
ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

ALUFLEXPACK NOVI D.O.O. (DRNIŠ)

CERTIFICATE
NUMBER

132

ASI
STANDARD

PERFORMANCE
STANDARD
(V2 2017)

CERTIFICATION
LEVEL

FULL
CERTIFICATION

ASI
ACCREDITED
AUDITOR

TÜV
RHEINLAND
CERT GmbH

DATE OF ISSUE

13 OCTOBER 2021

DATE OF EXPIRY

12 OCTOBER 2024

CERTIFIED SINCE

27 APRIL 2021

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. H.', written over a horizontal line.

Aluminium Stewardship Initiative Ltd
ACN 606 661 125, Australia
info@aluminium-stewardship.org

*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

Aluflexpack core business activity is production of flexible packaging and conversion of aluminium foil, paper and flexible films, including the printing, coating and extrusion of aluminium at the production site Aluflexpack Novi d.o.o. plant Drniš (Croatia).

SUMMARY AUDIT REPORT

PERFORMANCE STANDARD

OVERVIEW

MEMBER NAME	Aluflexpack
ENTITY NAME	Aluflexpack Novi d.o.o. (Drniš)
CERTIFICATION SCOPE	Aluflexpack core business activity is production of flexible packaging and conversion of aluminium foil, paper and flexible films, including the printing, coating and extrusion of aluminium at the production site Aluflexpack Novi d.o.o. plant Drniš (Croatia).
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">• Material Conversion (Production and Transformation)
ASI STANDARD	<ul style="list-style-type: none">• Performance Standard V2
AUDIT TYPE	<ul style="list-style-type: none">• Initial Certification Audit (9 – 10 February 2021)• Surveillance Audit (19 July 2021)
AUDIT FIRM	TÜV Rheinland Cert GmbH
AUDIT DATE	<ul style="list-style-type: none">• 9 – 10 February 2021 (Initial Certification Audit)• 19 July 2021 (Surveillance Audit)
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">• 7 April 2021 (Initial Certification Audit)• 10 September 2021 (Surveillance Audit)
AUDIT SCOPE	<p><u>Initial Certification Audit (9 – 10 February 2021)</u></p> <p>The audit scope includes the activities of coating and extrusion of aluminium at the Aluflexpack Novi Drniš plant.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">• Material Conversion (Production and Transformation) <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p> <p>At the time of the Audit (February 2021), access to the site was not possible, due to COVID-19 related travel restrictions. The Audit has been undertaken as a 'desktop' exercise, in accordance with ASI Interim Policy regarding Audits, Audit-Related Travel and Coronavirus (v4), and included a remote review of relevant documentation.</p>

Surveillance Audit (19 July 2021)

The audit scope includes the activities of coating and extrusion of aluminium at the Aluflexpack Novi Drniš plant (Croatia).

Supply chain activities included in the Audit Scope:

- Material Conversion (Production and Transformation)

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

AUDIT
OUTCOME

- Certification

AUDIT
METHODOLOGY
DECLARATION

The Auditors confirm that:

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

CERTIFICATION
PERIOD

13 October 2021 – 12 October 2024

NEXT AUDIT
TYPE

Surveillance Audit

NEXT AUDIT
DUE DATE

12 April 2023

CERTIFICATE
NUMBER

132

SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	The Entity has developed and implemented systems and processes that conform to ASI Performance Standard's legal compliance requirements. The General Manager takes overall responsibility for legal compliance. There are systems in place (e.g. a legal database and qualified legal advisers) to maintain awareness of and to ensure compliance with Applicable Law. The Entity holds an ISO 14001 certificate from an accredited certification body to ensure compliance with applicable environmental law.
1.2 Anti-Corruption	Conformance	The Entity has implemented systems to avoid corruption in all its forms. The Entity subscribes to ETI (Ethical Trading Initiative) base code. Risk of corruption has been evaluated. Business software is used to register all business transactions. All relevant financial transactions are cashless. Employees received mandatory and periodic anti-corruption training. As the Entity is a manufacturing site, raw material purchasing and sales activities are undertaken by the Aluflexpack Group, not by the audited site.
1.3 Code of Conduct	Conformance	Aluflexpack Group's Code of Conduct has been made publicly available on the Aluflexpack website: https://www.aluflexpack.com/wp-content/uploads/2021/07/Aluflexpack-Group-Code-of-Conduct.pdf There, it is clearly stated, that the Entity has a zero tolerance policy towards bribery, fraud, theft and other forms of corruption. Additionally, the Entity has established and communicated their local Code of Conduct in English and local (Croatian) language.
PRINCIPLE 2 POLICY & MANAGEMENT		
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	The Entity has implemented and maintains policies consistent with the environmental, social and governance practices included in the ASI Performance Standard. The policies are subject of periodic employee training. The site holds ISO 14001 certification from an accredited certification body which is current for the Entity's Certification Scope.

CRITERION	RATING	COMMENT
2.1b Environmental, Social, and Governance Policy (senior management)	Conformance	In accordance with the ASI Performance Standard, the Entity has senior management endorsement and support through provision of resources and annual review of the policies. The QA Manager has overall responsibility and authority for ensuring conformance with the ASI Performance Standard.
2.1c Environmental, Social, and Governance Policy (communication)	Conformance	The code and policies covering Environment, Social and Governance are communicated internally and externally, see the Entity's publicly available corporate manual: https://www.aluflexpack.com/wp-content/uploads/2021/06/Quality-Manual-AFP-Nov1.pdf Employees received initial and periodic training accordingly.
2.2 Leadership	Conformance	According to a Board decision, the Quality Manager has the overall responsibility and authority for ensuring conformance with the ASI Performance Standard and to ensure sufficient resources to support the implementation of the ASI Performance Standard. This role is supported by the local team as well as by the staff from Aluflexpack Group. A written assignment of the ASI Team was on hand.
2.3a Environmental and Social Management Systems (environmental)	Conformance	The Entity has documented and implemented an Environmental Management System, certified ISO 14001:2015 by an accredited certification body and being consistent with their ASI Performance Standard Certification Scope.
2.3b Environmental and Social Management Systems (social)	Conformance	The Entity has documented and implemented a Social Management System (SMETA, ECOVADIS Silver). No non-conformities open from latest audits. The site does not hold ISO 45001 certification but has a H&S Manager and a full-time H&S Specialist on-site.
2.4 Responsible Sourcing	Conformance	The Aluflexpack Group has issued its Responsible Sourcing Policy. However, this policy is not yet publicly available. Suppliers are asked to acknowledge the Group's Code of Conduct in writing. Note that the Entity is not sourcing raw materials themselves. Instead, raw material purchasing is a central function.
2.5 Impact Assessments	Not Applicable	A procedure specifying how to manage large projects is in place. Since the Entity's parent company joined ASI, there were no ongoing projects

CRITERION	RATING	COMMENT
		which required the Entity to assess cultural and human rights impacts.
2.6 Emergency Response Plan	Conformance	The Entity has site specific Emergency Response Plans developed and implemented, in collaboration with relevant stakeholders (e.g. fire brigade). The Entity also holds ISO 14001 certification which is current to the Entity's Certification Scope under the ASI Performance Standard.
2.7 Mergers and Acquisitions	Conformance	The Entity did not undergo or plan a merger or acquisition (M&A) since Aluflexpack joined ASI. However, a process has been defined to manage M&As, should it become relevant. Note: M&A are managed on Group level, not by the Entity.
2.8 Closure, Decommissioning and Divestment	Conformance	The Entity did not undergo or plan a closure, decommissioning or divestment since joining ASI. However, a process has been defined to manage closure, decommissioning or divestment, should it become relevant. It is defined that environmental, social and governance issues shall be reviewed in such a case. Note: Closure, decommissioning and divestment are managed on Group level, not by the Entity.
PRINCIPLE 3 TRANSPARENCY		
3.1 Sustainability Reporting	Conformance	The Aluflexpack Group has issued its Sustainability Report 2019 to report its governance approach and material environmental, social and economic ("ESG") impacts on Group level. The report is based on GRI G4 criteria. At the time of the audit, the Group's 2020 Sustainability & ESG Report (containing site specific data) was available in draft version and foreseen for publication in the coming weeks (Q3 2021).
3.2 Non-compliance and liabilities	Conformance	Information about fines and lawsuits is included in the Sustainability Report 2019, see page 45: https://www.aluflexpack.com/wp-content/uploads/2021/02/Aluflexpack-Gruppe_Nachhaltigkeitsbericht_2019.pdf As testified by the Entity's management, there were no significant fines, judgments, penalties and non-monetary sanctions enforced in 2019 and 2020.
3.3a Payments to governments (legal and contractual)	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to anti-corruption requirements related to payments to governments and facilitation of

CRITERION	RATING	COMMENT
		payments. Internal audits are undertaken by the Aluflexpack Group and external tax auditors periodically check the legitimacy of payments. The Entity has no commercial business with governments, state organisations or authorities.
3.3b Payments to governments (disclosure - bauxite mining)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.4 Stakeholder complaints, grievances and requests for information	Conformance	<p>The Entity has established accessible complaints resolution mechanisms, adequate to address stakeholder complaints, grievances and requests for information relating to its operations. A dedicated email address has been established and is accessible for all stakeholders: info.hr@aluflexpack.com</p> <p>Two physical letterboxes installed in the plant have opened the possibility for anonymous worker complaints. Due to the size and nature of the business, stakeholders can also easily reach top management directly.</p> <p>The grievance mechanism for the employees is part of a collective agreement with worker representation.</p>
PRINCIPLE 4 MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	<p>The Entity has evaluated the life cycle impacts of its major product line (coffee pods) in a life cycle assessment.</p> <p>Life cycle impact assessment results are site specific.</p>
4.1b Environmental Life Cycle Assessment (cradle to gate)	Not Applicable	For the time being, this Criterion is not applicable, because as witnessed by the Entity's management, there are no customer requests for a cradle-to-gate life cycle assessment on its products yet.
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	For the time being, the Entity does not intend to publish the Life Cycle Assessment (LCA). However, the Entity has ensured that the final LCA will contain the underlying assumptions and system boundaries and that external communications on LCAs will include public access to the LCAs.
4.2 Product design	Conformance	<p>The Entity is not in charge of product design, as R&D is a central function within Aluflexpack Group. The Group is working on three relevant projects to enhance sustainability:</p> <ul style="list-style-type: none"> ▪ Reducing weight of aluminium and plastics used in products; ▪ Replacement of PVC lacquer for packaging;

CRITERION	RATING	COMMENT
		<ul style="list-style-type: none"> ▪ Developing mono-material solutions. Please see Aluflexpack's Sustainability Report, page 37 ff, for the position regarding sustainable product development and design: https://www.aluflexpack.com/wp-content/uploads/2021/02/Aluflexpack-Gruppe_Nachhaltigkeitsbericht_2019.pdf
4.3a Aluminium Process Scrap (targets)	Conformance	<p>The Entity has established a detailed plan to minimize the generation of Aluminium Process Scrap within its own operations ("Fight against waste July 2021").</p> <p>There are systems in place to collect 100% of its Aluminium Process Scrap.</p> <p>There is no need to separate the different grades, as the alloys are quite similar.</p>
4.3b Aluminium Process Scrap (alloy separation)	Conformance	<p>The Entity uses alloyed aluminium which scrap is not collected separately, because of only slightly different alloy content, which is recycled in the same way.</p>
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	<p>The Entity has joined CEFLEX, an organisation striving to establish a collection, sorting and reprocessing infrastructure and economy for post-consumer flexible packaging across Europe, see the website: https://ceflex.eu/who-we-are/</p> <p>Note: As the Entity has solely B2B business, they don't directly interact with consumers.</p>
4.4b Collection and recycling of products at end-of-life (engagement)	Minor Non-Conformance	<p>The Entity has demonstrated a certain engagement to increase recycling rates for their products containing Aluminium. Aluflexpack Group is a member of CEFLEX, an association with the aim to foster the circular economy within the flexible packaging value chain.</p> <p>However, the Entity did not provide evidence that they engage with collection and recycling systems to support efforts to increase recycling rates for their products.</p>
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Minor Non-Conformance	<p>Aluflexpack Group has disclosed its material greenhouse gas (GHG) emissions and energy use by source in its Sustainability Report 2019, see page 65 ff: https://www.aluflexpack.com/wp-content/uploads/2021/02/Aluflexpack-Gruppe_Nachhaltigkeitsbericht_2019.pdf</p>

CRITERION	RATING	COMMENT
		<p>However, the data is aggregated on Group level, it is not specific to the Entity.</p> <p>The Entity also periodically reports GHG data to the Croatian Environmental Authority, which publishes data on their website: http://roo.azo.hr/</p> <p>However, this data is difficult to retrieve, is in Croatian language only and stakeholders might not be aware of this data source.</p> <p>A draft GHG emissions inventory report (of the Aluflexpack Group) for the year 2020 is available but this report is not yet finalized and published.</p>
5.2 GHG emissions reductions	Minor Non-Conformance	<p>In the Sustainability Report 2019, Aluflexpack Group made public its commitment to lower the environmental impact of its products and to offset the environmental impact of its production, see page 71 ff: https://www.aluflexpack.com/wp-content/uploads/2021/02/Aluflexpack-Gruppe_Nachhaltigkeitsbericht_2019.pdf</p> <p>However, these objectives were not specific and not time-bound.</p> <p>Meanwhile, the Entity has established GHG emissions reduction targets. However, they are not yet publicly available, as it is planned to include these targets into the sustainability report, due for publication in Q3 2021.</p>
5.3a Aluminium Smelting (management system)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3b Aluminium Smelting (up to and including 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3c Aluminium Smelting (after 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Conformance	<p>Emissions to air are reported in the Aluflexpack Group's Sustainability Report 2019. CO₂ is the only relevant type of GHG emission. In this Report, data is reported on Group level only, not on level of the Entity.</p> <p>However, the Entity reports annually to the authority, which uploads data to the European Pollutant Release and Transfer Register (E-PRTR). The data is publicly accessible on the Croatian website: http://roo.azo.hr/</p>

CRITERION	RATING	COMMENT
6.2 Discharges to Water	Conformance	The Entity manages two types of waste water (sanitary and storm water). Both are collected separately. Sanitary water is treated biologically and then seeped into the ground. Quality of this effluent is being checked annually by an external laboratory (state owned). Reviewed lab results confirm the proper functioning of the biological treatment. For the time being, the site has no connection to the publicly owned treatment works. Quantity of fresh water is measured monthly.
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	Within the scope of its certified environmental management system according to ISO 14001, the Entity periodically identifies and evaluates major risk areas of operations where spills and leakage may contaminate air, water or soil.
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	The Entity has a management programme in place to prevent and detect spills and leakage. Note: The max. capacity of a container is ca. 1000 litres. External communication is specified in the Entity's alarm and action plan.
6.4a Reporting of Spills (immediate disclosure)	Conformance	The requirement to disclose to affected parties the volume, type and (potential) impact of significant spills is already covered by ISO 14001 certification. There have been no relevant spills to date.
6.4b Reporting of Spills (regular reporting)	Not Applicable	There were no relevant spills or uncontrolled release of hazardous material at the site since the parent company, Aluflexpack, joined ASI.
6.5a Waste management and reporting (strategy)	Conformance	The Entity adopted a formal waste strategy, designed in accordance with the waste mitigation hierarchy.
6.5b Waste management and reporting (disclosure)	Conformance	The Entity reports on an annual basis on waste to the relevant authority. Data is accessible via: http://roo.azo.hr/ However, it might be difficult to retrieve the data as the website is available in Croatian language only.
6.6a Bauxite Residue (storage construction)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6b Bauxite Residue (integrity checks and controls)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6c Bauxite Residue (water discharge)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
6.6d Bauxite Residue (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6e Bauxite Residue (start of the art technologies)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6f Bauxite Residue (remediation)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a Spent Pot Lining (SPL) (storage and management)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7d Spent Pot Lining (SPL) (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a Dross (recovery)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8b Dross (recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8c Dross (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 7 WATER STEWARDSHIP		
7.1a Water assessment (mapping)	Conformance	The Entity has identified and mapped its water withdrawal and use. Municipal water for kitchen, sanitary purposes and landscaping is used. The quantity used is not relevant for the environment or the community (less than 7000 m ³ /year).
7.1b Water assessment (risk assessment)	Not Applicable	The Entity does not extract water from watersheds and uses only small amount of municipal water (less than 5000 m ³ /year).
7.2a Water management (management plans)	Not Applicable	The evaluation did not identify a significant risk, as the annual usage of spring water is less than 7000 m ³ /year and the production site is not located in a water scarce area. Therefore, this Criterion is not applicable to the Entity.
7.2b Water management (monitoring)	Not Applicable	The evaluation did not identify a significant risk, as the annual usage of spring water is less than 7000

CRITERION	RATING	COMMENT
		m ³ /year and the production site is not located in a water scarce area. Therefore, this Criterion is not applicable to the Entity.
7.3 Disclosure of water usage and risks	Conformance	On an annual basis, the Entity reports data on their water usage to the environmental authority. Data is accessible from the website of the authority (but it might be difficult to access the data, as the website is in Croatian language only): http://roo.azo.hr/
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Conformance	The Entity has commissioned a biodiversity assessment by a specialized consultant. The only relevant risk identified is 'Alien Species'.
8.2a Biodiversity management (biodiversity action plans)	Conformance	Based on the biodiversity assessment (conducted by a specialized consultant), the Entity has implemented a biodiversity action plan. Its implementation is monitored periodically. The only relevant risk identified is 'Alien Species'.
8.2b Biodiversity management (consultation and mitigation hierarchy)	Conformance	The Entity has established its biodiversity action plan. There is ongoing consultation with external stakeholders (e.g. biodiversity consultant) about the management plans and controls.
8.2c Biodiversity management (reporting)	Conformance	Due to the nature of the business, the effects of operation with regard to biodiversity are limited. The Entity has established a (monthly) reporting mechanism about alien species. It is planned to include biodiversity aspects in the Group's sustainability report as soon as the results of the implementation of the Entity's recently established biodiversity action plan are available.
8.3 Alien Species	Conformance	The Entity has assessed the risk of Alien Species and established a procedure how to fight them. Relevant persons have been trained accordingly. All incoming trucks are checked.
8.4a Commitment to "No Go" in World Heritage properties (exploration and new mines)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.4b Commitment to "No Go" in World Heritage properties (existing operations)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.5a Mine rehabilitation (best available techniques)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
8.5b Mine rehabilitation (financial provisions)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 9 HUMAN RIGHTS		
9.1a Human Rights Due Diligence (policy)	Conformance	Aluflexpack Group has issued its Code of Conduct, which refers the International Bill of Human Rights as binding principles for the Group.
9.1b Human Rights Due Diligence (process)	Conformance	The Entity has conducted a documented Human Rights Due Diligence Assessment with consultation of internal stakeholders. It did not identify salient Human Rights issues.
9.1c Human Rights Due Diligence (remediation)	Conformance	According to the Human Rights Due Diligence Assessment, there are no salient or "high" Human Rights issues identified, which are related to the Entity. Risks that have been rated as "medium" have been addressed.
9.2 Women's Rights	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to the women's rights requirements. During the audit, no indication for deliberate discrimination of women was identified.
9.3 Indigenous Peoples	Not Applicable	This Criterion of the ASI Performance Standard does not apply to the Entity (which is located in south-eastern Europe), as Indigenous Peoples or their lands, territories and resources are not directly affected by the Entity's operations.
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	This Criterion of the ASI Performance Standard does not apply to the Entity (which is located in south-eastern Europe), as Indigenous Peoples or their lands, territories and resources are not directly affected by the Entity's operations.
9.5 Cultural and sacred heritage	Not Applicable	This Criterion of the ASI Performance Standard does not apply to the Entity (which is located in south-eastern Europe), as Indigenous Peoples or their lands, territories and resources or sacred or cultural heritage sites and values within the Entity's area of influence are not directly affected by the Entity's operations.
9.6a Resettlements (avoid or minimise)	Not Applicable	This Criterion of the ASI Performance Standard does not apply to the Entity, as no resettlements being considered or taking place during the period since joining ASI, or expected to occur during the certification period. Indigenous Peoples are not directly affected by the Entity's operations.

CRITERION	RATING	COMMENT
9.6b Resettlements (where unavoidable)	Not Applicable	This Criterion of the ASI Performance Standard does not apply to the Entity, as no Resettlements being considered or taking place during the period since joining ASI, or expected to occur during the certification period. Indigenous Peoples are not directly affected by the Entity's operations.
9.7a Local Communities (rights and interests)	Not Applicable	The Entity respects the legal and customary rights and interests of local communities. All relevant activities are subject to a permitting process and the Entity maintains adequate contact to community officials. However, this Criterion of the ASI Performance Standard does not apply to the Entity, as the outcome of the Human Rights Due Diligence conducted has confirmed that there are no issues with local Communities and therefore no need for action.
9.7b Local Communities (impacts)	Not Applicable	The Entity respects the legal and customary rights and interests of local communities. All relevant activities are subject to a permitting process and the Entity maintains adequate contact to community officials. However, this Criterion of the ASI Performance Standard does not apply to the Entity, as the outcome of the Human Rights Due Diligence conducted has confirmed that there are no issues with local Communities and therefore no need for action.
9.7c Local Communities (livelihoods)	Not Applicable	This Criterion of the ASI Performance Standard does not apply to the Entity, as the outcome of the Human Rights Due Diligence conducted has confirmed that there are no salient issues with local Community and therefore no need for action.
9.8 Conflict-Affected and High-Risk Areas	Conformance	The site is not located in or near a Conflict-Affected or High-Risk Area. During the assessment, there were no indications observed that the Entity would contribute to armed conflict or Human Rights abuses in Conflict-Affected and High-Risk Areas. The Entity does not purchase metals, obtaining all raw materials from the parent company.
9.9 Security practice	Conformance	The Entity does not employ armed security forces. During the Entity's Human Rights risk assessment, no specific risks related to security practices were identified.

CRITERION	RATING	COMMENT
10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Conformance	The Entity respects the rights of Workers to unite freely in the Unions, seek representation and join the Workers council without interference. A freely elected Worker representation is in place. The Entity negotiated a Collective Bargaining Agreement with the syndicates.
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Conformance	As verified by document review and interviews, the Entity does respect the Right of Collective Bargaining. There is a recent binding Collective Bargaining Agreement on site level in place.
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Not Applicable	This Criterion is not applicable to the Entity, as in Croatia, the country in which the Entity operates, Applicable Law does neither restrict the right to Freedom of Association nor Collective Bargaining.
10.2a Child Labour (minimum age)	Conformance	The Entity does neither use nor support the use of Child Labour. The minimum working age of 15 years is respected and the site only hires adults (due to shift work). The youngest Worker was 18 years old at the time of the audit, as confirmed by interviews.
10.2b Child Labour (hazardous)	Conformance	The Entity does neither use nor support the use of Child Labour. The minimum working age of 15 years is respected. The youngest Worker was 18 years old at the time of the audit. Interviews and document review confirmed the absence of minors and hence, there is no hazardous Child Labour.
10.2c Child Labour (worst forms)	Conformance	As confirmed by interviews, the Entity does not employ minors under the age of 15 years. The youngest Worker employed was 18 years old at the time of the audit. Hence, the Entity is not engaging in any Child Labour.
10.3a Forced Labour (human trafficking)	Conformance	As confirmed by the Entity's Human Rights Due Diligence Assessment and further document review, the report of a recent third party social audit (SMETA), a site tour as well as Worker and management interviews, the Entity does neither engage in nor support the use of Forced Labour.
10.3b Forced Labour (deposits, fees, advances)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not require any form of deposit, recruitment fee or equipment advance from Workers either directly or through employment or recruitment agencies, as confirmed by interviews and document review.

CRITERION	RATING	COMMENT
10.3c Forced Labour (migrant workers)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity currently does not employ migrant Workers at all, as confirmed by interviews and document review.
10.3d Forced Labour (debt bondage)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not hold Workers in debt bondage or force them to work in order to pay off a debt, as confirmed by interviews and document review.
10.3e Forced Labour (freedom of movement)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not unreasonably restrict the freedom of movement of Workers in the workplace, as confirmed by interviews and document review. The site does not employ any armed security staff.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	Gathered evidence (interviews with workers and human resources manager, document review, site tour) confirmed that the Entity does neither engage in nor support the use of Forced Labour.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not deny Workers the freedom to terminate their employment at any time without penalty, given notice of reasonable length, as confirmed by interviews and document review.
10.4 Non-Discrimination	Conformance	The Entity is committed to Non-Discrimination and communicates this commitment in its ethical code. Interviews and document review did not indicate that the Entity would engage in or support discrimination for the grounds mentioned in this Criterion.
10.5 Communication and engagement	Conformance	As confirmed by interviews and document review, the Entity does ensure open communication and direct engagement with Workers. A joint Health and Safety Committee is established and an anonymous letterbox for raising suggestions or concerns is available. Workers meet daily with their superiors to discuss work related issues. The Entity practices an "Open Door" policy. Workers can address their concern also via the Worker representation and their Union. Complaint resolution is specified in the "work rules".
10.6 Disciplinary practices	Conformance	As confirmed by interviews and document review, the Entity does neither engage in nor tolerate the

CRITERION	RATING	COMMENT
		use of inadequate and unacceptable treatment of Workers as mentioned in the requirements of this Criterion.
10.7a Remuneration (living wage)	Conformance	The Entity has a Collective Bargaining Agreement. Interviews and document review confirmed that the Entity pays its Workers according to industry standard, which is well above minimum wage.
10.7b Remuneration (method of payment)	Conformance	As confirmed by Worker and management interviews as well as document review, payments are made timely (end of month), in legal tender (bank transfer) and fully documented (pay slip).
10.8 Working Time	Conformance	Working time is part of each employment contract. Clocking-in system is in place. Records are on hand. Overtime is voluntary and due to the shift system very limited.
PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	The Entity has issued and internally communicated its Occupational Health and Safety (OH&S) Policy. However, it is not publicly available. The Entity is continually working to implement this Policy. Part of these efforts is the preparation for ISO 45001 certification.
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	As confirmed by interviews, the Entity applies its Occupational Health and Safety Policy to all workers and visitors present at the site.
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	A commitment to meet legal requirements is included in the Entity's Occupational Health and Safety (OH&S) Policy Statement.
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	The Entity has issued its Occupational Health and Safety (OH&S) Policy. This policy includes the Workers' right to stop unsafe work. It is contained in the Entity's corporate manual Jun 2021. The policy has been communicated to the Workers.
11.2 OH&S Management System	Minor Non-Conformance	The Entity has a Management System for Occupational Health and Safety (OH&S) in place, as confirmed by interviews and document review. The Entity has successfully undergone external assessments (SMETA and ECOVADIS) of its Management System. The Entity is not yet certified according to ISO 45001. However, at the time of the audit, the Entity's OH&S Management System was not fully effective, as the

CRITERION	RATING	COMMENT
		<p>current construction site in Drniš was not monitored as appropriate.</p> <p>During the auditor's site visit, Workers were observed on the construction site working without required personal protective equipment (hard hat, high viz vests), although an external safety co-ordinator had been engaged.</p> <p>Note: Plant management conducted immediate corrective action and introduced frequent additional inspection of the construction site to ensure safety of Workers.</p>
11.3 Employee engagement on health and safety	Conformance	The Entity has mechanisms in place to discuss Occupational Health and Safety issues with management and Workers (meetings between Worker Representatives and a joint Health and Safety Committee).
11.4 OH&S performance	Minor Non-Conformance	As confirmed by documented evidence, the Entity has developed and monitors various lagging indicators (such as accident and illness rates) on a monthly basis. Data for leading indicators are on hand but they are not yet fully employed to systematically monitor and evaluate the Entity's Occupational Health and Safety (OH&S) performance. Currently there is no specific OH&S action plan in place.

Document Control and Version History

Revision	Date	Notes
0	27 April 2021	Initial Certification Audit – Provisional Certification
1	13 October 2021	Surveillance Audit – Full Certification