

ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

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

CERTIFICATE NUMBER

342

ASI STANDARD

PERFORMANCE
STANDARD
(V3.1 2023)

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 'S' followed by a horizontal line.

CERTIFICATION SCOPE

Shandong Hongqiao Scholz
Circular Economy Science &
Technology Co., Ltd. focuses on the
re-melting of recycled metals and
Semi-fabrication, with Facilities
located in Zouping City, Shandong
Province, China.

Aluminium Stewardship Initiative Ltd
ACN 606 661 125, Australia
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*

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-melting of recycled metals and Semi-fabrication, with Facilities located in Zouping City, Shandong Province, China.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesSemi-Fabrication
ASI STANDARD	Performance Standard V3.1
AUDIT TYPE	<ul style="list-style-type: none">Initial Certification Audit (18 – 19 October 2023)Surveillance Audit (20 August 2025)
AUDIT FIRM	DNV Business Assurance Services UK Ltd.
AUDIT DATE	<ul style="list-style-type: none">18 – 19 October 2023 (Initial Certification Audit)20 August 2025 (Surveillance Audit)
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">23 November 2023 (Initial Certification Audit)9 October 2025 (Surveillance Audit)
AUDIT SCOPE	<p><u>Initial Certification Audit (18 – 19 October 2023)</u></p> <p>Shandong Hongqiao Scholz Circular Economy Science & Technology Co., Ltd. focuses on the re-melting of recycled metals and Semi-fabrication, with Facilities located in Zouping City, Shandong Province, China</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesSemi-Fabrication <p>All applicable criteria in the ASI Performance Standard were included in the Audit Scope.</p> <p><u>Surveillance Audit (20 August 2025)</u></p> <p>Shandong Hongqiao Scholz Circular Economy Science & Technology Co., Ltd. focuses on the re-melting of recycled metals and Semi-fabrication, with Facilities located in Zouping City, Shandong Province, China</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesSemi-Fabrication

All applicable criteria in the ASI Performance Standard were included in the Audit Scope.

AUDIT OUTCOME

- Certification

AUDIT METHODOLOGY
DECLARATION

The Auditors confirm that:

- ☒ The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.
 - ☒ The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.
 - ☒ The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the company'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

31 January 2024 – 30 January 2027

NEXT AUDIT TYPE

Re-Certification Audit

NEXT AUDIT DATE

30 January 2027

CERTIFICATE NUMBER

342



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.

ENTITY OVERVIEW

Shandong Hongqiao Scholz Circular Economy Science & Technology Co., Ltd. (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, including from 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 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
SYSTEMS	Medium	Medium	Medium	MEDIUM
RISKS	Medium	Medium	Medium	MEDIUM
PERFORMANCE	Medium	Medium	Medium	MEDIUM
OVERALL	MEDIUM			

FINDINGS

CRITERION	RATING	COMMENT
1. BUSINESS INTEGRITY		
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 establishes and implements the Policy and procedures to manage Anti-Corruption. The Entity develops and implements 'whistleblowing' mechanisms, including a suggestion box, a hotline (0543-4684227) and mailbox (hse@hongqiaoscholz.com). The 'whistleblowing' channel is made available to employees and interested parties. Relevant Anti-Corruption training courses are provided to the employees in high-risk positions. The Anti-Corruption Policy is communicated to all suppliers, who must sign the commitment letters.
1.3a-e Code of Conduct	Conformance	The Entity has implemented a Code of Conduct that includes principles related to Environmental, Social and Governance (ESG) performance. The Entity has implemented measures, including training and communication, to raise awareness about the code among business partners and suppliers. The Code of Conduct is reviewed in the annual management review meeting or when there is a major change or control gap. The Code of Conduct is publicly disclosed at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/1754102837a15a80.pdf
2. POLICY AND MANAGEMENT		
2.1a-f Environmental, Social, and Governance Policy	Conformance	The Entity has implemented a management Policy that are consistent with Environmental, Social and Governance (ESG) practices. The Entity's senior management has demonstrated a commitment to the implemented Policies. The Policies are reviewed at the annual management review meeting and when there is a major change or control gap. The Environmental, Social, and Governance Management Policy is available for internal and external Stakeholders at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112546b70eff.pdf
2.2a-c Leadership	Conformance	The Entity has nominated a senior Management Representative who has the overall responsibility and authority for ensuring conformance with the ASI Performance Standard including leading the communication of the ASI Performance Standard related requirements and Policies by training and on-site posting.
2.3a Environmental and Social Management Systems - Environmental	Conformance	The Entity has implemented and documented an Environmental Management System and holds a valid ISO 14001:2015 Certification. In the latest external audit undertaken by CQC in August 2025, no non-conformances were raised.

CRITERION	RATING	COMMENT
2.3b Environmental and Social Management Systems – Social	Conformance	The Entity has documented and implemented a Social Management System. The main social and Occupational Health and Safety (OH&S) impacts are identified and assessed, and the associated management provisions for preventing and mitigating these impacts are established and implemented.
2.4a-e Responsible Sourcing	Conformance	<p>The Entity has developed and implemented Policies, systems, procedures, and processes that addresses responsible sourcing. The Entity conducts second-party Due Diligence audits of major 'next-tier' suppliers' sites to qualify them. The Entity's procurement team and relevant personnel are trained on an annual basis on responsible sourcing requirements. The Supplier Code of Conduct is reviewed in the annual management review meeting and will be reviewed if there is a major change or control gap. The Supplier Code of Conduct is available at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/17541027940c1d67.pdf</p>
2.5a-g Environmental and Social Impact Assessments	Not Applicable	This Criteria is not applicable to the Entity, as no New Projects or Major Changes to existing Facilities.
2.6a-h Human Rights Impact Assessment	Not Applicable	<p>This Criteria is not applicable to the Entity, as no New Projects or Major Changes to existing Facilities.</p> <p>However, the Entity has established and implemented the documented procedures to identify and assess the risks to human rights and business ethics and establish the relevant control measures based on the ASI Performance Standard and associated legal requirements. A process is in place to screen developments, expansions, significant changes to operating Facilities and, in the case of New Projects or major changes, to determine if there are social risks and impacts that require an Impact Assessment.</p>
2.7a-f Emergency Response Plan	Conformance	<p>The Entity has established a Comprehensive Emergency Response Plan, a Special Emergency Plan, and the Environmental Emergency Plans. The two plans are registered with the relevant government agencies. The Entity provides the relevant training courses to employees and conducts the drills. The two emergency response plans are reviewed every two or three years or when there is a major change or control gap and resubmitted to the authorities for registration.</p> <p>A summary of the Emergency Response Plan is disclosed at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/175911247613d09f.pdf</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 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 organisations 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

CRITERION	RATING	COMMENT
		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.
3. TRANSPARENCY		
3.1a-b Sustainability Reporting	Conformance	The Entity has disclosed its governance approach and its Material environmental, social, and economic impacts in its Sustainability Report for 2024: http://www.hongqiaochina.com/Uploads/File/2025/04/13/C25011015-Hongqiao-ESG24%20(1).20250413205743.pdf
3.2 Non-compliance and Liabilities	Conformance	There were no monetary fines, judgements, penalties and non-monetary sanctions for failure in 2024. This was verified with management interviews and the official websites of relevant government agencies and Non-Government Organisations (NGOs). The Compliance Statement is disclosed at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/1754102768c7898b.pdf
3.3a-c Payments to Governments	Conformance	The Entity's internal control procedure prescribes that payments to Governments are made only on a legal basis. In China, there are no payments to political parties, and payment to governments is legally required for social security fees, taxes, and no other items. Payments to Governments are reported in the corporate China Hongqiao Group 2024 Annual Report, pages 14, 17, 28, and 111-113: http://www.hongqiaochina.com/Uploads/File/2025/04/11/C24120936-Hongqiao-AR24.20250411194704.pdf
3.4a-f Stakeholder Complaints, Grievances and Requests for Information	Conformance	The Entity's Complaints Resolution Policy encourages whistleblowing and guarantees the privacy of 'whistleblowers'. Contact details for the whistleblowing hotline and email address for internal and external individuals are published in the emergency preparation and response plan. The hotline and email address for whistleblowing for internal and external persons and the Complaints Resolution Mechanism are published in the Stakeholder Complaint Handling System Policy,

CRITERION	RATING	COMMENT
		available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410268314d7ca.pdf
4. MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment	Conformance	The Entity has assessed the environmental impacts of its main Product line, Recycled Aluminium Products, using its own established methods. The environmental lifecycle assessment of the Entity follows the 'cradle-to-gate' approach and includes the disposal process of production waste. The Entity has publicly disclosed its Life Cycle Assessment (LCA) Report, which is available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/17591124438d43d4.pdf
4.1b-c Environmental Life Cycle Assessment - Disclosure	Minor Non-Conformance	The Entity's Life Cycle Assessment (LCA) Report provides information on the Aluminium foil Products and Aluminium plate and strip from 'cradle to gate'. The Entity commits to providing further data and information regarding the lifecycle of its Products upon request from customers. The Entity's LCA Report includes some basic LCA information and assumptions. The evaluation report is available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/17591124438d43d4.pdf It was identified that the Report however has incomplete information including Global Warming Potential (GWP), acidification potential, water consumption, and sensitivity analysis results.
4.2 Product Design	Conformance	The Entity itself does not engage in any Product design activities. The Entity however incorporates relevant sustainability goals into its production process control and raw material procurement processes to enhance the sustainability of its Products, including the environmental life cycle impact of the final Products.
4.3a-b Aluminium Process Scrap	Conformance	The Entity has established regulations for Aluminium Scrap recycling, with a target of 100% Collection and recycling of process Scrap. The Entity has implemented various technical and management measures to reduce the generation of Aluminium Process Scrap in its operations and ensure the achievement of the 100% recycling target.
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 six 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 120,000 tonnes per year.

CRITERION	RATING	COMMENT
5. GREENHOUSE GAS EMISSIONS		
5.1a-b Disclosure of GHG Emissions and Energy Use	Conformance	<p>The Entity has calculated its Material Greenhouse Gas (GHG) Emissions, including for Scopes 1 and 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 2024 GHG Emissions Report and issued a verification statement. Disclosure of 2024 GHG emissions, energy use and the verification statement is available at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/1754102748a32042.pdf</p> <p>and</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/1754102862384f20.pdf</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 GHG Emissions Reduction Plans	Conformance	<p>The Entity has established a GHG Emissions Reduction Plan with a 2022 baseline year, including Intermediate Targets developed according to the ASI Methodology and the associated approaches, and has publicly disclosed the Greenhouse Gas Emissions Reduction Implementation Plan and GHG Emissions Reduction Pathway, available at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112398b23245.pdf</p>
5.3b-e GHG Emissions Reduction Plans – Targets, review and disclosure	Minor Non-Conformance	<p>The Entity has established a GHG Emissions Reduction Plan, including Intermediate Targets and the associated approaches, and has publicly disclosed the Plan and GHG Emissions Reduction Pathway, available at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112398b23245.pdf</p> <p>Whilst there is a mechanism to review the GHG Emissions Reduction Plan annually and to review the Pathway if needed, it was identified however that some of the defined approaches, timeframes and detailed targets are not yet established.</p>
5.4 GHG Emissions Management	Conformance	<p>The Entity has established a procedure for annual GHG emissions calculation, and has established, implemented and maintains the Energy ISO 50001:2018 certified Management System to improve energy consumption efficiency and reduce GHG emissions. The achievement status of the GHG reduction targets is reviewed periodically.</p>

CRITERION	RATING	COMMENT
6. EMISSIONS, EFFLUENTS AND WASTE		
6.1a-f Emissions to Air	Conformance	<p>The Entity has conducted an Environmental Impact Assessment to identify, assess and quantify Material Emissions to Air from its activities. It has 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.</p> <p>The Entity has publicly disclosed its environmental performance, including the air emissions control plan and air emissions reduction control plan, available at:</p> <p>Environmental Information Disclosure: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410224570cbaf.pdf</p> <p>Air Pollution Reduction Plan: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410229109132f.pdf</p>
6.2a-g Discharges to Water	Conformance	<p>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.</p> <p>The following documents contain the control plan and the wastewater reduction control plan:</p> <p>Environmental Information Disclosure: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410224570cbaf.pdf</p> <p>Water Pollutant Reduction Solutions: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410261275c59b.pdf</p>
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 environmental incidents, which address Spill/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 in the 'Leakage/Spill Risk Identification and Risk Assessment Checklist': https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410250892b52f.pdf</p>
6.4a-b Public Disclosure of Spills and Leakages	Conformance	<p>The Entity's Emergency Response Plans address the procedure for reporting Spills and Leakages, including for all Affected Populations and Organisations. There has been no Spill or Leakage since the Entity commenced operation in 2024 and 2025. For further information, refer to the Environmental Information Disclosure document, available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410224570cbaf.pdf</p>

CRITERION	RATING	COMMENT
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 in the Environmental Information Disclosure document, available at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410224570cbaf.pdf</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 categorised 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 the 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>
7. WATER STEWARDSHIP		
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 water-related risks and has considered the surrounding water environment, water withdrawal and discharge, and the effectiveness of the existing management measures, the risk is low.</p> <p>The Water Resources Risk Assessment Report is available at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/1754102639227199.pdf</p>
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. The Entity has implemented its management plan for wastewater.
8. BIODIVERSITY AND ECOSYSTEM SERVICES		
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, which was conducted by qualified third parties and approved by the local Environment Protection Agency.</p> <p>In accordance with the approved Environmental Impact Assessment Reports, there are no threatened flora and fauna, and no Protected Areas present in the Entity's Area of Influence. The impact on Biodiversity is limited, and therefore the risk level is assessed as low. The Biodiversity Risk Identification and Evaluation Report is disclosed at:</p> <p>https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/1754102566fb8e20.pdf</p>

CRITERION	RATING	COMMENT
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 Environmental Impact Assessment 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.
9. HUMAN RIGHTS		
9.1a-d Human Rights Due Diligence	Conformance	<p>The Entity has implemented a Policy with the commitment to respect Human Rights including gender equity and has communicated it to all employees.</p> <p>Environmental, Social, and Governance Management Policy: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112546b70eff.pdf</p> <p>The Entity has established and implemented a Human Rights Due Diligence process and mapped the Affected Populations and Organisations. The risks on Human Rights are identified and assessed, and the major risks identified are in the supply chain. The Entity's Supplier Code of Conduct is communicated to major suppliers. The associated mitigation and control measures are established and implemented, such as audits for major suppliers. The supplier audit reports show no adverse cases. No negative news was found online regarding Human Rights issues related to the Entity and its major suppliers. The Human Rights Due Diligence process is reviewed in the annual management review meeting.</p> <p>The Entity has identified the populations and organisations potentially affected by its operational activities (including neighbouring businesses and employees around its plant locations) through the implementation of its compliance management and risk control procedures. The Entity's 'Human Rights Risk Assessment Report'</p>

CRITERION	RATING	COMMENT
		<p>indicates that its impact on the Human Rights of populations and organisations within its Area of Influence is minimal. The Entity has cultivated relationships and maintains close communication with the Affected Populations and Organisations through the management committee of the industrial zone where it operates. The Human Rights Impact Assessment Report is available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/17541024728501ff.pdf</p> <p>There are no negative issues identified online regarding Human Rights issues related to the Entity and its affected populations and organisations.</p>
9.2a-e Gender Equity and Women's Empowerment	Conformance	<p>The Entity has implemented Policies to respect the rights of women and a programme to promote gender equity and women's empowerment in the whole employment process. No complaints have been received from women Workers. Women Workers interviewed during the Audit stated that they know their rights, and no negative feedback was received. The Entity assesses the programme on Gender Equity and Women's Empowerment, the 'Gender Equality and Protection of Female Employees' Rights Report' is disclosed at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112516e60112.pdf</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.
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	Not Applicable	This Criterion is not applicable to the Entity, as there are no New Projects or Major Changes to existing Facilities, nor any projects that require resettlement or displacement.

CRITERION	RATING	COMMENT
		However, the Entity has a Policy in place to address the resettlement in the frame of legal requirements. In China, the resettlement is managed by the government.
9.7a-h Affected Populations and Organisations	Conformance	<p>The Entity establishes the Policy to commit to respecting the legal and customary rights and interests of Local Communities in their lands and livelihoods and their use of natural resources.</p> <p>The Entity has established and implemented compliance management and risk control procedures to identify, prevent, monitor and mitigate any significant impacts caused by its activities, including those related to Health and Safety, social and cultural Human Rights and environmental impacts.</p> <p>The Entity works closely with the Industrial Estate Management Committee and, through its Stakeholder engagement process, consults and involves Affected Populations and Organisations in the development of its management plans, such as the formulation of the Safety Contingency Plan and the Environmental Contingency Plan.</p> <p>The Entity's primary impact on neighbouring populations and organisations arises from the environmental impact of its production activities, particularly the emissions of air pollutants. To address this, the Entity has developed an environmental control plan in accordance with legal requirements and regularly reports the status of its implementation to the Environmental Protection Agency. The mapping of Affected Populations and Organizations and the associated management plan is available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112609b8ad8b.pdf</p>
9.8a Conflict-Affected and High-Risk Areas – Strong management systems	Conformance	The Entity has implemented a Policy to commit to not using conflict minerals and has established and implemented a Management System, including supply chain mapping, risk assessment, control plan, Due Diligence audits and reporting. The Entity provides the training course to all relevant employees, the Policy and requirements are communicated to suppliers, and all the suppliers sign the Commitment Letter to not use conflict minerals.
9.8b Conflict-Affected and High-Risk Areas – Identify and assess risks	Conformance	The Entity conducts a supply chain risk assessment to determine if materials sourced are from Conflict-Affected and High-Risk Areas (CAHRA). In accordance with the Entity's risk assessment report, there are no materials sourced from CAHRAs, all suppliers are located within China, and there are no critical Human Rights issues identified such as Child Labour and Forced Labour.
9.8c Conflict-Affected and High-Risk Areas – Strategy to respond to risks	Not Applicable	<p>This Criterion is not applicable to the Entity as it did not identify any actual or potential risks as part of their Due Diligence processes.</p> <p>In accordance with the Entity's risk assessment report, no materials are sourced from CAHRAs. The Entity adheres to the OECD Due Diligence Guidance of Minerals from CAHRAs to respond to risks. The Entity maintains a business relationship with all material suppliers.</p>
9.8d Conflict-Affected and High-Risk Areas – Audit of due diligence	Conformance	<p>The Entity's Due Diligence processes were included in this ASI Performance Standard Certification Audit, which addresses this requirement.</p> <p>In addition, as a part of the supplier Due Diligence process, the Entity identifies its major 'next-tier' suppliers, establishes supplier audit plans,</p>

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		conducts second-party Due Diligence audits at major 'next-tier' suppliers' sites, and the requirements on CAHRAs are the audit criteria. In accordance with the risk assessment record and supplier audit reports in 2024 and 2025, no material are sourced from CAHRAs, the risk of conflict minerals is low, and no further action is needed.
9.8e Conflict-Affected and High-Risk Areas – Report annually	Conformance	The Entity defines the performance of supply chain Due Diligence on CAHRAs shall be publicly reported. The Supply Chain Due Diligence Report detail the result of supply chain Due Diligence on CAHRAs for 2024 is publicly disclosed at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112582efc157.pdf
9.9 Security practice	Conformance	The Entity has established management procedures to manage the security activities to respect Human Rights, and training is provided to security guards. The security guards are only positioned at the Entity's entrance gate for Visitor management, no body searches or restriction of Worker movement are permitted. Security personnel interviewed as part of the Audit, confirmed that they understand their tasks and the way to respect Human Rights. No grievance or complaint against security activities has been received to date.
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	There are laws that restrict Freedom of Association and Collective Bargaining in China. However, the Entity demonstrates they respect the right to Freedom of Association and to Collective Bargaining; Workers' representatives consider and manage Workers' concerns with management on behalf of Workers.
10.2a-c Child Labour	Conformance	In accordance with the Entity's roster, site observation and interview with the sampled Workers, the youngest Worker in the company was 22 years old, who was born on October 24, 2002, and joined the Entity on September 7, 2022. No Child Labour is found. In China, the minimum working age is 16. A Policy of not using Child Labour is established, and the age of each candidate is verified by checking the ID cards and during interviews. Copies of the Workers' ID cards are kept in their personal files as evidence of age verification.
10.3a-c Forced Labour	Minor Non-Conformance	The Entity has established a Policy of prohibition of Forced Labour, including Human Trafficking. It commits itself and expects its suppliers to comply with the prohibition of Forced Labour, slavery and Human Trafficking. It was confirmed during Worker and management interviews, document review and site observation, the Entity neither engages in nor supports the use of Forced Labour, nor directly engages in or supports Human Trafficking. Workers are hired directly by the Entity and do not accept any payments or deposits from employees. No loans are provided to Workers. The basic freedom of

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		<p>movement is respected by the Entity and Workers can freely terminate the employment with prior notice.</p> <p>The Entity discloses its 2025 Modern Slavery Statement 2025 at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/175410231644cfef.pdf</p> <p>It was identified the Modern Slavery Statement is however incomplete and does not outline the actions taken to identify, address and prevent Modern Slavery.</p>
10.4a-c Non-Discrimination	Conformance	<p>The Entity is committed to Non-Discrimination. The Entity's recruitment advertisement and training plan indicate decisions are solely based on the candidate's ability to perform the job's requirements rather than on other personal characteristics, and the equal pay for the same work. This was verified through Worker interviews who confirm they are treated equally. No case of Discrimination has been received.</p>
10.5 Communication and engagement	Conformance	<p>The Entity has established direct and frequent ongoing communication with Workers and Worker representatives. Communication channels are provided to Workers where they can make complaints and raise concerns regarding working conditions and the resolution of workplace and compensation issues, without the threat of reprisal, intimidation, or Harassment.</p>
10.6a-g Violence and Harassment	Conformance	<p>The Entity respects its employees, disciplinary measures are in compliance with legal requirements and require the confirmation of the involved Worker. The Entity does not engage in, nor tolerate the use of corporal punishment, mental or physical coercion, Harassment, and gender-based Violence, including sexual Harassment, or verbal abuse of Workers.</p> <p>Violence and Harassment is addressed in the Environmental, Social and Governance Management Policy, available at: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202509/1759112546b70eff.pdf</p>
10.7a-d Remuneration	Conformance	<p>In accordance with the Entity's Regulation of Wage and Benefit document, the wage of Workers consists of a basic wage, a performance wage, allowances, and Overtime wage. The wage structure is clearly defined, and normal wages are above the legal minimum wage. The total payment meets the Workers' basic need. There is not a formal living wage defined on the site, however, interviews with the Workers confirm incomes meet the basic needs within the area.</p> <p>Workers interviewed during the Audit indicated that they receive training on wages and benefits, understand the wage structure, and sign pay slips. All interviewed Workers state the wage provided is competitive and attractive in the area. For each pay period, Workers are provided with pay slips that clearly indicate compensation, including regular hours and regular wage, Overtime hours and Overtime compensation levels, subsistence, allowance and details of deductions (such as insurance contributions, housing fund, private income tax, etc.).</p> <p>All payments are documented and timely paid to all Workers by bank transfer around 1st to 5th of the following month with the wage period from 25th to 24th.</p>

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10.8a-c Working Time	Conformance	<p>The working hours are recorded manually. For most Workers at the workshops, there are four groups for three shifts. Working Times are 08:00-20:00 and 20:00-08:00. Workers work six days in a row and have two days' rest. The shifts are switched every two days. For other Workers and office staff, the Working Time is from 08:00 to 12:00 and 13:30 to 17:30. Regular Working Time is eight hours a day and 40 hours a week.</p> <p>The management procedure for working hours and Overtime work is established to control Overtime. A sampling of working hour records in September 2024, May 2025 and July 2025 confirmed that at least one day off in a week is guaranteed. The average workday does not exceed eight hours in a six-month period. Monthly Overtime hours do not exceed the legal limit of 36 hours as confirmed via sampling of records.</p>
10.9a-b Informing Workers of Rights	Conformance	<p>The Entity informs Workers of their rights by orientation and regular training. The Entity provides training courses on Worker's rights in the orientation training when Workers join the Entity, and regular training is provided when there is a change in legal requirements, or the Entity's regulations. The employee handbook includes a specific section to describe the Worker's rights and is communicated to all Workers.</p>
11. OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Management System	Conformance	<p>The Entity establishes, implements, maintains and continually improves its ISO 45001:2018 certified Occupational Health and Safety (OH&S) Management System. On-site observations, document review, and management and Worker interviews demonstrates that the OH&S Management System is effective.</p>
11.1b-e Occupational Health and Safety (OH&S) Management System – Reviews and disclosure	Conformance	<p>The Entity has periodically reviewed the OH&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 leading and lagging OH&S performance in 2025 and the comparative analyses of performance on occupational health & safety with peer Businesses and leading practice are publicly disclosed at section 8, page 4: https://www.hongqiaoscholz.com/uploadfile/ueditor/file/202508/17541027235bdf3c.pdf</p>
11.2 Employee engagement on Health and Safety	Conformance	<p>The Entity has implemented a system of Workers' consultation and participation in OH&S. Workers are encouraged to report their concerns or advice on OH&S issues either by themselves or via the Worker representative, with management responding to the concerns raised, as appropriate.</p>

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DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	31 January 2024	Initial Certification Audit – Full Certification
1	1 November 2024	Edit hyperlinks to enable access for Criteria 6.3, 6.4, 6.5, 7.1, and 8.1.
2	2 December 2025	Surveillance Audit