



2017 Social Responsibility Report

Anhui Conch Cement Company Limited

CONCH
海螺水泥



ABOUT THIS REPORT

Statement of the Board

The board of directors (the “Board”) of the Company and all members thereof warrant that the content of this report is free from any false statement, misleading representation or material omission and that they shall assume joint and several liability for the truthfulness, accuracy and completion of the completeness of this report.

Basis of Preparation

This report is prepared in accordance with Appendix 27 “Environmental, Social and Governance Reporting Guide” to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”) and the Guidelines for Preparation of Social Responsibility Reports issued by the Shanghai Stock Exchange (the “SSE”).

Release Cycle

This report is issued on a yearly basis, and is the tenth one since the Group’s first release of Social Responsibility Report in March 2008. This report covers the reporting period from 1 January 2017 to 31 December 2017 (hereinafter referred to as the “Reporting Period”), with certain content dating back to previous years when appropriate. The report for the next year is expected to be published in March 2019. This report is simultaneously published on the websites of the HK Stock Exchange, the SSE and the Group.

Reporting Scope

This report covers Anhui Conch Cement Company Limited and its subsidiaries and branch companies.

Data Sources

The data set out in this report is derived from internal documents and relevant statistics of Conch Cement and its subsidiaries and branch companies, among which the relevant data shown in the financial statements have been audited by KPMG.

Description of references

For easy reference and reading, “Anhui Conch Cement Company Limited” is also referred to as “Conch”, “Conch Cement”, “the Group” and “we” in this report.

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2 ABOUT US

Business of the Group

During the Reporting Period, the Group was principally engaged in the production and sale of cement, commodity clinker and aggregate. The Group produced and sold cement products according to market demands, which mainly included 42.5-grade cement, 52.5-grade cement, 32.5-grade cement as well as some special cements such as sulfate-resistant cement, middle-and-low heat cement, cement for road, cement for nuclear power generation and nonmagnetic cement. These products are widely used in infrastructure construction including railways, highways, airports and hydraulic facilities as well as urban property development and rural markets.

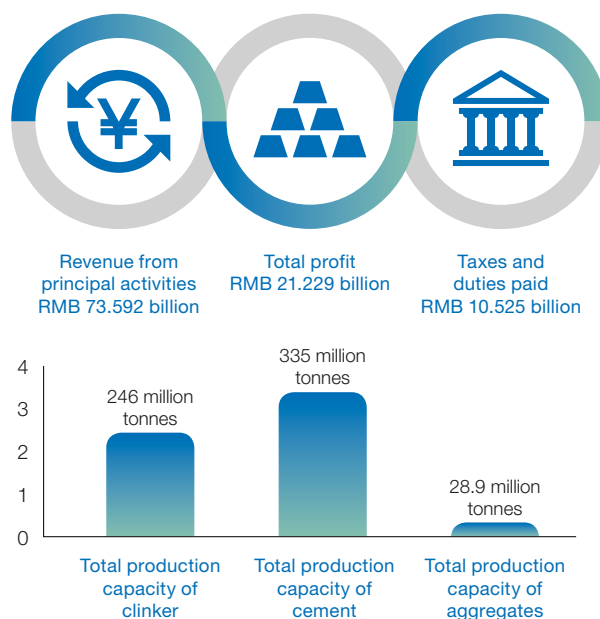
Overview of Operation Development of the Group

In 2017, the macro economy maintained a stable and positive momentum, with steady growth in fixed asset and real estate investments and persistently stable demands for cement products. Furthermore, the government continued to push forward the supply-side structural reform and stepped up efforts in environmental protection by constantly implementing off-peak season production for the industry, resulting in an overall orderly supply of cement. Benefiting from stable market demand and orderly product supply, the supply-demand conditions in the market were alleviated, leading to obvious improvement in the operation environment for the industry. The Group strove to overcome a number of adverse factors including rising prices for raw materials and fuels and significant changes in market conditions by strengthening study and assessment of the market conditions. By adhering to the marketing strategy of “one policy for one region, one policy for one plant and implementation of different policies”, the Group continued to enhance its internal management and promote steady progress in project development, so as to improve operation quality and achieve substantial increase in the operating results.

- Revenue from its principal activities for the year amounted to RMB73.592 billion;
- Total profit amounted to RMB21.229 billion, representing a year-on-year increase of 82%;
- Taxes and duties paid amounted to RMB10.525 billion.

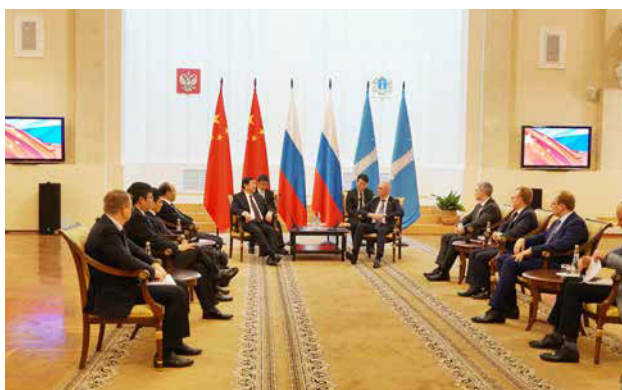
In 2017, the Group continued to promote the construction, mergers and acquisitions of domestic projects. Eight cement grinding units of Quanjiao Conch, Xuancheng Conch and other subsidiaries had successfully completed construction and been put into operation. The aggregates projects of Pingliang Conch and Jining Conch and the commercial concrete project of Zunyi Haihui New Materials had completed construction and been put into operation. Moreover, the Group acquired minority interest in Shaanxi Phoenix Building Materials and five subsidiaries in Guizhou region.

Furthermore, the Group proactively pushed forward the construction of overseas projects. Phase two of the grinding mill in Merak, Indonesia has completed construction and started production. The construction of the main work of the projects operated by North Sulawesi Conch and Cambodia Battambang Conch had completed. The construction of the projects operated by Luang Prabang Conch in Laos had entered into the peak phase.



The preliminary works for the projects of Volga Conch, Vientiane of Laos and Mandalay of Myanmar had made smooth progress.

As at the end of the Reporting Period, the total production capacity of clinker, cement, aggregates and commercial concrete of the Group amounted to 246 million tonnes, 335 million tonnes, 28.9 million tonnes and 0.6 million cubic meters, respectively.





Social Responsibility Strategy of the Group

As an A and H-share listed company and a major state-owned enterprise, while proactively developing core business to create economic and social value, Conch Cement continues to reinforce sustainability concept by incorporating performance of social responsibility into its internal management to protect the environment and build a harmonious society, striving to strike a balance among enterprise development, environmental protection and social benefit.

Overview of Performance of Social Responsibility of the Group

In 2017, the Group took measures to improve operation profitability, and also proactively performed its social responsibility:

We are committed to protecting the natural environment which is the foundation for the existence and development of mankind. We attach great emphasis on pollution prevention and control issues by implementing clean production, broadening sources of income and reducing unnecessary expenditure and technology improvement, making our contribution to build a beautiful China.

We deeply care for our employees who are committed and diligent, and constantly improve their remuneration and benefit package, enabling them to share development achievements with the Company.

To our strategic partners of the supply chain, customers and other business partners, we adhere to the principle of honesty and sincerity. We proactively explore innovative cooperation models, in an effort to achieve mutual development and build win-win relationship with our partners through consultation and cooperation.

To our downstream customers using our cement products, we strive to provide them with super services and quality products by enhancing management and control over the procedures and particulars, pursuing for quality excellence, optimizing procurement process and maintaining smooth communication channels.

Having an unwavering stand on anti-corruption, we adopt a "zero tolerance" policy in cracking down corruption practice, and vigorously promote integrity education and foster compliance culture, in an effort to create an upright and clean atmosphere and maintain a market environment for fair competition.

To the communities and local people of the places where the Group operates, we deliver love and care, provide financial assistance and proactively participate in public welfare activities, with an aim to benefit the local general public and further expand deep integration with the local society, so as to drive development of the local economy and society.



ESG MANAGEMENT

Governance Structure of Social Responsibility

The Group has established the Environmental, Social and Governance (ESG) Report Working Committee led by senior management and participated by middle management. Such working committee is led by the secretary office of the Board and composed of the representatives from relevant departments and subsidiaries that have material impact on the ESG management of the Group. The working committee is responsible for delivering and communicating strategies and measures of the Group and collecting data and feedbacks in respect of ESG.

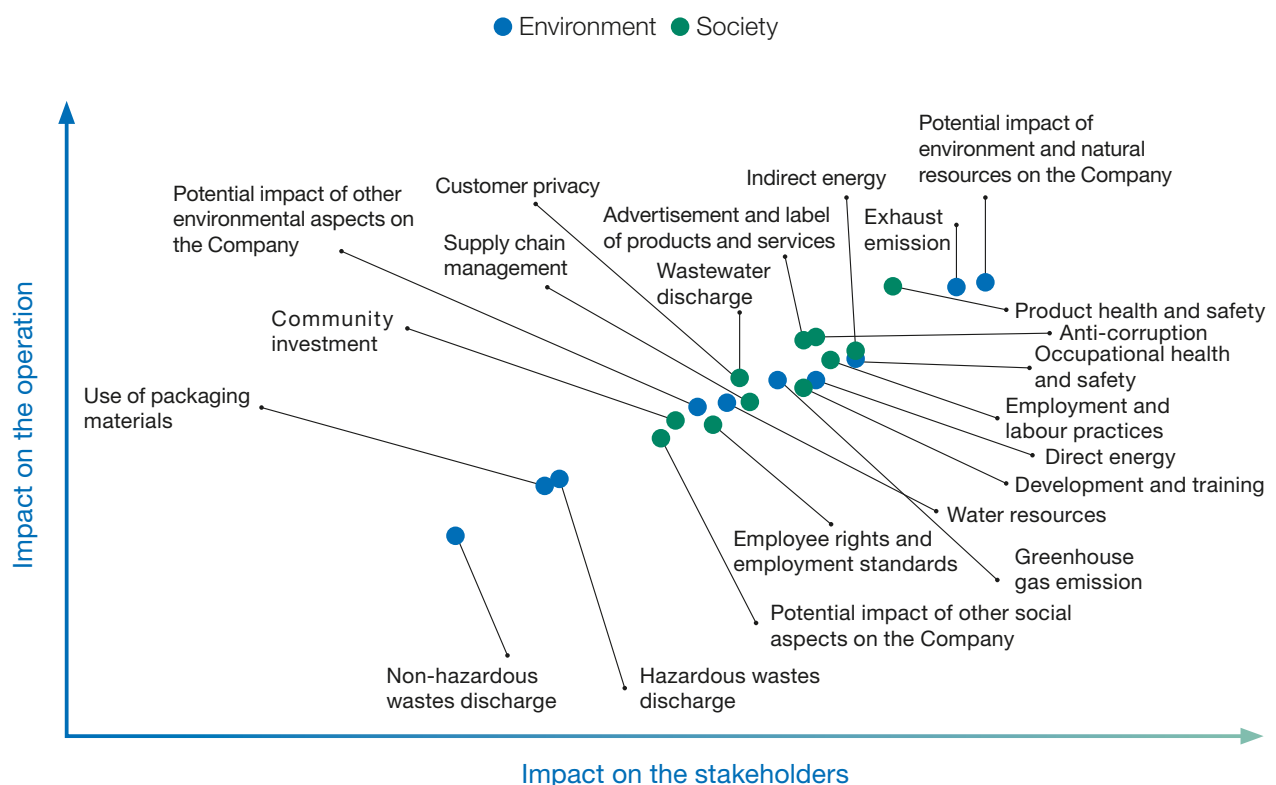
Stakeholder Engagement

Stakeholders of the Group in relation to ESG include internal stakeholders and external stakeholders, mainly including employees, suppliers, customers, investors, government, communities and the public. Following the materiality assessment in 2016 which was mainly conducted by the management, the stakeholders engaged in the assessment in 2017 extended from the management to employees, suppliers and customer representatives. Through outreach to a wide variety of parties, we gain comprehensive understanding of the expectations of various stakeholders in respect of our social responsibility, so as to develop strategy for fulfillment of our social responsibility to meet their expectations. It also offers a chance for the stakeholders to have a better understanding of our commitment for sustainability development, our performance of social responsibility and our plan for the future.

Assessment of Materiality

On the basis of stakeholders and assessment of materiality, we identified the following aspects which have material impact on the Group's sustainable development. Such aspects have been listed as the key areas of the Group's sustainable development.

Result of Materiality Assessment





ENVIRONMENTAL PROTECTION

As a leading company in the cement industry, the Group actively implemented the energy conservation and environmental protection policies implemented by the government and strictly abided by the Environmental Protection Law, Atmospheric Pollution Prevention and Control Law, Law on Promotion of Cleaner Production and etc. in China and other relevant laws and regulations implemented in the countries where our overseas project companies operate. In addition, it proactively pushed ahead with energy conservation and emission reduction, strengthened management of environmental protection, explored renewable energy and developed a circular economy. Upholding the operational philosophy of “creating a better living environment for the mankind in the future” and instead of increasing business scale and economic returns at the cost of the environment, we insisted on sustainable development and strived to achieve coordinated development between production operation and environmental protection.

The major impact of our business on the environment mainly relates to emissions. We adhered to the following principles with an aim to minimise the impact of our business operations on the environment: the Group shall (1) abide by all laws, regulations, rules and ordinances relating to environmental protection, including standards of the cement industry; (2) adhere to the “three simultaneity” system for production facilities and environmental protection facilities, i.e. to ensure that the production facilities and the environmental protection facilities shall be designed, constructed and put into operation simultaneously; (3) allocate sufficient funds for upgrading and maintenance of environmental protection facilities, as well as for research and development and innovation of environmental protection technologies; (4) make more efforts to promote environmental protection as a concept, increase employees’ awareness of environmental protection and promote the refined management of environmental protection; and (5) include energy conservation and emission reduction as well as environmental protection in the Company’s long-term strategic development plan.

As at the end of the Reporting Period, 68 subsidiaries of the Group had obtained the ISO 14001 Environmental Management System Certification, and 74 subsidiaries of the Group had passed the Clean Production Examination.

4.1 Emissions

Emission reduction for cleaner production

Due to the particularity of the industry, cement enterprises still produce emissions such as dust, NO_x and SO₂ during the utilization of raw materials and production process. In 2017, 65 domestic base companies under the Group cumulatively discharged 15,900 tonnes of SO₂, 135,800 tonnes of NO_x and 14,300 tonnes of particulate matters of major emitters respectively.

The Group strictly complies with local and national policies on the control of greenhouse gas, and devotes itself to reducing the emission of greenhouse gas through technological improvement, process upgrading and comprehensive utilisation of resources. In 2017, the CO₂ equivalent calculated in accordance with the Guidelines on Greenhouse Gas Emissions Accounting for the Cement Industry (水泥行業溫室氣體核算指南) was 195 million tonnes and the unit CO₂ equivalent was 0.855 tonne.

Focusing on the sustainable development, the Group has devoted itself to creating a resource-saving and environmentally-friendly enterprise. In the process of exploring the construction of ecological civilization, the Group has promptly applied advanced and mature technologies to production practice to reduce consumption and emission and strived to minimise the negative impact of our business operations on the environment with advanced production technology and scientific management mode by constantly increasing investment in scientific research, encouraging technological innovation, actively promoting new technology and process on energy saving and emission reduction and eliminating backward energy-consuming process equipment, which has not only lowered cost and increased efficiency, but also created good environment benefits. During the Reporting Period, the Group invested RMB700 million in total for energy conservation and environmental protection.

Innovating denitration technology:

Through years of exploration, the Group had developed the comprehensive denitration technology comprising "Selective Non-Catalytic Reduction (SNCR) + staged combustion and low-NO_x combustion". Such denitration technology has been applied to all cement and clinker production lines of the Group, which significantly reduced the consumption of ammonia and effectively reduced the emission of NO_x. In 2017, the Group actively explored new technologies for energy conservation and emission reduction, and developed the low and medium-temperature SCR technology suitable for cement production lines in cooperation with scientific research institutes. The application of the SCR technology will further reduce the emission of NO_x. As at the end of the Reporting Period, the medium-temperature SCR technology has been applied at Baimashan Cement Plant for trial operation, and the trial operation is expected to be complete in 2018.

Wet desulphurization pilot:

The mines owned by a few plants under the Group have a relatively high sulphur concentration, resulting in a high SO₂ emission level during the production process of cement. To solve this problem, the Group has made active efforts in developing new desulphurisation technology. In 2017, the Group invested RMB40 million to establish the wet desulphurisation pilot of kiln end gas at Yangchun Conch. By producing limestone slurry out of the kiln dust generated in the cement production process, such technology eliminates the SO₂ in the kiln



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end gas using the sprayed limestone slurry gas after the gas enters into the absorption tower, yielding no other pollutant emissions during the whole process. While effectively reducing the emission of SO₂, such technology also has certain economic value. As the desulphurisation gypsum generated from the wet desulphurisation process may be used for cement admixture after dehydration, thus achieving the target of high efficiency and environmental protection. The Group intends to implement the improvement of wet desulphurisation at other plants in 2018.



Technological improvement of three-fan system:

Technological improvement of three-fan system may effectively reduce power consumption and dust discharge of the raw meal preparation process. In 2017, the Group successively completed the three-fan system technological improvement of the raw meal preparation systems on eight clinker production lines in its six subsidiaries including Tongling Conch, Xing'an Conch, Digang Conch and Prosperity Conch. After that, the concentration of dust discharged is far below the national emission limit and meet the control requirements of national key areas.

“Carbon Capture and Storage” technology to turn waste into value:

Carbon Capture and Storage (CCS) is a process where the CO₂ captured is treated through desulphurisation, purification, compression, dehumidification and liquefaction and then sold to the market for reuse. In order to implement the national low-carbon development strategy, the Group has actively participated in CO₂ emission reduction action as a part of China's "Intended Nationally Determined Contributions". In 2017, the Company invested over RMB50 million to construct a 50,000-tonne CO₂ capture and purification demonstration project at Baimashan Cement Plant, which is scheduled to be put into operation in the first half of 2018. By capturing CO₂ discharged during the cement production process, it will bring economic benefits to enterprises while reducing greenhouse gas emissions, thus achieving the target of "turning waste into value".



Case study: Taizhou Yangwan Conch has strictly abided by the environmental protection laws and regulations, actively implemented the policies on energy conservation and emission reduction and vigorously promoted clean production since its establishment. It was awarded the title of "Green Level Enterprise for the Year" in Taizhou for five consecutive years. In addition, Wuhu Conch, Digang Conch and Tongling Conch were selected as the first and second batches of green manufacturing demonstration plants by MIIT in 2017.

4.2 Utilisation of Resources

The construction of ecological civilization is fundamental for the sustainable development of the Chinese nation. The ecological environment is a treasure whose existence may usually be ignored but that can't be substituted or reclaimed. The development and utilization of resources shall support the current generation to live a happy life, but also reserve sufficient resources for the existence for the future generations. In an active response to the call of the government to build a "resource-saving and environmentally-friendly" society, and by firmly implementing the basic national policy of saving resources and protecting environment, the Group has



incorporated the resource utilisation policy of "minimization, recycling and renewability" into every aspect of production and management. During the Reporting Period, the total coal consumption of the Group was 33 million tonnes, and the unit coal consumption of clinker was 144.76 kg; the total power consumption was 14.5 billion kWh, and the unit power consumption of cement was 79.58 kWh; the total diesel consumption was 96,500 tonnes, and the unit diesel consumption of cement was 0.37 kg.

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Increasing income and cutting costs for green development

The Group has firmly established a socialist view on ecological civilization, and actively implemented the green development model. We advocate the conservation, intensive and recycling use of resources, which has realized the target of cost decreasing and benefit increasing while implementing the policy of energy conservation and emission reduction. In addition, efforts have been stepped up to promote the ecological civilization, with an aim to strengthen employees' awareness of environmental protection and advocate a green and low-carbon lifestyle.

The Group has extensively applied the residual heat power generation technology to achieve resource recycling. As the pioneer in the application of the pure low-temperature residual heat power generation technology, a total of 99 residual heat power generation units have been installed and operated on the cement and clinker production lines of the Group in 2017, with a total installed capacity of 1,180MW. In 2017, the amount of generated electricity was 8,156 GWh, saving 2,936,200 tonnes of standard coal as compared with similar scale of fire-generated electricity and reducing emission of CO₂ by 7,829,800 tonnes.

We put the environmental protection measures into practice, vigorously promote green lifestyle concepts to our employees, and encourage environmental protection behaviours through the Group's Intranet, WeChat groups, posters and setting up recycling bins, advocating our employees to practice water and electricity conservation and low-carbon transportation. In addition, we have actively carried out the "cost decreasing and benefit increasing" activities to collect good ideas on cost cutting and energy conservation from all the staff. We encourage to cover the factory with vegetation. We have taken the environment factor into consideration in designing a new factory, and continue to improve the landscape within the factory areas during the production and operation process, in an effort to create a "Garden Factory" and develop into a "Green Enterprise".



Scientific water consumption to promote recycling use

As the origin of life, water is also one of the most precious resources on the earth. With the rapid development of industrialization and urbanization, water environment pollution and water shortage have become pressing problems to be addressed. The Group attaches great importance to the protection of water resources, and advocates water conservation and recycling.

The production water of riverside companies of the Group was mainly taken from surface water of rivers, while a rainfall and sewage separation system has been implemented for all plants of the Group. Water are recycled to be used in residual heat power generation and cooling system, thus there is no sewage discharged into the urban sewage pipe network in the production process. Domestic sewage is treated by using the A/O secondary biochemical treatment technology and is used for watering plants or discharged into the urban sewage pipe network when it has met the quality standard after treatment. Domestic sewage to be discharged into the urban sewage pipe network shall be subject to regular inspections to ensure compliance with the discharge standard. In 2017, the total water consumption of the Group was 137 million tonnes, and the unit water consumption of products was 0.59 tonne.

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Case study: In May 2017, Xuancheng Conch was selected as one of the third batch of “Water Saving Enterprise of Anhui Province” for its efforts in further accelerating the transformation of water resources utilisation to intensive management by improving water-usage method and process and eliminating outdated water-usage devices.

Active technological improvement for energy conservation and consumption reduction

The Group continues to push forward technological improvement for energy conservation and consumption reduction to reduce coal and electricity consumption. During the Reporting Period, the Group completed technological improvement of roller presses on twenty-two cement grinding mills for eight subsidiaries, capacity expansion of decomposition furnaces on eight clinker production lines for seven subsidiaries, technological improvement of grate coolers on four clinker production lines and Variable-frequency modification of high-capacity wind turbines on the clinker production lines for two subsidiaries. After the optimisation and adjustment efforts for over a year, Yiyang Conch and Lu'an Conch have made some achievements in the trial of ceramic balls. Upon the completion of such technological improvements, the Group's capacity was increased significantly and coal and electricity consumption indicator was effectively optimized, resulting in a decrease of RMB95 million in operating costs in 2017.



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Technological improvement of decomposition furnaces:

In order to further reduce energy consumption of the production lines, the Group carried out thorough deliberation and analysis on the plan regarding the technological improvement of decomposition furnaces together with Conch Design Institute and Sinoma International Engineering Co., Ltd (Nanjing), and completed the technological improvement of decomposition furnaces for eight production lines including Digang No.3 Kiln, Chizhou No.3 Kiln and China Plant No.2 Kiln during the off season. After such technological improvement, the operation stability was enhanced, and the standard coal consumption was decreased by 5 kg/t on average.

Technological improvement of roller presses:

As a new energy-saving cement grinding device, roller presses are widely used in various cement grinding stations. In recent years, the Group has undergone technological improvement of roller presses by stages and in groups. As at the end of the Reporting Period, all the technological improvement projects on the twenty-two roller presses initiated in 2016 have been put into operation, and the energy consumption was significantly reduced after such technological improvement.

4.3 Environment and Natural Resources

The Group strictly implements the ecological protection strategy initiated by the government and adheres to the philosophy of “Lucid Waters and Lush Mountains are Invaluable Assets” (綠水青山就是金山銀山) proposed by Xi Jinping, the General Secretary of the CPC Central Committee. The Group makes strenuous efforts to maintain a high standard in environmental protection and plays a leading role in the cement industry in pushing forward development of environmental protection, making our contribution in creating a nice blue sky and building a beautiful China.



Treatment of domestic waste to reduce problems caused by landfilling

The Group proactively promotes the technology using cement kilns to facilitate the treatment of domestic waste. Without classification of wastes, this technology enables degradation of dioxins using the high temperature released by the combustion in the cement kilns without producing any undesirable odours and allows for solidification of heavy metals and purification of sewage at the same time, achieving the target of “detoxification, minimisation and renewability” for waste treatment. This advanced technology enables the Chinese cement industry to develop a circular economy and work towards a green and environmentally-friendly industry. It was granted the “Blue Sky Award” – Global Top Investment Scenarios To Apply New Technologies For Renewable Energy Utilisation by the United Nations.

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Since its investment and construction of the first project using cement kilns to facilitate the treatment of domestic waste in Tongling Conch in 2010, the Group has gained extensive experiences in project construction and operation, and, together with China Conch Venture Holdings Limited (the owner of this technology, hereinafter referred to as “CCVH”), proactively carried out cooperation with local governments at various levels of the places where our plants are located. In 2017, the Group completed construction of five waste treatment projects in Wuhu Conch, Qianxian Conch, Ningguo Cement Plant and etc. As at the end of the Reporting Period, a total of 19 waste treatment projects were put into operation. In addition, 7 projects including Xing’an Conch, Shimen Conch and Suzhou Conch were under construction. During the Reporting Period, the Group treated a total of 850,000 tonnes of domestic wastes, 30,000 tonnes of sludge and 66,000 tonnes of wastewater, effectively solving problems such as large-scale land occupation and secondary pollution caused by traditional waste treatment methods including landfilling and open burning, and creating considerable economic and social benefits.

Integrated utilisation of resources by reutilisation of industrial wastes

In its course of production, the Group attaches great importance to the integrated utilisation of resources by proactively reutilising industrial wastes and turning industrial wastes into useful materials while reducing environmental pollution caused by them, creating significant social benefits. In 2017, the Group joined hand with CCVH to build two hazardous wastes treatment system in Wuhu Conch and Qianxian Conch respectively, which have been completed and put into operation and have treated a total of over 20,000 tonnes of solid wastes throughout the year.



Construction of an ecological mine area by developing “digital mines”

Limestone mines are the main source of raw materials for the production of cement enterprises, and also the foundation for their existence and development. The Group insists on scientific utilisation of mine resources, with an aim to construct an ecological mine area.

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As to site selection for plants, the Group complies with the Convention on Biological Diversity, so as to minimise impacts on the surrounding areas and communities. During the course of exploration, the Group abides by the Green Mine Convention and makes great efforts in developing the greening and landscaping of mines, effectively reducing soil erosion in the mines and the surrounding areas and also improving the working and living environment for the employees.

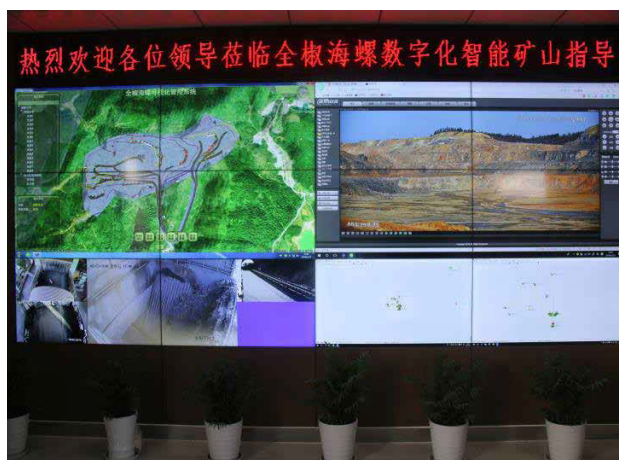
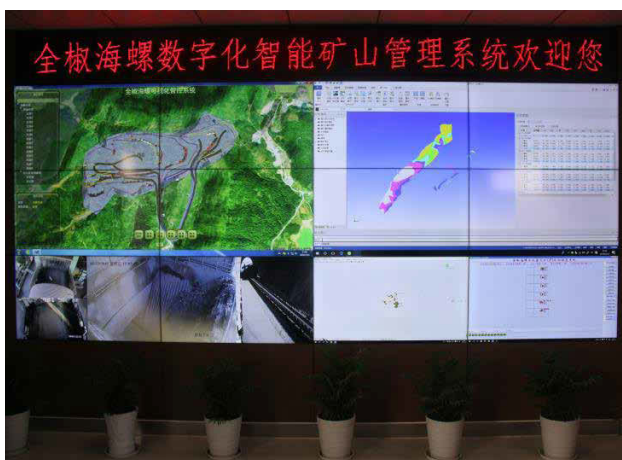
As at the end of the Reporting Period, the Group invested a total of RMB26.38 million for greening purpose, and approximately 244,000 trees have been planted with a green zone of approximately 3,375 mu, achieving preliminary positive effect:



(1) Anhui Tongling Conch Mine and Zhejiang Jiande Conch Mine were rated as “National Green Mine” (國家級綠色礦山);

(2) Anhui Wuhu Conch Mine, Anhui Zongyang Conch Mine, Jiangsu China Cement Plant Mine, Jiangxi Fenyi Conch Mine, Guangxi Xing'an Conch Mine and Guangxi Beiliu Conch Mine have applied for the title of provincial green mine;

(3) Anhui Digang Conch Mine and Anhui Chizhou Conch Beishan Mine have passed the evaluation at the municipality level.



Adhering to the principle of “no wastes in mining, no dust in transportation, no blind side in greening”, the Group has strengthened the construction of environmental management system with a high standard and in a comprehensive manner, and actively carried out the restoration work of the mine geological environment. As at the end of the Reporting Period, a total of RMB660 million has been deposited as the restoration of geological environment and land reclamation deposit for 130 limestone and batching mines over which the Group has mining right.

For the construction of ecological mining area, we adhere to the principle of “tackling both the problem and its cause”. On the one hand, with an aim to control emissions from mining and transportation process, the Group has effectively reduced dust emission during the mining process by establishing automatic sprinkler systems on ore transportation roads, installing dust cover and spray devices at limestone discharge outlets and adding herringbone exhaust pipes at belt transfer stations. On the other hand, the Group adopts new technology to improve mining practices, and has established a digital mining team which possesses mining experiences and Internet of Things technologies, with an aim to apply the technology innovation concept into the whole usage process of mining

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resources, so as to overcome difficulties and dare to explore and pioneer. The digitalization construction has equipped the whole mine with self-analysis and decision-making capabilities to achieve high integrated and coordinated operation among the people, machines and the environment, thus laying a technology foundation for the visualized, automated, intelligent and even unmanned production and management of the whole mine.

The construction of digital intelligent mine may significantly enhance economic benefits by improving the mining efficiency and optimising the ore collocation scheme. Furthermore, with the automatic status tracking and collection function of equipment, we are able to take prompt actions to handle any abnormal situation on the spot, so as to improve the dispatching management efficiency and reduce the equipment downtime. The automatic scheduling arrangement provides a fair work platform for shovel and tramcar drivers, thus greatly boosting their work enthusiasm.

As at the end of the Reporting Period, the digital intelligent mining management system of Quanjiao Conch has been completed and put into use, not only greatly improving the production organization process which used to be managed purely based on human experiences, but also realizing the comprehensive utilization of resources to the utmost extent. Starting from the construction of digitalised plant of Quanjiao Conch, the Group will, based on the actual situation of mines in various regions, aggressively promote the construction of quality control system, truck dispatch system, video monitoring system and even the complete digital intelligent mining management system.





EMPLOYMENT AND LABOUR PRACTICES

5.1 Employment

Equal employment with diversified composition

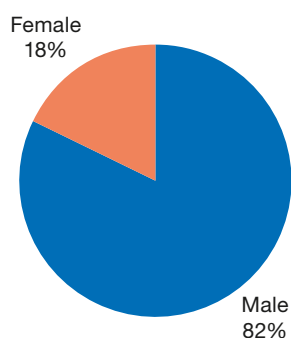
Employees are the most important assets of an organisation, and also the intelligence reserve and driving force of an enterprise. Recruitment and build-up of a stable team of quality talents will boost the sustainable development of the enterprise. Upholding the “human-oriented” principle, the Group has established a selection and appointment system of “fairness, impartiality and openness”, with an aim to offer our staff an excellent platform for career development and to prohibit employment discrimination in any form.

The Group upholds the principle of democracy, protecting the employees’ right to know, supervision power and decision-making power. An effective internal communication platform had been set up, enabling the employees to express their opinions, put forward suggestions or appeal for reasonable requests through various channels such as employee representative meetings, employee forums and corporate mailboxes. The relevant departments will collect such information for study and discussion promptly and adopt rational suggestions from employees, so as to establish harmonious labour relationship and enhance the employees’ sense of belongings and ownership.

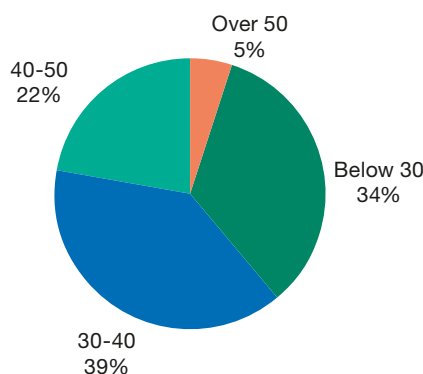
The Group always emphasizes on employee diversity while maintaining efficient operation. Employees of different gender, age and education background will complement each other, so as to give full scope to the talents. While maintaining and inheriting traditional production technology and management experience, we also keep abreast with the development trend by focusing on building talent reserve, in an effort to build a learning, professional and knowledge-based team of talents, which will form the foundation for the development of the Company.

EMPLOYMENT AND LABOUR PRACTICES

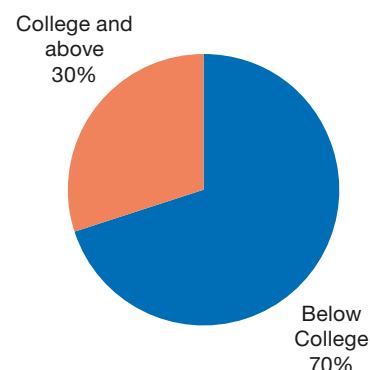
Gender



Age

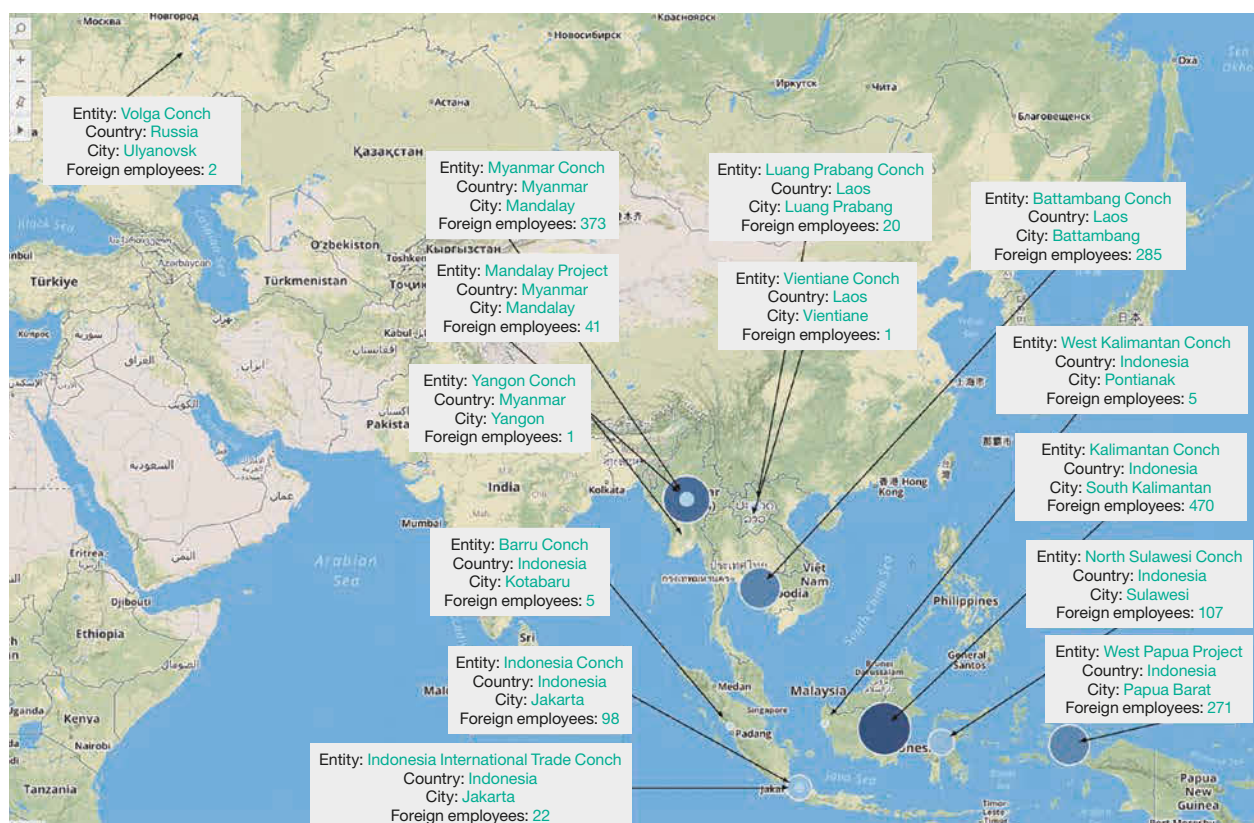


Education



As at the end of the Reporting Period, the Group had 43,000 employees. The Group and its subsidiaries strictly abided by the Labour Law, Labour Contract Law and Social Insurance Law and other relevant PRC laws and regulations, and made full payment of remuneration to the employees in a timely manner, so as to protect the legitimate rights and interests of the employees.

With the accelerated implementation of its internationalization strategy, the Group continues to implement local employment when expanding its production capacity and exploiting overseas markets. The Group fully respects the culture and traditions as well as religious beliefs of the countries where its projects are located, and has organised and participated in various activities to promote mutual understanding and communication between foreign employees and Chinese employees, thereby further promoting cultural fusion. As at the end of the Reporting Period, the Group had a total of over 1,700 foreign employees.



EMPLOYMENT AND LABOUR PRACTICES



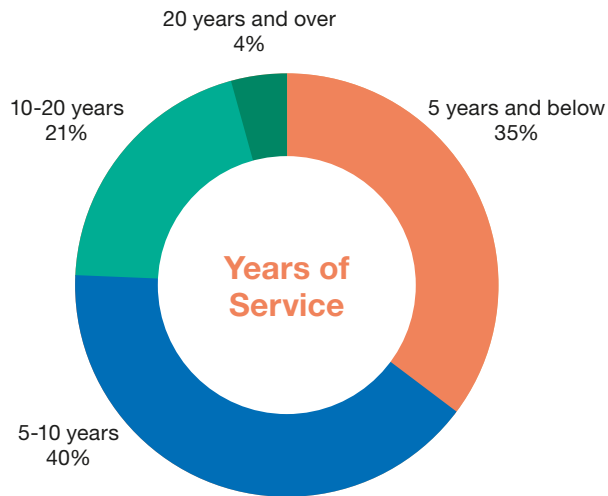
Recruiting talents and sharing benefits

The Group actively recruits college graduates and aspiring young people from all over the country, not only laying a solid talent foundation for the future development of the Company, but also making its contribution as an enterprise to the promotion of social employment.

In 2017, the Group participated in job fairs held by 7 universities including Tongji University, Wuhan University and Anhui University in Nanjing, Shanghai, Wuhan, Hefei and other cities, and finally entered into employment contracts with a total of 40 graduates. In addition, the regional subsidiaries actively responded to the call of the group company, and recruited 566 graduates in aggregate through co-ordination of regional resources and advanced planning.

The Group has established a salary distribution system based on post salary and performance incentives, and constantly improves its work seniority salary system and optimised the appraisal scheme, so as to effectively boost the morale of our staff. In light of the characteristics of the industry and basic cost of living in various regions, the Group makes appropriate adjustments to the remuneration package each year. In 2017, the employees' income per capita recorded a year-on-year increase of 9.4%.

EMPLOYMENT AND LABOUR PRACTICES



The development of individual employee is closely related to the development of the enterprise. Employees make unremitting efforts to realize the grand blueprint of the enterprise, while the enterprise shall share the development results with the employees. The Group is committed to undertaking obligations and sharing benefits with its employees, which enables it to maintain a relatively stable workforce for many years, laying a solid human resource foundation to support the long-term development of the Group.

Caring for employees by upholding the human-oriented principle

The physical health of each employee is not only essential to the sustainable and stable production and operation of the Company, but also essential to the wellbeing of their family. Conch Cement pays high regard to the health of every employee, and always adheres to the philosophy of "life comes before production". The Group provides free physical examination for all employees every year, and continuous efforts are made to establish occupational health records for each employee. A "one-to-one" assistance policy is in place to enable employees in difficulties to receive help from senior management of the Group. In addition, the Group also actively organises charity donations to help them get through the hard times.

Case study: On every major festival and holiday, the communist party committee and labour union of Long'an Conch (Guangxi) visit the employees in difficulties to offer them holiday gifts and greetings and encourage them to continue to work hard, lending a hand to solve their problems.

Case study: Over 100 employees of Guiyang Conch didn't take time off during the spring festival in 2017. The Labour union of Guiyang Conch visited the families of these employees to express gratitude for their long-time understanding and support.

Given the characteristics of the cement industry, and in order to support the 24-hour uninterrupted operation of our production lines, some employees are required to work in three shifts through morning to night and even on holidays. The Group appreciates the hard work of its employees and the support and understanding of their families, and gives full acknowledgment and gratitude to their dedication.

EMPLOYMENT AND LABOUR PRACTICES



The Group pays high regard to the physical and mental health of the employees, and makes continuous efforts to enrich their spiritual and cultural life, in an effort to create a positive and healthy cultural atmosphere for employees. The labour unions of subsidiaries all over the country have organised a wide variety of wonderful cultural and sports activities such as basketball match, table tennis match, badminton match, tug of war and around-the-factory race for the new year, which greatly enrich the after-work life of the employees, not only creating a harmonious atmosphere to promote comfortable working and happy living environment, but also enhancing the cohesion and centripetal force of employees, so as to strengthen their sense of belonging and commitment to the Company.

Case study: Focusing on the priority work of the enterprise and the hot issues cared most by the employees, the labour union of Zhuangxiang Conch (Yunnan) regularly organises employee seminars to listen to the voice of the grass-roots employees and collect their opinions. The labour union makes best efforts to help solve confusion of the young employees as well as the concerns, difficulties and hot issues cared by the staff, promoting the harmonious development of the company. In 2017, the labour union of Zhuangxiang Conch was awarded the honorary title of "Model Home for Staff" by Guangan County.

5.2 Health and Safety

Formulating relevant systems to ensure production safety

Safety is the guarantee for enterprise development, the cornerstone for family happiness and the source of social harmony. Safety management is an important prerequisite for the Group's operation, and production safety is also a priority focus of the Group.

The Group strictly abides by the Law of the People's Republic of China on Work Safety (中華人

民共和國安全生產法). Based on the establishment and consolidation of departments and divisions, the Group promptly formulated or amended eight management regulations including Instructions on Graded Examination and Approval Procedures of Hazardous Operations (危險作業分級審批管理規程指導意見), Instructions on Isolated Management Procedures of Energy Resources (能量隔離管理規程指導意見), Instructions on Establishment of Safety

EMPLOYMENT AND LABOUR PRACTICES

Protection System for Furnace Overhaul (建立築爐檢修作業安全防護體系的指導意見), Instructions on Wharf Contingency Plans for Typhoon and Flood Preventions (碼頭防颱防汛應急預案的指導意見) and Conch Cement Contingency Plans for Domestic and Overseas Safety Emergencies (海螺水泥境內外突發安全事件應急預案) in 2017 to promote the standardization, institutionalization and scientification of production safety management.

Each subsidiary of the Group has established its safety production committee with the General Manager acting as head of the committee, which is fully responsible for the production safety management. The Group has also established safety and environmental protection department, a dedicated safety management department with specified safety management responsibility, which directly reports to the General Manager regarding daily safety works. With the implementation of the Rules for Assessment of Management Liability Statement on Production Safety Objective (安全生產目標管理責任書考核細則) and the Implementation Measures for Management Liability Statement on Production Safety Objective (安全生產目標管理責任書考核實施辦法), the Group has created an environment where all the staff participate in the construction of safety system, and entered into the liability statement on production safety objective with all the staff.

The Group has conducted special safety inspections at the middle and end of the year respectively to check the implementation of

production safety accountability system by each subsidiary, and announce the results and deliver rewards and penalties in a timely manner. In 2017, the Group awarded 85 entities that were rated as excellent and qualified in the assessment of last year, and imposed penalties on 2 entities. However, penalty is just a means to urge each entity to promote the implementation of production safety responsibility with the assessment of production safety management objective.

Developing technologies to promote occupational health

By thoroughly implementing the policy of “safety first and prevention-oriented” and always ensuring the investment in safety facilities, the Group provides safe working conditions as required by the national regulations, including safe working environment, well-run equipment and necessary labor protection articles. In 2017, the Group revised the Measures for Management of Labor Protection Articles (勞保用品管理辦法) to clarify the registration processes for reception of labor protection articles, and track the reception quantity and frequency on a regular basis, thus ensuring that adequate and effective labor protection articles are available to our employees.

The Group takes proactive measures to control dust from cement packaging in accordance with the requirements of the Notice on Promoting Elimination of Outdated Production Capacity and Taking Specific Actions for Production Safety and Occupational Health by the Cement Industry (關於推動水泥行業淘汰落後產能開展安全生產和職業健康執法專項行動的通知) issued by China's State Administration of Work Safety. Based on the previous technological improvements, we continue to perfect the plan. We have implemented optimisation pilot plan at Suzhou Conch and Baimashan Cement Plant in 2017, and strive to complete the control of dust from cement packaging in the half of 2018 with the principle of “making full utilisation of existing facilities, giving consideration to all types of vehicles, taking into account of energy consumption and ensuring to meet emission standards (用足現有設備 兼顧各類車型 充分考慮能耗 確保排放達標)”, thus improving the working environment for our employees.



EMPLOYMENT AND LABOUR PRACTICES



In addition, the Group attaches great importance to the role of information technology on safety risk assessment, production safety promotion and safety management supervision. All subsidiaries have set up the “production safety alert system” developed independently by Conch Holdings. The system has been filed with and authorised by China’s State Administration of Work Safety. The alert system has provided an important tool for all entities to evaluate and measure the effect of safety management, facilitating the establishment of routine management mechanism for production safety, and providing technology support for the comprehensive promotion of standardized production safety.

Conducting occupational safety education with constant updates

Adhering to the tenet that “lack of training presents safety hazard”, the Group always attaches great importance to occupational health education and safety training. In 2017, we conducted 9 large-scale training courses at our headquarters at Wuhu regarding the Certificate of Safety Inspection (安全合格證), Certificate of Occupational Health (職業健康合格證), standardized production safety and etc., with over 1,100 participants. In addition, all subsidiaries have organised the activity of “safety lectures by office-in-charge (主要負責人上講台談安全)”, requiring the management personnel at all level to set an

EMPLOYMENT AND LABOUR PRACTICES

example in enhancing safety learning, so as to inspire all employees to improve safety awareness, and urge relevant personnel to master safety production skills and self-rescue and mutual-rescue skills. In July 2017, the Group organized 2,946 employees from 108 subsidiaries to participate in video exam on safety knowledge by 4 batches, and those who failed in the exam had to receive further safety education and take another exam, so as to ensure that all employees are qualified for their jobs.

Safety incident is the least thing we want, which however presents the most vivid example for occupational safety education. We have collected actual safety incidents occurred in the industry and by the Group and compiled these cases into a book named the Safety Guidance from Safety Incidents (深挖事故鏡子 點亮安全明燈), which was despatched to all employees for extensive discussion, with an aim to

enhance their safety awareness and encourage them to take action to eliminate potential hazards.

The week from 1 December 2017 to 7 December 2017 is the first national publicity week for the Law on Work Safety. During the week, the Group organized over 300 spot publicity activities with 12,000 participants, distributed 12,000 publicity materials in 160 categories, organized 1,000 legal training activities with nearly 20,000 participants, organized 106 knowledge contests with 24,000 participants, created 338 display boards, published 110 articles in 65 special columns and issues on the internet, and released over 3,000 messages regarding legal issues on WeChat and Weibo.

By providing system coverage, technology support and publicity and education, the Group made remarkable achievements in the promotion of safety and occupational health in 2017. Over 30 subsidiaries of the Group received 36 national, provincial and municipal safety management honors, and Conch Cement was granted the “Outstanding Enterprise Award” by China’s State Administration of Work Safety. In addition, three employee leaders received awards from the government in terms of safety management, of which Xiahou Wei from Fenyi Conch was accredited the title top 10 “Five-good Safety Supervisors (五好安監員)” in Jiangxi Province; Liu Ensheng from Lushan Conch was accredited the title “Advanced Individual (先進個人)” in Jiujiang City in terms of work safety; and Chen Jihuo from Chongqing Conch was accredited the title “Work Safety Model (安全生產標兵)” in Chongqing City in 2017.



5.3 Development and Training

Providing systematical training to promote career development

The Group attaches great importance to staff training, and provides categorized, multi-level and multi-channel education and training programs to comprehensively improve the professional knowledge, professional skills and comprehensive competence of the employees, so as to promote their career development and boost the development of the enterprise. The Group believes that the essence of training is more important than its form, and strives to provide training that is in line with the actual work requirements of the employees, so that the employees can really benefit from the training.

In terms of training methods, according to the Company's organisational structure and management experience, we have established a three-module training system consisting of pre-job training, on-job training and (half) off-job training for various employee groups, with an aim to provide customized training according to the actual situation of each employee.

EMPLOYMENT AND LABOUR PRACTICES

Pre-job training: all newly-recruited and post-shifted personnel of the Company shall participate in the pre-job training. Only those who pass the examination designed according to the post standard are qualified for the job.

On-job training: in order to improve the professional competence and operation skills of the existing employees, they are required to take training sessions for not less than 4 hours per week.

(Half) off-job training: in order to improve the comprehensive competence of the technical management personnel and personnel with special skills, (half) off-job training is provided according to the needs of the work.

The Group is committed to creating a positive atmosphere of "aspiring and pursuing for excellence" and offering a platform for the employees to "develop and demonstrate their talent". In addition, the Group adheres to the selection and appointment system of "fairness, impartiality and openness", providing a smooth promotion channel with open and transparent procedures. The Group has made public to all employees the three criteria for promotion, i.e. grass-root experience, overseas experience, rotation experience in various places/departments, encouraging the employees to gain work experience by taking positions at grass-root level, in foreign countries and with various departments.

A notice on personnel appointment of middle or above management positions of the subsidiaries shall be issued, and such appointments shall be officially effective only if no objections are raised during the notice period. As to the general management and technical staff, we adopt a public recruitment mechanism, namely only candidates identified as qualified by the personnel department after comprehensive appraisal shall be employed. Fair competition offers young technical talents with competence, potential and ambition an opportunity to stand out from their peers and be selected, so as to achieve the goal of "choosing outstanding talents, cultivating quality talents, exerting talent potential and retaining talents".





Conch Cement Talent Fostering Plan

The Conch Cement Talent Fostering Plan (hereinafter referred to as “CCTFP”), which is designed to serve the “13th Five-year Plan” and the target of “becoming the first enterprise in Anhui Province to be one of the World Top 500, world No.1 enterprise in the cement industry in terms of operating revenue, world No.1 enterprise in the new material industry in terms of revenue and national No.1 enterprise in the energy-saving and environmental protection devices and related services industry in terms of revenue” of Conch Holdings, focuses on recruiting, reserving and cultivating a team of high-level talents who are familiar with our company culture, who will later be included into the “100 Cadres Fostering Project” of Conch Holdings.

The Group intends to introduce and cultivate no less than 20 high-end reserve talents every year, and select no less than 100 excellent reserve talents into the CCTFP by the end of the 13th Five-year Plan period (i.e. 2020), so as to optimise the talent team, promote talent echelon construction and build up talent reserve.

The management of the Group attached great importance to the CCTFP when it was initiated in 2017.

The recruitment team led by the general manager organised recruitment talks in various universities and recruited a total of 26 college graduates as the first batch CCTFP participants. The human resources department is responsible for the overall implementation of the CCTFP, helping the participants in career planning to make great career achievements in Conch Cement.

Training for the first batch CCTFP participants consists of six steps, including pre-job training, post practice, professional and technical post training, department training, middle-level post training and entering into the “100 Cadres Fostering Project”.



EMPLOYMENT AND LABOUR PRACTICES

Career Development Planning for Talents of the CCTFP

Development Channel	Job Sequence	3-6 months	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years
Vertical Development Sequence	100 Cadres Fostering Project									
	Department head / Middle management of Subsidiaries									
	Secondment in other departments (excluding participants with fixed post)									
	Departmental technician/ director of subsidiaries									
	Technician									
	Job trainee (including pre-job training)									

At the end of summer of 2017, the first batch CCTFP trainees completed their pre-job training, including visiting exhibition hall and the “mother kiln ”of the Group, participating in courses taught by the leaders of various departments and outward bound training. Diversified training methods and comprehensive training system have enhanced the trainees' sense of identity to the enterprise, and also helped them to adjust their attitude, convert into their job roles and integrate into the big family of Conch more quickly.





5.4 Employment Standards

Freedom in job choosing and legitimate employment

Employment represents the two-way choice between the enterprise and the employees. The Group fully respects the employees' freedom in choosing their jobs. During their employment with us, there was no incident of withholding valid certificates, collecting guarantee deposits or forced labour.

The Group promotes the spirit of dedication and commitment to their jobs and prohibits forced labour. We protect the employees' rights to rest and holidays in accordance with the relevant laws and regulations of the government. In 2017, the Group offered 7 days for paid vacation per capita.

Prohibition of child labour by stringent review

The Group abides by the international labour standards and Law of the People's Republic of China on the Protection of Minors as well as the laws and regulations of the places where its overseas projects are located, prohibiting child labour (i.e. anyone under the age of 16). All subsidiaries are required to strictly follow the recruitment process of the Group, and job applicants shall be subject to strict identity verification, with a view to prevent child labour due to false information. Given that the Group has a great number of subsidiaries (particularly many factories) with a widely dispersed geographic profile, the supervisory and audit division of the Group will visit its subsidiaries to review their recruitment process and employment information on a regular basis every year.

During the Reporting Period, no child labour was used by the Group.



SUPPLY CHAIN MANAGEMENT

Expanding Purchase Channels to Promote Sunshine Procurement

Attaching importance to the control of procurement, the Group has formulated the Tentative Measures for Material Supply Management (物資供應管理暫行辦法), Administrative Measures for Tendering of Material Procurement (物資採購招標管理辦法), Implementation Rules for Tendering of Material Procurement (物資採購招標實施細則) and Tentative Regulations for Supplier Management (供應商管理暫行規定), and has established the three-level material supply management system comprising the headquarters, regional departments and subsidiaries, which has been running well over the years.

The Group has always adhered to the principle of “Fairness, Impartiality and Transparency” in cooperating with its suppliers, and openly identified, strictly selected and regularly assessed and reviewed its suppliers. Since 2016, the Group has worked to expand its purchase

channels by making procurement by way of open tender. The launch of the “Online Sunshine Purchase Platform of Conch” - a new type of procurement approach enables suppliers to register and submit a tender independently, which further improved the relatively independent procurement monitoring and management mechanism. As at the end of the Reporting Period, there were 4,669 suppliers registered on the platform on their own and a total of 1,103 projects were available for tender offer on the platform.

In addition, in order to ensure the safety and cost-efficiency of material supply, the Group has made in-depth analysis of the changes in the supply-and-demand condition in the market, made active efforts to secure increased supply via strategic direct-supply channels, stepped up efforts to expand supply channels, and optimized and expanded the coverage of unified control and distribution, all contributing to the supply of high-quality coals at commercially-reasonable prices.



Creating a Win-win Situation through Consultation and Cooperation

The Group adheres to the basic national policy of resources conservation and environmental protection, and seeks for mutual development with strategic partners in the supply chain while pursuing its own sustainable development. On the one hand, the Group has developed a stringent supplier entry system based on the property of various materials, and also takes into consideration performance of the suppliers in fulfilling their social responsibility. Under the same conditions, priority will be given to those enterprises with a commitment to social public welfare activities and a good corporate image. Most of the suppliers cooperated with the Group have advantage in scale and relatively strong strength in quality control and research and development, which mainly include famous domestic and overseas enterprises or listed companies in the industry with brand strength, capital advantage, price advantage and quality advantage. For example, as to coal purchase, we have established strategic partnerships with the major domestic coal



enterprises such as China Shenhua, China Coal Energy and Datong Coal Mine. As to the procurement of oil, mining machinery and the relevant auxiliary equipments, we cooperate with famous domestic and international brands including CNPC, Sinopec, Shell, Mobil Oil, BP, Kate Petroleum, Atlas, Komatsu and Michelin. As at the end of the Reporting Period, the Group has cooperated with 2,889 domestic suppliers and 120 foreign suppliers. On the other hand, adhering to the philosophy of creating a win-win situation through consultation and cooperation, the Group invites suppliers to visit the Company, offering them a

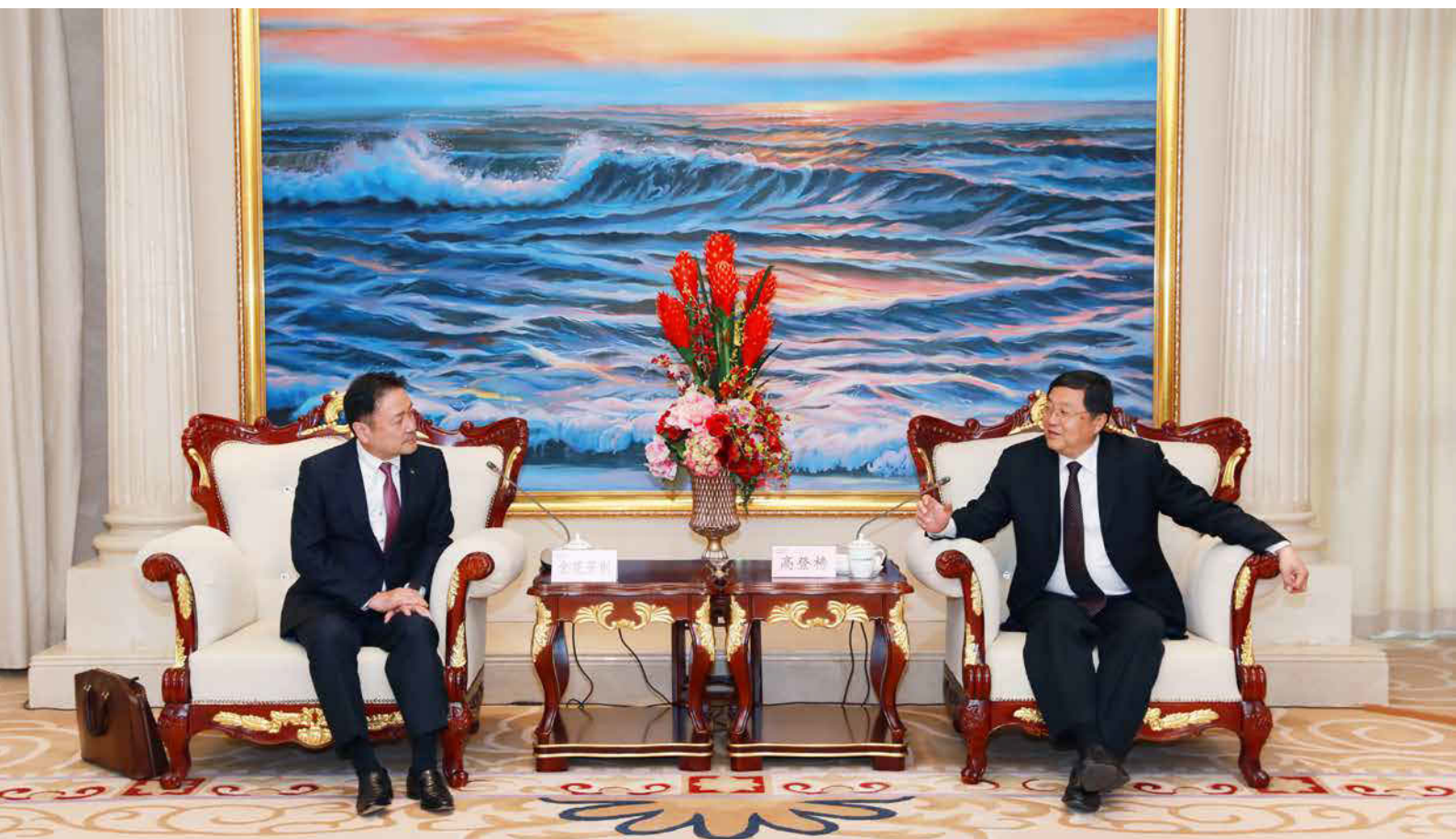
SUPPLY CHAIN MANAGEMENT

chance to get an understanding of the technological change and product upgrading in the cement industry and technology innovation goals of the Company. Through various means such as conducting research and discussion on demands for customized materials and trial of advanced products, the Group strives to promote the upgrading of materials procured and synchronized enhancement of R&D ability and market competitiveness of the suppliers.

The Group actively explores new cooperation models with suppliers, in an effort to create a win-win situation. For example, the Group has carried out negotiation on electricity tariff with local power plants for electricity utilization peak seasons such as the Spring Festival and summer, so as to digest waste residues of power plant by giving full play to its own inventory advantages, which not only created economic benefits for the Company, but also made certain contribution to environmental protection, thus realizing mutual cooperation benefit with the suppliers. In addition, in an active response to the government's

environmental protection requirements and following the trend of container transportation, the Group facilitates the shipment of coal by containers to reduce dust pollution, thus promoting the new cooperation with suppliers while ensuring stable production supply.

Adhering to the principle of combining "Going Out" with "Bringing In", the Group maintains a two-way procurement-supply relationship with suppliers, and actively expands the cooperation scope with suppliers, striving to establish strategic partnership with more outstanding enterprises. Long-term cooperation with these quality suppliers not only enables us to procure raw materials and fuel with the best quality at the most favorable prices to meet our production needs and thus provide high-quality products for downstream customers, but also offers us an opportunity to learn from them the advanced production and management experiences, so as to reach an agreement on resources conservation and environmental protection and better fulfill our social responsibility.





PRODUCT LIABILITY

Quality Comes First with Quality and Quantity Guarantee

Product quality is the core competitiveness of an enterprise. Upholding the operational principle of “best quality and dedicated services”, the Group is committed to providing customers with quality products. Our cement products under the “Conch” brand are famous for its super quality, and the trademark “CONCH” has been recognised as Well-known Trademark by the Trademark Office of the PRC.

Upholding the management philosophy of “pursuing clinker of high quality, cement of consistent quality and services of superior quality”, and equipped with advanced technical equipment, the Group pursues for excellent quality by improving details management and imposing stringent control over product quality. The Group has always paid high regard to the establishment and maintenance of quality management systems. In line with the Company’s development strategy, the Group has implemented the ISO9001 quality management

system in all plants under the Group. All the subsidiaries have established strong brand awareness. Aiming to provide the best quality products and regarding quality as a matter of the utmost importance, we embed the philosophy of strengthening product quality and safety in the entire process ranging from raw material procurement to product delivery, and have developed standards that are more stringent than the national level. Product quality and safety are guarantee with our sound quality control system and standardized product quality control system. In 2017, the Group received no complaint regarding product quality, and no material quality incident was reported.

We actively fulfill our social responsibilities while continuously improving the quality of our products. Amidst tightened control on environmental protection by the government and increased environmental inspections by local governments, none of the plants under Conch Cement has been shut down for failing to meet the environmental standards. In addition,



PRODUCT LIABILITY

under the background where the overall market is in short supply and prices keep rising, the Group continues to perform its bid-winning contracts on the original terms and provide supply for infrastructure construction and livelihood projects at the original bid-winning prices, further highlighting its commitment to contract performance and capability in fulfilling its social responsibility as a major enterprise.

The Group's products are widely used in key national projects. In 2017, the Group won the bid for 76 major projects such as Yulin-Zhanjiang expressway, Leishan-Rongjiang expressway, Chongqing-Zunyi expressway and Lianyungang-Xuzhou Highspeed Railway. As at the end of the Reporting Period, the Group had 65 major projects under implementation, including Sichuan - Guizhou railway, Chizhou Yangtze river bridge and Guangzhou metro.

Conch has nationwide business presence for its super quality cement products



▲ The figure shows a thumbnail of major projects being executed by Conch Cement as at the end of 2017



In December 2017, Conch Cement was rated as the 2017 "Light of Quality" Quality Benchmark Enterprise in China among the participating enterprises from all over the country due to its strong comprehensive strength and consistent product quality, and was the only unit in Anhui Province and the building materials industry to receive this award.

Optimising Services to Share Innovation

Customers are the foundation for the existence and development of an enterprise. Focusing on the operation philosophy of "improving product quality, shipping efficiency and public image, enhancing relationship with customers and providing added value", the Group continuously optimises its service system, manages "key points of service" and pays high regard to "customer concerns", so as to improve customer satisfaction. We have established dedicated pre-sale, in-sale and post-sale service teams, and take proactive measures to understand the customers' expectation and demands by various means including telephone consultation, questionnaire survey, on-site visits and seminars, enabling us to make timely response to the customers and fulfill service commitments. In addition, the Group continues to promote the construction of customer service standardization, optimise the procurement process through information technology, and improve communication channels with the customers.

Case study: The Group has established an online delivery platform, which allows online real-time sales data query, bulk cement warehouse bottom weighing, GPS online logistics query, SMS reminder for goods delivery and other functions. The platform helps to simply the formality procedure and optimise the process, enabling customers to place orders, deliver goods, check accounts and have real-time information on cement in-transit and fund balance through the internet, so as to realize the synergetic operation of "information flow, capital flow, logistics and traffic flow" and establish an efficient, convenient and comprehensive product delivery system.

PRODUCT LIABILITY

In order to enhance brand value and customer loyalty, the Group makes best efforts to provide its customers with attentive and high-quality services.

We help customers reduce logistics costs and procurement costs by various means including establishment of logistics bidding platform and implementation of two-way logistics.

We regularly arrange professional technical personnel to visit customers to help them solve production problems, so as to reduce their operating costs.

Furthermore, we develop the optimal mix of Conch cement and concrete, with an aim to help customers reduce the cost of cement ingredients.

We improve product delivery efficiency and reduce the time cost of customers by promising delivery time, encouraging customers' supervision, etc.

Case study: Taicang Conch made great effort in developing the civil market in recent years. The "Conch" brand bagged cement with high quality and stable supply has won the recognition and support of our customers. In 2017, the shortage in cement supply resulted in many counterfeit products on the market. To deal with this situation, on one hand, Taicang Conch kept close contact with consumers and took their reports seriously, and also set up an anti-counterfeiting working group, which joined hand with the market supervision authorities in Shanghai, Kunshan, Taicang and other places to conduct investigations and crack down the manufacturing and sales of counterfeit Conch brand bagged cement for many times, assisting the government departments in creating a regulated and orderly market environment. On the other hand, the sales staff of Conch pay regular visits to the communities to introduce the packaging logo, bag weight and unique spray code information of Conch Cement to house decoration companies, construction units and community residents. Through strengthening publicity of the "Conch" brand and enhancing consumers' rights awareness, Taicang Conch strived to improve end-customers' recognition of Conch brand bagged cement and their ability to identify authentic products, making full preliminary preparation for the Group's anti-fake actions.

Strict Implementation of Anti-counterfeit to Safeguard Intellectual Property Rights

The Group abides by industry standards and norms, maintains a level playing field, attaches great importance to and actively protects intellectual property rights, and respects the intellectual property rights of others.

Conch Cement is famous for its excellent quality. We firmly defend our brand image, and have zero tolerance towards counterfeiting, infringement and activities that damage the rights and interests of consumers. Production and sale of counterfeit cement products under the "Conch" brand not only violates the Group's trademark rights, damages the Company's reputation and image, but also violates consumers' right to know, and even brings great safety risks. We strongly condemn such activities as production and sale of counterfeit products. With a responsible attitude towards consumers and the public, we take practical actions to defend the rights and interests of consumers and crack down on counterfeit products, which have achieved remarkable results: in 2017, we participated in over 80 anti-counterfeit activities and seized 327 tonnes of counterfeit Conch cement and 230,000 counterfeit Conch cement packaging bags, thus effectively safeguarding the brand image of the Company and the legitimate rights and interests of consumers.



ANTI-CORRUPTION

Promoting Business Integrity with Role Model by the Leaders

Corruption activities violate business ethics, which may damage corporate image, and are not conducive to creating a market environment for fair competition. Construction of a clean Party organisation is essential to the implementation of the people-oriented development strategy by state-owned enterprises, and is also fundamental to the sustainable, stable and healthy development of the state-owned enterprises. Having an unwavering stand on anti-corruption, the Group is determined to correct all kinds of improper practices and crack down corruption practices with zero tolerance by constantly reinforcing the self-purification, self-improvement, self-innovation and self-enhancement capabilities of cadres. In addition, the Group is committed to creating an upright and clean atmosphere by vigorously promoting integrity education and fostering compliance culture.

The Group adheres to the people-oriented principle, and continuously strengthens the professional ethics and integrity and self-discipline education for its staff. We organise all staff to study and understand relevant regulations on a regular basis, and urge leading cadres at all levels to set a role model for their own teams by behaving themselves, so as to do a good job in managing their teams. Efforts have been made to improve their comprehensive competence and strengthen their belief and respect for laws and disciplines, promoting business integrity and proper exercise of power. In 2017, the Group HQ organised a total of 22 training courses on integrity warning education (including 10 trainings for personnel stationed overseas), with over 700 trainees taking such courses.

ANTI-CORRUPTION

Taking punishment and prevention measures in parallel to pursue lawful operation

The Group strictly abides by the Law of the People's Republic of China Against Unfair Competition (《反不正當競爭法》). Based on the principle of "Prevention in advance, supervision in process, and punishment followed", the Group promotes the organic integration of institutions and cultures, vigorously advocating the concept of "honesty and integrity and lawful operation", and constantly implementing systems to prevent corruption practices.

Adhering to the principle of "prevention first", the Group has set up the disciplinary inspection commission, supervisory & audit office and project audit department, so as to conduct inspection and auditing on major engineering projects of all subsidiaries regularly. The Group also actively organises special training courses on internal control. The establishment of the collaboration system for a clean party organisation has provided system support for the lawful operation of the Company. In addition, we also continue to strengthen institutional coverage. We have defined the regular rotation system of sales staff by establishing and perfecting the Administrative Measures for Discipline Inspection and Supervision and Petition and Report (《紀檢監察信訪舉報工作管理辦法》) and Tentative Measures for Efficiency Supervision (《效能監察工作暫行辦法》), and fully implemented sunshine procurement by complying with the Tentative Measures for Tendering of Material Procurement (《物資採購招標暫行辦法》), Tentative Regulations for Bidding Management of Construction Projects (《工程建設項目招標管理暫行規定》) and other concrete implementation measures for bidding and tendering in such high risk fields including material procurement and project tendering. During the Reporting Period, no material corruption incidents had been identified by the Group.





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CONSTRUCTION OF A HARMONIOUS COMMUNITY

Benefiting People's Livelihood through Targeted Poverty Alleviation

The Group has earnestly implemented the important instructions put forward by the Central Committee of the Party on development-oriented poverty alleviation. The Group actively fulfills its social responsibilities as a major enterprise as required by the targeted poverty alleviation and poverty reduction program, and makes greater contribution to social harmony and people's well-being with constantly innovative poverty alleviation efforts and more precise poverty alleviation initiatives.

Upholding the philosophy of making joint efforts in advancing poverty alleviation and focusing on the combination of poverty alleviation with raising self-confidence and education supports, the Group has made concrete efforts to implement targeted poverty alleviation. Jianglaojia Village, Jiangji Town, Lixin County



and Yuanxu Village, Chalu Town, Huoqiu County are designated by the Group to receive financial assistance. The Group focuses on the construction of the people's livelihood projects, cares about the production and living of the impoverished, and strives to fulfill our task in anti-poverty development.

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In 2017, focusing on the standardized construction of grassroot Party organizations, the Group carried out the learning and education activities on “Two Studies, One Action (兩學一做)” to complete the construction of village-level Party organizations and poverty alleviation teams. Meanwhile, the Company actively applied for virtual photovoltaic poverty alleviation support for 102 poor households, and donated RMB700,000 for the construction of photovoltaic power generation project in Jianglaojia Village. The Group applied for redevelopment of dangerous buildings for 60 poor households, and built central square and new village office building with the efforts in construction of beautiful villages. Furthermore, the Group donated RMB2.675 million for the reconstruction of the 3,000m main road in Jianglaojia Village, and RMB2.117 million for the widening of Conch Avenue in Yuanxu Village and reconstruction of village roads. Focusing on providing better software and hardware conditions for rural schools, the Group carried out renovation projects for roads, playgrounds and bicycle shed in primary schools. The Group cared for the aged in poverty, and successively donated RMB17,000 to

replace and purchase kitchen fittings and RMB8,000 to purchase fitness equipment for the nursing home. The Group also donated RMB20,000 to improve the medical facilities of village clinics. In addition, the Company also conducted “Looking aback (回頭看)” household survey to verify the information of the poor households, and made great efforts to the archiving and dynamic management of the poor households.

As at the end of the Reporting Period, the Group has invested over RMB9 million to help 514 poverty-stricken families with 1,027 people to get rid of poverty, both Jianglaojia Village and Yuanxu Village having emerged from poverty. Leveraging on our human resources, financial strength and collective expertise, the Group strictly implemented relevant poverty alleviation policies, and adopted effective measures to carry out poverty alleviation work in an in-depth and meticulous way with the aim of “providing genuine aid to the genuinely impoverished”.

The subsidiaries of the Group also proactively carried out poverty alleviation activities according to the local conditions.

Case study: Based on the poverty alleviation project initiated by the government, Guangyuan Conch established the distribution network of “Conch Cement direct sales stores for poverty alleviation” in 13 identified poverty-stricken villages including Hongliang Village, Yudong Town, Lianghe Town and Wangjia Town, Chaotian District, Guangyuan City in Sichuan Province, which aims to relieve poverty by way of “dividend through distribution” by the village, covering 83 villages in 11 towns including Chenjia Town, Huashi Town and Lianghekou Town, of which there were 30 poverty-stricken villages and 8,639 heads from 2,628 poor households, with over 57,000 people benefiting from such action.

Case study: The Party committee of Pingliang Conch earnestly implemented the strategic deployment of targeted poverty alleviation put forward by district committee and district government, and actively carried out poverty alleviation activities. In recent years, it has invested over RMB3.5 million to build a 6km cement road for the improvement of living environment for the people living in the surrounding areas.



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Case study: Chaohu Conch donated 1,000 tonnes of PC32.5R bagged cement (with a worth of RMB435,000) to Mingtang Village, Yaoqiao Town, Wuwei County, Wuhu City for the construction of roads and water facility in local village.

Case study: In August 2017, in a response to the call to provide financial assistance to impoverished freshmen in Liquan County, Xianyang City, Shaanxi Province, the Party committee of Liquan Conch approached Liquan Federation of Trade Unions to take an active part in the activity of financing impoverished college students themed “Caring About Underprivileged Students to Make their Dreams Come True (情系寒門學子·愛心成就夢想)”, which called on all sectors of society to devote love and help the impoverished students to realize their dreams. Its cadres and staff made generous donation to finance local impoverished students, and Liquan Conch was awarded the honorary title of “Caring Company” by the organiser.



In future, the Group will continue to fully implement the instruction regarding anti-poverty development by the Central Committee of the Party, and make solid progress in the targeted poverty alleviation. On the one hand, in the process of poverty alleviation, the Group will give full play to the role of Party organizations and poverty alleviation teams as strongholds, improve the awareness of leading cadres in serving the general public,

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and strengthen the management of paired cadres by implementing the strategy of “pair-up assistance (結對子)” between individual middle and high-level cadres and the most poverty-stricken families among the households still in poverty, while strengthening the tracking and continuing support for such underprivileged already getting rid of poverty but easy to slip back into poverty. The Group will enhance quality control over the poverty alleviation projects in progress to ensure completion as scheduled with quality and quantity assured. Moreover, we will strengthen communication and coordination with the government, and fight for various poverty alleviation funds and arrange allocation of such funds as required, so as to ensure that the underprivileged will actually benefit from these poverty alleviation efforts. On the other hand, as to poverty alleviation, it is better to teach a man to fish than to give him fish. With an aim to implement targeted poverty alleviation and poverty reduction, the Company will implement poverty alleviation in a way of industry development, education support and sanitation assistance, so as to promote infrastructure development in poverty-stricken villages and improve production and living conditions in poverty-stricken areas. The Company will accelerate the upgrading of industrial structure to raise the income of the general public. We will establish a technology service platform and a talent training system to improve the skills of the general public in poverty-stricken areas. We will explore the long-term mechanism of poverty alleviation by industry development, and provide financial and scientific and technology supports to boost the intrinsic driving force for prosperity of the underprivileged and improve the development of the people-enriching industry. The Company is committed to assisting the poverty-stricken villages to get rid of poverty as soon as possible by switching its aid mode from “blood-infusion” to “blood-making”.

Participating in Public Welfare Activities and Making Contributions to the Society

As a large state-owned enterprise, we always connect our development with the development of the society and the wellbeing of the people, and devote ourselves to the public welfare activities. Since 2017, the Group has further expanded its deep integration with the local society and made positive contributions to the local public welfare undertakings.

Case study: In the middle of September 2017, after getting aware that certain families in Ngari Prefecture, Tibet lived in poverty and run short of winter clothes, the Party committee of Guangyuan Conch convened special meetings immediately to discuss and formulate donation program, issued donation notice and called on all staff to participate in such donation activities through various meetings, WeChat groups and display boards. The employees actively responded to the call, and donated cotton-padded clothes, down jackets, sweaters and other warm clothing. The Party committee received over 3,000 clothes donated by our employees in just a few days.

Case study: During March to May 2017, Yingjiang Yunhan, which is Located in Yingjiang County, Dehong Dai and Jingpo Autonomous Prefecture, Yunnan Province, provided human power, equipment and materials to erect 3,600m water pipes with its engineering equipment and plumbing materials for the primary school in Bianfu Village, Nongzhang Town, and helped the villagers in Laogangre Village to repair the roads in the village, thus bringing convenience to the residents living in the surrounding areas.

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Case study: Xia Dinghui from Ningbo Conch has made blood donation for over 20 years. As a Party worker, he also actively organized employees to regularly donate blood platelets at the central blood station of Ningbo City, with a total of over 240 participants in 2017. In addition, Taizhou Conch, Mingzhu Conch and other subsidiaries also organized voluntary blood donation activities, which fully demonstrated our love and care for the other people.

The year of 2017 has witnessed our commitment to participating in public welfare activities and making contributions to the society. These public welfare activities and volunteer activities have brought the Group closer to the surrounding communities and all stakeholders, fulfilling our responsibility of benefiting the local communities and giving back to society. The Company has offered great support to the local economic and social development while pursuing its own development, achieving a harmonious and win-win situation between the enterprise and local communities.

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Assuming Corporate Social Responsibility while Extending Business Overseas

With the implementation of the development strategy of internationalisation, we also extend love and care for the local communities, which has benefited the local people and established a good image of China-invested enterprise.

In early 2017, Papua Cement invested RMB900,000 to repair the highway near the factory, bringing great change to the surrounding communities. In order to establish a good plant-community relationship, Papua Cement has sent Chinese employees with strong language competence to carry out teaching activities at the primary school in Hongtu Village near the project site since May 2017, so as to teach the local elementary school students Chinese and help them to understand the Chinese culture, receiving warm welcome from the local society.

Myanmar Conch actively integrated into local society by participating in various public welfare activities, such as renovating Buddhist temples, remolding immigration offices, donating cement to build schools and donating money to build bypass roads. According to incomplete statistics, Myanmar Conch donated a total of 540 million Kyat (equivalent to approximately RMB2.7 million) in 2017. In January 2017, North Sulawesi Conch organised over one hundred people comprising company cadres, representatives of construction unit and surrounding villagers to participate in blood donation activity of the local Red Cross, which not only reflected the Red Cross spirit of “humanitarianism, love and dedication”, but also demonstrated the friendship and love between the Chinese and Indonesian people.



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Case study: Hu Wenzhao, the Deputy General Manager of Digang Conch, once held positions in Papua Cement and Kalimantan Conch. During his tenure, he earnestly studied

the local language and culture, extensively read and learnt local laws and regulations, and got to know the thinking and behavior habits of local residents. He used to listen to the voice of foreign employees at the grassroots level, help Indonesian workers to solve their difficulties, and organise “pair-up assistance” between the Chinese and Indonesian employees. In addition, he established learning teams and groups to help all Indonesian employees to pass the special equipment operation exam through “step by step” teaching, thus enabling all employees to be qualified with job permits. He not only helped to build a good relationship between the Chinese and Indonesian employees and promoted the cultural fusion, but also made contribution to the internationalization of the Group. In October 2017, Hu Wenzhao was selected for the “List of Chinese Good Fellows (中國好人榜)”.

The active participation in local public welfare activities by our project companies overseas has promoted culture fusion, maintained good government-enterprise relationship, bank-enterprise relationship and community-enterprise relationship, and received great support from the social parties for our development, creating a favorable external environment for our production and operation activities. Moreover, it further enhanced the Company’s popularity and reputation overseas by erecting a good corporate image and expanding its external influence.

Conclusion

In 2017, with a commitment to our corporate mission and caring for the society, we took proactive actions to fulfill our responsibilities and undertakings, with an aim to boost social prosperity and progress with enterprise development, making our contribution to the goal of developing into a moderately prosperous society. Looking forward, the Group will continue to move forward and proactively perform its social responsibility as a major enterprise, in an effort to create a more brilliant future under the initiative of “The Belt and Road”.





Appendix I DEFINITIONS

Terms	Definitions
Greenhouse Gases	Includes carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆).
Pure low-temperature Residual Heat Power Generation	Power generation using the residual heat of medium-and-low temperature waste gas discharged from the emission ends of the kilns of the cooling machine, with no fuel consumed or pollutants produced.
Denitration Technology	A technical measure to prevent excessive emission of NO _x from the combustion process within the cement kilns for the purpose of environmental protection by reducing the amount of NO _x and eliminating the NO _x in the flue gas.
Electric dust collector	A dust collecting device to separate particulates from flue gas by electrostatic force.
SNCR	Selective non-catalytic reduction, a process of converting nitrogen oxides in the flue gas to non-hazardous nitrogen gas and water by injecting reductants into the "temperature window" for denitration reactions without using a catalytic agent.
Domestic waste treatment technology with the use of cement kilns	A technology for treatment of urban domestic waste by using the high temperature of the cement kilns, and is an ideal alternative to traditional landfill treatment method that takes up large area of lands and results in environment pollution. This technology is the first of its kind in the world, which, without classification of wastes, enables degradation of dioxins without producing any undesirable odours and allows solidification of heavy metals and purification of sewage at the same time.
Three-fan waste gas treatment system	The combination of an independent air recirculation blower fan with a raw material preparation system, with a high-temperature air-blower fan at the emission end of a kiln and a waste-gas-blower fan, to collectively control wind volume and pressure within the kiln and mill system.
Nitrogen Oxides (NO_x)	Includes a number of compounds such as nitrous oxide (N ₂ O), nitric oxide (NO), nitrogen dioxide (NO ₂), dinitrogen trioxide (N ₂ O ₃), nitrogen tetroxide (N ₂ O ₄) and dinitrogen pentoxide (N ₂ O ₅), etc. Except for NO ₂ , all other NO _x variants are extremely unstable and, when exposed to light, moisture or heat, are liable to converting into NO ₂ and NO, and then from NO into NO ₂ . Therefore, the gas to which workers are exposed to in the working environment is usually a mixture of several types of gas, which is called smoke (gas) and is mainly comprised of nitric oxide and nitrogen dioxide, with nitrogen dioxide being the main component. Nitrogen Oxides are all toxic to a varying degree.
Biological contact oxidation process	A waste water treatment technology, whereby stuffing covered with biofilms will be put in a biological reaction pool and immersed in waste water running at a certain speed, so that the organic pollutants in waste water after exposed to the biofilms will be degraded through metabolism of microorganisms, yielding purified water.

Appendix II DISCLOSURE INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Index	
Aspect	Description		Section	Page
A. Environmental			4	07
A1: Emissions	General Disclosure Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Note: Air emissions include NOx, SOx and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		4	07
	KPI A1.1	The types of emissions and respective emission data.	4.1	08
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1	08
	KPI A1.3	Total hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1	Note 1
	KPI A1.4	Total non-hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1	Note 1
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	4.1	08
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Note 1	Note 1
A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.		4.2	10
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2	10
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2	11
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	4.2	10
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.2	11
	KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Note 2	Note 2

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Index	
Aspect	Description		Section	Page
A3: Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.		4.3	12
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.3	12
B. Society				
B1: Employment	General Disclosure Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		5.1	17
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.		18
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.		
B2: Health and Safety	General Disclosure Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		5.2	21
	KPI B2.1	Number and rate of work-related fatalities.		
	KPI B2.2	Lost days due to work injury.		
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		22
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external programs paid by the employer.		5.3	25
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		
	KPI B3.2	The average training hours completed per employee by gender and employee category.		25
B4: Labor Standard	General Disclosure Information relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		5.4	28
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		28
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.		

Appendix II DISCLOSURE INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Index	
Aspect	Description		Section	Page
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		6	29
	KPI B5.1	Number of suppliers by geographical region.		30
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.		30
B6: Product Responsibility	General Disclosure Information relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		7	32
	KPI B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.		
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.		32
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		34
	KPI B6.4	Description of quality assurance process and product recall procedures.		
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.		
B7: Anti-corruption	General Disclosure Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		8	37
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		37
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		37
B8: Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration of the communities' interests.		9	38
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		38
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		39

Note 1: As no hazardous wastes are produced from our production and operation activities, while the non-hazardous wastes produced therefrom are treated for recycling and reuse through cement kilns, thus this indicator is not applicable.

Note 2: As we are not able to make accurate measurement of the consumption of packaging materials per unit of product for the moment since the packaging design for products are made as required by the respective customers, thus this indicator is not applicable.

