### 无锡恒诚硅业有限公司 社会责任建设情况

公司注重社会责任方面的建设工作,2023年 EcoVadis 获得铜牌, ESG 调查评分为 AA 级, RBA 现场审核得分 153.8 分 (满分 200), 在本领域内处于优秀行列。

序号	材料证明
1	中国联合国采购促进会可持续发展委员会理事单位证书
2	2023 全球可持续发展青年领袖贡献奖
3	ESG 评价相关材料





## 理事单位证书

UNITED NATIONS REGISTERED SUPPLIER

#### 无锡恒诚硅业有限公司

经研究,特授予贵单位为中 国联合国采购促进会可持续 发展委员会理事单位。

证书编写:

CAPUNP-CSD-LS-2023-0098

有方斯

2023年10月10日-2026年10月10日

After research, We hereby award your company as a council member unit of Sustainable Development Committee of the China Association For Promoting UN Procurement.

Certificate number:

CAPUNP-CSD-LS-2023-0098

Validity of certification:

Oct 10th 2023-Oct 10th 2026

















































#### 陈辰 女士 尊敬的\_

感谢您为全球可持续发展所做出的贡献,在您的行业 您所取得的突出成就,及广泛的社会影响力,中国联合国 采购促进会可持续发展委员会特授予您 2023全球可持续 发展青年领袖贡献奖,以此鼓励。

#### Dear Ms. Chen Chen

Thank you for your contribution to global sustainable development, in your industry Your outstanding achievements and extensive social influence, the United Nations of China The Sustainable Development Committee of the Procurement Promotion Association hereby grants you the 2023 Global Sustainability Award Development Youth Leader Contribution Award to encourage.



#### **WUXI HENGCHENG SILICON INDUSTRY CO** LTD

Wuxi-中国 | 化学制品、化肥以及原始形态的氮化合物... [2]

公司企业规模: M (i) | 考核评估范围: 实体 (i)

总分

**51**/100

百分比① 52第



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记分卡



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发布日期:

2023年6月13日

有效期至: 2024年6月13日 △



总分

百分比 52第 ①

**₹ 51**/100

环境

高对评分的影响

≥ **50**/100

°°°

劳工与人权

高对评分的影响

7 60/100

00

商业道德

中对评分的影响

7 40/100

可持续采购

低对评分的影响

→ 40/100



#### **Validated Audit Report**

#### **Executive Summary Report**

Audit Reference Number	VAR-20240308-CN-01B02-1
Audited Facility	WUXI HENGCHENG SILICON INDUSTRY CO., LTD.
Overall Audit Score	153.8/200
Disclaimer	To the knowledge of RBA, the APSCA number listed is accurate as of the date hereof. Listing of the APSCA number herein is not in any way an endorsement by RBA of APSCA. RBA is not an affiliate of APSCA, and RBA is not liable for any losses, expenses or damages of any nature, including, without limitation, special, incidental, punitive, direct, indirect or consequential damages or lost income or profits, resulting from or arising out of reliance or use of the APSCA number.

#### **Conformance Results**

Overall Score	Conformance	Risk of NC	Minor NC	Major NC	Priority NC	-		Not Applicable Questions
153.8	81	0	1	7	0	0	93	4

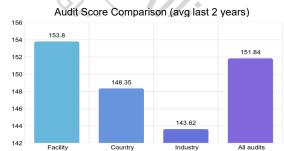
#### \*NC= Non-conformance to RBA Code of Conduct

	Audit Information
Audit ID	G-AU-10011744
QC Completed Date	03/18/2024
Audit Start Date	03/08/2024
Closing Meeting Date	03/08/2024
Audit Type	Priority Closure Audit
Audit Firm	SGS
Audit Category	VAP
VAP Version	RBA Protocol 7.1.2 - July 2023
Auditor Information	Auditor-625, Auditor-598
	(C)

Facility Information				
Company Name	Wuxi Hengcheng Silicon Industry Co.,Ltd.			
Facility Name	WUXI HENGCHENG SILICON INDUSTRY CO., LTD.			
RBA Facility ID	G-FA-10011258			
Facility Address	NO.55 NORTH TUANJIE RD., XISHAN ECONOMIC DEVELOPMENT ZONE, WUXI JIANGSU CHINA WUXI, JIANGSU 214000			
Facility Country	China			
Facility Point Of Contact	minghe.wang@hcsilica.com			
Total Number Of Workers	118			

# WUXI HENGCHENG SILICON INDUSTRY CO., LTD. - WUXI, China 91.01% Compliant 1.12% Minor 7.87% Major 98 O% Priority





#### Validated Audit Report

**Executive Summary Report** 

#### **Compliance Summary by Section**











A) LABOR

B) HEALTH AND SAFETY

C) ENVIRONMENT

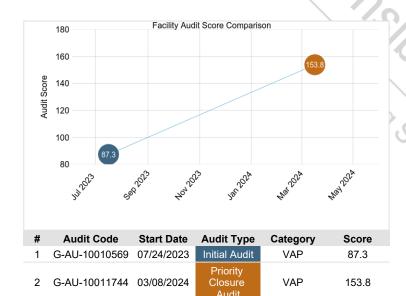
D) ETHICS

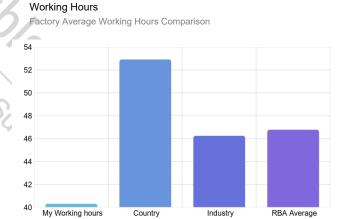
E) SUPPLY CHAIN MANAGEMENT

RBA Average

#### **Audit Score by Section**

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Section	Section Score	Conformance	Risk of NC	Minor of NC	Major of NC	Priority of NC	Opportunity for Improvement	Total scored questions	Non applicable questions
A) LABOR	167.3	24	0	0	3	0	0	29	2
B) HEALTH AND SAFETY	141.3	18	0	1	4	0	0	24	1
C) ENVIRONMENT	200.0	17	0	0	0	0	0	17	0
D) ETHICS	200.0	16	0	0	0	0	0	16	0
E) SUPPLY CHAIN MANAGEMENT	200.0	6	0	0	0	0	0	7	1





Country

#### Non-conformance Findings Details

Non-comormance i manige be	tans
Question #	VAP-A3.1
Subsection Name	A3) WORKING HOURS
Question Text	Hours worked in a workweek does not exceed 60 hours.
Rating	Major Non-Conformance
Question #	VAP-A4.3
Subsection Name	A4) WAGES AND BENEFITS
Question Text	Deductions or withholdings are calculated correctly and submitted to the appropriate government agency within the local law time
Rating	Major Non-Conformance

My Working hours



#### **Validated Audit Report**

#### **Executive Summary Report**

Question #	VAP-A.M.2.2
Subsection Name	A.M.2) CONTROL PROCESSES
Question Text	Adequate and effective Labor policies and control processes are established
Rating	Major Non-Conformance
Question #	VAP-B1.1
Subsection Name	B1) OCCUPATIONAL SAFETY
Question Text	All required permits, licenses and test reports for health & safety are in place and communicated timely to government (if required)
Rating	Major Non-Conformance
Question #	VAP-B1.3
Subsection Name	B1) OCCUPATIONAL SAFETY
Question Text	Reasonable steps are in place to remove pregnant women/nursing mothers from working conditions with high hazards, minimize any workplace health & safety risks to pregnant women and nursing mothers and provide reasonable accommodations for nursing mothers
Rating	Minor Non-Conformance
Question #	VAP-B3.2
Subsection Name	B3) OCCUPATIONAL INJURY AND ILLNESS
Question Text	Adequate first response equipment and first aid kits to provide medical treatment for injured or ill workers are available
Rating	Major Non-Conformance
Question #	VAP-B4.1
Subsection Name	B4) INDUSTRIAL HYGIENE
Question Text	Worker exposure to chemical, biological and physical agents are identified, evaluated, and controlled, according to the hierarchy of controls.
Rating	Major Non-Conformance
Question #	VAP-B.M.2.2
Subsection Name	B.M.2) CONTROL PROCESSES
Question Text	Adequate and effective Health & Safety policies and control processes are established
Rating	Major Non-Conformance
	Adequate and effective Health & Safety policies and control processes are established  Major Non-Conformance









# ESG Assessment Report

Environment · Social · Governance

无锡恒诚硅业有限公司





Date Assessed 2023-04-21 Expiry 2024-04-20

Industry Chemicals

Data Quality Lv2. On-desk Assessment\*

\* An independent third-party evaluator reviews the company's submitted responses for reliability and validity at a reasonable level before producing the results, in addition to the reliability of the company's responses, resulting from third-party evaluations. (See the last page for more details)

CEO	Tel	Address	Company Status	Num of Employees
陈辰	-	-	External financial audit corporation	145

#### **Summary of ESG Assessment Results**

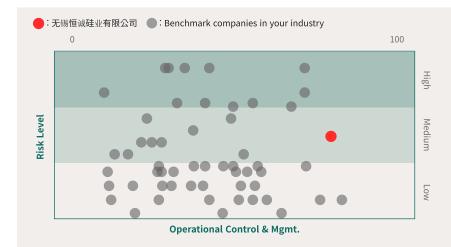
#### **Overall Ratings**



C B BB BBB A AA AAA

In 2023 - 1st half, 无锡恒诚硅业有限公司 obtained a total ESG score of 75.3 points. The score represents that 无锡恒诚硅业有限公司 manages and controls environmental, social, and governance (ESG) risk and opportunity factors at a faithful level, and there is a high possibility of improving stakeholder value due to non-financial factors.

#### Overall level



ESG ratings are derived from a comprehensive analysis of risk exposure levels and operational management and control levels.

Organizations with a high level of risk exposure have greater ESG-related risk factors in their business operating environment, requiring more careful management and control in the operational process.

Therefore, the baseline of the ratings is set based on the risk exposure level, and the final grade is calculated according to the operation level evaluation result.

#### **Risk Exposure**

无锡恒诚硅业有限公司 - Risk Exposure Low Risk Medium Risk High Risk Medium Risk High Risk

Last Updated: 2023-04-21

#### Risk exposure by categories

Misk exposure by			Y:Yes N	1 : No
Human rights and Labor	<ol> <li>Restructuring and other manpower reductions have been carried out within the last year</li> </ol>	N	<ol> <li>There are subcontracts of parts of major production process to another business site</li> </ol>	N
	2. Short-term contracts or day laborers are hired	N	6. There are a few workers required to repay debts or pay	N
	3. Migrant workers from abroad are employed	N	fees to the company upon termination of employment or contract	
	4. Underaged workers, such as student interns are hired		7. There are a few workers who contract according to the piece rate	N
			8. There is neither a labor union operated nor a workers representative appointed	N
Health and Safety	Workers operate equipment that requires electrical     voltages greater than 240V	N	5. There are jobs where workers are at risk of falling	N
	There are tasks that workers are doing in a confined space	N	<ul><li>6. Dormitory provided</li><li>7. Food and beverage facilities such as cafeterias within the</li></ul>	N
	3. There are tasks in which workers lift heavy objects without the aid of machinery	N	workplace are provided  8. There are customer service workers in the company	Υ
	4. There is the use of machinery that may cause injury to workers (amputation, narrowness, jam etc.)	N		
Environment	It is subject to the GHG/Energy Target Management     System	Y	9. Have waste treatment facilities  10. Designated waste is discharged.	N
	2. Equipment that emits greenhouse gases(GHGs) directly	N	Designated waste is discharged     General waste from the business sites is discharged	N
	is used		12. Construction waste is discharged	N
	<ol><li>It is subject to Greenhouse Gas Emissions Trading Scheme (GHG ETS)</li></ol>	N	13. Use (non-)road mobile pollution sources such as	N
	4. Wastewater treatment is entrusted/consigned	Y	vehicles and construction equipment	
	5. Discharge facilities are installed and operated	Y	14. Scattering dust is generated	N
	6. It is located in water scarce, drought areas	N	15. Have air pollutant emission facilities	N
	7. Water is used	N		
	8. It is subject to permission/report of waste treatment business	N		
Ethics	There are business sites operating in countries with a	N		



#### **Compliance Issues**

These are items detected as compliance issues corresponding to regulatory violations among risk exposure level evaluation items.

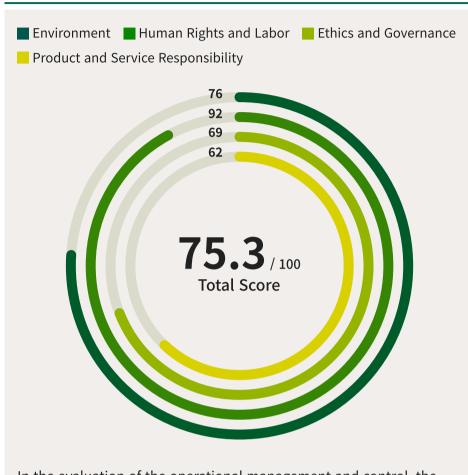
Human rights and	1. There have been legal sanctions for violating the Labor Standards Act within the last year	N
Labor	2. Have been included in the list of business owners in arrears by the Ministry of Employment and Labor within the last year	N
	3. Have been involved in petitions or accusations for unpaid wages within the last year	N
Health and Safety	1. There have been legal sanctions for safety and health violations within the last year	N
Environment	1. There have been legal sanctions for violating water-related environmental laws within the last year	N
	2. There have been fines, penalties, or administrative orders for violating waste-related environmental laws within the last year	N
	3. There have been fines, penalties, or administrative orders for violating air-related environmental laws within the last year	N
	4. There have been legal sanctions related to environmental licensing within the last year	N
	5. There has been an environmental emergency within the last year	N
Ethics	1. There have been investigations or audits related to unethical behaviors such as corruption, anti-competition, conflicts of interest, etc. by the company or its executives and employees within the last year	N
	2. There have been legal sanctions for violating laws and regulations related to fair trade within the last year	N
	3. Have been involved in a lawsuit due to intellectual property infringement within the last year	N
	4. There have been investigations for violating the Display and Advertising Act within the last year	N



#### **Operational Control & Mgmt.**

The evaluation of the operational management and control level evaluated how well the organization managed ESG throughout its business activities and business environment. 'Policy', 'Activity', and 'Performance' are constituted as evaluation elements, and among the items submitted as answers above, items other than 'Risk' fall under this category.

#### **ESG Total Score**



In the evaluation of the operational management and control, the score is calculated based on whether the presented evaluation factors are met, and the final score is calculated based on the SASB(Sustainability Accounting Standards Board) materiality to which weights are applied for each ESG indicator. Please refer to the following pages for more information about materiality.

#### Score Trend Unit: Score

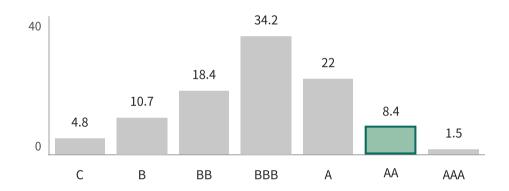
The score trend represents the total score trend of the last 3 assessments.



#### **Benchmark Distribution**

Unit: %

The benchmark distribution represents the distribution of the scores of peer group companies.



#### **ESG** Result by Sector

In 无锡恒诚硅业有限公司 obtained a total ESG score of 75.3 points. The score represents that 无锡恒诚硅业有限公司 manages and controls environmental, social, and governance (ESG) risk and opportunity factors at a faithful level, and there is a high possibility of improving stakeholder value due to non-financial factors.

Environment				
76	/ 100			
Environmental management system	100			
Greenhouse gas(GHG)	59			
Water and wastewater	71			
Waste	67			

Human rights and labor		
92 /	<sup>′</sup> 100	
Human rights/labor standards and practices	93	
Workplace safety	89	
Supply chain ESG	94	

<b>Ethics and governance</b>		
	<b>69</b> / 100	
Ethical management	74	
ESG management and information disclosure	75	
Governance	50	

	<b>62</b> / 1	00
Chemicals safety		52
Renewable energy opport	tunities1	00
Diversity and participation professional manpower	n of	64



Air quality

#### **ESG** Result by Sector



#### **Environment**

Sector Rating **AA**Weighting **35**%

**V** Benchmark Avg. 39

76

has a **Environment** score of **76**, and is faithfully managing and controlling risks and opportunity factors related to environment, and there is very little room for damage to stakeholder values through related issues.

Indicators	Score (out of 100 point)	Weighting (%)
Environmental management system	100	10
Greenhouse gas(GHG)	59	10
Water and wastewater	71	8
Waste	67	7
Air quality	-	-



## Human rights and labor

Sector Rating **AAA**Weighting **28**%



has a **Human rights and labor** score of **92**, and is faithfully managing/controlling human rights and labor-related risks and opportunities.

Benchmark Avg. 55

Indicators	Score (out of 100 point)	Weighting (%)
Human rights/labor standards and practices	93	9
Workplace safety	89	14
Supply chain ESG	94	5



# **Ethics and governance**

Sector Rating **AA**Weighting **15**%



69

has a **Ethics and governance** score of **69**, which represents that the company appropriately manages and controls ethics and governance-related risks and opportunities.

Indicators	Score (out of 100 point)	Weighting (%)
Ethical management	74	6
ESG management and information disclosure	75	5
Governance	50	4



# Product and service responsibility

Weighting 22%

62

has a **Product and service responsibility** score of **62**, which represents that the company appropriately manages and controls product and service responsibility-related risks and opportunities.

Indicators	Score (out of 100 point)	Weighting (%)
Chemicals safety	52	14
Renewable energy opportunities	100	3
Diversity and participation of professional manpower	64	5

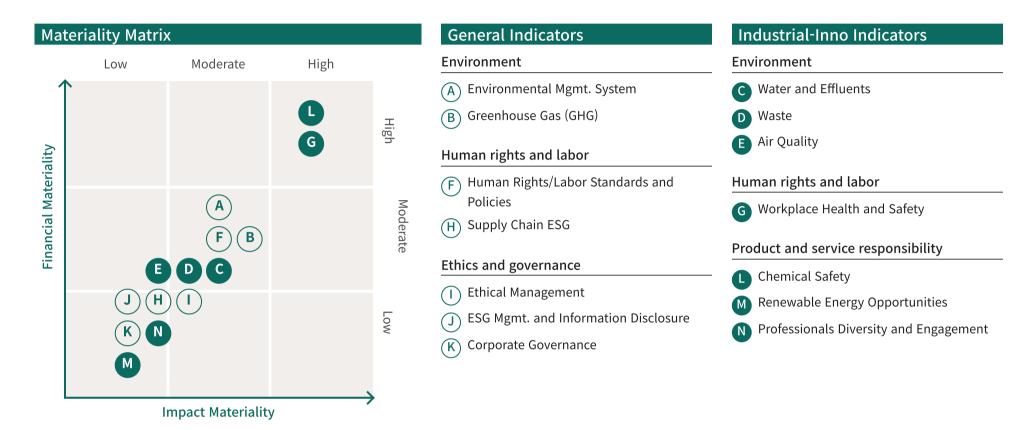
<sup>\*</sup> Weighting: It refers to the weight of importance occupied by four areas: 'Environment, Human Rights and Labor, Ethics and Governance, and Product and Service Responsibility' in evaluating a company's ESG risk management level according to industry specificity. The weight indicates how much of each score is reflected in the total score.



#### **Industry ESG Materiality** - Chemicals

Industry ESG materiality is the result of analyzing the importance of 17 ESG indicators in the industrial context. The materiality matrix is a composition of 'Business Relevance', which indicates the relevance of each indicator to conducting economically, environmentally, and socially sustainable business in the relevant industry, and 'Stakeholder Impact', which indicates the level of impact on stakeholders such as shareholders, investors, and local communities. The position of each indicator in the materiality matrix indicates the relative priority that companies in the industry should manage for sustainability management in terms of ESG. It also refers to the level of risk that an enterprise could face if the indicator was not properly managed.

- In the matrix, the higher the position of a metric in the matrix, the more important it is in the upper right corner.
- General indicators are issues to be managed in common across all industries, and only priority indicators are displayed for industrial innovation indicators reflecting industry specificity.



<sup>\*</sup> Corporate Governance indicators are applied only to corporations subject to external audit.

#### ESG Key Indicators - Chemicals industry

This is an industrial innovation index derived from the analysis of ESG materiality in the Chemicals industry

lcon	Categories	Indicators Detailed Indicators	
C	Environment	Water and Effluents	Water consumption and wastewater discharge, Water and wastewater management
D	Environment	Waste	Waste discharges, Waste management
B	Environment	Air Quality	Air pollutant emissions, Air pollutant management
G	Human rights and Labor	Workplace Health and Safety	Safety and health policy, Disaster prevention activities, Industrial accident
•	Product and Service Responsibility	Chemical Safety	Chemicals management, Life Cycle Assessment
M	Product and Service Responsibility	Renewable Energy Opportunities	Use of renewable energy, Renewable energy conversion plan
N	Product and Service Responsibility	Professionals Diversity and Engagement	Capacity building and participation of employee, Diversity, Recruitment and employment retention



#### **Y** Environment

Sector Rating	Weighting
AA	<b>35</b> %

's score for the Environment is 76. The score of has a difference of 37 points compared to the average of 39 points in the benchmark of peer group companies in Korea, and it is evaluated as an fairly good level of management/control. The environmental management system, greenhouse gas(ghg), water and wastewater, waste, air quality were applied to the Environment part evaluation.

#### **Score Comparison**

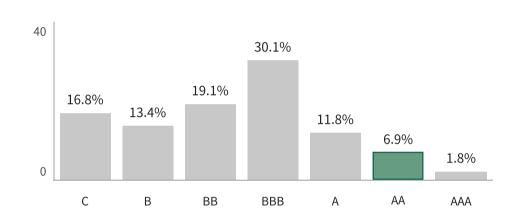


	Score (out of 100 point)	Score Gap
无锡恒诚硅业有限公司	76	-
A Benchmark Max.	100	-24
▼ Benchmark Avg.	39	37
Benchmark Min.	0	76

The highest score in the Environment sector of 's benchmark is 100, the average score is 39, and the lowest score is 0.

#### **Rating Distribution**





In the Environment sector, 6.9% of peer companies has got AA.

#### **Indicators**

Indicators	Score	Summary	<b>⊞</b> ∶Leader	<b>☑</b> : Adequate	<b>□</b> : Laggard
Environmental management system	100	Execution of environmental management, environmental policy is managed at an excellent level			anaged at an
Greenhouse gas(GHG)	59	<ul><li></li></ul>			
Water and wastewater	71	<ul> <li>★ Water consumption and wastewater discharge is managed at an excellent level</li> <li>✓ Water and wastewater management is managed at an good level</li> </ul>			ellent level
Waste	67	<ul><li>₩ Waste management is managed at an excellent level</li><li>₩ Waste discharges is managed at an good level</li></ul>			
Air quality	-	(N/A)			

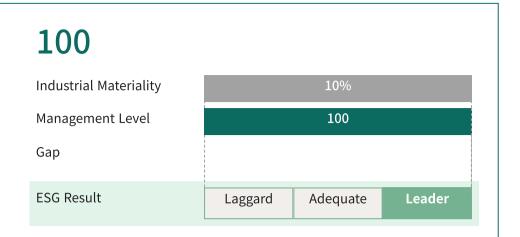


#### Y

#### **Environment** 76 | AA Ratings

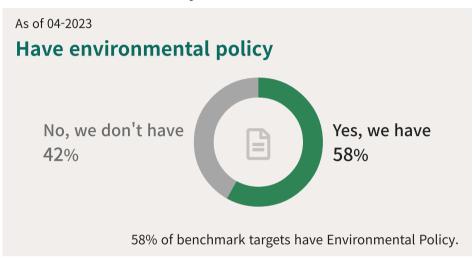
#### **Environmental management system**

Companies and organizations must actively strive to minimize the negative environmental impact of their business activities. By establishing environmental policies, basic principles of environmental management, and having a system to regularly review and improve environmental status and performance centered on the responsible organizations and meetings, a company can lay the foundation for environmental performance management.

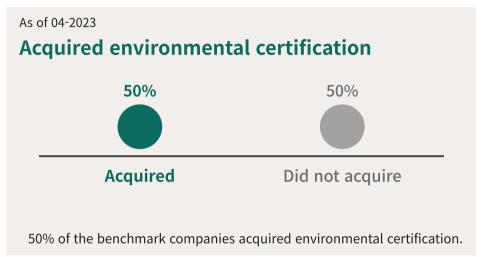


#### **Key Figures**

#### **Environmental Policy**



#### Environmental Certification



#### Well Managed and Need to Be Improved

#### **H** Well Managed

- · Officially stipulates measures or strategies for managing environmental impact in the course of business operations
- · Defines environmental impact management factors that the company should manage through environmental management policies
- · By disclosing environmental policies to the public, we express our will for environmental management and induce stakeholders to participate in environmental management.
- · By reviewing and revising environmental policies the company has the basic ability to respond to external environmental factors such as laws/regulations and changes in the internal environment.
- · Have environmental management policies or regulations
- · Has ISO 14001 or equivalent environmental management system certification
- · Designated an organization or person in charge of environmental management
- · Establish annual environmental goals for each company or each business site
- · Promoting environmental management through regular meetings and/or management reports
- · There is a fact that there has been an investment to reduce environmental impact within the past year
- · Establishing mid- to long-term environmental goals for the next three years or more, laying the foundation for long-term environmental management
- There has been no negative complaint from the local community regarding environmental impact within the past year.
- · No news, articles, or other media reports about the company's negative environmental impact within the past year

#### Need to Be Improved

There is no element that can be presented as Need to Be Improved

#### Human Rights and Labor

Score	Sector Rating	Weighting
92/100	AAA	28%

's score for the Human Rights and Labor is 92. The score of has a difference of 37 points compared to the average of 55 points in the benchmark of peer group companies in Korea, and it is evaluated as an excellent level of management/control. The human rights/labor standards and practices, workplace safety, supply chain esg were applied to the Human Rights and Labor part evaluation.

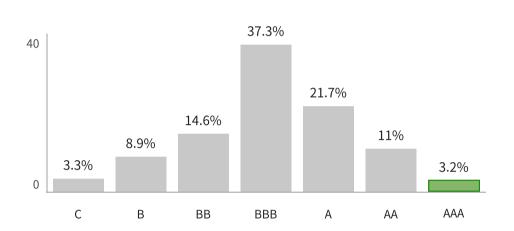
# Score Comparison 92

	Score (out of 100 point)	Score Gap
无锡恒诚硅业有限公司	92	-
A Benchmark Max.	100	-8
<b>V</b> Benchmark Avg.	55	37
A Benchmark Min.	0	92

The highest score in the Human Rights and Labor sector of 's benchmark is 100, the average score is 55, and the lowest score is 0.

#### **Rating Distribution**





In the Human Rights and Labor sector, 3.2% of peer companies has got AAA.

#### **Indicators**



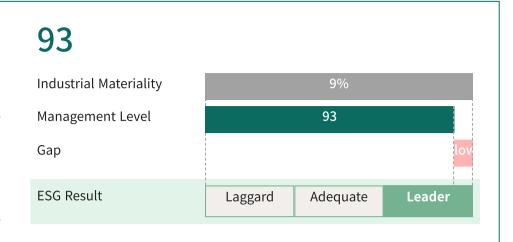


#### V

#### **Human Rights and Labor** 92 | AAA Ratings

# Human rights/labor standards and practices

Human rights/labor standards and practices are based on the principles of protection of workers' basic rights, including employment practices, working hours, wages and compensation, labor-management relations, and non-discrimination. Companies or organizations should establish policies based on international labor standards and labor laws, and continue internal monitoring and management to ensure that workers are granted fair rights.



#### **Key Figures**

#### Human Rights and Labor Policies



#### Policies.

#### Well Managed and Need to Be Improved

#### **H** Well Managed

- · Guaranteed freedom of association through human rights/labor policy
- The human rights/labor policy specifies matters regarding working conditions such as wages and working hours
- · Human rights/labor policy clearly stipulates the principle of nonharassment in the workplace
- The principle of non-discrimination and respect for diversity is clearly defined through the human rights/labor policy
- · Has a formal human rights/labor policy
- · The principle of prohibition of child labor and forced labor is stipulated through the human rights/labor policy
- · We manages working hours for all workers.
- · The working hours of employees do not exceed 52 hours per week
- · Prepares and issues labor contracts with all workers
- $\cdot$  All workers are provided with payslips including pay details at the time of monthly payroll.
- · Pays more than the legal minimum wage
- · Through regular employee meetings or grievance handling/consultation programs, the working environment is identified and improvements are made
- · Established a system that can enhance work performance by linking performance and compensation based on clear performance goals.
- $\cdot$  No issues identified as negative media exposure issues related to human rights/labor standards and practices

#### Working Hours



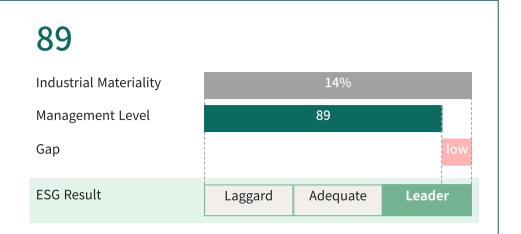
- The employee stock ownership system and stock option system that can prevent the departure of excellent talent and motivate the creation of company performance are not being introduced.
- There is no active system in place to support the childcare and childcare of employees

#### W

#### Human Rights and Labor 92 | AAA Ratings

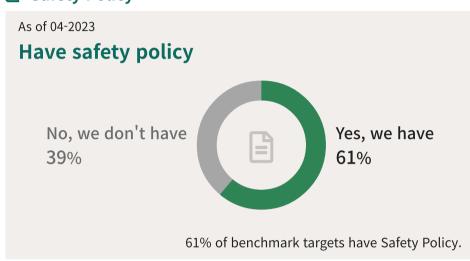
#### Workplace safety

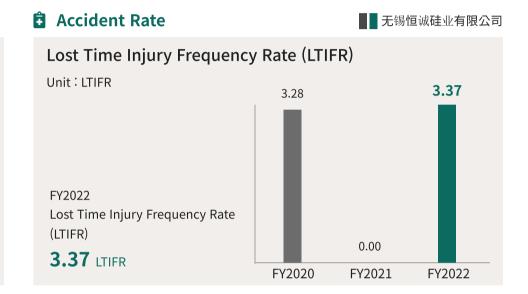
Workplace safety and disaster management are directly related to worker participation and productivity. Companies or organizations can minimize human capital loss and improve productivity by establishing a system to prevent serious accidents and managing occupational safety and health indicators.



#### **Key Figures**

#### Safety Policy





#### Well Managed and Need to Be Improved

#### **⊞** Well Managed

- · We have policies for workplace safety and prevention of serious accidents, such as safety and health management regulations.
- · Acquired ISO 45001 or equivalent official safety and health management system certification
- · Licenses for safety and health facilities are obtained and managed
- · Conducting workplace risk assessments on a regular basis
- · Designated a health and safety management organization and a person in charge.
- · Conducting safety and health education for all employees on a regular basis.
- · Safety and health information is provided in a language that all workers can understand
- · Procedures and principles are established to reduce the possibility of serious accidents
- $\cdot$  We are conducting regular emergency response drills such as fire safety drills.
- · Contact information for emergency response personnel is posted in-house at all times
- · Regular inspection of fire detection and suppression equipment, emergency escape routes, etc.
- · Establish an emergency response system including emergency reporting, transmission, and evacuation plan
- · Annual employee industrial accident information is managed
- · No issues identified as negative media exposure issues related to workplace safety

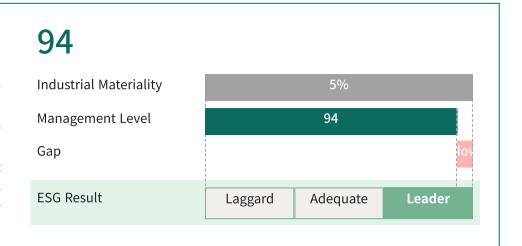
- · No official safety and health committee
- · Unable to present cases of employee industrial accidents within the past year or there is a fact that such accidents have occurred
- · It cannot be confirmed whether the employee accident rate has maintained or decreased in the past three years.

#### V

#### Human Rights and Labor 92 | AAA Ratings

#### Supply chain ESG

Companies and organizations need to identify and manage human rights and labor-related risks of suppliers and partners in the supply chain beyond their own scope. In particular, in the case of an industry that is linked to a complex supply chain leading to primary, secondary, and tertiary suppliers with a deep supply chain structure, or in industries that are highly dependent on suppliers and partners due to their business model structure, human rights/labor risks in the supply chain It is highly likely to be directly related to risk.



#### **Key Figures**

#### Supply Chain ESG Policies



#### Well Managed and Need to Be Improved

#### **⊞** Well Managed

- · Documented and retained basic regulations on human rights and labor to be complied with by business partners
- · Via the supplier's human rights/labor regulations, the matters regarding the observance of working conditions are specified.
- · Clearly stipulate the principle of non-discrimination and respect for diversity through supplier human rights/labor regulations
- · Guaranteed freedom of association through the human rights/labor regulations of suppliers
- · Clearly stipulate the principle of prohibition of child labor and forced labor through supplier human rights/labor regulations
- · Safety and health management obligations are specified through the supplier's human rights/labor regulations
- · We are mitigating human rights and labor risks in the supply chain by regularly investigating the human rights and labor risks of our suppliers.
- $\cdot$  Last year, we conducted a human rights and labor risk survey on more than 30% of our suppliers.
- · ESG factors are reflected in decision making with business partners
- · Human rights and labor, environmental management, safety and health issues are all included in decision making with business partners
- · No issues identified as negative media exposure issues related to supply chain human rights/labor

#### Supply Chain Human Rights and Llabor Assessment



10% of the benchmark companies implement supply chain human rights and labor assessment.

#### ■ Need to Be Improved

There is no element that can be presented as Need to Be Improved

AA

Α

**AAA** 

#### **Ethics** and Governance

Score	Sector Rating	Weighting
<b>69</b> <sub>/100</sub>	AA	<b>15</b> %

's score for the Ethics and Governance is 69. The score of has a difference of 35 points compared to the average of 34 points in the benchmark of peer group companies in Korea, and it is evaluated as an fairly good level of management/control. The ethical management, esg management and information disclosure, governance were applied to the Ethics and Governance part evaluation.

# 

C B BB BBB					
	С	В	BB	BBB	

**Rating Distribution** 



25.8%
19.8%
10.7%
6%
3.6%
C B BB BB A AA AAA

The highest score in the Ethics and Governance sector of 's benchmark is 100, the average score is 34, and the lowest score is 0.

In the Ethics and Governance sector, 6% of peer companies has got AA.

#### **Indicators**



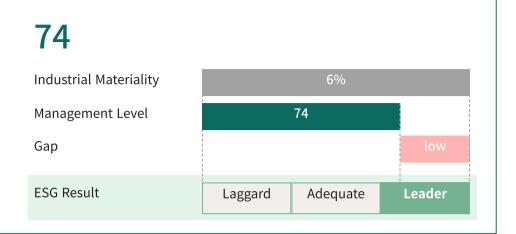




#### **Ethics and Governance** 69 | AA Ratings

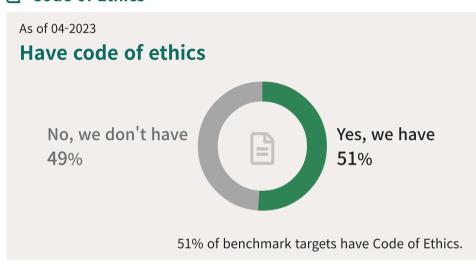
#### **Ethical management**

Companies and organizations can practice ethical management by setting up a code of conduct for internal members based on the code of ethics and operating and monitoring an ethics reporting channel. Anti-corruption, fair competition, and prevention of conflicts of interest are included in the scope of ethical management.



#### **Key Figures**

#### Code of Ethics



#### **Code of Ethics Implementation**



#### Well Managed and Need to Be Improved

#### **⊞** Well Managed

- $\cdot$  Established ethical principles for the protection of technology assets and information.
- · Established ethical principles to combat corruption and bribery.
- $\cdot$  Established ethical principles to prevent conflicts of interest between individuals and organizations.
- · Established ethical principles for fair market competition.
- · Documented and stipulated measures such as investigation and disciplinary action in case of ethical violation
- $\cdot$  Define and document the ethical principles that employees must comply with
- $\cdot$  100% of our employees signed the Ethics Pledge
- · Implemented an employee ethics compliance pledge system
- · The annual employee participation rate in ethics training is being managed.
- $\cdot$  Conducts ethics training for employees.
- · No issues identified as negative media exposure issues related to ethical management

- · Report channels are not disclosed where both insiders and outsiders of the company can access
- · We do not establish the principle of prohibiting unfair treatment and disadvantages for ethical reporters
- · Establish the principle of guaranteeing and protecting the anonymity of the ethical reporter and not specifying it in the reporting channel
- · Procedures for receiving and handling ethical reports are not disclosed to the public
- $\cdot$  No ethics reporting channel to report ethical violations

#### **Ethics and Governance** 69 | AA Ratings

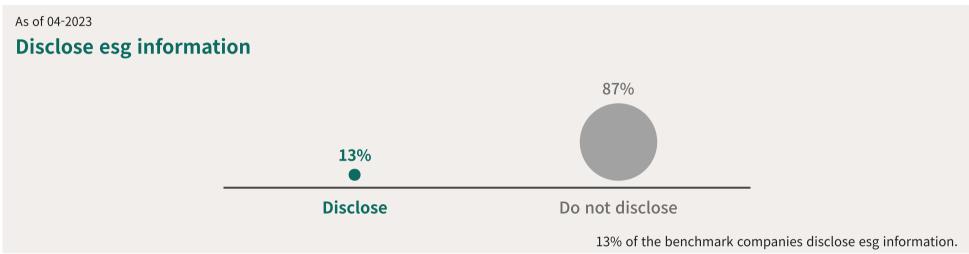
#### **ESG** management and information disclosure

Businesses and organizations can meet stakeholders' demands for social responsibility by regularly reviewing non-financial performance and disclosing relevant information. In particular, disclosure of information based on international standards such as GRI Standards improves accessibility and comparability of ESG information, which has a positive effect on stakeholders' decision-making.



#### **Key Figures**

#### **ESG Information Disclosure**



#### Well Managed and Need to Be Improved

#### 

- · ESG information is disclosed to the public through stakeholder communication channels such as website and sustainability report.
- · We disclose at least 4 ESG-related matters among environment, human rights and labor, ethics, community activities, business partners, and governance.
- · ESG-related risks and opportunities are regularly discussed or reported on performance by the governing body
- · The CEO or the top decision maker officially expresses the will to promote ESG management through a statement, etc.
- · Operates an ESG committee or meeting body under the supreme decisionmaking body
- · Collecting expert opinions on changes in the company's internal/external ESG environment through advisory/meeting meetings, or receiving official ESG opinions from stakeholders
- · Supporting the enhancement of ESG competency of employees
- · Specific ESG performance factors are reflected in employee KPIs

- · International reporting standards such as GRI are not applied when ESG information is disclosed.
- · Do not consider to internalize ESG management

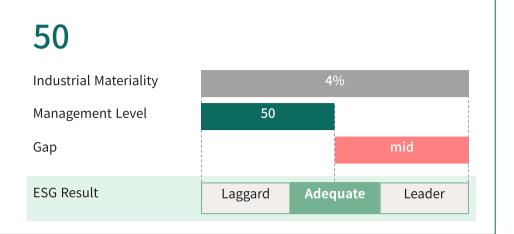


#### O

#### **Ethics and Governance** 69 | AA Ratings

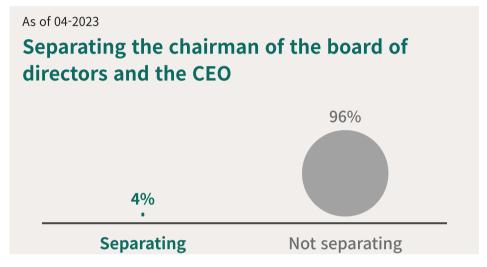
#### Governance

Companies and organizations must establish a sound governance structure to conduct transparent management activities. Forming a balanced Board of Directors is the basis for decision-making that can create economic and social values based on corporate growth.



#### **Key Figures**

#### Board Independence



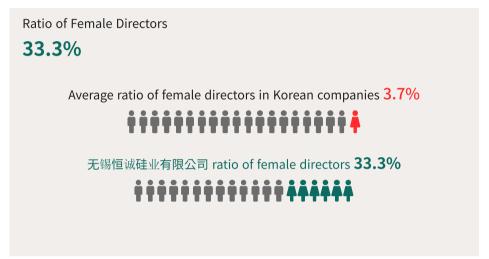
4% of the benchmark companies separating the chairman of the board of directors and the ceo.

#### Well Managed and Need to Be Improved

#### **H** Well Managed

- The positions of the Chairman of the Board of Directors and the Representative Director are separated.
- $\cdot$  Elected one or more female directors to the board
- The ratio of non-audit service expenses to audit service expenses paid to external auditors is less than 25%
- · Announce the convocation of convening a general meeting of shareholders following relevant laws and regulations
- · No corporate governance investigation or legal sanctions in the past year
- · No issues identified as negative media exposure issues related to governance

#### **Board Independence**

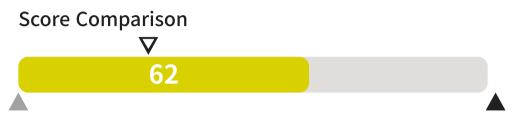


- · The board's independence requirements are not disclosed to the public.
- · No or less than 2/3 of the board members meet the independence requirements
- · The board's diversity policy is not disclosed to the public
- · Do not organize an audit committee or audit
- · Do not have an internal audit department or a department to perform audits
- · CEO's remuneration is not stipulated in the documents
- $\cdot$  There is no CEO performance evaluation system or linkage of performance to remuneration
- There is a difference of more than 8 times between the total CEO's total remuneration and the total employee's average remuneration, or the information is unknown
- The ratio of CEO's remuneration to the average remuneration of employees is not disclosed to the public.

### **♥** Product and Service Responsibility

Score	Sector Rating	Weighting
<b>62</b> <sub>/100</sub>		<b>22</b> %

's score for the Product and Service Responsibility is 62. As the Product and Service Responsibility sector evaluate industrial innovation indicators that reflect industrial characteristics and contexts, chemicals safety, renewable energy opportunities, diversity and participation of professional manpower were applied.



Rating	Distribution
--------	--------------

Product and service responsibility has no rating.

Score (out of 100 point) Score Gap

无锡恒诚硅业有限公司 62 
▲ Benchmark Max. - - 
▼ Benchmark Avg. - - 
▲ Benchmark Min. - - -

Ratings for product and service responsibility will be applied at a later date.

A comparison of benchmark scores for Product and Sercive Responsibility will be available starting with the assessment in 2022.

#### **Indicators**

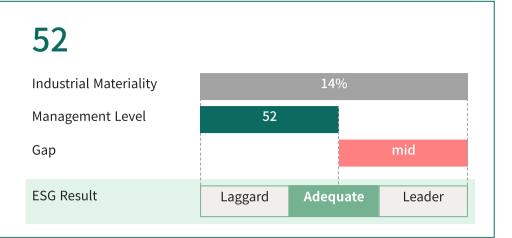
Indicators	Score	Summary	<b>⊞</b> ∶Leader	<b>☑</b> : Adequate	<b>■</b> : Laggard
Chemicals safety	52	☑ Life Cycle Assessment, Chemicals mana	agement is ma	naged at an goo	od level
Renewable energy opportunities	100	<ul><li>■ Use of renewable energy, Renewable energy excellent level</li></ul>	nergy convers	ion plan is mana	aged at an
Diversity and participation of professional manpower	64	<ul><li></li></ul>	. ,	· ·	



#### **Product and Service Responsibility** 62

#### **Chemicals safety**

The effects of chemicals on human health or the environment are directly related to workplace safety, consumer safety and regulatory risks. Companies and organizations must review the hazards in the handling, use, storage and transport of chemicals and minimize potential risks through strict management above and above the legal compliance level.



#### Well Managed and Need to Be Improved

#### **H** Well Managed

- · Regularly manage the status of handling of hazardous substances subject to international standards such as REACH and RoHS and domestic laws and regulations
- · Conducting regular work environment measurement on hazardous chemical-exposed workplaces
- · A Material Safety Data Sheet (MSDS) is provided for the safety of workers in the process of using hazardous chemicals.
- · Work environment management such as proper arrangement of work processes, sealing of emission sources, and installation of ventilation facilities
- · Conducting life-cycle evaluation of products and services
- · Conducting LCA research on the product for more than 10% of sales

- · No evaluation and management of chemical/biological hazards when introducing new chemicals
- · No special training on chemical handling work other than safety and health training is provided to hazardous chemical handlers
- · Not conducting regular chemical risk assessments
- The factors affecting the environment, ecology, and human body reflected in the life cycle evaluation are limited
- · There has been a safety accident or incident related to chemical substances within the past year



#### **Product and Service Responsibility** 62

#### Renewable energy opportunities

As the global focus of regulation and investment on climate change leads to the demand for renewable energy, innovation through the renewable energy transition has become an important opportunity for companies and organizations to perform in the future. Companies and organizations can respond to climate change through the transition to new and renewable energy, and can acquire practical value creation opportunities.

# 100 Industrial Materiality Management Level Gap ESG Result Laggard Adequate Leader

#### Well Managed and Need to Be Improved

#### **H** Well Managed

- · Renewable energy is used in the production and distribution of products
- $\cdot$  Can present the ratio of new and renewable energy use among total energy use
- · Established the goal of transition to new and renewable energy

#### ■ Need to Be Improved

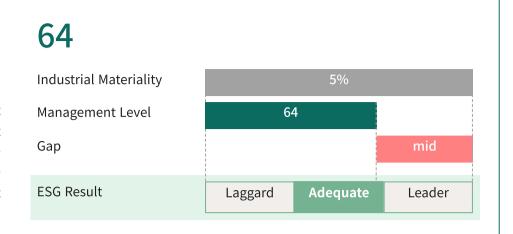
There is no element that can be presented as Need to Be Improved



#### **Product and Service Responsibility** 62

# Diversity and participation of professional manpower

Attracting and retaining human capital, one of the most important capitals that make up companies and organizations, has a significant impact on a company's long-term growth. Creating a mutual corporate culture based on the diversity of members and preventing the departure of professional personnel based on employee satisfaction are important factors for a company to create long-term performance.



#### Well Managed and Need to Be Improved

#### **⊞** Well Managed

- · 임직원 1인당 교육훈련비 데이터를 관리하고 있음
- · Can present the number of male and female employees by position
- $\cdot$  The employee turnover rate has decreased or maintained over the past three years
- · There is a fact that the level of employee participation within the past two years has been investigated.

#### ■ Need to Be Improved

· There has been no new hiring or a decrease in new hires in the last 3 years



#### **Data Quality**

Levels of data quality	Meaning
Lv1. Self Assessment	The assessment result is based solely on the answers provided by the company without any separate verification or validation process, relying on the reliability of the company's responses.
Lv2. On-desk Assessment	An independent third-party evaluator reviews the company's submitted responses for reliability and validity at a reasonable level before producing the results, in addition to the reliability of the company's responses, resulting from third-party evaluations.
Lv3. On-site Assessment	An independent third-party evaluator visits the company to conduct an in-depth verification process of the answers provided and submitted by the company, resulting in the most reliable assessment.

#### **Rating Details**

Ratings	Meaning
AAA	Excellent for managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Very high possibility of increasing stakeholders value depending on non-financial factors
AA	Fairly good at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & High possibility of increasing stakeholders value depending on non-financial factors
A	Good at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Middle possibility of increasing stakeholders value depending on non-financial factors
ВВВ	Good at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Low possibility of increasing stakeholders value depending on non-financial factors
ВВ	Lagged behind in managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Middle possibility of decreasing stakeholders value due to non-financial factors
В	Lagged behind in managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & High possibility of decreasing stakeholders value due to non-financial factors
С	Poor at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Very high possibility of decreasing stakeholders value due to non-financial factors

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