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# ASI CERTIFICATION PERFORMANCE STANDARD

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PRESENTED TO

# MA'ADEN ALUMINIUM

CERTIFICATE  
NUMBER

139

ASI  
STANDARD

PERFORMANCE  
STANDARD  
(V2 2017)

CERTIFICATION  
LEVEL

FULL  
CERTIFICATION

ASI  
ACCREDITED  
AUDITOR

DNV  
BUSINESS  
ASSURANCE  
SERVICES UK  
LTD.

DATE OF ISSUE

14 JULY 2021

DATE OF EXPIRY

13 JULY 2024

CERTIFIED SINCE

14 JULY 2021

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'John' or similar, written over a light green background.

Aluminium Stewardship Initiative Ltd  
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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)*

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CERTIFICATION SCOPE

Ma'aden Aluminium includes bauxite mining at the Al-Baitha Mine as well as operations at Ras al-Khair industrial city including alumina refining and smelting as well as casthouses producing ingots, billets and slabs. Also includes aluminium re-melting & manufacturing of flat rolled products.

# SUMMARY AUDIT REPORT

## PERFORMANCE STANDARD

### OVERVIEW

MEMBER NAME	Ma'aden Aluminium
ENTITY NAME	Ma'aden Aluminium
CERTIFICATION SCOPE	Ma'aden Aluminium includes bauxite mining at the Al-Baitha Mine and operations at Ras al-Khair industrial city including alumina refining and smelting as well as casthouses producing ingots, billets and slabs. Also includes aluminium re-melting & manufacturing of flat rolled products
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none"><li>• Bauxite Mining</li><li>• Alumina Refining</li><li>• Aluminium Smelting</li><li>• Aluminium Re-melting/Refining</li><li>• Casthouses</li><li>• Semi-Fabrication</li></ul>
ASI STANDARD	<ul style="list-style-type: none"><li>• Performance Standard V2</li></ul>
AUDIT TYPE	<ul style="list-style-type: none"><li>• Initial Certification Audit</li></ul>
AUDIT FIRM	DNV Business Assurance Services UK Ltd.
AUDIT DATE	<ul style="list-style-type: none"><li>• 11 – 29 April 2021</li></ul>
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none"><li>• 4 June 2021</li></ul>
AUDIT SCOPE	<p>The audit scope includes all activities at the Al-Baitha Mine and operations at Ras al-Khair industrial city, Saudi Arabia. The audit also included processes performed from Head office such as sustainability reporting, human capital, governance and compliance, employee accommodation in Ras Al Khair and Al Baitha mine site.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none"><li>• Bauxite Mining</li><li>• Alumina Refining</li><li>• Aluminium Smelting</li><li>• Aluminium Re-melting/Refining</li></ul>

- 
- Casthouses
  - Semi-Fabrication

All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.

At the time of the Audit (April 2021), access to the site at Al-Baitha mine was limited, due to COVID-19 related travel restrictions, however all facilities at the Ras al-Khair industrial city were audited on-site. Therefore, the audit can be considered as a combined desktop and on-site exercise, in accordance with ASI Interim Policy regarding Audits, Audit-Related Travel and Coronavirus (v4).

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AUDIT  
OUTCOME

- Certification

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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

14 July 2021 – 13 July 2024

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NEXT AUDIT  
TYPE

Surveillance Audit

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NEXT AUDIT  
DUE DATE

14 January 2023

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CERTIFICATE  
NUMBER

139

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## SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Minor Non-Conformance	<p>The Entity implements a good system including organisational structure, resources and compliance mechanisms using a digitalized platform for documenting, creating awareness, keeping records of legal and other requirements covering all aspects of business. The Entity's group publishes an annual report addressing compliance reporting.  <a href="https://www.maaden.com.sa/download/2019-Annual-Report-En.pdf">https://www.maaden.com.sa/download/2019-Annual-Report-En.pdf</a></p> <p>While compliance checks are regularly performed, record keeping of such compliance evaluations is found to not be available consistently in all business units of the Entity.</p>
1.2 Anti-Corruption	Conformance	<p>The Entity has established policies and procedures to work against Corruption in all its forms led by the Group governance structure. Compliance framework covering Code of Conduct, conflict of interest, zero-tolerance approach to bribery and corruption, including Extortion and Bribery, consistent with Applicable Law and prevailing international standards. Compliance framework including Anti-Corruption policy is publicly available in the Entity's group website.  <a href="https://www.maaden.com.sa/en/about/compliance">https://www.maaden.com.sa/en/about/compliance</a>  <a href="https://www.maaden.com.sa/download/compliance/Anti-Corruption-Policy.pdf">https://www.maaden.com.sa/download/compliance/Anti-Corruption-Policy.pdf</a></p>
1.3 Code of Conduct	Conformance	<p>The Entity has documented and implemented its Code of Conduct covering requirements related to workplace which includes Environment Health and Safety, Ethical Business Practices, Safeguarding Information and Property, The Government, Local Communication &amp; Media, Monitoring and Compliance. The Code of Conduct is available to the public in the Entity's group website at:  <a href="https://www.maaden.com.sa/download/compliance/Code-Of-Conduct-Handbook-En.pdf">https://www.maaden.com.sa/download/compliance/Code-Of-Conduct-Handbook-En.pdf</a></p>
PRINCIPLE 2 POLICY & MANAGEMENT		
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	<p>The Entity has documented and implemented group Social Performance policy &amp; group Environment, Health, Safety &amp; Security (EHSS) policy. The Entity has also established its own EHSS policy and Aluminium Stewardship Initiative (ASI) policy. The policies are consistent with environment, health and safety, social and governance practices included in</p>

CRITERION	RATING	COMMENT
		<p>the ASI standard. The group social policy and group EHSS policy has been made public on the Group website at below link:  <a href="https://www.maaden.com.sa/en/sustainability/social">https://www.maaden.com.sa/en/sustainability/social</a>  and  <a href="https://www.maaden.com.sa/en/sustainability/ehs">https://www.maaden.com.sa/en/sustainability/ehs</a></p>
<p>2.1b Environmental, Social, and Governance Policy (senior management)</p>	<p>Minor Non-Conformance</p>	<p>The Entity's group Social Performance policy &amp; group Environment, Health, Safety &amp; Security (EHSS) policy is endorsed by Group President &amp; Chief Executive Officer (CEO). The Entity's EHSS Policy and Aluminium Stewardship Initiative (ASI) Policy is endorsed by president. The Entity's EHSS Policy is reviewed regularly. The Entity needs to determine frequency of review of its ASI Policy and its group EHSS &amp; group Social Performance Policy. The Entity also needs to maintain documented information on the endorsement of the Group Code of Conduct by senior management.</p>
<p>2.1c Environmental, Social, and Governance Policy (communication)</p>	<p>Conformance</p>	<p>The Entity has communicated its policies externally through the web portal and mail communication. The policies are communicated internally by putting them on the intranet, displaying them at prominent locations and including them in induction training. The awareness regarding the policies was found to be adequate.  The Group Social Policy and Group Environment, Health, Safety and Security (EHSS) policy has been made public on the Group website at:  <a href="https://www.maaden.com.sa/en/sustainability/social">https://www.maaden.com.sa/en/sustainability/social</a>  and  <a href="https://www.maaden.com.sa/en/sustainability/ehs">https://www.maaden.com.sa/en/sustainability/ehs</a></p>
<p>2.2 Leadership</p>	<p>Conformance</p>	<p>The Entity has nominated the Central Environment Manager as the Senior Management Representative via internal memorandum dated 4th April 2021. He has been given overall responsibility and authority for ensuring compliance to the Aluminium Stewardship Initiative (ASI) Performance Standard.</p>
<p>2.3a Environmental and Social Management Systems (environmental)</p>	<p>Conformance</p>	<p>The Entity has documented and implemented its Environmental Management Systems as per the ISO14001:2015 Standard and has maintained its certification for all the legal entities under the Aluminium business.</p>
<p>2.3b Environmental and Social Management Systems (social)</p>	<p>Minor Non-Conformance</p>	<p>The Entity has defined various policies and procedures covering different elements of the Social Management System however the Entity has not developed a Social Management System with a</p>

CRITERION	RATING	COMMENT
		structured approach covering requirements of social objectives and targets, internal audits of social policies and procedures, social performance monitoring and management reviews of social system.
2.4 Responsible Sourcing	Minor Non-Conformance	<p>The Entity is implementing a Due Diligence Risk Assessment Policy and supplier Code of Conduct to ensure the business undertaken with suppliers and partners are promoting responsible sourcing principles covering environmental, social and governance issues, including the use of independent due diligence tools. However, use of a questionnaire on the Entity's satisfaction level about suppliers' performance to Responsible Sourcing principles is not fully effective.</p> <p>Supplier/Contractor Relationship Management process is managed through the iSupplier portal on which the information is available at <a href="https://www.maaden.com.sa/en/eservices/supplier">https://www.maaden.com.sa/en/eservices/supplier</a></p>
2.5 Impact Assessments	Conformance	<p>The Entity has a system to conduct Environmental, Social, Cultural and Human rights assessments for all new projects or expansions to existing projects. There were no new projects or expansion to existing projects during the last 5 years. The Entity has demonstrated environmental, social, cultural and human rights assessments covering International Finance Corporation (IFC) Performance Standard (PS) requirements for its existing facilities.</p>
2.6 Emergency Response Plan	Conformance	<p>The Entity has established and implemented emergency response plans for its Ras Al Khair complex and Al Baitha mines. The Entity has developed an Environmental Emergency Response Plan in collaboration with the regulator in Ras Al Khair as specifically needed for Refinery operation. Involvement of workers, community and representatives as applicable are demonstrated in developing and implementing these plans.</p>
2.7 Mergers and Acquisitions	Conformance	<p>The Entity, under its Group, has established a "Due Diligence Risk Assessment Policy and Procedure" that would be applied in dealing with all third parties. The same procedure applies for mergers and acquisitions when such need arises. Currently there are no mergers and acquisitions in the Entity's business plan. The due diligence process relates to environmental, social and governance issues, using a formal risk assessment approach.</p>

CRITERION	RATING	COMMENT
2.8 Closure, Decommissioning and Divestment	Conformance	The Entity does not have plans for closure, decommissioning and divestment in Ras Al Khair industrial city where it operates the Alumina Refinery, Smelter and Rolling Mill. The Entity has prepared a preliminary closure plan for its Al Baitha mines through a consultant (dated March 2018). The report outcomes are actively used in planning process for closure, decommissioning and divestment with view of environmental, social and governance issues, including financial provisions needed.
PRINCIPLE 3 TRANSPARENCY		
3.1 Sustainability Reporting	Conformance	The Entity has published its Group Annual Sustainability report based on the core level of Global Reporting Initiative (GRI) Standard and includes materiality assessment on page 14 and reports material environmental, social and economic impacts. The Report is publicly available on the Group website and can be accessed at: <a href="https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf">https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf</a>
3.2 Non-compliance and liabilities	Conformance	The Entity, through its Group, publishes an Annual Report and Sustainability Report publicly disclosing information on significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law. Page 76 of the 2019 sustainability report for monetary value of fines and non-monetary sanctions related declarations. Page 84 for declarations related to fines or non-monetary sanctions for non-compliance with environmental laws or regulations. <a href="https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf">https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf</a> Page 150 of annual report 2019 documents management declarations on various topics, report can be found at: <a href="https://www.maaden.com.sa/download/2019-Annual-Report-En.pdf">https://www.maaden.com.sa/download/2019-Annual-Report-En.pdf</a>
3.3a Payments to governments (legal and contractual)	Conformance	The Entity under the Group Policy and procedures, has systems to make payments to any party including government only based on legal and/or contractual basis. The annual report published in Entity's Group website is documenting all payments made or provisioned to be made to the government referring to the legal requirements.

CRITERION	RATING	COMMENT
3.3b Payments to governments (disclosure - bauxite mining)	Conformance	<p>The Entity publicly discloses the payments to governments for its Bauxite mining, reported within the Entity's group annual report published in the website. The Annual Report is verified by independent auditors as required by financial reporting requirements.</p> <p>Refer to page 330 in 2019 annual report published at:  <a href="https://www.maaden.com.sa/download/2019-Annual-Report-En.pdf">https://www.maaden.com.sa/download/2019-Annual-Report-En.pdf</a></p>
3.4 Stakeholder complaints, grievances and requests for information	Conformance	<p>The Entity has established a whistle blowing policy for its stakeholders to raise any complaint. The system is available to all its stakeholders through the Group website which has provided a toll free number and email address for raising any complaint. The Entity has also established grievance and medical policy for its employees to raise their grievances.</p> <p>The Entity has established community grievance handling procedure at Al Baitha mines for the community to raise any grievances.</p> <p>The complaints are investigated and actions are taken as needed. The Entity is advised to maintain log of such complaints and file the related records in a timely manner.</p>
PRINCIPLE 4 MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	<p>The Entity has maintained ISO 14001 certification for all facilities which covers the environmental impacts considering life cycle perspective of products. The Entity has engaged a third party to conduct a Life Cycle Assessment of all its products using the GaBI software tool. The assessment has been completed and draft reports have been provided. Final reports are awaited. It is suggested that the Entity documents its procedure for updating the Life Cycle Assessment in future.</p>
4.1b Environmental Life Cycle Assessment (cradle to gate)	Conformance	<p>The Entity has established a Consultation, Participation and Communication Procedure which covers external communication to its stakeholders on any environment, health and safety impacts, including responding to their requests. The procedure details the responsibilities for such communication and also defines the modes of communication. It is advised that the procedure be updated to specifically include the process for responding to requests related to Life Cycle Assessment (LCA) information.</p>



CRITERION	RATING	COMMENT
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	The Entity has not shared the Life Cycle Assessment (LCA) information with the public so far. This is because the study was recently completed and the final reports are still being finalised.
4.2 Product design	Conformance	The Entity has a Rolling mill which produces Auto sheet coils and Can body coils. There are no new products developed since inception of the facility. The Entity conducted the Best Available Technique (BAT) assessment through an external consultant during the design of the facility to ensure application of the most effective and advanced production processes, methods/ technologies or operational practices to prevent and where that is not practicable, to reduce emissions or discharges and other impacts to the environment. The existing products are produced using recycled material. The Entity may document the process for conducting Life Cycle Assessments (LCA) for any new product using the GaBi software.
4.3a Aluminium Process Scrap (targets)	Conformance	The Entity has established process controls parameters in each plant to reduce the generation of Aluminium process scrap. Operators have been trained suitably and the process control parameters are monitored regularly. The Entity has mapped its scrap generated from different sources in the cast house and rolling mill and reflected it in the Scrap Management System (MES). The Entity recycles 100% of its generated scrap through Can Reclamation Unit (CRU) & Cast House furnace. Besides their own scrap, the Entity also recycles scrap generated by its customers for rolled products.
4.3b Aluminium Process Scrap (alloy separation)	Conformance	The Entity has documented and implemented a procedure for product identification and traceability which defines the product identification process for different types of products. The alloys and grades of the product including non-conforming product for recycling, can be tracked from the identification labels/marks on them. The Entity does not send any material outside for recycling as they have their own facility for processing scrap material. The Entity has documented work instruction covering requirement for identification of scrap material. Different scrap materials in the facility were found to be stored in individual bins with suitably identification.
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	The Entity as part of its recycling strategy has installed a Can Reclamation Unit (CRU) which

CRITERION	RATING	COMMENT
		recycles Used Beverage Can (UBC) scrap collected by local, regional, national & international recycling systems/suppliers. The Entity has targets to increase the procurement of UBC scrap by 50% of its current volume until year 2025 and is constantly adding new metal scrap suppliers to its approved list. The Entity is also buying scrap of their own products generated by its customers to support its strategy.
4.4b Collection and recycling of products at end-of-life (engagement)	Conformance	The Entity has engaged with various national and internal scrap dealers to increase the scrap quantities for recycling in its Can Reclamation Unit (CRU). The Entity is constantly adding new scrap suppliers to its approved list after conducting due diligence checks. The Entity is also buying scrap generated by its customers from its own product for recycling in CRU. The quantity of scrap procured is measured and rate of recycled material used in the rolling mill is monitored on monthly basis.
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Minor Non-Conformance	The Entity's 2019 Group Sustainability Report has reflected the Greenhouse Gas (GHG) emission and energy use information for the whole group on pages 63 and 66 respectively. The data pertaining to Aluminium business has not been reported separately. The Report also does not include information related to the source of energy use. The sustainability report is available at: <a href="https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf">https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf</a>
5.2 GHG emissions reductions	Minor Non-Conformance	The Entity has established time-bound Greenhouse Gas (GHG) emission reduction targets for the next five years and ten years, and implements identified improvement projects to achieve these targets. The targets are established based on analysis of material sources of Direct and Indirect GHG Emissions. However, the Entity has not published the time-bound GHG emissions reduction targets either through sustainability report or through annual report.
5.3a Aluminium Smelting (management system)	Conformance	The Entity maintains necessary Management Systems to identify Greenhouse Gas (GHG) emissions, evaluate significance of impact considering the current operating controls established through standard work instructions, and implements further action plans as needed to limit the Direct GHG emissions.

CRITERION	RATING	COMMENT
5.3b Aluminium Smelting (up to and including 2020)	Conformance	The Entity has achieved 7.731 tonnes CO <sub>2</sub> -eq per metric tonne Aluminium in 2020, and maintained between 7.7 and 7.8 tonnes CO <sub>2</sub> -eq per metric tonne Aluminium in 2017 to 2019.
5.3c Aluminium Smelting (after 2020)	Not Applicable	The Entity started its smelter operations before 2020, hence this criterion is not applicable.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Conformance	The Entity is implementing management system procedures and controls to identify, evaluate, monitor and measure air emissions that has adverse effect to environment and humans. The actual emissions by source and process are internally and externally reported against internal limits for improvement and external limits for compliance. Internal limits are established for air emission measurements as a tool for improvement over period of time supported by continual improvement framework such as Kaizen or other type of small improvements, and capital improvement through projects.
6.2 Discharges to Water	Conformance	The Entity is a zero process water discharge facility and does not have any direct discharge to water in all its operations. The Entity has constructed Natural Engineered Wastewater treatment (NEWT) facility to treat both process and sanitary wastewater at its smelter site. Hence, there is no need for quantifying or reporting discharges to water that have adverse effects on humans or the environment.
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	The Entity has conducted environmental aspect impact assessments for all the plants as a part of its Environmental Management System. The assessment has covered the aspect of spill and leakage and has assessed its impact on air, water or soil by following a defined criteria. The Entity has also conducted Process Hazard Analysis (PHA) for all the plants wherein process failures are assessed including failures which may lead to potential spills and leakage which can have impact on air, water or soil.
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	The Entity has established a spill response plan which includes internal and external communication requirements and provides mitigation actions to be taken in case of spill or leak. The Entity has also documented control measures to prevent the spill incident in the aspect impact register following the

CRITERION	RATING	COMMENT
		concept of hierarchy of controls. The Entity has an area monitoring system by the field operators to detect any spill in the facility. Employees have been trained on the control measures needed to prevent the spill and on the spill response plan to respond to any spill incident.
6.4a Reporting of Spills (immediate disclosure)	Conformance	The Entity has defined a spill response plan to address the requirements to disclose any to affected parties the potential impact of significant Spills immediately after an incident. The responsibility for such communication is also covered in the procedure.
6.4b Reporting of Spills (regular reporting)	Minor Non-Conformance	The Entity publicly discloses Impact Assessments of the Major Spills and remediation actions taken, in its Group Sustainability Report on page No 84. The Entity has not the included information related to minor spill and leak incidents including its impact and the remediation actions taken in this report. The sustainability report can be found at: <a href="https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf">https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf</a>
6.5a Waste management and reporting (strategy)	Conformance	The Entity has developed a waste management procedure which addresses the requirements for waste minimization, waste recycling, waste classification, waste storage and waste disposal in line with waste mitigation hierarchy. The Entity has defined waste intensity targets and defined action plans across all plants for reducing the waste intensity. Performance is monitored on monthly basis.
6.5b Waste management and reporting (disclosure)	Minor Non-Conformance	The Entity has reported the generated hazardous and non-hazardous waste quantity for the group in the group annual sustainability report on page number 73. The Entity has not reported this information separately for the Aluminium business. Also the associated waste disposal methods are not included in the report. Sustainability report can be found at: <a href="https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf">https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf</a>
6.6a Bauxite Residue (storage construction)	Conformance	The Entity has designed and constructed a 'State of the Art' bauxite residue storage facility by engaging an internationally renowned engineering consultant. The storage cells have three layers of liner material to prevent any leachate. The facility is approved by regulatory body and there are boreholes

CRITERION	RATING	COMMENT
		constructed at different locations to monitor the water quality at periodic intervals.
6.6b Bauxite Residue (integrity checks and controls)	Conformance	<p>The Entity has constructed ground water wells at different locations in the bauxite residue storage area which are monitored on annual basis. The results have not shown any possible leachate to the ground water.</p> <p>The Entity engaged a third party to conduct the integrity assessment of the embankment walls of the bauxite residue storage cells in December 2019. The results concluded that walls have adequate strength and no stability-related or settlement-related failure is expected to occur.</p>
6.6c Bauxite Residue (water discharge)	Conformance	The Entity does not discharge any water recovered from the bauxite storage facility. The water is stored in the water pond designed with three layer lining material and is re-used for dust suppression and to maintain moisture.
6.6d Bauxite Residue (marine and aquatic environments)	Conformance	The Entity has a facility suitably designed to store bauxite residue material. The material is transferred to the storage cells through pipelines and through trucks. The Entity has not discharged any bauxite residue material to any aquatic or marine environment.
6.6e Bauxite Residue (start of the art technologies)	Conformance	<p>The Entity has designed and constructed a 'State of the Art' bauxite residue storage facility by engaging internationally renowned engineering consultant. The storage cells have multiple layers of liner material to prevent any leachate. The facility is approved by regulatory body and there is no lagooning of the material observed at site.</p> <p>The Entity is also exploring alternate uses of bauxite residue material by mixing it with gypsum which is produced from adjacent phosphate plant and available in bulk. The samples have been prepared for the mix material but the tests are yet to be performed.</p>
6.6f Bauxite Residue (remediation)	Conformance	The Entity's refining facility will be operational for more than 40 years and hence there is no remediating plan needed for the bauxite residue area in the near future. The bauxite residue storage cells are designed to prevent any adverse environment impact to the storage area. The Entity is studying options to find the alternate use of the bauxite residue material.

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6.7a Spent Pot Lining (SPL) (storage and management)	Conformance	The Entity stores Spent Pot Lining (SPL) material in a dedicated facility suitable for its storage which has paved flooring to avoid leachates. The facility is completely covered to prevent any water ingress. SPL is stored for a short period of time and then transported to the cement mill regularly where it is used as an ingredient.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Conformance	The Entity recovers the carbon and refractory materials from the Spent Pot Lining (SPL) in the form of 1st cut and 2nd cut respectively. The recovery percentage of first cut material has improved from 55.8% in 2020 to 62.5% in 2021. The Entity recycles the 1st cut and mix cut material as the same is sent to cement mill where it is used as a fuel. Samples from 2nd cut material have also been sent for trials. The Entity has not sent any SPL material for landfilling in the year 2021.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Conformance	The Entity has not sent any Spent Pot Lining (SPL) material for landfilling in the year 2021. The Entity sent mix cut material and partial quantity of 1st cut (carbon) material at landfilling site which is designed for storage of such material and approved by regulatory body.
6.7d Spent Pot Lining (SPL) (review of alternatives)	Conformance	The Entity has formed a task force for Spent Pot Lining (SPL) management who has the responsibility to find alternative options to landfilling. There is no landfilling or stockpiling of Spent Pot Lining (SPL) currently undertaken. The Entity has been able to find the use of carbon and mix cut in the cement plants. Trials have been satisfactorily conducted and approvals obtained from regulatory body. For refractory materials trials have been initiated late last year for its alternate use in cement plant.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Conformance	The Entity is not discharging any Spent Pot Lining (SPL) to marine or aquatic environments. The Entity has disposed the SPL in 2021 only to city cement. In year 2020, the Entity disposed SPL to City Cement, Riyadh Cement and to landfilling site.
6.8a Dross (recovery)	Minor Non-Conformance	The Entity currently does not have facility to treat dross and is storing the same within the plant periphery. The Entity is in the process of developing a dross and dross residue treatment facility through built, own, operate and transfer (BOOT) agreement with an external company. Early work has started at

CRITERION	RATING	COMMENT
		site for segregation of dross as per early work agreement.
6.8b Dross (recycling)	Minor Non-Conformance	The Entity currently does not have a facility to treat dross and is storing the dross within the plant periphery. Hence the recycling of treated Dross residue is not practiced. The Entity is in the process of developing a dross and dross residue treatment facility through built, own, operate and transfer (BOOT) contract with an external company. The timelines for completing the project is not included in the BOOT contract. Work has started at site for segregation of dross as per early work agreement.
6.8c Dross (review of alternatives)	Conformance	The Entity has engaged in discussion with cement plant regarding the possibility of using residual dross material. The Entity has also included the condition in the "letter of intent to enter into Build, Own, Operate & Transfer (BOOT) contract and early service agreement" with the contractor that residual dross from white dross material shall be suitable to be sent to industry for processing.
PRINCIPLE 7 WATER STEWARDSHIP		
7.1a Water assessment (mapping)	Conformance	The Entity draws water from a desalination process supplied by a third party in the smelter site, and from ground water well in mining operations. Consumption is monitored on monthly basis. The Entity has mapped its water withdrawal and use by source and type for all of its business units and operations.
7.1b Water assessment (risk assessment)	Conformance	The Entity has assessed the water related risk in watersheds in its area of influence through the environmental impact assessments conducted by third parties for both Ras Al Khair (RAK) Smelter site and Al Baitha Mines covering construction and operational phases. The risk has been evaluated as low for the RAK Aluminium site as the Entity does not withdraw any ground water and does not discharge any process water. For Al Baitha Mines the impact of drawing water from Minjur Aquifer was evaluated as significant as this aquifer will not readily recharge and the draw down may result in a permanent depletion of the resource.
7.2a Water management (management plans)	Conformance	The Entity has considered time bound targets to reduce the water intensity as part of its sustainability goals even though water is not reflected as material risk for the RAK Aluminium plant.

CRITERION	RATING	COMMENT
		For Al Baitha mines, water consumption was identified as a material risk and the Entity has implemented various actions as specified in Operational Environment and Social Management Plan (OESMP) to optimize the water consumption. The actual consumption for Al Baitha mines has been reported as significantly lower than the expected consumption in the quarterly monitoring reports.
7.2b Water management (monitoring)	Conformance	The Entity monitors the water intensity on monthly basis to review the performance against set targets. The Entity also monitors the ground water well quality on a periodical basis in line with the local regulation to ensure effectiveness of controls.
7.3 Disclosure of water usage and risks	Minor Non-Conformance	The Entity has published its Group Annual Sustainability Report as per the core level of Global Reporting Initiative (GRI) standard wherein material water related risks and water consumption is reported for the whole group on page 56. The Entity has not reported separate information for the Aluminium business. The report can be found at: <a href="https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf">https://www.maaden.com.sa/download/2019-Maaden-Sustainability-Report.pdf</a>
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Minor Non-Conformance	The Entity has conducted a supplementary Environmental Impact Assessment (EIA) for Ras Al Khair (RAK) Smelter site and Al Baitha Mines to assess the biodiversity impact as per International Finance Corporation Performance Standard (IFC PS6) for construction and operational phase. There was a vegetation assessment undertaken for the RAK Smelter project in 2015 but there is no subsequent review done to assess the overall biodiversity impacts during operational phase. There was another biodiversity assessment for Al Baitha mines conducted in 2018 but there was no comparison undertaken with the 2012 report to assess the ongoing biodiversity impacts due to operational activity.
8.2a Biodiversity management (biodiversity action plans)	Not Applicable	The Environmental Impact Assessment reports for RAK Aluminium Project and Al Baitha Mines project have determined the Biodiversity Impact as Low and hence there was no requirement to prepare a biodiversity action plan.



CRITERION	RATING	COMMENT
8.2b Biodiversity management (consultation and mitigation hierarchy)	Not Applicable	The Environmental Impact Assessment reports for Ras Al Khair (RAK) Aluminium Project and Al Baitha mine project have determined the biodiversity impact as low and hence there was no requirement to prepare a biodiversity action plan.
8.2c Biodiversity management (reporting)	Not Applicable	The Environmental Impact Assessment reports for Ras Al Khair (RAK) Aluminium Project and Al Baitha mine project have determined the biodiversity impact as low and hence there was no requirement to prepare a biodiversity action plan.
8.3 Alien Species	Minor Non-Conformance	The Entity needs to conduct the biodiversity impact assessment due to introduction of alien species for the Ras Al Khair (RAK) Aluminium plant to review if the impact is significant or not. The Entity has determined mitigation action in supplementary Environmental Impact Assessment report 2012 for control of alien species for Al Baitha mining site. The Entity also needs to monitor the implementation status of these actions and review its effectiveness.
8.4a Commitment to “No Go” in World Heritage properties (exploration and new mines)	Not Applicable	The Entity does not have any plans to develop or explore new mines but they have a process to conduct Environment Impact Assessment (EIA) studies in line with International Finance Corporation Performance Standards (IFC PS) for any such project.
8.4b Commitment to “No Go” in World Heritage properties (existing operations)	Not Applicable	The Environmental Impact Assessment (EIA) for Ras Al Khair (RAK) Aluminium plant and Al Baitha Mines concluded that there are no World Heritage Sites in the area of influence for both sites.
8.5a Mine rehabilitation (best available techniques)	Conformance	The Entity has established a mine closure plan (MCP) in consultation with stakeholders which specifies the timelines for closure and which specifies progressive rehabilitation of the mine. The preparatory work for progressive rehabilitation has started and progressive backfilling and restoration of top soil is observed at the site for the areas which are mined completely.
8.5b Mine rehabilitation (financial provisions)	Conformance	The Entity has a documented Mine closure plan (MCP) which incorporates a mine closure cost estimate. Financial provisioning is being done as per the Standardized Closure Cost Estimator Model (SRCE model).

CRITERION	RATING	COMMENT
9.1a Human Rights Due Diligence (policy)	Minor Non-Conformance	<p>The Kingdom of Saudi Arabia is currently not a signatory to the United Nations (UN) Declaration of Human Rights, and as such the Entity's Code of Conduct does not reflect a commitment towards conventions referred in the UN Guiding Principles (UNGP) which have not been adopted by the Kingdom of Saudi Arabia.</p> <p>The Entity however has defined its Code of Conduct which includes a commitment to respect human rights recognized by Islamic Sharia and United Nations human rights conventions including conventions of the International Labor Organization, to the extent adopted by Saudi Arabia. All employees are trained on this Code of Conduct on annual basis.</p>
9.1b Human Rights Due Diligence (process)	Conformance	<p>The Kingdom of Saudi Arabia is currently not a signatory to the United Nations (UN) Declaration of Human Rights, and as such the Entity's Code of Conduct does not reflect a commitment towards conventions referred in the UN Guiding Principles (UNGP) which have not been adopted by the Kingdom of Saudi Arabia.</p> <p>The Entity however, has a documented social risk register wherein potential human rights related risks are assessed and mitigation actions determined. The Entity has also undertaken a supplementary Environmental Impact Assessment for Al Baitha mines and Ras Al Khair (RAK) plant site to identify and mitigate social risks including human rights violation risks to the local communities. For the management of human rights related risks across its supply chain, the Entity has implemented various levels of due diligence checks based on pre-determined criteria.</p>
9.1c Human Rights Due Diligence (remediation)	Not Applicable	<p>There have been no cases identified to date wherein violation of any human rights were noted that required remediation.</p>
9.2 Women's Rights	Conformance	<p>The Entity has established Human Resources (HR) Policies/Procedures such as Employment Policy, Salary Administration Policy, Performance Management Policy and Talent Development Policy which ensures equal opportunities to women. This contrasts with the general cultural setting for women throughout Saudi Arabia under Sharia Law, which still precludes many women's rights as are defined in the UN Guiding Principles on Business and Human Rights.</p>

CRITERION	RATING	COMMENT
		<p>The Salary administration policy and the performance management policy specifies the criteria for salary grades and criteria for promotion which is performance driven and not based on gender. The Entity's Code of Conduct ensures respecting human rights in line with labour law requirements.</p>
9.3 Indigenous Peoples	Not Applicable	<p>The Entity's Supplementary Environment Impact Assessment report for its facilities concluded that there are no Indigenous communities at both the locations. Hence requirement to implement policies and processes to respect the rights and interests of Indigenous Peoples does not apply.</p>
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	<p>The Entity's Supplementary Environmental Impact Assessment reports for its facilities concluded that there are no Indigenous communities at both the project locations. Hence the requirement for Free Prior and Informed Consent does not apply.</p>
9.5 Cultural and sacred heritage	Not Applicable	<p>The Entity has conducted an Environmental Impact Assessment (EIA) for its facilities at the project stage which included under its scope the evaluation of any potential impact on the cultural and sacred heritage. Reports concluded that there are no archaeological or cultural heritage sites that exist in the area of influence.</p>
9.6a Resettlements (avoid or minimise)	Conformance	<p>The Entity has conducted Environment and Social Impact Assessments (ESIA) as per IFC PS5 requirement covering alternate locations for Smelter site. The study concluded that there was no resettlement needed as the land was in the industrial area and there was no community in the area of influence.</p> <p>The Entity conducted supplementary Environmental Impact Assessment for mine site and it was concluded that the resettlement of Al Baitha village was needed which was executed by the Kingdom of Saudi Arabia (KSA) government with formation of a team from various ministries including representation from the Entity and local community.</p>
9.6b Resettlements (where unavoidable)	Conformance	<p>The Entity has established and implemented Resettlement complementary plan for supporting the resettlement of Al Baitha community. The resettlement was undertaken by the Kingdom of Saudi Arabia government through a Royal Decree involving a team from various ministries. Most of the actions in the complementary plan were</p>

CRITERION	RATING	COMMENT
		completed in March 2017 while there were two ongoing actions which are tracked.
9.7a Local Communities (rights and interests)	Conformance	The Entity has identified the impact on the local community through structured Environment and Social impact assessment addressing impacts on legal and customary rights as well. For the Smelter site there was no negative impact on the local community as the project was in the industrial area. For the mine site, the nearest local community is 50 KM's away from the operational area after the resettlement of old Al Baitha village community. There are no rural and remote communities in the area of influence who are dependent upon resources that are affected by the company's operations.
9.7b Local Communities (impacts)	Conformance	The Entity has identified the potential impact on the local community through structured Environment and Social impact assessment and has implemented mitigation actions in line with the applicable regulations and in consultation with the community representative. These actions are monitored for its effective implementation and the status is updated in the social baseline document. Community ongoing concerns/expectations are captured through community engagement process and the actions taken to address these concerns/expectations are systematically documented.
9.7c Local Communities (livelihoods)	Conformance	The Entity has taken actions in consultation with the stakeholders to support the livelihood of the local community which is approximately 45 kilometres away from the plant. The key actions were to provide preference of employment to the personnel from the local community who are eligible and to support local suppliers.
9.8 Conflict-Affected and High-Risk Areas	Minor Non-Conformance	The Entity does not operate in a conflict affected high risk area. The Entity has a process to conduct due diligence check on its suppliers based on risk factors such as sanctions risks, state owned entry risks, politically exposed persons risks, Enforcement/Fines risks & Liquidity risks. However risks associated with working with suppliers present in conflict affected areas are not considered.
9.9 Security practice	Conformance	The Entity does not engage any public or private security providers. They use their own security team approved by the regulatory body. All

CRITERION	RATING	COMMENT
		personnel are provided with Code of Conduct training upon joining and refresher on annual basis.
PRINCIPLE 10 LABOUR RIGHTS		
10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Not Applicable	Freedom of Association and rights to Collective Bargaining is restricted under Saudi labour law. Hence this criteria does not apply.
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Not Applicable	Freedom of Association and rights to Collective Bargaining is restricted under Saudi labour law. Hence this criteria does not apply.
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Conformance	The Entity has provided several alternate mechanisms for the workers to associate themselves and to raise their concerns collectively by establishing Environment Health and Safety teams, conducting 'town hall' meetings with mass participation of workers and conducting Shift group meetings.
10.2a Child Labour (minimum age)	Conformance	The Entity has established minimum age to work in the company as 18 years which is ensured for all the direct as well as indirect hired employees.
10.2b Child Labour (hazardous)	Conformance	The Entity has established minimum age to work in the company as 18 years which is ensured for all the direct as well as indirect hired employees.
10.2c Child Labour (worst forms)	Conformance	The Entity has established minimum age to work in the company as 18 years which is ensured for all the direct as well as indirect hired employees.
10.3a Forced Labour (human trafficking)	Conformance	The Entity recruits employees through a well-defined employment policy which requires employment terms and conditions to be communicated to employees and agreed by them before joining. The employment process is transparent and prevents any chance of human trafficking.
10.3b Forced Labour (deposits, fees, advances)	Conformance	The Entity has defined and implemented its employment policy which specifies the recruitment requirements. There are no deposits or recruitment fee required to be paid by the selected workers of any category.
10.3c Forced Labour (migrant workers)	Conformance	The Entity has defined and implemented its employment policy which specifies the recruitment requirements. There are no deposits or security fee required to be paid by any of the expatriate workers.

CRITERION	RATING	COMMENT
10.3d Forced Labour (debt bondage)	Conformance	The Entity has documented its housing loan policy including the applicability criteria and repayment options. The loan is provided as a benefit to its employees and is voluntary. It can be repaid at any given point of time.
10.3e Forced Labour (freedom of movement)	Conformance	The Entity does not impose any unreasonable restriction in the freedom of the movement of the workers within the facility. The movement of workers to operational areas is controlled through a work permit process to mitigate safety risks. There is no on-site housing provided by the Entity.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	The Entity has documented its employment policy which specifies the documentation requirement for the new employees. There is no requirement for employees to submit any original document.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Entity has documented and implemented its end of service policy which defines the process of employee resignation by serving a notice period in line with Saudi labour law.
10.4 Non-Discrimination	Conformance	The Entity has defined and implemented its Code of Conduct to treat all employees fairly without any discrimination. The Entity has established policies and procedures for recruitment, performance management and the payment of benefits, salary administration, talent development, workplace behaviour and end of service which are applied equally to both male and female employees.
10.5 Communication and engagement	Minor Non-Conformance	<p>The Entity has established a procedure for the consultation, participation and communication specifying participation and communication needs and channels. Employee consultation and participation is observed in tool box talks, Environment, Health &amp; Safety (EHS) meetings, 'Town Hall' meetings and employee engagement surveys.</p> <p>The Entity has a documented grievance committee procedure covering grievances related to Performance Appraisal, violation and promotion issues. The procedure does not cover other social issues including compensation issues such as delay in payment of overtime. Awareness regarding this procedure was not found to be sufficient. Records of verbal grievances are not consistently maintained.</p>

CRITERION	RATING	COMMENT
10.6 Disciplinary practices	Conformance	The Entity has documented its Code of Conduct which specifies its policy on harassment and bullying. The Entity has documented its disciplinary action procedure in line with the Saudi labour law. The Entity has provided whistle blowing number and mail on its public website to report any violation to its Code of Conduct.
10.7a Remuneration (living wage)	Minor Non-Conformance	The Entity has established salary ranges for its direct hired Employees which meets the Saudi labour law. The Entity has undertaken a wage survey with peer industries to compare the salary range for different grades. There is no minimum wage determined under Saudi labour law for expatriate Employees. The Entity however has not established minimum wage for indirect hired workers based on common industry practices to ensure that wages paid to them is sufficient to meet basic needs and some discretionary income.
10.7b Remuneration (method of payment)	Conformance	The Entity pays salaries to its Employees on a monthly basis through bank transfers without any delay. The salary slips are provided to each Employee which provides details of allowances and deductions if any.
10.8 Working Time	Conformance	The Entity has established its policy on working hours and overtime hours in line with the Saudi labour law. Various controls have been put to minimize the overtime hours. Regular monitoring of overtime hours of each individual is undertaken to ensure it is within these limits. Overtime is performed on a voluntary basis and paid at a premium as per Saudi labour law.
PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all operations under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded to by the Entity with a corrective action plan.
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all the three legal entities under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded by the Entity with a corrective action plan.

CRITERION	RATING	COMMENT
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all the three legal entities under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded by the Entity with a corrective action plan.
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all the three legal entities under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded by the Entity with a corrective action plan.
11.2 OH&S Management System	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all the three legal entities under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded by the Entity with a corrective action plan.
11.3 Employee engagement on health and safety	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all the three legal entities under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded by the Entity with a corrective action plan.
11.4 OH&S performance	Conformance	The Entity maintains certification of its Occupational Health and Safety Management System as per ISO 45001:2018 Standard for all the three legal entities under the Aluminium business. The Certificates are valid and audits are conducted annually. Audit findings are responded by the Entity with a corrective action plan.

#### **Document Control and Version History**

Revision	Date	Notes
0	14 July 2021	Initial Certification Audit – Full Certification