
ASI CERTIFICATION
PERFORMANCE
STANDARD



PRESENTED TO

**SHANGQIU
YANGGUANG
ALUMINIUM
PRODUCT CO., LTD**

CERTIFICATE
NUMBER

113

ASI
STANDARD

PERFORMANCE
STANDARD
(V2 2017)

CERTIFICATION
LEVEL

FULL
CERTIFICATION

ASI
ACCREDITED
AUDITOR

DNV GL

DATE OF ISSUE

18 JANUARY 2021

DATE OF EXPIRY

17 JANUARY 2024

CERTIFIED SINCE

18 JANUARY 2021

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. Ho'.

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*

CERTIFICATION SCOPE

Production and Sales Service of Aluminium and
Aluminium Alloy Plate, Sheet, Strip and Related
Management Activities.

SUMMARY AUDIT REPORT PERFORMANCE STANDARD

OVERVIEW

| | |
|-------------------------------|---|
| MEMBER NAME | Shangqiu Yangguang Aluminium Product Co., Ltd. |
| ENTITY NAME | Shangqiu Yangguang Aluminium Product Co., Ltd. |
| CERTIFICATION SCOPE | Production and Sales Service of Aluminium and Aluminium Alloy Plate, Sheet, Strip and Related Management Activities. |
| SUPPLY CHAIN ACTIVITIES | <ul style="list-style-type: none">• Casthouses• Material Conversion (Production and Transformation) |
| ASI STANDARD | <ul style="list-style-type: none">• Performance Standard V2 |
| AUDIT TYPE | <ul style="list-style-type: none">• Certification Audit |
| AUDIT FIRM | DNV GL |
| AUDIT DATE | <ul style="list-style-type: none">• 19 – 20 October 2020 |
| AUDIT REPORT SUBMISSION | <ul style="list-style-type: none">• 22 December 2020 |
| AUDIT SCOPE | <p>Shangqiu Yangguang Aluminium Product Co., Ltd. is located at No. 1, Xinfeng Road, LiZhuang Town, Liangyuan District, Shangqiu City, Henan Province, China. The main products include Aluminium and Aluminium Alloy Plate, Sheet and Strip. Main production processes include casting, cold rolling, annealing and packing.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">• Casthouses• Material Conversion (Production and Transformation) <p>All relevant 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. |

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- 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 18 January 2021 – 17 January 2024

NEXT AUDIT TYPE Surveillance Audit

NEXT AUDIT DUE DATE 17 July 2022

CERTIFICATE NUMBER 113

SUMMARY OF FINDINGS

| CRITERION | RATING | COMMENT |
|--|-------------|--|
| PRINCIPLE 1 BUSINESS INTEGRITY | | |
| 1.1 Legal Compliance | Conformance | The Entity has developed and implemented policies, systems, procedures and processes to maintain awareness of and ensure compliance with applicable law. The Entity holds a valid ISO 14001:2015 certificate and OHSAS 18001:2007 certificate. |
| 1.2 Anti-Corruption | Conformance | Policies and processes such as the Management Procedure of Anti-Corruption to identify and prevent corruption are developed and implemented. And personnel trained in these processes has been verified through training records. The Entity works against corruption in all its forms, including extortion and bribery, consistent with applicable law and prevailing standards. The Entity also has a Policy for Labour and Business Ethics that can be found via the following link: https://mp.weixin.qq.com/s/PpkdGbrHKvy07SIYY9mySW . |
| 1.3 Code of Conduct | Conformance | The Entity has implemented a Code of Conduct including principles related to environmental, social and governance performance. The Entity implemented adequate measures, including training, communication to raise awareness of the code among business partners and suppliers. The relevant information is available for all interested stakeholders via following link: https://mp.weixin.qq.com/s/6yiuYOiE5G3UzamVZ2GwbQ . |
| PRINCIPLE 2 POLICY & MANAGEMENT | | |
| 2.1a Environmental, Social, and Governance Policy (implement and maintain) | Conformance | The management policies are consistent with the environmental, social, and governance practices. All policies are available via the following link: https://mp.weixin.qq.com/s/PpkdGbrHKvy07SIYY9mySW . |
| 2.1b Environmental, Social, and Governance Policy (senior management) | Conformance | Senior management demonstrate commitment to the implemented policies. And the policies and procedures are reviewed and updated on a regular basis. The Entity holds valid ISO 9001, ISO14001 and ISO45001 certificates. |
| 2.1c Environmental, Social, and Governance Policy (communication) | Conformance | The policies are available for internal and external stakeholders by training, post on-site and publishing on website. The policies can be found via the following link: |

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| | | https://mp.weixin.qq.com/s/PpkdGbrHKvy07SIYY9mySW . |
| 2.2 Leadership | Conformance | The Entity has nominated a senior Management Representative as having overall responsibility and authority for ensuring conformance with the requirements of this Standard. |
| 2.3a Environmental and Social Management Systems (environmental) | Conformance | The Entity has an Environmental Management System in place and holds a valid ISO 14001:2015 certificate. |
| 2.3b Environmental and Social Management Systems (social) | Conformance | The Entity has documented and implemented a Social Management System and holds a valid OHSAS 18001:2007 certificate. The main social, occupational health and safety impacts are identified and assessed, the associated management provisions for preventing and/or mitigating these impacts are established and implemented. |
| 2.4 Responsible Sourcing | Conformance | The Entity has developed and implemented policies, systems, procedures and processes that conform to the responsible sourcing requirements. The Entity conducts second party due diligence audits at major next tier suppliers' sites to qualify them. The procurement team and relevant personnel are trained on an annual basis on responsible sourcing requirements. |
| 2.5 Impact Assessments | Conformance | The Entity has procedures and systems in place to conduct environmental, social, cultural and Human Rights Impact Assessments, including a gender analysis, for new projects or major changes to existing facilities. The Entity clearly demonstrates a proactive and inclusive approach with key stakeholders both internally and externally when facing major changes and projects. |
| 2.6 Emergency Response Plan | Conformance | The Entity holds a valid ISO 14001:2015 certificate and OHSAS 18001:2007 certificate. Emergency Response Plans are developed and implemented, Personnel training and drill records were verified during the audit. |
| 2.7 Mergers and Acquisitions | Conformance | A procedure is established for mergers and acquisitions, but no such activity has happened since the site started the operation in 2008. |

| CRITERION | RATING | COMMENT |
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| 2.8 Closure, Decommissioning and Divestment | Conformance | A procedure for closure, decommissioning and divestment has been established in accordance to the requirement of ASI Performance Standard. But no such case has happened since its operation in 2008. |
| PRINCIPLE 3 TRANSPARENCY | | |
| 3.1 Sustainability Reporting | Conformance | The Entity publicly discloses its governance approach and its material environmental, social and economic impacts. Disclosures can be found as follows: 2019 Sustainability Report: https://mp.weixin.qq.com/s/rUtHLChANfdArR4PJ6CJ6w . |
| 3.2 Non-compliance and liabilities | Conformance | The Entity publicly disclose information on significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law. There are no significant fines or penalties imposed on the Entity as reported in 2019 sustainability report. Disclosures can be found via the following link: https://mp.weixin.qq.com/s/rUtHLChANfdArR4PJ6CJ6w . |
| 3.3a Payments to governments (legal and contractual) | Conformance | The Entity only makes, or has made on its behalf, payments to governments on a legal and/or contractual basis. Payments to governments are transparently reported in their 2019 Annual Financial Audit Report. |
| 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 | An Internal and external Whistle blowing/Complaint/Grievance mechanism exists (e.g. whistle blower hotlines, mail address, suggestion box). |
| PRINCIPLE 4 MATERIAL STEWARDSHIP | | |
| 4.1a Environmental Life Cycle Assessment (life cycle impacts) | Conformance | The environmental life cycle assessment (LCA) is conducted and documented. The assessment covers all products. The LCA is a cradle-to-gate one, the impact of the various production stages and of end-of-life recycling is assessed. The assessment is conducted in the format defined by the site, not follow ISO standard. The Environmental Life Cycle Assessment Report is published on the website of the Entity. https://mp.weixin.qq.com/s/PlmUqxf6HVRNHhk1VyFE-g . |

| CRITERION | RATING | COMMENT |
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| 4.1b Environmental Life Cycle Assessment (cradle to gate) | Conformance | <p>The Entity has provided adequate cradle-to-gate Life Cycle Assessment (LCA) information on its aluminium product covering all production processes and main supporting activities, such as transportation, rolling oil recycling and waste disposition.</p> <p>The Environmental Life Cycle Assessment Report can be provided by external communication if required. Per interview and document review, there have been no requests to date.</p> |
| 4.1c Environmental Life Cycle Assessment (public communication) | Conformance | <p>The Environmental Life Cycle Assessment Report is published in the official website of the Entity: https://mp.weixin.qq.com/s/PlmUqxf6HVRNHhk1VyF-F-g.</p> <p>How to communicate with the customer is defined in Management procedure of information disclosure.</p> |
| 4.2 Product design | Conformance | <p>As per the target management procedure for the energy consumption and GHG gas per product, the Entity integrates relevant objectives in the design and development process for products to enhance sustainability, including the environmental life cycle impacts of the end product.</p> <p>There has been no new product developed in the past 12 months. The Entity set up the targets for product yield rate and electricity consumption. The achievement of the targets is reviewed every month.</p> |
| 4.3a Aluminium Process Scrap (targets) | Conformance | <p>The target of the process scraps is defined as 100% recycled in the Waste/scrap management procedure. The Entity collects all process scraps generated in its operation, recycles as the raw material in the melting process, records the amount in Daily summary report of process scraps. Site observations confirm that this procedure is implemented well.</p> <p>Information of the process scraps in the Section 2.1 of The Environmental Life Cycle Assessment report: https://mp.weixin.qq.com/s/PlmUqxf6HVRNHhk1VyF-F-g.</p> |
| 4.3b Aluminium Process Scrap (alloy separation) | Conformance | <p>The product content control is one of the requirements of the quality management system. The process scraps are identified with the unique batch number for traceability and alloy separation. Per the management interview and site observation, the Entity implement the procedure to separate Aluminium alloys and grades for recycling.</p> |
| 4.4a Collection and recycling of products at end-of-life (strategy) | Conformance | <p>In the absence of a local, regional or national collection and recycling systems for aluminium scrap</p> |

| CRITERION | RATING | COMMENT |
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| | | in China, the Entity does collect and recycle the products at end-of-life currently. |
| 4.4b Collection and recycling of products at end-of-life (engagement) | Conformance | In the absence of a local, regional or national collection and recycling systems for aluminium scrap in China, the Entity does collect and recycle the products at end-of-life currently. |
| PRINCIPLE 5 GREENHOUSE GAS EMISSIONS | | |
| 5.1 Disclosure of GHG emissions and energy use | Conformance | <p>As per the Management procedure for GHG emission calculation, the major Scopes 1, 2 greenhouse gas emissions and energy use by source are tracked, calculated and documented annually.</p> <p>The energy consumption is monitored and documented as one of main GHG emission source, as well other major emission sources. The energy consumption and other major GHG sources are converted into GHG emissions using the GHG protocol defined by the Entity. The GHG emission report in 2019 is not checked by a third party. The GHG emission report in published on: https://mp.weixin.qq.com/s/SF9-FmLN4ih5jHzEaMLAlw.</p> |
| 5.2 GHG emissions reductions | Conformance | <p>The Company has set up a GHG emission reduction target in 2020: should reduce the GHG emission per Ton product 2% compared with the level of 2019. The implementation plan for the reduction target is established accordingly. The targets and the associated implementation plan are published at: https://mp.weixin.qq.com/s/WYz-DB8ey9TkF1SNbXdGsg.</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 | The pollutants in the air emission are quantified in the Environmental Impact Assessment report. The treatment facilities are built and used. The status of the air emission is monitored quarterly, meets the local legal emission limit. |

| CRITERION | RATING | COMMENT |
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| 6.2 Discharges to Water | Conformance | No wastewater is generated in the production process, only sanitary wastewater is discharged after treated. The discharge status is monitored once a quarter. The monitor reports of wastewater in 2019 and 2020 shows major pollutants were monitored, the discharge of these major pollutants meets the local legal discharge limit. |
| 6.3a Assessment and Management of Spills and Leakage (assessment) | Conformance | The Entity conducts the risk assessment for Spills and Leakage which may contaminate air, water and soil by its operation and in its area of influence, following the risk assessment process of environmental management system. |
| 6.3b Assessment and Management of Spills and Leakage (management) | Conformance | Assessment and management of spills and leakage is defined in the environmental management system. Major Spills and Leakages will be handled and communicated by the emergency response team. The relevant training is provided to workers. |
| 6.4a Reporting of Spills (immediate disclosure) | Conformance | Reporting of Spills and Leakages is defined in management procedure of information disclosure. No spill/leakage happens since the Entity started operation. The information is published in Section 3.9 of the Sustainability Report in 2019: https://mp.weixin.qq.com/s/rUtHLChANfdArR4PJ6CJ6w . |
| 6.4b Reporting of Spills (regular reporting) | Conformance | The impact assessments of the spill/leakage and remediation actions taken will be published in the annual sustainability report. No spill/leakage happens since the Entity started operation. The information is published in Section 3.9 of the Sustainability Report in 2019: https://mp.weixin.qq.com/s/rUtHLChANfdArR4PJ6CJ6w . |
| 6.5a Waste management and reporting (strategy) | Conformance | Waste management is a part of the environmental management system. The Entity implemented a waste management strategy according to the waste mitigation hierarchy, The wastes are collected and stored in the Entity. The disposal of hazardous waste is compliance with the legal compliance. |
| 6.5b Waste management and reporting (disclosure) | Conformance | The Entity publicly disclose the waste generation and disposals information on Section 3.8 of The Sustainable Report in 2019 and published on: https://mp.weixin.qq.com/s/rUtHLChANfdArR4PJ6CJ6w . |

| CRITERION | RATING | COMMENT |
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| 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. |
| 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) | Conformance | The part of dross is recycled in the melting process. The rest part is sold to the outside company for recycling, which can be used to produce Aluminium alloying ingots or other utilities, such as construction materials. |
| 6.8b Dross (recycling) | Conformance | The part of dross is recycled in the melting process. The rest part is sold to the outside company for recycling, which can be used to produce Aluminium alloying ingots or other utilities, such as construction materials. |
| 6.8c Dross (review of alternatives) | Minor Non-Conformance | The dross is sold to a supplier for recycling as aluminium alloying ingots or other utilities, such as construction materials. As per the management interview, landfilling is not allowed. However, one minor non-conformance is raised: the supplier due diligence audit for the supplier does not verify if the dross is not allowed for landfill. |

| CRITERION | RATING | COMMENT |
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| PRINCIPLE 7 WATER STEWARDSHIP | | |
| 7.1a Water assessment (mapping) | Conformance | <p>The water source is underground water, the Permit of Water Withdrawal is provided by the government agency and usage is tracked and documented.</p> <p>The Entity conducts the water-related risk analysis including water balance to identify and map its water withdrawal and use by source and type. The water consumption is not significant due to the nature of the product, production processes and the amount of underground water withdrawal.</p> <p>The water balance map is published on: https://mp.weixin.qq.com/s/c2IJcAMiRaHtjaZGQIOEUA.</p> |
| 7.1b Water assessment (risk assessment) | Conformance | <p>The Entity has conducted water risk assessment. The water risk assessment considered Entity's operational, internal and external risk in their area of influence. Due to the nature of the product, production processes and the amount of underground water withdrawal, and the Entity's sites have the water management systems in accordance with the requirements of Environment Management System, to the local water environment, the level of water-related risk is low.</p> <p>The water-related risk assessment report is published on: https://mp.weixin.qq.com/s/c2IJcAMiRaHtjaZGQIOEUA.</p> |
| 7.2a Water management (management plans) | Not Applicable | There were no identified significant water related risks in the Entity's area of influence. |
| 7.2b Water management (monitoring) | Not Applicable | There were no identified significant water related risks in the Entity's area of influence. |
| 7.3 Disclosure of water usage and risks | Conformance | <p>In accordance to the requirement of Information disclosure management procedure, the water usage and risks assessment report is published on the water-related risks assessment report, Please see https://mp.weixin.qq.com/s/c2IJcAMiRaHtjaZGQIOEUA.</p> |
| PRINCIPLE 8 BIODIVERSITY | | |
| 8.1 Biodiversity assessment | Conformance | <p>Biodiversity assessment is included in the Environmental Impact Assessment (EIA) which is mandatory legally. The risk or impact by the operation of the Entity and in its internal and external Area of Influence on biodiversity was assessed as low. The assessment involved qualified third parties and the report was approved by the local</p> |

| CRITERION | RATING | COMMENT |
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| | | Environmental Protection Bureau (EPB). Based on EIA report, the Entity compiled the ASI Biodiversity Risk Assessment Report, and published on: https://mp.weixin.qq.com/s/7OKpvCH6YY0AkoPYb-Lm5Q . |
| 8.2a Biodiversity management (biodiversity action plans) | Not Applicable | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts. |
| 8.2b Biodiversity management (consultation and mitigation hierarchy) | Not Applicable | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts. |
| 8.2c Biodiversity management (reporting) | Conformance | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts. The ASI Biodiversity Risk Assessment Report, and published on: https://mp.weixin.qq.com/s/7OKpvCH6YY0AkoPYb-Lm5Q . |
| 8.3 Alien Species | Not Applicable | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts including Alien Species. |
| 8.4a Commitment to “No Go” in World Heritage properties (exploration and new mines) | Not Applicable | This Criterion is not applicable to the Entity’s Certification Scope. |
| 8.4b Commitment to “No Go” in World Heritage properties (existing operations) | Not Applicable | This Criterion is not applicable to the Entity’s Certification Scope. |
| 8.5a Mine rehabilitation (best available techniques) | Not Applicable | This Criterion is not applicable to the Entity’s Certification Scope. |
| 8.5b Mine rehabilitation (financial provisions) | Not Applicable | This Criterion is not applicable to the Entity’s Certification Scope. |
| PRINCIPLE 9 HUMAN RIGHTS | | |
| 9.1a Human Rights Due Diligence (policy) | Conformance | The Entity has established a Human Rights Policy: https://mp.weixin.qq.com/s/PpkdGbrHKvy07SIYY9mysw . The Policy commitment to respect human rights is set up and communicated to all employees. |
| 9.1b Human Rights Due Diligence (process) | Conformance | The Entity commits to respect Human Rights. A human rights due diligence process is established and implemented. As per the risk assessment report, the risks on human rights are identified and assessed, the major risks are on supply chain, and the associated mitigation and control measures are |

| CRITERION | RATING | COMMENT |
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| | | established and implemented, such as audit on major suppliers. |
| 9.1c Human Rights Due Diligence (remediation) | Conformance | <p>As per the risk assessment report, the major risks are from supply chain. The ASI management procedures for suppliers and on-site contractors is established and implemented. The onsite audits are performed on the major suppliers to assess and control the risks & negative impacts.</p> <p>The complaint/grievance channel is established, the stakeholders including workers can use suggestion box, public email, hotline to report grievance/concerns or complain. The worker representatives can do it for workers.</p> <p>As per the audit reports of suppliers ASI audits, no adverse case is reported. No negative news on Human Rights of the Entity and its major suppliers were found on line.</p> |
| 9.2 Women's Rights | Conformance | <p>The Entity code of conduct clearly states the equality between genders and is working to raise the share of women in the workforce. Code of Conduct is linked as below:</p> <p>https://mp.weixin.qq.com/s/6yiuYOiE5G3UzamVZ2GwbQ</p> <p>The Entity implements Policies and processes to ensure respect for the rights and interests of women, consistent with international standards, including the UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW).</p> <p>Women's legal rights and interests are respected. No complaint is received on from women workers.</p> <p>Women workers know their rights.</p> |
| 9.3 Indigenous Peoples | Not Applicable | There are no Indigenous Peoples within the Entity's Area of Influence. |
| 9.4 Free, Prior, and Informed Consent (FPIC) | Not Applicable | There are no Indigenous Peoples within the Entity's Area of Influence. |
| 9.5 Cultural and sacred heritage | Not Applicable | There are no cultural and sacred heritage within the Entity's Area of Influence. |
| 9.6a Resettlements (avoid or minimise) | Not Applicable | There is no project causing resettlements in the history of the Entity. |
| 9.6b Resettlements (where unavoidable) | Not Applicable | There is no project causing resettlements in the history of the Entity. |
| 9.7a Local Communities (rights and interests) | Conformance | The Entity establishes the policy to commit to respect the legal and customary rights and interests of local |

| CRITERION | RATING | COMMENT |
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| | | <p>Communities in their lands and livelihoods and their use of natural resources.</p> <p>The Entity conducts the risk assessment on local community's rights and do the contribution to the local communities.</p> |
| 9.7b Local Communities (impacts) | Conformance | <p>The Entity identifies and assess the impact on the local communities. The control measures for the identified impact on local communities are established and implemented. No complaint from the local communities is received.</p> <p>The interviewed workers who are from local communities' state the communities get benefits from the businesses of the companies located in the area, the Entity is one of them. The Entity joins the initiative by the local government to help the poor peoples in the local communities.</p> |
| 9.7c Local Communities (livelihoods) | Conformance | <p>The Entity has a proactive approach to working with local communities and neighbourhood organizations to improve and support mutual interests. The Entity is active in community engagement at their site and at a corporate level.</p> |
| 9.8 Conflict-Affected and High-Risk Areas | Conformance | <p>The Entity makes a commitment not using conflict minerals and communicate it through the aluminium value chain. As part of the due diligence process, all suppliers are required to sign the commitment letter to promise not using the conflict mineral;</p> <p>To date, no complaint on this issue has been received.</p> |
| 9.9 Security practice | Conformance | <p>Defined in Contract signed between the Entity and the security workers, the policies and procedures state the Entity's commitment and approach to security activities that respect human rights, no body search is permitted, shall work in humane ways. The training is provided to security guards to ensure all security understands their tasks and the way to respect the human rights.</p> <p>To date, no grievance or complaint against security activities has been received.</p> |
| PRINCIPLE 10 LABOUR RIGHTS | | |
| 10.1a Freedom of Association and Right to Collective Bargaining (Freedom of Association) | Conformance | <p>There are laws that restrict Freedom of Association in China. However, the Entity demonstrates they respect the right to Freedom of Association and to Collective Bargaining. The Entity commits itself to respect the workers' rights. There are 6 elected trade union committee members including 1 woman, there</p> |

| CRITERION | RATING | COMMENT |
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| | | are 49 worker representatives including 9 women all are freely elected by workers. |
| 10.1b Freedom of Association and Right to Collective Bargaining (Collective Bargaining) | Conformance | <p>The Entity respects the rights of workers to freedom of association and collective bargaining, participate in any collective bargaining process in good faith to the extent possible under applicable law and adhere to collective bargaining agreements.</p> <p>The management demonstrate the rights of Workers to collective bargaining is respected. There is a collective bargaining agreement between the company and trade union. All terms in the collective agreement meets or beyond the local legal requirements.</p> |
| 10.1c Freedom of Association and Right to Collective Bargaining (alternative means) | Conformance | <p>There are laws that restrict Freedom of Association and Collective Bargaining in China. However, the Entity demonstrates they respect the right to freedom of association and to collective bargaining; Trade union can deal with the workers' concerns with management on behave of workers.</p> <p>The workers interviewed know how to complaint or report their concerns</p> |
| 10.2a Child Labour (minimum age) | Conformance | There is not child labour or young worker in the company. The youngest worker in the site was born on January 5, 1999, joined in on May 16, 2019. |
| 10.2b Child Labour (hazardous) | Conformance | There is not child labour or young worker in the Entity. The Entity establishes the management procedure to protection the young workers are (16 to 18 years) in compliance with the local legal requirements and not allow the young workers to work in hazardous working conditions. |
| 10.2c Child Labour (worst forms) | Conformance | <p>Child labour is prohibited in China. The Entity commits itself - and expects its suppliers - to comply with the prohibition of child labour. There is not child labour or young workers in the Entity.</p> <p>The Entity communicates the requirement to the workers and its suppliers to ensure the legal requirements on child labour and young workers are followed internally and on the supply chain.</p> |
| 10.3a Forced Labour (Human trafficking) | Conformance | <p>The Entity commits itself - and expects its suppliers - to comply with the prohibition of forced labour, slavery and human trafficking.</p> <p>The Entity communicates the workers and suppliers on this issue to guarantee no forced labour occurring internally and in the supply chain.</p> <p>No case of human trafficking has been reported.</p> |

| CRITERION | RATING | COMMENT |
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| 10.3b Forced Labour (deposits, fees, advances) | Conformance | The Entity is not involved in forced labour. It is verified by worker & management interview and reviewing pay rolls, all employees, direct and dispatch, are not required any form of deposit; recruitment fee or equipment at the any stages of the employment. |
| 10.3c Forced Labour (migrant workers) | Conformance | No foreign migrant workers in the company, all workers are Chinese. |
| 10.3d Forced Labour (debt bondage) | Conformance | The Entity prohibits any form of forced labour, does not provide any forms of loans to workers. In the labour contracts signed between the Entity and workers, between the labour agency and workers, no term of Debt Bondage is found. The pay slips of workers indicate there is not illegal deduction. |
| 10.3e Forced Labour (freedom of movement) | Conformance | The Entity is not involved in forced labour. There is no restriction of workers' freedom of movement at the site. Workers are free to leave the factory when not engaged in work; Workers move freely when needed to access basic liberties, such as go to toilet, drink water. They can go to external medical facilities when they are feeling unwell. |
| 10.3f Forced Labour (retention of identity papers, permits, certificates) | Conformance | The Entity is not involved in forced labour. There is no retention of original documents of workers, only copies of original documents are kept in workers' personal files. |
| 10.3g Forced Labour (freedom to terminate employment) | Conformance | The Entity is not involved in forced labour. The signed labour contracts do not contain language to limit the workers' ability to voluntarily terminate their employment. The Workers know their rights to terminate their employment without penalty, the required notice time for terminating the employment is in compliance with the Labour Contract Law: 30 days in advance or three days in the period of probation. The resigned Workers get their wages without delay. |
| 10.4 Non-Discrimination | Conformance | The Entity is committed to non-discrimination. No case of discrimination is received. The recruitment advertisement, the training plan indicate the decisions are solely based on the candidate's ability to perform the job's requirements rather than other personal characteristics. The interviewed workers confirms they feel equal in the company. |
| 10.5 Communication and engagement | Conformance | Direct and frequent communication with the workers and the worker representatives is established. The |

| CRITERION | RATING | COMMENT |
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| | | communication channels are announced to Workers, Workers can complain and raise their concerns regarding working conditions and resolution of workplace and compensation issues, without threat of reprisal, intimidation or harassment. |
| 10.6 Disciplinary practices | Conformance | The Entity respects its employees, disciplinary measures are in compliance with legal requirements and require the confirmation of involved worker. The Entity does not engage in nor tolerate the use of corporal punishment, mental or physical coercion, harassment, and gender-based violence including sexual harassment, or verbal abuse of Workers. A written procedure is established to prohibit any forms of sexual harassment or abuse, corporal punishment, mental or physical coercion, verbal abuse or intimidation is prohibited. The disciplinary measures are approved in the trade union meeting, compliance with legal requirements and require the confirmation of involved worker. |
| 10.7a Remuneration (living wage) | Minor Non-Conformance | The wage structure is clearly defined, the basic wage meets the legal minimum wage. The total payment meets the workers' basic need. However, two minor non-conformances are issued related to overtime wages and social insurance contribution base. |
| 10.7b Remuneration (method of payment) | Conformance | Wages payment is documented and timely paid to all workers by bank transfer on the 30 th of the following month. The detailed information of wages, allowance, overtime work compensation, deduction is available on payslip. |
| 10.8 Working Time | Conformance | Working hours are recorded by finger-scanning meter. The regular working time is 40 hours a week, 5 days. For workers at workshop, there are 4 groups for 3 shifts. For office staff, only one shift. Working hours are monitored control, the monthly overtime working hours do not exceed the legal monthly limit, at least one day off in a week is guaranteed. |

PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY

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| 11.1a Occupational Health and Safety (OH&S) Policy (Policy) | Conformance | The Entity establishes the occupational health and safety management system against OHSAS 18001:2007. In compliance with the management system requirements, the Occupational Health and Safety Policy is implemented, reviewed periodically and communicated with stakeholders. The policy can be available on: https://mp.weixin.qq.com/s/PpkdGbrHKvy07SIYY9mySW . |
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| 11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors) | Conformance | The Health & Safety Policy is applied to workers and visitors in compliance with the legal requirements and the requirements of OHSAS 18001:2007 |
| 11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards) | Conformance | The Health & Safety Policy includes commitment to comply with the legal requirements and other requirements. Systems exist to identify all applicable legal requirements and other requirements and evaluate the legal compliance in accordance to the requirements of OHSAS 18001:2007. |
| 11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work) | Conformance | OH&S policy has commitment to prevent workers from injury and health harm at the workplace. Worker are provided the training courses to understand the hazards, OH&S risks and actions determined that are relevant to them and All workers are aware of their right to refuse the unsafe work without undue consequences for doing so. |
| 11.2 OH&S Management System | Conformance | The site has implemented a documented OHSAS 18001:2007 Management system and holds a valid OHSAS 18001:2007 Certificate. The valid status of the OHSAS 18001:2017 certificate can be verified at www.cnca.org.cn . (Website of Certification and Accreditation Administration of China). |
| 11.3 Employee engagement on health and safety | Conformance | The Entity has a system of workers' consultation and participation in health & safety in accordance to the requirements of OHSAS 18001:2007. The workers are encouraged to report their concerns or advices on OH&S issues by themselves or by the worker representative, the management responds the concerns and advices on OH&S issues from workers. |
| 11.4 OH&S performance | Minor Non-Conformance | Health and Safety targets and improvements are set up and documented in Occupational Health and Safety Program. The implementation plans are established and implemented. However, one minor non-conformance is raised: the radioactivity level of the workstation where the X-ray thickness meter is used was not monitored in 2019. |

Document Control and Version History

| Revision | Date | Notes |
|----------|-----------------|-----------------------------|
| 0 | 18 January 2021 | Initial Certification Audit |