focuses its attention on overseeing our company's business strategies, risk management, talent development and succession planning. The board of directors has and will continue to be vigilant in the oversight of our company's long-term strategy development and execution.

By focusing on our long-term outlook, we are best able to support our common goal of creating enduring value in our company and for our stockholders. Our directors contribute to management's strategic plan by engaging the company's senior management in robust discussions about the company's overall strategy, priorities for its businesses, capital allocation, risk assessment and opportunities for continued long-term growth.

## Environmental, Social and Governance Oversight



Sustainability is an integral part of our corporate values, the end markets we serve and how we manage our business. We conduct our operations in a sound environmental manner and seek to

continually improve our product quality and manufacturing efficiency through processes and capital investments that reduce our environmental impact and, in turn, reduce the environmental impact of our customers.

We recognize that long-term excellence requires sustainable practices, and we manage our business for long-term success in a manner that is economically, environmentally and socially

responsible. We demonstrate this through:

- Operating our business with honesty and integrity;
- Providing a safe workplace that fosters dignity and respect;
- Supporting the sustainability of our environment through lean sigma initiatives to drive continuous improvement in manufacturing efficiency and reduce our carbon emissions and environmental footprint;
- Striving to make a positive difference in our local communities; and
- Creating positive economic impact for our stakeholders.

In addition to ongoing programs embedded within our enterprise risk management program, additional areas of focus, including environmental, social and governance matters, are reviewed by management with our board of directors annually.

## Sustainability Strategies

2020 Sustainability Strategies	Progress
<b>Products and Operations</b>	
Continue to invest and extract efficiencies through operational process improvements and enhanced product quality	✓
Continue to maximize use of scrap metal throughout our operations	✓
<b>Environment</b>	
Include all mill product facilities in metrics	⋯
Continue to evaluate, develop and monitor metrics around environmental initiatives and improvements	⋯
<b>Responsible Business Practice</b>	
Continued commitment to maintain a board with at least 30% gender diversity	✓
Formalize a human rights and supply chain policy	✓
<b>People and Communities</b>	
Achieve a wellness participation rate of 75% for eligible employees	✓
Reduce injury rate by 30% (vs. 2017)	✓



# PRODUCTS AND OPERATIONS

Aluminum is inherently sustainable and indefinitely recyclable. Nearly 75% of all aluminum produced is still in use today.

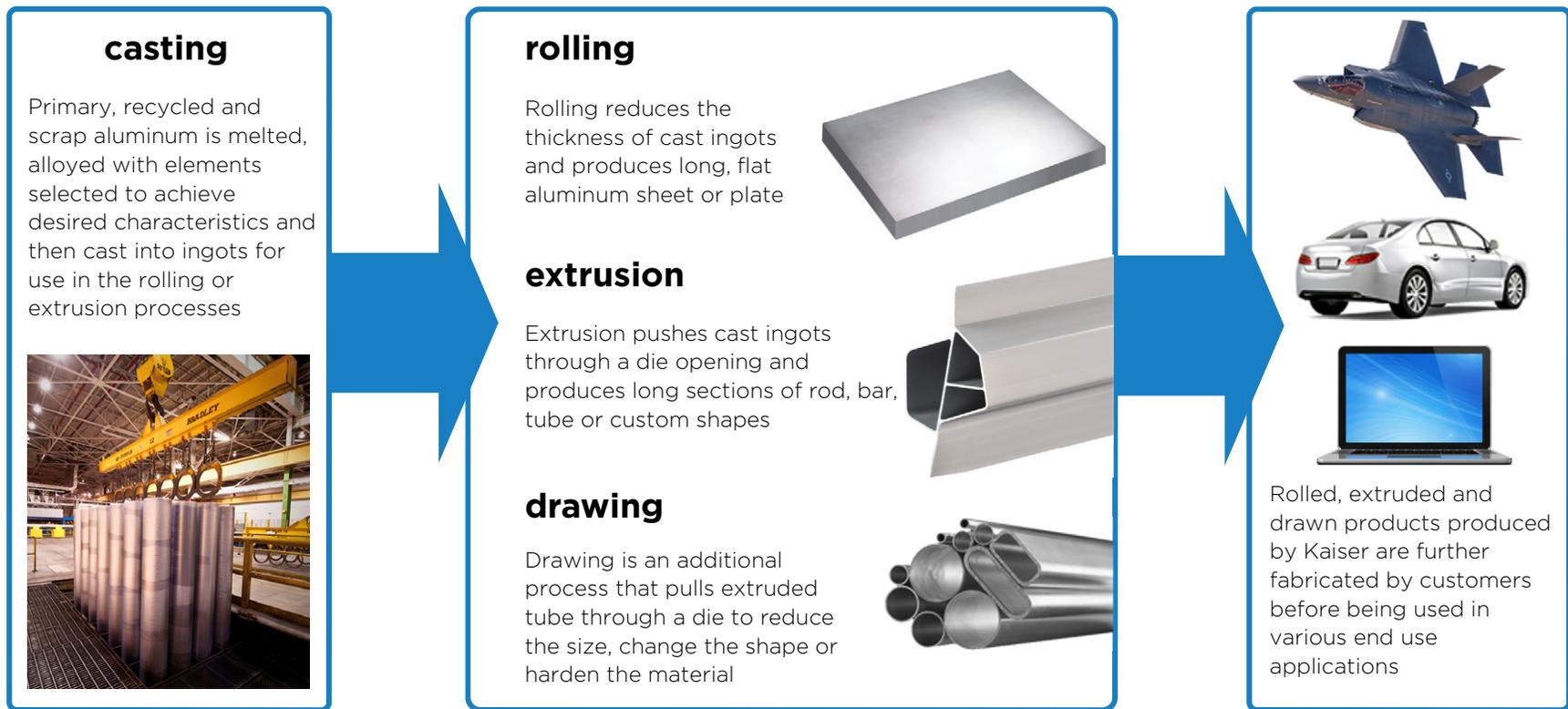
Our focus:

- Maximizing the use of recycled scrap - pursuing increased use of closed loop or similar scrap programs
- Participating in customer light weighting to achieve greater fuel efficiency (aerospace and automotive)
- Identifying opportunities where we can achieve energy cost savings and promoting the efficient use of energy and material resources to reduce our carbon footprint
- Developing new products, processes and capabilities that increase customer efficiency including our **KaiserSelect**<sup>®</sup> product offering production processes

## Production Processes

We conduct our operations in a sound environmental manner and seek to continually improve our product quality and manufacturing efficiency through processes and capital investments to reduce our environmental impact and, in turn, reduce the environmental impact of our customers.

Our products are differentiated based on the metallurgy and physical properties of the metal and special characteristics that are required for particular end uses. We strategically choose to serve technically challenging applications for which we can deploy our core metallurgical and process technology capabilities to produce highly engineered aluminum mill products.



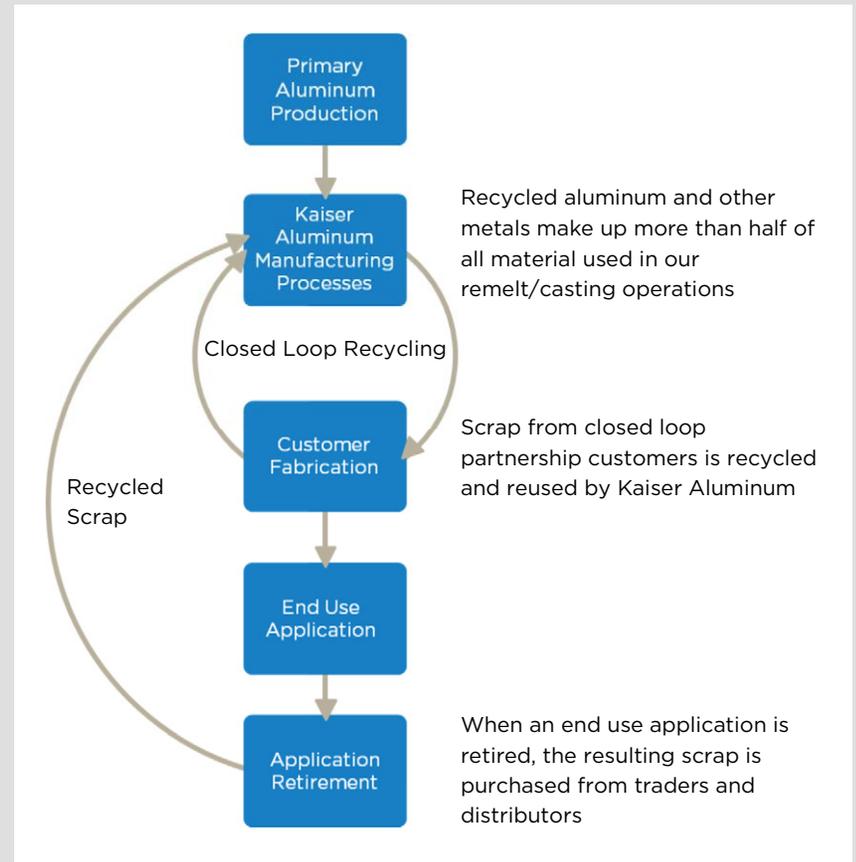
## Use of Recycled Scrap

For many years, we have been using recycled aluminum, including painted scrap, in our manufacturing process and working to identify new sources of scrap and processes to reuse it. Recycling aluminum saves more than 90% of the energy that would be needed to create a comparable amount of the metal from raw materials. Our scrap includes scrap purchased from traders and distributors, as well scrap from customers and internal operations. A majority of the aluminum and other metals we use is scrap.



## Closed Loop Recycling

We utilize closed-looped manufacturing processes where any scrap generated in the production process is recycled.



## Supplier of Choice

We strive to be the supplier of choice by:

- Pursuing “Best in Class” customer satisfaction driven by quality, broad product offering, superior customer service and on-time delivery;
- Differentiating our product portfolio through our broad product offering and our **KaiserSelect**® products, which are engineered and manufactured to deliver enhanced product characteristics with improved consistency, resulting in better performance, lower waste and, in many cases, lower production cost for our customers;
- Promoting continuous improvement facilitated by the Kaiser Production System, an integrated application of tools such as Lean Manufacturing, Six Sigma and Total Productive Manufacturing;
- Fostering innovation through our Centers for Excellence, dedicated research and development facilities focused on product performance enhancement and process elimination;
- Aligning customer satisfaction with executive compensation by incorporating quality (measured by no-fault claim rate) and delivery (measured by on-time delivery rate) performance in incentive compensation program; and
- Focusing on continuous improvement and investing for efficiency.

## Manufacturing Excellence

Many of our products are used in safety critical applications. Accordingly, our customers have demanding standards for product quality and consistency that make it difficult to become a qualified supplier.

Suppliers must pass a rigorous qualification process to sell to both airframe and automotive

manufacturers and must also make significant investments in infrastructure and specialized equipment to supply products for these high strength applications.

Our enterprise-wide Kaiser Production System (“KPS”), a unique and integrated application of the tools of Lean Manufacturing, Six Sigma and Total Productive Manufacturing, underpins our continuous effort to produce superior quality products, reduce costs and deliver superior customer service through consistent, on-time delivery. Our internal technology networks bring together research and development and plant engineers. They drive manufacturing excellence by sharing aluminum processing expertise and best practices at the plant level. The areas of focus include product industrialization, recycling, casting, rolling, finishing, extrusion and reliability.

Each of our facilities is ISO 9001 certified.



# Innovation

We believe in constantly innovating to take advantage of aluminum's unique qualities and role in building a more sustainable economy. Our engineers, metallurgists and sales personnel work collaboratively with our customers to help solve challenging applications where product performance is critical. Our Centers for Excellence are devoted to product and process development within our production operations, focused on

controlling the manufacturing process to improve product quality, ensure consistency, and enhance one or more specific product attributes. This has resulted in the creation and delivery of our highly differentiated **KaiserSelect®** product offering.



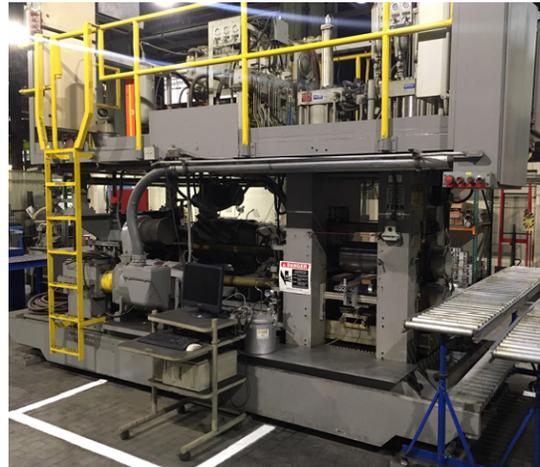
**Center for Excellence:  
Metallurgical Analysis**

**Center for Excellence:  
Rolling and Heat Treatment**



For more information on how we work collaboratively with customers to solve challenges, watch **The Material Matters** video on our YouTube channel.

**Center for Excellence:  
Solidification and Casting**





## ENVIRONMENT

Our efforts to achieve and maintain manufacturing efficiency and reduce environmental impact include:

- Significant investments in our business targeted to increase both manufacturing and energy efficiency and other lean manufacturing initiatives
- Significant reduction in carbon dioxide, electrical consumption and water usage per unit of production
- Increased use of scrap/recycled aluminum and closed loop programs to reduce waste and gain cost efficiency, including painted scrap at our Kalamazoo, Michigan facility

## Environmental Focus and Initiatives

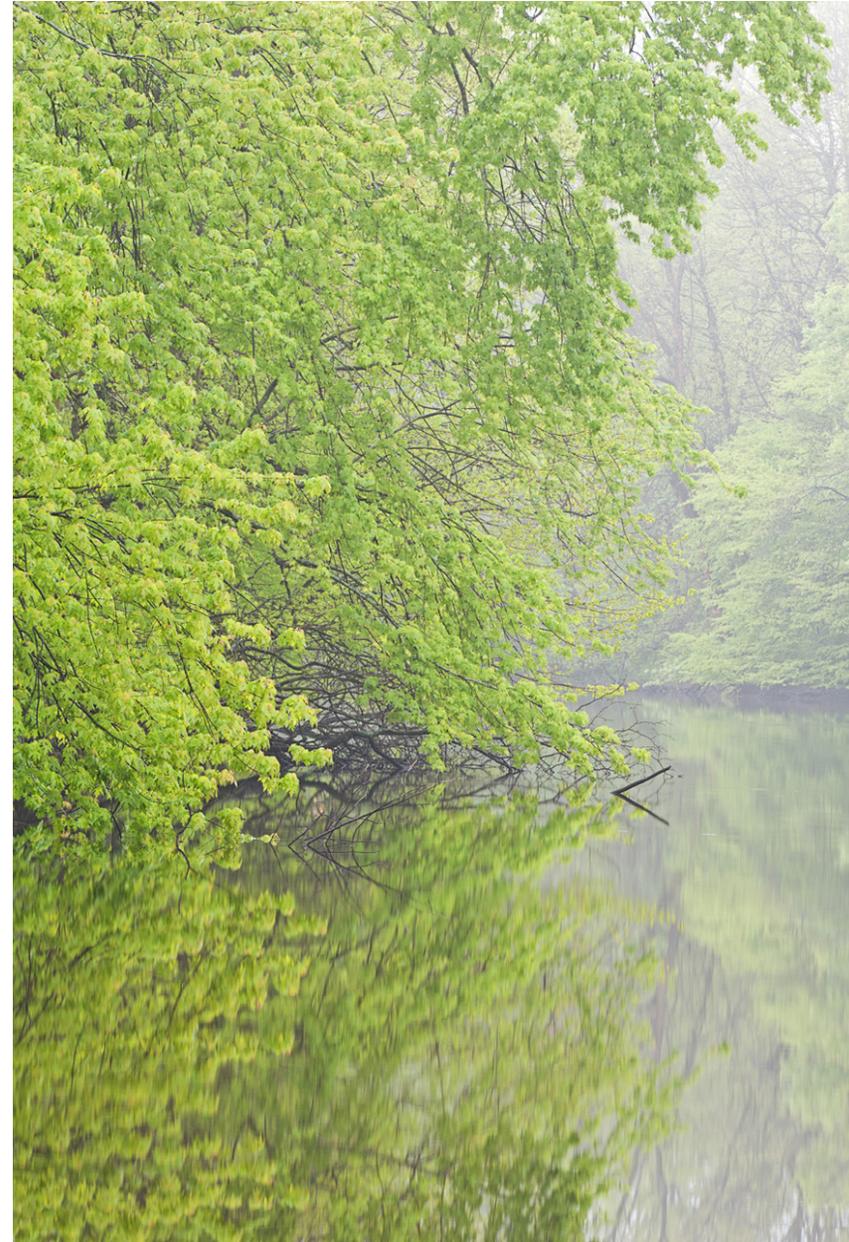
Kaiser Aluminum is committed to a sustainable world.

Our focus:

- Promoting the inherent sustainability and recyclability of our aluminum mill products
- Identifying opportunities where we can achieve energy cost savings and promoting the efficient use of energy and material resources to reduce our carbon footprint
- Developing new products, processes and capabilities that increase customer efficiency including our **KaiserSelect®** product offering
- Expanding our engagement with the United Steelworkers, BlueGreen Alliance and other environmental groups; Washington State government offices; office holders and agencies; and industry and business peers

Our initiatives:

- Maximizing the use of recycled scrap
- Pursuing increased use of closed loop or similar scrap programs
- Participating in customer light weighting to achieve greater fuel efficiency
- Implementing ISO 14001 environmental management systems across our plant locations
- Continuing to invest to increase both process and energy efficiency
- Actively engaging in the State of Washington's Carbon Policy initiatives



## Environmental Management System

Update

We require each of our facilities to comply with environment standard ISO 14001. Four of our facilities, including our largest facility in Spokane, Washington, are ISO 14001 certified and the balance of our facilities will be pursuing certification as we move forward.

## Energy Conservation

Update

Our manufacturing facilities require energy to cast, roll, extrude and recycle aluminum. Our goal is to reduce our energy

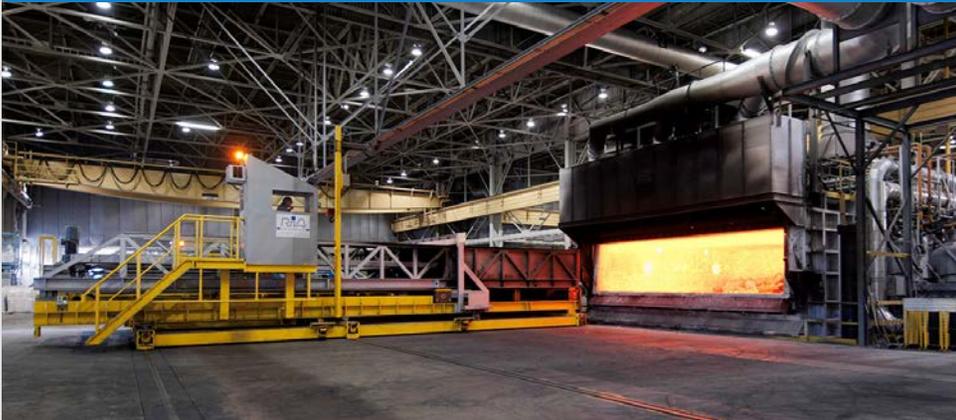
consumption by investing in and improving our manufacturing efficiency, including identifying opportunities where we can achieve energy cost savings, promoting the efficient use of energy and material resources to reduce our carbon footprint, and continuing to invest to increase both process and energy efficiency. In fact, we include energy efficiency as one of the considerations for capital projects.

We rely primarily on natural gas to cast and extrude and electricity (which is predominantly from hydroelectric sources) to roll aluminum. Natural gas is also utilized in the aging and heat treating processes for our rolled products.

Over the years, we have continuously improved our energy efficiency. Our efficiency improvements can be attributed to:

i) Our strategic investment in a new, highly efficient cast house,

Front load melting furnaces and charge cars at our Kalamazoo casting facility conserve energy by reducing heat release.



Horizontal Heat Treat (HHT) furnace at our Trentwood rolling facility.



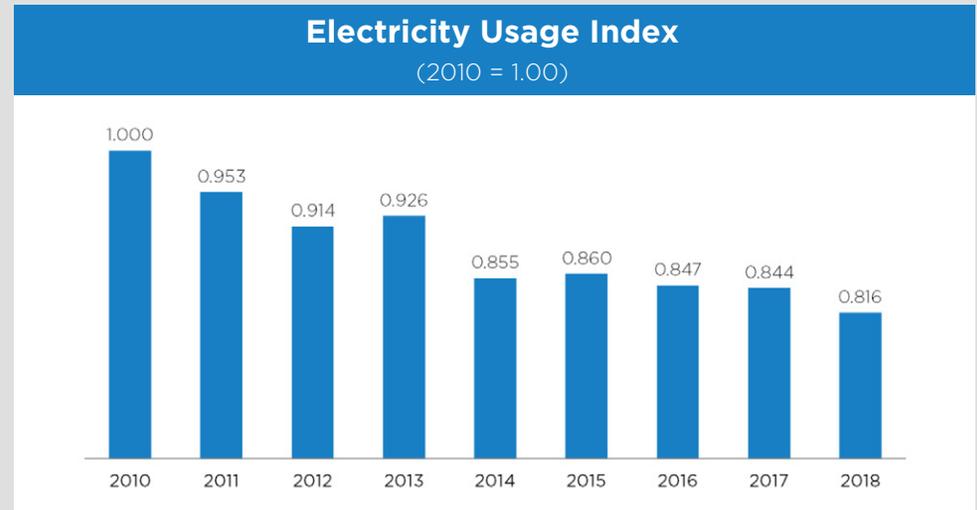
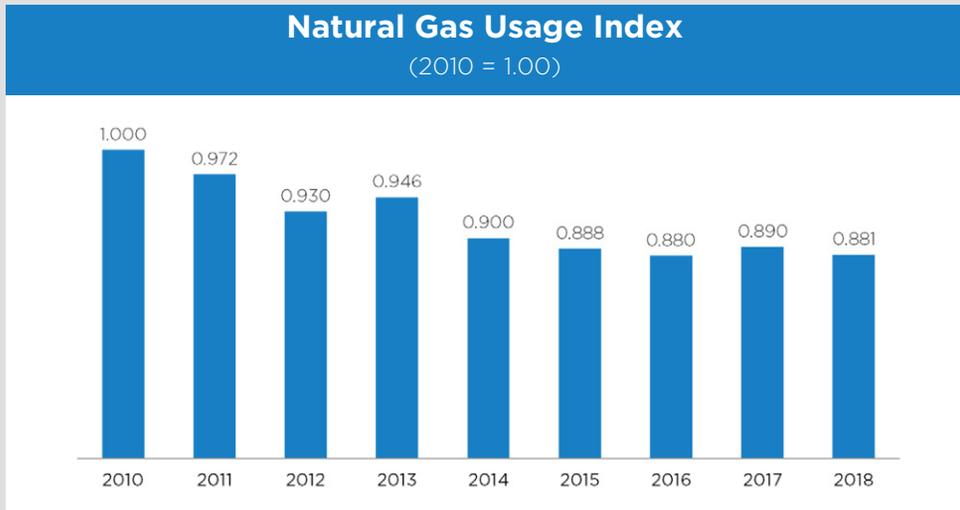
- ii) Capital investments to improve efficiency, including the establishment of the Kalamazoo, Michigan facility as a brownfield site, the implementation of a multi-year modernization project at the Trentwood, Spokane, Washington facility, the conversion from the vertical heat treat process to the more energy efficient horizontal heat treat process, and the implementation of other energy focused investments,
- iii) Our continued replacement of less efficient equipment using electricity with more efficient equipment using natural gas, and
- iv) Operational execution focused on improving overall equipment effectiveness and recovery.

We measure energy consumption by product, as consumption can differ depending on the type of products produced. The indices below reflect the natural gas and electricity usage per product produced across seven of our manufacturing facilities, including

our rolling mill in Spokane, Washington. Combined, these facilities represent approximately 85% of our total energy consumption.

While we will continue to review how we meaningfully measure our natural gas and electricity usage, as well as our carbon emissions index, generally and across all our facilities, the following indices utilize our 2010 energy consumption per product as our baseline for comparison, as we believe that year was representative of our manufacturing operations and market conditions from which to best measure improvements in energy efficiency.

Based on that methodology, we continued to reduce our natural gas and electricity usage per product in 2018. In 2018, compared to our usage in 2017, we reduced our natural gas and electricity usage per product by approximately 1.0 % and 3.4%, respectively. Since 2010 we have reduced our natural gas and electricity usage per product by approximately 11.9% and 18.4%, respectively.



## Carbon Emissions

Making a difference in the global marketplace through the products we produce and the end markets we serve, we participate in improving fuel efficiency and reducing carbon emissions by:

- i) Aerospace—making planes lighter, safer and better
- ii) Automotive—making vehicles lighter, greener and better
- iii) General Engineering—making products stronger, cleaner and better

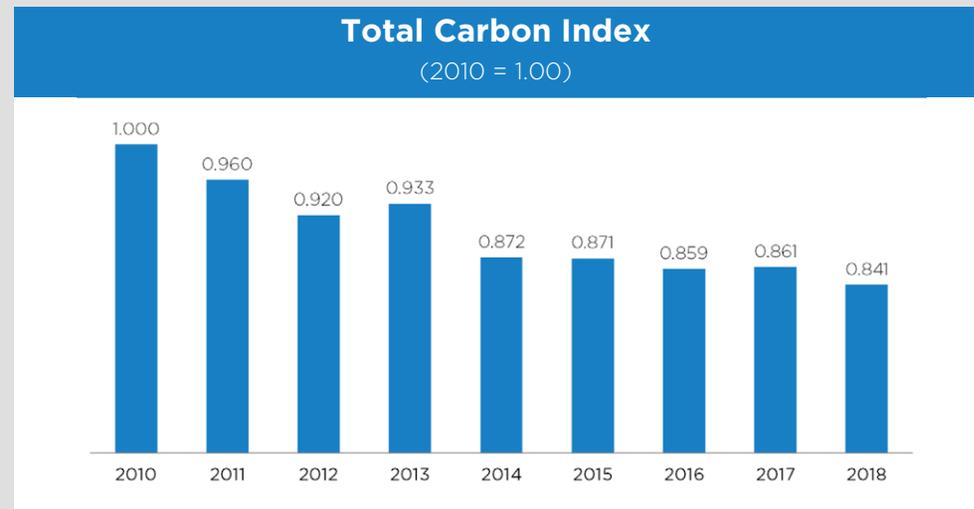
Carbon emissions avoided by using and recycling aluminum and aluminum-based alloys are substantial relative to the emissions generated in the manufacturing phase because of the materials' light weight, infinite recyclability and other emissions-reducing benefits.





The information below reflects our natural gas and electricity usage for the seven manufacturing facilities translated into a carbon emissions index. The index reflects the national average of carbon emissions per one million British Thermal Units (mmbtu), although the grid providing the electricity used at our Spokane, Washington facility actually emits less carbon per mmbtu than the national average due to its use of hydroelectric power.

Since 2010, we have reduced our carbon emissions per product produced by approximately 15.9%. In 2018, compared to our usage in 2017, we reduced our carbon emissions per product by approximately 2.4%. The reduction in carbon emissions is a direct result of our reduction in energy usage and further enhanced by our continued replacement of less energy efficient processes and equipment. With greater utilization of more efficient equipment that utilizes natural gas, we emit less carbon per mmbtu compared to the older electricity driven processes and equipment.



## Case Studies



### Small Changes Result in Big Energy Savings for Trentwood

Melting aluminum to form ingot, coils, and shapes is our business. So it is not surprising that Trentwood's cast house is our largest gas user.

Reducing that usage was the job of Bart Mortensen and a Six Sigma Green Belt team. After examining data, the cold air round top furnaces were addressed. The team found preventative maintenance optimization and monitoring to be an opportunity. By installing an alarm system, work orders could be written to repair problems as they occurred. By improving the maintenance of the furnaces along with increased throughput due to operations work on improved OEE (Overall Equipment Effectiveness), energy intensity of cold air melt furnaces improved 12% and surpassed the project goal.



### Lighting the Way

New upgraded lighting (called T5's or T8's) is being used in many Kaiser facilities and offers multiple benefits:

- Safety - T5 lighting takes only seconds to come up to full lighting levels after a power outage while Metal Halide (MH) or High Pressure Sodium (HPS) lights can take up to 15 minutes.
- Luminosity - New T5 and T8 lighting loses little of its brightness - no relamping is required. Older lights degrade - after 3 years the output is only 65% of the original brightness.
- Life - New bulbs have an average life of 30,000 hours. The average life of the old lights is 20,000 hours. That's a big difference in cost, labor and installation.
- Energy - New lighting saves almost half the energy costs. Saving energy means we are also reducing the production of greenhouse gases.



## Benefits of Regen

Kaiser Aluminum has worked hard to improve the energy efficiency of its plants through the use of regenerative burners, also referred to as regens. Regens use the waste heat that normally goes up the flue to preheat combustion air going into the burners.

Benefits of this technology include:

- The use of regens improves the energy efficiency of our melting furnaces by 40%
- Throughput can improve by 10-15% with the hotter flame
- Melt loss can be lower since melting is faster with less time to oxidize the metal

This commitment by Kaiser greatly reduces the greenhouse gases produced in melting and keeps our costs competitive in our market.



## New State-of-the-Art Casting Complex (DC-0)

Installation at our Trentwood rolling mill of the DC-0 casting complex includes proven technology, state of the art melting and holding furnaces, degassing and filtration equipment, and casting station hardware. The benefits of the new casting complex include:

- Ability to cast longer ingot providing greater downstream efficiency
- Higher capacity casting complex results in lower cast cost per pound
- Enhanced casting practices with the newest proven technologies in metal treatment and casting
- Best in class metal cleanliness and hydrogen removal
- Reduced gas consumption and energy costs per pound
- Designed with latest environmental controls
- Automated controls providing improved operator safety, increased process reliability and reduced variability

## Air Quality

Our manufacturing operations produce different types of air emissions depending upon the manufacturing process. Kaiser minimizes its emissions through process controls and a focus on improving manufacturing efficiencies by, among other things, reducing energy consumption. The greenhouse gas (GHG) intensity of our products is minimized through maximizing our process efficiencies through technologies such as heat recovery from combustion exhaust gases.

## Water Consumption

We understand that water is not just an essential component of a number of manufacturing processes, it is a critical resource for the world. We lessen our impact on local water supplies by minimizing consumption and reusing as much as feasible what we draw from local sources.



## Waste Management



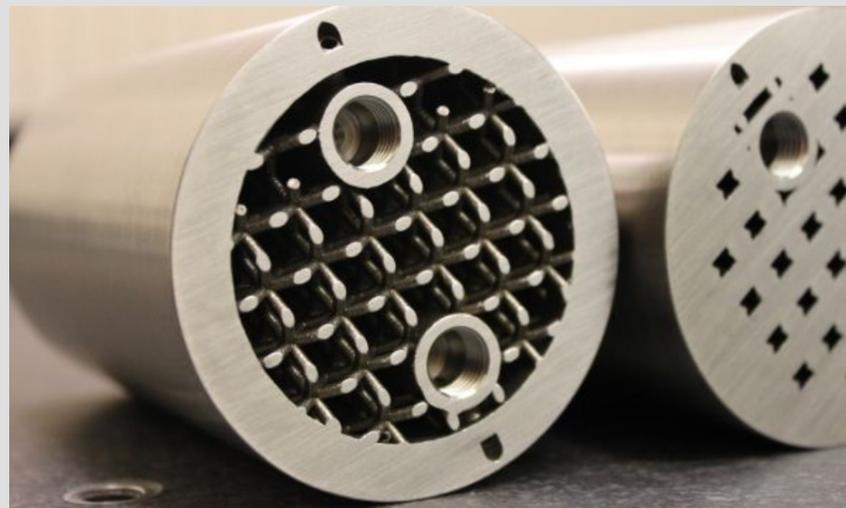
Manufacturing creates waste byproducts. Our primary responsibility as environmental stewards is to eliminate or minimize these waste products. For waste products that are generated, we pursue alternative uses and recycling options and effectively manage the proper disposal of what remains. We give priority to higher-volume waste and waste that has the potential to significantly impact the environment.

Dross, which forms in aluminum melting furnaces when molten metal becomes oxidized, is a large volume byproduct for us but we reprocess 100% of this material to recover the aluminum content.

We continue to evaluate other large-volume waste streams for reuse and recycling opportunities.

### IMPERIAL MACHINE & TOOL CO.

In 2018, we acquired Imperial Machine & Tool Co., a leader in multi-material additive manufacturing. This form of manufacturing further reduces the waste typically associated with the manufacturing and fabrication processes. Additive manufacturing virtually eliminates scrap that is otherwise generated during machining and fabricating. It allows localized production, dramatically reducing transportation of traditional materials and backhauling of generated scrap.



## Stakeholder Engagement

We regularly engage with key stakeholders, including customers, suppliers and industry organizations, to stay abreast of sustainability opportunities, risks and emerging trends. To stay engaged with our industry peers and other important stakeholders, we participate in a number of association groups and membership organizations. We are actively engaged with the following groups:

- Aluminum Association
- Metals Service Center Institute
- BlueGreen Alliance
- Washington Business Associations
- The Alliance for Jobs and Clean Energy
- Environmental NGOs
- Council of Institutional Investors
- The Conference Board

## REACH

The European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") regulation aims to improve the protection of human health and the environment through better and earlier identification of the intrinsic properties of chemical substances. It places responsibility on industry to manage the risks from chemicals and provide safety information on the substances. It also calls for the progressive substitution of the most dangerous chemicals when suitable alternatives have been identified.

While we do not manufacture chemicals, we use them in our production processes either directly or as ingredients in other products that we use. Our

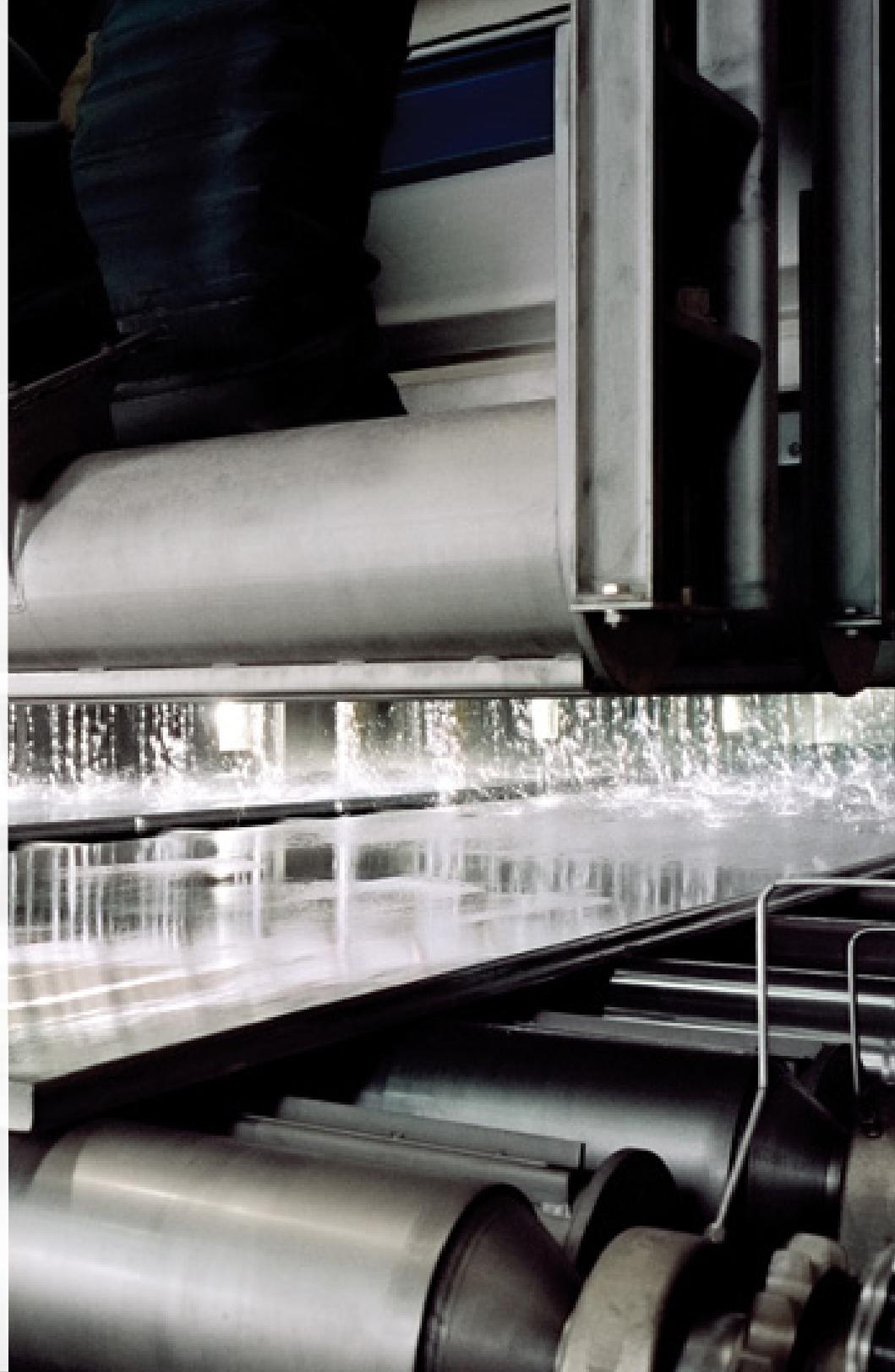


internal team works with each of our facilities to ensure we are adhering to REACH requirements and actively seeking substitutions for chemicals that the regulation deems substances of very high concern. This can be challenging, as substitute substances ideally should not impact process efficiency or product quality and properties. We work closely with our customers to validate a new substance before making a permanent substitution.

# RESPONSIBLE BUSINESS PRACTICES

We promote fair business practices and a culture of accountability, responsibility and ethical behavior through:

- Strong emphasis on the importance of integrity and competence to leadership, character and culture
- Encouraging the reporting of illegal or unethical behavior, including the use of In-Touch, a third party reporting program
- Conducting annual governance surveys to assess our culture and the effectiveness of our training
- Adopting and enforcing our corporate governance guidelines, our code of business conduct and ethics, and compliance with applicable laws and regulations



## Corporate Governance

The business and affairs of our company is overseen by a highly engaged and independent board of directors diverse in perspective and background. Our corporate governance practices are designed to align the interests of our Board and management with those of our shareholders and to promote honesty and high integrity throughout the company. Our Board is led by a strong Lead Independent Director empowered with the authority to ensure that management is accountable and effective in executing its duties on behalf of all our shareholders and best positions Kaiser Aluminum for long-term sustainability and success.

Our board meets regularly in executive session without members of management present, and each standing committee of the board meets in executive sessions regularly. Our directors are also invited to attend the meetings of committees of which they are not members. Our directors have full access to our officers, employees and advisors. We believe the full access ensures that

our directors are well-informed while also allowing the independent directors to function as a body distinct from management.

Our Board is committed to continuous improvement:

- We routinely review and benchmark against best practices and trends to ensure that we understand opportunities and differences



**Jack A. Hockema**

Chairman and CEO

- We have a robust, multi-tiered evaluation process, which consists of annual reviews at the Board, Committee and individual director levels with internal or external resources
- We conduct an annual corporate governance survey of management and non-management employees in order to monitor the internal perception around a broad range of topics including the control environment, risk mitigation and management, the use of technology, company values and the overall “tone at the top”

Much of our senior management team has been together for over 20 years, and we have similar stories throughout the company. Customers and investors alike cite this unique strength, along with our consistent business strategy, as critical differentiators driving our successful history of performance. Beyond the senior management team, our culture and focused strategy is embedded throughout the organization, creating strong commitment within the company.



For more information, visit the [Corporate Governance](#) page on our website.



**Alfred E. Osborne Jr.**

Lead Independent Director

## Committed to Strong Corporate Governance

Update

### GOVERNANCE PRACTICES

- 11 out of 12 Board members are independent
- Strong independent lead director
- Highly engaged and diverse Board with a unique set of skills and experiences
- Directors limit their outside board obligations to ensure accessibility
- Majority voting standard in uncontested director elections
- Equity ownership and retention requirements for executives
- Annual formal Board and Committee assessments and evaluations



### ROBUST, MULTI-TIERED BOARD AND COMMITTEE ASSESSMENT PROCESS

- Board and committee assessments are conducted annually with internal and/or external resources
- The Lead Independent Director conducts an additional performance review of individual directors
- Evaluation process is further strengthened through small group and/or individual interviews conducted by a member of senior management
- Continued focus on identification of critical board skills and succession planning
- The effectiveness of board and committee assessment processes is reviewed annually

Collective Board Qualifications	
Public Board of Directors Experience	Economic, Regulatory and/or Policy
Leadership/Management	Financial/Investment
Industry-Specific	Diversity
Labor / Talent Management and Development	International Industrial

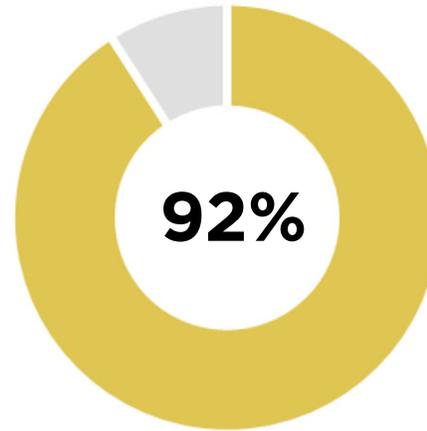
## Board of Directors

Update

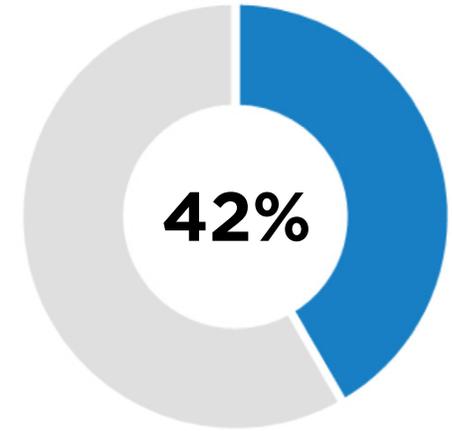
Our board is highly independent, engaged and diverse in perspective and background. This structure underscores our belief that the company is best served when it can draw from members with a variety of perspectives to exercise strong and experienced oversight. We have a policy of encouraging diversity of gender, ethnicity, age and background, as well as a range of tenures on the board to ensure both continuity and fresh perspectives among our director nominees. Our board of directors is 42% ethnic or gender diverse and 92% independent.

Kaiser Aluminum has been a recipient of the 20/20 Women on Boards Winning “W” Award for the eighth consecutive year.

Independent



Ethnic or Gender Diverse



For more information, visit the [Board of Directors](#) page on our website.



## Update

**Carolyn Bartholomew**

Commissioner & Vice - Chairman, U.S.-China Economic and Security Review Commission

Committees:

- Audit
- Talent Development

**David Foster**

Distinguished Associate of Energy Futures Initiative; Former Senior Advisor to office of the Secretary of the U.S. Department of Energy; Founding Director, BlueGreen Alliance

Committees:

- Nominating and Corporate Governance
- Talent Development

**Leo W. Gerard**

Former International President, United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (formerly known as the United Steelworkers of America, AFL-CIO, CLC); Co-founder, BlueGreen Alliance

**L. Patrick Hassey**

Retired Chairman & CEO, Allegheny Technologies; Former EVP, Alcoa

Committees:

- Compensation
- Talent Development

**Jack A. Hockema**

**Chairman & CEO, Kaiser Aluminum**

Former President, Kaiser Aluminum

Committee:

- Executive (Chair)

**Emily Liggett**

Consultant and Business Coach at Stanford University; Former President and CEO, NovaTorque; Former President and CEO, Apexon

Committees:

- Audit
- Talent Development

**Lauralee E. Martin**

Retired President & CEO, HCP, Inc.; Former CEO, Jones Lang LaSalle (Americas Division)

Committees:

- Audit (Chair)
- Compensation
- Executive
- Talent Development

**Alfred E. Osborne Jr., PhD**

**Lead Independent Director**

Interim Dean, UCLA Anderson School of Management

Committees:

- Audit
- Executive
- Nominating and Corporate Governance (Chair)

**Teresa M. Sebastian**

President & CEO, Dominion Asset Group; Adjunct Professor at University of Michigan Law School and Vanderbilt Law School; Former Senior Vice President, General Counsel, Corporate Secretary and Internal Audit executive leader of Darden Restaurants, Inc.

Committees:

- Audit
- Nominating and Corporate Governance

**Donald J. Stebbins**

Former President & CEO, Superior Industries International, Inc.; Former Chairman, President & CEO Visteon Corporation and Former President & COO Lear Corporation

Committees:

- Compensation
- Nominating and Corporate Governance

**Thomas M. Van Leeuwen**

Private Investor; Former Director (Metals & Mining Equity Research), Credit Suisse First Boston & Deutsche Bank; Former VP (Equity Research), Lehman Brothers

Committees:

- Audit
- Compensation (Chair)
- Executive
- Nominating and Corporate Governance

**Brett Wilcox**

Consultant; Former President & CEO, Summit Power Alternative Resources; Former CEO, Golden Northwest Aluminum

Committees:

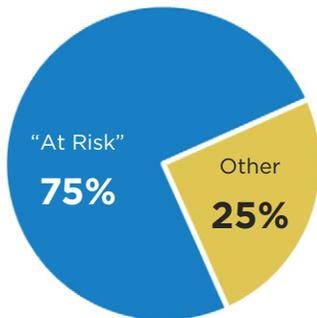
- Audit
- Compensation
- Executive
- Talent Development (Chair)

## Compensation Best Practices

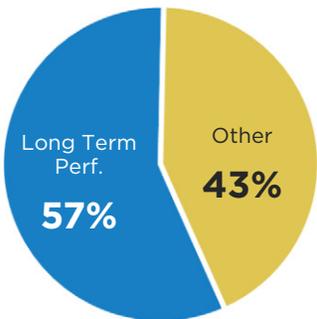
**Update**

We apply thoughtful compensation practices within our program to:

- Motivate management to achieve consistent, long-term growth
- Create alignment between our senior management and shareholders
- Enhance stockholder value and preclude the taking of excessive risk



Fiscal Year 2018 CEO Compensation



Fiscal Year 2018 Target CEO Compensation Tied to Long-Term Performance

Align pay and performance by linking a significant portion of total compensation to company performance

Balance both short-term (one-year) and long-term (three-year) performance across our incentive programs

Enhance retention with time-based, three-year cliff vesting schedule for RSU awards

Subject vesting of a majority of long-term incentive awards to challenging performance targets over a three-year period

Maintain rigorous stock ownership guidelines

Maintain a clawback policy for equity and cash awards

Cap payouts for awards under both our short and long-term incentive plans

Independent compensation committee consultant

# Alignment of Strategy, Performance and Executive Compensation



Our 2019 executive compensation programs continued to be thoughtfully structured to drive key strategic goals, support the achievement of our financial targets and strategic objectives and ensure that the interest of our executive officers and our stockholders remain aligned. We incorporate relative total stockholder return and economic value added metrics into our equity-based long-term incentive plan. We use adjusted earnings before interest, taxes, depreciation and amortization in our short-term incentive plan to create a financial incentive for achieving or exceeding our financial performance goals. We also use safety, quality, delivery and cost performance as modifiers in our short-term incentive plan to emphasize the value we place on employee safety and customer satisfaction. Our focus on effective cost management is reflected in our use of manufacturing cost efficiency as a modifier in our short-term incentive plan and total cost performance as a metric in the long-term incentive plan.

Compensation Program Principal Elements			
Element	Form	Objective	Performance Metrics
Base Salary	Cash	<ul style="list-style-type: none"> <li>Provide competitive, fixed compensation upon which our NEOs can rely</li> </ul>	
Short-Term Incentives	Cash	<ul style="list-style-type: none"> <li>Create financial incentive for achieving or exceeding company performance goals</li> </ul>	Adjusted EBITDA <sup>1</sup> Modifiers for safety, quality, delivery, cost and individual performance
Long-Term Incentives	Restricted Stock Units	<ul style="list-style-type: none"> <li>Create financial incentive for continued employment with our company through three-year cliff vesting</li> </ul>	
	Performance Shares	<ul style="list-style-type: none"> <li>Create financial incentive for achieving or exceeding long-term performance goals</li> </ul>	<ul style="list-style-type: none"> <li>60%: Relative TSR vs. peer companies in the S&amp;P 600 SmallCap Materials Index</li> <li>40%: Total controllable cost performance</li> </ul>

### Short-Term Incentive Plan Modifiers



Safety



Quality



Delivery



Cost

<sup>1</sup>Based on an EVA calculation reflecting adjusted PTOI less a capital charge calculated as a % of our adjusted net assets

<sup>2</sup>Based on the Company's adjusted pre-tax operating income in excess of a capital charge



## Stockholder Engagement

We value stockholder views and insights and believe that accountability to stockholders is an essential component of good governance. We engage in ongoing, proactive discussions of a variety of topics, including our strategy and performance, business operations, capital allocation and corporate governance matters, with significant stockholders throughout the year. Such discussions are held year-round and include our Chief Executive Officer and Chairman of the Board and/or other members of senior management. In addition to providing our perspective and seeking feedback on topics specific to our company, we invite discussion on any other topics or trends stockholders may wish to discuss with us. The feedback provided by stockholders is reported to the full board of directors. The

board of directors reviews the feedback and determines whether additional discussion and actions are necessary by the full board or any board committees.

In 2018, in addition to interactions regarding our financial performance, we engaged with stockholders representing approximately 55% of shares outstanding on matters relating to our long-term business strategy and performance, corporate governance, executive compensation and corporate responsibility. In addition, we utilize investor surveys to provide us with additional insight into the perceptions of our broader investor-base, across a wide range of topics. This information is also reviewed by members of our senior management and the full board of directors.

## Code of Ethics and Business Conduct

Our ethical performance and integrity are inextricably tied to our corporate reputation and, ultimately, our business success. Our Code of Ethics and Business Conduct defines the standard of behavior we expect from our employees.

All of our salaried employees are required to take our code of conduct training annually. Additionally, we conduct code of conduct training at in-person meetings and provide on-line training on specific compliance topics, such as anti-bribery, securities trading, and Regulation Fair Disclosure.

In addition to our Code of Ethics and Business Conduct, we maintain policies that guide our business conduct and ethical behavior. We comply with all applicable laws with respect to human rights, including applicable laws relating to human trafficking, forced and compulsory labor and child labor.

Our employees are encouraged to discuss any concerns with their manager, human resources representative or legal representative. Employees are required to promptly report known or suspected violations, and we do not allow retaliation for good faith reports of possible misconduct.



To view our Code of Ethics and Business Conduct, visit the [Corporate Governance](#) page on our website.

## InTouch – Our Corporate Compliance Feedback Program

Our compliance feedback program, InTouch, is designed to allow employees and others to make a confidential/anonymous report of issues that they believe may potentially be in violation of Kaiser Aluminum’s Code of Ethics and Business Conduct or any laws or regulations related to Company operations without fear of retaliation and report issues or suspected issues.

The InTouch program is administered by an independent firm retained by Kaiser and is available 24 hours a day, 7 days a week. The call or e-mail to InTouch can remain anonymous, but the concern will be heard.

InTouch can be contacted in one of two ways:

- By telephone — 1-866-204-9793
- By e-mail – [info@getintouch.com](mailto:info@getintouch.com)

## Annual Governance Survey

We conduct an annual corporate governance survey of management and non-management employees in order to monitor the internal perception around a broad range of topics including the company’s control environment, risk mitigation and management, the use of technology, company values and the overall “tone at the top.” Survey results are reviewed with the full board.

## Conflict Minerals

In August 2012, the United States Securities and Exchange Commission (the “SEC”) issued final rules implementing the provisions of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). Section 1502 of the Dodd-Frank Act imposes new reporting requirements on companies who manufacture, or contract to manufacture, products that use Conflict Minerals, which is defined as cassiterite (from which tin is derived), columbite-tantalite (coltan, the mineral from which tantalum is extracted), gold, wolframite (from which tungsten is derived), and any other minerals determined by the Secretary of State to be financing the conflict in the Democratic Republic of Congo and its adjoining countries, including the Republic of Congo, the Central Africa Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda and Uganda (collectively, the “DRC Countries”). Compliance with this policy facilitates



our ability to comply with the Dodd-Frank Act and our SEC reporting requirements.

We will only purchase materials that do not contain Conflict Minerals (including tin, tantalum, gold or tungsten) originating from the DRC countries. In support of our policy on Conflict Minerals, suppliers are expected to supply Kaiser Aluminum materials that do not contain Conflict Minerals originating from the DRC Countries. Any supplier that supplies us with materials that contain Conflict Minerals must provide Kaiser Aluminum with a certification that the minerals do not originate from the DRC countries. In the event we determine that a supplier’s efforts to comply with this policy have been deficient and the supplier fails to cooperate in developing and implementing reasonable remedial steps, we reserve the right to take appropriate actions including terminating any contractual commitments with, and discontinuing purchases from, the supplier.

## Compliance

We are committed to conducting our business activities in a manner that respects human rights and is in compliance with applicable local, national and international laws and regulations related to the protection of human rights, including the prohibition of human trafficking and compulsory labor. We strictly prohibit our employees from engaging in activities that violate laws, regulations or our corporate policies.

# PEOPLE AND COMMUNITIES

Our talented workforce is a key factor underlying our success. We are committed to treating our employees with dignity and respect. We strive to be the employer of choice by:

- Providing equal opportunity employment and a non-discriminatory workplace
- Protecting the health and safety of our employees
- Developing and empowering our employees
- Maintaining a positive and constructive relationship with labor unions of which our employees are members
- Significant participation in employee directed community and charitable outreach, including charitable contributions and donations of materials used in college and university student competitions



## Workplace Health and Safety Update

### SAFETY

We believe employee safety begins with a strong and consistent tone at the top through our executive leadership with oversight provided by our Corporate Health and Safety team, led by our chief legal/compliance officer. To help us achieve and maintain a strong safety culture, we have robust compliance and assessment programs and we partner with the United Steelworkers and various industry groups, including the Aluminum Association, to share and identify best practices. We use both internal and external resources to assess our compliance with regulatory and internal standards, providing training, performing risk assessments, audits, loss control inspections and developing mitigation strategies with particular emphasis on risks with a greater potential for severe injury. We stress risk awareness and job safe practices and engage our employees in conversations about safety and safety training using a variety of communication channels, including one on one communications.

Every employee at every level throughout the organization is responsible to guard against workplace injuries by recognizing risks and taking actions to minimize injuries. Risk reduction is a key initiative at each of our

facilities and part of our annual planning process and we are committed to nurturing a culture consistent with being a preferred employer. In addition, safety modifiers requiring demanding safety performance are included in each of our short-term incentive compensation plans, including the corporate plan applicable to each of our executive officers and members of senior management.

Internally we use a number metrics to assess and measure our safety performance, including lagging indicators like total case incident rate (“TCIR”), lost-time case incident rate (“LCIR”) and near misses and leading indicators such as internal and third party audits and assessments, calibration of compliance with our safety road maps and programs (which include training, observations and hazard identification), the identification and monitoring of safety improvements in our high hazard areas to ensure both compliance and that proper progress is being made in areas we have identified as priorities and contractor management for capital projects including pre-qualification and behavior observations.

It is important to us that every one of our people returns home safely each day. While our TCIR and LCIR reflect steady improvement in our safety

performance over time, in 2018 our safety performance as measured by our company-wide TCIR and LCIR declined 13% and 6%, respectively, did not meet our expectations and the demanding requirements reflected in our corporate incentive compensation plan, and resulted in a negative 10% adjustment to the final multiplier under that plan. We are continuing to drive workplace safety by increasing our focus on leading indicators, including the completion of safety dialogues and supervisor observations, review and assessment of near-miss incidents, and implementation and completion of specific, measurable and relevant plans. Preliminary 2019 results for both TCIR and LCIR are consistent with our long term trends of improving safety performance as measured by TCIR and LCIR.



## HEALTH

The key health risks within our operations are musculoskeletal disorders, noise and chemical substances. We continue to identify and reduce ergonomic risks through our focus on continuous improvement initiatives including project design reviews that target the elimination or reduction of ergonomic stressors. We monitor and measure our workplace chemical exposures to insure we are below all established limits and

continually look for opportunities to acquire less harmful substances. Occupational noise exposures are eliminated or reduced during project design reviews or addressed in existing operations when feasible by applying engineering controls. Additionally, a comprehensive hearing conservation program is incorporated throughout the company to prevent and monitor occupational noise exposures.



## The Boultinghouse Award

The Boultinghouse Award is the highest award given by the North American aluminum industry and honors those who have not only had distinguished careers within a member company, but also have provided their talents to



*2017 Boultinghouse Award Winner Mark Eliopulos, Retired Corporate Director of Health & Safety for Kaiser Aluminum (right), 2013 Award Winner Doug Richman, Retired Vice President Engineering and Technology Kaiser Aluminum (left).*

*Past Kaiser Aluminum recipients also include Jim Sanderson and Bud Leber.*

improve the broader industry. The award is presented in memory of late ARCO Aluminum, Inc. President Marlan T. Boultinghouse. Boultinghouse brought energy and enthusiasm to the industry through his advocacy of aluminum marketing and the many technical programs he helped to advance.

The Aluminum Association honored Mark Eliopulos, Retired Corporate Director of Health & Safety for Kaiser Aluminum, as the 18th recipient of the Marlan T. Boultinghouse Award for service to the North American aluminum industry. For four decades, Eliopulos has been a leading voice in the advancement of safety culture within Kaiser Aluminum and the aluminum industry. He has volunteered his time to train personnel for more than 15 years through the association's Casthouse Safety Workshop training programs, provided expertise in shaping industry superior practices as an editor of both the third and fourth edition of *Guidelines for Handling Molten Aluminum* and shaped industry standards with the American Society of Testing & Materials.

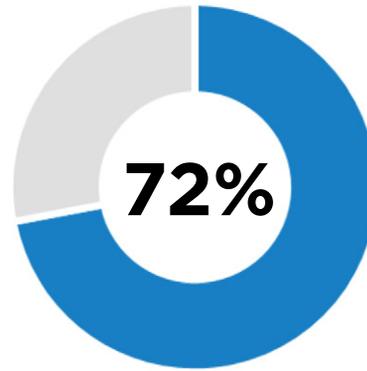


## Employee Wellness

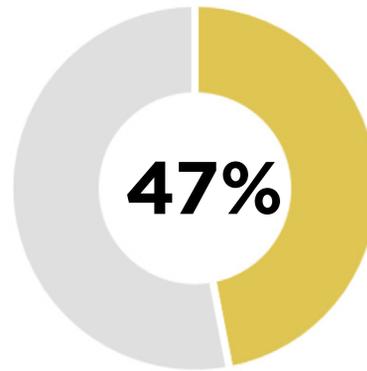
**Update**

In recent years we have implemented a process on a company-wide basis to increase awareness of the importance of employee wellness. We have introduced a number of programs to educate and assist employees to make healthy lifestyle choices and have offered incentives and discounts to encourage participation across the organization. During the year, we have increased our:

- Annual onsite health biometric screenings;
- Employee assistance program, providing confidential assistance with healthcare issues and the healthcare system, including crisis and emergency help;
- Smoking/tobacco cessation program;
- Internal, as well as third party, online wellness workshops, including workshops on nutrition and fitness; and
- Wellness coaching.



Percentage of salaried, non-represented employees who participated in 2019 wellness activities



Percentage of salaried, non-represented employees who completed all recommended wellness activities

# 61

Available Kaiser University online courses on wellness-related topics



## Talent Development

Update

Kaiser Aluminum is a learning organization committed to incorporating on the job training and development, through the Kaiser Leadership Program, Kaiser University, Front Line Leader Development, Metallurgy Excellence, Skilled Trades Development and through external resources provided to our employees and next generation leaders and we continue to expand our talent management initiatives to pursue the significant long-term potential for Kaiser’s continued success.

Our success is dependent on the knowledge, skills and abilities of our current and future leaders.

### EXTERNAL TALENT DEVELOPMENT RESOURCES

**THE CONFERENCE BOARD**

**Metals Service Center Institute**  
100 YEARS STRONG™  
*Strategic Metals Management*

**LMAC**  
LEAN MANAGEMENT CERTIFICATION PROGRAM • MANUFACTURING  
*Battle-Tested Leadership Strategies for Executives*

**G100 NETWORK**  
*Productivity, Inc.*  
*Women Leading from the Front Lines*

**TLDG** THAYER LEADER DEVELOPMENT GROUP  
AT WEST POINT ★

### INTERNAL TALENT DEVELOPMENT PROGRAMS

**Kaiser Leadership Program**

The Kaiser Leadership Program accelerates the readiness of key talent and combines personalized leadership development and Kaiser-management system focused curriculum with a unique opportunity to build relationships with an internal network of leaders across locations and functions.

**Kaiser University**

Kaiser University is our web-based learning and development platform offering a catalog of thousands of on-demand courses to employees across a broad range of topics including metallurgy, maintenance, health & safety, Lean Six Sigma, business and computer skills and Kaiser Aluminum policies.

**Front Line Leader Development**

The Front Line Leader Development Program strengthens organizational performance through ethical, effective, and sustaining tactical leadership for both new and experienced front line supervisors.

**Metallurgy Excellence**

The Metallurgy Excellence Program provides a mentor-centric professional development program for Kaiser’s talented metallurgical professionals providing opportunities for metallurgists to partner with industry icons while helping Kaiser keep its competitive advantage.

**Skilled Trades Development**

The Skilled Trades Development initiative enables participating Kaiser sites to evaluate and build trade skills, in alignment with industry-wide standards, to attract, retain and motivate skilled talent that meets the unique needs of the location.



For more information, visit the [People / Communities](#) page on our website.

## Labor Relations

**Update**

Approximately 62% of our employees are represented by labor unions under labor contracts with varying durations and expiration dates. Employees at Trentwood and our Newark, Ohio facility are represented by the USW under a single contract that extends through September 2020, and in late 2019, the employees ratified a new labor agreement which is effective October 1, 2020 and extends through September 30, 2025.

Union representatives are an important part of our business and play an important role in our safety performance and improvement efforts. To foster and maintain open communication and constructive relationships, we conduct regular meetings with union representatives and have



safety committees with union representation.

We have a director designation agreement with the USW under which the USW generally has the right to designate the minimum number of director candidates necessary to ensure that, assuming the nominated candidates are elected by our stockholders, at least 40% of the members of our board of directors have been nominated by the USW.

Current members of our board of directors that have been nominated by the USW are Carolyn Bartholomew, David Foster, Teresa Sebastian, Leo Gerard and Brett Wilcox.

We engage with and make contributions to the BlueGreen Alliance, a partnership between labor unions and environmental organizations.



Brett Wilcox



Carolyn Bartholomew



David Foster



Teresa Sebastian



Leo Gerard

## Community Engagement

### Update

We believe being a responsible and valued corporate citizen includes being active members of our industry and the communities in which we operate.

In addition to providing employment, we invest in our local communities through contributions to local charities and organizations in our communities (including significant participation in employee directed community and charitable outreach), donations of materials used by college and university student competitions, and sponsorship of various events from luncheons and galas to trainings and networking functions. We also award scholarship to children of our employees who demonstrate a balance of academic achievement, leadership and civic involvement.



### EDUCATION

In 2018, the Kaiser Aluminum Education Scholarship Program, an educational scholarship program to assist eligible employees and their children reach their education goals, provided scholarships totaling more than \$68,000.

In addition, we have endowments in the following universities and colleges:

Colorado School of Mines Foundation	Southern University
Gannon College	Stanford University
Georgia Institute of Technology	Tulane University
Gonzaga University	Tuskegee Institute
Louisiana State University	University of California, Berkley
Louisiana Tech University	University of Illinois, Urbana-Campaign
Mills College	University of Missouri
Missouri University of Science and Technology	Washington State University
Ohio State University	West Virginia University
Purdue University	Whitworth College

### CHARITABLE CONTRIBUTIONS

During the last five years, we have made charitable contributions totaling more than \$900,000.



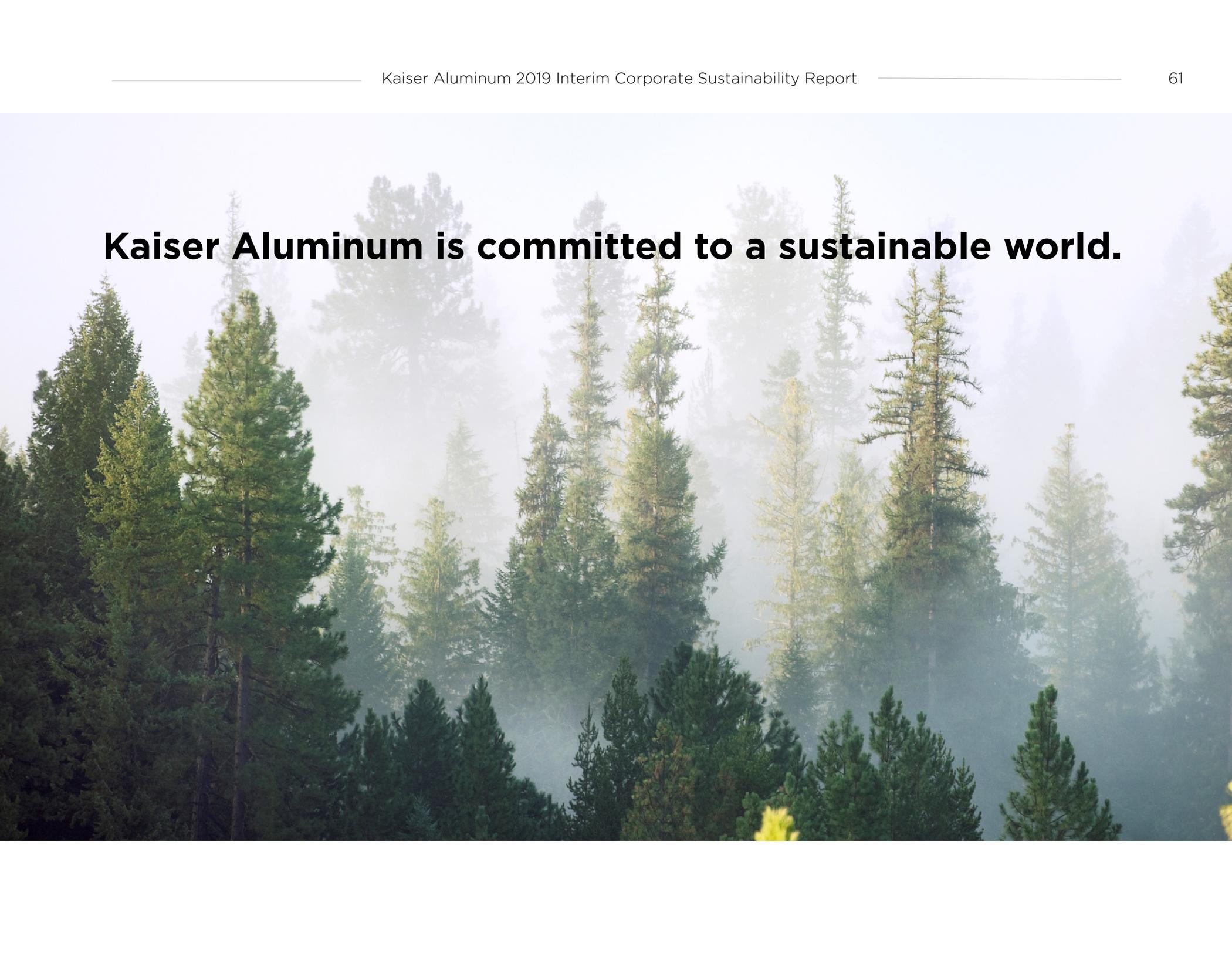
SELECTION OF 2018 CHARITABLE CONTRIBUTION RECIPIENTS	
20TH CENTURY CLUB	MOBIUS SPOKANE
AMERICAN CANCER SOCIETY, INC.	NORTHWEST GOLFERS FOR WARRIORS
AMERICAN HEART ASSOCIATION, INC.	ORANGE COUNTY BAR ASSOCIATION CHARITABLE FUND - OCBACF
AMERICAN RED CROSS, ITS CONSTITUENT CHAPTERS AND BRANCHES	PATHWAY TO ADVENTURE COUNCIL, INC., BOY SCOUTS OF AMERICA
AREA RELIEF MINISTRIES	PETPROMISE INC
ARIZONA SOCCER CLUB UNITED INC	REGIONAL INTER-FAITH ASSOCIATION
BIG BROTHERS BIG SISTERS A COMMUNITY OF CARING	SPECIAL OLYMPICS WASHINGTON
BLUEGREEN ALLIANCE FOUNDATION	SPOKANE PUBLIC SCHOOLS FOUNDATION
CYSTIC FIBROSIS FOUNDATION	SPOKANE VALLEY PARTNERS
EXCHANGE CLUB	STAR CENTER, INC.
FOUNDATION FOR HOSPICE OF CENTRAL OHIO	T.A.M.B OF JACKSON, TN INC.
FRIENDS OF THE CENTENNIAL TRAIL	TENNESSEE CHILDREN'S HOME
HOAG CHARITY SPORTS INC	THE DREAM CENTER OF JACKSON, INC.
HOPE RECOVERY CENTER	TOYS FOR TOTS CAMPAIGN
JESSIE REES FOUNDATION	UNITED WAY OF LICKING COUNTY
JOHNNY MAC SOLDIERS FUND INC	WAYNE STATE UNIVERSITY
JUNIOR ACHIEVEMENT OF CENTRAL OHIO INC	YMCA OF ORANGE COUNTY
LICKING MEMORIAL HEALTH FOUNDATION	YWCA OF SPOKANE
MARCH OF DIMES FOUNDATION	YOUTH TOWN OF TENNESSEE, INC.
MATTAWAN CONSOLIDATED SCHOOL	

## SUMMARY

At Kaiser Aluminum, we recognize that long-term excellence requires sustainable practices. We demonstrate this through:

- Operating our business with honesty and integrity
- Providing a safe workplace that fosters dignity and respect
- Creating positive economic impact for our stakeholders
- Supporting the sustainability of our environment through lean sigma initiatives to drive continuous improvement in manufacturing efficiency and reduce our carbon emissions and environmental footprint
- Striving to make a positive difference in our local communities

There is more work to be done, but one thing is certain - we will continue to manage our business for long-term success in a manner that is economically, environmentally and socially responsible with a view towards all of our stakeholders.

A photograph of a dense forest of tall evergreen trees, likely pines or firs, shrouded in a light mist or fog. The trees are dark green and stand against a pale, hazy background. The overall atmosphere is serene and natural.

**Kaiser Aluminum is committed to a sustainable world.**

***KAISER***  
***ALUMINUM***

[www.KaiserAluminum.com](http://www.KaiserAluminum.com)