

# ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

## Weihai Haixin New Material Co., Ltd. & Weihai Chenxin New Material Co., Ltd.

CERTIFICATE NUMBER

343

ASI STANDARD

PERFORMANCE  
STANDARD  
(V3 2022)

CERTIFICATION LEVEL

FULL  
CERTIFICATION

ASI ACCREDITED  
AUDITING FIRM

DNV BUSINESS  
ASSURANCE  
SERVICES UK LTD.

DATE OF ISSUE

15 DECEMBER 2023

DATE OF EXPIRY

14 DECEMBER 2026

CERTIFIED SINCE

15 DECEMBER 2023

### AUTHORISED BY

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

Aluminium Stewardship Initiative Ltd  
ACN 606 661 125, Australia  
[info@aluminium-stewardship.org](mailto: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](http://www.aluminium-stewardship.org)*

### CERTIFICATION SCOPE

Weihai Haixin New Material Co., Ltd.  
(China) designs and produces  
aluminium and aluminium alloy  
high-precision plates, belts and foil.

Weihai Chenxin New Material Co.,  
Ltd. (China) designs and produces  
aluminium and aluminium alloy  
high-precision foil.

# AUDIT REPORT PERFORMANCE STANDARD

## OVERVIEW

MEMBER NAME	China Hongqiao Group Co., Ltd.
ENTITY NAME	Weihai Haixin New Material Co., Ltd. & Weihai Chenxin New Material Co., Ltd.
CERTIFICATION SCOPE	Weihai Haixin New Material Co., Ltd. (China) designs and produces aluminium and aluminium alloy high-precision plates, belts and foil.  Weihai Chenxin New Material Co., Ltd. (China) designs and produces aluminium and aluminium alloy high-precision foil.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none"><li>• Semi-Fabrication</li></ul>
ASI STANDARD	<ul style="list-style-type: none"><li>• Performance Standard V3</li></ul>
AUDIT TYPE	<ul style="list-style-type: none"><li>• Initial Certification Audit</li></ul>
AUDIT FIRM	DNV Business Assurance Services UK Ltd.
AUDIT DATE	<ul style="list-style-type: none"><li>• 16 -17 October 2023</li></ul>
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none"><li>• 25 November 2023</li></ul>
AUDIT SCOPE	<p>The audit scope covers Weihai Haixin New Material Co., Ltd. (China) and Weihai Chenxin New Material Co., Ltd. (China) facilities for production of aluminium and aluminium alloy products.</p> <p>Supply chain activities included in the audit scope:</p> <ul style="list-style-type: none"><li>• Semi-Fabrication</li></ul> <p>All applicable criteria in the ASI Performance Standard were included in the audit scope.</p>
AUDIT OUTCOME	<ul style="list-style-type: none"><li>• Certification</li></ul>
AUDIT METHODOLOGY DECLARATION	<p>The Auditors confirm that:</p> <ul style="list-style-type: none"><li><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.</li><li><input checked="" type="checkbox"/> The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.</li><li><input checked="" type="checkbox"/> 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.</li><li><input checked="" type="checkbox"/> The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.</li></ul>

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CERTIFICATION PERIOD	15 December 2023 – 14 December 2026
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NEXT AUDIT TYPE	Surveillance Audit
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NEXT AUDIT DATE	15 December 2025
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CERTIFICATE NUMBER	343
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If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://aluminium-stewardship.ethicspoint.com/>

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

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

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## ENTITY OVERVIEW

Weihai Haixin New Material Co, Ltd. and Weihai Chenxin New Material Co, Ltd. are subsidiaries of China Hongqiao Group Co, Ltd, an ASI Member. Both companies are located in Shandong, China.

Weihai Haixin New Material Co, Ltd. specialises in the design and production of high-precision plates, belts, and foils made from aluminium and aluminium alloys. This facility currently employs over 230 employees. Weihai Chenxin New Material Co, Ltd. mainly focuses on designing and producing high-precision foils made of aluminium and aluminium alloys. This facility currently employs approximately 115 employees.

## MATURITY RATINGS

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

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

	GOVERNANCE	ENVIRONMENT	SOCIAL	COMBINED RATING
<b>SYSTEMS</b>	Medium	Medium	Medium	Medium
<b>RISKS</b>	Medium	Medium	Medium	Medium
<b>PERFORMANCE</b>	Medium	Medium	Medium	Medium
<b>OVERALL</b>	Medium			

## FINDINGS

CRITERION	RATING	COMMENT
<b>1. BUSINESS INTEGRITY</b>		
1.1 Legal Compliance	Conformance	The Entity has developed and implemented Policies, systems, procedures, and processes to comply with the legal requirements. The legal compliance department is responsible for the implementation of Applicable Law, regulations and other requirements within the organisation and conducts legal compliance reviews annually. The Entity has fully identified all relevant Applicable Law, regulations and other requirements, including customer requirements. There are no significant non-compliance issues.
1.2 Anti-Corruption	Conformance	The Entity has established Policies and processes including the Management Procedure of Anti-Corruption to identify and prevent Corruption. The Entity works against Corruption in all its forms, including extortion and Bribery, consistent with Applicable Laws and prevailing standards. As per the registers of misconduct and periodical internal control audit reports, there was no Corruption case reported in 2022 and 2023.
1.3a-e Code of Conduct	Conformance	The Entity has implemented a Code of Conduct which includes principles relevant to environmental, social and governance performance. All employees are provided with the training course on the Code of Conduct. The Code of Conduct is reviewed as part of the annual management review meeting. The Code of Conduct is published on the official website of the Entity's mother company Hongqiao Group, pages 3-7: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
<b>2. POLICY AND MANAGEMENT</b>		
2.1a-f Environmental, Social, and Governance Policy	Conformance	The Management Policy is consistent with the environmental, social, and governance practices. The Policy is communicated to all employees internally and publicly disclosed in the ASI Information Disclosure document, pages 15-17: <a href="https://www.hongqiaochina.com/responsibility/notice.html">https://www.hongqiaochina.com/responsibility/notice.html</a>  The Entity will review the Policy annually and as any changes to the Business occur that bring about significant changes in environmental, social and governance risks, or there are indications of control deficiencies.
2.2a-c Leadership	Conformance	A member of the Entity's management team has been appointed as the ASI Management Representative and is responsible for the establishment and implementation of the ASI Standards within the Entity. The Management Representative is responsible for communicating ASI Policies within the Entity. A cross-departmental ASI working group has also been established to implement the ASI Standards within the Entity, ASI Policies and management procedures are communicated to all employees through various training courses.
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.

CRITERION	RATING	COMMENT
2.3b Environmental and Social Management Systems – Social	Conformance	The Entity has established and implemented a Social Management System. For Human Rights and Labour Rights, the Entity has established documented management procedures to implement the requirements in the ASI Performance Standard. The Entity holds a valid ISO 45001:2018 certificate for its Occupational Health and Safety Management System
2.4a-e Responsible Sourcing	Conformance	The Entity has developed and implemented Policies, systems, procedures and processes. The Entity's next-tier supplier obtained an ASI Performance Standard certificate in 2022. The procurement team and relevant personnel are trained on an annual basis on responsible sourcing requirements. See the purchasing Policies, page 8: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
2.5a-g Environmental and Social Impact Assessments	Not Applicable	This Criterion is not applicable to the Entity as there have been no New Projects or Major Changes to existing Facilities in the past two years.
2.6a-h Human Rights Impact Assessment	Not Applicable	This Criterion is not applicable to the Entity as there have been no New Projects or Major Changes to existing Facilities in the past two years.
2.7a-f Emergency Response Plan	Conformance	The Entity holds valid ISO 14001:2015 and ISO 45001:2018 certificates. As part of its management processes, the Entity has developed and implemented emergency response plans. The audit process verifies the training of emergency response personnel and the execution of drills. The environmental emergency plans have been formally registered with relevant government agencies and are publicly disclosed in the ASI Information disclosure document, pages 174–175: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
2.8a-d Suspended Operations	Conformance	The Entity has developed a 'Provisions on decision-making and administration of critical Business matters' Procedure to address situations where it may have to suspend or significantly alter operations due to factors outside its control. The Entity commits to obey the Applicable Law and company Policies on redundancies and consults employee organisations concurrently. The suspension process and management procedure will be reviewed in case of any Material environmental, social and governance risk(s) caused by Business changes or any indication of control gap and will be reviewed annually. No suspension activities have occurred within the last two years.
2.9a-b Mergers and Acquisitions	Conformance	The Entity has established a management procedure for Mergers and Acquisitions (Investment and Construction Projects Management Procedure. Senior management commits to conduct Due Diligence processes for Mergers and Acquisitions if such an event occurs in future and review its environmental, social and governance practices. This includes those associated with Historic Aluminium Operations. No such activities have occurred within the last two years.
2.10a-b Closure, Decommissioning and Divestment	Conformance	The Entity has established a management procedure for Closure, Decommissioning and Divestment (Provisions on decision-making and administration of critical Business matters) Senior management has committed to reviewing environmental, social and governance practices in the planning process for closure, decommissioning and divestment if such an event occurs in future, and develop a plan for

CRITERION	RATING	COMMENT
		monitoring of Material environmental, social and governance impacts. No such activity has happened in the previous two years.
<b>3. TRANSPARENCY</b>		
3.1a-b Sustainability Reporting	Conformance	The Entity's annual Sustainability Report 2022 is available on the website of the Entity's mother company Hongqiao Group, pages 107-135: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
3.2 Non-compliance and Liabilities	Conformance	The Entity publicly discloses 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 as reported in the 2022 Sustainability Report, page 116: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
3.3a-c Payments to Governments	Conformance	The Entity only makes or has made on its behalf, payments to governments on a legal and/or contractual basis. This is published in the annual financial report, available at: <a href="http://www.hongqiaochina.com/Uploads/File/2023/09/18/ZB.20230918181739.pdf">http://www.hongqiaochina.com/Uploads/File/2023/09/18/ZB.20230918181739.pdf</a>
3.4a-f Stakeholder Complaints, Grievances and Requests for Information	Conformance	The Entity has established internal and external Whistleblowing/Complaint/Grievance Mechanisms (e.g. whistleblower hotlines, mail addresses, suggestion boxes). The Complaints Resolution Mechanism will be reviewed as changes to the Business alter Material environmental, social and governance risks or any indication of a control gap, at least once every five years. Additional information is available in the ASI Disclosure document, page 13: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
<b>4. MATERIAL STEWARDSHIP</b>		
4.1a Environmental Life Cycle Assessment	Conformance	The Entity has compiled Environmental Life Cycle Assessment (LCA) reports for two products, the computation tool printing plates and foils. The assessment covers all production lines. Based on the nature and quantities of the production processes, products and emission/discharge. The LCA covers the two environmental impacts, Global Warming Potential (GWP), and Freshwater Consumption (FCP).
4.1b-c Environmental Life Cycle Assessment - Disclosure	Conformance	The Entity's LCA reports provide cradle-to-gate information on two kinds of Aluminium products. The assessment report covers all product processes and production lines. The assessment boundaries and the underlying assumptions are stated in the Environmental LCA reports. The LCA reports are disclosed on pages 44-63 and pages 64-83: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
4.2 Product Design	Conformance	The Entity sets up the objectives in the manufacturing processes designed to reduce the waste generated from its manufacturing processes, save resources, and mitigate the environmental impact.
4.3a-b Aluminium Process Scrap	Conformance	The Entity has established targets and relevant management programs to minimise the generation of Aluminium Process Scrap within its operations and process scrap are 100% collected and sent to suppliers for recycling. Different Aluminium alloys are separated, packaged, and identified accordingly.

CRITERION	RATING	COMMENT
4.4a-c Collection and Recycling of Products at End of Life - Material Conversion and other Manufacturing	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
4.4d Collection and Recycling of Products at End of Life	Conformance	China Hongqiao Group which the Entity belongs to, has a strategy on circular economy. The Entity recycles all process scrap and China Hongqiao makes efforts to cooperate with its customers to recycle Aluminium products. As one of its subsidiary companies they are dedicated to using the scrap as the raw materials.
<b>5. GREENHOUSE GAS EMISSIONS</b>		
5.1a-b Disclosure of GHG Emissions and Energy Use	Minor Non-Conformance	<p>The Entity calculates Material Greenhouse Gases (GHG) emissions in the defined boundary in 2022, the calculation includes Scopes 1, and 2 and Material Scope 3 emissions, such as purchased raw material, and transportation. The 2022 GHG emissions report has been verified by a Third Party. The 2022 GHG emissions report and the verification statement are disclosed on pages 90-106 and pages 88-89 at: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p> <p>However, it was identified that a conversion factor used for electricity is the average of the national grid, rather than the average of the power plant or the local grid.</p>
5.2a Aluminium Smelter GHG Emissions Intensity - Started production after 2020	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.2b Aluminium Smelter GHG Emissions Intensity - In production up to and including 2020	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3a-e GHG Emissions Reduction Plans	Conformance	<p>The Entity has developed a GHG emissions reduction plan including targets and the associated approaches in compliance with the national decarbonisation targets and publicly discloses the GHG emission reduction plan and pathway respectively on the website, pages 141-144 at: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p> <p>There is a mechanism to review both the GHG Emissions Reduction Plan and pathway annually.</p>
5.4 GHG Emissions Management	Conformance	To implement the GHG reduction plan, the Entity has established and implemented management processes to improve energy consumption efficiency and prevent waste in daily operations and some specific projects, in particular for electricity consumption as it is the major emissions source. The achievement status of the GHG reduction targets is reviewed periodically.
<b>6. EMISSIONS, EFFLUENTS AND WASTE</b>		
6.1a-f Emissions to Air	Conformance	The Entity identifies, assesses and quantifies Material Emissions to Air from its activities, implements the control plans to minimise exposure



CRITERION	RATING	COMMENT
		to, and impacts from, Emissions to Air, monitors the effectiveness of the control plans periodically, review the control plans regularly and in the case of major change or non-conformance is found. The Entity publicly discloses pollutant discharge information, and air emission control plan, pages 137-138: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
6.2a-g Discharges to Water	Conformance	The Entity identifies, assesses, and quantifies Material Discharge to Water from its activities, implements control plans to minimise exposure to, and impacts from Discharges to Water, monitors the effectiveness of the control plans periodically, reviews the control plans regularly and in the case of Major Changes or non-conformance.  The Entity publicly discloses pollutant discharge information and the control plan, pages 137-138: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
6.3a-g Assessment and Management of Spills and Leakages	Conformance	The Entity has undertaken an assessment of risk areas of operations where Spills and Leakage may contaminate air, water and soil. A management plan has been developed and implemented. The Entity reviews the plans periodically or after a Spill/Leakage event or major Business change. The latest version of the risk assessment and control plan is disclosed in the ASI Disclosure Information document, pages 84-87: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
6.4a-b Public Disclosure of Spills and Leakages	Conformance	The Entity has defined the process to report the Spill/Leakage in the Emergency Response Plans including to all Affected Populations and Organisations. No Spills or Leakages have occurred in the previous three years. The Entity's environment performance for 2022 is disclosed in the ASI Information Disclosure document, pages 36-43: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
6.5a-c Waste Management and Reporting	Conformance	The Entity has implemented a waste management strategy in accordance with the Waste Mitigation Hierarchy. The Entity mitigates the Material impacts by recycling wastes. The disposal of Hazardous Waste is in compliance with the applicable legal requirements. The Entity publicly discloses the quantity of Hazardous and Non-Hazardous Waste generated from its activities for 2022, pages 36-43: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
6.6a-g Bauxite Residue	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a-f Spent Pot Lining (SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a-d Dross	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
<b>7. WATER STEWARDSHIP</b>		
7.1a-b Water Assessment and Disclosure	Conformance	The Entity identifies and documents its water use by source and type. The member assesses the water-related risks, considering the surrounding water environment, water withdrawal and discharge, and the effectiveness of existing management measures. The risk has been identified as low, and there are no Material significant water-related risks in the Entity's Area of Influence. The Water-Related Risks

CRITERION	RATING	COMMENT
		report is published on the website, pages 161-167: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
7.2a-e Water Management	Not Applicable	This Criterion is not applicable to the Entity, as there are no material water-related risks in the Entity's Area of Influence.
<b>8. BIODIVERSITY AND ECOSYSTEM SERVICES</b>		
8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment	Conformance	The Entity has undertaken a Biodiversity and Ecosystem Services Risk and Impact assessment. Based on the approved Environmental Impact Assessment reports compiled by Third Parties, the Entity assesses the Biodiversity risk and impact. There are no threatened flora and fauna, and no Protected Areas in the Entity's Area of Influence. The impact on Biodiversity is limited, and the risk level is determined as low. More information is available in the Biodiversity risk assessment report, pages 153-160: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
8.1b Biodiversity and Ecosystem Services Risk and Impact Assessment - Priority	Not Applicable	This Criterion is not applicable to the Entity, as the Entity has identified the risks and potential impacts are assessed and documented as low.
8.2a-g Biodiversity Management	Not Applicable	This Criterion is not applicable to the Entity, as the Entity has identified the risks and potential impacts are assessed and documented as low.
8.3a-c Management of Priority Ecosystem Services	Not Applicable	This Criterion is not applicable to the Entity, as no Priority Ecosystem Services are identified.
8.4 Alien Species	Conformance	The Entity identifies the risks of the introduction of Alien Species in its operation and logistic activities and assesses if the activities could have Material adverse impacts on Biodiversity and Ecosystem Services. The assessment has identified the risk as low.
8.5a-b Commitment to "No Go" in World Heritage Properties	Conformance	The Entity commits to Not explore or develop New Projects or make Major Changes in World Heritage Properties. There are no World Heritage Properties in the Entity's Area of Influence.
8.6a-d Protected Areas	Conformance	The Entity commits to protecting the environment. There are no protected areas in the Member's Area of Influence. This was confirmed via a review of the official list of Protected Areas in China.
8.6e Protected Areas - Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.7a-i Mine Rehabilitation	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
<b>9. HUMAN RIGHTS</b>		
9.1a-d Human Rights Due Diligence	Conformance	The Entity has formulated a Business Code of Conduct, affirming its commitment to uphold Human Rights, promote gender equality, and adhere to the UN Guiding Principles on Business and Human Rights. The Entity regularly publishes a 'Human Rights Impact Assessment Report' which includes details on the approach taken to engage with

CRITERION	RATING	COMMENT
		<p>affected communities and the mechanisms in place for resolving complaints. Based on the annual 'Human Rights Impact Assessment' Report, records from management review meetings, and Stakeholder grievance records, the Entity's operations have not resulted in, nor contributed to any significant adverse Human Rights impacts. Nevertheless, should any negative impact on Human Rights be identified or reported, the Entity pledges to provide appropriate remedies or cooperate through legitimate processes.</p> <p>Code of Conduct, pages 3-7:  <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p> <p>Human Rights Impact Assessment Report, pages 145-152:  <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p>
9.2a-e Gender Equity and Women's Empowerment	Conformance	<p>The Entity has established and implemented a comprehensive management procedure to protect female employees, demonstrating its commitment to uphold and promote gender equity and women's empowerment throughout the group. No complaints related to gender equity have been received in the past three years. Measures on gender equality and protection of the Rights and interests of female employees are publicly reported on pages 168-173:  <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p>
9.3a-i Indigenous Peoples	Not Applicable	<p>This Criterion is not applicable to the Entity as there are no Indigenous Peoples in the area where the Entity operates.</p>
9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes	Not Applicable	<p>This Criterion is not applicable to the Entity as there are no Indigenous Peoples in the area where the Entity operates.</p>
9.4b Free, Prior, and Informed Consent (FPIC) - Bauxite Mining	Not Applicable	<p>This Criterion is not applicable to the Entity's Certification Scope.</p>
9.4c Free, Prior, and Informed Consent (FPIC) - Demonstrate support	Not Applicable	<p>This Criterion is not applicable to the Entity as there are no Indigenous Peoples in the area where the Entity operates and there are no New Projects since the Entity joined ASI.</p>
9.5a Cultural and Sacred Heritage - Identification	Conformance	<p>The Entity has established procedures for the Protection and Management of Cultural Sites and Religious Sites to identify and assess cultural and sacred heritage sites, aiming to minimise any potential impact. It has been determined that there are no sacred or cultural heritage sites within the Entity's Area of Influence.</p>
9.5b Cultural and Sacred Heritage - Impacts	Not Applicable	<p>This Criterion is not applicable to the Entity as the environment and social assessment report has determined there are no sacred or cultural heritage sites in the Entity's Area of Influence, and no Indigenous Peoples or their lands, territories and resources are identified.</p>
9.6a-i Displacement	Conformance	<p>The Entity has established procedures for New Projects Investment Development Management, whereby all project development must be approved by the local authority. Currently, all existing projects are located within an industrial zone developed by the local government,</p>

CRITERION	RATING	COMMENT
		and therefore no resettlement is required in future. No New Projects have been developed since the Entity joined ASI.
9.7a-h Affected Populations and Organisations	Conformance	The Entity has implemented a Stakeholder engagement process to actively identify and address the primary concerns of the affected population and organisations. To effectively respond to these concerns, the Entity has developed several action plans. These plans are regularly reviewed on an annual basis, and any necessary improvements are identified and implemented. The Entity's performance in executing these plans and actions is disclosed in its annual Sustainability Report, pages 107-135: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
9.8a Conflict-Affected and High-Risk Areas - Strong Management Systems	Conformance	The Entity has established and implemented comprehensive Management Systems, which encompass a supply chain Policy, defined responsibilities and allocated resources, information gathering mechanisms, and active engagement with suppliers. The Entity's commitment to responsible sourcing is publicly disclosed in the ASI Code of Conduct and the annual Sustainability Report, pages 107-135: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks	Conformance	The Entity conducts regular risk assessments to identify and evaluate potential risks within its supply chain. It is important to note that the Entity does not use conflict minerals and ensures that no materials are sourced from Conflict-Affected and High-Risk Areas (CAHRAs). Furthermore, the Entity is committed to addressing critical Human Rights issues, such as Child Labour and Forced Labour, and ensures that these issues are not present within its supply chain.
9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks	Not Applicable	This Criterion is not applicable, as the Entity did not identify any actual or potential risks as part of their Due Diligence processes. The Entity has established a Supply Chain Code of Conduct and commits to refraining from using conflict minerals. Based on the records of the risk assessment, it has been determined that the Entity does not use conflict minerals, source materials from CAHRAs, or have any critical Human Rights issues such as Child Labour or Forced Labour in its supply chain. Therefore, no further action is deemed necessary in this regard however, the Entity maintains ongoing vigilance over the risk of conflict minerals within its supply chain. It pledges that should high-risk concerns be identified, appropriate measures will be taken to mitigate such high-risk issues.
9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence	Conformance	The Entity has developed and implemented a comprehensive supply chain Code of Conduct, which includes provisions related to social responsibility. As part of its commitment to responsible sourcing, the Entity conducts regular audits of its supply chain to assess compliance with the Code of Conduct and determine if conflict minerals are used in products or production processes. This ASI audit also addresses this requirement of the Standard.
9.8e Conflict-Affected and High-Risk Areas - Report annually	Conformance	The Entity publicly discloses its ASI supply chain Code of Conduct and the mechanism and practices of supply chain Due Diligence and evaluation to suppliers are also disclosed publicly in the annual Sustainability Report. <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>

CRITERION	RATING	COMMENT
9.9 Security practice	Conformance	All security guards are directly employed by the Entity and are committed to upholding Human Rights in their activities. Strict Policies are in place to ensure that body searches are not permitted, and security guards are expected to undertake their duties in a humane manner. Comprehensive training is provided to all security guards to ensure they understand their responsibilities and the importance of respecting Human Rights. No grievances or complaints have been received regarding the conduct of security activities thus far, indicating a positive track record in this regard.
<b>10. LABOUR RIGHTS</b>		
10.1a-c Freedom of Association and Right to Collective Bargaining	Not Applicable	This Criterion is not applicable to the Entity, as Freedom of Association and Collective Bargaining is restricted in China.
10.1d Freedom of Association and Right to Collective Bargaining - Alternative means in context of Applicable Law	Conformance	<p>In accordance with the 'Trade Union Law of the People's Republic of China (2021)', the All-China Federation of Trade Unions is the sole legal organisation for Trade Unions. The All-China Federation of Trade Unions and its constituent Trade Union organisations represent the interests of Workers and lawfully safeguard the legitimate rights and interests of Workers.</p> <p>The Entity's senior management commits to respect the right of Freedom of Association and Collective Bargaining. The Entity respects the rights of employees to freely associate, join or not join Trade Unions, seek representation, and join employee committees in accordance with the law. The decision whether to join a Trade Union or other association is to be made by the employee. No Trade Union has been organised in the Entity. There are twenty-two worker representatives including eight women in the Entity, and these Worker representatives have been elected by the Workers themselves. There is currently no Collective Bargaining agreement at the Entity.</p>
10.2a Child Labour	Conformance	In accordance with Chinese law, Child Labour is strictly prohibited, and the legal minimum working age is set at 16 years old. The Entity has established and implemented Policies that explicitly prohibit the use of Child Labour and ensure the protection of young Workers. At present, no individuals on site could be classified as Child Labour or young Workers. The commitment to upholding the rights and well-being of children is a fundamental aspect of the Entity's operations.
10.3a-c Forced Labour	Conformance	<p>The Entity has established a comprehensive Policy that strictly prohibits Forced Labour, including Human Trafficking. This Policy applies not only to The Entity itself but also to its suppliers, emphasising the importance of compliance with the prohibition of Forced Labour, slavery, and Human Trafficking. It is worth noting that no instances of illegal wage deduction, Debt Bondage, pay for a debt, or any other form of Forced Labour have been identified or reported within The Entity. This underscores the Entity's commitment to ensuring fair and ethical labour practices throughout its operations. Detailed information regarding the Policy and its implementation can be found in The Entity's Code of Conduct, pages 3-7:  <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p> <p>The Entity has publicly disclosed its annual Modern Slavery Statement in the ASI Information Disclosure document, pages 139-140:  <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p>

CRITERION	RATING	COMMENT
10.4a-c Non-Discrimination	Conformance	The Entity is committed to promoting non-Discrimination in all aspects of its operations. It is noteworthy that no cases of Discrimination have been reported within the Entity. This commitment is reflected in the recruitment process, where advertisements and training plans emphasise that decisions are solely based on the candidate's ability to meet the job requirements, without consideration of personal characteristics or any form of Discrimination. Furthermore, feedback from interviewed Workers during the Audit confirms that they are treated fairly within the Entity. This positive feedback underscores the Entity's dedication to fostering an inclusive and non-Discriminatory work environment.
10.5 Communication and engagement	Conformance	Regular and open lines of communication are established between management, Workers, and worker representatives. The communication channels are effectively communicated to the workforce, enabling them to freely voice their concerns and grievances regarding working conditions, as well as seek resolution for workplace and compensation matters, without fear of retaliation, coercion, or mistreatment.
10.6a-g Violence and Harassment	Conformance	The Entity respects its employees, disciplinary measures are in compliance with legal requirements. 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. Policy on Violence and Harassment is included in the ASI Information Disclosure document, pages 15-17: <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a>
10.7a-c Remuneration	Conformance	The Entity signs a labour contract with each worker within 30 days after employment and issues one copy to the worker in accordance with legal requirements. The wage structure is clearly defined, with the basic wage exceeding the local legal minimum requirement. Overtime compensation fully complies with legal obligations. Mandatory allowances are provided to all Workers, ensuring their essential needs are met. Additionally, all employees are enrolled in the obligatory social insurance program. The payment of wages is clearly documented and promptly disbursed to all Workers via bank transfer in the period between the 8 <sup>th</sup> and 12 <sup>th</sup> of the subsequent month.
10.8a-c Working Time	Minor Non-Conformance	Working hours are recorded manually and monitored by the Entity. Most Workers' monthly Overtime working hours do not exceed the legal monthly limit, and all Workers are provided one day off per week.  However, upon a review of the working hours and production records for the past 12 months, it was identified that 9 out of 37 Workers records assessed, had logged excessive Overtime hours, and in December 2022, these Workers worked 40 hours of Overtime in a month which exceeded the legal limit of 36 hours per month.
10.9a-b Informing Workers of Rights	Conformance	The Entity informs its Workers of their rights and has established cooperation and communication with the Workers at all its production plants. National laws and regulations in China are respected and followed.

CRITERION	RATING	COMMENT
<b>11. OCCUPATIONAL HEALTH AND SAFETY</b>		
11.1a Occupational Health and Safety (OH&S) Management System	Minor Non-Conformance	The Entity establishes, implements, maintains and continually improves the Occupational Health and Safety (OH&S) Management System, the Entity's facilities hold valid ISO 45001:2018 certificates. Site observation, document review and management and worker interviews demonstrated the OH&S Management System is effective, however, it was noted that the radioactivity safety permit for the x-ray thickness meter as part of the application process is not available.
11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure	Conformance	<p>The Entity periodically reviews its OH&amp;S Management System through monthly safety meetings, annual legal compliance evaluations, annual internal audits against ISO 45001:2018, and management review meetings. When any control gap is identified, the review is conducted to assess if the potential corrective and/or preventive actions should be implemented.</p> <p>Performance against OH&amp;S objectives and targets, and the comparative analyses of performance with peer Businesses and leading practices including leading and lagging indicators are disclosed in the Sustainability Report 2022, in the section 'The Performance of Occupational Health &amp; Safety Management System', pages 119-124:  <a href="http://www.hongqiaochina.com/responsibility/notice.html">http://www.hongqiaochina.com/responsibility/notice.html</a></p>
11.2 Employee engagement on Health and Safety	Conformance	The Entity has implemented a system of Workers' consultation and participation in Health and Safety. Workers are encouraged to report their concerns or advice on OH&S issues themselves, or via the Worker representative. Management responds to the concerns and advice on OH&S issues from Workers.

#### ASI LIMITATION OF LIABILITY DISCLAIMER

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#### DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	15 December 2023	Initial Certification Audit – Full Certification