

ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

ALRO SA

CERTIFICATE
NUMBER

237

ASI STANDARD
PERFORMANCE
STANDARD
(V3 2022)

DATE OF ISSUE
13 JANUARY 2023

CERTIFICATION
LEVEL
FULL CERTIFICATION

DATE OF EXPIRY
12 JANUARY 2026

ASI ACCREDITED
AUDITING FIRM

DQS CFS

CERTIFIED SINCE
13 JANUARY 2023

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. H.', with a long horizontal line extending to the right.

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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*

CERTIFICATION SCOPE

The manufacture and sale of
aluminium alloy slabs, billets, wire
rod, plates and sheets obtained by
casting, hot rolling,
homogenization, heat treatment,
mechanical processing, finishing,
and testing for industrial
applications, aerospace,
automotive and defense industry in
location ALRO SA, Str. Pitesti, No. 116,
230048 Slatina, Olt County and
ALRO SA, str. Milcov No. 1, 230077
Slatina, Olt County, Romania.

AUDIT REPORT PERFORMANCE STANDARD

OVERVIEW

| | |
|-------------------------------|---|
| MEMBER NAME | ALRO |
| ENTITY NAME | ALRO SA |
| CERTIFICATION SCOPE | The manufacture and sale of aluminium alloy slabs, billets, wire rod, plates and sheets obtained by casting, hot rolling, homogenization, heat treatment, mechanical processing, finishing, and testing for industrial applications, aerospace, automotive and defense industry in location ALRO SA, Str. Pitesti, No. 116, 230048 Slatina, Olt County and ALRO SA, str. Milcov No. 1, 230077 Slatina, Olt County, Romania. |
| SUPPLY CHAIN ACTIVITIES | <ul style="list-style-type: none">Aluminium Re-melting/RefiningAluminium SmeltingCasthousesMaterial Conversion |
| ASI STANDARD | <ul style="list-style-type: none">Performance Standard V3 |
| AUDIT TYPE | <ul style="list-style-type: none">Initial Certification Audit |
| AUDIT FIRM | DQS CFS |
| AUDIT DATE | <ul style="list-style-type: none">10 – 18 October 2022 |
| AUDIT SCOPE | <p>The audit scope covers the manufacture and sale of aluminium alloy slabs, billets, wire rod, plates and sheets obtained by casting, hot rolling, homogenization, heat treatment, mechanical processing, finishing, and testing for industrial applications, aerospace, automotive and defense industry in locations ALRO SA, Str. Pitesti, No. 116, 230048 Slatina, Olt County and ALRO SA, str. Milcov No. 1, 230077 Slatina, Olt County, Romania.</p> <p>Supply chain activities included in the audit scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/RefiningAluminium SmeltingCasthousesMaterial Conversion <p>All applicable criteria in the ASI Performance Standard were included in the audit scope.</p> |
| AUDIT OUTCOME | <ul style="list-style-type: none">Certification |
| AUDIT METHODOLOGY DECLARATION | <p>The Auditors confirm that:</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.<input checked="" type="checkbox"/> The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous. |

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- ☑ 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 | 13 January 2023 – 12 January 2026 |
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| NEXT AUDIT TYPE | Surveillance Audit |
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| NEXT AUDIT DATE | 12 July 2024 |
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| CERTIFICATE NUMBER | 237 |
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If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://aluminium-stewardship.ethicspoint.com/>

EthicsPoint is a comprehensive and confidential reporting tool that enables complaints to be securely raised, managed and responded to. This enables anonymity to be maintained where desired by complainants, or as relevant to whistleblowing situations.

Information is available in five languages – English, French, Chinese, German and Portuguese (Brazil). Translation services provided by EthicsPoint enable complaints and correspondence to be managed in multiple languages.

ENTITY OVERVIEW

The Entity manufactures and sells aluminium alloy slabs, billets, wire rods, plates and sheets obtained by casting, hot rolling, homogenisation, heat treatment, mechanical processing, finishing, and testing for industrial applications, aerospace, automotive and defence industry located at ALRO SA, Str. Pitesti, No. 116, 230048 Slatina, Olt County and ALRO SA, str. Milcov No. 1, 230077 Slatina, Olt County. Production commenced in 1965 and is Romania’s sole primary aluminium smelter.

The Entity employs approximately 2,700 personnel and has a production capacity of approximately 265,000 tonnes of primary aluminium and 340,000 tonnes of cast aluminium. Anodes required for the electrolysis of alumina are internally produced on site. Processed Aluminium of approximately 90,000 tonnes is produced annually and a current expansion programme is likely to see this capacity increase to 120,000 tonnes per annum.

As well as smelting Facilities, the Entity includes an anode plant, a casting house, an aluminium scrap re-melting facility (the “Eco Recycling Facility”), hot and cold rolling mills and an extrusion shop.

MATURITY RATINGS

A rating of maturity (low, medium or high) determined by the Auditor that provides a general assessment in terms of systems, Residual Risk and performance assigned to a Sustainability Component.

Maturity ratings are not a direct assessment of conformance to the Standard.

| | GOVERNANCE | ENVIRONMENT | SOCIAL | COMBINED RATING |
|--------------------|------------|-------------|--------|-----------------|
| SYSTEMS | High | High | High | High |
| RISKS | High | High | High | Medium |
| PERFORMANCE | Medium | Medium | High | Medium |
| OVERALL | HIGH | | | |

FINDINGS

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| 1. BUSINESS INTEGRITY | | |
| 1.1 Legal Compliance | Conformance | The Entity has established systems to maintain awareness and ensure compliance with applicable legislation. The laws are continuously updated based on a portal (a subscription service) and are maintained by a staff member who is a qualified lawyer. The Entity has established a procedure to ensure compliance with legal and regulatory requirements. |
| 1.2 Anti-Corruption | Conformance | The Entity has implemented an anti-Bribery and anti-Corruption Policy and procedure 'Anti-bribery and anticorruption actions code' to escalate and manage acts of Corruption. |
| 1.3a-e Code of Conduct | Conformance | The Entity has Implemented a Code of Conduct that includes relevant principles for environmental, social and governance performance and is reviewed annually. The Code of Conduct is communicated to interested parties and is available at: https://www.alro.ro/sites/default/files/alro/2022/Code%20of%20ethics%20and%20conduct%20.pdf |
| 2. POLICY AND MANAGEMENT | | |
| 2.1a-f Environmental, Social, and Governance Policy | Conformance | The Entity has implemented the Environmental, Social and Governance Policies and communicates the Policies internally and externally. The Policies are available at: https://www.alro.ro/en/responsible-business-policies-0 The Entity has established a procedure for management review of the Policies. |
| 2.2a-c Leadership | Conformance | The Entity has appointed a senior Management Representative to lead the implementation of the Policy (Quality manager) and a person responsible for communicating the Policy and criteria (Human Resources Manager). The Entity has established a manual that outlines how the Policy is communicated. The Policy is part of the initial training (when hiring new operators) as well as the periodic training (once a month). Resources are budgeted and allocated in the annual training program and the annual budget. |
| 2.3a Environmental and Social Management Systems – Environmental | Conformance | The Entity has implemented an Environmental Management System which is ISO 14001:2015 certified. |
| 2.3b Environmental and Social Management Systems – Social | Conformance | The Entity has implemented social responsibility as part of the management process, an integral part of ALRO S.A.'s business strategy. The Entity has implemented a Management System that is ISO 45001:2018. (International Standards for Occupational Health and Safety) certified. |
| 2.4a-e Responsible Sourcing | Conformance | The Entity has implemented a Responsible Sourcing Policy which addresses environmental, social and governance issues based on its Supplier Code of Conduct. The Responsible Sourcing Policy is available at: |

| CRITERION | RATING | COMMENT |
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| | | <p>https://www.alro.ro/sites/default/files/alro/2022/Code%20of%20ethics%20and%20conduct%20.pdf</p> <p>https://www.alro.ro/en/responsible-business-policies-0</p> <p>Suppliers are monitored according to the procedure 'Evaluation and monitoring of suppliers Code'.</p> |
| 2.5a-g Environmental and Social Impact Assessments | Conformance | <p>The Entity has conducted environmental and social impact assessments for new projects or major changes to existing Facilities. It has established a risk management code to ensure that the impact assessments consider how the referenced conditions are affected by the historical aluminium operations. The environmental and social impact assessments, and the environmental and social impact management plan are available in the following documents:</p> <p>Sustainability Report 2021, pages 71, 89, 197-207 and 208-233:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> <p>Politics Regarding Corporate Social Responsibility (CSR), page 3:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/CSR%20Politics%20%20.pdf</p> <p>Analysis of the objective "Protection and restoration of biodiversity and ecosystems:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/Biodiversity_ASI.pdf</p> <p>Corporate Social Responsibility activity report within ALRO SA Slatina, page 5:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/Corporate%20Social%20Responsability%20activity%20report%202021.pdf</p> |
| 2.6a-h Human Rights Impact Assessment | Conformance | <p>The Entity has conducted a Human Rights Impact Assessment, including a gender analysis, for new projects or major changes to existing Facilities in accordance with its risk register procedure. The Entity has implemented an impact management plan on gender-sensitive Human Rights to prevent, mitigate and, if necessary, remedy any material impact identified. The Human Rights impact management plan is reviewed annually regarding any indication of a control gap within the management review.</p> <p>The Human Rights Impact Assessment and the Human Rights Impact management plan within the Sustainability Report 2021, pages 88 and 89:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 2.7a-f Emergency Response Plan | Conformance | <p>The Entity has implemented site-specific emergency response plans developed in collaboration with Workers, neighbours, and relevant agencies (e.g., National Environmental Guard, and the Slatina Emergency Department). The plans are periodically tested in accordance with the 'Prevention and protection plan' and 'Preparation for emergency situation and response capacity Code'. The emergency responses plans are available at:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/Informare%20publica%20ALRO_14_09_2022.pdf (Romanian)</p> |

| CRITERION | RATING | COMMENT |
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| | | http://www.isuolt.ro/wp-content/uploads/2020/04/Informatii-PUE-ALRO.pdf (Romanian) Sustainability Report 2021, pages: 108-120: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf |
| 2.8a-d Suspended Operations | Conformance | The Entity has developed a business resilience plan to address situations where it may have to suspend or significantly alter operations due to factors beyond its control, which considers significant negative environmental, social and governance impacts. The Entity reviews the business resilience plan annually. |
| 2.9a-b Mergers and Acquisitions | Conformance | The Entity has reviewed its environmental, social and governance practices, including those associated with Historic Aluminium Operations according to its Management System manual Code. If these activities occur, they are documented and are available at: https://www.alro.ro/en/sustainability-reports and https://www.alro.ro/en/about/alro/socialresponsibility |
| 2.10a-b Closure, Decommissioning and Divestment | Conformance | The Entity has demonstrated it has environmental, social and governance practices in the planning process for closure, decommissioning and disposal. The Entity has not carried out closure and decommissioning works in recent years. However, it has established the ALRO Risk Register for the possibility of Closure, Decommissioning and Divestment and documented procedure 'Transfer and preservation of fixed assets Code' which outlines all the steps that must be taken (e.g., consultation with the interested parties, monitoring plan for the material environmental, social and governance). |
| 3. TRANSPARENCY | | |
| 3.1a-b Sustainability Reporting | Conformance | The Entity has presented a transparency approach in accordance with internationally recognised reporting standards covering the governance of environmental, social, and economic impact. https://www.alro.ro/en/about/alro/socialresponsibility |
| 3.2 Non-compliance and Liabilities | Conformance | The Entity publicly discloses information regarding fines, court rulings, sanctions, and significant non-monetary sanctions for non-compliance with the legislation applicable both to the Bucharest Stock Exchange and in the Sustainability Report 2021. https://www.alro.ro/en/sustainability-reports |
| 3.3a-c Payments to Governments | Conformance | The Entity has established a procedure 'Code of anti-corruption and anti-corruption actions' covering how it makes or has made payments on its behalf only on a legal and/or contractual basis in accordance with the procedure. Further information on the value and beneficiaries of financial and in-kind political contributions are available Code of Ethics and Conduct, pages 4-7: https://www.alro.ro/sites/default/files/alro/2022/Code%20of%20ethics%20and%20conduct%20.pdf |

| CRITERION | RATING | COMMENT |
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| 3.4a-f Stakeholder Complaints, Grievances and Requests for Information | Conformance | <p>The Entity has implemented a complaint resolution mechanism and established a procedure for the resolution of notification requests and management of complaints. The Entity has designated a person responsible for resolving complaints at the top-management level who records and analyses all complaints. For interested parties (other than employees), an email address is available that can be accessed both anonymously and personally on the website. Refer to: (https://www.alro.ro/en/contact).</p> <p>The latest version of the complaint mechanism is available at: https://www.alro.ro/en/informare-petitie</p> |
| 4. MATERIAL STEWARDSHIP | | |
| 4.1a Environmental Life Cycle Assessment | Conformance | The Entity has adopted a life cycle perspective and promotes resource efficiency, the collection and recycling of Aluminium within its operations, as well as within the value chain. The analysis is undertaken at the activity level for all the main activity processes: casting, hot rolling, homogenisation, heat treatment, mechanical processing, and finishing. The Assessments are made annually according to the requirements of the Entity's Life Cycle Assessment (LCA) procedure. |
| 4.1b-c Environmental Life Cycle Assessment - Disclosure | Conformance | The Entity has established a procedure to manage requests from customers for information about cradle-to-gate LCA on products (containing) Aluminium. More information is available at: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf |
| 4.2 Product Design | Conformance | The Entity has established and introduced recyclability requirements in product design from the beginning of the project, being defined as input data as defined by an internal procedure 'Advanced product quality planning'. As part of sustainability planning, the requirements of the control of production and service provision procedure points are also analysed. Within the Management review, the trends and dynamics of the results are analysed annually, and if corrective actions or adjustments of targets are necessary, they are allocated and budgeted. |
| 4.3a-b Aluminium Process Scrap | Conformance | The Entity has implemented a Waste Management System and established a recovery Aluminium and scrap collecting procedure. The Entity minimises the generation of Aluminium process waste within its operations and, where generated, targets 100% of waste for collection, recycling and/or reuse. The Entity separates Aluminium alloys and grades for recycling. |
| 4.4a-c Collection and Recycling of Products at End of Life - Material Conversion and other Manufacturing | Conformance | The Entity has implemented a recycling strategy that includes a waste Management System and established a recovery Aluminium procedure with specific calendars, activities, and objectives. It reviews the recycling strategy annually. The recycling strategy is available at: https://www.alro.ro/en/recycling |
| 4.4d Collection and Recycling of Products at End of Life | Conformance | In 2019, the Entity established a new casting Facility for Aluminium recovered from the market known as the ECO-Recycling facility. The Entity has scrap purchasing contracts both within local and foreign markets. More Information is available at: https://www.alro.ro/en/recycling |

| CRITERION | RATING | COMMENT |
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| 5. GREENHOUSE GAS EMISSIONS | | |
| 5.1a-b Disclosure of GHG Emissions and Energy Use | Conformance | <p>The Entity has established a procedure to report Greenhouse Gases (GHG) Emissions and publicly discloses every year, the materials, energy use and GHG Emissions by source. The publicly disclosed energy and GHG Emissions data are independently verified before publication. All data are available in the 2021 Sustainability Report, pages 138-157:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 5.2a Aluminium Smelter GHG Emissions Intensity – Started production after 2020 | Not Applicable | <p>This Criterion is not applicable to the Entity's Certification Scope, as the Entity started production in 1965.</p> |
| 5.2b Aluminium Smelter GHG Emissions Intensity – In production up to and including 2020 | Conformance | <p>The Entity has been active since 1965. In recent years, the Entity has implemented joint actions to reduce GHG emissions. The most recent analyses demonstrate that electrolysis for 2021 (latest analysis completed) is 6,756 tCO₂/tAl electrolytic decreasing from 7,278 (year 2020) with a reduction of 7.16%</p> <p>The Entity demonstrates that the intensity of emissions from mines to metal is below 11.0 t CO₂e/t Al and has been reduced by at least 10% in the last three reporting periods and that the Entity has established reduction plans for GHG Emissions which ensures that the emission intensity of metal mines will be below 13.0 t CO₂e/t Al by the end of 2025 and below 11.0 t CO₂e/t Al by the end of 2030.</p> <p>More information is available within the Sustainability Strategy 2021-2025:</p> <p>https://www.alro.ro/sites/default/files/alro/2021/20210630_alro_group_sustainability_strategy_2021_2025.pdf</p> <p>Sustainability Report 2021, pages: 140-157:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 5.3a-e GHG Emissions Reduction Plans | Conformance | <p>The Entity has established a plan to reduce GHG Emissions and ensure a path to reduce GHG Emissions as part of its Sustainability Strategy, by using a methodology approved according to the Emissions Reduction Plan and compliance with BAT requirements (EU Directive 2016/1032). The strategy addresses all Direct and Indirect GHG Emissions, and Monitoring of targets is done annually according to the Monitoring and reporting of greenhouse gas emissions Code. The strategy is available at:</p> <p>https://www.alro.ro/sites/default/files/alro/2021/20210630_alro_group_sustainability_strategy_2021_2025.pdf</p> <p>Sustainability Report 2021, pages: 140-157:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 5.4 GHG Emissions Management | Conformance | <p>The Entity has implemented a GHG Emissions Management System, evaluation procedures and operational controls necessary to achieve the performance aligned with its GHG Emissions Reduction Plan and the targets.</p> |

| CRITERION | RATING | COMMENT |
|---|-------------|--|
| 6. EMISSIONS, EFFLUENTS AND WASTE | | |
| 6.1a-f Emissions to Air | Conformance | <p>The Entity has quantified and publicly discloses annually the emissions of materials into the air from its activities and those in its Area of Influence. The Entity has implemented plans and a procedure to minimise exposure to air emissions and their impacts. These plans are reviewed annually or after any emissions event that exceeds internally or externally imposed limits. The Entity reviews plans for any changes to the business that alter the material risks from air emissions.</p> <p>The plans are available within the Sustainability Report 2021, pages 158-163: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf https://www.alro.ro/sites/default/files/alro/Program%20de%20prevenire%20si%20reducere%20a%20cantitatilor%20de%20deseuri%20generate%20%28pentru%20informarea%20publica%29_Redacted.pdf (Romanian)</p> |
| 6.2a-g Discharges to Water | Conformance | <p>The Entity has quantified and publicly discloses annual releases of material into the water from its activities and, where possible, from those within its Area of Influence. The Entity has implemented plans and established procedures to minimise exposure to and impact of spills into the water which are reviewed annually and after any discharge event that exceeds internally or externally imposed limits. The plans are available at: https://www.alro.ro/en/production/alro/environmentalprotection</p> <p>Sustainability Report 2021, pages 180-188: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 6.3a-g Assessment and Management of Spills and Leakages | Conformance | <p>The Entity has assessed major risk areas of operations where leaks could contaminate the air, water and/or soil. The Entity has implemented management plans such as a natural disaster prevention and combat plan, an internal emergency plan and a procedure for the prevention of accidental spills to monitor, prevent, detect, and remediate spills and leaks. The plans are reviewed annually and after any leakage event or any changes to the business that change the leakage risk(s).</p> <p>The management plans are publicly available at: https://www.alro.ro/en/production/alro/environmentalprotection</p> <p>The plan for emergencies produced together with local officials is available at: https://www.alro.ro/sites/default/files/alro/2022/Informare%20publica%20ALRO_14_09_2022.pdf (Romanian)</p> |
| 6.4a-b Public Disclosure of Spills and Leakages | Conformance | <p>The Entity has established plans for emergencies and response capacity is developed both internally and together with the local authorities regarding information to be made available to the public in the event of an accident. The actions and methods of interventions are available at: https://www.alro.ro/sites/default/files/alro/2022/Informare%20publica%20ALRO_14_09_2022.pdf</p> |

| CRITERION | RATING | COMMENT |
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| 6.5a-c Waste Management and Reporting | Conformance | <p>The Entity collects, sorts, and disposes of waste in accordance with an internal procedure 'Collection, sorting, disposal and storage of waste'. Together with the local authorities, they developed a plan to prevent and combat accidental pollution. The results are monitored and are publicly available within the Sustainability Report 2021, page 164:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> <p>The Entity periodically reports to the Environmental Authority according to Legal and regulatory requirements through the 'Declaration of obligations towards the environmental fund 2021'.</p> |
| 6.6a-g Bauxite Residue | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 6.7a-f Spent Pot Lining (SPL) | Conformance | <p>The Entity has developed a plan and procedure to store and manage Spent Pot Lining (SPL) in order to prevent SPL from being released or leached into the environment. The Entity optimises the recovery and recycling processes of carbon and refractory materials from SPL and does not store untreated SPL waste where there is potential for negative environmental effects.</p> <p>The Entity annually examines alternative options to treated SPL storage and/or SPL storage. It does not discharge SPL in freshwater or marine environments.</p> |
| 6.8a-d Dross | Conformance | The Entity has implemented a procedure for processing the Aluminium Dross resulting from the Aluminium alloy fabrication. The Entity stores and manages Slag to prevent the release of Dross and leachate into the environment. The Entity maximises Aluminium recovery by treating treated and untreated Slag residues. The Entity annually reviews alternative options for the disposal of Slag residues. |
| 7. WATER STEWARDSHIP | | |
| 7.1a-b Water Assessment and Disclosure | Conformance | <p>The Entity owns its water treatment stations and has implemented a procedure to monitor the water quality. The Entity has established a plan to prevent and mitigate the effects of accidental pollution and to analyse annually its water consumption according to month. The activities are declared and legally validated by the authorities. The Entity has assessed its water risks which are identified as low.</p> <p>Further information on water withdrawal and use by source and type is available in the Sustainability Report 2021, pages 206-207:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 7.2a-e Water Management | Not Applicable | This Criterion is not applicable, as the Entity has identified water-related risks as low. |
| 8. BIODIVERSITY AND ECOSYSTEM SERVICES | | |
| 8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment | Conformance | The Entity has assessed the risk and potential impact on Biodiversity and Ecosystem Services from land use and activities within its Area of Influence together with the Agency for Environmental Protection - Natura 2000. The risk and potential impacts have been identified as low. |

| CRITERION | RATING | COMMENT |
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| 8.1b Biodiversity and Ecosystem Services Risk and Impact Assessment - Priority | Not Applicable | This Criterion is not applicable, as the Entity has identified Biodiversity and Ecosystem Services risk and impact risks as low. |
| 8.2a-g Biodiversity Management | Not Applicable | This Criterion is not applicable, as the Entity has identified Biodiversity and Ecosystem Services risk and impact risks as low. |
| 8.3a-c Management of Priority Ecosystem Services | Not Applicable | This Criterion is not applicable, as the Entity has no Priority Ecosystem Services identified in its Area of Influence. |
| 8.4 Alien Species | Conformance | The Entity has Implemented processes to prevent the accidental or deliberate introduction of Alien Species, which could have material negative impacts on Biodiversity and Ecosystem Services according to International Standards for Phytosanitary Measures No. 15 (ISPM 15). |
| 8.5a-b Commitment to "No Go" in World Heritage Properties | Conformance | The Entity does not explore or develop new projects or make major changes to World Heritage Properties and adheres to the declaration of Natura 2000 sites. |
| 8.6a-d Protected Areas | Conformance | <p>The Entity has conducted a risk analysis of protected areas within its Area of Influence for the protection and restoration of biodiversity and ecosystems according to legal requirements.</p> <p>The management plans are available at: https://www.alro.ro/sites/default/files/alro/2022/Biodiversity_ASI.pdf </p> |
| 8.6e Protected Areas - Bauxite Mining | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 8.7a-i Mine Rehabilitation | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 9. HUMAN RIGHTS | | |
| 9.1a-d Human Rights Due Diligence | Conformance | <p>The Entity has implemented a Code of Conduct and a Human Rights Policy with a commitment to respect Human Rights and the guiding principles of the UN regarding business and Human Rights. Any alleged violation of rights is documented and dealt with in accordance with internal procedures. More information is available at:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/ALRO%20Human%20Rights%20Policy.pdf</p> <p>Sustainability Report 2021, page 88: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf </p> |
| 9.2a-e Gender Equity and Women's Empowerment | Conformance | <p>The Entity has implemented a Human Rights Policy to remove barriers to professional development, Discrimination, Violence, and Harassment. The Entity has established a program that promotes gender equity and women's empowerment. The program is reviewed annually, and the effectiveness of the measures taken to promote gender equality are publicly disclosed every year and in the Corporate Social Responsibility activity report.</p> <p>All documents are publicly available at:</p> |

| CRITERION | RATING | COMMENT |
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| | | <p>Politics Regarding Corporate Social Responsibility: https://www.alro.ro/sites/default/files/alro/2022/CSR%20Politics%20%20.pdf</p> <p>Sustainability Strategy 2021-2025, page 13: https://www.alro.ro/sites/default/files/alro/2021/20210630_alro_group_sustainability_strategy_2021_2025.pdf</p> <p>Code Of Ethics and Conduct of ALRO Employees: https://www.alro.ro/sites/default/files/alro/2022/Code%20of%20ethics%20and%20conduct%20.pdf</p> <p>Corporate Social Responsibility activity report within ALRO SA Slatina: https://www.alro.ro/sites/default/files/alro/2022/Corporate%20Social%20Responsability%20activity%20report%202021.pdf</p> <p>Sustainability Report 2021, pages 95-99: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 9.3a-i Indigenous Peoples | Not Applicable | <p>This Criterion is not applicable, as there are no Indigenous Peoples within the Entity's Area of Influence. However, the Entity has established processes to identify minorities based on linguistics, and social characteristics and conduct public consultations on the impact of every new development or investment. The related Policies and processes are reviewed annually. More Information Is available in the Sustainability Report 2021: https://www.alro.ro/en/sustainability-reports</p> |
| 9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes | Not Applicable | <p>This Criterion is not applicable, as there are no Indigenous Peoples within the Entity's Area of Influence.</p> |
| 9.4b Free, Prior, and Informed Consent (FPIC) - Bauxite Mining | Not Applicable | <p>This Criterion is not applicable to the Entity's Certification Scope and there are no Indigenous Peoples within the Entity's Area of Influence.</p> |
| 9.4c Free, Prior, and Informed Consent (FPIC) - Demonstrate support | Not Applicable | <p>This Criterion is not applicable, as there are no Indigenous Peoples within the Entity's Area of Influence.</p> |
| 9.5a Cultural and Sacred Heritage - Identification | Conformance | <p>The Entity influences and takes appropriate measures to avoid or remedy the impacts, as well as to ensure continued access rights to Cultural and Sacred Heritage sites or their values. For projects that can have a significant impact on the cultural, historical, or spiritual heritage, (i.e., essential for the identity of the neighbours) priority will be given to avoiding such impacts. The Entity has established a manual that covers Governance, HSE, and social aspects where impacts are unavoidable, the Entity obtains free, prior, and informed consent from neighbours according to the established manual.</p> |
| 9.5b Cultural and Sacred Heritage - Impacts | Not Applicable | <p>This Criterion is not applicable, as there are no Indigenous Peoples within the Entity's Area of Influence.</p> |
| 9.6a-i Displacement | Not Applicable | <p>The Entity has undertaken its activities in accordance with its code with obtaining the construction permit. However, this Criterion is not applicable, as the Entity does not have projects that require relocation or transfer.</p> |

| CRITERION | RATING | COMMENT |
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| 9.7a-h Affected Populations and Organisations | Conformance | <p>The Entity operates in the city of Slatina, Romania. The Entity has undertaken consultations with neighbours for each development of Facilities. The evaluation of requirements and the expectations of the neighbours are periodically evaluated. There is annual feedback received from relevant Stakeholders.</p> <p>More Information within the Sustainability Strategy 2021-2025, page 25: https://www.alro.ro/sites/default/files/alro/2021/20210630_alro_group_sustainability_strategy_2021_2025.pdf</p> |
| 9.8a Conflict-Affected and High-Risk Areas – Strong management systems | Conformance | The Entity has implemented a Supplier Code of Conduct (Governance & Ethics, Section 9) to avoid direct or indirect involvement in armed conflicts using the Conflict Mineral Reporting (CMRT) form and table, the London Metal Exchange (LME) Red Flag and Self-assessment questionnaire for suppliers. |
| 9.8b Conflict-Affected and High-Risk Areas – Identify and assess risks | Conformance | The Entity undertakes its manufacturing activities only in Romania. For materials and raw materials purchased from outside the country, there is a system of self-evaluation of suppliers in the form self-evaluation questionnaire for suppliers. The Entity conducts the evaluation of suppliers by its own rules and in accordance with the CMRT Form – Conflict Minerals Reporting Table, ALRO Statute on the LME Red Flag assessment. |
| 9.8c Conflict-Affected and High-Risk Areas – Strategy to respond to risks | Conformance | If the Entity has received a report or found a violation of the agreements, the supplier is blocked from purchases. Supply from alternative suppliers is evaluated annually, and the list of suppliers is structured on three levels. The Entity has a backup plan implemented for each supplier. The risk is analysed at least annually through the form Risk register. |
| 9.8d Conflict-Affected and High-Risk Areas – Audit of due diligence | Conformance | The Entity's supplier evaluation is a continuous and systematic process. The audit frequency is annual and is undertaken by persons defined in the list of qualified auditors. The audit is based on all applicable standards according to the contracts. Based on the 'LME Red Flag Assessment Template' and an audit questionnaire for suppliers all requirements are covered. |
| 9.8e Conflict-Affected and High-Risk Areas – Report annually | Conformance | The Entity annually reports Its supply chain risk as part of the management review in the 'Risk register ALRO'. Any negative evaluation of suppliers will be blocked for purchases and with an improvement plan, corrections, or corrective action. Any incidents are made public at: https://www.alro.ro/en/about/alro/socialresponsibility |
| 9.9 Security practice | Conformance | The Entity does not use private security contractors. The guards and security company are part of the ALRO SA group. All the Entity's regulations apply to security personnel, this includes the Human Rights Policy, Code of Ethics and Conduct of ALRO employees and Policies regarding corporate social responsibility. |
| 10. LABOUR RIGHTS | | |
| 10.1a-c Freedom of Association and Right to Collective Bargaining | Conformance | The Entity operates in Romania only (an EU member country) with fundamental rights (including the right to form trade unions) guaranteed by the applicable legislation. Employees are represented by six distinct unions and the collective labour contract is negotiated |

| CRITERION | RATING | COMMENT |
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| | | by the management and the 'Joint Commission'. The 'Joint Commission' includes all leaders from the Trade Unions. |
| 10.1d Freedom of Association and Right to Collective Bargaining - Alternative means in context of Applicable Law | Not Applicable | The Entity operates in Romania only (an EU member country). Fundamental rights (including the right to form Trade Unions) are guaranteed by the applicable legislation. |
| 10.2a Child Labour | Conformance | The Entity complies with the laws applicable in Romania that prohibit Child Labour under 16 years old. Persons under 18 years of age are protected from danger and/or exposure to dangerous areas. The Entity reports on Child Labour in accordance with GRI standards, more information is in the Sustainability Report 2021, page 263: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf |
| 10.3a-c Forced Labour | Conformance | The Entity does not use local or migrant labour placement agencies and has internal documents for the prohibition of Forced Labour. The Entity's Modern Slavery Statement is available in the Sustainability Report 2021, page 91: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf |
| 10.4a-c Non-Discrimination | Conformance | The Entity promotes a culture of non-Discrimination in the recruitment, salary, and promotion process and is based on the Human Rights Policy, Code of Ethics and Conduct of ALRO employees, Politics regarding corporate social responsibility (CSR) and Internal Regulation. All these documents ensure equal opportunities without Discrimination. In 2021, there were zero incidents of non-Discrimination. More information is available in the Sustainability Report 2021, page 95: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf |
| 10.5 Communication and engagement | Conformance | The Entity communicates openly with Workers and their representatives (union leaders). The frequency of formal communications is monthly and whenever requested by employers or unions. A Collective Labour Agreement has been negotiated annually. |
| 10.6a-g Violence and Harassment | Conformance | The Entity (in consultation with the Workers and their representatives) has drawn up a Policy against Violence and Harassment in the workplace. For any problem that arises, there is a communication channel present involving senior management that is resolved according to the Resolution of notification requests and complaints codes. The Policy is available at: https://www.alro.ro/sites/default/files/alro/2022/CSR%20Politics%20%20.pdf More information is available in the Sustainability Report 2021, page 99: https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf |
| 10.7a-c Remuneration | Conformance | The Entity has implemented a Salary Policy which is regulated and mandatory according to legislation. The Salary Policy is defined in the procedure Remuneration of employees Code, in accordance with the legislation in force and Human Rights Policy and Policies regarding corporate social responsibility (CSR). The salary scale is negotiated |

| CRITERION | RATING | COMMENT |
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| | | <p>together with the unions and documented in the collective labour contract. The salary policy analysis is available in the Sustainability Report 2021, page 211:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 10.8a-c Working Time | Conformance | <p>The Entity has established a procedure that defines the Working Time in accordance with relevant legislation. The payment of Overtime is negotiated together with the unions and documented in the collective labour contract. Monitoring of Working Time is undertaken via SAL software (monitoring time).</p> |
| 10.9a-b Informing Workers of Rights | Conformance | <p>The Entity's employees are informed of their rights through the collective labour contract and the individual labour contract.</p> |
| 11. OCCUPATIONAL HEALTH AND SAFETY | | |
| 11.1a Occupational Health and Safety (OH&S) Management System | Conformance | <p>The Entity has implemented and certified an Occupational Health and Safety (OH&S) Management System applicable to all Workers and Visitors. The Entity holds a valid ISO 45001:2018 Certification.</p> <p>https://www.alro.ro/sites/default/files/alro/2022/SR_EN_ISO%2045001%20.pdf</p> |
| 11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure | Conformance | <p>The Entity's implemented OH&S system is certified by an accredited third-party body. In addition to third-party audits, The Entity annually performs internal audits that address all company processes and activities. More information on OH&S data is available in the Sustainability Report 2021, pages 229-232:</p> <p>https://www.alro.ro/sites/default/files/alro/2022/20220630_alro_group_sustainable_value_report_2021.pdf</p> |
| 11.2 Employee engagement on Health and Safety | Conformance | <p>In accordance with relevant legislation, the Entity's management works with the joint health and safety committee (from all levels) where employees can raise, discuss, and participate in solving occupational health and safety issues. All problems are managed punctually and are established in the action plan which is monitored by the management and the joint committee until each action is effectively closed.</p> |

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DOCUMENT CONTROL AND VERSION HISTORY

| REVISION | DATE | NOTES |
|----------|-----------------|--|
| 0 | 13 January 2022 | Initial Certification Audit – Full Certification |
