

# ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

# ZHENGZHOU GUANDONG ALUMINUM INDUSTRY CO., LTD.

CERTIFICATE  
NUMBER

331

ASI  
STANDARD

PERFORMANCE  
STANDARD  
(V2 2017)

CERTIFICATION  
LEVEL

PROVISIONAL  
CERTIFICATION

ASI ACCREDITED  
AUDITOR

SHANGHAI  
KYLIN  
CERTIFICATION  
SERVICE CO.,  
LTD.

DATE OF ISSUE

24 JANUARY 2024

DATE OF EXPIRY

23 JANUARY 2025

CERTIFIED SINCE

24 JANUARY 2024

AUTHORISED BY

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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 facility of Gongyi Guandong Metal Technology Co., Ltd., engaged in production of aluminium sheet and aluminium coil, located in Gongyi City, Henan Province, China and the Sales Office of Zhengzhou Guandong Aluminum Industry Co., Ltd., located in Zhengzhou City, Henan Province, China.

# SUMMARY AUDIT REPORT

## PERFORMANCE STANDARD

### OVERVIEW

MEMBER NAME	Zhengzhou Guandong Aluminum Industry Co., Ltd.
ENTITY NAME	Zhengzhou Guandong Aluminum Industry Co., Ltd.
CERTIFICATION SCOPE	Production facility of Gongyi Guandong Metal Technology Co., Ltd., engaged in production of aluminium sheet and aluminium coil, located in Gongyi City, Henan Province, China and the Sales Office of Zhengzhou Guandong Aluminum Industry Co., Ltd., located in Zhengzhou City, Henan Province, China.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none"><li>Material Conversion (Production and Transformation)</li></ul>
ASI STANDARD	<ul style="list-style-type: none"><li>Performance Standard V2</li></ul>
AUDIT TYPE	<ul style="list-style-type: none"><li>Initial Certification Audit</li></ul>
AUDIT FIRM	Shanghai Kylin Certification Service Co., Ltd.
AUDIT DATE	<ul style="list-style-type: none"><li>22 – 23 May 2023</li></ul>
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none"><li>27 August 2023</li></ul>
AUDIT SCOPE	<p>The audit scope included the production facility of Gongyi Guandong Metal Technology Co., Ltd. and the Sales Office.</p> <p>The supply chain activities included in the audit scope:</p> <ul style="list-style-type: none"><li>Material Conversion (Production and Transformation)</li></ul> <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p>
AUDIT OUTCOME	Provisional Certification
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></ul>

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- 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      24 January 2024 – 23 January 2025

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NEXT AUDIT TYPE      Surveillance Audit

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NEXT AUDIT DUE DATE      23 July 2024

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CERTIFICATE NUMBER      331

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## SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Minor Non-Conformance	The Entity has conducted compliance evaluations and developed a 'List of Laws, Regulations and Other Requirements' and a Compliance Evaluation Report. The compliance evaluation regarding labour, personnel, and business are the responsibility of the General Manager, environmental and safety are under the Environment, Health and Safety (EHS) Department, and finance and taxation are under the Finance Department.
1.2 Anti-Corruption	Conformance	The Entity has established an Anti-Corruption and Bribery Control Procedure , which prohibits Bribery and illegal payments to government departments. The Entity requires all sales and purchasing employees to sign an Anti-Corruption Commitment Letter to abide by regulations and oppose Corruption.
1.3 Code of Conduct	Conformance	The Entity has developed an ASI Manual and Code of Conduct. The ASI Manual specifies the environmental, social and governance (ESG) requirements related to the ASI Performance Standard. The Code of Conduct stipulates employee behaviours and social responsibilities.
PRINCIPLE 2 POLICY & MANAGEMENT		
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	The Entity has established various ESG policies, including a Social Responsibility Policy, Environmental Policy, Occupational Health and Safety Policy, Safety Management Policy, Business Ethics Policy, Governance Policy, and Purchasing Policy. These Policies are referred to in the Entity's ASI Governance Policy. The Entity has an ISO 14001 and ISO 45001 certified Management System.
2.1b Environmental, Social, and Governance Policy (senior management)	Conformance	The Entity's Policies are approved and released by the General Manager.
2.1c Environmental, Social, and Governance Policy (communication)	Minor Non-Conformance	The ASI Governance Policy has been announced on the Entity's website and posted in the office and workshop: <a href="http://cn.zzgdalu.com/newsx/7.html">http://cn.zzgdalu.com/newsx/7.html</a> However, it was found that some employees are not yet aware of the Policy.

CRITERION	RATING	COMMENT
2.2 Leadership	Conformance	The Entity has appointed a Management Representative at both sites, including the General Manager at the Sales Office and the Factory Director at the Gongyi site.
2.3a Environmental and Social Management Systems (environmental)	Conformance	The Entity has implemented an Environmental Management System and obtained an ISO14001:2015 certificate.
2.3b Environmental and Social Management Systems (social)	Conformance	The Entity has implemented an Occupational Health and Safety Management System and obtained an ISO45001:2018 certificate. The Entity has also established a number of management procedures for social management.
2.4 Responsible Sourcing	Minor Non-Conformance	The Entity has established a Responsible Purchasing Policy. The policy has been communicated to part of the suppliers. Only part of the suppliers' responsible procurement policy commitments could be evidenced.
2.5 Impact Assessments	Conformance	The Entity does not currently have any New Projects or Major Changes proposed at its current Facilities. The current factory is leased by the Entity, and the Entity has plans to build a new factory nearby.. The Entity has established the New Project Impact Control Procedure and Environmental Factor Identification and Evaluation Control Procedure.
2.6 Emergency Response Plan	Conformance	The Gongyi Facility has established Emergency Response Plans, which cover issues such as safety and fire prevention, evacuation of personnel at accident sites, electric shock, vehicle injuries, and mechanical injuries. The Gongyi factory has conducted a fire drill. <a href="http://cn.zzgdalu.com/upload/file/20231111/2023111150533073307.pdf">http://cn.zzgdalu.com/upload/file/20231111/2023111150533073307.pdf</a>
2.7 Mergers and Acquisitions	Conformance	The Entity has established the Mergers and Acquisitions Management Procedure, which stipulate that mergers and acquisitions require ESG Due Diligence. The Entity is not currently involved in any mergers or acquisitions.
2.8 Closure, Decommissioning and Divestment	Conformance	The Entity has established the Closure, Retirement, and Divestment Management Procedure, which stipulates ESG related matters. A new factory building is expected to be completed in the coming years.

CRITERION	RATING	COMMENT
3.1 Sustainability Reporting	Conformance	The Entity has disclosed its 2022 Sustainable Development Report, which addresses violations and responsibilities, payments to government, GHG emissions, air pollution emissions, water pollution emissions, spills reporting, waste management and reporting, water use and risks, biodiversity management, and human rights due diligence. The Sustainable Development Report also includes implementation of social responsibility and reports against performance indicators for social responsibility, environmental performance, labour performance, human rights performance and product performance: <a href="http://cn.zzgdlu.com/newsx/11.html">http://cn.zzgdlu.com/newsx/11.html</a>
3.2 Non-compliance and liabilities	Conformance	There is no record of violation by either of the Entity's Facilities on the government's national enterprise credit information publicity system website. The 2022 Sustainable Development Report disclosed that the Entity has no record of violations.
3.3a Payments to governments (legal and contractual)	Conformance	The Entity makes payment for taxes, surcharges, and social security fees to government departments in accordance with regulatory requirements. the Entity's Finance Department confirms that no other fees have been paid.
3.3b Payments to governments (disclosure - bauxite mining)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.4 Stakeholder complaints, grievances and requests for information	Minor Non-Conformance	The Entity has established an Employee Complaints Handling Control Procedure and Stakeholder Complaints Handling Procedure. There are currently not records of employee appeals and complaints. Stakeholders can receive complaints through phone calls, visits, or letters. The Entity defines effective appeals which should be handled according to regulations. In the past year, except for customers feedback on quality, there has not feedback from other Stakeholders. However, the Entity has not provided an on-site opinion box in accordance with its Employee Complaints Handling Control Procedure. Also, employees' complaints were handled but records were not kept according to procedural requirements.

CRITERION	RATING	COMMENT
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	The Entity has prepared a Life Cycle Assessment (LCA) for Aluminium plate that is in accordance with the requirements.
4.1b Environmental Life Cycle Assessment (cradle to gate)	Conformance	The LCA report covers the Product life cycle from cradle to gate, including raw Aluminium, Aluminium coils, transportation, energy consumption and GHG emission data after raw materials enter the Entity.
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	The LCA report is publicly available at: <a href="http://cn.zzgdalu.com/newsx/12.html">http://cn.zzgdalu.com/newsx/12.html</a>
4.2 Product design	Conformance	The Entity's Products include Aluminium plates and Aluminium coils. The Aluminium coil is sprayed after surface cleaning treatment without any loss. Aluminium plates are purchased according to the width of the customer's order to ensure minimal waste and likelihood of non-conforming products.
4.3a Aluminium Process Scrap (targets)	Conformance	Due to the Entity's production processes it generates only small quantities of waste, which are mainly sold to Aluminium coil producers with melting and casting capabilities for recycling.
4.3b Aluminium Process Scrap (alloy separation)	Conformance	The Aluminium plates provided by the Entity mainly consist of 3-series and 8-series products with slight losses. Temporary waste storage is divided into 3-series and 8-series and the waste models are marked on the Aluminium material, which is classified for sale and utilisation.
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	The Entity's Products are predominantly sold abroad and processed into bottle caps which cannot be recycled and are handled according to local laws and regulations.
4.4b Collection and recycling of products at end-of-life (engagement)	Conformance	The Entity's Products are predominantly sold abroad and disposed of at End of Life by the end consumer. The Entity is unable to affect users abroad.
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Conformance	The Entity has disclosed its energy use and Greenhouse Gas (GHG) emissions across both Facilities and has established emission targets for 2023: <a href="http://cn.zzgdalu.com/newsx/16.html">http://cn.zzgdalu.com/newsx/16.html</a>

CRITERION	RATING	COMMENT
5.2 GHG emissions reductions	Conformance	The Entity has established a GHG emission reduction target for 2023 of 3%. It plans to relocate the factory in the future and reduce emissions by using variable frequency air compressors and installing rooftop solar energy. Further information is available at: <a href="http://cn.zzgdalu.com/newsx/16.html">http://cn.zzgdalu.com/newsx/16.html</a>
5.3a Aluminium Smelting (management system)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3b Aluminium Smelting (up to and including 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3c Aluminium Smelting (after 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Conformance	The Entity has conducted annual environmental monitoring and emissions comply with standard limits. The Entity has identified and quantified its air pollutants in the 2023 Water and Gas Pollution Reduction Plan and set a reduction target of 5.5% emission reduction for 2023.
6.2 Discharges to Water	Conformance	The Entity's production water uses a circulating system that is filtered and recycled via the sewage treatment tank. The Entity's discharge of domestic water is controlled via a Discharge Permit Certificate.
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	The Entity has implemented an Emergency Response Plan for Environmental Emergencies, which identifies the main hazardous substances that may cause Spills and Leakage.
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	The Entity has implemented an Emergency Response Plan for Environmental Emergencies, which specifies the chemical properties, hazards, first aid, storage and transportation requirements and treatment of sulfuric acid and natural gas leakages. The Entity has formulated preventive measures and is equipped with emergency facilities.
6.4a Reporting of Spills (immediate disclosure)	Conformance	The Entity has disclosed there have been no environmental incidents during 2022. Emergency Plans pls. refer to link, <a href="http://cn.zzgdalu.com/upload/file/20231111/2023111150533073307.pdf">http://cn.zzgdalu.com/upload/file/20231111/2023111150533073307.pdf</a>



CRITERION	RATING	COMMENT
6.4b Reporting of Spills (regular reporting)	Conformance	The Entity has disclosed that there have been no Spill or Leakage incidents, available at: <a href="http://cn.zzgdalu.com/newsx/4.html">http://cn.zzgdalu.com/newsx/4.html</a>
6.5a Waste management and reporting (strategy)	Conformance	The Entity has implemented the Waste Management Strategy, which sets out the separate disposal requirements for different categories of Waste. The types of Hazardous Waste identified in the Strategy are consistent with the Entity's Pollutant Discharge Permit and the actual situation.
6.5b Waste management and reporting (disclosure)	Conformance	The Entity has disclosed Waste management data for 2022 on its website, which includes the disposal methods and measures of Hazardous and Non-Hazardous Waste: <a href="http://cn.zzgdalu.com/newsx/15.html">http://cn.zzgdalu.com/newsx/15.html</a> The Entity's Hazardous Wastes are disposed by a qualified company that has the appropriate treatment qualification documents.
6.6a Bauxite Residue (storage construction)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6b Bauxite Residue (integrity checks and controls)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6c Bauxite Residue (water discharge)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6d Bauxite Residue (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6e Bauxite Residue (state of the art technologies)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6f Bauxite Residue (remediation)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a Spent Pot Lining (SPL) (storage and management)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7d Spent Pot Lining (SPL) (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
6.8a Dross (recovery)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8b Dross (recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8c Dross (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 7 WATER STEWARDSHIP		
7.1a Water assessment (mapping)	Conformance	According to the Water Resources Risk Assessment Report and as confirmed during interviews, the Entity uses tap water for both its production and domestic requirements, and which is mainly used to supplement the circulating production water.
7.1b Water assessment (risk assessment)	Conformance	The use of groundwater is explicitly prohibited by the Entity in Water Resources Risk Assessment Report. The water-related risks have been determined by the Entity as 'low'.
7.2a Water management (management plans)	Conformance	The Entity has established water use targets including a 0.6% reduction in industrial recycled water and 4.17% reduction in combined water for 2023. The Entity's 2022 Sustainable Development Report outlines opportunities to conserve water by controlling domestic water usage and reducing leakage.
7.2b Water management (monitoring)	Conformance	The Entity has disclosed its methods for water management in the 2022 Sustainable Development Report, including the increase in monitoring of the water recycling equipment and modification to toilet water installations to reduce leakage.
7.3 Disclosure of water usage and risks	Conformance	The Entity has disclosed its Water Risk Assessment Report on its website, which assessed its water use and determined the water-related risks are low: <a href="http://cn.zzgdalu.com/newsx/9.html">http://cn.zzgdalu.com/newsx/9.html</a>
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Conformance	In the 2022 Biodiversity Risk Assessment Report, the risk level was determined through the analysis of possible impacts on surrounding Biodiversity, concluding the risk is low.
8.2a Biodiversity management (biodiversity action plans)	Conformance	The Entity identified three types of Biodiversity risk sources, including water pollution, air pollution and

CRITERION	RATING	COMMENT
		alien organisms. Whilst the risk to Biodiversity was considered low, the Entity has disclosed its implementation of control measures in the 2022 Biodiversity Risk Assessment Report.
8.2b Biodiversity management (consultation and mitigation hierarchy)	Conformance	Whilst the risk to Biodiversity was considered low, the Entity has disclosed Biodiversity improvement plans to conserve Biodiversity through tree conservation and pest control.
8.2c Biodiversity management (reporting)	Conformance	The Entity has disclosed the Biodiversity Risk Assessment Report, which addresses the identification and investigation process, available at: <a href="http://cn.zzgдалu.com/newsx/10.html">http://cn.zzgдалu.com/newsx/10.html</a>
8.3 Alien Species	Conformance	The Entity has identified the ways Alien Species could be introduced and disclosed control measures.
8.4a Commitment to “No Go” in World Heritage properties (exploration and new mines)	Not Applicable	This Criterion is not applicable to the Entity’s Certification Scope.
8.4b Commitment to “No Go” in World Heritage properties (existing mines)	Not Applicable	This Criterion is not applicable to the Entity’s Certification Scope.
8.5a Mine rehabilitation (best available techniques)	Not Applicable	This Criterion is not applicable to the Entity’s Certification Scope.
8.5b Mine rehabilitation (financial provisions)	Not Applicable	This Criterion is not applicable to the Entity’s Certification Scope.
PRINCIPLE 9 HUMAN RIGHTS		
9.1a Human Rights Due Diligence (policy)	Conformance	The Entity's ASI Policy includes a commitment to protect Human Rights: <a href="http://cn.zzgдалu.com/newsx/8.html">http://cn.zzgдалu.com/newsx/8.html</a>
9.1b Human Rights Due Diligence (process)	Conformance	The Entity has established a Human Rights Investigation Control Procedure and developed a Human Rights Due Diligence Report. The report indicates that the Entity has not caused or contributed to Human Rights violations: <a href="http://cn.zzgдалu.com/newsx/8.html">http://cn.zzgдалu.com/newsx/8.html</a>
9.1c Human Rights Due Diligence (remediation)	Conformance	The Entity has undertaken Human Rights Due Diligence which determined that it has not caused or contributed to adverse effects on Human Rights . The Entity has a Child Labour remediation plan.

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9.2 Women's Rights	Conformance	The Entity has implemented the Management Measures for the Protection of Women Workers and Underage Workers, which addresses the protection of women's rights and interests. Workers confirmed during interviews that women's rights are not violated.
9.3 Indigenous Peoples	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the surrounding area and future relocation plans are also unrelated to Indigenous Peoples.
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	This Criterion is not applicable to the Entity, as there are no Indigenous Peoples in the surrounding area and future relocation plans are also unrelated to Indigenous Peoples.
9.5 Cultural and sacred heritage	Not Applicable	This Criterion is not applicable to the Entity, as the Entity does not impact on sacred or cultural heritage sites and values.
9.6a Resettlements (avoid or minimise)	Conformance	The Entity plans to buy industrial land and build new factory in industrial zone in the next 1-3 years. The land to be purchased will be uniformly expropriated by the local government in accordance with regulations and publicly listed for sale. The factory will invest in bidding for the land and build its own factory. The local town government provides unified planning and compensation plans for the original land owners and local farmers. It is expected that the new and old factories are located in the same county and existing workers can follow. Current employees can work in new factory which will be expected 10km away.
9.6b Resettlements (where unavoidable)	Conformance	The planned relocation will not have a significant impact on the farmers themselves. Most of the local farmers mainly work in factory and there are many factories around Gongyi County which provides more job opportunities for farmers. Farmers usually sell their land through negotiations and they have the right not to sell it.
9.7a Local Communities (rights and interests)	Conformance	There are no residential areas immediately nearby the factory. The Entity employs a number of Workers from the Local Community.
9.7b Local Communities (impacts)	Conformance	The Entity has no significant adverse impacts on the Local Community. The Entity has planned to relocate and is not expected to have a substantial

CRITERION	RATING	COMMENT
		impact on the resettlement housing community being established.
9.7c Local Communities (livelihoods)	Conformance	The Entity's employees mainly come from neighbouring communities. Interviews confirmed that the Entity is relatively active in supporting community activities.
9.8 Conflict-Affected and High-Risk Areas	Conformance	The Facilities are located in a politically stable area and there are no armed conflicts. The Entity's main raw materials are purchased from nearby factories. The Entity's suppliers sign a Commitment Letter that raw materials are not conflict minerals. The Entity has established an Investigation of Conflict Minerals Management Regulations program to ensure raw materials are not purchased from Conflict-Affected or High-Risk Areas.
9.9 Security practice	Conformance	The Entity does not hire security personnel. The Gongyi factory is a leased premises and the existing security personnel are only register the Entity's visitors. Security personnel associated with the office building for the Entity's Sales Office are only responsible for access control and do not manage personnel entry and exit.
PRINCIPLE 10 LABOUR RIGHTS		
10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Conformance	The Entity has the procedure (Control of Free Association and Collective Bargaining (GD-ASI-09)) in place that clarify the rights of employees to freely form and join trade unions and participate in collective bargaining in accordance with the law. In the interview section, employees said they can discuss issues related to their own interests through workers representatives.
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Conformance	The Entity supports the 'Workers' right to Collective Bargaining. There is no Collective Bargaining agreement at the Entity.
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Not Applicable	This Criterion is not applicable to the Entity, as it does not restrict the currently have a union and undertakes to be willing and supportive as required by the documentation to form a union when employees need it.
10.2a Child Labour (minimum age)	Conformance	The Entity has established the Child Labour Remediation Procedure and implemented the Prohibition of Child Labour Control Procedure. The use of Child Labour is prohibited by the Entity.

CRITERION	RATING	COMMENT
10.2b Child Labour (hazardous)	Conformance	The youngest male and female Workers in the Entity are over 18 years of age and no Child Labour was identified at the Entity. The use of Hazardous Child Labour is prohibited by the Entity.
10.2c Child Labour (worst forms)	Conformance	The use of Child Labour is prohibited by the Entity and the Entity has made a commitment to not to use or support the Worst Forms of Child Labour.
10.3a Forced Labour (human trafficking)	Conformance	The Entity has implemented the Procedure for Prohibition of Forced Labor to safeguard the physical and mental health of its employees. The Entity's ASI manual commits it to not to support or participate in any form of Human Trafficking.
10.3b Forced Labour (deposits, fees, advances)	Conformance	During the recruitment process, the Entity does not require any fee or payment of costs from Workers and provides Personal Protective Equipment (PPE) free of charge, as confirmed by Worker interviews during the audit.
10.3c Forced Labour (migrant workers)	Conformance	The Entity does not have any Migrant Workers.
10.3d Forced Labour (debt bondage)	Conformance	The Entity does not hold Workers in Debt Bondage, as confirmed by Worker interviews. The Workers' salary is paid a regular monthly interval upon commencement of employment.
10.3e Forced Labour (freedom of movement)	Conformance	The freedom of employees outside of working hours is not restricted and they can leave the Entity's premises during working hours with approval, as confirmed by Worker interviews.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	The Entity retains only copies of Workers' ID cards, not the originals, as confirmed by Worker interviews and the employment contracts.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Entity's employees have the right to resign freely and can go through the resignation procedures normally after the handover is completed with no additional conditions.
10.4 Non-Discrimination	Conformance	The Entity has established an Anti-Discrimination Control Procedure, which addresses the handling of potential Discrimination. The Entity opposes any form of Discrimination in its ASI Manual and Workers confirmed there were no known incidents of Discrimination.
10.5 Communication and engagement	Conformance	The Entity has established a Communication Management Control Procedure and Employee

CRITERION	RATING	COMMENT
		Complaints Handling Control Procedure to ensure the employee's rights of communication. The Entity's employees are aware of the ways to communicate with management on working conditions and remuneration issues.
10.6 Disciplinary practices	Conformance	The Entity has established a Prohibition of Corporal Punishment and Harassment Control Procedure to provide guidance for employees' protection. There were no signs of physical punishment or verbal violence during the audit and Worker interviews confirmed the observation.
10.7a Remuneration (living wage)	Conformance	The local minimum wage standard in 2022 and 2023 was 2,000 yuan. Review of Workers' wages (in the sample covering July and December, 2022 and February 2023) confirmed wages paid are higher than the minimum wage standard.
10.7b Remuneration (method of payment)	Major Non-Conformance	The Entity makes wage payments at the end of each month through bank transfer. However, the audit identified that not all the Entity's Workers at the Gongyi Facility have signed an employment contract. Additionally, not all Workers at the Gongyi Facility have paid social insurance.
10.8 Working Time	Major Non-Conformance	The Entity has maintained records for Working Time. However, the review of attendance records during the audit identified multiple cases which involved a significant number of Workers where the continuous working days and Overtime hours exceed the requirements of the 'Labor Law of the People's Republic of China'.
PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	The Entity has implemented an Occupational Health and Safety (OH&S) Management System, which is ISO 45001 certified. The Entity has implemented an OH&S Policy, which is reviewed during annual management review meetings.
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	The Entity has implemented an ASI Policy, which includes the OH&S Policy, and which is shared on the bulletin board at the factory and the publicity board at the Sales Office.
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	In the Entity's ASI Manual, the Entity has made a commitment to comply with Applicable Law on labour health and safety, international standards and the ILO Conventions on OH&S, including ILO Conventions 155 and 176.



CRITERION	RATING	COMMENT
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	The Entity's ASI Policy, which includes the OH&S Policy, outlines that the employees have the right to be informed of the hazards and safety measures of their work and the can refuse or stop unsafe work.
11.2 OH&S Management System	Conformance	The Entity has implemented an OH&S Management System, including manuals, procedures, work instructions and other records, which is ISO 45001:2018 certified by third party certification body.
11.3 Employee engagement on health and safety	Conformance	The Entity has established the Communication Management Control Procedure and Employee Complaints Handling Control Procedure, which address the rights and interests of employee communication. The Entity provides channels (suggestion box, phone number and WeChat tool) for employees to raise complaints and records the OH&S issues in accordance with the requirements of its Management System as input for continuous improvement.
11.4 OH&S performance	Minor Non-Conformance	The Entity has evaluated its OH&S performance using indicators for safety accidents and major personal injuries. The evaluation is conducted every six months and the target indicators are all achieved. However, the audit identified an insufficient number of exits, blockage of emergency passages, and lack of emergency escapes at the Entity's Gongyi Facility. Also, the Entity did not conduct the fire drills in accordance with the regulations at its Sales Office Facility.

#### **Document Control and Version History**

Revision	Date	Notes
0	24 Jan. 2024	Initial Certification Audit - Provisional Certification