

# ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

## Shandong Hongqiao Scholz Circular Economy Science & Technology Co., Ltd.

CERTIFICATE NUMBER

342

ASI STANDARD

PERFORMANCE  
STANDARD  
(V3 2022)

CERTIFICATION LEVEL

FULL  
CERTIFICATION

ASI ACCREDITED  
AUDITING FIRM

DNV BUSINESS  
ASSURANCE  
SERVICES UK LTD.

DATE OF ISSUE

31 JANUARY 2024

DATE OF EXPIRY

30 JANUARY 2027

CERTIFIED SINCE

31 JANUARY 2024

AUTHORISED BY

A stylized, handwritten signature in black ink, consisting of a large, flowing 'A' followed by a horizontal line.

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

Shandong Hongqiao Scholz  
Circular Economy Science &  
Technology Co., Ltd. focuses on the  
re-smelt recycled metals and  
Semi-fabrication. facilities in  
Zouping City, Shandong Province,  
China.

# AUDIT REPORT PERFORMANCE STANDARD

## OVERVIEW

MEMBER NAME	China Hongqiao Group Co., Ltd.
ENTITY NAME	Shandong Hongqiao Scholz Circular Economy Science & Technology Co., Ltd.
CERTIFICATION SCOPE	Shandong Hongqiao Scholz Circular Economy Science & Technology Co., Ltd. focuses on the re-smelt recycled metals and Semi-fabrication. facilities in Zouping City, Shandong Province, China.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none"><li>Aluminium Re-melting/Refining</li><li>Casthouses</li><li>Semi-Fabrication</li></ul>
ASI STANDARD	Performance Standard V3
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>18 – 19 October 2023</li></ul>
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none"><li>23 November 2023</li></ul>
AUDIT SCOPE	<p>Shandong Hongqiao Scholz Circular Economy Science &amp; Technology Co., Ltd. focuses on the re-smelt recycled metals and Semi-fabrication. facilities in Zouping City, Shandong Province, China.</p> <p>Supply chain activities included in the audit scope:</p> <ul style="list-style-type: none"><li>Aluminium Re-melting/Refining</li><li>Casthouses</li><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 company's defined Certification Scope.</li></ul>

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☑ The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.

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CERTIFICATION PERIOD 31 January 2024 – 30 January 2027

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NEXT AUDIT TYPE Surveillance Audit

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NEXT AUDIT DATE 30 January 2026

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CERTIFICATE NUMBER 342

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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

The Entity is located in the Economic Development Zone, Zouping City, Binzhou City, Shandong Province, China. It focuses on the re-melting of recycled metals and semi-fabrication to produce Aluminium ingot and Aluminium liquid for the local China market. All material inputs are post-customer scrap, such as scrapped vehicles.

Operations commenced in May 2022 and the first phase of the Entity's circular economy project is to dismantle 40,000 scrapped vehicles and produce 200,000 tonnes of recycled Aluminium annually with pre-treatment lines of scrapped vehicles **(not in the audit scope this time)** and crushing lines, increasing to produce 500,000 tonnes after completion of the Scholz and Hongqiao Circular Economy project.

## 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 Entity's Legal Compliance Department is responsible for the implementation of Applicable Law, regulations and other requirements and conducts an annual legal compliance review. The Entity has fully identified all relevant Applicable Law. There are no significant non-compliance issues within The Entity.
1.2 Anti-Corruption	Conformance	The Entity has developed and implemented Policies and processes such as the Management Procedure of Anti- Corruption, to identify and prevent Corruption. The Entity maintains a register of misconduct and periodical internal control audit reports, which confirm that no Corruption cases were reported in 2022 and 2023.
1.3a-e Code of Conduct	Conformance	The Entity has implemented a Code of Code which includes principles relevant to environmental, social and governance performance. All employees are provided with training on the Code of Conduct. The Code of Conduct is reviewed in the annual management review meeting, and is published on the Entity's website: <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423345eb7619.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423345eb7619.pdf</a>
<b>2. POLICY AND MANAGEMENT</b>		
2.1a-f Environmental, Social, and Governance Policy	Conformance	The Entity has implemented a Management Policy that addresses environmental, social, and governance practices. The Policy is communicated to all employees internally and is publicly disclosed on the Entity's website: <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423329e49739.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423329e49739.pdf</a>  The Entity has procedures in place to review the Policy annually as upon any changes to the Business that bring about significant changes in environmental, social and governance risks, or there are indications of control deficiencies.
2.2a-c Leadership	Conformance	The Entity's HSE Section Chief has been appointed as the ASI Management Representative and is responsible for the establishment and implementation of the ASI Performance Standard within the Entity, and communicating the ASI Policies. A cross-departmental ASI Working Group has been established to assist. The ASI Policies and management Procedures have been communicated to all employees through various training course.
2.3a Environmental and Social Management Systems – Environmental	Conformance	The Entity has implemented an Environmental Management System and annual reviews are undertaken. Internal audits are undertaken and corrective actions are developed as required.
2.3b Environmental and Social Management Systems – Social	Conformance	The Entity has established and implemented a Social Management Systems. Social impacts and relevant risks such as those related to Human Rights, Occupational Health and Safety, and business ethic has been identified and assessed, and the associated management

CRITERION	RATING	COMMENT
		provisions for preventing and/or mitigating these impacts are established and implemented.
2.4a-e Responsible Sourcing	Conformance	<p>The Entity has conducted second party Due Diligence audits at its major next-tier suppliers' sites to qualify them. The procurement team and relevant personnel are trained on responsible sourcing requirements on an annual basis. The Entity's purchasing Policies are included in the Supplier Code of Conduct, which is available at: <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974233144d2a37.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974233144d2a37.pdf</a>.</p> <p>The Entity's ASI documented management procedure requires review of the purchasing Policies annually during the management review as well as upon any changes to the Business that brings about significant changes in environmental, social and governance risks, or there are indications of control deficiencies.</p>
2.5a-g Environmental and Social Impact Assessments	Conformance	<p>The Entity has implemented an ISO 14001, and ISO 45001 aligned Management System, and environmental aspects, health and safety risks and control plans are reviewed and modified annually. According to the Entity's ASI management procedures, it commits to regularly review the environmental and social impact management plan, with a minimum review frequency of every five years. Additionally, a reassessment of the environmental and social impact management plan is initiated when there are Business changes or signs of any control gaps leading to significant environmental, social, and governance risks. The Environmental and Social Impact Assessment and management plan are established and publicly disclosed on the Entity's official website via: <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742307395001a.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742307395001a.pdf</a></p>
2.6a-h Human Rights Impact Assessment	Conformance	<p>The Entity has established and implemented documented procedures to identify, assess the risks on Human Rights and business ethics and establish the relevant control measures based on the ASI Performance Standard and associated legal requirements. The Human Rights Impact Assessment report and management plans are publicly disclosed on the Entity's website: <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974231480a57fc.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974231480a57fc.pdf</a></p> <p>Management plans are reviewed annually and following any changes to the Business that alters Material Human Rights risk(s), as well as upon any indication of a control gap.</p>
2.7a-f Emergency Response Plan	Conformance	<p>The Entity has established a Management System based on ISO 14001:2015 and, ISO 45001:2018. As part of its management processes, the Entity has developed and implemented emergency response plans. The Entity provides relevant training of emergency response personnel and emergency response drills are undertaken. The Entity's Environmental and Production Accidents Emergency Plans have been formally registered with relevant government agencies and are publicly disclosed: <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423181a0cb3d.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423181a0cb3d.pdf</a></p>
2.8a-d Suspended Operations	Conformance	The Entity has developed the 'Provisions on decision-making and administration of critical business matters' Procedure to address

CRITERION	RATING	COMMENT
		situations where it may have to suspend or significantly alter operations due to factors outside its control. The Entity commits to obey Applicable Law and company policies on layoffs and consult employee organizations at the same time. The suspension process and management procedure will be reviewed in case of material environmental, social and governance risk(s) caused by Business changes or on any indication of a control gap and shall be reviewed annually. No suspension activity has occurred since the Entity commenced operation in 2022.
2.9a-b Mergers and Acquisitions	Conformance	The Entity has established a management Procedure for mergers and acquisitions (Investment and Construction Projects Management Procedure) and senior management has committed to conduct Due Diligence processes for mergers and acquisitions if required in future, and review its environmental, social and governance practices related to ASI Performance Standard, including those associated with Historic Aluminium Operations. No such activity has occurred since the Entity commenced operation in 2022.
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) and senior management has committed to review environmental, social and governance practices related to the ASI Performance Standard in the planning process for closure, decommissioning and divestment if required in future, and develop a plan for monitoring of Material environmental, social and governance impacts. No such activity has occurred since the Entity commenced operation in 2022.
<b>3. TRANSPARENCY</b>		
3.1a-b Sustainability Reporting	Conformance	The Entity's environmental, social and economic impacts and its governance approach are included in the China Hongqiao Group Sustainability Report 2022, available at: <a href="http://www.hongqiaochina.com/Uploads/File/2023/04/21/3.20230421171705.pdf">http://www.hongqiaochina.com/Uploads/File/2023/04/21/3.20230421171705.pdf</a>
3.2 Non-compliance and Liabilities	Conformance	The Entity has publicly disclosed 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 Sustainability Report 2022: <a href="http://www.hongqiaochina.com/Uploads/File/2023/04/21/3.20230421171705.pdf">http://www.hongqiaochina.com/Uploads/File/2023/04/21/3.20230421171705.pdf</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, as 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	An internal and external Complaints Resolution Mechanism exists (e.g.s whistleblower hotlines, mail address, suggestion box). The Complaints Resolution Mechanism will be reviewed once there is any changes to the Business that alters Material environmental, social and governance risks or on any indication of a control gap, at least once every five years. Please refer to following link:

CRITERION	RATING	COMMENT
		<a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423256c4da35.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423256c4da35.pdf</a>
<b>4. MATERIAL STEWARDSHIP</b>		
4.1a Environmental Life Cycle Assessment	Conformance	<p>The Entity's Life Cycle Assessment (LCA) report provides cradle-to-gate information on its Aluminium Products. The assessment report covers all production processes and production lines.</p> <p>The Entity uses Post-Consumer Scrap as raw material input, and as such, the LCA focuses on raw material transportation and energy consumption and emissions/discharge in the production process and product delivery.</p>
4.1b-c Environmental Life Cycle Assessment - Disclosure	Conformance	<p>The Entity's Life Cycle Assessment (LCA) report provides cradle-to-gate information on its Aluminium Products. The assessment report covers all production processes and production lines. The LCA report is disclosed at:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699933947b4eb58.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699933947b4eb58.pdf</a></p>
4.2 Product Design	Not Applicable	This Criterion is not applicable to the Entity, as the Products provide by the Entity is standard and there is no Product design and development.
4.3a-b Aluminium Process Scrap	Conformance	The Entity has established targets and the relevant management programs to minimize the generation of Aluminium Process Scrap within its own operations. Process scrap is 100% collected, separated by alloy types and re-melted.
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	All the Entity's raw material is Post-Consumer Scrap. The Entity has seven suppliers located in China supplying scrapped vehicles, construction scrap, scrapped cans and other types of Post-Consumer Scrap. The final planned capacity for scrap is 200,000 ton/year.
<b>5. GREENHOUSE GAS EMISSIONS</b>		
5.1a-b Disclosure of GHG Emissions and Energy Use	Minor Non-Conformance	<p>The Entity has calculated its Material GHG Emission, including Scope 1, 2 and the major emissions in Scope 3, e.g., transportation for purchased Post-Consumer Scrap. The Entity uses Post-Consumer Scrap as raw material and as such, the GHG emissions for raw materials are zero.</p> <p>A third party has verified the Entity's 2022 GHG Emissions Report and issued a verification statement. The 2022 GHG Emissions Report and Verification Statement are disclosed at:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699934002e5a4c4.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699934002e5a4c4.pdf</a> and</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699931881716794.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699931881716794.pdf</a></p>



CRITERION	RATING	COMMENT
		However, a minor non-conformance is raised as the conversion factor for purchased electricity is the one of average of the national grids, rather than the one of North China where the Entity locates.
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 established an GHG Emissions Reduction Plan including targets and the associated approaches and has publicly disclosed the Plan and GHG Emissions Reduction Pathway respectively on the Entity's website:  <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699931753b90e8d.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202311/1699931753b90e8d.pdf</a></p> <p>There is a mechanism to review the GHG Emissions Reduction Plan annually and review the Pathway if needed.</p>
5.4 GHG Emissions Management	Conformance	<p>The Entity has established a GHG emissions calculation management procedure to define how to calculate, verify and report GHG Emissions. In addition to the China Hongqiao Group's energy management procedures, the Entity has established and implemented an energy management process to improve energy efficiency and reduce GHG Emissions. The 'Plan-Do-Check-Action' method is implemented for energy management.</p>
<b>6. EMISSIONS, EFFLUENTS AND WASTE</b>		
6.1a-f Emissions to Air	Conformance	<p>Following legal requirements, the Entity has conducted an Environmental Impact Assessment to identify, assess and quantify Material Emissions to Air from its activities, implemented control plans to minimise exposure to, and impacts from Emissions to Air, monitored the effectiveness of the control plans periodically, and reviews the control plans regularly and in the case of major change or non-conformance is found. The Entity has publicly disclosed its environmental performance, including the air emission control plan and air emission reduction control plan at:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697422943ba2a50.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697422943ba2a50.pdf</a> and  <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697422989e26f20.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697422989e26f20.pdf</a></p>
6.2a-g Discharges to Water	Conformance	<p>Following the legal requirements, the Entity has conducted an Environmental Impact Assessment to identify, assess and quantify Material Discharges to Water from its activities, implemented the control plans to minimise exposure to, and impacts from, Discharge to Water, monitored the effectiveness of the control plans periodically, and reviews the control plan regularly and in the case of major change or non-conformance is found. The control plan is publicly disclosed at:</p>

CRITERION	RATING	COMMENT
		<a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423209dab820.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423209dab820.pdf</a>
6.3a-g Assessment and Management of Spills and Leakages	Conformance	<p>The Entity has identified and assessed the major risk of Spills and Leakage which may contaminate air, water and/or soil. Emergency Response Plans for the environment incidents, which addresses Spills/Leakage incidents are established. The Entity reviews the plans annually and if needed following a Spill/Leakage event, or Major Change in the Business. The latest version of the risk assessment and control plan is disclosed at:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742316382368e.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742316382368e.pdf</a></p>
6.4a-b Public Disclosure of Spills and Leakages	Conformance	<p>Emergency Response Plans address the procedure for reporting Spills and Leakages, including to all Affected Populations and Organisations. There has been no Spill or Leakage since the Entity commenced operation in 2022. The environment performance of the Entity is disclosed at:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697422943ba2a50.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697422943ba2a50.pdf</a></p>
6.5a-c Waste Management and Reporting	Conformance	<p>The Entity has established and implemented management procedures for regular industrial wastes and Hazardous Wastes. The Entity has implemented a waste management strategy in accordance with the Waste Mitigation Hierarchy. The disposal of Hazardous Waste complies with legal requirements. The quantity of Hazardous and Non-Hazardous Waste generated by the Entity is publicly disclosed at:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974229705871cd.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974229705871cd.pdf</a></p>
6.6a-g Bauxite Residue	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a-f Spent Pot Lining (SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a-d Dross	Conformance	<p>Dross is categorized as Hazardous Waste in China and the Entity complies with the legal requirements to collect, label and store Dross. No leakage is observed/reported.</p> <p>The Entity pre-treats Dross to recover Aluminium. The Dross residues are transferred to a licensed supplier for further recovery. Per supplier survey report, the final residues are landfilled. During the annual management review meetings, the Entity reviews alternative options to the landfilling of Dross residues.</p>
<b>7. WATER STEWARDSHIP</b>		
7.1a-b Water Assessment and Disclosure	Conformance	<p>The Entity has conducted an Environmental Impact Assessment, which identifies and documents its water use by source and type. The Entity has assessed the water-related risks, and considering the surrounding water environment, water withdraw and discharge, and the effectiveness of the existing management measures, the risk is low. The Entity's Water-Related Risks Report is available at:</p>

CRITERION	RATING	COMMENT
		<a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974232246d9cd8.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974232246d9cd8.pdf</a> .
7.2a-e Water Management	Not Applicable	This Criterion is not applicable to the Entity, as there is no Material water-related risks in the Entity's Area of Influence. The Entity has implemented its management plan for wastewater.
<b>8. BIODIVERSITY AND ECOSYSTEM SERVICES</b>		
8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment	Conformance	<p>The risks and potential impacts on Biodiversity and Ecosystem Services are addressed in the Entity's Environmental Impact Assessment (EIA), which was conducted by a qualified third parties and approved by the local Environment Protection Agency.</p> <p>Per the approved EIA reports, there are no threatened flora and fauna and no Protection Areas in the Entity's Area of Influence. The impact on Biodiversity is limited, and the risk level is low. The Biodiversity Risk Assessment Report is disclosed at:  <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742319660199d.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742319660199d.pdf</a>.</p>
8.1b Biodiversity and Ecosystem Services Risk and Impact Assessment - Priority	Not Applicable	This Criterion is not applicable to the Entity, as the risk and potential impacts on Ecosystem Services were assessed in the EIA as low. No Priority Ecosystem Services are identified.
8.2a-g Biodiversity Management	Not Applicable	This Criterion is not applicable to the Entity, as the risks and potential impacts on Biodiversity and Ecosystem Services are low.
8.3a-c Management of Priority Ecosystem Services	Not Applicable	This Criterion is not applicable to the Entity, as no Priority Ecosystem Services have been identified.
8.4 Alien Species	Conformance	The Entity has identified the risk of introduction of Alien Species in its operational and logistic activities in its Biodiversity Risk Assessment Report which determined the risk of Material adverse impacts on Biodiversity and Ecosystem Services as low. Further management measures are not required.
8.5a-b Commitment to "No Go" in World Heritage Properties	Conformance	The Entity has committed 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 has committed to protecting the environment in its management manual. There are no Protected Areas within the Entity's Area of Influence.
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>		

CRITERION	RATING	COMMENT
9.1a-d Human Rights Due Diligence	Conformance	<p>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 has published its Human Rights Impact Assessment Report, which details the approach taken to engage with affected communities and the mechanisms in place for resolving complaints. Based on this annual Report, records from management review meetings, and the Stakeholder grievances records, the Entity's operations have not resulted in or contributed to any significant adverse Human Rights impacts.</p> <p>Should any negative impacts on Human Rights be identified or reported, the Entity has an established process to provide appropriate remedies or cooperate through legitimate processes. The Code of Conduct can be accessed via:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423345eb7619.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423345eb7619.pdf</a></p> <p>The Human Rights Impact Assessment Report can be accessed via:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974231480a57fc.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974231480a57fc.pdf</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, and demonstrate its commitment to uphold and promote gender equity and women's empowerment throughout the China Hongqiao 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 via:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974232430f520b.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/16974232430f520b.pdf</a></p>
9.3a-l Indigenous Peoples	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the area where the Entity operates.
9.4a Free, Prior, and Informed Consent (FPIC)-- New Projects or Major Changes	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the area where the Entity operates
9.4b Free, Prior, and Informed Consent (FPIC)-- Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.4c Free, Prior, and Informed Consent (FPIC)-- Demonstrate support	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the area where the Entity operates
9.5a Cultural and Sacred Heritage-- Identification	Conformance	The Entity has established a comprehensive process to identify and assess the cultural and sacred heritage sites, aiming to minimise any potential impact on these sites. It has been determined that there are no sacred or cultural heritage sites or values within the Entity's Area of Influence.

CRITERION	RATING	COMMENT
9.5b Cultural and Sacred Heritage - Impacts	Not Applicable	This Criterion is not applicable to the Entity, as there are no sacred or cultural heritage sites or values in the Entity's Area of Influence and no Indigenous Peoples or their lands, territories and resources.
9.6a-i Displacement	Conformance	The Entity has established a New Project investment development management procedure, and all project development must be approved by the local authority. Currently, all existing projects are located in the industrial zone developed by the local government, and no resettlement is required.
9.7a-h Affected Populations and Organisations	Conformance	<p>The Entity has implemented a Stakeholder engagement process to actively identify and address the primary concerns of Affected Populations and Organisations. To effectively respond to these concerns, the Entity has developed a range of plans, which are reviewed on an annual basis, and any necessary improvements are identified and implemented. The Entity's performance in executing these plans and actions is transparently disclosed in the annual Sustainability Report:</p> <p><a href="http://www.hongqiaochina.com/Uploads/File/2023/04/21/3.20230421171705.pdf">http://www.hongqiaochina.com/Uploads/File/2023/04/21/3.20230421171705.pdf</a></p>
9.8a Conflict-Affected and High-Risk Areas - Strong management systems	Not Applicable	This Criterion is not applicable to the Entity, as it does not source directly or indirectly any Bauxite, Alumina or primary Aluminium. The Aluminium sourced is Pre-Consumer Scrap and Post-Consumer Scrap.
9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks	Not Applicable	This Criterion is not applicable to the Entity, as it does not source directly or indirectly any Bauxite, Alumina or primary Aluminium. The Aluminium sourced is Pre-Consumer Scrap and Post-Consumer Scrap.
9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks	Not Applicable	This Criterion is not applicable to the Entity, as it does not source directly or indirectly any Bauxite, Alumina or primary Aluminium. The Aluminium sourced is Pre-Consumer Scrap and Post-Consumer Scrap.
9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence	Not Applicable	This Criterion is not applicable to the Entity, as it does not source directly or indirectly any Bauxite, Alumina or primary Aluminium. The Aluminium sourced is Pre-Consumer Scrap and Post-Consumer Scrap.
9.8e Conflict-Affected and High-Risk Areas - Report annually	Not Applicable	This Criterion is not applicable to the Entity, as it does not source directly or indirectly any Bauxite, Alumina or primary Aluminium. The Aluminium sourced is Pre-Consumer Scrap and Post-Consumer Scrap.
9.9 Security practice	Conformance	The Entity's security guards are provided by the Security Department of the China Hongqiao Group. Policies are in place to ensure that body searches are prohibited and security guards are expected to carry out 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 to date.

CRITERION	RATING	COMMENT
10. LABOUR RIGHTS		
10.1a-c Freedom of Association and Right to Collective Bargaining	Not Applicable	This Criterion is not applicable to the Entity, as it complies with Applicable Law in China. In accordance with the Trade Union Law, the All-China Federation of Trade Unions is the sole legal organisation for Trade Unions, which along with its constituent Trade Union organisations, represent the interests of Workers and lawfully safeguards the legitimate rights and interests of Workers.
10.1d Freedom of Association and Right to Collective Bargaining – Alternative means in context of Applicable Law	Conformance	<p>The Entity's senior management has committed 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 made by the Workers. There is no Trade Union at the Entity. There is no Collective Bargaining Agreement at the Entity.</p> <p>There are two Worker representatives including one woman at the Entity, and the Worker representatives were freely elected by Workers. No Collective bargain agreement in the Entity.</p>
10.2a-c Child Labour	Conformance	In accordance with Chinese law, Child Labour is strictly prohibited, and the legal minimum working age is 16 years. The Entity has established and implemented Policies that explicitly prohibit the use of Child Labour and ensure the protection of young Workers. There are no individuals classified as Child Labour or young Workers at the Entity, and the youngest Worker is 24 years.
10.3a-c Forced Labour	Conformance	<p>The Entity has established a Policy that strictly prohibits Forced Labour, including Human Trafficking. This policy applies to the Entity and its suppliers, and emphasizes the importance of compliance with the prohibition of Forced Labour, slavery, and Human Trafficking. There are no instances of illegal wage deduction, Debt Bondage, paying off a debt, or any other form of Forced Labour at the Entity. Information on the Policy and its implementation is available in the Entity's Code of Conduct:  <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423345eb7619.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423345eb7619.pdf</a></p> <p>The Entity publicly disclosed its annual Modern Slavery Statement on its official website:  <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742301213277d.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/169742301213277d.pdf</a></p>
10.4a-c Non-Discrimination	Conformance	<p>The Entity is committed to promoting Non-Discrimination in all aspects of its operations. 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.</p> <p>Worker interviews confirm that Workers feel equal and are treated fairly within the Entity. No case of Discrimination has been reported within the Entity.</p>
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 raise concerns and grievances regarding

CRITERION	RATING	COMMENT
		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	<p>The Entity respects its employees and has a Policy that prohibits any form of Violence or Harassment. The Entity does not engage in, nor tolerates the use of corporal punishment, mental or physical coercion, harassment, and gender-based violence including sexual harassment, or verbal abuse of Workers. With workers' participation, the Entity has identified and assessed the risks of Violence and Harassment and has implemented control measures to prevent occurrence. Training is provided to all Workers to inform of the process for reporting cases of Violence or Harassment. The Policy on Violence and Harassment is included in the ASI Policy, which can be accessed via:</p> <p><a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423329e49739.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423329e49739.pdf</a></p>
10.7a-d Remuneration	Conformance	<p>The Entity's Workers sign a labour contract within 30 days of employment and are issued with a in accordance with legal requirement. The wage structure is clearly defined, with the basic wage exceeding the local legal minimum requirement. Overtime compensation complies with legal obligations. Mandatory allowances are provided to all Workers, ensuring essential needs are met. All employees are enrolled in the obligatory social insurance program. The payment of wages is documented and disbursed to all Workers via bank transfer between the 1st to 5th day of the subsequent month.</p>
10.8a-c Working Time	Minor Non-Conformance	<p>Working hours are recorded manually and monitored. Most Workers' monthly Overtime working hours do not exceed the legal limit, and all Workers have one day off per week.</p> <p>However, a minor non-conformance is raised as approximately 10% of Workers recorded monthly Overtime hours of 40 hours in September 2023, which exceeds the legal limit of 36 hours per month.</p>
10.9a-b Informing Workers of Rights	Conformance	<p>The Entity has informed its Workers of their rights and has established cooperation and communication with its Workers. National laws and regulations in China are respected and complied with.</p>
<b>11. OCCUPATIONAL HEALTH AND SAFETY</b>		
11.1a Occupational Health and Safety (OH&S) Management System	Minor Non-Conformance	<p>Following the 'Plan-Do-Check-Action' cycle defined in ISO 45001:2018, the Entity has established and implemented an Occupational Health and Safety (OH&amp;S) Management System. The Entity identifies and assesses the OH&amp;S hazards and risks; builds the protection facilities, and establishes and implements the control measures accordingly. The Entity periodically monitors its OH&amp;S performance, manages non-conformance and takes actions upon identification of improvement opportunities.</p> <p>The Entity plans to achieve ISO 45001:2018 certification in the coming year.</p> <p>However, a minor non-conformance is raised as it was identified during the audit, that the start use date for protection masks is recorded, but the expiry date is not monitored.</p>

CRITERION	RATING	COMMENT
11.1b-e Occupational Health and Safety (OH&S) Management System – Reviews and disclosure	Minor Non-Conformance	<p>The Entity has periodically reviewed the OH&amp;S Management System through monthly safety meetings, annual legal compliance evaluations, annual internal audits, and the annual management review meeting.</p> <p>Reviews are conducted upon any indication of a control gap to assess if potential corrective and/or preventive actions should be implemented. The Entity's OH&amp;S performance during 2022 is disclosed at:  <a href="https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423278fdb561.pdf">https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202310/1697423278fdb561.pdf</a></p> <p>However, a minor non-conformance is raised as the comparative analyses of performance on OH&amp;S with peer Businesses and leading practice is not conducted.</p>
11.2 Employee engagement on Health and Safety	Conformance	<p>The Entity has a system of Workers' consultation and participation in OH&amp;S. Workers are encouraged to report their concerns or advices on OH&amp;S issues by themselves or via the Worker representative, and management responds to the concerns raised .</p>

#### ASI LIMITATION OF LIABILITY DISCLAIMER

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#### DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	31 January 2024	Initial Certification Audit – Full Certification