
ASI CERTIFICATION
PERFORMANCE
STANDARD



PRESENTED TO

**LIZHONG SITONG
LIGHT ALLOYS
GROUP CO., LTD.**

CERTIFICATE
NUMBER

166

ASI
STANDARD

PERFORMANCE
STANDARD
(V2 2017)

CERTIFICATION
LEVEL

FULL
CERTIFICATION

ASI
ACCREDITED
AUDITOR

TÜV
RHEINLAND
CERT GmbH

DATE OF ISSUE

10 DECEMBER 2021

DATE OF EXPIRY

9 DECEMBER 2024

CERTIFIED SINCE

10 DECEMBER 2021

AUTHORISED BY

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

Aluminium Stewardship Initiative Ltd
ACN 606 661 125, Australia
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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

Design and manufacture of Aluminium based master alloy, Copper based master alloy, special alloy, metal additives and fluxes in the Lizhong Sitong Light Alloys Group facility in Baoding City, Hebei Province, China.

SUMMARY AUDIT REPORT

PERFORMANCE STANDARD

OVERVIEW

| | |
|-------------------------|---|
| MEMBER NAME | Lizhong Sitong Light Alloys Group Co., Ltd. |
| ENTITY NAME | Lizhong Sitong Light Alloys Group Co., Ltd. |
| CERTIFICATION SCOPE | Design and manufacture of Aluminium based master alloy, Copper based master alloy, special alloy, metal additives and fluxes in the Lizhong Sitong Light Alloys Group facility in Baoding City, Hebei Province, China. |
| SUPPLY CHAIN ACTIVITIES | <ul style="list-style-type: none">Aluminium Re-melting/ RefiningCasthousesMaterial 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 (10 – 11 June 2019) |
| AUDIT FIRM | TÜV Rheinland Cert GmbH |
| AUDIT DATE | <ul style="list-style-type: none">9 September - 10 September 2021 |
| AUDIT REPORT SUBMISSION | <ul style="list-style-type: none">8 November 2021 |
| AUDIT SCOPE | <p>The audit scope covers Lizhong Sitong Light Alloys Group Co., Ltd. (China), including the design and manufacture of Aluminium based master alloy, Copper based master alloy, special alloy, metal additives and fluxes.</p> <p>The supply chain activities included in the audit scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/ RefiningCasthousesMaterial Conversion (Production and Transformation) <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p> |
| 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

10 December 2021 – 9 December 2024

NEXT AUDIT
TYPE

Surveillance Audit

NEXT AUDIT
DUE DATE

9 June 2023

CERTIFICATE
NUMBER

166

SUMMARY OF FINDINGS

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| PRINCIPLE 1 BUSINESS INTEGRITY | | |
| 1.1 Legal Compliance | Conformance | The Entity has established a procedure to collect the applicable legal law/regulation and the Legal, EHS and Management Departments are charged with the collection and assessment, at least once per quarter, of the Applicable Law covering labor, ethics, health and safety and environment. A qualified law party is engaged by the Entity to assess and control the legal law/regulation risks. |
| 1.2 Anti-Corruption | Conformance | A business ethics policy/procedure is established, including Extortion and Bribery, and training is properly provided to employees. The ethics reporting channel is included in the 2020 Sustainability Report, and public on the Entity's website: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf The Due Diligence investigation determined the high-risk Departments in the Entity, including purchasing, sales, quality and warehouse and all staff in these departments have signed the Honest Commitment Letter. |
| 1.3 Code of Conduct | Conformance | The Entity has established a Code of Conduct consistent with the ASI Performance Standard, and provides regular training to Workers. The Entity has communicated the Code of Conduct to their suppliers who have subsequently signed an ASI Performance Standard Commitment Letter. The ASI Code of Conduct is included in the 2020 Sustainability Report, available on the Entity's website: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf |
| PRINCIPLE 2 POLICY & MANAGEMENT | | |
| 2.1a Environmental, Social, and Governance Policy (implement and maintain) | Conformance | The Entity has established a management system and Policy on environmental, social and governance compliance. The Entity's ASI Management System Policy is included in 2020 Sustainability Report, and public on the Entity's website: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf |

| CRITERION | RATING | COMMENT |
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| 2.1b Environmental, Social, and Governance Policy (senior management) | Conformance | Strong commitment to implement the ASI Management System Policy is established by the top management team of the Entity. The effectiveness of the system is reviewed during the annual management reviews. |
| 2.1c Environmental, Social, and Governance Policy (communication) | Conformance | The Policies are available for internal and external stakeholders through training, posts on-site and are publicly available on the Entity's website: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf |
| 2.2 Leadership | Conformance | The Quality Department Manager has been appointed as Management Representative to ensure that the social, environmental and governance requirements of the ASI Performance Standard are reflected in the Entity. The authority and responsibilities of this role are defined in the appointment letter. An ASI team has also been established to support the implementation of the Entity's ASI Management System. |
| 2.3a Environmental and Social Management Systems (environmental) | Conformance | An Environmental Management System has been established and implemented. |
| 2.3b Environmental and Social Management Systems (social) | Conformance | The Entity has established an ASI Management System, which includes the Social Management System. Internal audits and management reviews are conducted annually to ensure the effectiveness of the ASI Management System. |
| 2.4 Responsible Sourcing | Conformance | The Entity is committed to responsible sourcing. Responsible sourcing is implemented through the supplier signed ASI Commitment Letters, supplier assessments and emphasizing to suppliers the implementation of the ASI Performance Standard. the Responsible Sourcing Policy is publicly available on the Entity's website: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf Due Diligence investigation reports and supplier audit reports were provided for review. |
| 2.5 Impact Assessments | Conformance | The Entity has assessed impacts regarding environment, health and safety, social responsibilities and communities regularly. The Entity will assess the impact regarding environment, health and safety, social responsibilities and communities for future new projects or major changes at the Entity. |

| CRITERION | RATING | COMMENT |
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| 2.6 Emergency Response Plan | Conformance | In collaboration with potentially affected stakeholder groups, the Emergency Response Plans have been established and implemented and training is provided periodically. |
| 2.7 Mergers and Acquisitions | Conformance | The Entity has established a merger or acquisition control procedure, including a Due Diligence process. In the past three years, no merger or acquisition activity has occurred at the Entity. |
| 2.8 Closure, Decommissioning and Divestment | Conformance | The Entity has established a closures, decommissioning and divestment control procedure in accordance to the requirement of the ASI Performance Standard. No such activity has occurred since the ASI Management System commenced operation or in the past three years. |
| PRINCIPLE 3 TRANSPARENCY | | |
| 3.1 Sustainability Reporting | Conformance | The Sustainability Report is published on the Entity's official website: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf |
| 3.2 Non-compliance and liabilities | Conformance | The Entity provides information on non-compliance and liabilities. The non-compliance issues are public on the website: https://www.qcc.com/cfengxian/53ed01fb7349a1cd2cb3be02754531c3.html and in the Sustainability Report: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf There were no fines or other non-compliance issues in the past three years. |
| 3.3a Payments to governments (legal and contractual) | Conformance | As per the qualified third party financial audit report 2020, payments to government by the Entity are only those legally required; and there is no other payment, public on this website: http://www.cninfo.com.cn/new/disclosure/detail?orgId=9900023052&announcementId=1209796480&announcementTime=2021-04-26 The Entity has disclosed the payments to governments in the Sustainability Report: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf |
| 3.3b Payments to governments (disclosure – bauxite mining) | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |

| CRITERION | RATING | COMMENT |
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| 3.4 Stakeholder complaints, grievances and requests for information | Conformance | The Entity has developed and implemented policies, systems, procedures and processes that conform to the stakeholder complaints, grievances and requests for information requirements. The Entity's Management System tracks requests and complaints from stakeholders and has an appropriate Complaints Resolution Mechanism. The communication channels (telephone/email) are public to internal and external stakeholders, which are included in the Sustainability Report: http://www.stnm.com.cn/keditor/attached/file/20210908/20210908091839_12480.pdf |
| PRINCIPLE 4 MATERIAL STEWARDSHIP | | |
| 4.1a Environmental Life Cycle Assessment (life cycle impacts) | Conformance | An Environmental Life Cycle Assessment (LCA) is conducted and documented for all products. The LCA is cradle-to-gate, where the impact of the various production stages and end-of-life recycling is assessed. The environmental Life Cycle Assessment is included in the Sustainability Report. |
| 4.1b Environmental Life Cycle Assessment (cradle to gate) | Conformance | The Entity has provided adequate cradle-to-gate Life Cycle Assessment (LCA) information on its aluminium products covering all production processes and main supporting activities, such as melting, energy, transportation, recycling and waste disposition. The environmental Life Cycle Assessment report can be provided by external communication upon requested. As interviews and document review indicated, there have been no requests to date. |
| 4.1c Environmental Life Cycle Assessment (public communication) | Conformance | The Sustainable Development report including the environmental Life Cycle Assessment is published on the official website of the Entity: http://www.stnm.com.cn/gsxw/n1774.html The LCA management of information disclosure procedure defines how to communicate with the customer. |
| 4.2 Product design | Conformance | The Entity integrates relevant objectives in the design and development process for products to enhance sustainability, including the environmental life cycle impacts of the products. The target for these relevant aspects is defined annually and monitored monthly. |
| 4.3a Aluminium Process Scrap (targets) | Conformance | The Entity has a Process Scrap target of 100% recycled, as defined in the waste/scrap management procedure. The Entity collects all |

| CRITERION | RATING | COMMENT |
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| | | <p>Process Scrap generated in its operation, recycles the raw material in the melting process and records the amount in the daily summary report of Process Scrap. Site observations confirm that this procedure is well implemented. Information on Process Scrap is available in the Sustainability Report:</p> <p>http://www.stnm.com.cn/gsxw/n1774.html</p> |
| 4.3b Aluminium Process Scrap (alloy separation) | Conformance | <p>Product component control is one of the requirements of the Quality Management System. The Process Scrap is identified with a unique batch number for traceability and alloy separation. The management interview and site observation indicated that the Entity implements 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>Due to the absence of local, regional or national collection and recycling systems for aluminium scrap in China, the Entity does not collect and recycle the products at end-of-life currently. The Entity has informed its clients about the possibility to influence the recycling rate through product design and additional information on the product.</p> |
| 4.4b Collection and recycling of products at end-of-life (engagement) | Conformance | <p>Due to the absence of local, regional or national collection and recycling systems for aluminium scrap in China, the Entity does not collect and recycle the products at end-of-life currently. The Entity has a formal policy and procedures for internal recycling. The Entity has a clear target for the rate of recycled aluminium in final products.</p> |
| 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. The energy consumption is monitored and documented as one of main GHG emission sources, as well as 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 is published on:</p> <p>http://www.stnm.com.cn/gsxw/n1774.html</p> |
| 5.2 GHG emissions reductions | Conformance | <p>The Entity has established a GHG emission reduction target for 2021 to reduce GHG emissions by 0.5% per ton of product, compared</p> |

| CRITERION | RATING | COMMENT |
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| | | 2020 levels. The implementation plan for the reduction target is established accordingly. The targets and the associated implementation plan are published at: http://www.stnm.com.cn/gsxw/n1774.html |
| 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 Entity's air emissions are quantified in the Environmental Impact Assessment report. Treatment facilities are used. Emissions to Air are monitored quarterly, and meets the local legal emission limit. |
| 6.2 Discharges to Water | Conformance | The Entity has established a wastewater inventory to control the Discharges to Water. Industrial wastewater is collected as hazardous waste and transferred by a qualified third party. Domestic wastewater is discharged to the local municipal system after pre-treated in the internal wastewater plant. A qualified third party monitors final wastewater outlets annually. There was no punishment by the local bureau or negative disclosure by any other party identified during the audit. |
| 6.3a Assessment and Management of Spills and Leakage (assessment) | Conformance | A qualified third party has assessed the Spills and Leakage at the Entity and established Emergency Response Plans. The plans have been approved by local bureau. The assessment reports cover all the potential risks. |
| 6.3b Assessment and Management of Spills and Leakage (management) | Conformance | A qualified third party has assessed the Spills and Leakage at the Entity and established Emergency Response Plans (ERP). The plans have been approved by the local bureau. Annual emergency drill plans are included in the ERP. During the site observation, adequate and effective control measures were implemented for all the potential risks. |
| 6.4a Reporting of Spills (immediate disclosure) | Conformance | Reporting of Spills and Leakages is defined in the management of information disclosure procedure. |

| CRITERION | RATING | COMMENT |
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| | | There has been no Spill since the Entity commenced operations. The information is published in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 6.4b Reporting of Spills (regular reporting) | Conformance | An impact assessment of the any Spills and the associated remediation actions will be published in the annual sustainability report. There has been no Spills since the Entity commenced operations. The information is published in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 6.5a Waste management and reporting (strategy) | Conformance | Waste management is part of the Environmental Management System. The Entity implemented a waste management strategy according to the Waste Mitigation Hierarchy, Waste is collected and stored at the Entity. The disposal of Hazardous Waste is compliant with the legal requirements. |
| 6.5b Waste management and reporting (disclosure) | Conformance | The Entity publicly discloses the waste generation and disposal information in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 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. |

| CRITERION | RATING | COMMENT |
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| 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 | Part of the Dross is recycled in the melting process. The remaining Dross is sold to an external company for recycling, which can be used to produce Aluminium alloying ingots or other utilities, such as construction materials. |
| 6.8b Dross (recycling) | Conformance | Part of the Dross is recycled in the melting process. The remaining Dross is sold to an external 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) | Conformance | The Entity reviews its dross recycling management and the Dross residue is recycled by an external company. The Entity conducts an annual onsite audit on the disposal of Dross, to ensure there is no landfilling of Dross residue. |
| PRINCIPLE 7 WATER STEWARDSHIP | | |
| 7.1a Water assessment (mapping) | Conformance | The water source is municipal water. The Entity has conducted a 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 municipal water withdrawal. The water balance map is published in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 7.1b Water assessment (risk assessment) | Conformance | The Entity has conducted a water risk assessment. The water risk assessment considered the Entity's operational, internal and external risks in the Area of Influence. Due to the nature of the product, production processes and the amount of municipal water withdrawal, and the Entity's water management systems the level of water-related risk is low. The water-related risk assessment report is published in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 7.2a Water management (management plans) | Not Applicable | There are no identified significant water related risks in the Entity's Area of Influence. |

| CRITERION | RATING | COMMENT |
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| 7.2b Water management (monitoring) | Not Applicable | There are no identified significant water related risks in the Entity's Area of Influence. |
| 7.3 Disclosure of water usage and risks | Conformance | Water usage and risks are published in the water-related risks assessment report and included in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| PRINCIPLE 8 BIODIVERSITY | | |
| 8.1 Biodiversity assessment | Conformance | The biodiversity assessment is included in the Environmental Impact Assessment (EIA) which is a mandatory legal requirement. The risk and impacts on biodiversity from the Entity's operations in the Entity's Area of Influence was assessed as low. The assessment involved qualified third parties and the report was approved by the local Environmental Protection Bureau. The Entity compiled the biodiversity risk assessment report and it is included in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 8.2a Biodiversity management (biodiversity action plans) | Not Applicable | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts. |
| 8.2b Biodiversity management (consultation and mitigation hierarchy) | Not Applicable | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts. |
| 8.2c Biodiversity management (reporting) | Not Applicable | The outcome of the biodiversity risk assessment did not identify significant biodiversity impacts. The biodiversity risk assessment is published in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 8.3 Alien Species | Conformance | 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. |

| CRITERION | RATING | COMMENT |
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| PRINCIPLE 9 HUMAN RIGHTS | | |
| 9.1a Human Rights Due Diligence (policy) | Conformance | The Entity has established its Policy and procedure in compliance with Human Rights in the ASI Management Manual. The Entity identifies the risk of Human Rights and provides training for all employees. |
| 9.1b Human Rights Due Diligence (process) | Conformance | The Entity has established a procedure to conduct a Human Rights Due Diligence. The Human Rights Due Diligence covers the internal Entity, suppliers and communities, and relevant reports were provided for review. |
| 9.1c Human Rights Due Diligence (remediation) | Conformance | The Entity has established a complaints/grievance channel for stakeholders. However, no adverse impact has been reported and no remediation has been required. |
| 9.2 Women's Rights | Conformance | Women's rights and interests are respected. The Entity has identified legal rights for women and implemented control measures to ensure these are met, such as providing sufficient protection to pregnant workers and nursing mothers. |
| 9.3 Indigenous Peoples | Not Applicable | There are no Indigenous Peoples in the area where the Entity operates. |
| 9.4 Free, Prior, and Informed Consent (FPIC) | Not Applicable | There are no Indigenous Peoples in the area where the Entity operates. |
| 9.5 Cultural and sacred heritage | Conformance | As confirmed in the Environmental Impact Assessment report, no cultural and sacred heritage is affected by the Entity. |
| 9.6a Resettlements (avoid or minimise) | Conformance | As confirmed in the Environmental Impact Assessment report, no Resettlement has been necessary. |
| 9.6b Resettlements (where unavoidable) | Conformance | As confirmed in the Environmental Impact Assessment report, no Resettlement has been necessary. |
| 9.7a Local Communities (rights and interests) | Conformance | The Entity has established an ASI Management Manual, which includes commitment to respect the legal and customary rights and interests of local Communities in their lands and livelihoods and their use of natural resources. |
| 9.7b Local Communities (impacts) | Conformance | The Entity is in industrial park, and the nearest Communities are 1.5km away. The majority of the Entity's employees are from the local area. The |

| CRITERION | RATING | COMMENT |
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| | | Environmental Impact Assessment report indicates that the Entity has installed environmental protection devices, such as air emission treatment facilities, to reduce the impact of air emissions and boundary noise on the surrounding Communities. |
| 9.7c Local Communities (livelihoods) | Conformance | The Entity employs 95% of its Workers from the local Communities. The Entity has established a plan to support the surrounding Communities, such as providing job opportunities to some disabled workers, donating to the local Communities and a Social Assistance Foundation was also established in September 2020. |
| 9.8 Conflict-Affected and High-Risk Areas | Conformance | The Entity has established an ASI Management Manual, which includes the commitment to not contribute to armed conflict or Human Rights abuses in Conflict-Affected and High-Risk Areas. Through internal investigation and Due Diligence investigation reports, as well as the supplier signed commitments, it is evident that no material comes from Conflict-Affected and High-Risk Areas. |
| 9.9 Security practice | Conformance | Security at the Entity is provided by the parent company. The Entity has established an ASI Manual and Security Code of Conduct to respect Human Rights. All security staff are trained on the Human Rights policy and procedure, which includes anti-harassment, anti-abuse and anti-forced labor. All the security practices respect Human Rights. |
| PRINCIPLE 10 LABOUR RIGHTS | | |
| 10.1a Freedom of Association and Right to Collective Bargaining (freedom of association) | Conformance | There are laws that restrict freedom of association in China. However, the Entity commits itself to respect the Workers' Rights. There are nine elected Worker representatives and Association for Workers was established in the Entity. |
| 10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining) | Conformance | There are laws that restrict collective bargaining in China. However, the Entity respects the rights of Workers to participate in any collective bargaining process. |
| 10.1c Freedom of Association and Right to Collective Bargaining (alternative means) | Conformance | Workers' representatives can deal with the Workers' concerns with management on behalf of Workers. |
| 10.2a Child Labour (minimum age) | Conformance | As evidenced by the review of the roster, personnel files and workers interviews, the Entity |

| CRITERION | RATING | COMMENT |
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| | | does not use Child Labour (below 16 years old) or young Workers (16 to 18 years). |
| 10.2b Child Labour (hazardous) | Conformance | As evidenced by the review of the roster, personnel files and workers interviews, the Entity does not use Child Labour (under 16 years old) or young Workers (16 to 18 years). If young Workers were to be used, they are under special protection and not allowed to work in Hazardous working environments. |
| 10.2c Child Labour (worst forms) | Conformance | As evidenced by the review of the roster, personnel files and workers interviews, the Entity does not use Child Labour (under 16 years old) or young Workers (16 to 18 years). If young Workers were to be used, they are under special protection and are not allowed to work in Hazardous working environments. The Entity commits itself and expects its suppliers to comply with the prohibition of Child Labour. |
| 10.3a Forced Labour (human trafficking) | Conformance | The Entity has established an ASI Management Manual, and commits itself and expects its suppliers to comply with the prohibition of Forced Labour, slavery and Human Trafficking. Forced Labour was not found in the Entity. |
| 10.3b Forced Labour (deposits, fees, advances) | Conformance | The Entity has established an ASI Management Manual to ensure it is not involved in Forced Labour. All employees are employed directly, and no deposits, fees or advances are required from employees. |
| 10.3c Forced Labour (migrant workers) | Conformance | The Entity has established an ASI Management Manual and procedure to ensure it is not involved in Forced Labour. No foreign Migrant Workers are used by the Entity, all Workers are Chinese, and the Entity does not hold Workers in Debt Bondage nor force them to work in order to pay off a debt. |
| 10.3d Forced Labour (debt bondage) | Conformance | The Entity has established an ASI Management Manual and procedure to ensure it is not involved in Forced Labour. No deposits or security payments are permitted. |
| 10.3e Forced Labour (freedom of movement) | Conformance | The Entity has established an ASI Management Manual and procedure to ensure it is not involved in Forced Labour. There is no restriction to the movement of Workers at the site. |

| CRITERION | RATING | COMMENT |
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| 10.3f Forced Labour (retention of identity papers, permits, certificates) | Conformance | The Entity has established an ASI Management Manual and procedure to ensure it is not involved in Forced Labour. The Entity does not hold original documents, passport or permits, only copies of identification in the personnel files. |
| 10.3g Forced Labour (freedom to terminate employment) | Conformance | The Entity has established an ASI Management Manual and procedure to ensure it is not involved in Forced Labour. The time for announced termination is regulated in the labor contract. |
| 10.4 Non-Discrimination | Conformance | The Entity has established a policy/procedure on Anti-Discrimination, including in the employment, promotion and training processes. There are 136 disabled workers hired by the Entity, with the same payment as other workers. |
| 10.5 Communication and engagement | Conformance | The Entity encourages Workers to participate in the ASI Management System, and direct and frequent communication with Workers and the representatives of the Worker council is established. Worker interviews indicated a positive working environment with direct communication. |
| 10.6 Disciplinary practices | Conformance | As per the ASI Management Manual, the Entity does not tolerate any form of punishment and harassment. It requires its suppliers to comply with the policy/procedure. Disciplinary measures are regulated by law and require written evidence and the involvement of Worker representation. Disciplinary records must be confirmed by workers and management. |
| 10.7a Remuneration (living wage) | Conformance | Wages are in compliance with the legal standard, and meets the basic needs of Workers. All the employees are enrolled in the social insurance housing fund. |
| 10.7b Remuneration (method of payment) | Conformance | As per the payroll records, payments are documented and paid to Workers on 20th of each month into the employees' bank accounts according to contract and legal law. There was no evidence of delayed payment in the past 12 months. |
| 10.8 Working Time | Minor Non-Conformance | The Entity has established a procedure to provide paid annual leave, sick leave, marriage leave, and maternity leave to Workers. Working hours are recorded and monitored. The weekly working hours and rest days do not exceed the legal requirements or industry standards. However, 22 |

| CRITERION | RATING | COMMENT |
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| | | out of 75 sampled Workers' monthly Overtime hours exceeded the maximum monthly Overtime hours. |
| PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY | | |
| 11.1a Occupational Health and Safety (OH&S) Policy (policy) | Conformance | The Entity has an Occupational Health and Safety Management System certified to ISO 45001:2018. In compliance with the management system requirements, the Occupational Health and Safety Policy is implemented, reviewed periodically and communicated to stakeholders. The Policy is available in the Sustainability Report: http://www.stnm.com.cn/gsxw/n1774.html |
| 11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors) | Conformance | The Occupational Health and Safety Policy is applied to Workers and Visitors in compliance with the legal requirements and the requirements of ISO 45001:2018. |
| 11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards) | Conformance | The Occupational Health and 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 with the requirements of ISO 45001:2018. |
| 11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work) | Conformance | The OH&S Policy includes a commitment to prevent Workers from injury and harm in the workplace. Workers are provided with the training courses to understand the hazards, OH&S risks and the safe practices and actions relevant to their work, and all Workers are made aware of their right to refuse unsafe work without undue consequences for doing so. |
| 11.2 OH&S Management System | Conformance | The Entity has implemented a documented ISO 45001:2018 Management System and holds a valid ISO 45001:2018 certificate issued by SGS. The ISO 45001:2018 certificate is valid to 15 December 2022. |
| 11.3 Employee engagement on health and safety | Conformance | The Entity has a system of Workers' consultation and participation in health and safety in accordance with the requirements of ISO 45001:2018. The Workers are encouraged to report their concerns or advice on OH&S issues by themselves or via the Worker representative, and Management responds to the concerns and advice. |

| CRITERION | RATING | COMMENT |
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| 11.4 OH&S performance | Conformance | Health and Safety targets and improvements are established and documented in the Occupational Health and Safety Program. The OH&S performance is tracked monthly to ensure full compliance. |

Document Control and Version History

| Revision | Date | Notes |
|----------|------------------|--|
| 0 | 10 December 2021 | Initial Certification Audit - Full Certification |