

# ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

# SHANDONG NANSHAN ALUMINUM CO., LTD.

CERTIFICATE  
NUMBER

53

ASI  
STANDARD

PERFORMANCE  
STANDARD  
(V2 2017)

CERTIFICATION  
LEVEL

FULL  
CERTIFICATION

ASI  
ACCREDITED  
AUDITOR

DNV GL

DATE OF ISSUE

9 DECEMBER 2019

DATE OF EXPIRY

8 DECEMBER 2022

CERTIFIED SINCE

9 DECEMBER 2019

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. He', written over a green background.

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*Validity of this Certificate is subject to continued  
conformance with the applicable ASI Standard  
and can be verified at*

[www.aluminium-stewardship.org](http://www.aluminium-stewardship.org)

CERTIFICATION SCOPE

Headquarter: Shandong Nanshan Aluminum Co., Ltd. (Nanshan Industrial Park, Longkou City, Yantai City, Shandong Province, China), H.Q. functions. The following sites/facilities are included in the scope: Site 1: Donghai Industrial Park, Longkou City, Yantai City, Shandong Province, China. included facilities: (1). Longkou Donghai Alumina Co., Ltd. (600,000 t/a alumina production line of Phase I). (2). Shandong Nanshan Aluminum Co., Ltd. (480,000 t/a electrolysis aluminum production line of Phase IV). (3). Shandong Nanshan Aluminum Co., Ltd. (450,000 t/a aluminum alloy slab production line). (4). Plate Company of Shandong Nanshan Aluminum Co., Ltd. (200,000 t/a aluminum alloy plate and strip production line). Site 2: Nanshan Industrial Park, Longkou City, Yantai City, Shandong Province, China. included facilities: (1). Longkou Nanshan Aluminum Rolling New Material Co., Ltd. (750,000 t/a hot rolling production line). (2). Longkou Nanshan Aluminum Rolling New Material Co., Ltd. (600,000 t/a aluminum alloy plate and strip production line)

# SUMMARY AUDIT REPORT

## PERFORMANCE

## STANDARD

### OVERVIEW

MEMBER NAME Shandong Nanshan Aluminium Co., Ltd.

ENTITY NAME Shandong Nanshan Aluminium Co., Ltd.

- **Certification Scope**

Headquarter: Shandong Nanshan Aluminum Co., Ltd. (Nanshan Industrial Park, Longkou City, Yantai City, Shandong Province, China), H.Q. functions. The following sites/facilities are included in the scope:

Site 1: Donghai Industrial Park, Longkou City, Yantai City, Shandong Province, China. included facilities:

  - (1). Longkou Donghai Alumina Co., Ltd. (600,000 t/a alumina production line of Phase I).
  - (2). Shandong Nanshan Aluminum Co., Ltd. (480,000 t/a electrolysis aluminum production line of Phase IV).
  - (3). Shandong Nanshan Aluminum Co., Ltd. (450,000 t/a aluminum alloy slab production line).
  - (4). Plate Company of Shandong Nanshan Aluminum Co., Ltd. (200,000 t/a aluminum alloy plate and strip production line).

Site 2: Nanshan Industrial Park, Longkou City, Yantai City, Shandong Province, China. included facilities:

  - (1). Longkou Nanshan Aluminum Rolling New Material Co., Ltd. (750,000 t/a hot rolling production line)
  - (2). Longkou Nanshan Aluminum Rolling New Material Co., Ltd. (600,000 t/a aluminum alloy plate and strip production line).

- SUPPLY CHAIN ACTIVITIES
- Alumina Refining
  - Aluminium Smelting
  - Casthouses
  - Aluminium Re-melting/Refining
  - Semi-Fabrication

ASI STANDARD

- Performance Standard V2

AUDIT TYPE

- Certification Audit

AUDIT FIRM DNV GL

AUDIT DATE 23 – 28 September 2019

## AUDIT SCOPE

Alumina Refining, Aluminium Smelting, Aluminium Re-melting/Refining, Casthouses, Semi-Fabrication processes managed by headquarters (China). Headquarter: Shandong Nanshan Aluminum Co., Ltd. (Nanshan Industrial Park, Longkou City, Yantai City, Shandong Province, China), H.Q. functions. The following sites/facilities are included in the audit scope:

Site 1: Donghai Industrial Park, Longkou City, Yantai City, Shandong Province, China. included facilities:

- (1). Longkou Donghai Alumina Co., Ltd. (600,000 t/a alumina production line of Phase I).
- (2). Shandong Nanshan Aluminum Co., Ltd. (480,000 t/a electrolysis aluminum production line of Phase IV).
- (3). Shandong Nanshan Aluminum Co., Ltd. (450,000 t/a aluminum alloy slab production line).
- (4). Plate Company of Shandong Nanshan Aluminum Co., Ltd. (200,000 t/a aluminum alloy plate and strip production line).

Site 2: Nanshan Industrial Park, Longkou City, Yantai City, Shandong Province, China. included facilities:

- (1). Longkou Nanshan Aluminum Rolling New Material Co., Ltd. (750,000 t/a hot rolling production line)
- (2). Longkou Nanshan Aluminum Rolling New Material Co., Ltd. (600,000 t/a aluminum alloy plate and strip production line).

Supply chain activities included in the audit scope:

- Alumina Refining
- Aluminium Smelting
- Casthouses
- Aluminium Re-melting/Refining
- Semi-Fabrication

All applicable criteria in the ASI Performance Standard were included in the audit scope.

AUDIT  
OUTCOME

- Certification

AUDIT  
METHODOLOGY  
DECLARATION

The Auditors confirm that:

- The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.
- The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.
- The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.

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CERTIFICATION PERIOD	9 December 2019 – 8 December 2022
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NEXT AUDIT TYPE	Surveillance
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NEXT AUDIT DUE DATE	8 December 2021
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CERTIFICATE NUMBER	53
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## SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	<p>Shandong Nanshan Aluminum Co., Ltd. has developed and implemented policies, systems, procedures and processes that conform to ASI Performance Standard's legal compliance requirements. Shandong Nanshan Aluminum Co., Ltd. has systems in place to maintain awareness of and to ensure compliance with applicable law.</p> <p><a href="http://www.600219.com.cn/static/admin/upload/file/20190929/20190929000514_58732.pdf">http://www.600219.com.cn/static/admin/upload/file/20190929/20190929000514_58732.pdf</a></p>
1.2 Anti-Corruption	Conformance	<p>Policies and processes such as the Management Procedure of Anti-Corruption to identify and prevent corruption are implemented and personnel trained in these processes as verified through training records. The Entity works against corruption in all its forms, including extortion and bribery, consistent with applicable law and prevailing international standards. The Entity also has a Policy for Labour and Business Ethics:</p> <p><a href="http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf">http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf</a></p>
1.3 Code of Conduct	Conformance	<p>The Entity has implemented a Code of Conduct including principles related to environmental, social and governance performance. The Entity implemented adequate measures, including training, communication to raise awareness of the code among business partners and suppliers. The Code of Conduct is available for all interested stakeholders on the official website of the Entity:</p> <p><a href="http://www.600219.com.cn/static/admin/upload/file/20190929/20190929000514_58732.pdf">http://www.600219.com.cn/static/admin/upload/file/20190929/20190929000514_58732.pdf</a></p>
PRINCIPLE 2 POLICY & MANAGEMENT		
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	<p>The management policies are consistent with the environmental, social, and governance practices.</p> <p><a href="http://www.600219.com.cn/static/admin/upload/file/20191108/20191108051800_96509.pdf">http://www.600219.com.cn/static/admin/upload/file/20191108/20191108051800_96509.pdf</a></p>
2.1b Environmental, Social, and Governance Policy (senior management)	Conformance	<p>Senior management demonstrate commitment to the implemented policies.</p>

CRITERION	RATING	COMMENT
2.1c Environmental, Social, and Governance Policy (communication)	Conformance	The policies are available for internal and external stakeholders by training, publishing on website and post on-site. <a href="http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf">http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf</a>
2.2 Leadership	Conformance	A senior Management Representative has been nominated.
2.3a Environmental and Social Management Systems (environmental)	Conformance	The Entity has an Environmental Management System in place and holds a valid ISO 14001:2015 certificate.
2.3b Environmental and Social Management Systems (social)	Conformance	A Social Management Systems has been established and implemented. Social and occupational health and safety impacts are identified and assessed, the associated management provisions for preventing and/or mitigating these impacts are established and implemented.
2.4 Responsible Sourcing	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to the responsible sourcing requirements. The Entity conducts second party due diligence audits at major next tier suppliers' sites to qualify them. The procurement team and relevant personnel are trained on an annual basis on responsible sourcing requirements. The purchasing policies are part of the Entity's Policy for Labour and Business Ethics, accessible via the following link. <a href="http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf">http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf</a>
2.5 Impact Assessments	Conformance	The Entity will conduct environmental, social, cultural and human rights Impact Assessments, including a gender analysis, for new projects or major changes to existing facilities. No such case has happened to nominated facilities since 2018.
2.6 Emergency Response Plan	Conformance	The Entity holds valid ISO 14001:2015 and OHSAS 18001 certificates. The Entity has well-established emergency response plans developed in collaboration with potentially affected stakeholder groups such as communities, workers and their representatives, and relevant agencies. The Emergency Response Plans on Social, OH&S and Environmental Accidents are well implemented

CRITERION	RATING	COMMENT
		and personnel trained as verified during the audit.
2.7 Mergers and Acquisitions	Conformance	A procedure is established for mergers and acquisitions, but no such activity has happened since 2018.
2.8 Closure, Decommissioning and Divestment	Conformance	A procedure for closure, decommissioning and divestment has been established in accordance to the requirement of ASI Performance Standard. But no such case has happened since 2018.
PRINCIPLE 3 TRANSPARENCY		
3.1 Sustainability Reporting	Conformance	The annual sustainability report, published on the website of Shandong Nanshan Aluminum Co., Ltd. Aluminium Foil Co., Ltd.: <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a>
3.2 Non-compliance and liabilities	Conformance	Shandong Nanshan Aluminum Co., Ltd. is a listed company in stock market. The Entity publicly disclose information on significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law. There are no significant fines or penalties imposed on the Entity as reported in 2018 sustainability report. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a>
3.3a Payments to governments (legal and contractual)	Conformance	The Entity only make, or have made on its behalf, payments to governments on a legal and/or contractual basis. This is published on section 10 of the Entity's semi-annual report, accessible on the official website of Shanghai Stock Exchange: <a href="http://www.sse.com.cn/disclosure/listedinfo/announcement/c/2019-08-27/600219_2019_z.pdf">http://www.sse.com.cn/disclosure/listedinfo/announcement/c/2019-08-27/600219_2019_z.pdf</a>
3.3b Payments to governments (disclosure – bauxite mining)	Not Applicable	This criterion is not applicable to the Entity's Certification Scope.
3.4 Stakeholder complaints, grievances and requests for information	Conformance	Internal and external Whistle-blowing/Complaint/Grievance Mechanism exist (e.g. whistle blower hotlines, mail address, suggestion box). Please find it on page 5 of the Entity's Policy for Labour and Business Ethics. <a href="http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf">http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091655_79073.pdf</a>

CRITERION	RATING	COMMENT
PRINCIPLE 4 MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	The environmental life cycle assessment is conducted and documented. And the Environmental Life Cycle Assessment Report is published on the website of the Entity. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014816_91776.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014816_91776.pdf</a>
4.1b Environmental Life Cycle Assessment (cradle to gate)	Conformance	The Entity has provided adequate cradle-to-gate Life Cycle Assessment (LCA) information on its aluminum product. The Environmental Life Cycle Assessment Report can be provided by external communication if required. There have been no requests to date.
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	The Environmental Life Cycle Assessment Report is published in the official website of Shandong Nanshan Aluminum Foil Co., Ltd. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014816_91776.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014816_91776.pdf</a>
4.2 Product design	Conformance	The Entity integrates relevant objectives in the design and development process for products to enhance sustainability, including the environmental life cycle impacts of the end product. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014816_91776.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014816_91776.pdf</a>
4.3a Aluminium Process Scrap (targets)	Conformance	The Entity has minimized the generation of Aluminum Process Scrap within its own operations and, where generated target 100% of scrap for collection, recycling and/or re-use. Refer to Life Cycle Management of Solid Waste on page 25 of the Entity's Sustainability Report, accessible via the following link. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a>
4.3b Aluminium Process Scrap (alloy separation)	Conformance	The Entity implement to separate Aluminium alloys and grades for recycling. The generated target for process scrap utilization rate is 100%. Refer to Life Cycle Management of Solid Waste on page 25 of Sustainability Report, accessible via the following link. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a>
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	Shandong Nanshan Aluminum Co., Ltd. is communicating with main customer to discuss



CRITERION	RATING	COMMENT
		how to improve the recycling rate of products at end-of-life.
4.4b Collection and recycling of products at end-of-life (engagement)	Conformance	Because there is not the complete local, regional or national collection and recycling systems for aluminum scraps in China, Shandong Nanshan Aluminum Co., Ltd.is working with the customer to decide how to improve the recycling rate of products at end-of-life.
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Conformance	<p>The major scope 1, 2 greenhouse gas emissions and energy use by source are tracked, calculated and documented annually, refer section 2 &amp; 3 of 2018 GHG emissions report. The information can be reached via: <a href="http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091903_78238.pdf">http://www.600219.com.cn/static/admin/upload/file/20190919/20190919091903_78238.pdf</a> <a href="http://www.600219.com.cn/nlist.html?category_id=228">http://www.600219.com.cn/nlist.html?category_id=228</a></p> <p>The GHG emission is not checked by 3rd party.</p>
5.2 GHG emissions reductions	Conformance	<p>The Entity set up a GHG emission reduction target towards 2019 should reduce the GHG emission per product based on the level of 2018, aligning with the group target assigned. The main strategy is to reduce the unnecessary electricity consumption and increase the scrap recycle rate. Refer section 1&amp;2 of GHG emission reduction target. The information can be reached via: <a href="http://www.600219.com.cn/static/admin/upload/file/20200313/20200313083721_24403.pdf">http://www.600219.com.cn/static/admin/upload/file/20200313/20200313083721_24403.pdf</a>.</p>
5.3a Aluminium Smelting (management system)	Conformance	The Entity operates its environmental management system in accordance with ISO 14001:2015 that has adequate evaluation procedures and operating controls to limit direct GHG emissions.
5.3b Aluminium Smelting (up to and including 2020)	Conformance	<p>The Entity have defined and are implementing a plan aimed at reducing scope 1 and 2 GHG emissions below 8 tonnes CO<sub>2</sub>-eq per metric tonne of aluminium by 2030. Refer section 2 of GHG emission reduction target. The information can be reached via: <a href="http://www.600219.com.cn/static/admin/upload/file/20200313/20200313083721_24403.pdf">http://www.600219.com.cn/static/admin/upload/file/20200313/20200313083721_24403.pdf</a> <a href="http://www.600219.com.cn/nlist.html?category_id=228">http://www.600219.com.cn/nlist.html?category_id=228</a></p>

CRITERION	RATING	COMMENT
5.3c Aluminium Smelting (after 2020)	Not Applicable	The Entity does not have plans for any new smelter line to be started after 2020, as of this audit. Hence, this element is not applicable.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Conformance	The waste air generated in the operation is collected and treated before discharge. The emission meets the local discharge limit. Conducted air emission management plan with actions/controls to mitigate adverse impacts.
6.2 Discharges to Water	Conformance	Discharges to water is covered and managed within the environmental management system. The Entity setup water reduction targets and establish related plan to minimize adverse impacts. The monitor report of wastewater in 2018 shows major pollutants were monitored, monitoring results for these major pollutants meets the local legal discharge limit.
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	An assessment of risk areas of operations where spills and leakage may contaminate air, water and soil is done by following the risk assessment process of environmental management system.
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	Assessment and management of spills and leakage is defined in the environmental management system. Major spills and leakages will be handled and communicated by the emergency response team.
6.4a Reporting of Spills (immediate disclosure)	Conformance	Reporting of spill/leakage is defined in management procedure of information disclosure. No spill/leakage happened in 2018. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a>
6.4b Reporting of Spills (regular reporting)	Conformance	The impact assessments of the spill/leakage and remediation actions taken will be published in the annual sustainability report. No spill/leakage happened in 2018. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a>
6.5a Waste management and reporting (strategy)	Minor Non-Conformance	Waste management is covered by the environmental management system. The Entity implemented a waste management strategy according to the waste mitigation hierarchy. The disposal of hazardous waste is in compliance with the legal compliance in aluminium alloy,

CRITERION	RATING	COMMENT
		<p>electrolysis aluminium, aluminium alloy plate and strip production lines.</p> <p>However, a minor finding is raised for 600,000 t/a alumina production line of Phase I: As per relevant regulations, hazardous waste should be disposed by qualified supplier, However, for the hazardous waste (waste oil) generated from 600,000 t/a alumina production line of Phase I. the disposal contract signed by qualified supplier is not available.</p>
6.5b Waste management and reporting (disclosure)	Conformance	<p>The Entity publicly disclose the waste generation and disposals information on page 23-25 of the sustainable development report in 2018 and published in the official website: <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a></p>
6.6a Bauxite Residue (storage construction)	Conformance	<p>The Entity demonstrated that it had built bauxite residue storage facilities with adequate containment and protection of the environment. the new technology of Dry Stacking Method to deposit bauxite residue was implemented. Periodic monitoring and assessment for the Bauxite Residue Reservoir are implemented. More information can be found on page 20 of the Entity's Sustainability Report, accessible via the following link. <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a></p>
6.6b Bauxite Residue (integrity checks and controls)	Minor Non-Conformance	<p>Regular check and monitoring for Bauxite Residue Reservoir are implemented. And the on-line monitoring system was installed the to monitor the displacement of the dam. However, a minor finding is raised for the control of environmental protection acceptance. The environmental protection acceptance of the phase II construction Project of Bauxite Residue Reservoir is in progress, but it is not obtained till now. which has exceeded the specified time, It against the requirements of Interim Measures on Environmental Check &amp; Acceptance to the Completion of Construction Project.</p>
6.6c Bauxite Residue (water discharge)	Conformance	<p>It was evidenced that the Entity has controlled and neutralised the water discharged from Bauxite Residue Storage to minimize the impacts to the environment. there is no external discharge of water from the Bauxite Residue Storage. All waste water of the Bauxite Residue</p>

CRITERION	RATING	COMMENT
		<p>Storage is pumped back to the plant. Periodical environmental monitoring for wastewater pollution control of Bauxite Residue Reservoir is implemented. More information can be found on page 20 of the Entity's Sustainability Report, accessible via the following link. \</p> <p><a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008014935_57205.pdf</a></p>
6.6d Bauxite Residue (marine and aquatic environments)	Conformance	It was evidenced that the Entity does not discharge water or bauxite residue from Bauxite Residue Reservoir to marine and aquatic environments.
6.6e Bauxite Residue (start of the art technologies)	Conformance	The dry-stacking technology for bauxite residue had been adopted by the Entity. And the new technology to re-use of the bauxite residue is testing by the Entity. It was evidenced that the Entity is in the continuous process of testing new technology to re-use of the bauxite residue.
6.6f Bauxite Residue (remediation)	Conformance	The Entity has established a management plan for Bauxite Residue Reservoir including how to mitigate the risk of future environmental contamination if closure of the Bauxite Residue Reservoir in the future.
6.7a Spent Pot Lining (SPL) (storage and management)	Conformance	The Entity has a designated hazardous waste warehouse, where the SPL is stored in a manner that prevents the release of leachate (if generated) to the environment prior to shipment. SPL are packed into special bags and labelled as hazardous waste.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Conformance	According to China's environmental regulations, the SPL is strictly required to be disposed as hazardous waste. the Entity has demonstrated that it is in the continuous process of optimizing the recovery and recycling of carbon and refractory materials, such as optimizing production process, less consumption of raw materials and achieve further efficiency gains etc.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Conformance	All the SPL is required to be sent to a qualified supplier for disposal, SPL is strictly required to be disposed as hazardous waste. there are no adverse impacts to the environment associated with the landfilling of the treated SPL.

CRITERION	RATING	COMMENT
6.7d Spent Pot Lining (SPL) (review of alternatives)	Conformance	According to China's environmental regulations, the SPL is strictly required to be disposed as hazardous waste. SPL will be sent to qualified supplier to handle. The Entity regularly evaluated the hazardous waste supplier based on their ability and qualification. including how to search for the alternatives to landfilling of treated SPL and/or stockpiling of SPL.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Conformance	All the SPL is required to be sent to qualified supplier for disposal. SPL is not discharged to marine or aquatic environments.
6.8a Dross (recovery)	Conformance	The Aluminium taken from the dross pressing will be recycled into the melting furnaces of Shandong Nanshan Aluminum Co., Ltd. The rest part is sold to the outside dross processors for further extracting the Aluminium remained, which can be used to produce Aluminium alloying ingots.
6.8b Dross (recycling)	Conformance	The Aluminium taken from the dross pressing will be recycled into the melting furnaces of Shandong Nanshan Aluminum Co., Ltd. for recycling dross residue. The rest part is sold to the outside dross processors for recycling dross residue., which can be used to produce Aluminium alloying ingots.
6.8c Dross (review of alternatives)	Not Applicable	There is no dross residue sent to landfill.
PRINCIPLE 7 WATER STEWARDSHIP		
7.1a Water assessment (mapping)	Conformance	The water source is municipal water supply. Usage is tracked and documented. The legal required Permit for Water Discharge into Public Drainage System is granted by the government agency.
7.1b Water assessment (risk assessment)	Conformance	The Entity has conducted water risk assessments. The water risk assessment considered the Entity's industrial park, nearby lands and waterways risk in their area of influence. Due to the nature of the product and production processes, and most of the Entity's sites have closed loop water management systems, in the local water environment, the level of water-related risk was found to be low.
7.2a Water management (management plans)	Not Applicable	There were no identified significant water related risks in the Entity's area of influence.

CRITERION	RATING	COMMENT
7.2b Water management (monitoring)	Not Applicable	There were no identified significant water related risks in the Entity's area of influence.
7.3 Disclosure of water usage and risks	Conformance	The water usage and risks assessment report are published on section 4-8 of assessment report of water-related risks. Please see <a href="http://www.600219.com.cn/static/admin/upload/file/20190919/20190919092041_29385.pdf">http://www.600219.com.cn/static/admin/upload/file/20190919/20190919092041_29385.pdf</a>
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Conformance	Biodiversity assessment is included in the Environmental Management System. The risk or impact by the operation of Shandong Nanshan Aluminum Co., Ltd. and in the Entity's industrial park, nearby lands and waterways Area of Influence on biodiversity was assessed as low. The assessment involved qualified third parties and the report was approved by the local Environmental Protection Bureau (EPB). Further information, please see the Biodiversity Risk Assessment Report <a href="http://www.600219.com.cn/static/admin/upload/file/20191008/20191008030256_38212.pdf">http://www.600219.com.cn/static/admin/upload/file/20191008/20191008030256_38212.pdf</a>
8.2a Biodiversity management (biodiversity action plans)	Not Applicable	The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts.
8.2b Biodiversity management (consultation and mitigation hierarchy)	Not Applicable	The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts.
8.2c Biodiversity management (reporting)	Not Applicable	The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts.
8.3 Alien Species	Conformance	The main carrier medium (pallets which is wood) is processed in a way to avoid the introduction of alien species.
8.4a Commitment to "No Go" in World Heritage properties (exploration and new mines)	Not Applicable	This criterion is not applicable to the Entity's Certification Scope.
8.4b Commitment to "No Go" in World Heritage properties (existing operations)	Not Applicable	This criterion is not applicable to the Entity's Certification Scope.
8.5a Mine rehabilitation (best available techniques)	Not Applicable	This criterion is not applicable to the Entity's Certification Scope.
8.5b Mine rehabilitation (financial provisions)	Not Applicable	This criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
PRINCIPLE 9 HUMAN RIGHTS		
9.1a Human Rights Due Diligence (policy)	Conformance	The Entity's ASI Policy states the Entity's commitment to respect Human Rights according to the UN Guiding Principles on Business and Human Rights.
9.1b Human Rights Due Diligence (process)	Minor Non-Conformance	The Entity commits to respect Human Right. The due diligence process is established covering the supply chain. However, one minor non-conformance is issued on due diligence of on-site service providers.
9.1c Human Rights Due Diligence (remediation)	Conformance	The Entity establishes and publishes the complain/grievance channel to stakeholders. Remediation process towards any adverse human rights impact is in place. No Major impact is reported.
9.2 Women's Rights	Conformance	Women's legal rights and interests are respected by the Entity. The Entity has implemented policies and processes to ensure respect for the rights and interests of women, consistent with international standards, including the UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). The Equal Employment Opportunity Policy is in place and is communicated to all employees.
9.3 Indigenous Peoples	Not Applicable	Policies and processes to ensure respect for the rights and interests of Indigenous Peoples is established. No indigenous people are involved.
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	Policies and processes to ensure respect for the rights and interests of Indigenous Peoples including Free, Prior, and Informed Consent (FPIC) is established. No indigenous people are involved.
9.5 Cultural and sacred heritage	Conformance	The Entity has a procedure in place to identify the cultural sites and religious sites, conduct the risk assessment to reduce the impact on the sites. There is a Buddha Statue about 10 km to the Nanshan Industry zone and a Buddha Temple about 7 km to the Donghai Industry zone. The outcomes of the risk assessment and the feedback from the local religious affair bureau, did not identify any impacts on the two sites. The Buddha Statue, Buddha Temple and the neighbouring resident communities are identified as the Entity's Area of Influence.

CRITERION	RATING	COMMENT
9.6a Resettlements (avoid or minimise)	Not Applicable	The Entity has established procedure on resettlement. However, no resettlement or displacement has been conducted by the Entity.
9.6b Resettlements (where unavoidable)	Not Applicable	The Entity has established procedure on resettlement. However, no resettlement or displacement has been conducted by the Entity.
9.7a Local Communities (rights and interests)	Conformance	Based on the results of the human right due diligence and a general risk assessment, which was done taking into account the rights and interest of local communities, environment pollution was the only identified adverse impact on the local communities. As noted in 6.1, plans are implemented to mitigate adverse impacts. The Entity is active in community engagement at all their sites and at a corporate level. Through annual profits share, they initiate projects that provides a positive impact to the communities.
9.7b Local Communities (impacts)	Conformance	The Entity takes appropriate steps to prevent and address any adverse impacts on local Community livelihoods resulting from its activities. The control measures for the identified impact on local communities are established and implemented.
9.7c Local Communities (livelihoods)	Conformance	The Entity has a proactive approach to working with local communities and neighbourhood organizations to improve and support mutual interests. The Entity is active in community engagement at all their sites and at a corporate level. Through annual profits share, they initiate projects that provides a positive impact to the communities.
9.8 Conflict-Affected and High-Risk Areas	Conformance	The Entity makes a commitment not using conflict minerals, and communicates it through the aluminum value chain. No conflict minerals are used by the Entity during production.
9.9 Security practice	Conformance	The Entity commits, in its involvement with public and private security providers, to respect Human Rights in line with ASI standards and good practices. The service agreement between the Entity and the security company and labor contracts of security workers also clearly defines the primary role of security workers which is to protect people, property and or assets and to respect Human Rights.



CRITERION	RATING	COMMENT
PRINCIPLE 10 LABOUR RIGHTS		
10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Conformance	There are laws that restrict Freedom of Association in China. However, the Entity demonstrates they respect the right to Freedom of Association and to Collective Bargaining. The Entity commits itself to respect the workers' rights. There are 35 elected worker representatives including 4 women.
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Conformance	There are laws that restrict Collective Bargaining in China. Although there are no collective bargaining agreements in the company, the Entity has a policy of respecting rights to freedom of association and collective bargaining.
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Conformance	There are laws that restrict Freedom of Association and Collective Bargaining in China. However, the Entity demonstrates they respect the right to freedom of association and to collective bargaining; Workers' representatives can deal with the workers' concerns with management on behalf of workers.
10.2a Child Labour (minimum age)	Conformance	There is not child labor or young worker in the company.
10.2b Child Labour (hazardous)	Conformance	Child labor is prohibited in China. Young workers are (16 to 18 years) are under special protection by law and not allowed to work in hazardous working conditions.
10.2c Child Labour (worst forms)	Conformance	Child labor is prohibited in China. The Entity commits itself - and expects its suppliers - to comply with the prohibition of child labor.
10.3a Forced Labour (human trafficking)	Conformance	The Entity commits itself - and expects its suppliers - to comply with the prohibition of forced labor, slavery and human trafficking.
10.3b Forced Labour (deposits, fees, advances)	Conformance	The Entity is not involved in forced labour. All employees are hired directly. Workers are not required any form of deposit; recruitment fee or equipment in advance.
10.3c Forced Labour (migrant workers)	Conformance	No foreign migrant workers in the company, all workers are Chinese.
10.3d Forced Labour (debt bondage)	Conformance	The Entity is not involved in forced labour, does not provide loan to workers.

CRITERION	RATING	COMMENT
10.3e Forced Labour (freedom of movement)	Conformance	The Entity is not involved in forced labor. There is no restriction of workers' movement at the site.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	The Entity is not involved in forced labour. There is no retention of original documents of workers, only copies of original documents are kept in workers' personal files.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Entity is not involved in forced labour. The time for announced termination of the employment is in compliance with the Labor Contract Law: 30 days in advance or 3 days in the period of probation.
10.4 Non-Discrimination	Conformance	The Entity has policies and procedures in place that effectively ensure equal opportunities and it does not engage in or support discrimination in hiring, salary, promotion, training, advancement opportunities or termination of any worker.
10.5 Communication and engagement	Conformance	Regular meeting between worker representatives and top management of the Entity, grievance and complaint hotline and email, as well as operating procedures ensure open communication and direct engagement with Workers and their representatives regarding working conditions and resolution of workplace and compensation issues, without threat of reprisal, intimidation or harassment.
10.6 Disciplinary practices	Conformance	The Entity respects its employees, disciplinary measures are in compliance with legal requirements and require the confirmation of involved worker. The Entity does not engage in nor tolerate the use of corporal punishment, mental or physical coercion, harassment, and gender-based violence including sexual harassment, or verbal abuse of Workers.
10.7a Remuneration (living wage)	Minor Non-Conformance	The wage structure is clearly defined, the basic wage meets the legal minimum wage. The total payment meets the workers' basic need. However, two minor non-conformances are issued related to social insurance and wages for indirect security workers and cooks
10.7b Remuneration (method of payment)	Conformance	All payments are documented and timely paid to all workers by bank transfer around 25th to 30th of the following month.

CRITERION	RATING	COMMENT
10.8 Working Time	Minor Non-Conformance	Working hours are recorded manually. Working hours are monitored and are in compliance with China Labor Law. One minor non-conformance is issued on working hours records of indirect security workers and cooks are not available for review during the audit

PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY

11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	Occupational Health and Safety Policy is implemented, reviewed periodically and communicated with stakeholders.
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	The health & safety policy is applied to workers and visitors in compliance with the legal requirements and the requirements of OHSAS 18001:2007.
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	The health & safety policy includes commitment to comply with the legal requirements and other requirements. Systems exist to identify all applicable legal requirements and other requirements and evaluate the legal compliance.
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	Worker are provided the training courses to understand the hazards, OH&S risks and actions determined that are relevant to them and right to refuse the unsafe work.
11.2 OH&S Management System	Minor Non-Conformance	The Entity has implemented a documented OHSAS 18001:2007 Management system and holds a valid OHSAS 18001:2007 Certificate. However, not all monitoring files for workers exposed to occupational disease hazards have been established as required by Applicable Law.
11.3 Employee engagement on health and safety	Conformance	The Entity has a system of workers' consultation and participation in health & safety. The workers are encouraged to report their concerns or advices on OH&S issues by themselves or by the worker representative, the management responds the concerns and advices on OH&S issues from workers.
11.4 OH&S performance	Conformance	Health and Safety Targets and improvements are set up and documented in Occupational Health and Safety Program. The implementation plans are established and implemented.

## **Document Control and Version History**

Revision	Date	Notes
0	9 December 2019	Issued (Full Certification)
1	16 July 2020	Hyperlinks updated for criteria 5.1 and 5.3