

# ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

# Shangqiu Yangguang Aluminium Product Co., Ltd.

CERTIFICATE NUMBER  
113

ASI STANDARD  
PERFORMANCE  
STANDARD  
(V3 2022)

CERTIFICATION LEVEL  
FULL  
CERTIFICATION

ASI ACCREDITED  
AUDITING FIRM  
DNV BUSINESS  
ASSURANCE  
SERVICES UK LTD.

DATE OF ISSUE  
18 JANUARY 2024

DATE OF EXPIRY  
17 JANUARY 2027

CERTIFIED SINCE  
18 JANUARY 2021

## AUTHORISED BY

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

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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](http://www.aluminium-stewardship.org)*

## CERTIFICATION SCOPE

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

# AUDIT REPORT PERFORMANCE STANDARD

## OVERVIEW

MEMBER NAME	HENAN SUNHO COAL & POWER CO., LTD
ENTITY NAME	Shangqiu Yangguang Aluminium Product Co., Ltd.
CERTIFICATION SCOPE	Production and Sales Service of Aluminium and Aluminium Alloy Plate, Sheet, Strip and Related Management Activities (China).
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none"><li>• Casthouses</li><li>• Material Conversion</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 (19 – 20 October 2020)</li><li>• Surveillance Audit (20 – 21 June 2022)</li><li>• Re-Certification and Scope Change Audit (9 – 10 October 2023)</li></ul>
AUDIT FIRM	DNV Business Assurance Services UK Ltd.
AUDIT DATE	<ul style="list-style-type: none"><li>• 19 – 20 October 2020 (Initial Certification Audit)</li><li>• 20 – 21 June 2022 (Surveillance Audit)</li><li>• 9 – 10 October 2023 (Re-Certification and Scope Change Audit)</li></ul>
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none"><li>• 22 December 2020 (Initial Certification Audit)</li><li>• 13 July 2022 (Surveillance Audit)</li><li>• 27 November 2023 (Re-Certification and Scope Change Audit)</li></ul>
AUDIT SCOPE	<p><u>Initial Certification Audit (19 – 20 October 2020)</u></p> <p>Shangqiu Yangguang Aluminium Product Co., Ltd. is located at No. 1, Xinfeng Road, LiZhuang Town, Liangyuan District, Shangqiu City, Henan Province, China. The main products include Aluminium and Aluminium Alloy Plate, Sheet and Strip. The main production processes include casting, cold rolling, annealing and packing.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none"><li>• Casthouses</li><li>• Material Conversion (Production and Transformation)</li></ul> <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p> <p><u>Surveillance Audit (20 – 21 June 2022)</u></p> <p>The audit scope covers the main products including Aluminium and Aluminium Alloy Plate, Sheet and Strip. The main production processes include casting, cold rolling, annealing and packing.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none"><li>• Casthouses</li><li>• Material Conversion (Production and Transformation)</li></ul>

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

Re-Certification and Scope Change Audit (9 – 10 October 2023)

The audit scope covers the main products include Aluminium and Aluminium Alloy Plate, Sheet and Strip. Main production processes include casting, cold rolling, annealing and packing.

Supply chain activities included in the Audit Scope:

- Casthouses
- Material Conversion (Production and Transformation)

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

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AUDIT OUTCOME

- Certification

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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.

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CERTIFICATION PERIOD

18 January 2024 – 17 January 2027

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NEXT AUDIT TYPE

Surveillance Audit

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NEXT AUDIT DATE

18 January 2026

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CERTIFICATE NUMBER

113



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

Shangqiu Yangguang Aluminium Product Co, Ltd was established in July 2007. The Entity specialises in producing Aluminium and Aluminium Alloy plates, sheets, and strips. Its main production processes include casting, cold rolling, annealing, and packing. In 2022, the Entity produced and sold 90,000 tonnes of aluminum foil billet. The factory occupies an area of approximately 23hectares (ha) and has a workforce of around 450 employees. The facility includes on-site accommodations, administrative offices, supply storage, workshop, laboratory, and storage.

The nearest township to the factory is Li Zhuang, which is located 3.5 kilometres from the Entity. The primary external stakeholders of the Entity include the Government of China, the Henan Shenhua Group Co., LTD, the local town of Li Zhuang, the local villages in the Caolou, and the Shangqiu City Environmental Protection Bureau.

The Entity is currently undergoing construction activities on-site to increase its capacity to its full potential of 210,000 tonnes Mt by 2025.

## 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 a system in place to identify and assess the applicable legal requirements, maintain awareness of and ensure compliance with applicable legal requirements.
1.2 Anti-Corruption	Conformance	The Entity has implemented Policies and processes to identify and prevent Corruption, including a Procedure on Anti-Corruption. The training courses on these Policies and processes are provided to all relevant employees and training records are maintained. Per the Register of Misconduct reported, no cases of Corruption were reported in the past three years.
1.3a-e Code of Conduct	Conformance	The Entity has implemented a Code of Conduct including principles related to environmental, social and governance performance based on the principles defined in the ASI Performance Standard. The Code of Conduct is disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3306">http://www.shalfoil.com/NewsDetail.aspx?ID=3306</a> There is a mechanism to review the Code of Conduct periodically and when it is needed.
<b>2. POLICY AND MANAGEMENT</b>		
2.1a-f Environmental, Social, and Governance Policy	Conformance	The Entity has developed and implemented Policies consistent with the environmental, social and governance practices included in the ASI Performance Standard. The Policies are approved by the General Manager. The Entity has a management team to implement Policies with adequate authority including provision of resources. The Policies are reviewed in the annual management review meeting. In the latest management review meeting, no major Business change or major control gap was identified, and no revision of the Policies was required at this time. The Policies are disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3315">http://www.shalfoil.com/NewsDetail.aspx?ID=3315</a>
2.2a-c Leadership	Conformance	The Entity has nominated a senior Management Representative as having overall responsibility and authority for establishing, implementing, maintaining and improving the Management Systems required throughout the ASI Performance Standard and communicating the ASI policies to all employees.
2.3a Environmental and Social Management Systems - Environmental	Conformance	The Entity has documented and implemented an Environmental Management System and holds a valid ISO 14001:2015 certificate.
2.3b Environmental and Social Management Systems - Social	Conformance	The Entity has documented and implemented a Social Management System and holds a valid ISO 45001:2018 certificate. The main social and Occupational Health and Safety impacts are identified and assessed and the associated management provisions for preventing and/or mitigating these impacts are established and implemented.
2.4a-e Responsible Sourcing	Conformance	The Entity has developed and implemented Policies, systems, Procedures and processes that conform to the responsible sourcing requirements. The Entity conducts second-party Due Diligence audits at its major next-tier suppliers' sites to qualify them. The procurement

CRITERION	RATING	COMMENT
		team and relevant personnel are trained on an annual basis on Responsible Sourcing requirements. The Responsible Sourcing Policy is disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3307">http://www.shalfoil.com/NewsDetail.aspx?ID=3307</a>
2.5a-g Environmental and Social Impact Assessments	Minor Non-Conformance	<p>If there is a New Project an expansion project at the Entity, the environmental, and social impacts of the New Project are assessed, and the environmental and social impact management plan is established and implemented. The management plan will then be reviewed in the annual management review meeting or when there is a major Business change or control gap.</p> <p>However, it was identified the Environmental and Social Impact Assessments, and the latest active version of the environmental and social impact management plan for the Entity and its activities is not disclosed.</p>
2.6a-h Human Rights Impact Assessment	Conformance	The Entity establishes and implements the procedures to identify, and assess the Human Rights impact including a gender analysis, and establish the relevant management plan to prevent, mitigate and, where necessary, remediate any Material impacts identified. There is a New Project at the Entity, and the Human Rights and social impacts of the New Project are assessed covering gender equality. The management plan will be reviewed in the annual management review meeting or when there is a major business change or control gap. The Human Rights Impact Assessments and the latest active version of the environmental and social impact management plan are disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3373">http://www.shalfoil.com/NewsDetail.aspx?ID=3373</a>
2.7a-f Emergency Response Plan	Conformance	Emergency Response Plans are developed and implemented. Workers are trained in emergency response and records of drills are maintained. The Emergency Response Plan will be reviewed every three years per the legal requirement. The latest version of the emergency response plans is disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3310">http://www.shalfoil.com/NewsDetail.aspx?ID=3310</a>
2.8a-d Suspended Operations	Conformance	The Entity has established a Business Continuity and Resumption Plan for the identified emergencies which may discontinue the Business, alter operations, or cause Material adverse environmental, social and governance impacts including the associated control measures. The Business Continuity and Resumption Plan will be reviewed in the annual management meeting, or when there is a major Business change or control gap.
2.9a-b Mergers and Acquisitions	Conformance	The Entity has established a procedure for Mergers and Acquisitions; however, no such activity has occurred since the commencement of operations in 2008.
2.10a-b Closure, Decommissioning and Divestment	Conformance	The Entity has established a procedure for Closure, decommissioning and divestment, however, no such event has occurred since the commencement of operations in 2008.
<b>3. TRANSPARENCY</b>		
3.1a-b Sustainability Reporting	Conformance	The Entity has publicly disclosed its governance approach and its Material environmental, social and economic impacts in the 2022 Sustainability Report. The Report is written in the company's format, as

CRITERION	RATING	COMMENT
		is not currently verified by a third party. The Sustainability Report for 2022 is available at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3302">http://www.shalfoil.com/NewsDetail.aspx?ID=3302</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 in their Sustainability Report. There are no significant fines or penalties imposed on the Entity. This is confirmed by checking the official websites of the relevant government agencies and Non-Government Organisations (NGOs).
3.3a-c Payments to Governments	Minor Non-Conformance	The Entity only makes or has made on its behalf, payments to governments on a legal and/or contractual basis. Payments to governments are transparently reported in the annual Financial Audit Report which is issued by a qualified third party.  However, it was identified payments to Governments for 2022 are not publicly disclosed.
3.4a-f Stakeholder Complaints, Grievances and Requests for Information	Conformance	An internal and external whistleblowing/complaints/grievance mechanism is established and implemented (e.g. whistleblower hotlines, email addresses and suggestion box). The information of the whistleblowing/complaint/grievance is communicated to internal and external Stakeholders in the Sustainability Report (page 17, <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3302">http://www.shalfoil.com/NewsDetail.aspx?ID=3302</a> ) and the Responsible Aluminium Procurement Due Diligence Policy (page 3, <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3371">http://www.shalfoil.com/NewsDetail.aspx?ID=3371</a> ).
<b>4. MATERIAL STEWARDSHIP</b>		
4.1a Environmental Life Cycle Assessment	Conformance	The Entity commissioned a third-party cradle-to-gate Life Cycle Assessment (LCA) for its main Product the 'Dual Zero Aluminium Foil' following ISO 14040 and ISO 14044 standards. The comprehensive LCA report includes details on environmental impacts, such as global warming, acidification potential and a data sensitivity analysis.
4.1b-c Environmental Life Cycle Assessment - Disclosure	Conformance	The Entity provides comprehensive disclosure of the LCA information for its Products from 'cradle to gate' including basic assumptions, system boundaries, and associated data, available at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3370">http://www.shalfoil.com/NewsDetail.aspx?ID=3370</a>  Furthermore, the Entity commits to providing the entire environmental LCA report through external communication, if necessary.
4.2 Product Design	Conformance	While the Entity does not directly engage in Product design, it does incorporate sustainability goals into its production and quality control processes to bolster product sustainability. This includes enhancing product qualification rates, minimising waste, increasing recycling and utilisation rates, and using low-carbon Aluminium ingots, in so doing so mitigating the environmental impact throughout the product lifecycle.
4.3a-b Aluminium Process Scrap	Conformance	The Entity has developed and implemented an Aluminium scrap recycling management program, which requires 100% recycling of the waste generated during the production process. All scrap is graded and recycled based on alloy composition and content.

CRITERION	RATING	COMMENT
4.4a-c Collection and Recycling of Products at End of Life - Material Conversion and other Manufacturing	Conformance	The Entity has developed a strategy to utilise Recycled Aluminium, the ultimate target for 2025 is for the consumption amount of Recycled Aluminium to reach 20,000 tons a year, equal to 15% total of the annual raw material consumption of the Entity. The Entity commits to review the achievement of the Recycled Aluminium target every year and adjust the strategy, target and plan regarding Recycled Aluminium after the management review meeting. The recycling strategy is publicly disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3376">http://www.shalfoil.com/NewsDetail.aspx?ID=3376</a>
4.4d Collection and Recycling of Products at End of Life	Conformance	The Entity has a strategy to use Recycled Aluminium, which aims for an annual consumption of 20,000 tonnes by 2025. It has approved approximately ten Recycled Aluminium suppliers and predominantly sources from these suppliers. As China currently lacks a comprehensive collection and recycling system for Aluminium scrap, the Entity is collaborating with customers to enhance end-of-life Product recycling rates.
<b>5. GREENHOUSE GAS EMISSIONS</b>		
5.1a-b Disclosure of GHG Emissions and Energy Use	Minor Non-Conformance	The Entity has established a procedure in accordance with ISO 14064 for tracking and managing greenhouse gases (GHG) emissions and energy use annually. The 2022 report indicates approximately 18,500 tCO <sub>2</sub> e in direct emissions and approximately 1.6 million tCO <sub>2</sub> e in indirect emissions.  However, it was identified there was an incorrect emission factor used for electricity consumption and a lack of independent third-party verification before the report's disclosure. The publicly disclosed 2022 GHG inventory report is available <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3375">http://www.shalfoil.com/NewsDetail.aspx?ID=3375</a>
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	The Entity has established annual management goals to reduce the GHG emissions intensity per unit of Product and plans to implement a series of technological and managerial measures to achieve these targets, including the use of solar photovoltaic power generation. The Entity has publicly disclosed its 'Energy Conservation and Emissions Reduction Action Plan' on its official website, which includes information on the progress and improvements made towards the emissions reduction targets in 2022. The Report is available at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3372">http://www.shalfoil.com/NewsDetail.aspx?ID=3372</a>  The Entity has established an annual 'rolling target' management approach for GHG emissions. Its 2022 target is to decrease GHG emissions by 1.1% compared to 2021. Targets and plans are updated and disclosed yearly, including a mid-term target of no more than five years.



CRITERION	RATING	COMMENT
5.4 GHG Emissions Management	Conformance	The Entity has established a GHG Emission Reduction Plan to define the management approaches for GHG emissions, the main focus is on energy management. The Entity manages energy consumption and monitors the Management System performance to achieve the GHG Emissions Reduction Plan.
<b>6. EMISSIONS, EFFLUENTS AND WASTE</b>		
6.1a-f Emissions to Air	Conformance	<p>The Entity must comply with regulations by regularly disclosing pollution permit implementation reports, addressing key pollutants and monitoring results on the official environmental protection platform:  <a href="http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxgkContent&amp;dataid=22029a186bcd422a888563623bfecee4">http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxgkContent&amp;dataid=22029a186bcd422a888563623bfecee4</a></p> <p>The Entity conducts frequent air pollutant inspections, revising its air pollutant management plans as needed to address potential risks. The Entity's Emission Reduction Plan is available at:  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3369">http://www.shalfoil.com/NewsDetail.aspx?ID=3369</a></p>
6.2a-g Discharges to Water	Conformance	<p>The Entity's production process does not generate industrial Wastewater and monitors its domestic water uses annually. There is no current water pollutant reduction plan exists as there is no identified environmental impact to receiving waters</p> <p>However, if future discharges occur, a plan will be developed with regular reviews to address potential control defects. Information on the Entity's water pollutant emissions and management plans can be found in the Environmental Protection Bureau's platform or the 'Water Resource Risk Assessment Report' at:  <a href="http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxgkContent&amp;dataid=22029a186bcd422a888563623bfecee4">http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxgkContent&amp;dataid=22029a186bcd422a888563623bfecee4</a>  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3374">http://www.shalfoil.com/NewsDetail.aspx?ID=3374</a></p>
6.3a-g Assessment and Management of Spills and Leakages	Conformance	<p>The Entity has implemented an ISO 14001 Environmental Management System, with emergency measures and plans for pollution leaks and Spills, based on the approved Environmental Impact Assessment report. These risk and emergency plans are available at:</p> <p>List of Leakage Risk Identification and Risk Assessment:  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3308">http://www.shalfoil.com/NewsDetail.aspx?ID=3308</a></p> <p>Emergency Preparedness and Response Plan:  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3310">http://www.shalfoil.com/NewsDetail.aspx?ID=3310</a></p> <p>The Entity will also review and amend these plans if significant changes in associated risks or indications of control defects occur.</p>
6.4a-b Public Disclosure of Spills and Leakages	Conformance	<p>The reporting of Spills and Leakage is defined in the Entity's environment protection management procedure. The latest version of the management plan is disclosed at:</p> <p>List of Leakage Risk Identification and Risk Assessment:  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3308">http://www.shalfoil.com/NewsDetail.aspx?ID=3308</a></p> <p>Emergency Preparedness and Response Plan:  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3310">http://www.shalfoil.com/NewsDetail.aspx?ID=3310</a></p>

CRITERION	RATING	COMMENT
		According to the annual Sustainability Report no Spills have occurred in the past three years, the information is available at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3300">http://www.shalfoil.com/NewsDetail.aspx?ID=3300</a>
6.5a-c Waste Management and Reporting	Conformance	<p>The Entity has implemented a waste management strategy according to the Waste Mitigation Hierarchy. Waste management is addressed as part of the Environmental Management System. An inventory of waste generated in the operation has been established, and the control methods for the different types of waste are defined. The main Hazardous Wastes are diatomite with oil and waste oil, including as rolling and mineral oil. Hazardous Wastes are transferred to qualified suppliers for disposal in compliance with legal requirements. Each transfer is registered on the Environment Protection Ministry website and are audited.</p> <p>Information on waste generation and disposal for 2022-2023 is included in the Hazardous Waste Management Plan: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3319">http://www.shalfoil.com/NewsDetail.aspx?ID=3319</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	Dross is categorised as Hazardous Waste. The Entity follows the applicable legal requirements to collect, label and store Dross. No Leakages have been reported. The Aluminium removed from Dross residue is recycled into melting furnaces, and the remainder is sent to a supplier for disposal who holds all required licenses and permits for Dross disposal. The Entity purchases the Aluminium recovered from Dross and Dross residues. The supplier visit report demonstrated that Dross residues are not sent to landfill.
<b>7. WATER STEWARDSHIP</b>		
7.1a-b Water Assessment and Disclosure	Conformance	The government has approved the Entity to use groundwater, and the Entity has disclosed information regarding its water sources and usage, as well as water balance diagrams, in its water risk assessment report. The water risk assessment takes into account the operational, internal, and external risks within the Entity's scope of influence, as well as the nature of the products, production processes, water extraction volume, and local water resource availability. The Entity's water-related risks are assessed as low. The water risk assessment report of the Entity can be accessed at <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3301">http://www.shalfoil.com/NewsDetail.aspx?ID=3301</a>
7.2a-e Water Management	Not Applicable	This Criterion is not applicable as there were no identified significant 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's Environmental Impact Assessment is qualified by a third party who evaluates the effects of the Entity's operations on Biodiversity. The report is approved by the local Environmental Protection Bureau and assesses the risks and significance of impacts

CRITERION	RATING	COMMENT
		<p>on Biodiversity due to the Entity's land use and activities within its influence area.</p> <p>Based on the three assessment reports, there are no Significant Risks or impacts on Biodiversity associated with the Entity's products or production processes, or its location.</p> <p>The Biodiversity Risk Assessment Report is available at:  <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3303">http://www.shalfoil.com/NewsDetail.aspx?ID=3303</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 risks and potential impacts identified have been assessed and documented as low according to the approved Environmental Impact Assessment (EIA) report by the local environment protection agency. Furthermore, no Priority Ecosystem Services have been identified as a result of this assessment.
8.2a-g Biodiversity Management	Not Applicable	This Criterion is not applicable to the Entity, as the risks and potential impacts identified have been 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 have been identified.
8.4 Alien Species	Conformance	The Entity has established a Management Policy and procedures to prevent the introduction of invasive species. It has identified risks associated with the introduction of invasive species in its operations and logistics activities and assessed whether these activities would have significant adverse impacts on Biodiversity and Ecosystem Services. Based on the results of the Biodiversity assessment, the Entity's activities pose a low risk of introducing invasive species.
8.5a-b Commitment to "No Go" in World Heritage Properties	Conformance	The Entity has implemented and established a management manual that includes a commitment to not explore or develop New Projects or make Major Changes within 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 implemented and established a management manual with the commitment to protecting the environment. There are no Protected Areas in the Entity's Area of Influence as verified by 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 committed to upholding Human Rights and has established a process for Human Rights Due Diligence. It has identified the impacts on Human Rights and established measures to mitigate and control them. This includes conducting audits on major suppliers. The Entity has also conducted a risk assessment that identified the major risks in the supply chain and established management procedures for suppliers and on-site Contractors. It conducts on-site audits on major suppliers to assess and control the risks and negative

CRITERION	RATING	COMMENT
		<p>impacts. To date, no Human Rights abuses have been reported in supplier audits. The Entity and its major suppliers have no reported issues regarding Human Rights. There is a mechanism for periodic review of the Policy or when it is needed.</p> <p>The Environmental, Social and Human Rights Policy is available at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3315">http://www.shalfoil.com/NewsDetail.aspx?ID=3315</a></p>
9.2a-e Gender Equity and Women's Empowerment	Conformance	<p>The Entity has established a Policy with a commitment to gender equity and women's empowerment. The Entity has implemented protection measures to ensure respect for women's rights and promote gender equity and women's empowerment. Interviewed women Workers feel they are treated and paid equally. The protection measures are reviewed periodically or when needed.</p> <p>The effectiveness of the measures taken to promote gender equity is disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3314">http://www.shalfoil.com/NewsDetail.aspx?ID=3314</a></p>
9.3a-i Indigenous Peoples	Not Applicable	This Criterion is not applicable as there are no Indigenous Peoples within the Entity's Area of Influence.
9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes	Not Applicable	This Criterion is not applicable as there are no Indigenous Peoples within the Entity's Area of Influence.
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 as there are no Indigenous Peoples within the Entity's Area of Influence.
9.5a Cultural and Sacred Heritage - Identification	Conformance	The Entity has implemented Policies and procedures to protect cultural and sacred heritage sites. However, there are no cultural and sacred heritage sites within the Entity's Area of Influence.
9.5b Cultural and Sacred Heritage - Impacts	Not Applicable	This Criterion is not applicable as there are no Indigenous Peoples within the Entity's Area of Influence.
9.6a-i Displacement	Not Applicable	This Criterion is not applicable as there are no Indigenous Peoples within the Entity's Area of Influence and the Environmental Impact Assessment Report for the new extension did not require displacements.
9.7a-h Affected Populations and Organisations	Conformance	<p>The Entity has established a Policy to commit to respecting the legal and customary rights and interests of Affected Populations and Organisations. The Entity has conducted the risk assessment on Affected Populations and Organisations' rights and has identified environmental pollution as an adverse impact.</p> <p>The Entity's ISO 14001:2015 certified Environment Management System is established to reduce this risk. Control measures implemented to prevent pollution, are periodically reviewed or when there are Major Changes or control gap.</p>

CRITERION	RATING	COMMENT
		The Environmental Impact Assessment and control measures are disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3320">http://www.shalfoil.com/NewsDetail.aspx?ID=3320</a>
9.8a Conflict-Affected and High-Risk Areas - Strong Management Systems	Conformance	The Entity has established a Policy with a commitment not to use conflict minerals. They have implemented a Management System that includes supply chain mapping, risk assessment, control plans, Due Diligence audits, and reporting. The Entity also provides training courses to all relevant employees, communicates the Policy and requirements to suppliers, and requires suppliers to sign a Commitment Letter confirming their commitment to not using conflict minerals.
9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks	Conformance	The Entity has conducted an analysis and assessed risks by mapping the supply chain and investigating the origins of the materials through suppliers. The result is no materials are sourced from CAHRAs.
9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks	Conformance	The Entity has defined the process to respond to risks in accordance with the 'OECD Due Diligence Guidance of Minerals from Conflict-Affected and High-Risk Areas'. The risk assessment report has demonstrated there are no materials are from the CAHRAs, with no red flags currently identified in the supply chain.  The Entity maintains their business relationship with the material suppliers.
9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence	Conformance	As a part of the supplier Due Diligence process, the Entity identifies the major next-tier suppliers, establishes a supplier audit plan, and conducts second-party Due Diligence audits at major next-tier suppliers' sites. The audit criteria for these audits are the requirements for CAHRAs. Based on the risk assessment record and supplier audit reports in 2023, there are no materials are sourced from CAHRAs.
9.8e Conflict-Affected and High-Risk Areas - Report annually	Minor Non-Conformance	The Entity has defined their performance of supply chain Due Diligence for Conflict-affected and High-Risk Areas must be publicly reported.  However, it was identified the performance of supply chain Due Diligence on Conflict-Affected and High-Risk Areas for 2022 is not publicly available.
9.9 Security practice	Conformance	Security guards are hired directly by the Entity. The Entity has implemented Policies and procedures addressing their commitment and approach to security activities that respect Human Rights, such as not permitting body searches. Training is provided to ensure all security Workers understand their responsibilities and how to demonstrate respect for Human Rights. There have been no complaints received on the Entity's security activities.
<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	Conformance	The Entity respects the rights of Workers to Freedom of Association and Collective Bargaining. Employee representatives are elected by

CRITERION	RATING	COMMENT
Collective Bargaining - Alternative means in context of Applicable Law		all employees. Periodically, representatives and senior management hold a meeting to address complaints and grievances from Workers. Workers may report their concerns or complaints directly to the Entity's management or through employee representatives. The process to lodge complaints or report concerns is known to Workers.
10.2a Child Labour	Conformance	<p>The Entity has implemented a Policy to not use Child Labour and communicates this to Workers and suppliers to ensure the legal requirements on Child Labour and young Workers are followed internally and within the supply chain.</p> <p>There is no Child Labour or young Workers at the Entity. A review of the roster, site observations and interviews with the sampled Workers and management confirmed the youngest worker is 22 years old.</p>
10.3a-c Forced Labour	Conformance	<p>The Entity has established a Policy on the prohibition of Forced Labour including Human Trafficking and commits both the Entity and their suppliers to comply with the prohibition of Forced Labour, slavery and Human Trafficking. As confirmed through Worker and management interviews, document review and site observation, the Entity neither engages in, nor supports the use of Forced Labour and Human Trafficking. Workers are hired directly by the Entity, they do not pay any fees to get the job, no deposits are required, and no loans are provided. Workers keep their identity documents, basic freedom of movement is respected and can freely terminate their employment with prior notice. The Modern Slavery Statement is disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3313">http://www.shalfoil.com/NewsDetail.aspx?ID=3313</a></p>
10.4a-c Non-Discrimination	Conformance	<p>The Entity has established a procedure for banning Discrimination and is committed to Non-Discrimination. There has been no case of Discrimination received. Both the recruitment advertisements and the training plan indicate that decisions are made solely based on a candidates or Workers' ability to perform the requirements of the role, rather than other personal characteristics. Interviewed Workers confirm there is equal opportunity at the Entity.</p>
10.5 Communication and engagement	Conformance	<p>The Entity has direct and frequent communication with Workers and the Worker representatives. The communication channels are communicated to Workers and Workers may raise concerns regarding working conditions, labour rights, OH&amp;S issues and compensation issues, without the threat of reprisal, intimidation or Harassment.</p>
10.6a-g Violence and Harassment	Conformance	<p>The Entity has implemented a Policy prohibiting any form of Violence and Harassment. As a component of the risk management process in conjunction with Workers' participation, the Entity identifies and assesses the risks of Violence and Harassment and establishes and implements the control measures to prevent it from occurring. A training course is provided to all Workers, so they are aware as to how to report cases of Violence and Harassment. No cases of Violence or Harassment have been reported or identified in the Entity over the past three years. The Policy is revised in the annual management review meeting or when there is a major Business change or a control gap. The Policy is disclosed at: <a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3315">http://www.shalfoil.com/NewsDetail.aspx?ID=3315</a></p>

CRITERION	RATING	COMMENT
10.7a-c Remuneration	Conformance	The Entity signs the labour contracts with all employees within a month when they join. The terms and conditions of the labour contract meet the labour contract law. The wage structure is clearly defined, the basic wage meets the legal minimum wage and Workers' basic needs. Remuneration is paid to Workers without delay and are issued with detailed payslips. The Entity pays Workers appropriate premiums for Overtime and provides paid leave to eligible Workers according to applicable legal requirements.
10.8a-c Working Time	Conformance	Working hours are recorded by a finger-scanning meter. The regular working hours are eight hours a day, five days a week with a total of 40 hours. Working hours are monitored and controlled, the monthly Overtime working hours do not exceed the legal monthly limit, and at least one day off a week is guaranteed. The total annual working hours of Workers under the Comprehensive Working Hour System are less than the legal limit.
10.9a-b Informing Workers of Rights	Conformance	The Entity informs Workers of their rights as part of orientation training and provides them with an Employee handbook with information on their rights.
<b>11. OCCUPATIONAL HEALTH AND SAFETY</b>		
11.1a Occupational Health and Safety (OH&S) Management System	Conformance	The Entity has established, implemented, and maintains an Occupational Health and Safety (OH&S) Management System that is continually improved. The Entity holds valid ISO 45001:2018 certificates, demonstrating their commitment to Occupational Health and Safety (OH&S). Through on-site observations, document reviews, and interviews with management and Workers, it has been determined that the OHSMS is effective, prevents workplace hazards, and promotes a safe and healthy working environment, and complying with relevant regulations and standards.
11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure	Conformance	<p>The Entity conducts periodic reviews of its OH&amp;S Management System through various means. These include monthly safety meetings, an annual evaluation of legal compliance, an annual internal audit based on ISO 45001:2018, and management review meetings. Should any indication of a control gap arise during these reviews, a thorough assessment is conducted to determine the necessity of implementing potential corrective and/or preventive actions. This proactive approach ensures that any identified issues or gaps in the OH&amp;S Management System are promptly addressed.</p> <p>To promote transparency and disclosure performance information, the achievement of the 2022 OH&amp;S objectives and targets, as well as comparative analyses of performance with peer businesses and leading practices are available at:</p> <p><a href="http://www.shalfoil.com/NewsDetail.aspx?ID=3318">http://www.shalfoil.com/NewsDetail.aspx?ID=3318</a></p>
11.2 Employee engagement on Health and Safety	Conformance	The Entity promotes OH&S through a consultative system, encouraging Workers to raise concerns or suggestions either directly or via management representatives. A Health and Safety Committee has been established, conducting regular meetings with management to discuss OH&S issues and plan improvements.

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### DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	18 January 2021	Initial Certification Audit
1	31 August 2022	Surveillance Audit and include the Entity's country location in the Certification Scope.
2	18 January 2024	Re-Certification and Scope Change Audit from Performance Standard V2 to V3.
3	30 July 2024	Individual ASI Membership for Shangqiu Yangguang Aluminium Product Co., Ltd was superseded and the Entity has been included under the HENAN SUNHO COAL & POWER CO., LTD membership.

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