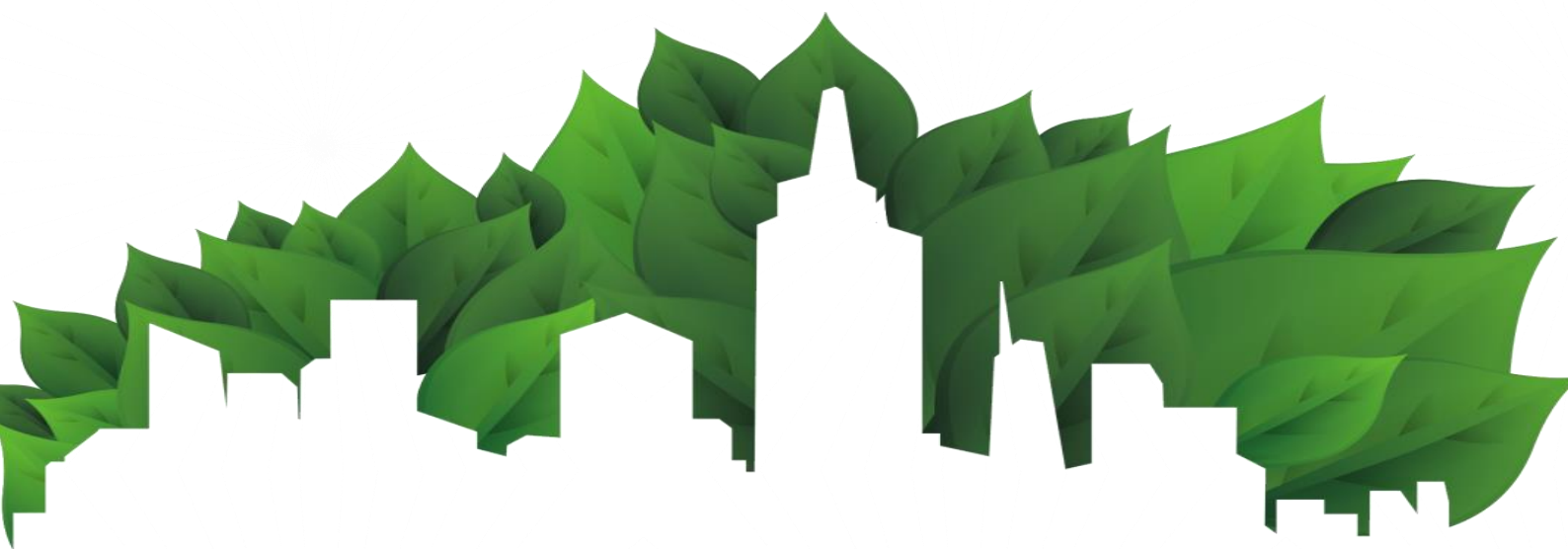




2016

Asia Cement (China) Holdings Corporation





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## Contact Us<sup>G4-31</sup>

This is the third corporate social responsibility report published by Asia Cement (China), and if you have any opinion or suggestion, you are welcomed to contact us.

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## Editing Guideline

### Dear Readers

The "2016 Asia Cement (China) Corporate Social Responsibility Report" is elaborately prepared for the stakeholders to learn more about how Asia Cement (China) is devoted to establish a complete sustainable corporate development.

This report used the framework of Global Reporting Initiative (GRI) G4-Sustainability Reporting Guidelines and followed the report principles, standard disclosure, and implementation manual. Meanwhile, it is in line with the disclosure requirements of "Environmental, Social and Governance Reporting Guidelines" of the Hong Kong Exchanges.

### Report Scope

This report mainly provides the corporate sustainable management and performances in major operation sites of Asia Cement (China) from January 1<sup>st</sup>, 2016 to December 31<sup>st</sup>, 2016. The additional information of the domestic physical operating companies disclosed in 2016 includes: Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yaxin, Sichuan Yadong, Sichuan Lanfeng, Nanchang Yadong, Wuhan Yadong, Yangzhou Yadong, Jiangxi Yali, Hubei Yali, Sichuan Yali, Nanchang Yali, Wuhan Yali, Chengdu Yali, Sichuan Yali, Taizhou Yadong, Shanghai Yali, Shanghai Yafu. The financial statement is published after being certified by the certified public accountant. Parts of the figures are quoted from the Annual Report, government sectors, and the public information disclosed on the relevant websites and is presented in the conventional manner. Exceptions will be elaborated in the contents of the report.

The content of this report is based on the "core" option<sup>G4-31</sup> of GRI G4 for the purpose of providing reliable public information for readers.

It is the third year to issue this report, and the previous issuance date is April 21<sup>st</sup>, 2016<sup>G4-29</sup>. This report is issued once a year<sup>G4-30</sup> and the expected issuance date next time will be June, 2018.

## Operator Words<sup>G4-1</sup>

Asia Cement (China) has been systematically studying the issues including economy, environment and social sustainability. Aiming at various key issues, the Company started to prepare vision statement and strategic planning, to set goals and performance indexes, to assess the performance and to make the improvement continuously, with the hope to steadily move toward the goal of enterprise sustainable development. So far, we have issued the third corporate social responsibility report.

Reviewing the year of 2016, the downward economic pressure of PRC is increasing due to the impact of sluggish environment worldwide and facing with the complex macroeconomic situation and the demand shrinking pressure, Asia Cement (China) has continued to solidify the basic management within the Group, strengthen the market demand trend analysis externally, consolidate and enhance the market share, and strive to achieve the maintenance and value appreciation of the assets to maintain a good business momentum in the trend of decline of general industry profitability. In 2016, with our staff's dedication, Asia Cement (China) still obtained a positive operating results with the combined operating income of RMB (the same below) 6.338 billion and operating net profit of RMB563 million.

As for Asia Cement (China), economic performance is one of the aspects of corporate responsibility and based on the corporate culture of "Repaying one's gain from society back to society", Asia Cement (China) has actively made sponsorship to build communities, assisted disadvantaged groups and participated in charitable organizations like donations and relief every year to enhance the corporate brand value. Over the years, we have embraced that "Industrial development and environmental protection can go hand-in-hand" and adhered to the highest standards for producing materials required in local construction. Without grey dust or bare mines, Asia Cement (China) provides staffs with a clean and bright working environment surrounded by shades to achieve the goal of "park-like company" and promote the green, sustainable and healthy development of cement industry.

Asia Cement (China) has been pursuing high quality, high efficiency, high environmental protection and low costs for a long time and has gradually become the benchmark within the cement industry. The Company will keep advancing its high-tech applications, starting from smart shipping, smart quality control and production, in order to realize "Industry 4.0" in the optimization of cement manufacturing process. With respect to the CSR, the Company will collect opinions and feedbacks from all walks of life with a more strict and serious attitude to strengthen the co-existence and co-prosperity with the ecological environment. Eventually it will be an important green partner of everyone in building a sustainable homeland.



Yours faithfully,

Asia Cement (China) Holdings Corporation

HSU, Shu-tong

Chairman

## About Asia Cement (China)

With the operation concept of “High Quality, High Efficiency, High Environmental Protection, and Low Cost”, Asia Cement not only produces high-quality products but also is proud of upholding the highest environmental protection standard and high efficient production.



## 1.1 Corporate Overview

Asia Cement (China) Holdings Corporation [here in after referred to as Asia Cement (China)] was incorporated in the Cayman Islands in April 2004. Under the Company, there are a total of 21 companies engaging in five major types of business, namely integrated cement manufacturing, cement grinding, cement products manufacturing, transportation and investment and 3 strategic cooperation partner companies (share of less than or equal to 50%). The total assets of the Company are amount to approximately RMB20 billion. The Company's shares have been listed on the main board of The Stock Exchange of Hong Kong Limited since May 20<sup>th</sup>, 2008 (stock code: 00743).

Since Jiangxi Yadong Cement Corporation Ltd.'s first new dry-process cement production line with daily output of 5,000 tons of clinker began operation in July 2000, nine production lines of the same model had been constructed by the Company and began operation in Jiujiang in Jiangxi, Chengdu in Sichuan, Wuhan and Huanggang in Hubei and other regions in China. In September 2013 and January 2014, two new dry-process cement production lines with daily output of 6,000 tons of clinker of Jiangxi Yadong began operation. As a result of the aforementioned production lines together with Wuhan Yaxin Cement Co., Ltd. acquired in 2010 and Sichuan Lanfeng Cement Co., Ltd. acquired in 2014, the Company currently has a total of 15 new dry-process cement production lines concurrently in operation with a daily output between 3,000 tons to 6,000 tons of clinker with an aggregate annual output of 35 million tons of cement. After assessed by the Ccement.com in 2016, the Company was among the top 10 with the largest clinker capacity and comprehensive strength of cement in China.

The Company embraces Far Eastern Group's corporate culture of "Integrity, Diligence, Austerity, Prudence and Innovation". Leveraging the valuable experience in Taiwan, the Company strives to establish in Mainland China a large modern cement enterprise that could serve as a role model by committing to achieve "Three Highs, One Low" production target, namely "High Environmental Protection, High Quality, High Efficiency, and Low Cost", which will provide a solid foundation for the Company's sustainable development in future. The Company has always believed that "Industrial development and environmental protection can go hand-in-hand". As such, the Company uses the most advanced rotary kilns with preheater and precalciner, together with waste-heat recovery power generator technology, which effectively save energy. The Company also introduces the most advanced dust collection equipment, which effectively controls dust emissions, making emission level well below the national standards. Moreover, the Company led the cement industry in total energy consumption per unit production. And each year, the Company used up to millions tons of waste such as water granulated slag, different kinds of slag, desulphurization gypsum, fly-ash, etc. generated by power plants and steel plants. The Company also invested massive manpower and resources in sewage treatment, mine reclamation and environmental beautification, in an attempt to preserve and restore all types of native plants. The reclamation of the mines in the surrounding areas of factories shows remarkable results, which gain wide recognition by the government and specialized organizations in society. The Company is famous at home and abroad, having won a number of awards for energy saving and for being an advanced mining enterprise and model enterprise for environmental protection.

Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yadong and Yangzhou Yadong under the Company are located along the Yangtze River. Looking into the future, these companies will take the advantage of the river to expand to other areas. Sichuan Yadong and Sichuan Lanfeng, located in Chengdu of Sichuan, have the advantages of being located in a metropolitan area. Leveraging the government's central and western development policies, the Company has become a major and large cement group in the central and downstream regions of Yangtze River, as well as in the southwest area (Chengdu) in China. "Skyscraper" ( "洋房牌" ) brand cement produced by the Company is a representative of high quality cement in Wuhan, Jiujiang, Nanchang, Yangzhou, Shanghai and Chengdu, etc. In future, the Company will continue to seize the right opportunity for building their own facilities or conducting mergers and acquisitions or strategic cooperation to expand production capacity. The Company will strive to achieve its target of 50 million tons production capacity and stand firm as one of China's top 10 cement groups, while contributing to urbanization and infrastructure construction.

## 2016 Significant Events

Dec.

1. On December 14<sup>th</sup>, Jiangxi Yadong was awarded the “Mayor Quality Award of the Third Section” (第三届市长质量奖) medal in the city quality conference held in Jiujiang City, and was given recognition of its outstanding contribution in the city’s quality construction.
2. Sichuan Lanfeng met China 2<sup>nd</sup> grade national safety standards which was accepted by The Safety Production Supervision Administration on September 28<sup>th</sup>, and obtained the certificate and license of China 2<sup>nd</sup> grade national safety standards on December 3<sup>rd</sup>.

Jul.

Affected by the strong El Niño, Wuxue encountered continuous rainstorm and suffered great disaster. In response to the initiative by Wuxue Charity Association (武穴市慈善会), Chief Executive Wu Chung-lin and Assistant Manager Xu Wenfeng of Huanggang Yadong headed to the flood control headquarter of Wuxue on July 23<sup>rd</sup> and donated 3,500 tons of cement (worth RMB 1 million) for flood control and disaster relief.

May.

On May 6<sup>th</sup>, 2015, Sichuan Yadong was in recognition of Advanced Enterprise in Safety Production of Chengdu in 2015(成都市 2015 年安全生产先进集体) by Chengdu Municipal People’s Government.

Mar.

1. Jiangxi Yadong was honored with the “Certificate of Energy Management System Certification”(能源管理体系认证证书) issued by Beijing Guojian Lianxin Certification Center for a term of three years (March 3<sup>rd</sup>, 2016 to March 9<sup>th</sup>, 2019).
2. Huanggang Yadong was honored with the certificate of “Advanced Enterprise of Wuxue Human Resources and Social Security in 2015 (2015 年度武穴市人力资源和社会保障工作先进单位).
3. The No.1 kiln feeding ETB project (一号窑头电改袋工程) in Sichuan Lanfeng had made good use of Spring Festival holiday to construct and the project was completed on March 15<sup>th</sup>, which ensured the smooth operation of the kiln on March 19<sup>th</sup>. Preliminary testing showed that emission of dust reduced from originally 36mg/m<sup>3</sup> to 11mg/m<sup>3</sup>, which completely met the national emission standard.

Feb.

Huanggang Yadong was honored with “2015 Advanced Enterprise in Environmental Protection in Tianzhen”(2015 年度田镇环境保护工作先进单位) medal by Office of Tianzhen (田镇办事处).



## Basic Information G4-3`G4-4` G4-5` G4-6` G4-7` G4-8` G4-9` G4-17

Information category	2016 Related information
Company	Asia Cement (China) Holdings Corporation
Employees	4,204 employees.
Paid-in capital	RMB9.7 billion
Establish date	March 2006
Listing date	2008 (stock code: 00743)
Main product and service	Different types of “Skyscraper” ( “洋房牌” ) cement and clinker manufactured by Asia Cement (China)
Chairman	HSU, Shu-tong
Director	WU, Chung-lih
Headquarters	No. 6 Yadong Avenue Ma-Tou Town, Ruichang City Jiangxi Province
Main operation sites of cement production	<p>Jiangxi Yadong: No. 6 Yadong Avenue Ma-Tou Town, Ruichang City Jiangxi Province</p> <p>Huanggang Yadong: No.13 Tianzhen New Street Office of Tianzhen, Wuxue City Hubei Province</p> <p>Hubei Yadong: No. 66 Yadong Avenue Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City Hubei Province</p> <p>Wuhan Yaxin: No. 12 Zhiwu Road, Lingang Village, Zhifang Street, Jiangxia District Wuhan City</p> <p>Sichuan Yadong: No. 66 Anpeng Road, Pengzhou City Sichuan Province</p> <p>Sichuan Lanfeng: Qinggui Road Middle, Guihua Town, Pengzhou City Sichuan Province</p> <p>Nanchang Yadong: Yifang Road, Changdong Industrial Park, Nanchang City Jiangxi Province</p> <p>Wuhan Yadong: No. 107 Chaoyang Road, Cihui Street, Dongxihu District, Wuhan City Hubei Province</p> <p>Yangzhou Yadong: No. 7 Gudu Road Bali Town Economic Development Zone, Yangzhou City Jiangsu Province</p>
Production lines and capacity	<p>Jiangxi Yadong has six production lines with an annual output of 11.70 million tons of clinker and 10.50 million tons of cement.</p> <p>Huanggang Yadong has one production line with an annual output of 1.68 million tons of clinker and 2 million tons of cement.</p> <p>Hubei Yadong has two production lines with an annual output of 3.40 million tons of clinker and 4.70 million tons of cement.</p> <p>Wuhan Yaxin has one production line with an annual output of 1 million tons of clinker and 1.50 million tons of cement.</p> <p>Sichuan Yadong has three production lines with an annual output of 5 million tons of clinker and 6 million tons of cement.</p> <p>Sichuan Lanfeng has two production lines with an annual output of 3 million tons of clinker and 4 million tons of cement.</p> <p>Nanchang Yadong has one cement mill with an annual output of 0.6 million tons of cement.</p> <p>Wuhan Yadong has two cement mills with an annual output of 2.30 million tons of cement.</p> <p>Yangzhou Yadong has three cement mills with an annual output of 2.30 million tons of cement.</p> <p>Total production capacity amount to 25.78 million tons of clinker and 33.90 million tons of cement.</p>
Net sales	<p>Clinker and cement sales volume: Asia Cement (China) 30,548,000 tons.</p> <p>Clinker and cement sales amount: Asia Cement (China) RMB 5,845 million.</p>
Providing services market	Various types of domestic sales of cement and clinker covers Jiangxi, Hubei, Sichuan, Jiangsu, Shanghai, Hunan, Henan, Anhui, Zhejiang, Fujian, while some are sold for export to Singapore and the US.
Sales network	<p>Fifteen sale offices in the PRC: Nanchang, Jiujiang, Ruichang, Shanghai, Wuchang, Hankou, Yangluo, Wuxue, Jiangxia, Xinzhou, Xiaogan, Chengdu, Pengzhou, Yangzhou and Taizhou sale offices.</p> <p>Number of distributors in the PRC: 279.</p>
Main entities of the consolidated financial reports	This report disclosed entities as domestic operating companies includes: Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yaxin, Sichuan Yadong, Sichuan Lanfeng, Nanchang Yadong, Wuhan Yadong, Yangzhou Yadong, Jiangxi Yali, Hubei Yali, Nanchang Yali, Wuhan Yali, Chengdu Yali, Sichuan Yali, Taizhou Yadong, Shanghai Yali, Shanghai Yafu.
Country and region	PRC



## Participation in Association <sup>G4-16</sup>

Asia cement (China) has participated in all kinds of organizations in different ways in order to keep close contact with the community and seek for cooperative sustainable development apart from engaging in core cement industry. Main associations participated include:

Entity	Association	Identity
Jiangxi Yadong	China Cement Association (中国水泥协会)	General director
Jiangxi Yadong	Investment Association of Jiangxi Province (江西省投资协会)	Director member
Jiangxi Yadong	Jiangxi Association for Quality (江西省质量协会)	Director member
Jiangxi Yadong	Jiujiang Safety Production Association (九江市安全生产协会)	Ordinary member
Jiangxi Yadong	Safety Production Association of Jiangxi Province (江西省安全生产协会)	Ordinary member
Jiangxi Yadong	Ccement.com (中国水泥网)	Member
Jiangxi Yadong	SNSQW.com (水泥商情网)	Member
Jiangxi Yadong	Jiangxi Provincial Building Materials Association (江西省建材协会)	Director member
Jiangxi Yadong	Jiangxi Provincial Cement Association (江西省水泥协会)	Member
Huanggang Yadong	Wuxue Non-coal Mine Safety Production Association (武穴市非煤矿山安全生产协会)	Vice president
Huanggang Yadong	Hubei Provincial Cement Industry Association (湖北省水泥工业协会)	Member
Hubei Yadong	Taiwan Asset Enterprise Association Wuhan (武汉台资企业协会)	Ordinary member
Hubei Yadong	Wuhan Association of Enterprises with Foreign Investment (武汉外商投资企业协会)	General director member
Hubei Yadong	Wuhan Xinzhou Enterprises Confederation (武汉市新洲企业联合会)	Vice president
Hubei Yadong	Hubei Provincial Cement Industry Association (湖北省水泥工业协会)	Vice president
Hubei Yadong	Hubei Provincial Circular Economy Association (湖北省循环经济协会)	Ordinary member
Hubei Yadong	Wuhan Association of Circular Economy (武汉市循环经济协会)	Ordinary member
Wuhan Yaxin	Hubei Provincial Cement Industry Association (湖北省水泥工业协会)	Ordinary member
Sichuan Yadong	Sichuan Provincial Cement Association (四川省水泥协会)	Member
Sichuan Yadong	Pengzhou Charity Association (彭州市慈善会)	Director
Sichuan Lanfeng	Sichuan Provincial Cement Association (四川省水泥协会)	Director
Yangzhou Yadong	Jiangsu Provincial Building Materials Association (江苏省建材协会)	Director
Yangzhou Yadong	Yangzhou Building Materials Association (扬州市建材协会)	Ordinary member
Nanchang Yali	Nanchang Concrete Association (南昌市混凝土协会)	Director
Wuhan Yali	Wuhan Concrete (Mortar) Association (武汉混凝土协会)	Ordinary member
Shanghai Yali	Minhang District Social Labor Security Association (闵行区社会劳动保障协会)	Ordinary member

## 1.2 Mission, vision and sustainable strategies

### Asia Cement (China) Founding Spirit



### **“Sincerity, Diligence, Thrift, Prudence and Innovation”**

For years, the employees follow this model. This has become the corporate spirit of Asia Cement (China). President Hsu expects the employees to be “clean and clear with final analysis until done”. He also emphasizes to increase the service quality and emphasis on the efficiency so that Asia Cement (China) may grow sustainably.

## Mission, Vision and Sustainable Strategies

**Mission:** To be a preferred partner for building sustainable green homeland.

**Vision:** To be the model of cement industry driven by continuously pursuing high quality, high efficiency, high environmental protection, low cost and innovative changes.

## Sustainable Development Strategies

CSR	Sustainable development strategies
Economic	Achieving the biggest comprehensive efficiency by integrating production, transportation and sales of cement, providing reliable, innovative and cost-effective products, so as to create the highest value for all stakeholders.
Environment	Building green homeland by implementing energy saving and carbon emission reduction, achieving sustainable environment by strengthening ecological education.
Social	Creating an integrated society by building pleasurable workplace, helping underprivileged groups and developing and passing culture.

### 1.3 Products and Services

Asia Cement (China) has established production or dispatching bases in Sichuan, Hubei, Jiangxi, Jiangsu, Shanghai and so on for production and supplying to meet customer's needs. The Company has set up 15 business offices in total with sales network covering nine provinces and one city, detailed information of which as following: the business office for Sichuan province locating in Pengzhou, Chengdu; business office for Hubei province locating in Yangluo, Xinzhou, Hankou, Xiaogan, Wuchang, Jiangxia, Wuxue; business office of Jiangxi Yadong locating in Jiujiang, Ruichang, Nanchang and Shanghai; business office for Jiangsu province locating in Yangzhou, Taizhou. Each business unit is equipped with professional staffs for assisting sales and after-sales service, which has further enhanced the service efficiency of production and sales.

#### Sales Network of Asia Cement (China)



Business Presence of Asia Cement (China) (starting from the upstream of Yangtze River)



## 1.4 Subsidiaries of Asia Cement (China)

With the best benefits for shareholders oriented, Asia Cement (China) constructs the best operation model through diversified operation. Our subsidiaries include Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yaxin, Sichuan Yadong, Sichuan Lanfeng, Nanchang Yadong, Wuhan Yadong, Yangzhou Yadong, Jiangxi Yali, Hubei Yali, Sichuan Yali, Nanchang Yali, Wuhan Yali, Chengdu Yali, Sichuan Yali, Taizhou Yadong, Shanghai Yali, and Shanghai Yafu. In addition to the CSR report released by Asia Cement (China) voluntarily, the relevant corporate sustainable development and significant considerations of the remaining subsidiaries are disclosed in this report.

### Basic Information of Subsidiaries of Asia Cement (China)

Name of Company	Year of Establishment	Place	Operation Region	Principal Product and Service
Jiangxi Yadong	1997	No.6 Yadong Avenue Ma-Tou Town, Ruichang City, Jiangxi Province	Jiangxi, Hunan, Shanghai	Cement, clinker, limestone
Huanggang Yadong	2006	No.13 Tian Town New Street, Tian Town Office, Wuxue City, Hubei Province	Hubei, Anhui, Hunan	Cement, clinker, limestone
Hubei Yadong	2005	No.66 Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province	Hubei, Henan	Cement, clinker
Wuhan Yaxin	2003	No.12 Zhiwu Road, Lingang Village, Zhifang Street, Jiangxia District, Wuhan City	Hubei	Cement, clinker
Sichuan Yadong	2004	No.66 Anpeng Road, Pengzhou City, Sichuan Province	Sichuan	Cement, clinker
Sichuan Lanfeng	2008	Middle, Qinggui Road, Guihua Town, Pengzhou City, Sichuan Province	Sichuan	Cement, clinker
Nanchang Yadong	2004	Yifang Road, Changdong Industrial Park, Nanchang City, Jiangxi Province	Jiangxi	Cement, mine powder
Wuhan Yadong	2000	No.107 Chaoyang Road, Cihui Street, Dongxihu District, Wuhan City, Hubei Province	Hubei	Cement, mine powder
Yangzhou Yadong	2006	No.7 Gudu Road, Bali Town, Economic Development Zone, Yangzhou City, Jiangsu Province	Jiangsu	Cement, RMC
Jiangxi Yali	2000	No.8 Yadong Avenue Ma-Tou Town, Ruichang City, Jiangxi Province	Jiangxi	Transportation services
Hubei Yali	2006	No.66 Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province	Hubei, Jiangxi, Jiangsu, Sichuan	Transportation and loading / unloading services
Sichuan Yali	2006	No.68 Anpeng Road, Tianpeng Town, Pengzhou City, Sichuan Province	Sichuan	Transportation and loading / unloading services
Nanchang Yali	2003	Near Meilin Avenue, White lake Industrial Park, Economic Development Zone, Nanchang City, Jiangxi Province	Jiangxi	RMC
Wuhan Yali	2007	No.66 Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province	Hubei	RMC
Chengdu Yali	2004	No.68, Anpeng Road, Tianpeng Town, Pengzhou City, Sichuan Province	Sichuan	RMC
Sichuan Yali	2005	No.268 Three Passage Wenquan Avenue, Wenjiang District, Chengdu City, Sichuan Province	Sichuan	RMC
Taizhou Yadong	2013	Yongan Port Co., Ltd. at No. 1 Yucai Road, Yongan Town, Gaogang District, Taizhou City, Jiangsu Province	Jiangsu	Storage and transportation, transformation
Shanghai Yali	1995	No.3000 Longwu Road, Minxing District, Shanghai City	Shanghai	RMC
Shanghai Yafu	2003	No.3000 Longwu Road, Minxing District, Shanghai City	Shanghai	RMC

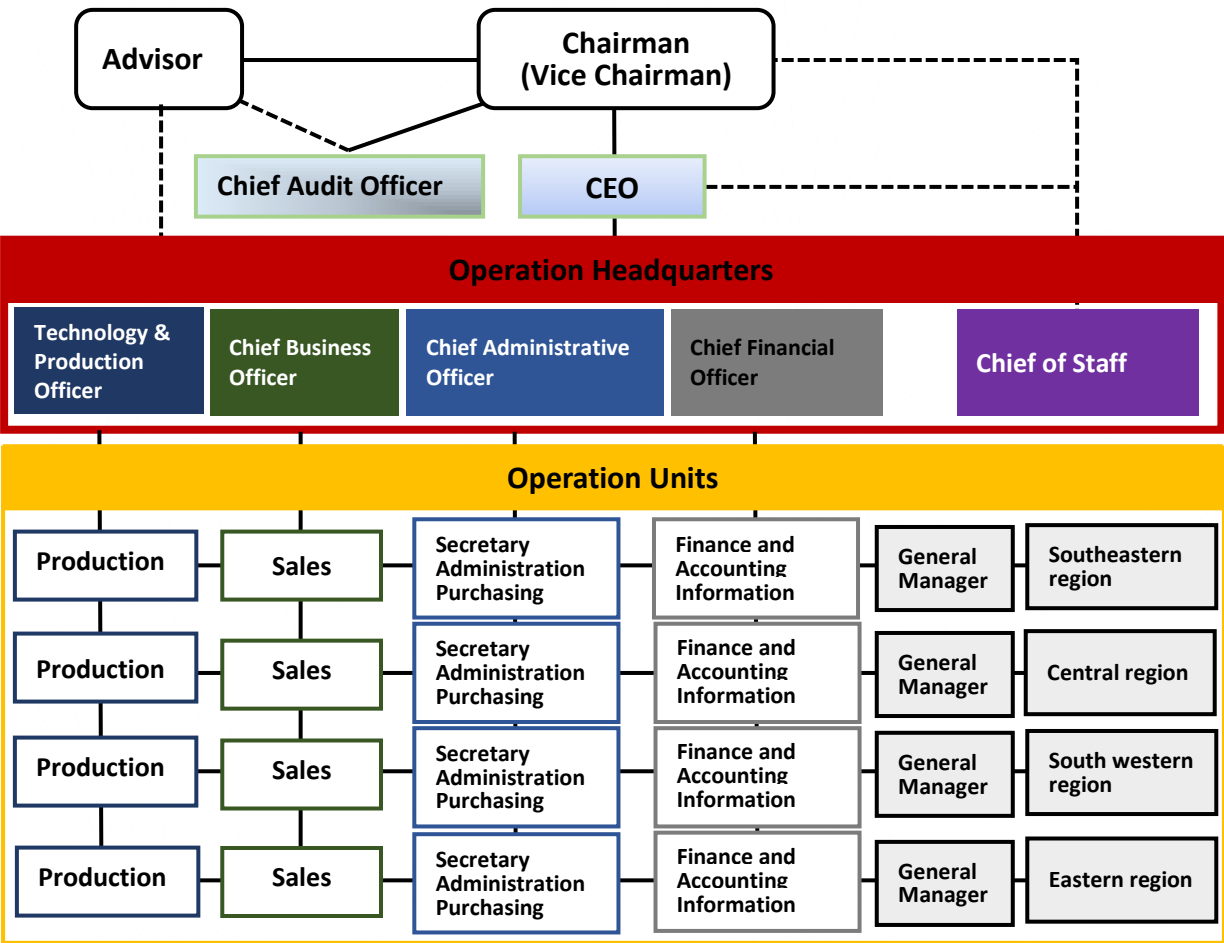


# **Company Governance**

## 2.1 Governance Organization

Asia Cement (China) operates its business with the principal of sincerity and strives to improve the governance structure of the Company so as to perform its sustainable operating responsibilities. A healthy and efficient board is the governing basis to govern a company well. The Board is committed to maintaining high standards of corporate governance practices to safeguard the interests of the Company’s shareholders. Audit Committee, Remuneration Committee, Nomination Committee and Independent Committee were set up under the Board to assist the Board performing company governing rules. We have set up company website and special column of investors’ relations as a pipeline of delivering and communicating information.

Management and Organization Structure of Asia Cement (China) G4-34



### Summary of Corporate Governance

#### General Meeting

Asia Cement (China) holds general meeting annually as required and formulated improved rules of procedure to make sure all the events that shall be decided at general meeting are conducted in compliance with the rules of procedure. In accordance with the Listing Rules of Hong Kong, all resolutions proposed at general meeting shall be voted by a poll and the results of which shall be published on the websites of Hong Kong Exchanges and Clearing Limited and Asia Cement (China) as required by the Listing Rules.

## The Board

The Board of Asia Cement (China) is its supreme governance unit and major operation decision-making center. The Company recognizes the importance of diversification of board members to the corporate governance and effective operation of the Board. The Company adopts the diversification policy for board members to ensure that the board members of the Company achieve proper balance in diversified aspects like skills, experiences and perspectives so as to improve the effective operation of the Board and maintain high standard corporate governance level. The Nomination Committee under the Board is responsible for identifying qualified persons to act as directors based on a series of diversified category and with reference to the Company's business model and specific needs<sup>G4-40</sup>.

The Board of Asia Cement (China) comprises 11 directors equipped with the knowledge, skills and attainment for their duties.<sup>G4-38</sup>

## Information of Directors

Title	Name	Main Experience
<b>Chairman</b>	HSU Shu-tong	Chairman of Far Eastern New Century Corporation Chairman of Far EasTone Telecommunications Co. Ltd. Chairman of Far Eastern Department Stores Ltd.
<b>Vice Chairman</b>	HSU Shu-ping	Vice Chairman of Far Eastern New Century Corporation Vice Chairman of Far EasTone Telecommunications Co. Ltd.
<b>Executive Directors</b>	CHANG Tsai-hsiung	Advisor of Asia Cement (China) Director of U-Ming Marine Transport Corporation Supervisor of Far Eastern New Century Corporation
	WU Chung-lih	CEO of Asia Cement (China) Chairman of Jiangxi Yadong Chairman of Huanggang Yadong Chairman of Yangzhou Yadong
	CHANG Chen-kuen	Chairman of Hubei Yadong Chairman of Wuhan Yadong General Manager of Jiangxi Yadong
	LIN Seng-chang	Chairman of Sichuan Yadong Chairman of Nanchang Yadong General Manager of Hubei Yadong
	WU Ling-ling	Deputy General Manager of Asia Cement (China) Chairman of Oriental Holding Chairman of Sichuan Lanfeng Chairman of Wuhan Yaxin
<b>Independent Directors</b>	TSIM Tak-lung Dominic	Non-executive Director of Playmates Holdings Limited Non-executive Director of Greater China Fund. Inc.
	WANG Wei	Vice President of China National Materials Company Limited Vice President of China Building Materials Federation Vice President of China Cement Association
	LEE Kao-chao	Director of Economic Research Department in Council for Economic Planning and Development Director of the Board of Taipei City Bank Independent Director of Asia Cement Corporations
	WANG Kuo-ming	President of Yuan Ze University President of Nan Kai University of Technology



## Duty of the Board

Under the leadership of Chairman HSU, Shu-tong, the primary responsibility of the Board is to supervise, and through setting up various Committees thereunder, to improve the supervision and decision-making quality of the Chairman. The Board of Asia Cement (China) convenes at least one meeting every quarter to listen to the operation report and understand the issues encountered during the operation through conversations with the operating team, and if necessary, to urge the team to make some adjustment<sup>G4-39</sup>. The management and the Board of Asia Cement (China) maintain clear and good communication to execute instructions of the Board and business operations, to create the biggest interests for the shareholders together. Total 6 Board meetings were held in 2016.

Title	Name	Actual attendance	Actual attendance rate
<b>Chairman</b>	HSU Shu-tong	6	100%
<b>Vice Chairman</b>	HSU Shu-ping	6	100%
<b>Executive Directors</b>	CHANG Tsai-hsiung	6	100%
	WU Chung-lih	6	100%
	CHANG Chen-kuen	6	100%
	LIN Seng-chang	6	100%
	WU Ling-ling	6	100%
<b>Independent Directors</b>	TSIM Tak-lung Dominic	6	100%
	WANG Wei	6	100%
	LEE Kao-chao	6	100%
	WANG Kuo-ming	6	100%

## Avoid Conflicts of Interest<sup>G4-41</sup>

According to current Board practice, any material transaction, which involves a conflict of interests due to a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's articles of association also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

## Audit Committee

The committee members are appointed by the Board of the Company from non-executive directors, and the Committee shall act as the communication bridge for other directors, external auditors and internal auditors (if there was internal audit requirements) in connection with financial and other reporting, internal control, external and internal audit matters and other financial and accounting matters as determined by the Board from time to time and assist the Board to provide independent review in connection with the financial reporting procedures, internal control and the effectiveness of risk management systems of the Company and its subsidiaries, as well as supervise the audit process and perform other duties and responsibilities delegated by the Board.

The Audit Committee comprises Mr. TSIM Tak-lung Dominic (Chairman), Mr. HSU, Shu-tong, Mr. LEE Kao-chao. Two meetings were held by Audit Committee in 2016 and the attendance of members is as following:

Title	Name	Number of attendance	Actual attendance rate
Chairman	TSIM Tak-lung Dominic	2	100%
Member	HSU Shu-tong	2	100%
Member	LEE Kao-chao	2	100%

### Remuneration Committee

The Committee comprises three members appointed by the Board of the Company and most committee members are independent non-executive directors of the Company. The Committee shall review and formulate remuneration structure policy<sup>G4-51</sup> for all directors and senior management of the Company, make recommendations to the Board for its consideration; consult the Chairman of the Board and/or chief executive officer or professional advices if necessary regarding to their remuneration proposals for other executive directors<sup>G4-52</sup>. The members of the Remuneration Committee are Mr. WANG, Kuo-ming (Chairman), Mr. HSU, Shu-tong and Mr. TSIM, Tak-lung Dominic. The Remuneration Committee convened one meeting in 2016 with all members presented.

### Nomination Committee

The members of Nomination Committee (which comprises three members) are appointed and removed by the Board ("Board"). The Committee shall review the structure, size and members (including skills, knowledge and experience) of the Board at least annually, and make recommendations to the Board in respect of any proposed changes to implement the Company's development strategy; identify individuals qualified to act as Board members and make recommendations to the Board on the selection and nomination of the individuals for directorships; assess the independence of independent non-executive directors; make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors (in particular the Chairman and chief executive officer). The members of the Nomination Committee are Mr. HSU Shu-tong (Chairman), Mr. TSIM Tak-lung Dominic and Mr. WANG Wei. Nomination Committee convened one meeting in 2016 with all members presented.

### Independent Committee

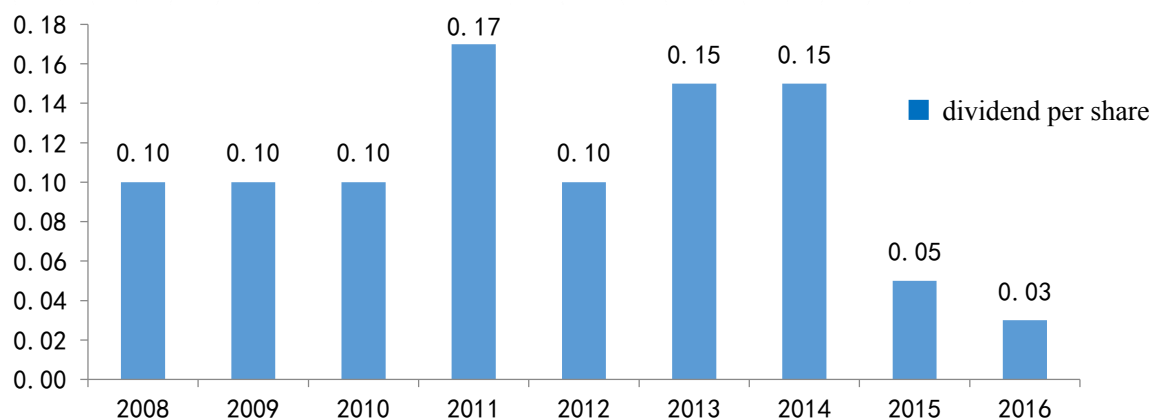
The Independent Committee comprises Mr. LEE Kao-chao (Chairman), Mr. TSIM Tak-lung Dominic and Mr. WANG Kuo-ming and shall convene at least one meeting annually. Its primary responsibilities include: reviewing all transactions among the Company, Asia Cement Group and Far Eastern Group to ensure that they are conducted on normal commercial terms and in the ordinary and usual course of business of the Group and if necessary, recommending the Board to correct such transactions or cancel them; establishing, where applicable, guidelines for management to follow while conducting continuing transactions among the Company, Asia Cement Group and Far Eastern Group; reviewing and assessing the ongoing relationships of the Company, Asia Cement Group and Far Eastern Group to ensure the Committee guidelines formulated as aforesaid being complied and maintaining such relationship being fair to the Company and analyzing and assessing any potential conflict of interests among the Company, Asia Cement Group and Far Eastern Group. The Independent Committee convened two meetings in 2016 and members of attendance are listed below:

Title	Name	Number of attendance	Actual attendance rate
Chairman	LEE Kao-chao	2	100%
Member	TSIM Tak-lung Dominic	2	100%
Member	WANG Kuo-ming	2	100%

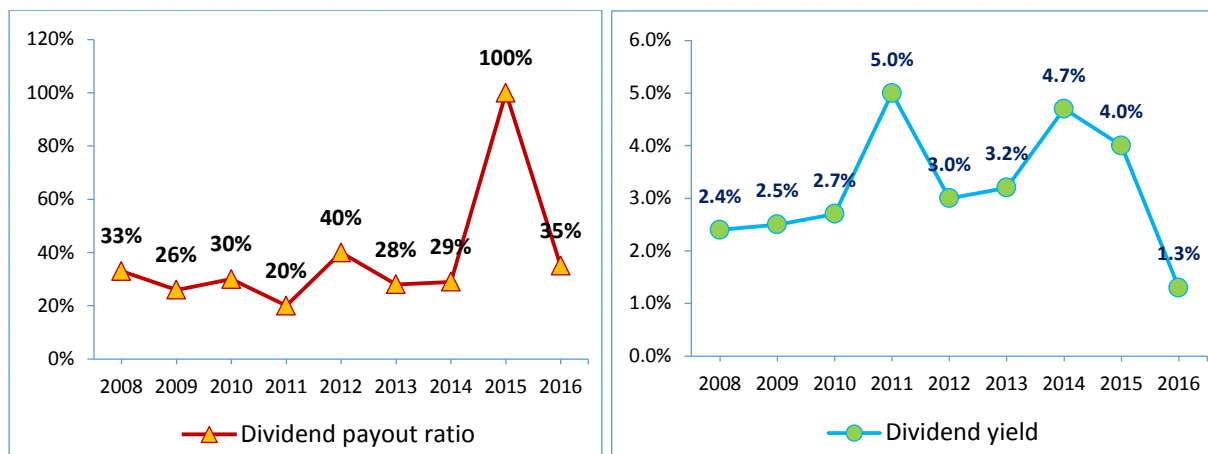
## 2.2 Financial Performance

The Group is one of the top 10 enterprises manufacturing cement and clinker in PRC and held leading market positions in certain regional markets such as Jiujiang, Nanchang, Huanggang, Wuhan, Chengdu, Yangzhou and so on. In 2016, sales volume of cement remained stable and the average selling price of cement for the year was at the same level as that of 2015, with considerable profits recorded by Southeastern region and Central region, the Group's emphasized markets. Profits recorded in 2016 is the double of that of 2015 as a result of the optimization of production costs and reduced exchange risk due to active adjustment of financial structure, therefore the operating results is getting improved gradually.

Looking into the future, 2017 is the crucial year of China's "13th Five-Year Plan" and to further advance the supply-side structural reform. The Group will adhere to its corporate culture of "Sincerity, Diligence, Thrift, Prudence and Innovation", abide by its operating principle of full disposal of all output, seize the opportunities arising from the current cement industry structural reform, consolidate its current leading positions in various regional markets and fine-tune its existing sales network. While working all-out to develop new target markets, the Group will also strive to enhance its operating efficiency, lower cost, accelerate staff training, optimize personnel and organization structure as well as strengthen the control of energy saving and emission reduction so as to perform its responsibilities to its staff, shareholders and society, which will not only help lift the Group's operation efficiency to a new level, but will also build the Company an international enterprise with sound foundation, profound culture and commitment to social responsibility.

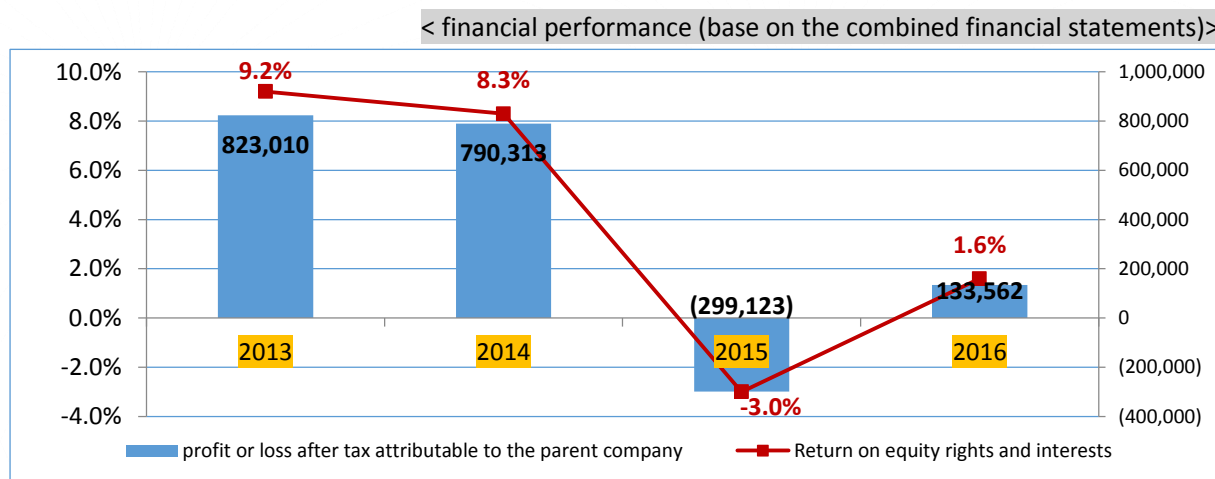


< financial performance (based on the combined financial statements)>



In 2016, Asia Cement (China) had distributable surplus of RMB0.085 per share and distributed cash dividend of RMB0.03 per share, with dividend payout ratio of 35%.

The dividend payout ratio of Asia Cement (China) maintains at a high level of above 20% and the dividend yield ranges from 1.3%-5.0%. We create values for investors continually by adopting steady high dividend distribution policy.



### Asia Cement (China)'s Combined Financial Statements <sup>G4-EC1</sup>

The table below sets out the combined financial statements of Asia Cement (China) from 2014 to 2016:

Item \ Year	Unit	2014	2015	2016
Operating revenue	RMB'000	8,193,716	6,391,165	6,338,152
Operating costs	RMB'000	6,282,321	5,434,903	5,088,000
Operating gross profit	RMB'000	1,911,395	956,262	1,250,152
Net operating profit	RMB'000	1,157,214	218,484	563,730
Non-operational balance	RMB'000	(66,106)	(465,819)	(233,408)
Profit before tax	RMB'000	1,091,108	(247,335)	330,322
Income tax expenses	RMB'000	278,128	45,375	179,364
Net profit for the current period	RMB'000	812,980	(292,710)	150,958
Surplus per share	RMB	0.507	(0.191)	0.085
Total assets	RMB'000	20,022,989	17,627,180	15,902,155
Total liabilities	RMB'000	9,917,855	8,056,254	6,267,007
Total equity	RMB'000	10,105,134	9,570,926	9,635,148



## 2.3 Ethics and Honesty

### Compliance with Ethics and Honesty and Anti-corruption<sup>G4-56</sup>

The operation concept of “Sincerity, Diligence, Thrift, Prudence and Innovation” of Asia Cement (China) has been deeply rooted in the mind of the employees. Sincerity represents open-hearted and zealous; diligence means hardworking and considerate; thrift is frugal and simple; prudence implies cautious and accurate. In short, “be honest, clear, inquisitive, and do the best” has become part of the corporate culture.

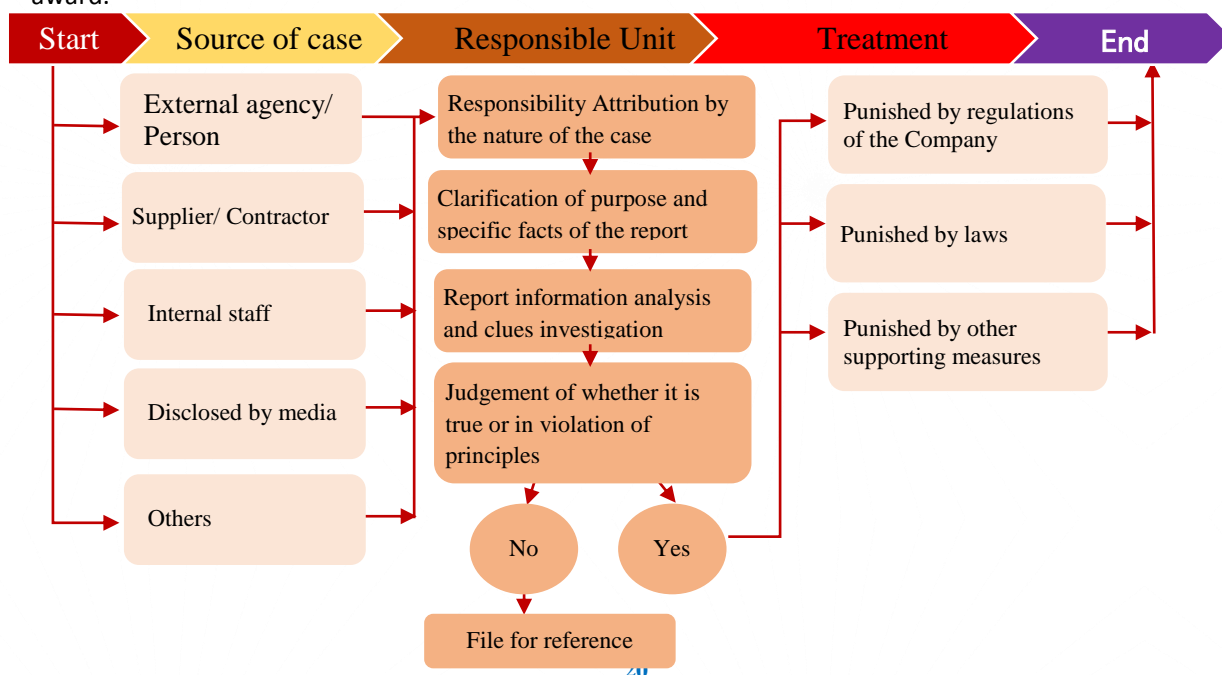
In order to establish the corporate culture of ethical management and make the enterprise develop in a healthy and sustainable way, the parent company has stipulated “Principles for Ethical Management of Asia Cement (China)”<sup>G4-SO4</sup> for compliance. The Principles apply to all the subsidiaries<sup>G4-SO3</sup>. Article 10 (Bribery is prohibited) provides that, when conducting business<sup>G4-SO3</sup>, the directors, supervisor, managers and all employees of the Company shall not, directly or indirectly, provide, promise, request, or accept inappropriate interest in whatever form, including rebate, commission, facilitation payment, or otherwise to provide or accept inappropriate interest to or from the customers, agents, contractors, suppliers, government staff or other stakeholders. There was no corruption event in 2016<sup>G4-SO5</sup>.

### Management and Punishment of Behaviors

Specific codes of conduct are expressly stated in Chapter 3 “Services” and Chapter 6 and 7 “Evaluation, Discipline and Promotion” of “Regulations for the Practitioners” stipulated by Asia Cement (China). We emphasize self-discipline of employee in management and make the department head take the responsibilities of education, advice and leading, so as to enable the employees to fully understand codes of conduct and ethics.

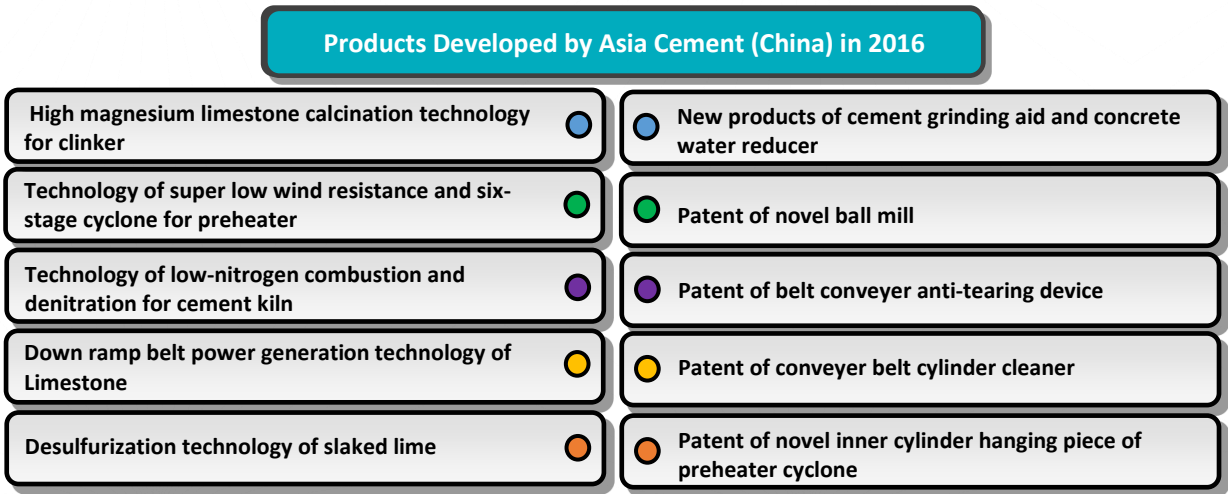
### Handling of the Cases of Reporting Illegal and Unethical or Dishonest Conducts<sup>G4-57, G4-58</sup>

Asia Cement (China) assigns general auditing office as the dedicated unit to promote the integrity of business operation. This office is responsible for formulating, and overseeing the implementation of, policies of ethical management and prevention programs, establishing internal and external reporting channels and handling measures, in order to realize and implement the codes of ethical conduct and principles for ethical management, and setting up a report window on the website of the Company. Auditing supervisor accepts the reports from employees, customers, suppliers and contractors of the Company. The ways of reporting include reporting in person, through phone calls and mails. The parties handling the reports will clarify the subject and specific facts of the report, and they will then process the reported cases confidentially and investigate through independent channels in order to protect the person reporting the case. In the event that the reported case is found to be true and significant, it will be handled based on the laws or relevant regulations of the Company, and also be disclosed on the public information observation platform. Meanwhile, the person reporting the case will receive an appropriate award.



2.4 Development of Innovative and Sustainable Products

Based on the consistent policies of reducing production cost, ensuring the excellence and stability of product quality and improving the competitiveness of the enterprise, Asia Cement (China) encourages all staff to uphold the idea of “Sincerity, Diligence, Thrift, Prudence and Innovation” to conduct the research and development of new technologies, new products and new patents for the Company.



2.5 Risks and Opportunities G4-2

Asia Cement (China) actively reviews all the risks and opportunities that the Company encounters. With complete risk management and appropriate crisis management, we can prevent the incident and take the opportunity to improve the operation mode. Meanwhile, we achieve long term risk management through achieving corporate sustainability.

Risk Levels and Responding Strategies G4-14

Cement industry is a mature traditional industry. Against the backdrop of structure adjustment in cement industry, volatility in energy price as well as the effects of domestic industry surplus and weaker market demand, coupled with operating cost pushed up by rising environmental protection awareness and carbon emission limitation, it is harder for us to operate in this industry in 2016.

When facing the above mentioned risks, Asia Cement (China) had responding strategies including: domestically, we stabilized the market position, set up additional market shipping points in Nanchang and Jiujiang and reduced truck transportation, while enhancing the market share, strengthening the operation efficiency of current production, shipping, and marketing teams, and consolidating the channels of midstream and downstream; we newly increased export sale channels, improved the production of rotary kilns and quality of clinker, and continued to select excellent target market, established production and distribution bases, and expanded customers to achieve the pre-determined goals of selling all products produced and making a stable profit.

Internal Control and Risk Management System

In order to consolidate the risk management, Asia Cement (China) formulated a series of internal control and risk management measures, and procedures and methods for self-assessment of internal control system for Board of Directors, managers, and employees to follow and execute, the purpose of which is to promote healthy operation of the Company and reasonably ensure the achievement of the goals.

Goals of internal control and risk management system

1. Effect and efficiency of the operation.
2. The report being reliable, timely, transparent and compliant with relevant regulations.
3. Compliance with relevant laws and regulations.

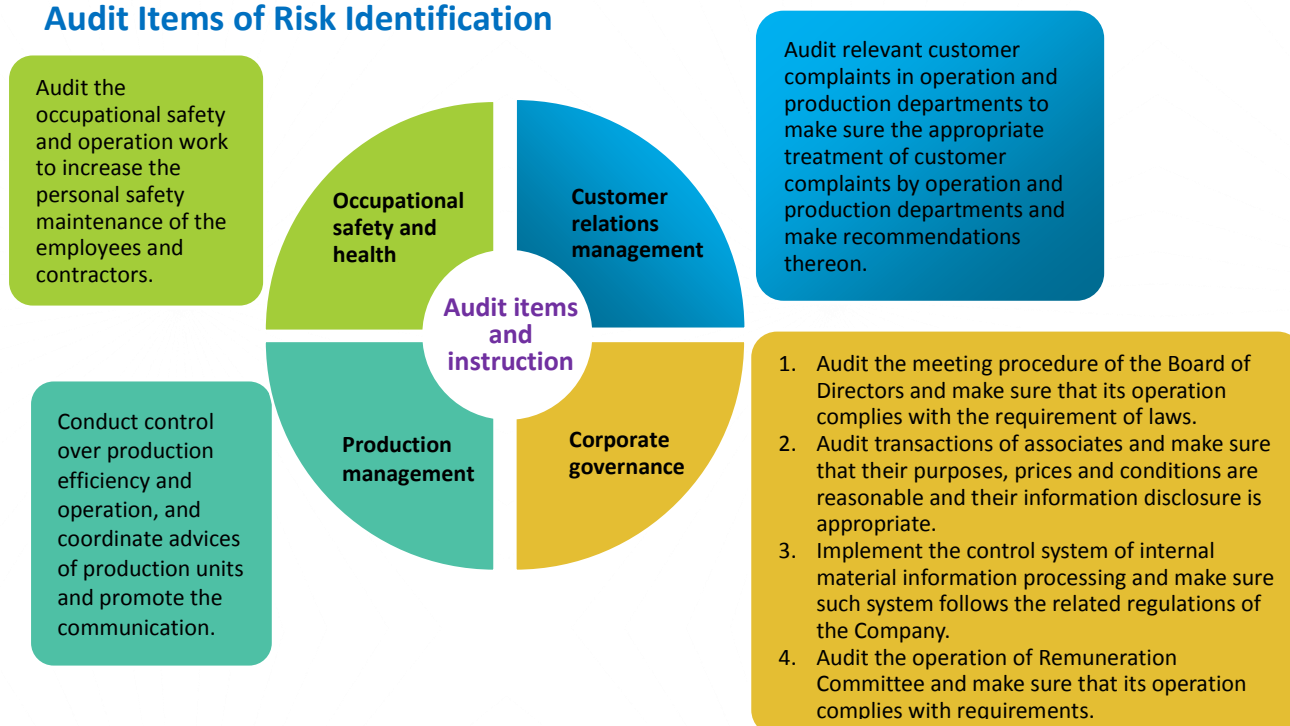
## Internal Control and Risk Management Framework:

Risk management of the Company and the subsidiaries	First defense	Risk supervision and management	<ul style="list-style-type: none"> <li>Establish risk-oriented internal control system</li> <li>Establish corporate operation risk indicator</li> </ul>	<ul style="list-style-type: none"> <li>Control and the management of the risk of overall operation procedure</li> <li>Measure the risk of overall operation of the enterprise</li> </ul>
Assurance of the ongoing effectiveness of the design and implementation of the internal control system	Second defense	Implementation of internal control and self-assessment of risk	Implement internal control and conduct self-assessment of internal control risk by each unit	<ul style="list-style-type: none"> <li>Ensure effective implementation of internal control</li> <li>Achieve goals of the self-control of internal control risk</li> </ul>
Reasonable assurance of the achievement of goals of internal control system; effect and efficiency of the operation and report being reliable, timely, transparent and compliant with relevant regulations; compliance with relevant laws and regulations	Third defense	Reasonable assurance of risk and control	Carry out supervision among subsidiaries and audit self-assessment report of operation review	<ul style="list-style-type: none"> <li>Consultation on internal control management</li> <li>Verification of internal control effectiveness</li> <li>Advise and follow-up on defects of internal control</li> </ul>

## Internal Control and Risk Management System

Asia Cement (China) has specific audit department in charge of promoting and supervising the establishment of internal control system by each company for the purpose of maintaining an effective risk control; checking and assessing the effectiveness and sufficiency of internal control system in each company and supervising the effective implementation of internal control system; performing regular and special audit plans and following up the improvement on the defects and irregularities of the internal control systems of the companies under investigation to ensure the ongoing effectiveness of design and implementation of internal control system while maintaining and increasing the overall interest of the enterprise. The annual audit plan, audit report and corporate sustainability issues will be presented by Asia Cement (China) each year to the Board of Directors for approval according to the laws.

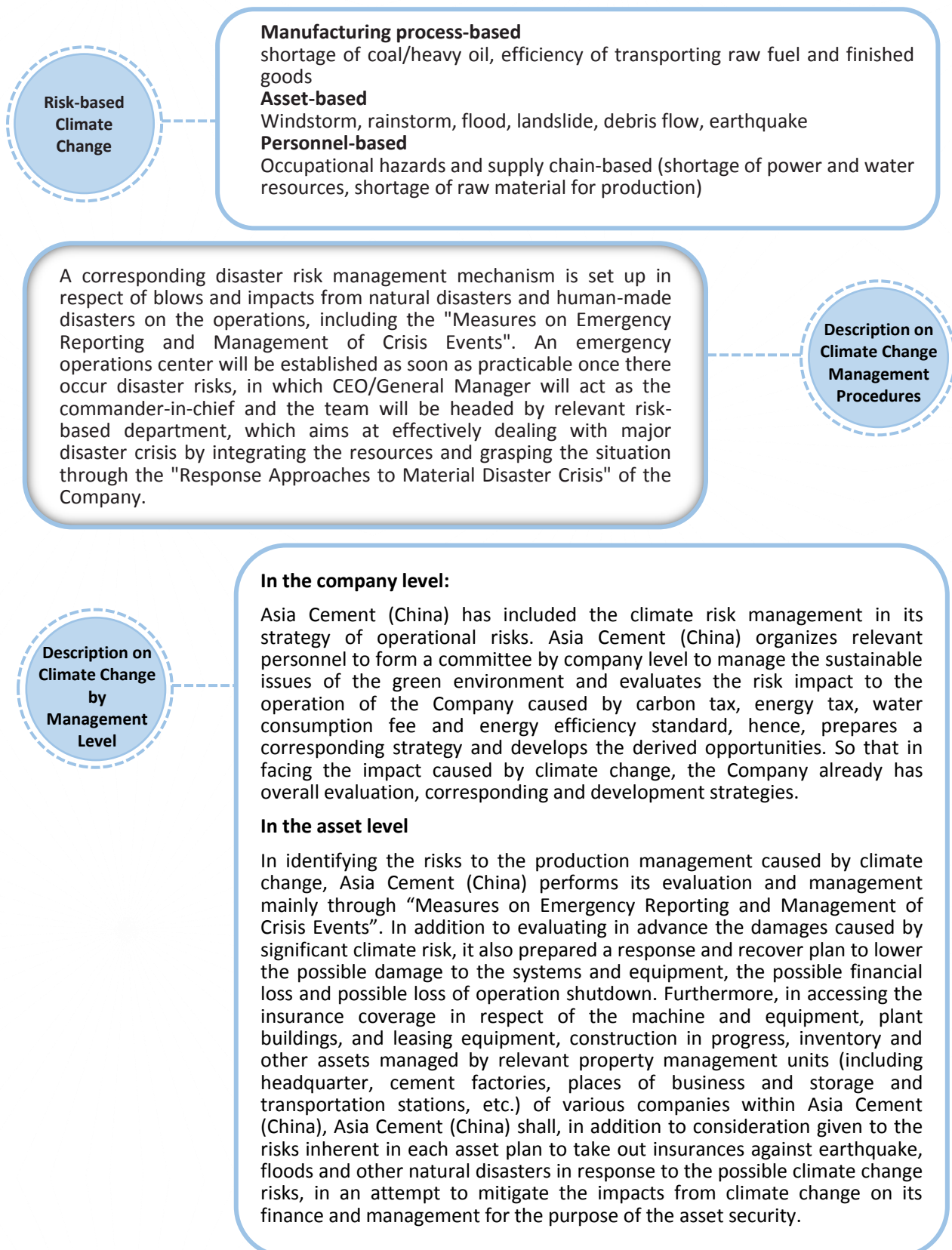
## Audit Items of Risk Identification



## Risks and Opportunities of Climate Change <sup>G4-EC2</sup>

Climate change is another issue that Asia Cement (China) pays great attention to, primarily including the identification and management of levels and procedures, three major basics for assessment of climate change adaptation as well as actual actions for climate change adaptation and mitigation.

### Risks and Opportunities of Climate Change: Identification and Management of Levels and Procedures





### Three Major Basics for Assessment of Climate Change Adaptation: Risks and Opportunities

#### Regulation-based

Risks from all laws associated with climate change are one of the maximum short-term risks for an enterprise, which will also affect its strategic decisions on long-term investments. An analysis of possible material legal and financial impacts on the business and operations of an enterprise caused by current and future regulations has become increasingly important for climate change related information disclosure. An analysis of possible risks and opportunities for an enterprise caused in various regulatory contexts, such as the analysis on risks and opportunities from the regulations that are related to carbon costs and lead to an energy cost increment, is conducted by reviewing the policies formulated and expected to be formulated by the state in response to the climate change, including the restriction on pollutant emissions, energy efficiency standards, carbon emissions trading, process or product standards and mandatory participation in trading mechanism.

#### Physics-based

Scientists and other large groups have come to realize the physical effects in the nature of climate change, and have also made further prediction on their subsequent effects, including climate patterns, river water level warnings, changes on water resources and temperature. Therefore, a disclosure that physics is an indispensable important level is made in an overview of the Company's existing and potential physical risks in the nature arising from the serious exposure to direct and indirect climate change. Asia Cement (China) will analyze the extent of future impacts on Asia Cement (China) caused by extreme weather, and conduct the planning of action plan for identified risks, and seek derivative opportunities by discussing the experience of natural disasters that have occurred in the past and collecting the research results of government and academic units for the assessment of climate change in China.

#### Others

The failure of Asia Cement (China) to hold a positive attitude in facing and responding to climate change issues, to actively make an analysis on the impacts of climate change on its operations, and to make responding preparation well, will damage the Company's external reputation and weaken the confidence of investors, which may result in the losses. In addition, climate change will also cause changes on consumer demand, and a vain attempt to keep abreast with market trend that varies with climate change will make it impossible to capture derivative business opportunities under the influence of climate change.

### Actual actions for Climate Change Adaptation and Mitigation

#### Mitigation

1. Ongoing participation in the voluntary production reduction plan entered into between Ministry of Industry and Information Technology and associations.
2. Alerting of environmental protection and energy saving by the Company and plants to enhance the awareness of energy saving.
3. Active participation in carbon emissions trading and continuous promotion of energy saving and carbon reduction.
4. Being committed to the development and the promotion of innovative and sustainable product, including the promotion of high grade cement and other products like gravel, aggregate.

#### Adaptation

1. Formulation and corresponding implementation of "Measures on Emergency Reporting and Management of Crisis Events" and "Response Approaches to Material Disaster Crisis".
2. Continuous promotion of water resources management.

## Disaster Risk Management

Asia Cement (China) has established its disaster risk management mechanism for risk prevention and management, including “Measures on Emergency Reporting and Management of Crisis Events” and “Response Approaches to Material Disaster Crisis”, to avoid or reduce the potential personal injuries, damages to system equipment and property losses and losses from operating suspension. In addition to active participation in various drills organized by agencies at all levels, Asia Cement (China) has also conducted irregular disaster prevention and response drills, regularly mobilized employees to participate in fire drills annually to enhance their emergency response abilities, with a view of controlling accidents and eliminating hazards.

**Fire Drill in Yadong Port, Jiangxi Province on 4 May**



# Sustainability Topic Management

To ensure the implementation of the sustainable development, Asia Cement (China) set up a functional corporate sustainability committee (CSR Committee), in which CEO acts as the chairman<sup>G4-35, 36</sup> and the secretarial department acts as the advisor and executive unit which is responsible for the operations, project coordination and information collection of the committee. The CSR Committee is the highest level of corporate sustainability organization within Asia Cement (China), members of which include heads of each department within operation headquarters and representatives of subsidiaries. Asia Cement (China) will conduct an investigation on sustainability issues and an identification of material considerations by the questionnaire survey and cooperation with CSR committee, and will achieve stakeholder engagement through various channels to actually respond to material issues and the requests of stakeholders for the purpose of sustainable issues management and the sustainable operations of Asia Cement (China).

## Structure Chart of CSR Committee

G4-45, G4-46, G4-47, G4-48, G4-49, G4-50



### 3.1 Fulfill Sustainable Strategies

#### Corporate Social Responsibility Policy

To perform corporate social responsibility and improve the balance and sustainable development among economy, society and environmental ecology, Asia Cement (China) actively implemented and improved company governance, developed sustainable environment, safeguarded social benefits and strengthened the disclosure of corporate social responsibility<sup>G4-42</sup>.

#### The Operation Mode of Asia Cement (China)’s Corporate Sustainability Report Committee

CSR Committee operated based on a management mode of “P-D-C-A”(Plan-Do-Check-Act) to identify stakeholders and collect and check the topics concerned by the stakeholders. To ensure the implementation of each major topic and the progress of goal achievement, CSR Committee would regularly<sup>G4-47</sup> conduct the discussion for the significant topics on economy, society and environment, the progress of goal achievement in each department<sup>G4-42</sup> and contemplation of future direction, and summarize relevant information on the achievement, the result of the Stakeholders Engagement<sup>G4-37</sup> and matters discussed and proposed by the CSR to the Chairman for review and submit the report to the Board of Director for report and confirmation<sup>G4-36</sup>.

### 3.2 Material Aspect Identification and Sustainability Topic Investigation

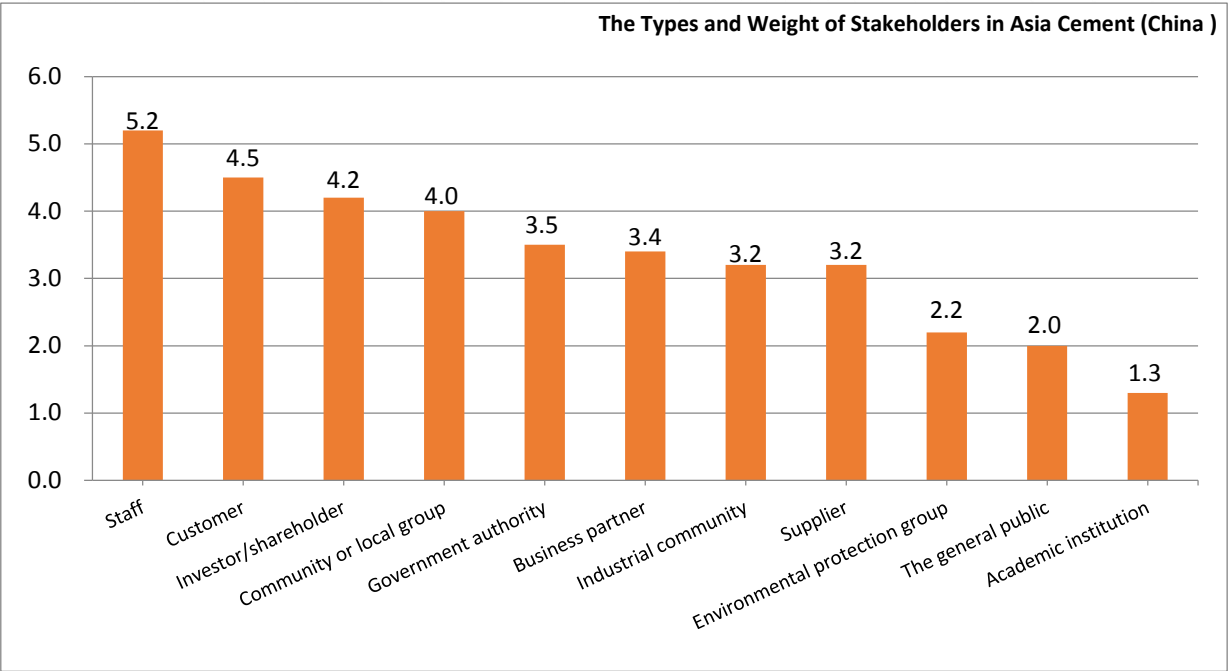
#### Procedure of the Identification of Material Aspect<sup>G4-18</sup>

This report used the analysis procedure of the material aspects as a method to identify the sustainability topics concerned by the stakeholders and regarded it as the reference basis for information disclosure to achieve the goal of effective communication.



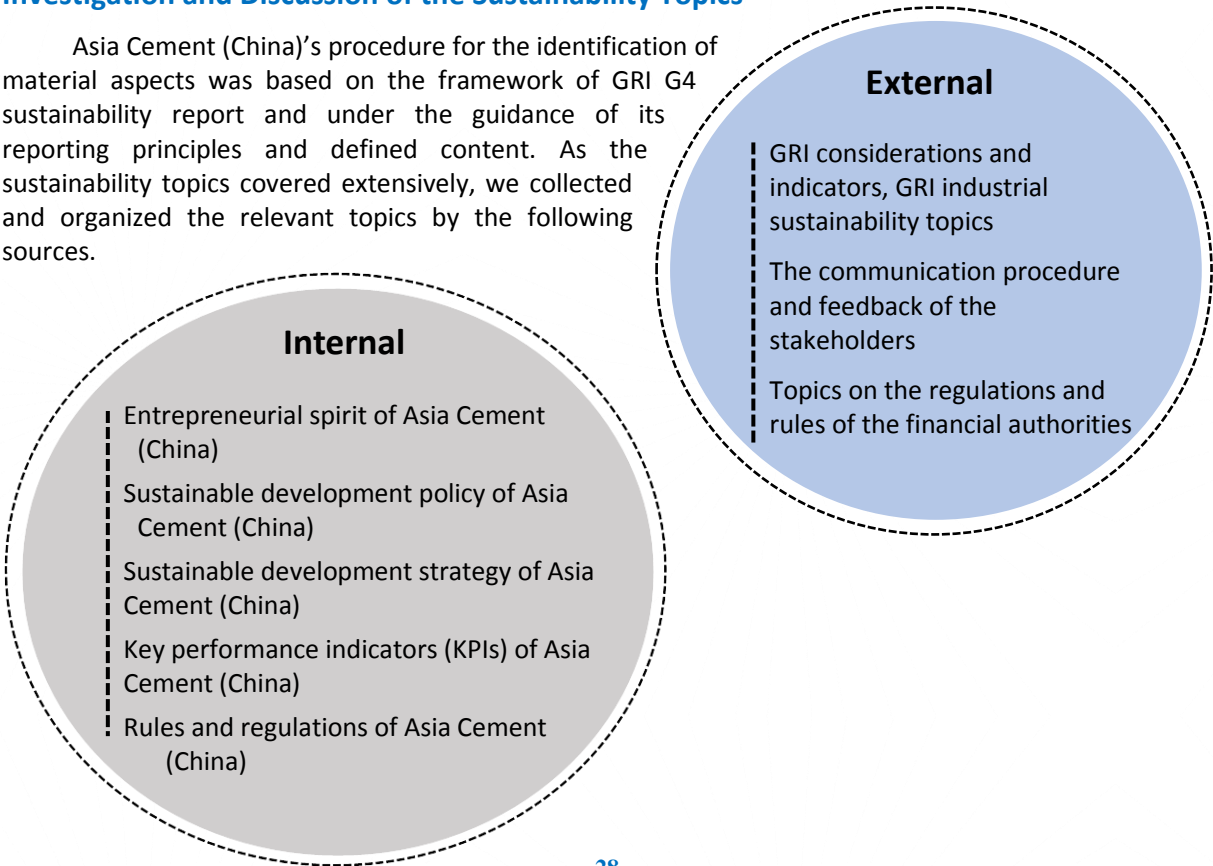
Identification of Stakeholders G4-24, G4-25

Asia Cement (China) found the stakeholders by convoking staff in each department in connection to the communication of organization operation and the inclusiveness of the stakeholders and then identified the stakeholders according to six principles including responsibility, influence, proximity, dependence, representativeness and policy and strategic target. The stakeholders identified by us were classified into 11 types including staff, customer, investor/shareholder, community, government authority, business partner, industrial community, supplier, environmental protection group, the general public and academic institution.



Investigation and Discussion of the Sustainability Topics

Asia Cement (China)’s procedure for the identification of material aspects was based on the framework of GRI G4 sustainability report and under the guidance of its reporting principles and defined content. As the sustainability topics covered extensively, we collected and organized the relevant topics by the following sources.





## The Level of Concern of the Stakeholders

For the topics concerned by the relevant stakeholders, Asia Cement (China) collected the level of concern of the stakeholders through questionnaires, judged the relationship between the stakeholders and Asia Cement (China) and arrived the weighted average of the concerning points of each topic and the level of the relationship to understand the level of concern of the stakeholders.

## Identification of the Impact

Asia Cement (China) CSR committee accessed the influence level of each consideration of Asia Cement (China) on the impact of economy, environment and society based on the opinion of the operation management personnel within the organization, and identified the impact on the material aspects of sustainable development of Asia Cement (China) after summarizing all the points.

## Identification of Material Aspects

Asia Cement (China) identified material aspects and confirmed the major topics as follow according to the level of concern of stakeholders and impact on Asia Cement (China):

Material Aspects on Economy	Material Aspects on Environment	Material Aspects on Society
<ul style="list-style-type: none"><li>● Economy performance</li><li>● Market image</li><li>● Indirect economic impact</li><li>● Product innovation</li></ul>	<ul style="list-style-type: none"><li>● Raw material</li><li>● Energy</li><li>● Water</li><li>● Biodiversity</li><li>● Emission</li><li>● Sewage and waste</li><li>● Product and service</li><li>● Compliance with environmental protection regulations</li><li>● Product transportation</li><li>● Investment in environmental protection</li><li>● Grievance mechanisms for environment issues</li></ul>	<ul style="list-style-type: none"><li>● Employment</li><li>● Employee/employer relationship</li><li>● Occupational health and safety</li><li>● Training and education</li><li>● Diversity in staff and equality of opportunity</li><li>● Grievance mechanisms for labor practices</li><li>● Forced and compulsory labor</li><li>● Communication with local communities</li><li>● Anti-corruption</li><li>● Anticompetitive behavior</li><li>● Compliance with regulations on products</li></ul>

## Confirmation and Review of the Completeness of the Material Aspects

CSR committee would submit the identified material aspects of Asia Cement (China) to the chairman for review and confirmation after summarizing the relevant information to ensure all topics and considerations were covered.

## The Meaning of Asia Cement (China)'s Material Aspects and Management Policy

For the identified material aspects and topics, Asia Cement (China) listed them as the top guiding principles for company governance. Management performance indicators were developed for each of the material aspects and were reviewed and assessed regularly. The Group expected to achieve the actual response to the stakeholders and the inclusiveness and the goal of sustainable operation of the corporate through the transparent disclosure of the report.

For the specific material aspects, Asia Cement (China) formulated the corresponding specific management policy based on its characteristics to completely respond to and achieve the goal of coexistence with the stakeholders.

Specific Material Aspects	The Management Policy of Asia Cement (China)
Indirect economic impact and the local communities	To interact with the local communities from time to time, and take listening to, rebuilding and rewarding the communities as the top principles based on the principle of stakeholder inclusiveness.
Energy, emission	To comply with national policies.
Biodiversity	Asia Cement (China) regarded the reclamation of the mines as core operation goal and made great efforts to achieve the goal of the reclamation of the mines and biodiversity through combining the long-term researches by the experts.
Grievance mechanism for environmental and human rights issues	To confirm the effectiveness and availability of the grievance mechanism and remedial measures by the regular inspection and response of CSR committee.
Employment relationship	To assess the employment relationship in the supply chain according to the supply chain assessment mechanism. Any non-compliance with the system and law structure will be listed as a key tracking target, and the contract will be terminated after reoccurrence without improvement.
Occupational health and safety	According to the company policy of Asia Cement (China), when staffs, the member of their family or the community have critical diseases, the environmental protection and workers safety department will make the great efforts to help, as the case may be.
Anti-corruption	To conduct business according to the requirements of "Honest Operation Code of Asia Cement (China)", "Code of Conduct of the Business Personnel in Asia Cement (China)", and "Code of Conduct of the Purchase Business in Asia Cement (China)" to avoid corruption.

## 3.3 Stakeholders Engagement

### Stakeholders Engagement G4-26, G4-27, G4-37

Saved for the various interactions with the stakeholders through the normal business, Asia Cement (China) also carried out Stakeholders Engagement through all kinds of ways including telephone communication, holding a meeting, satisfaction survey, visiting on site and participating in unions. The concerned topics proposed by the stakeholders would be responded as the identified topic items for material aspects through the report.

"Mailbox for corporate sustainability (achc@achc.com.cn)" was set up corresponding to the commencement of the sustainability management of the organization, and will be managed by the relevant competent department of Asia Cement (China) to address all topics concerned by stakeholders.

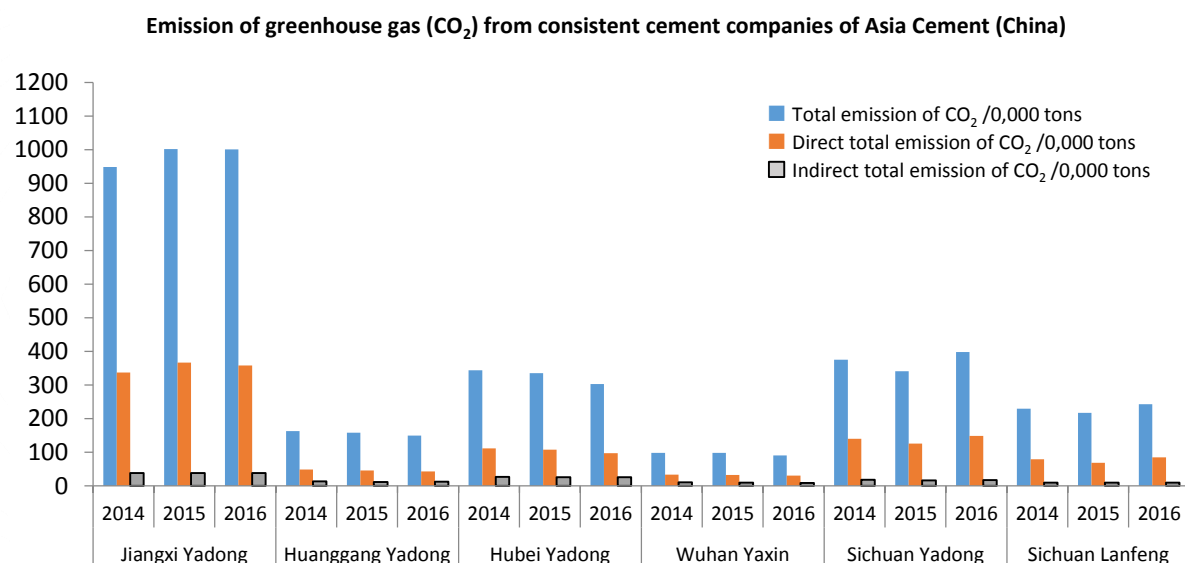
Stakeholders	Considerations concerned	Frequency and platform of communication	Implementation	Response (chapter heading)
Staff	Benefits and interest of staff Attraction and retention of talents Talent training and educational training Employment relationship Occupational health and safety Confidentiality and non-competition obligations	All kinds of meetings New recruits interview and online announcements from time to time Updating staff codes of practice from time to time Staff interviews and performance interviews conducted by supervisor each year Planning and educational training for staff from time to time Electronic bulletin board	Each of the companies held weekly meetings, monthly meetings and other occasional meetings	7. Happy Workplace
Investors and shareholders	Financial performance Brand image Sustainable development strategy Corporate governance Risk management	Holding Annual General Meeting Investor zone on the Company's website communication and feedback by phone or e-mail	A total of 43 major messages in Chinese and English were issued in 2016.	1. About Asia Cement (China) 2. Corporate Governance 3. Sustainability Topics Management
Customers / partners	Customer service Product liability Product quality and technology research and development	Annual customer satisfaction survey Quality certification Website feedback and inspection report download service Visiting customer regularly / irregularly Communication and feedback by phone or e-mail	In 2016, Sichuan Yadong and Hubei Yadong won the Excellent Award in the 4th National Cement Chemical Analysis Contrast (中国全国第四次水泥化学分析大对比优秀奖), and Jiangxi Yadong, Huanggang Yadong and Wuhan Yadong won the Full Qualification Awards (全合格奖), which were the best illustration for laboratory quality.	1.3 Products and Services 6. Supply Chain Management and Customer Service
Community / local groups	Community participation Social public welfare Communication channels Environmental management	Volunteer services and public welfare activities Promoting environmental education Visiting local groups Company's website Participation in residents' activities in neighborhood from time to time	Each subsidiary sponsored the construction of the infrastructure of surrounding communities and visited and concerned about the elderly in the communities for several years.	4. Green Environment Sustainability 8. Social Care
Government authorities	Compliance with regulations Transparent and timely information disclosure Policy on transportation by green energy	Public information observatory and the Company's website Official document Explanation sessions, seminars or forums of regulations Regular / irregular visits	The Company issued the significant information in accordance with the provisions in time upon the occurrence.	1. About Asia Cement (China) 2. Corporate Governance
Suppliers	Company's operating strategy Supply chain management Procurement behavior	Supplier evaluation Supplier on-site audits or visits Communication and feedback by phone or e-mail Questionnaire on suppliers' opinion	Projects and results evaluated by suppliers were detailed in the section headed Supply Chain Management	2. Corporate Governance 6.1 Supply Chain Management
Non-profit organizations	Environmental investment Diversification and equality in workplace Human rights topics Commitment to greenness Climate change Greenhouse gas	Business sustainability zone on the Company's website Seminars Forums Participating in NGO activities	Asia Cement (China) has published CSR reports since 2014 and responded regularly to the topics concerned by stakeholders.	2.5 Risks and Opportunities 4. Green Environment Sustainability 7. Happy Workplace
Academic institutions / industrial circles	Innovation and R&D capabilities Industry-academy cooperation Technology R&D	Seminars Industry-academy cooperation projects Regular exchanges Scholarships and grants		1.3 Products and Services
The general public	Brand image Quality of products and services Moral, ethics and integrity	Company's website Press release Forums, press conferences		2.3 Ethic and Honesty

# Green Environment Sustainability

The summary of China's "12th Five-Year Plan" clearly put forward the binding target for reducing energy consumption per unit of gross domestic product (GDP) carbon dioxide emissions and total emission of main pollutant. In response to the spirit of environmental protection in relation to the reduction of greenhouse gas emissions and carbon emission and energy saving by the State, Asia Cement (China) consciously abided by the national and other relevant regulations and documents regarding greenhouse gas emissions and produced low-carbon green cement products. Asia Cement (China) verified the emission of greenhouse gas in compliance with the announcement of "General Guideline for Industrial Enterprises' Greenhouse Gas Emissions Accounting and Reporting" (《工业企业温室气体排放核算和报告通则》) approved and issued by the State on November 19<sup>th</sup>, 2015.

## 4.1 Total Emission of Greenhouse Gas (CO<sub>2</sub>) and emission intensity

### Emission of Greenhouse Gas (CO<sub>2</sub>) from the Six Consistent Cement Companies under Asia Cement (China) <sup>G4-EN15, 16</sup>



Detailed data are as follows:

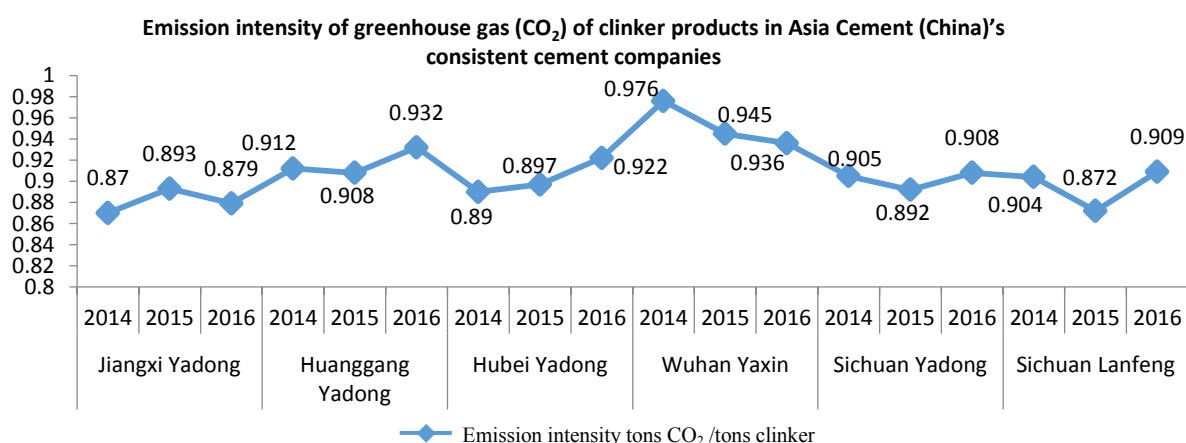
Company Name	Year	Total emission of CO <sub>2</sub> / 0,000 tons	Direct emission of CO <sub>2</sub> / 0,000 tons	Indirect emission of CO <sub>2</sub> / 0,000 tons
Jiangxi Yadong	2014	948.4	337.2	38.7
	2015	1001.6	366.9	38.5
	2016	1001.1	358.3	38.8
Huanggang Yadong	2014	163	49.1	13.9
	2015	158.2	45.9	12.3
	2016	149.9	43.4	12.6
Hubei Yadong	2014	344.3	111.4	27.0
	2015	335.9	108.0	26.4
	2016	302.7	97.1	25.7
Wuhan Yaxin	2014	98.9	33.9	11.1
	2015	98.7	33.1	10.0
	2016	91.0	30.7	8.8
Sichuan Yadong	2014	375.1	140.0	18.3
	2015	341.7	125.9	16.6
	2016	398.0	148.9	17.8
Sichuan Lanfeng	2014	230.1	79.5	10.0
	2015	217.5	69.4	9.7
	2016	242.7	84.9	10.2



**Notes:**

- (1) Direct emission of CO<sub>2</sub> was mainly attributable to the use of coal in kiln clinker firing system, diesel in dry kiln and diesel in the limestone vehicles.
- (2) Indirect emission of CO<sub>2</sub> was mainly attributable to the use of electricity in production and related systems.
- (3) Total emission of CO<sub>2</sub> was the CO<sub>2</sub> generated from (1) and (2) above plus the CO<sub>2</sub> released from the calcined decomposition of calcium carbonate, magnesium carbonate in the raw materials.
- (4) The above table calculated the CO<sub>2</sub> emission from six consistent cement plants of Asia Cement (China) in detail, and the sources of carbon emission included fuel combustion emissions, emission from carbonate decomposition and emission from net purchased electricity. As the three cement grinding plants of Wuhan Yadong, Nanchang Yadong, and Yangzhou Yadong mainly used only purchased electricity, and the CO<sub>2</sub> emission did not meet the threshold of control required by the local government, their CO<sub>2</sub> emission was not included.

### Emission Intensity of Greenhouse Gas (CO<sub>2</sub>) of Clinker Products in the Six Consistent Cement Companies under Asia Cement (China) <sup>G4-EN18</sup>



### Carbon Rights Trading

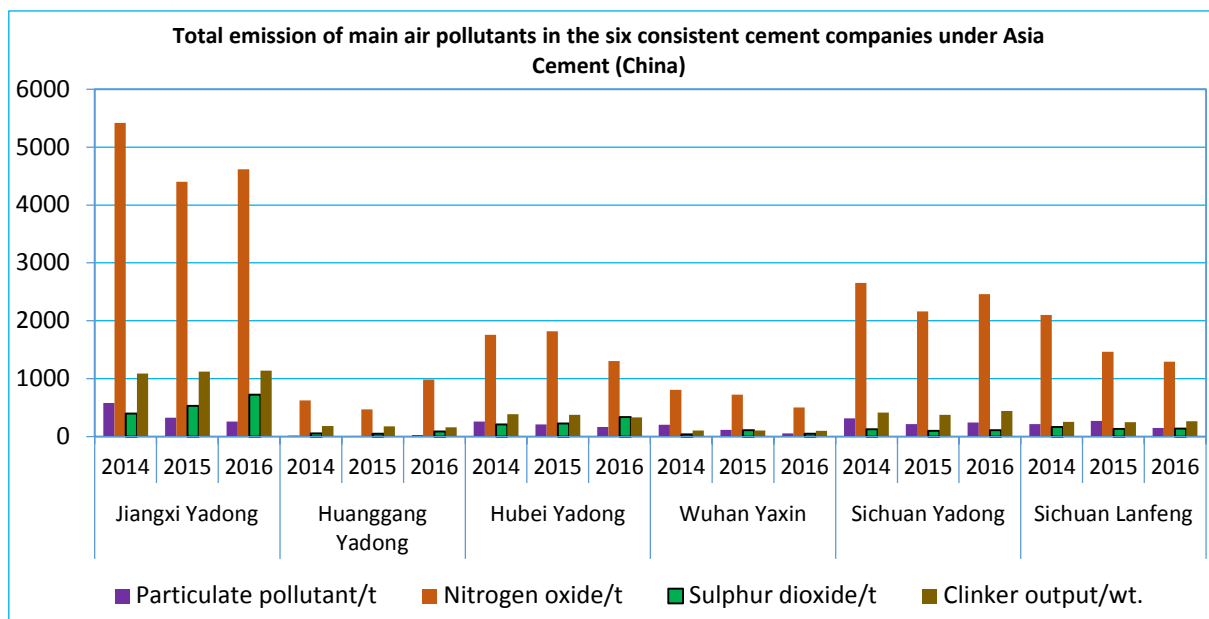
According to the Notice of the State Council on Printing and Distributing the Work Plan for Controlling Greenhouse Gas Emission in the 12th Five-Year Plan (《国务院关于印发“十二五”控制温室气体排放工作方案的通知》), Beijing, Tianjin, Shanghai, Chongqing, Guangdong, Hubei and Shenzhen were allowed to carry out pilot work on carbon emission rights trading. In 2013, Hubei Province solidly carried forward the pilot work on carbon emission rights trading and promoted the use of market mechanism to achieve the target of controlling greenhouse gas emission at lower costs.

In 2014, Huanggang Yadong's total emission of greenhouse gas (CO<sub>2</sub>) was 1.63 million tons, of which 200,000 tons of emission quota was purchased at a cost of RMB4.876 million. In 2014, Wuhan Yaxin's total emission of greenhouse gas (CO<sub>2</sub>) was 989,000 tons, of which 78,000 tons of emission quota was purchased at a cost of RMB1.899 million.

## 4.2 Air Pollution Prevention

### Air pollutants <sup>G4-EN21</sup>

Sticking to the business philosophy of the environmental protection paralleled with industrial development, Asia Cement (China) equipped its cement production lines with the corresponding comprehensive dedusting, desulfurization, denitrification equipment, and at the same time strictly controlled the quality of raw fuel entering into the plants to reduce the production of air pollutants from the source. According to the national environmental requirements, emission of dust and smoke was strictly controlled, so that the emission of particulate pollutants, nitrogen oxides and sulfur oxides was in line with the national environmental requirements or even better.



The detailed data are as follows:

Company	Types of emissions	2014	2015	2016
<b>Jiangxi Yadong</b>	Particulate pollutant/t	578	323	261
	Nitrogen oxide/t	5417	4402	4617
	Sulphur dioxide/t	398	529	726
	Clinker output/wt.	1090.7	1122	1139.4
<b>Huanggang Yadong</b>	Particulate pollutant/t	14.7	9	29.1
	Nitrogen oxide/t	625.6	468.6	985
	Sulphur dioxide/t	54.6	50	84.6
	Clinker output/wt.	178.7	174.3	160.8
<b>Hubei Yadong</b>	Particulate pollutant/t	258.2	208.3	163.0
	Nitrogen oxide/t	1755.9	1817.4	1301.3
	Sulphur dioxide/t	207.8	227.7	338.4
	Clinker output/wt.	387	374.3	328.4
<b>Wuhan Yaxin</b>	Particulate pollutant/t	205.3	116.5	55.4
	Nitrogen oxide/t	808.2	723.2	504.5
	Sulphur dioxide/t	36.6	111.6	49
	Clinker output/wt.	101.3	104.5	97.2
<b>Sichuan Yadong</b>	Particulate pollutant/t	313.44	215.4	239.4
	Nitrogen oxide/t	2653	2164	2460
	Sulphur dioxide/t	124.1	99.1	111.5
	Clinker output/wt.	414.3	375.3	438.6
<b>Sichuan Lanfeng</b>	Particulate pollutant/t	212	267.2	150.7
	Nitrogen oxide/t	2098	1467	1294
	Sulphur dioxide/t	164.7	130	135.9
	Clinker output/wt.	254.4	249.4	267

## Prevention and Control of Major Pollutants

### 1. Particulate Pollutants Treatment

In the manufacturing process of cement, raw material, coal powder and cement are needed to be grinded and then burnt into clinker. There is a lot of dust flowing in its production system. The escape of dust will not only result in air pollution, but will also cause the loss of raw fuel and finished products. Therefore, Asia Cement (China) attaches great importance to the proper allocation and application effectiveness of dust collection equipment, and adopts the most advanced dust collection equipment in the previous construction of plants. The concentration of soot emission from the feeding and emission ends of the kilns may reach a level below 30mg/m<sup>3</sup>, in line with and outperforming the new national environmental emission requirements.

#### Particles (dust) emission of six consistent cement companies under Asia Cement (China)

Company	Average concentration of particles (mg/m <sup>3</sup> )					
	2014		2015		2016	
	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value
Jiangxi Yadong	Soot: 50 Dust: 30	14.6	Before 2015/7/1 Soot: 50 Dust: 30 After 2015/7/1 Soot: 30 Dust: 20	12.9	Soot: 30 Dust: 20	10.7
Huanggang Yadong		11.5		7.4		17.6
Hubei Yadong		16.3		15.1		14
Wuhan Yaxin		20		28.6		14
Sichuan Yadong		9.23		8.6		8.8
Sichuan Lanfeng		14.6		14		13.3

#### Particles (soot and dust) emission of three cement grinding companies under Asia Cement (China)

Company	Average concentration of particles (mg/m <sup>3</sup> )					
	2014		2015		2016	
	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value
Nanchang Yadong	30	2.15	Before 2015/7/1 30 After 2015/7/1 20	2.15	20	9.2
Wuhan Yadong		25.7		15.5		15.6
Yangzhou Yadong		21		18.7		15

The consistent cement companies and cement grinding companies under Asia (China) remove dust by adopting various high-efficiency dust removal equipment, such as large bag dust collectors, bag dust collectors and electrostatic precipitators, to ensure the dust and soot emission in each process of cement production to meet and outperform national environmental requirements.

#### The number of dust removal equipment of six consistent cement companies under Asia Cement (China)

Company	Jiangxi Yadong	Huanggang Yadong	Hubei Yadong	Wuhan Yaxin	Sichuan Yadong	Sichuan Lanfeng
Large bag dust collectors	19 sets	1 set	8 sets	3 sets	3 sets	3 sets
Bag dust collectors	153 sets	39 sets	45 sets	23 sets	40 sets	20 sets
Electrostatic precipitators	7 sets	1 set	4 sets	1 set	3 sets	1 set

## 2. Denitrification Technology of Nitrogen Oxide

Jiangxi Yadong under Asia Cement (China) first created low-nitrogen combustion denitrification technology, achieving 100% coal powder instead of ammonia denitrification, and further combining with selective non-catalytic reduction technology (SNCR) to significantly reduce the concentration of NO<sub>x</sub> emission from the smoke of kilns. The emission concentration may reach a level below 400mg/m<sup>3</sup>, which meets and outperforms the new national environmental emission requirements.

**The denitrification technologies adopted by six consistent cement companies under Asia Cement (China) mainly include:**

**Low-nitrogen burner of rotary kilns:**

Treating from the root causes, it controls generation of NO<sub>x</sub> from the calcined flame.

**Selective non-catalytic reduction technology (SNCR):**

It uses chemical reaction between ammonia and NO<sub>x</sub> from the tail gas at the end of the kilns to reduce the emission of NO<sub>x</sub>.

**Low-nitrogen combustion denitrification technology:**

It adopts low-nitrogen burner of rotary kilns and secondary combustion to optimise the operating parameters of low-nitrogen combustion, gradually increase the coal powder consumption in low-nitrogen combustion, and reduce the emission of NO<sub>x</sub> by using the chemical reduction reaction between the great amount of CO generated in low-nitrogen combustion and NO<sub>x</sub>.

**Nitrogen oxide emission of six consistent cement companies under Asia Cement (China)**

Company	Average concentration of nitrogen oxides (mg/m <sup>3</sup> )					
	2014		2015		2016	
	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value
Jiangxi Yadong	800	299	Before 2015/7/1 800 After 2015/7/1 400	355	400	311
Huanggang Yadong		479		461		387
Hubei Yadong		483		462		319
Wuhan Yaxin		316		273		293
Sichuan Yadong		312		304		302
Sichuan Lanfeng		380		350		340

## 3. Sulfur Dioxide Desulfurization Measures

In order to control the emission of sulfur dioxide, on the one hand, the six consistent cement companies under Asia Cement (China) try their best to use fuel with low sulfur, controlling the emissions of sulfur dioxide from the source; on the other hand, they actively improve the production technology. For example, Hubei Yadong newly added slaked lime dry powder desulfurization technology, which successfully applied the addition of appropriate amount of slaked lime powder into kiln system preheater and raw materials into the large bag collectors at the end of kilns when the raw meal mills was stopped, to substantially collect the SO<sub>2</sub> from the kilns' waste gas, effectively controlling the concentration of SO<sub>2</sub> emissions from the kilns' waste gas below 200mg/m<sup>3</sup>.

**Sulfur dioxide emission of six consistent cement companies under Asia Cement (China)**

Company	Average concentration of SO <sub>2</sub> (mg/m <sup>3</sup> )					
	2014		2015		2016	
	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value	Upper limit of emission standards	Annual average measured value
Jiangxi Yadong	200	42.9	200	36	200	53
Huanggang Yadong		46		45		34.8
Hubei Yadong		56		60		56
Wuhan Yaxin		143		42		28
Sichuan Yadong		16.9		16.3		16.5
Sichuan Lanfeng		27		27		33

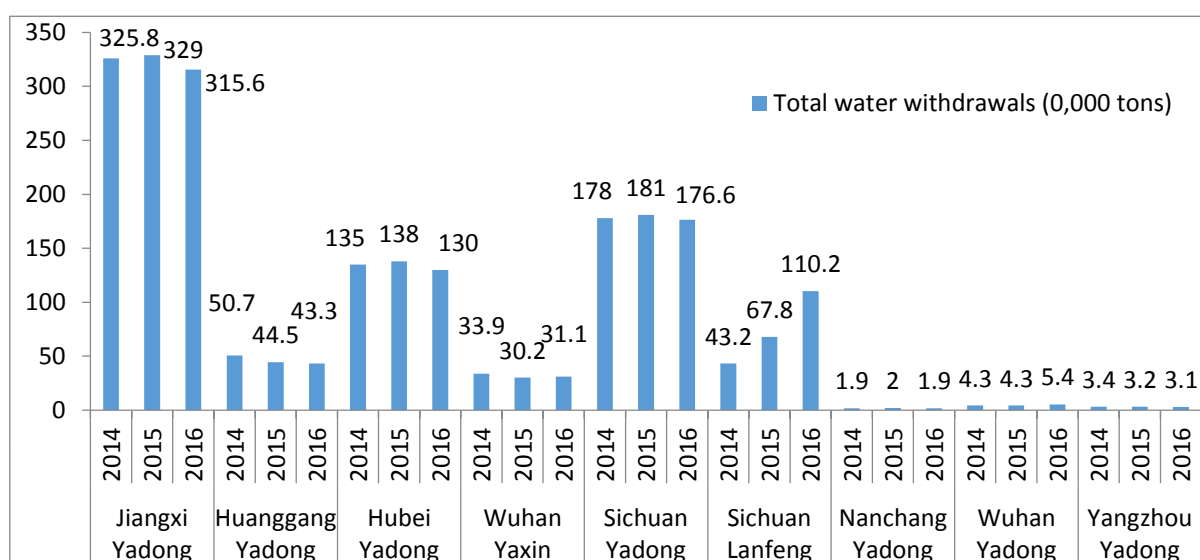
## 4.3 Water Resources Management

### Proper Use of Water Resources

#### 1. Water Sources and Water Consumption:

Integrated cement companies under Asia Cement (China) usually supply water for production and domestic usage through self-built water station and its water sources derive mainly from surface water of rivers near the companies, while cement grinding companies mainly use city tap water. Water resources used in production of cement companies under Asia Cement (China) are mainly component cooling water and they use water recycling system which can recycle water after cooling, significantly reducing water consumption with a small amount of evaporation loss and no emission. The sewage is mainly from staffs' domestic water and they use rain-sewage separation system which can recycle sewage as water for afforestation, car washing and inside and outside road spraying, or can be discharged into the local municipal sewage pipe network.

#### Water withdrawals of integrated cement companies and cement grinding companies under Asia Cement (China) <sup>G4-EN8</sup>



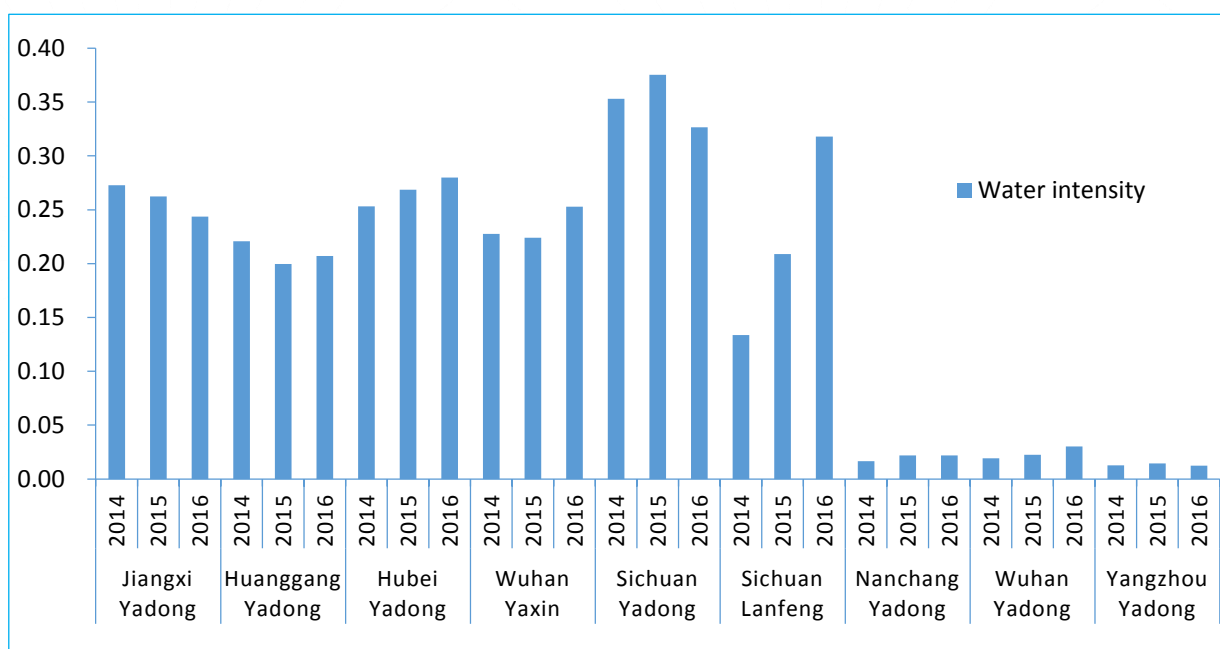
The detailed data are as follows:

Company	Water withdrawals	2014 (0,000 tons)	2015 (0,000 tons)	2016 (0,000 tons)
Jiangxi Yadong	Name of water source	Jiujiang section of the Yangtze River		
	Water withdrawals	325.8	329	315.6
Huanggang Yadong	Name of water source	Wuxue section of the Yangtze River		
	Water withdrawals	50.7	44.5	43.3
Hubei Yadong	Name of water source	Yangluo section of the Yangtze River		
	Water withdrawals	135	138	130
Wuhan Yaxin	Name of water source	Tap water in Jiangxia District, Wuhan City		
	Water withdrawals	33.9	30.2	31.1



Sichuan Yadong	Name of water source	Renminqu, Dujiangyan, Pengzhou City, Chengdu City		
	Water withdrawals	178.8	181.1	176.6
Sichuan Lanfeng	Name of water source	Aishanhe & Renminqu, Pengzhou City, Chengdu City		
	Water withdrawals	43.2	67.8	110.2
Nanchang Yadong	Name of water source	Tap water in Nanchang City		
	Water withdrawals	1.9	2.0	1.9
Wuhan Yadong	Name of water source	Tap water in Dongxihu District, Wuhan City		
	Water withdrawals	4.3	4.3	5.4
Yangzhou Yadong	Name of water source	Tap water in Yangzhou City		
	Water withdrawals	3.4	3.2	3.1

**Water intensity of integrated cement companies and cement grinding companies under Asia Cement (China)** <sup>G4-EN10</sup>



The detailed data are as follows:

Water intensity (Year)	Jiangxi Yadong	Huanggang Yadong	Hubei Yadong	Wuhan Yaxin	Sichuan Yadong	Sichuan Lanfeng	Nanchang Yadong	Wuhan Yadong	Yangzhou Yadong
2014	0.2726	0.2206	0.2531	0.2276	0.3529	0.1336	0.0165	0.0192	0.0126
2015	0.2622	0.1995	0.2685	0.2239	0.3752	0.2087	0.022	0.0224	0.0145
2016	0.2435	0.2072	0.2798	0.2527	0.3265	0.3180	0.0219	0.0303	0.0125

**Note:**

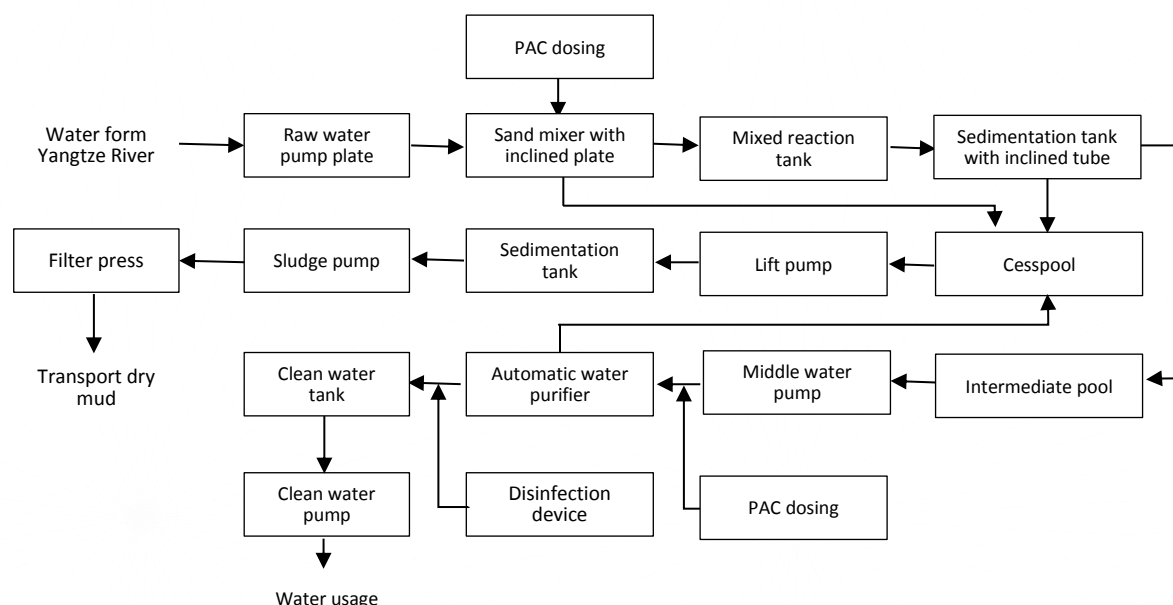
Water intensity= fresh water per 1 ton produced products

Water consumption= annul water withdrawals / (annual cement output + sale volume of mineral powder + sale volume of clinker)

## 2. Purification Method of Self-owned Water Station

Firstly, the drawn water will be removed sands and precipitated. Secondly, it will be added aluminium polychlorid to the water as flocculants to separate the sludge and impurities during sedimentation. And then, the water will be drawn to the water purifier for secondary filtration after sedimentation. Finally, after adding chlorine dioxide to the filtered water for disinfection, the clean water will be drawn to clean water tank for production and domestic uses.

The flow chart of purification treatment of Hubei Yadong's water station:



## Treatment Measures of Domestic Sewage

The contact oxidation method which is used for domestic sewage treatment is of stabilizing water quality and high reliability. The overall equipment is set under the ground with less land occupation. The contact oxidation tank uses TDK elastic space packing of easy conjunctiva which possesses large specific surface and good oxidation resistance, while the oxidation pond uses submerged underwater aerators with low noise pollution. The removal rate of COD<sub>Cr</sub> and BOD<sub>5</sub> is up to 73% and 88%, respectively. The processing rate of ammonia nitrogen is up to 71%. The quality of water generated can reach Grade I standard as set out in the Integrated Waste Water Discharge Standard (《污水综合排放标准》) (GB8978-1996) and the quality of discharged water is as follows:

### The quality of discharged water of three cement companies under Asia Cement (China)

Water quality project	Year	PH	Suspended solids	Chemical oxygen demand	Biological oxygen demand	Ammonia nitrogen	Total phosphorus	Oil type	Animal and vegetable oils
Emission limits of Grade I standard of Integrated Waste Water Discharge Standard (GB8978-1996)			mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L
		6-9	≤70	≤100	≤20	≤15	≤0.5	≤5	≤10
Jiangxi Yadong	2014	7.09	13	19.4	-	1.83	-	-	-
	2015	7.54	55	30	5.8	13.4	0.021	0.93	-
	2016	7.53	24	29.8	-	0.53	-	-	-
Hubei Yadong	2014	7.36	53	63.5	9.4	8.05	0.30	0.11	-
	2015	7.32	40	60	12.8	9.17	0.25	0.14	-
	2016	7.45	57	56	13.5	5.87	0.39	0.28	-
Wuhan Yadong	2014	-	-	35.7	8.2	4.73	-	-	1.49
	2015	-	-	48.7	13.1	2.52	-	-	2.33
	2016	-	-	30.3	10.5	0.25	-	-	0.34

## The volume of discharged water of three cement companies under Asia Cement (China) <sup>G4-EN22</sup>

Total volume of discharged water (tons)	2014	2015	2016
Jiangxi Yadong	115,360	156,211	156,976
Hubei Yadong	39,600	39,600	41,200
Wuhan Yadong	3,500	3,500	3,500

### Water Saving Measures:

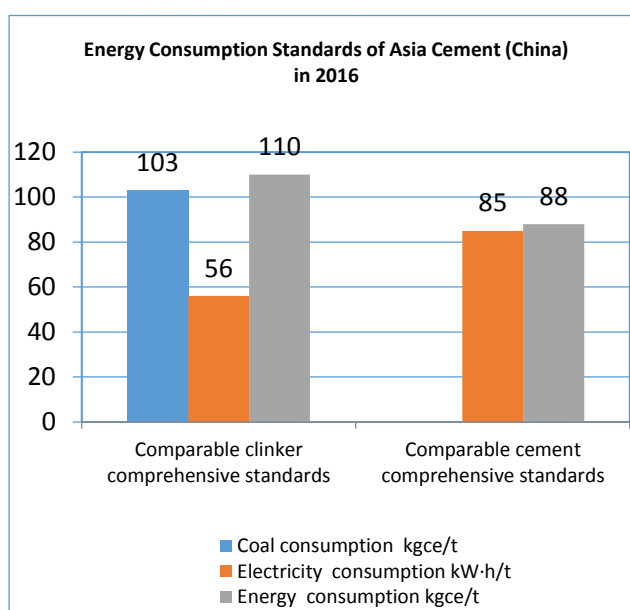
1. Install flow meters or water meters in main water using area, monitoring the daily water consumption.
2. Reasonably control cooling water temperature and consumption of water facilities.
3. Strengthen the whole plant's water monitoring work, find out water leakage and abnormal water usage timely, to report and overhaul.
4. Strengthen on-site equipment management, and prevent equipment leakage from polluting the circling cooling water, and avoid the increase in the amount of cooling water.
5. Strengthen the advocacy of water conservation to improve staff's awareness of water conservation.

## 4.4 Energy Saving and Carbon Reduction Performance

### Effectiveness of Energy Saving and Carbon Reduction <sup>G4-EN6</sup>

#### Improved performance of the plants

Mainland region of Asia Cement (China) has set up a long-term goal in accordance with the national standard "Energy Management System Requirements" (GB / T23331-2012 / ISO50001: 2011) and "The Norm of Energy Consumption per Unit Products of Cement" (GB16780-2012), and achieved advanced value of national energy consumption standards. The inter-group companies, namely Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yaxin, Sichuan Yadong, Wuhan Yadong and Yangzhou Yadong, reduced energy intensity annually as compared to 2012. The energy-intensive reduction rate in 2016 amounted to 5.12%, which was a fruitful performance.



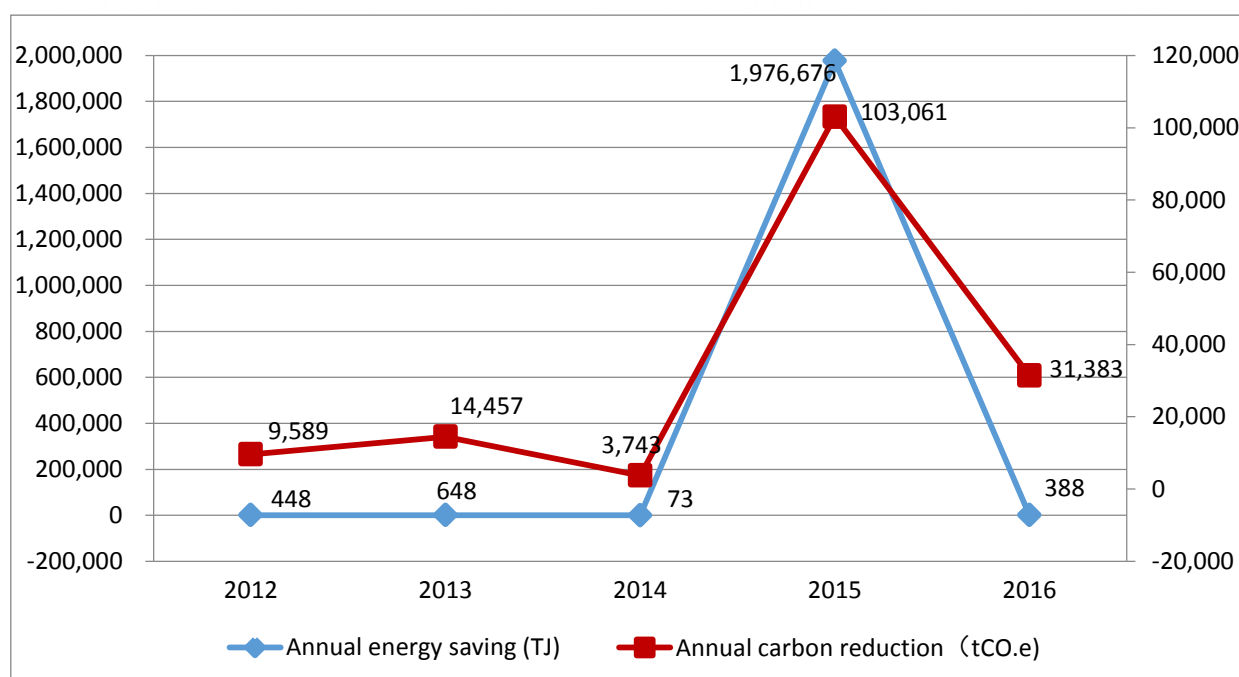
COMPANY (PLANT)	ENERGY SAVING MEASURES	EFFECTIVENESS OF ENERGY SAVING
Jiangxi Yadong	Stopped using #1 & #2 raw material mills' dust collectors attached to feeders	Reduced electricity consumption by 135,100 unit
	Installed a clinker transfer loading station to Plant #1	Reduced electricity consumption by 743,400 unit
	Built up sandstone mill 7#	Reduced coal consumption by 9,789 tons Reduced electricity consumption by 3,359,000 unit
	Extended the stop grinding time of coal mill #5 & #6	Reduced electricity consumption by 644,000 unit
Hubei Yadong	Newly added a harmonic processor for each of packaging room and loading station	Reduced electricity consumption by 952,000 unit
	Newly added frequency converters for waste heat generating water pumps	Reduced electricity consumption by 270,000 unit
Sichuan Yadong	Newly added a frequency converter for #2 coal mill exhaust windmill	Reduced electricity consumption by 319,400 unit

**Effectiveness of energy-saving and carbon reduction reached remarkable results in 2016, carbon reduction was 31382.64tCO<sub>2</sub>e<sup>G4-EN19</sup>.**

COMPANY (PLANT)	ENERGY SAVING MEASURES	ENERGY SAVING CALORIFIC VALUE (TJ)	CARBON REDUCTION (tCO <sub>2</sub> e)
Jiangxi Yadong	Reduced one stove hydraulic pump in one segment of cooler #1	0.18	38.40
Jiangxi Yadong	Reduced one of the blowers used in #1 mixing library	0.35	73.70
Jiangxi Yadong	Stopped using #1& #2 raw material mills' dust collectors attached to feeders	0.49	101.30
Jiangxi Yadong	Integrated use of kiln air compressors #3 & #4	0.35	73.81
Jiangxi Yadong	Strengthened control on 33410 dust collection windmill	0.26	53.39
Jiangxi Yadong	Installed a clinker transfer loading station to Plant #1	26.76	557.52
Jiangxi Yadong	Built up sandstone mill 7#	298.91	28362.21
Jiangxi Yadong	Extended the stop grinding time of coal mill #5 & #6	2.31	483.00
Jiangxi Yadong	Replaced the raw material dust collector 's chute with chute-tube	0.88	18.38
Jiangxi Yadong	Simplified and optimised the high pressure windmill of bulk cement loading system	0.00	21.45
Jiangxi Yadong	Changed the operation methods on delivering bulk cement from Plant #2 to Plant #1, to improve loading efficiency	0.00	88.50
Hubei Yadong	Newly added a harmonic processor for each of packaging room and loading station	34.27	713.99
Hubei Yadong	Newly added frequency converters for waste heat generating water pumps	12.90	268.74
Hubei Yadong	Newly added frequency converters for dust collection windmills at the top of cement warehouse	0.96	20.05
Hubei Yadong	Newly added frequency converters for #1 kiln windmill	3.91	81.36
Hubei Yadong	Reduced the outlet pressure of kiln head pulverised coal delivery blower #2	1.22	25.32
Wuhan Yaxin	Replaced high energy consumption motors in the whole plant with energy saving motors	1.15	24.00
Sichuan Yadong	Newly added a frequency converter for coal mill exhaust windmill #2	0.12	239.54
Wuhan Yali	Developed fuel consumption bonus release management measures	1.80	87.40
Total		388.10	31382.64

Note: Calculated in accordance with " Greenhouse Gases Emissions Accounting Methods and Reporting Guidelines for the PRC's Cement Production Enterprises (Trial)" (《中国水泥生产企业温室气体排放核算方法与报告指南（试行）》) and General Principles for Calculation of the Comprehensive Energy Consumption (GB / T2589-2008).

## Asia Cement (China)'s Energy Saving and Carbon Reduction Performance and Goal Achieved



## Transportation Energy Conservation Management G4-EN7, G4-EN27

Fuel costs which have always been the major operating costs in transportation industry and remained at high levels, together with the often-heard drawbacks of the private sales of remaining fuel, made the reasonable control on fuel costs more desirable than ever. In light of this, Asia Cement (China) developed the following four improvement measures and carried on improving and implementing energy saving improvement measures in 2016.

### Fuel Saving

Vehicle management personnel carried out vehicle fuel consumption tests for mixers and auto pumps to approve fuel consumption standards. Vehicle fleets advocated proper fuel saving ways for mixers and auto pumps.

### Fuel Saving Incentive

Formulate corresponding fuel consumption bonus release management measures, and HINO mixers' fuel consumption standard is 0.48 L/km, auto pump 0.47 L/km and pump conveyance 0.52 L/ m<sup>3</sup>.

### Lower Running Speed to Reduce Dust

The proportion of Yali vehicles with on-site running speed below 30 miles is 100% and that for off-site below 60 miles is 50%. All vehicles have been fully installed GPS and DVR to give a full-time monitoring.

### Hardware Fuel Saving Improvement

Replaced previous models with GB4-emission vehicles to reduce tail gas emissions. The proportion of GB4-emission vehicles in 2016 was 35%, and gradually increases the proportion of new lightweight vehicles.

Improvement  
Measures



## Cement Products Energy-saving Management <sup>G4-EN7</sup>

### Management measures for saving fuel

The fleet promoted the correct way of saving fuel for mixers and auto pumps, such as removing adhesive materials in mixing barrel regularly, cleaning hopper and mixing barrel timely after unloading (to reduce their tare weight ), the empty car should stall when it comes back to factory for loading and so on.

Increase the mixing amount for each batch, which is described as follows:

1. Reduce the mixing times and total operation time.
2. Reduce the delivery times of the concrete trucks.

### Management measures for electricity consumption

### Management measures for belt conveyor

Belt conveyor should feed materials and produces reasonably according to the output.

## Green Harbor Energy-saving <sup>GN-EN7、G4-EN27</sup>

Jiangxi Yadong's specialised wharf has first implemented the shore power project for the large-scale closed bulk cement ship, Changya-1 (长亚一号). Shore power technique can reduce fuel consumption and exhaust pollution from power generation system when Changya-1 anchors, which can save 9,300L fuels each year and reduce exhaust emission.



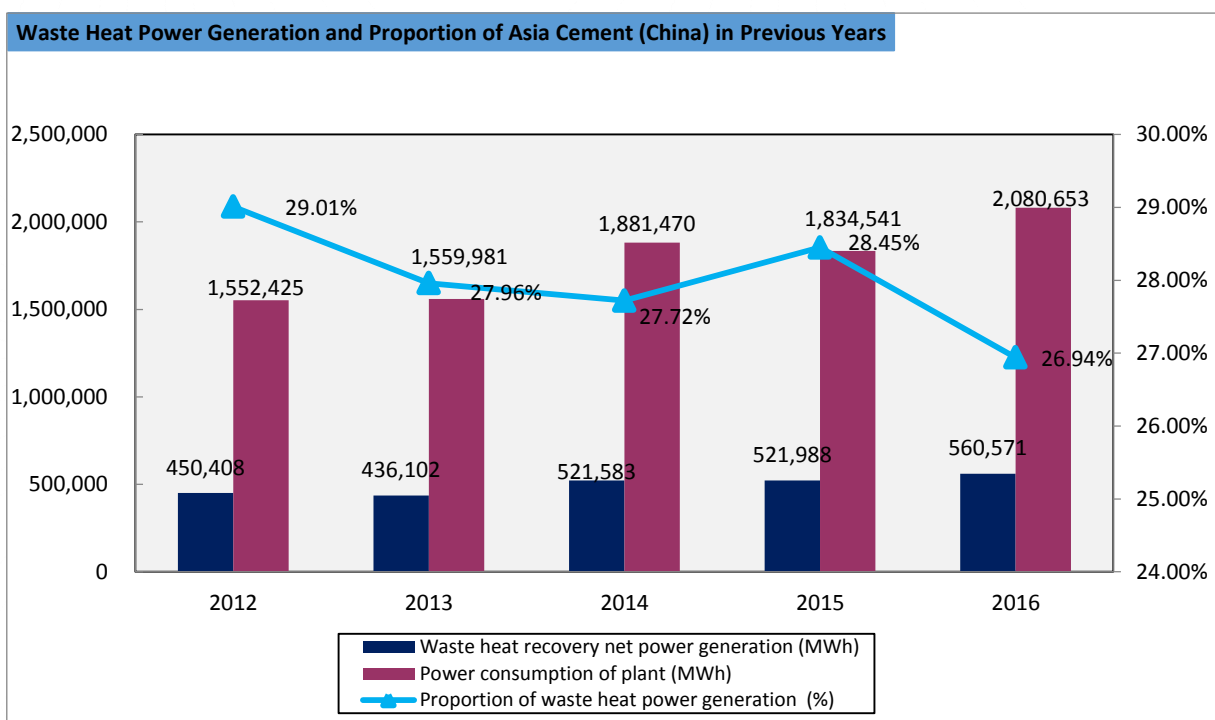
## Energy Saving Regulations in Workplace <sup>G4-EN27</sup>

Since 2010, Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yaxin, Wuhan Yadong, Sichuan Yadong, Yangzhou Yadong and other subsidiaries has stipulated the energy saving regulations in the office and workplace regarding electricity, fuel, water, and resource recycle, including changing electricity using habits and encouraging paper recycling, for all employees to follow.

### Equipment Operation Efficiency

Energy Management System Requirements (《能源管理体系要求》) (GB/T23331-2012/ISO50001:2011) issued by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (国家质量监督检验检疫总局) and the Standardisation Administration of the PRC (国家标准化管理委员会) regulates the energy efficiency index for clinker system, rotary kiln system and cement grinding system which took effective from 1 January 2015 and will be assessed annually of the results achieved.

1. From 2012 to 2016, all equipment for the plants of the Southeast region, Southwest region and East China region of Asia Cement (China) had met the energy efficiency index.
2. Due to the cement produced in 2016 containing slag powder and various mixed powder, Wuhan Yadong was not able to reach the requirement of comparable cement comprehensive energy efficiency index. Having suffered from heavy rain since 1 January 2016 till this year, Hubei Yadong's raw material was flooded, leading to poor delivery of cement and several interruptions of kilns. Besides, affected by the quality of limestone, the strength of clinker continued to decline. In order to improve the strength of clinker, it should keep the average N value of clinker between 2.64-2.70 and it was increased compared to the third quarter of 2015. As the burnability of raw material deteriorates, the unit coal consumption of clinker will increase. What's more, affected by the quality of sandstone, the N value of ancillary material and raw material in quality control group have been fluctuated greatly, which had great influence on clinkering. Under the influence of SP boiler, rotary kiln systems have poor ventilation; the preheaters have too many adhesive materials; the clinkering is unstable and the kiln output has decreased, resulting in low strength of clinker after 28 days and low efficiency of waste heat power generation.

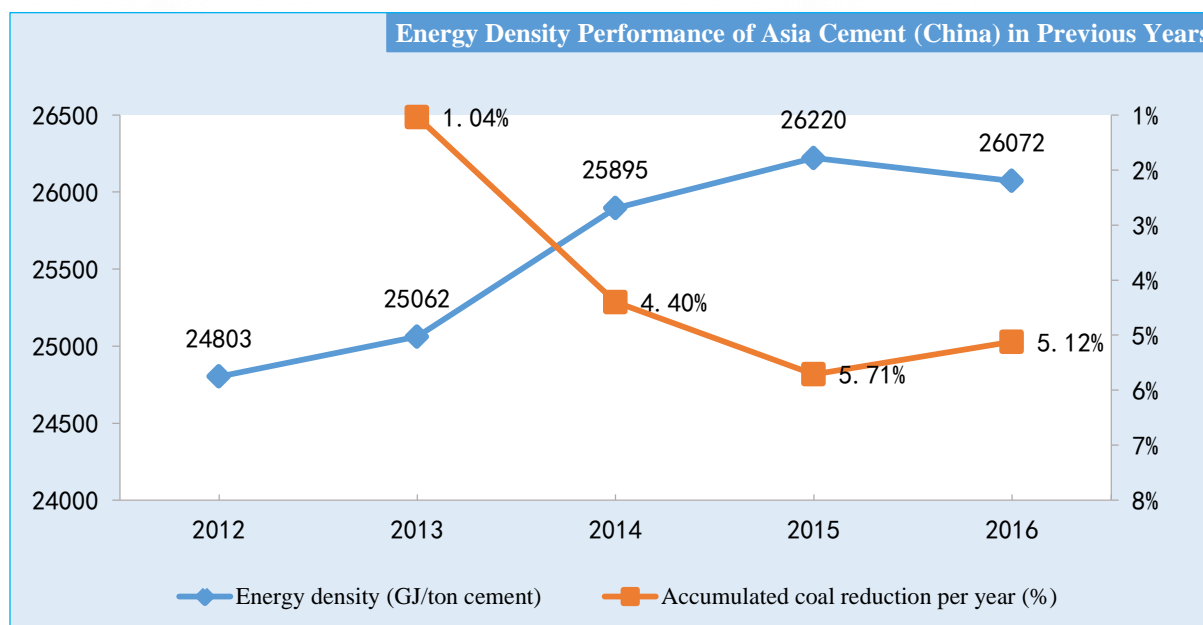


## Waste Heat Power Generation System

Jiangxi Yadong Plant 1, Jiangxi Yadong Plant 2, Huanggang Yadong, Hubei Yadong, Sichuan Yadong and other subsidiaries of Asia Cement (China) have installed waste heat power generation systems. The waste heat generated from the rotary kiln systems is used to produce hot water, and then through the furnace, the high pressure steam is generated and provided to generator to generate power. The performance of recycling heat to generate power is good. Total amount of electricity generated by manufacturing plants with waste heat power generation system in 2012 and 2013 was 197 million KWhs and 188 million KWhs, respectively. As Jiangxi Yadong Plant 2 was put into production in 2014, the total electricity generation reached 270 million KWhs. With a stable growth, the total electricity generation in 2015 and 2016 was 284 million KWhs and 303 million KWhs, respectively. Historically, the percentage of the electricity generated from recycled waste heat was between 27.72%-29.01% of the total electricity consumption.

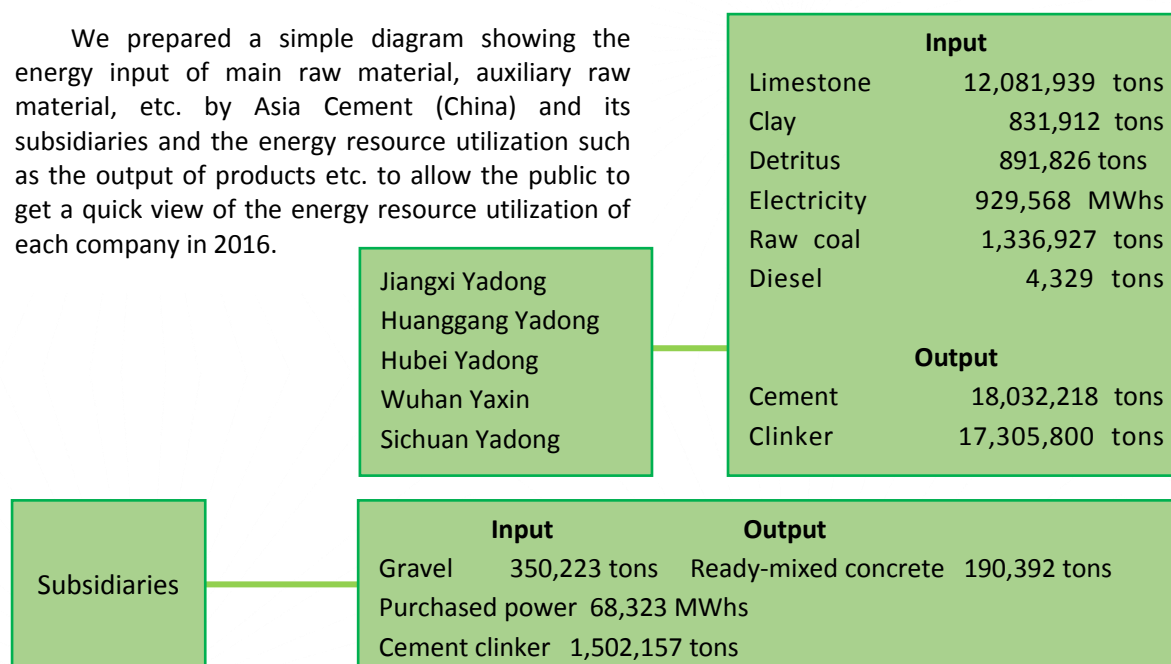
## Energy Density G4-EN3, G4-EN5

Asia Cement (China) has set up a long-term goal for its energy density in accordance with the national standard “Energy Management System Requirements” (GB/T23331-2012/ISO50001: 2011) and “Energy Consumption Limit for Cement Unit Products” (GB16780-2012). Jiangxi Yadong, Huanggang Yadong, Hubei Yadong, Wuhan Yaxin, Sichuan Yadong, Wuhan Yadong, Yangzhou Yadong and other inter-group companies strived to reduce energy density annually. Taking 2012 as the benchmark, the energy-density reduction rate in 2016 amounted to 5.56%, which was a fruitful performance.



## Raw Material and Energy Resource Utilisation G4-EN1

We prepared a simple diagram showing the energy input of main raw material, auxiliary raw material, etc. by Asia Cement (China) and its subsidiaries and the energy resource utilization such as the output of products etc. to allow the public to get a quick view of the energy resource utilization of each company in 2016.

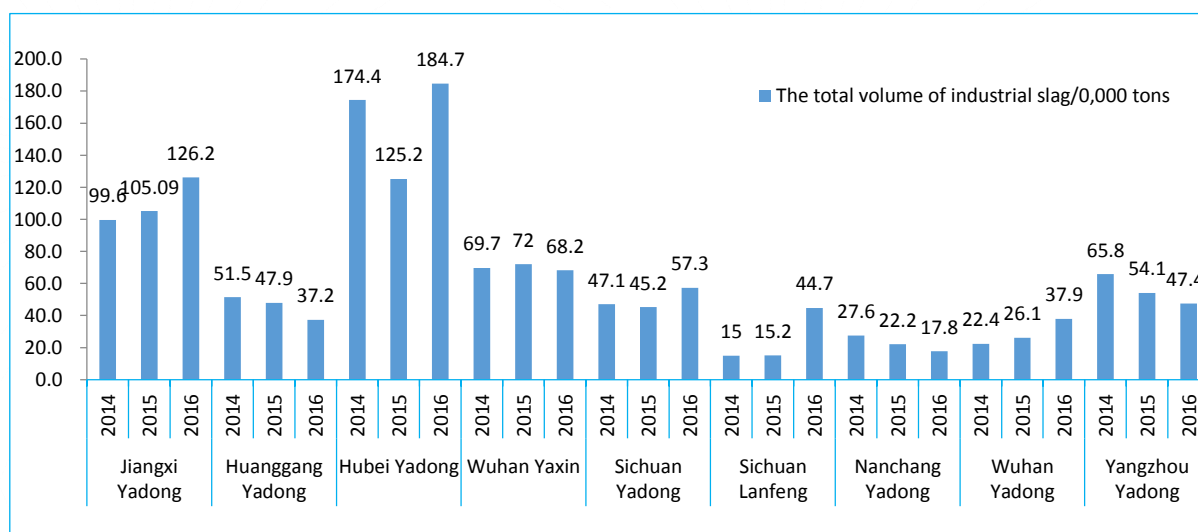


## 4.5 Waste Reduction

### Comprehensive Utilization of Industrial Wastes Resources G4-EN23

Asia Cement (China) actively responded the policies of recycling economy and comprehensive utilization of resources promoted by the government, comprehensively utilizing various industrial slags to produce cement to save mineral resources, so as to effectively alleviate the contradiction between economic growth and resource shortages. At the same time, the utilization of industrial slag could reduce the environmental pollution, turn its harm into the good, turn wastes into treasure, and create wealth for the society. Since piling up the industrial slag needed to take up a lot of lands, the comprehensive utilization of slag could reduce the floor area of slag and save the valuable land resources. The utilization of industrial slag by Asia Cement (China) was a measure benefiting the country and the people.

#### The Total Utilization Volume of Industrial Slag by Consistent Cement Companies and Cement Grinding Companies under Asia Cement (China)



The detailed data are as follows:

Industrial wastes / tons	Jiangxi Yadong			Huanggang Yadong			Hubei Yadong		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Fly-ash / tons	3189	39201	93549	65293	98463	52666	409748	279689	328376
Coal slag / tons	84458	68057	96794	29578	50333	58401	0	0	0
Limestone powder / tons	448164	372715	209855	214011	197584	139806	895661	571914	1113908
Desulfurization gypsum / tons	325245	358912	412737	100114	79991	76333	168129	148753	191541
Phosphogypsum / tons	48934	14182	29342	31587	35722	38589	19059	30709	26109
Converter slag / tons	0	139927	396708	34599	447	6414	183850	153361	132333
Non-ferrous metal slag / tons	85951	57876	23157	0	0	0	67357	67173	54628
Sulfate slag / tons	0	1	0	39859	16772	0	0	0	0
Subtotal / tons	995941	1050871	1262142	515041	479312	372209	1743804	1251599	1846895

Industrial wastes / tons	Wuhan Yaxin			Sichuan Yadong			Sichuan Lanfeng		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Fly-ash / tons	29533	27650	0	157	0	0	0	0	0
Coal slag / tons	0	17228	29569	0	0	0	1130	0	199365
Limestone powder / tons	507456	523370	527165	0	0	0	0	0	0
Desulfurization gypsum / tons	75112	69487	61639	137939	177737	211537	323	0	3089
Phosphogypsum / tons	6793	6468	1137	104697	115756	151886	74599	76234	97217
Converter slag / tons	0	0	0	117672	57131	9335	0	0	0
Non-ferrous metal slag/ tons	573	0	263	110335	34080	9380	30889	1704	61272
Electric furnace slag / tons	77079	76094	62160	0	0	62832	6959	10032	7203
Sulfate slag / tons	0	0	0	0	47000	88733	35853	64424	78468
Tailings / tons	0	0	0	0	19868	39030	0	0	0
Subtotal / tons	696546	720297	681933	470800	451572	572733	149753	152394	446614

Industrial wastes / tons	Nanchang Yadong			Wuhan Yadong			Yangzhou Yadong		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Fly-ash / tons	121495	90615	58187	129	26667	30184	378803	328126	236214
Coal slag / tons	0	0	0	0	2327	117541	100810	69952	37346
Limestone powder / tons	154692	131740	119736	0	85590	113946	0	12840	44658
Desulfurization gypsum / tons	0	0	0	31703	52552	87059	167713	127000	144040
Phosphogypsum / tons	0	0	0	15818	17919	11621	1430	0	0
Converter slag / tons	0	0	0	0	0	0	0	0	0
Non-ferrous metal slag / tons	0	0	0	176262	76102	8228	0	0	0
Electric furnace slag / tons	0	0	0	0	0	10531	9254	3056	12023
Subtotal / tons	276187	222355	177923	223912	261157	379110	658010	540974	474281



## Wastes Disposal<sup>G4-EN23</sup>

The production processes and products of each cement company under Asia Cement (China) have not generated hazardous wastes but mainly general production and household wastes. Wastes disposal was followed the national environmental requirements for classification, of which the recyclable wastes were recycled before reuse, the non-recyclable wastes were incinerated or buried for sanitation, and the waste batteries were recycled by qualified institutions commissioned in accordance with environmental regulations.

### Wastes Disposal of Consistent Cement Companies and Cement Grinding Companies under Asia Cement (China)

Type of wastes	Disposal method	Asia Cement (China)		
		2014	2015	2016
Household wastes / tons	Burned in kiln / sent to environmental sanitation station	1507	1438	1440
Waste soil, gravel, waste concrete, and test blocks / tons	Used in the raw mill as grinding ingredients	4341	16261	8934
Refractory bricks / tons	Recycled and auctioned / buried for sanitation	165	171	170
Waste metal / tons	Recycled and auctioned	3068	1881	2586
Waste paper / tons	Recycled and auctioned / burned in kiln	10	6	5
Waste belts and tires / tons	Recycled and auctioned	208	209	171
Waste lubricating oil and engine oil / tons	Chain lubrication for own use / burned in kiln or hot air furnace	245	213	358
Waste chemical test solution / tons	Discharged to sewage station after wastewater pretreatment	3.5	2.5	2.2
Waste batteries / tons	Sent to the qualified unit for recycle	2.6	2.6	2.6
Others (waste wood) / tons	Recycled and auctioned	14.46	0.05	0.06
Subtotal / tons		9564.56	20184.15	13668.86

## 4.6 Create Friendly Green Environment

Asia Cement (China) designed according to the concept of “standardized exploitation, comprehensive utilization of resources, restoration management” and adopted the techniques including slicing from the top to the bottom (bank height: 12M), mid-deep hole blasting (the technique of hole-by-hole blasting in microsecond), short distance delivery, closed crushing conveying system with dust collector, a belt conveyor through vertical well and horizontal tunnels, closed storage of rock and restoration management.

In 2016, the main environmentally friendly works of mines under our Company were as follow:

### Reduced Emission in the Mines

In order to achieve the stripping balance, a large number of high magnesium waste rock need to be stripped off in Huanggang Yadong limestone mine for exploitation and the following two measures were taken: 1. investment was made to construct an aggregate production line of approximately 350 tons/hour which can strip off high magnesium waste rock approximately 1.4 million tons per year. The waste rock would be processed into aggregate. (This project was commenced in 2012); 2. Adjusted the formula of cement raw materials by increasing the magnesium oxide contained in limestone from 1.5% to 2.5%. There was approximately 1 million tons of high magnesium waste rock was mixed per year. Turning the waste rock into cement required to overcome the premix of the mine, quality control proportioning and technical adjustment of firing control (implemented in 2016). After the implementation, exploitation cost and land occupation were reduced without affecting the quality and quantity of the cement plant's products.

Stripped waste rocks used to be abandoned amounted to approximately 2.4 million tons per year, can generated a benefit of RMB17.542 million after the comprehensive utilization of the two major measures above which mainly due to the process of the waste rock into aggregate, the reduce in stripping cost and the rent of the waste rock dump.

## Reclamation of Mines and Conservation of Water and Soil <sup>G4-EN11, G4-EN12</sup>

To implement the Company's production concept of focusing on both exploiting resources in mines and conservation of the environment, we stuck to the principle of slicing from the top to the bottom in the exploitation of the mines under our Company, and soil dressing would be refilled, trees would be planted and reclamation would be made after the exploitation. Trees and grasses to be planted were selected under the principle of local and drought-enduring. Generally, soil dressing would be refilled by the end of February, and plantation would be completed before the Tomb-Sweeping Day. Watering and weeding will be carried out regularly after the completion of reclamation to ensure the survival rate of seedling. The constructed facilities (sedimentation tank, drainage ditch and retaining wall) to conserve water and soil would be maintained and desilted regularly while exploiting the mining to ensure their function of conservation of the water and soil.

### I. Completed Reclamation in 2015

Company	Scope	Name and quantity	Investment amount for restoring treatment
<b>Jiangxi Yadong</b>	<ol style="list-style-type: none"> <li>Jiangxi Yadong's Huawu Sandstone Mine</li> <li>Limestone mine</li> </ol>	<ol style="list-style-type: none"> <li>Reclamation area of the ultimate side slope at the eastern section was approximately 22,000 m<sup>2</sup>. Greening length of the road entering the mine was 500 meters.</li> <li>The #3&amp;#4 conveying systems of the crushing machine had a green area of 12,000 m<sup>2</sup>. The greening work of scattering grass seeds on peripheral mountain slope protection and side slope of the #2 conveying system. The length of slope protected by rubbles was approximately 120 meters, and the length of slope protected by greening with grass seeds was approximately 300 meters. To avoid water and soil erosion around the two-way belt transportation machine of raw coal and clinker, grass seeds were scattered along the side slope for 500 meters. To avoid water and soil erosion around power generation belt machine at downhill, grass seeds was scattered along the side slope for 800 meters. We planted 100 trees and constructed three dams and a sedimentation tank.</li> </ol>	RMB3,525,000
<b>Huanggang Yadong</b>	<ol style="list-style-type: none"> <li>The platform greening area in 2014 was 1,800m<sup>2</sup></li> <li>The total greening area in 2015 was approximately 6,700m<sup>2</sup></li> </ol>	<ol style="list-style-type: none"> <li>3 retaining walls, 2,325 meters of gutterways and 5 culverts were built</li> <li>In 2014, the seedlings planted for road greening were 4,040, greening area of 220 ultimate platforms was 1,800m<sup>2</sup> and grass seeds scattered were approximately 120kgs</li> <li>Grass seeds scattered in 2015 were approximately 70kgs. Total number of transplanted trees was 558, of which locust were 428, camphor trees were 67 and pines were 63.</li> </ol>	The cost for restoring treatment and greening, repairing gutterways and detritors was approximately RMB2.80 million.

Reclamation of Section of Ultimate Platform



Road Greening of the Mine



## II. Completed Reclamation in 2016

Mine	Scope	Name and quantity	Investment amount for restoring treatment
Jiangxi Yadong	1. New crusher system at limestone mine 2. Sandstone mine	1. A greening area of 60,000 m <sup>2</sup> and 200 meters of gutterways was repaired 2. The ultimate side slope of an area of 3,000 m <sup>2</sup> was regreened	RMB310,000
Huanggang Yadong	Limestone mine	An area of 5,750m <sup>2</sup> (8.625 mu) was regreened, and grass seeds of approximately 70kgs were scattered	The cost of restoring treatment and greening, repairing gutterways and detritors was approximately RMB800,000

### Energy Saving and Environmental Protection Improvement:

The downhill belt conveyor for transportation of 2#transportation system of Sichuan Yadong mine replaced its wheels with those producing lower noise. As at November 2016, the mine accomplished the lower-noise-wheels replacement of downhill belt conveyor of 2#transportation system 2019 with about 3700 wheels being replaced, which covering about 870 meters of the belt conveyor for transportation and costing approximately RMB730 thousand. The noise level around the belt conveyor reduced 10.4dB(a) from 75.9dB(a) to 65.5dB(a). The night noise standard in residential area is below 50dB(a) and the noise level was about 50dB(a) before the replacement and reduced to about 44dB(a) thereafter.



Sichuan Yadong Mine 2#Transportation System Downhill Belt Conveyor

## 4.7 Compliance with Laws and Regulations G4-EN29

### Penalties concerning Environmental Protection

Asia Cement (China) takes forward continuous improvements in process equipment and enhancements in relevant prevention equipment so as to continuously reduce the damage to environment in the course of production or activities. There were no non-compliance events or penalties regarding to environment protection in 2016.



## Happy Enterprise

### OCCUPATIONAL SAFETY AND HEALTH

Staff is the most valuable fortune of a company. Asia Cement (China) has always upheld that only with healthy staff and safe working environment can produce reliable and safe products for customers. Therefore, Asia Cement (China) developed policies and goals for safety and hygiene management according to Safety Production Standardization Marking Scheme for Cement Enterprises (《水泥企业安全生产标准化评分标准》) to improve and manage staff's healthy status, and we also introduced improved management system including conducting comprehensive risk assessment in workplaces and setting up various management systems and standards for safety practices in compliance with the decrees relating to occupational safety and hygiene such as Production Safety Law of the PRC (《中华人民共和国安全生产法》), which took safety as its basic requirement and by improving the working environment and mechanical devices (facilities) actively to ensure a safe and secure circumstance being created.

## 5.1 Management Policy and Goals on Health and Safety

In terms of management policy on health and safety, the Company has adopted the founding spirit of the Far Eastern Group of "Sincerity, Diligence, Thrift, Prudence and Innovation" to sincerely fulfill its corporate social responsibility and to abide by regulations to establish and improve management organizations and systems. It made risk assessment carefully to each operation, set up standard operating procedures and adopted appropriate safe construction approach. All employees are required to be involved in the system and to receive the training in order to attain the habit of safety as the first priority. Through the way of walking management, the Company is able to predict and to take appropriate measures in order to prevent the disaster from happening. It endlessly drives innovative R&D and improves safety measures to create a working environment of zero disaster in order to protect the safety and health of the laborers. A part of Asia Cement (China) organizational culture is to create a safe and healthy work place, thus, each employee feels safe working here.

### Occupational Health, Safety and Hygiene Management Policy of Asia Cement (China)



## 5.2 Management Performance of Safety and Hygiene

### Management of Plans and Appraisal of Performance

Asia Cement (China) manages its operational procedure under the direction of annual safety production guidelines, objectives and indicators and establishes safety production goals and appraisal standards of performance. The environmental protection and working safety department of the Company conducts regular inspection on each unit and evaluation monthly (including proactive and passive performance) and reports the implementation effect of each unit to the Production Safety Committee.

The statistics of 2016 occupational safety and hygiene management performance appraisal of Asia Cement (China) on each plant							
Unit	Safety level	Material occupational disasters	Ordinary occupational disasters	Total working hours	FR	SR	FSI
Jiangxi Yadong	safe	0	2	2624160	0.76	18	0.12
Huanggang Yadong	safe	0	1	744480	1.34	150	0.45
Hubei Yadong	safe	0	6	1166880	5.14	37	0.44
Wuhan Yaxin	safe	0	3	844800	3.55	36	0.36
Sichuan Yadong	safe	0	3	1552320	1.93	24	0.21
Sichuan Lanfeng	safe	0	5	1143120	4.37	72	0.56
Total	safe	0	20	8075760	2.47	44	0.33

Note: The relevant formulas of assessing occupational disaster are as following:

FR (Frequency Rate)=times of disability injury×1000000/total working hours

SR (Severity Rate)=lasting days of disability injury×1000000/total working hours

FSI (Frequency-Severity Indicator)= $\sqrt{FR \times SR/1000}$

AR (Absence Rate)=(total sick leave hours+total injury leave hours+total personal leave hours)/total working hours×100%

### Training of Occupational Safety and Hygiene Management



Asia Cement (China) possesses a complete management team for occupational safety and hygiene which regularly or irregularly conducts educational training. In addition to minimize its own risks, the team also shares its rich management experience to contractors.

Regarding to the subsidiaries: meeting was held to review the false alarm relating to occupational safety and hygiene of affiliated enterprises, which was presided by the chief deputy general manager and attended by all the staffs. The meeting expressed the determination of senior management to practice the policy and reviewed the effectiveness and exchanged their understanding to management so as to enhance the knowledge of safety management and avoid safety-related incidents.



## Demonstration of Occupational Safety and Hygiene Management

On 4<sup>th</sup> May, 2016, Ruichang plant of Jiangxi Yadong Cement Corporation Ltd. exercised fire emergency evacuation plan in the specialized wharf for port business department as scheduled in its emergency response program and shared the rescue experience.

Regarding to contractors: we treat workers from the contractors as our own staff. Besides of on-site inspecting and offering necessary guidance, we also provide relevant education and training to improve their safety and hygiene performance so as to reduce working accidents and health hazards.





## Monitor and Improve the Environment of High-risk Workplaces and Significant Health-harming Workplace

Each plant of Asia Cement (China) had set up relevant safety operation standards based on the risk assessment conducted in respect of the health-harming environment caused by noise, dust, drinking water and others, and monitors the environment internally and regularly engages external party to carry out environment monitoring and personnel health examination as required. There was no occupational disease as determined according to the regulations and the occupational disease rate (ODR) was 0% in 2016. In addition, we not only improve the environment safety but also provide essential harness in high-risk operational sites such as overhead, electric shock, scaffolding and flying objects. Educational training and danger prediction training were carried out to arouse employees' safety awareness so as to reduce unsafe behavior. We conduct examination inside the plant and daily on-site inspection and supervision to prevent the occurrence of harm effectively.



## Asia Cement (China) 2016 Statistics on the Number of Employees Engaging in Operations with Special Health Hazards for Health Inspection

Operation Sites	 Dust	 Noise
Jiangxi Yadong	804	804
Huanggang Yadong	49	49
Hubei Yadong	284	284
Wuhan Yaxin	256	256
Sichuan Yadong	385	385
Sichuan Lanfeng	287	287
Wuhan Yadong	42	51
Yangzhou Yadong	102	73
Hubei Yali	0	0
Sichuan Yali	63	12
Wuhan Yali	107	107
Chengdu Yali	11	11
Sichuan Yali	9	9
Taizhou Yadong	24	24

## Statistics of Occupational Disasters

Based on the important occupational disaster disabling statistics index announced by authority and GRI G4, in the analysis of occupational hazard statistics, Asia Cement (China) selected Disabling Frequency Rate (FR), Disabling Severity Rate (SR), Frequency-Severity Indicator (FSI) and Attendance Rate (AR) as the basis (the data does not include traffic accidents outside of the plant).

Asia Cement (China) follows the existing occupational safety and health management system to strengthen occupational disaster management toward the goal of zero disaster. The statistics of occupational disasters in the year of 2016 are as follows: <sup>G4-LA6</sup>

2016 Asia Cement (China) Occupational Disaster and Attendance Statistics											
Operation Sites	FR			SR			FSI			AR	
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female
Jiangxi Yadong	0.85	0.00	0.76	21	0	18	0.13	0.00	0.12	0.02%	0.00%
Huanggang Yadong	1.44	0.00	1.34	161	0	150	0.48	0.00	0.45	0.13%	0.00%
Hubei Yadong	4.75	8.60	5.14	38	26	37	0.43	0.47	0.44	0.03%	0.02%
Wuhan Yaxin	4.28	0.00	3.55	43	0	36	0.43	0.00	0.36	0.03%	0.00%
Sichuan Yadong	2.16	0.00	1.93	27	0	24	0.24	0.00	0.21	0.02%	0.00%
Sichuan Lanfeng	5.11	0.00	4.37	84	0	72	0.66	0.00	0.56	0.07%	0.00%
Nanchang Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Wuhan Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Yangzhou Yadong	6.76	0.00	5.98	307	0	271	1.44	0.00	1.27	0.25%	0.00%
Jiangxi Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Hubei Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Sichuan Yali	63.13	0.00	3.38	126	0	7	2.82	0.00	0.15	0.10%	0.00%
Nanchang Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Wuhan Yali	3.47	0.00	3.05	1091	0	959	1.95	0.00	1.71	0.87%	0.00%
Chengdu Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Sichuan Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Taizhou Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Shanghai Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00%	0.00%
Subtotal	2.47	0.63	2.23	83	2	72	0.45	0.03	0.40	-	-
Total	2.23			72			0.40			-	-

2016 Asia Cement (China) The Occupational Disaster and Attendance Statistics of "Laborers of Contractors"									
Operation sites	FR			SR			FSI		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
Jiangxi Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Huanggang Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Hubei Yadong	3.88	0.00	3.78	117	0	114	0.67	0.00	0.66
Wuhan Yaxin	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Sichuan Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Sichuan Lanfeng	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Nanchang Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Wuhan Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Yangzhou Yadong	5.26	0.00	4.73	579	0	521	1.74	0.00	1.57
Jiangxi Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Hubei Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Sichuan yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Nanchang Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Wuhan Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Chengdu Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Sichuan Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Taizhou Yadong	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Shanghai Yali	0.00	0.00	0.00	0	0	0	0.00	0.00	0.00
Subtotal	0.60	0.00	0.53	34	0	30	0.14	0.00	0.13
Total	0.53			30			0.13		

Note : Formulas of occupational disaster statistic are as follow:

FR (frequency rate) = number of disabling hazards×1000000 / total work hours

SR (severity rate) =days of disabling hazards×1000000 / total work hours

FSI (frequency-severity indicator) = square root of FR×SR/1000  $FSI = \sqrt{FR \times SR / 1000}$

AR (attendance rate) = (total sick leave hours+total occupational injury hours+ total leave hours) / total work hours×100%

## 5.3 A Complete Occupational Safety and Health Management Organization and System

### Organization of Occupational Safety and Health <sup>G4-LA5</sup>

The headquarter and each plant of Asia Cement (China) have assigned unit and the staff to be responsible for occupational safety and health management by law. Depending on the nature and number of employees of the business unit, an appropriate management system is introduced and implemented; each business unit has established a work safety committee by law, the general manager of each business unit acted as the chairperson, the members included the department head, professionals and staff representatives. The committee holds a meeting at least once each month to propose suggestions to policies on safety and health, and to review and coordinate associated matters and make recommendation thereon. There is no disclosure about certain subsidiaries (Sichuan Yali, Nanchang Yali, Sichuan Yali, Shanghai Yali, Shanghai Yafu) as such subsidiaries has not set up a special work safety committee.

Composition Table of "Safety Production Committee" in the Places of Business				
Category Location	Chairperson	Number of manager and professionals	Number of staff representatives	Staff representatives ratio
Jiangxi Yadong	General Manager	75	20	21%
Huanggang Yadong	General Manager	24	8	25%
Hubei Yadong	General Manager	43	16	27%
Wuhan Yaxin	General Manager	11	13	54%
Sichuan Yadong	General Manager	23	9	28%
Sichuan Lanfeng	General Manager	32	13	29%
Nanchang Yadong	General Manager	8	0	0%
Wuhan Yadong	General Manager	8	6	43%
Yangzhou Yadong	General Manager	22	6	21%
Jiangxi Yali	General Manager	6	4	40%
Hubei Yali	General Manager	9	9	50%
Wuhan Yali	General Manager	11	2	15%
Chengdu Yali	General Manager	8	2	20%
Taizhou Yadong	General Manager	8	6	43%



## Occupational Safety and Health Management System

The headquarter of Asia Cement (China) requires its subsidiaries to establish a sound occupational safety and health management system. Up to 2016, HOSAS18001: 2007 occupational health and safety management system of certain subsidiaries has obtained a third-party certification or certification of standard enterprise for work safety standardization issued by work safety supervision and management department.

Table of Occupational Safety and Health Management System of Asia Cement (China)		
Place of business	Occupational safety and health management system	Performance recognition of the occupational safety and health management system of Ministry of Labor
Jiangxi Yadong	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Huanggang Yadong	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Hubei Yadong	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Wuhan Yaxin	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Sichuan Yadong	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Sichuan Lanfeng	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Wuhan Yadong	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Hubei Yali	Certificated by work safety standardization	Nil
Nanchang Yali	Occupational health & safety management system GB/T28001-2011/OHSAS18001: 2007 (Certificated by GJC)	Nil
Wuhan Yali	Certificated by work safety standardization	Nil

## Collective Agreement Incorporated in the Norm of Safety and Health <sup>G4-LA8</sup>

The Ruichang manufacturing plant of Jiangxi Yadong Cement Corporation Ltd. entered into Construction Safety and Health Regulations of Contractors with contractors, in which the norm of safety and health accounted for 56.5% of a total of 69 regulations, and the training for contractors will be conducted annually. It is a safety and health norm for the group to obey.

## 5.4 Employees' Health Promotion and Management<sup>G4-LA8</sup>

### Health Check and Management for Labor

According to the rules of "Measures for the Administration of Occupational Health Examination" and "Law on Prevention and Control of Occupational Disease", and for the purpose of enhancing the work of occupational health check to prevent and eliminate the occupational hazards and protect the health rights of workers, the health checks (to be accepted by employees on a voluntary basis) were offered to all employees for free by the Company before the post, during the post and upon leaving the post. A medical treatment or rehabilitation program will be proposed by the Company depending on employees' examination reports and clinical situations, and the Company will arrange an appropriate work shift according to the actual situation. The number of employee of the Company who has accepted the health check is 3,926 during 2016, of which 3,437 were males and 489 were females, and the Company has invested a total cost of RMB714,318 in this regard.

### Employee Health Promotion Activities

For enhancing healthy diet of employees, the Company operates its own cafeteria and restaurants to focus on hygiene and nutrition of food. In response to the food safety crisis, the Company will conduct examination or sample tests on each kind of food materials and send the same to quality control department for chemical examination every day, and the substandard food materials (such as excessive agricultural residues, etc.) will be returned to the suppliers. Furthermore, the Company will check the tap water of the living quarters every day to ensure the healthy water source. In order to enhancing awareness on healthy diet of employees, the Company has also set up a healthy diet column to post its recommendation on healthy diet on a quarterly basis, thereby promoting the employees to have a healthy diet concept.

### Protection of Female Maternal Health

According to the Special Rules on the Labor Protection of Female Employees, the Company will arrange the appropriate work and make flexible adjustment for female employees to protect their rights. Female employees of the company shall enjoy maternity leave (which in Jiangxi and Sichuan are 158 days, in Hubei, Jiangsu and Shanghai are 128 days) and breastfeeding leave (lactating women shall enjoy an hour of maternity leave every day, while those giving birth of more than one baby shall enjoy another one hour) according to the law, both of which are paid leave, and paternal leave shall be granted to men according to the state's regulations.

### Prohibition on Using Child Labor and Forced Labor<sup>G4-HR5, G4-HR6</sup>

According to the "Provisions on the Prohibition on Using Child Labor" of the People's Republic of China, the Company will strictly inspect candidates' ID cards and implement the background check system during recruitment, and engage no minors under the age of 16, in order to protecting the physical and mental health of minors, to promote the implementation of compulsory education system, and to protect the legitimate rights and interests of minors.

For protecting the personal freedom of the employees, the Company has always been honest in labor employment, and thus the employees employed by the Company are all voluntary to be employed. The force and fraud in labor employment shall not be allowed.

### Protection of Abnormal Work Hours and Workplace Violence

In order to protecting the physical and mental health of employees, the Company has formulated the "Rules of Employee Attendance Management" in accordance with the relevant laws and regulations such as the "Labor Law" and the actual management needs of the Company, stipulating that the on-site employees shall not work overtime for more than 36 hours each month, the administrative employees shall not work overtime for more than 15 hours each month, and the on-site employees cannot be arranged to work for 16 consecutive hours.

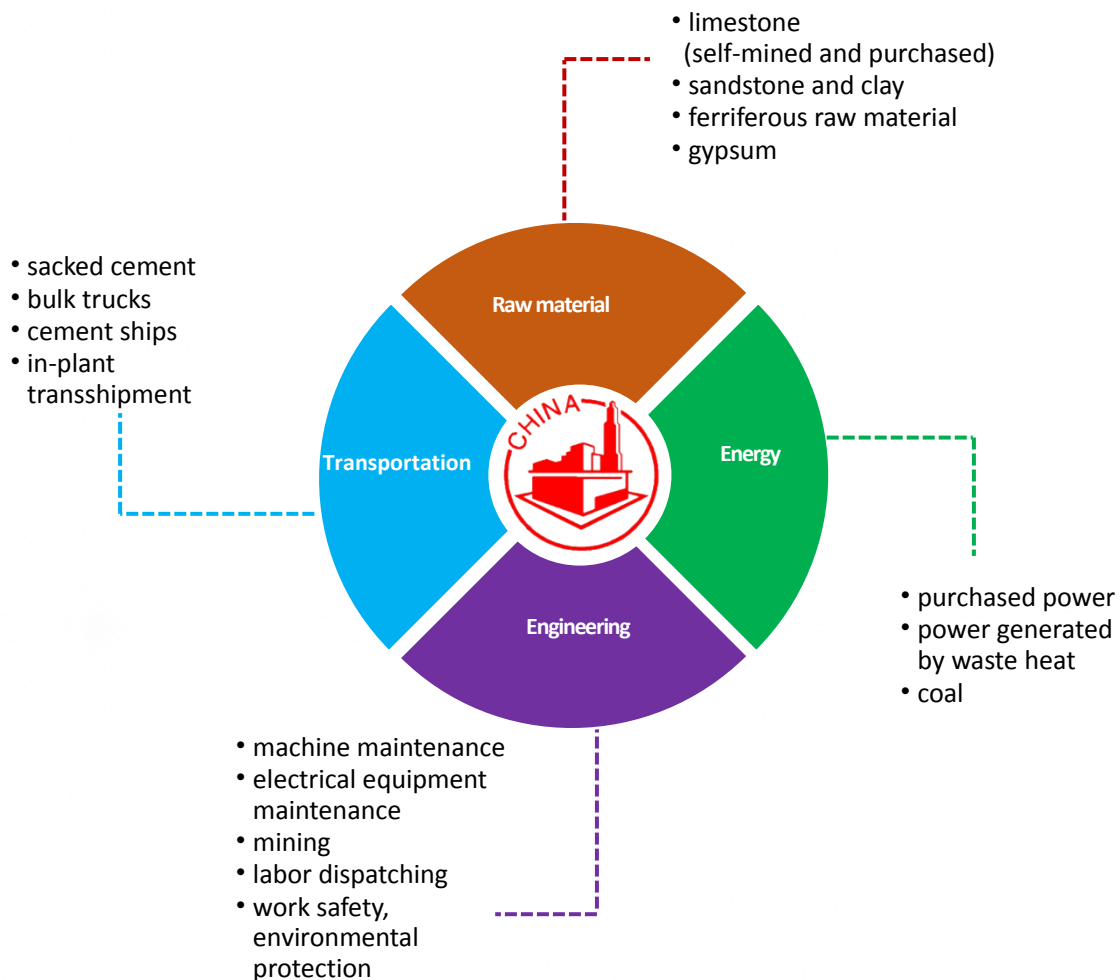
The Company is strictly prohibited from workplace violence. For the person coming to blows or the person having the activities of intimidation and coercion, committing violence or extending gross insults toward the responsible person of the Company in the workplace, the responsible person's family, the agents of the Company or other co-workers, the Company will terminate their employment contracts. In 2016, there was 1 incident involving fighting and assault between employees in the Company, and the Company dismissed two employees involved into such incident once the cause of incident came to light.

# Supply Chain Management And Customer Service



## 6.1 Supply Chain Management

### Overview of Asia Cement (China)'s Supply Chain <sup>G4-12</sup>



### Overview of Asia Cement (China)'s Supply Chain

#### Purchasing Division

Southeast purchasing division, central China purchasing division and southwest purchasing division under the administration department are organizations owned by Asia Cement (China) for the integration and sharing of purchasing resource information, whose functions are to process concentratedly the purchasing-related businesses of Asia Cement (China). The mission statement made by purchasing divisions under the administration department is that: to become a professional procurement service team trusted by customers and suppliers to make expected contribution to the sustainable development of society and environment by integrating internal and external resources of the Group and strengthening the synergy function and with a target of 5Rs (Right time, Right item, Right price, Right volume, Right source), 3Ds (Deep in, Diversify, Do it as much as you can) and 1L (Incorruption) and taking environment friendly, low carbon, safe and energy-saving supply chain as a direction under the effective risk control.

## Communication Platform and Complaint Channel

In order to achieving a smooth supply channel of Asia Cement (China) and a fair and impartial competition environment among suppliers, Asia Cement (China) should govern suppliers by Supplier Conduct Guidelines to make suppliers obey laws and improve suppliers' business integrity and moral quality. There is also a notice for suppliers stating bidding standards of Asia Cement (China). Apart from announcing relevant material purchasing information through network platform and leaving messages on official website, Asia Cement (China) often adopt online e-bidding and sealed bidding to ensure the fairness of price negotiation. If the suppliers have any objection to relevant test results of the Group, a letter of complaint may be sent and the test results from a credible third party may be adopted if necessary. Asia Cement (China) struggles to implant its entrepreneurial spirit of "Sincerity, Diligence, Thrift, Prudence and Innovation" in each supplier, creates a good atmosphere of supply and demand and popularizes its operation concept.

## Supplier Conduct Code

Supplier Conduct Guidelines	Description of provisions
<b>Compliance with regulations</b>	Compliance is the basis of cooperation, pursuant to which no illegal workers are allowed and all incoming raw materials and all outgoing products shall be safe and pollution-free.
<b>Data authenticity</b>	All documents concerning transactions shall be authentic and valid, and no forgery and forced transactions are allowed.
<b>Fair competition</b>	The supplier shall not infringe our rights and interests through fixing the selling price alone or in collusion with others, bid-rigging, bundling and abuse of market dominance.
<b>Honest and trustworthy</b>	The supplier shall not attempt to offer employees of the Company and their relatives a bribe (including pecuniary or non-pecuniary interests) to gain improper interests. The supplier also shall not offer any gifts or treats to employees of the Company or their family members and relatives for the purpose of gaining unfair advantages, which may have an adverse impact on the business decision of the Company.
<b>Interest relevance</b>	The supplier shall disclose any potential conflicts of interest to the Company, and if any employees of the Company or their family members and relatives have any interest in the businesses with the supplier or any kind of economic relationships with the supplier, the supplier shall disclose such information to the Company.
<b>Confidentiality of information</b>	The supplier shall guarantee and maintain the confidential and proprietary information of the Company, and such information shall be used only for the purposes authorized by the Company.
<b>Subcontract responsibility</b>	Without the written approval of Party A, the supplier shall not engage subcontractors. The approved subcontractor or transferee shall issue a written consent of accepting this code, which is also applicable to them.
<b>Communication and implementation</b>	The supplier shall communicate this code to its employees and subcontractors and explain related rights and interests to them. The Company encourages its supplier to establish a management system in compliance with the requirements of this guideline. The supplier shall appoint a senior management to inform the Company of matters not in conformity with the provisions of this guideline on an ongoing basis.
<b>Treatment for breach of guidelines</b>	If the supplier breaches any guidelines above, the Company may, at its own discretion, retain the rights to suspend or terminate the procurement from the supplier due to all losses to the Company resulted from the breach of such guideline by the supplier.

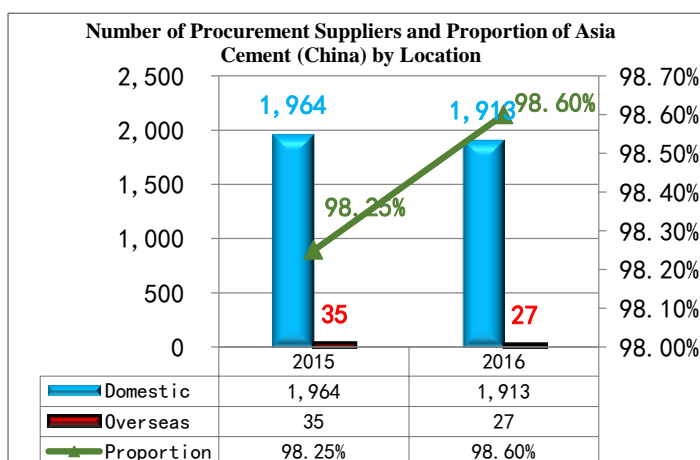
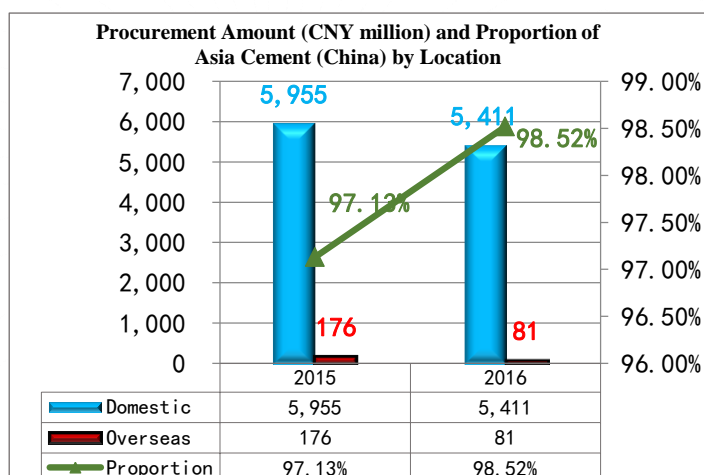
Regarding the specific implementation of Asia Cement (China) for the law compliance and integrity of suppliers, the Company has been requiring suppliers to sign "Supplier Responsibility Statement" since 2014, and most of the domestic suppliers have signed this statement.



## Realizing Local Procurement

In 2016, based on the procurement records, Asia Cement (China) made a purchase from 1,940 suppliers, out of which there were 1,913 domestic suppliers (representing 98.60% of total suppliers) and 27 overseas suppliers.

In 2016, the aggregate procurement amount of Asia Cement (China) was CNY5,492,743,419, out of which domestic procurement amount was CNY5,411,322,954, representing 98.52% of the aggregate procurement amount.



In 2015, based on the procurement records, Asia Cement (China) made a purchase from a total of 1,999 suppliers, out of which there were 1,964 domestic suppliers (representing 98.25% of total suppliers) and 35 overseas suppliers.

In 2015, in terms of procurement amount, the aggregate procurement amount was CNY6,130,769,730, out of which local procurement amount was CNY5,954,802,922, representing 97.13%.

## Self-discipline Code

The “Code of Conduct for Procurement Business” is established for the purpose of making procurement business credible, professional and compliance with business ethics, realizing value-based procurement and open procurement, and delivering the best overall value and comprehensive benefit to the Company.

Code of Conduct for Procurement Business	Description of provisions
<b>Personnel coverage</b>	Refer to all procurement-related personnel in general.
<b>General principles of self-discipline</b>	Procurement activities must strictly follow the procedure and system standards required by Procurement Management Regulations of the Company and reflect the principles of fairness, impartiality and openness. The purchasing staffs are in charge of achieving the best overall value for the Company, selecting and determining the best suppliers, and ensuring each procurement activity and decision can bring the best benefit to the Company.
<b>Conduct requirement</b>	Maintain the legitimacy, compliance and anti-bribery to ensure a righteous procurement procedure and a professional procurement.
<b>Conflict of interests</b>	When the supplier has private interests with <u>purchasing staff</u> or their main relatives, the <u>purchasing staff</u> shall declare the same and fill in the “Declaration Form for Conflict of Interest” in an active manner, and follow the principle of avoidance during the implementation of business.
<b>Interest acceptance</b>	All staff, no matter whether it is for themselves or for others, are forbidden to ask for or accept any pecuniary or non-pecuniary interests from the supplier or other persons, companies and institutions who have business contacts with the Company. The interests worthy of more than RMB100 or equivalents shall be accepted by the recipient under the name of the Company and with the approval of its direct first-level supervisor. “Declaration Form for Accepting Gifts and Presents” shall be filled in for declaration and subsequent treatment within five days after the acceptance occurred.
<b>Punishment for breach of code</b>	When discovering the breaches of this code, the staff of the Company shall report the same to first-level supervisor, internal audit supervisor or other appropriate supervisors in an active manner. The Company will keep the whistleblower and reported content confidential, and verification in this regard will be conducted by an independent channel. Those in violation of the code will be punished accordingly. An appeal system is set up for persons suspected of breaching this code to file an appeal and a request for relief accordingly.

## Supplier Evaluation

When selecting suppliers, the procurement department will apply the principle of evaluation before management, to evaluate the suppliers with different types, trading amount and trading frequency. In terms of the evaluation, suppliers are requested to sign the agreement and the associated articles are stipulated in it to ensure the quality of the suppliers. The evaluations in terms of engineering, labour service and service are mainly for the engineering contractors.

To ensure the quality of service, we will set up an evaluation team composed by demand department, factory director and other specialists of supporting units (other than procurement department). Such team will make reference to the delivery or engineering service records, field evaluation and relevant qualification certificates in selecting suppliers, and will, based on the bad transaction records, lower the evaluation rating or rule out the suppliers by assigning violation points, and will strictly control the suppliers to whom we have made prepayment for purchases.

No.	Description of Supplier Evaluation
1	We conduct annual evaluation on materials and engineering and semi-annual evaluation on raw materials with detailed records to rate them as "Grade A (outstanding)", "Grade B (qualified)", "Grade C (to be observed)" and "Grade D (ruled out)" as a basis for supplier selection.
2	The potential and existing manufacturing suppliers will accept relevant evaluations in terms of: 1. basic conditions such as legal validity of enterprise qualification, fixed places of business and the necessary property and funds; 2. manufacturing capacity such as lives of production equipment and product inspection equipment, automaticity, inventory records of finished goods as well as safety and hygiene equipment; 3. technical capacity such as sources of technology, average education level of technician, level of on-the-job training, proportion of R&D personnel of the Company; 4. quality control capacity and quality of current product transacted, timeliness of delivery and supporting services. In addition to the above, suppliers of engineering services will also accept relevant evaluations in terms of business management, accidents in the last year, contribution of five social insurances and one housing fund for employees as well as bad records over the past year.
3	A separate in-depth investigation will be conducted on suppliers rated as "Grade C (to be observed)", and a letter will be sent requesting an improvement once any poor condition is discovered. Suppliers rated as "Grade D (ruled out)" cannot be admitted to qualified suppliers within two years, and a letter will be sent to inform the cancellation of supply qualification.
4	The suppliers to whom we have made prepayment for purchases are strictly controlled, and are required to, among others, provide equivalent performance bond and retention fund, to mitigate the purchasing risks.

In 2016, a total of 180 suppliers' having 10 transactions with a total amount of RMB500,000 or 1 transaction of RMB500,000 in selected year were evaluated, 20% (14 suppliers) were rated as the grade of "A (outstanding)", the remaining relevant suppliers were rated as the grade of "B (qualified)". There is no supplier who is rated as the grade of "C (to be observed)" and "D (ruled out)" since no supplier is found to be in violation of the quality standards and to have an impact on operational efficiency of the Company.

## 2016 Evaluation Planning for Raw Material Suppliers

The evaluation to suppliers is based on 3 aspects, including (1)quality control-price-regulation; (2)manufacturing-technology-relationship; and (3)level of cooperation-after sales-reputation.

Quality control-Price-Regulation	Quality conformity rate-return rate
	On-time delivery rate
	Provision of reasonable price
	Green environment protection/social responsibility
	Labour condition and environment complying with regulations
Manufacturing-Technology-Relationship	Manufacturing capability/terms and degrees of automation of manufacturing equipment
	Technology capability/proportion of R&D personnel of the company, technicians' average education level and on-the-job training
	Quality control capability/inspection of the raw materials in or out the factory and finished products, records of production quality control, establishment and implementation of standards
Level of cooperation-After sales-Reputation	Level of cooperation-Speed of cooperation in settling when occurred problems
	After sales service
	Financial status and cash flow capability

## Encourage Green Procurement

By collecting information, promotion and product procurement, we give priority to elect and use green products, promoting the corporate and supply chain partners to implement green procurement through specific green procurement actions, in order to drive the sustainable development of the green and eco-friendly industrial chain.

## Open Intelligent Procurement

“Collective procurement” under headquarters’ centralised operation is the realisation of procurement of all the raw materials of companies under Asia Cement (China) and its overall procurement management. Adhering to the Group’s guiding principles of “Integrity, Diligence, Thrift, Prudence and Innovation”, the Group meticulously addresses various issues to pursue an innovative, modern and intelligent procurement system operated under a centralised platform by gathering procurement intelligence, leveraging the long-term benefits of centralised management and flexibility of local branches, as well as sharing resources. With this system, the Group maximises cost efficiency, while upholding integrity.

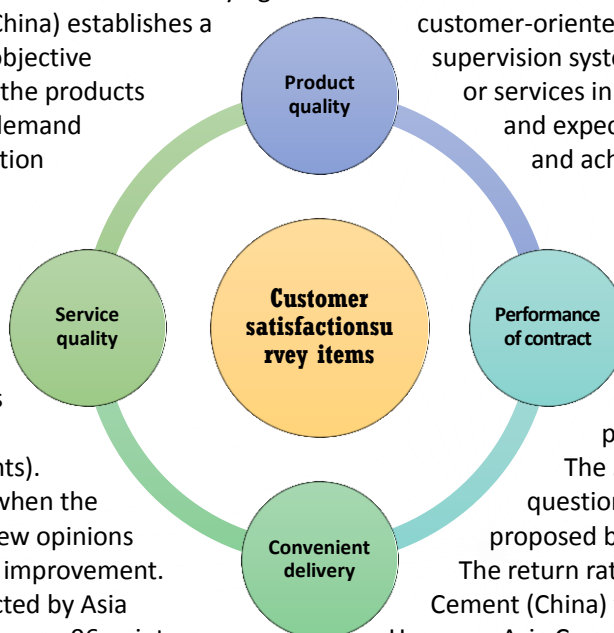
## 6.2 Customer Service

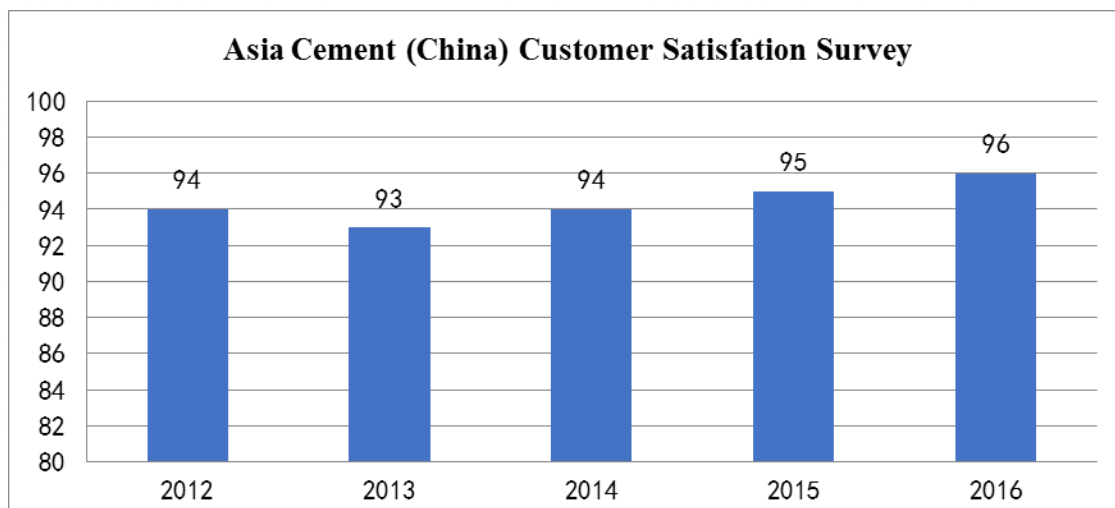
Asia Cement (China) has a professional service team, whose duty is to understand customers' needs and provide professional assistance and technical support in real time, as well as more diversified services. For assuring our customers, we have taken the following measures:

The most complete production and sales network	The Company's sales layout covers vast areas including Sichuan, Hubei, Jiangxi, Anhui, Zhejiang and Jiangsu. The Company has also established manufacturing plants, grinding stations, storage depots and sales outlets in all areas, and provides professionals assisting sales and after-sale services. The production and sales network makes production and sales services more efficient.
The most convenient transportation route	Along the Yangtze River transportation route, we support the domestic transportation dispatch and provide customers with convenient and fast delivery services through the whole year. And we exploit international frontier for overseas sales.
Customised solutions	All cement sold by the Company is accompanied by product instructions and factory certification and inspection reports so as to improve the added value for customers using Skyscraper brand cement. The Company's salespersons also irregularly visit customers to understand their demand and propose customised solutions.

### Customer Satisfaction

Professional service and excellent product quality ensuring all the products shipped from the factory to meet national product standards and satisfying customers' demand are the keys to corporate success. Therefore, Asia Cement (China) establishes a customer-oriented quality system and supervision system, we evaluate or services in order to understand the and expectations. This will be used and achieve the goal of corporate Each business unit of Asia two surveys on customer is a paper with four sections (A. service quality; C. performance of scaled with good (35-31 points), average (25-21 points), bad (20-0 points). The survey will be added up, questionnaire was completed. proposed by customers, make The return rate of 2016 customers' Cement (China) was 100% and the However, Asia Cement (China) will still keep excelling and improving products and services and will not deceive and mislead customers with false advertisements in order to provide better services and quality.





### The Percentage of Recycling Products and Packaging Materials <sup>G4-EN28</sup>

There are two types of packaging for cement shipping, the bulk and the bag types. For Asia Cement (China), most of the package is bulk type. In 2016, the percentage of bulk cement package was 75% of the total shipment, the bag type was only 25%. The material of cement bags of Asia Cement (China) arrives at the national quality inspection standards, which can be recycled and reused to reduce the contamination to the environment. By selling to constructor by distributors and processed by contractor on the site, the bag type of cement is used to collect wastes in the construction site to effectively reduce the damage to the environment.

### Protection of Customer Privacy

Asia Cement (China) attaches great importance to customer privacy and will be responsible for the confidentiality of the information provided by the customers in business dealings. In order to make customers having dealings with the Company without worries and avoid divulge of business information, the Company strictly requires all colleagues to comply with the Company's relevant confidentiality requirements. In addition, documents with confidential information due to business dealings should be destroyed on a regular or immediate basis, depending on their confidentiality.

In 2016, Asia Cement (China) had neither any cases related to violation of customer privacy, nor had any fines related to violation of product regulations.



Happiness

# Workplace

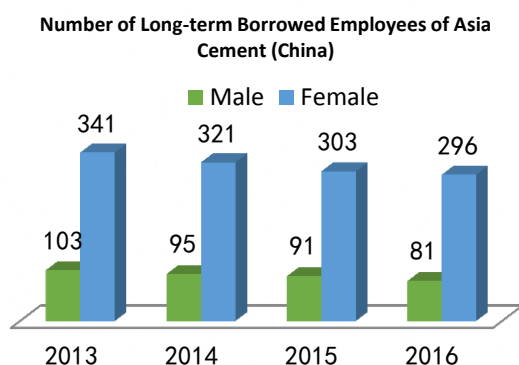
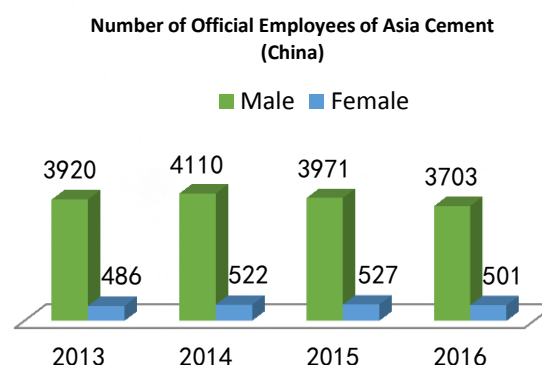


## 7.1 Human Resources

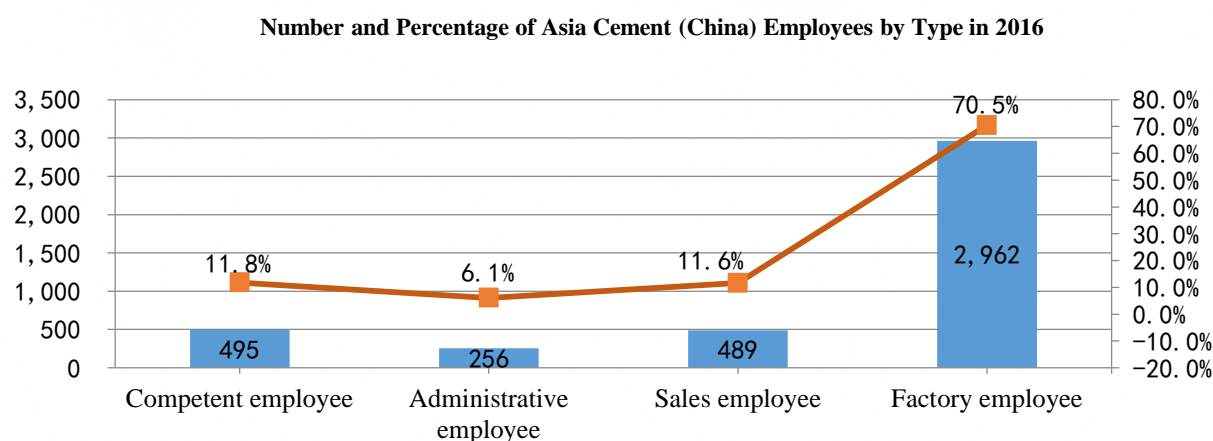
Employees are not only fundamental to the existence of an enterprise, but also the driver of the enterprise's development. An enterprise needs to establish a harmonious relationship with its staff, and such relationship should be built on mutual respect, trust, encouragement and through growing together. By adhering to the "people-oriented" management philosophy, Asia Cement (China) strives to provide its employees with a safe and healthy working environment and strengthens employee's training, so that every employee can have the opportunity to demonstrate his/her own value while performing his/her duties and realise career aspirations. Furthermore, Asia Cement (China) pays high regard to the safeguarding of employees' basic rights by constantly increasing employee's welfare benefits in order to link employees' needs with the enterprise's interests. By doing so, Asia Cement (China) has earned excellent social reputation and acclamation at different business locations, setting benchmark for local companies and becoming the most popular company for job seekers. Everyone is proud of being an "Asia Cement Employee".

### Employee Structure <sup>G4-10</sup>

Owing to the nature of the cement industry, employees have to work in three shifts and be engaged in outdoor work, and most of the employees are males who are mostly on-site employees. The Company hired a large number of female employees on some positions like kitchen waitress, dormitory waitress, etc., which greatly solved the employment problem of most women living in neighbouring areas, and made certain contribution to the stability of families in the immediate areas.



The Company strictly abides by Labour Contract Law of the People's Republic of China and other relevant laws and regulations, and has entered into labour contracts with its employees according to relevant laws. The Company respects employees' working willingness, follows the principle of equal employment, and establishes a harmonious and stable relationship with employees.

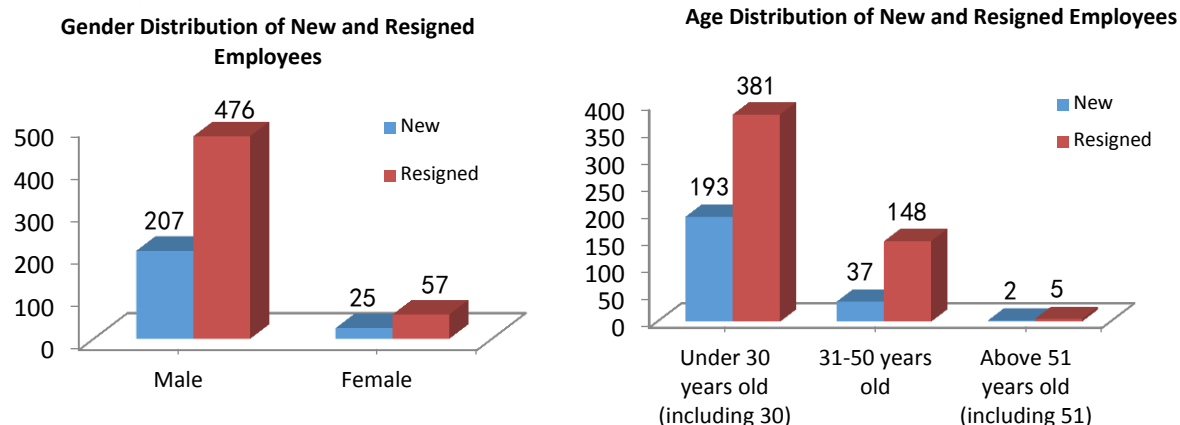


Company	2016 employee gender			2016 employee contract		
	Male	Female	Total	Fixed-term labour contract	Permanent labour contract	Total
Jiangxi Yadong	888	108	996	656	340	996
Huanggang Yadong	262	19	281	151	130	281
Hubei Yadong	389	48	437	230	207	437
Wuhan Yaxin	261	53	314	306	8	314
Sichuan Yadong	529	62	591	504	87	591
Sichuan Lanfeng	335	91	426	411	15	426
Nanchang Yadong	44	6	50	35	15	50
Wuhan Yadong	86	7	93	21	72	93
Yangzhou Yadong	166	22	188	70	118	188
Jiangxi Yali	123	7	130	65	65	130
Hubei Yali	129	14	143	26	117	143
Sichuan Yali	110	7	117	115	2	117
Nanchang Yali	77	15	92	77	15	92
Wuhan Yali	109	15	124	24	100	124
Chengdu Yali	53	6	59	56	3	59
Sichuan Yali	50	7	57	56	1	57
Taizhou Yadong	34	6	40	37	3	40
Shanghai Yali	58	8	66	44	22	66

### New and Resigned Staff G4-LA1

Since 2016, due to the overall unsatisfactory environment, the Company's earnings suffered from volatility. Also, we gradually carried out reform projects, and optimised and reduced the manpower. Therefore, the employee turnover rate has increased.

Company	Total	New staff	Resigned staff	Employment rate	Turnover rate
Jiangxi Yadong	996	9	90	0.9%	9.0%
Huanggang Yadong	281	5	45	1.8%	16.0%
Hubei Yadong	437	42	61	9.6%	14.0%
Wuhan Yaxin	314	8	25	2.5%	8.0%
Sichuan Yadong	591	57	68	9.6%	11.5%
Sichuan Lanfeng	426	11	28	2.6%	6.6%
Nanchang Yadong	50	0	5	0.0%	10.0%
Wuhan Yadong	93	5	8	5.4%	8.6%
Yangzhou Yadong	188	15	54	8.0%	28.7%
Jiangxi Yali	130	2	6	1.5%	4.6%
Hubei Yali	143	8	35	5.6%	24.5%
Sichuan Yali	117	29	29	24.8%	24.8%
Nanchang Yali	92	11	23	12.0%	25.0%
Wuhan Yali	124	13	33	10.5%	26.6%
Chengdu Yali	59	2	7	3.4%	11.9%
Sichuan Yali	57	2	3	3.5%	5.3%
Taizhou Yadong	40	5	6	12.5%	15.0%
Shanghai Yali	66	8	7	12.1%	10.6%



## Employee Diversity <sup>G4-10, G4-LA12</sup>

The employees of Asia Cement (China) are much diversified, most of them are Han people, and some are from other ethnic minorities like Miao, Tujia, Man and Yi. In addition, the Company actively responded to the call of government and employed a total of 11 disabled people, solving the employment problem of the disabled in the surrounding areas and making certain contribution to the social harmony and stability.

## Recruitment and Promotion, Equal Opportunities and Anti-Discrimination <sup>G4-10</sup>

Asia Cement (China) adheres to the principles of fairness, impartiality and transparency, provides job seekers with equal employment opportunities regardless of their race, gender, age, belief, and etc. We widely attract excellent talents through multiple channels such as campus recruitment, network recruitment and social recruitment, which makes the talent structure achieve diversification and specialization.

### Specific Measures of Human Resources in Asia Cement (China):

- In terms of talent selection – We boldly recruited graduates who have no work experience
- In terms of nurturing talents – We organised functional and group activities and made arrangements for outstanding employees to practice in Taiwan
- In terms of employing talents – We made proper arrangements for employees and set up the system of rotation, remuneration, bonuses, and etc.
- In terms of retaining talents – We selected locations to build staff community, provided quality living environment and carried out community activities for staff
- In terms of talents development – We designed proper career plans for employees

### Goals of Human Resources of Asia Cement (China):

- Localisation – Greatly promote excellent cadres from the Mainland
- Rejuvenation – Maintain the vitality and innovation of enterprises
- Systematisation – Establish systems to nurture, protect and motivate employees
- Integration – Human resources strategies that can be used for the whole Asia Cement (China)

In order to enhance the individual quality and capacity of employees, we fully mobilise the initiatives and enthusiasm of all employees by creating a fair, just and open reward and punishment, assessment and competition mechanism within the Company, and we also have in place the corresponding promotion system which will be improved continuously based on actual situations.

## Operation of Labor Union <sup>G4-11</sup>

All companies under Asia Cement (China) set up labor unions according to the regulations, and all employees are members of the labor unions. The total union fees in 2016 were more than RMB3 million, and each union convened meetings and held parties from time to time.

## The Appeal Mechanism for Employees <sup>G4-LA16</sup>

Employees can appeal through the Company's website, complain through calling inspection department and express their opinions and suggestions through mailbox for employees' opinions, and regular or irregular department meetings. The relevant opinions and suggestions will be sent to the relevant departments and supervisors in time, and all issues will be investigated and replied based on their priority and urgency.

To understand employees' needs and suggestions, the Company has carried out employees' satisfaction survey which involves all aspects including employees' benefit and company systems at the end of each year since 2014 to extensively listen to the employees and make improvement to promote the employees' satisfaction. Total 1,997 employees participated in the survey of the year, representing 47.5% of the total employees, and the score of the satisfaction was 58.18.



## 7.2 Training and Education

### Systematic Training <sup>G4-LA9</sup>

To ensure sustainable development of the employees' career path and be in line with the development of human resources, the Company continually held training based on levels and functions, and built and improved training system so as to develop a team of talents with both management and professional skills.

#### (1) Channel for Management Positions

In order to establish a sound management system and in response to the market competition and challenge, the Company designed systematic promotion channel to management position for the employees, and developed a management echelon from basic to medium and senior with the implementation of all kinds of training and rotating, such as special training courses including TWI leaders training, medium supervisors' MTP management training and corporate operation strategy camp for senior supervisors.

#### (2) Channel for Professional Technique Positions

Save for the promotion channel for management positions, the Company also strengthened the cultivation of professional technical personnel, provided promotion channel for technical positions for these employees to build the technical, project-oriented and advisor-oriented teams with technicians, engineers, administrators and specialists and provided corresponding training for their transition to management cadres.

#### (3) Training System

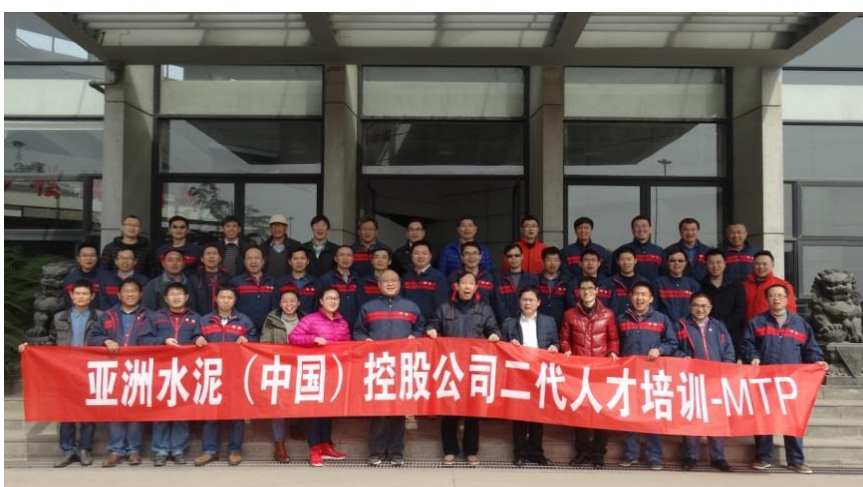
To accelerate the training of personnel and meet the Company's operation requirement, the Company promoted the establishment of a sound training system. Currently, the training system built mainly includes on job mentoring training (teach, help and lead), intensive training for new comers, various professional skills training for corresponding positions, environmental protection and working safety training, TWI leaders training, medium supervisors' MTP training, industry exchange and participation in the Group's joint meeting in Taiwan and further study in colleges and universities. Total training hours of the Company in 2016 were 83,848 hours, total investment in training was over RMB2.75 million and training hours for each employee was approximately 20 hours with an investment approximately RMB657. Major project-oriented trainings in 2016 were as follow:



Intensive training for new comers: Totally two echelon trainings were held in the year, number of participants was 122, training time was 10 days and training fees were approximately more than RMB100,000;



Medium supervisors' MTP training: there were 121 supervisors participated the training in three echelons and all of the trainings were completed. The accumulated course hours so far were 108 hour per employee, and training fees were approximately RMB 730,000;



Participation in the Group's joint meeting in Taiwan: the number of employees of the Company participated the Group's 2016 joint meeting was 38, days of attendance at the meeting were 10 days per employee, and training fees were approximately RMB 500,000.

Company	2016 <sup>G4-LA9</sup>			
	Total training hours (Unit: hours)	man-hour costs (Unit: RMB)	Training fees (Unit: RMB)	Total training fees (Unit: RMB)
Jiangxi Yadong	48397.5	796333.6	1322314.2	2118647.8
Huanggang Yadong	6167.0	101472.0	0.0	101472.0
Hubei Yadong	6090.0	100205.0	0.0	100205.0
Wuhan Yaxin	625.0	10283.8	3800.0	14083.8
Sichuan Yadong	11850.0	194980.2	0.0	194980.2
Sichuan Lanfeng	2131.0	35063.5	10620.0	45683.5
Nanchang Yadong	0.0	0.0	0.0	0.0

Company	2016 <sup>G4-LA9</sup>			
	Total training hours (Unit: hours)	man-hour costs (Unit: RMB)	Training fees (Unit: RMB)	Total training fees (Unit: RMB)
Wuhan Yadong	940.0	15466.8	10160.0	25626.8
Yangzhou Yadong	1126.0	18527.2	8600.0	27127.2
Jiangxi Yali	648.0	10662.2	0.0	10662.2
Hubei Yali	1088.0	17902.0	0.0	17902.0
Sichuan Yali	2146.0	35310.3	0.0	35310.3
Nanchang Yali	654.0	10760.9	8820.0	19580.9
Wuhan Yali	488.0	8029.6	3300.0	11329.6
Chengdu Yali	478.0	7865.0	1500.0	9365.0
Sichuan Yali	280.0	4607.1	1720.0	6327.1
Taizhou Yadong	738.6	12153.6	8514.5	20668.1
Shanghai Yali	0.0	0.0	0.0	0.0
Total	83847.1			2758971.5
Average	20.0			656.6

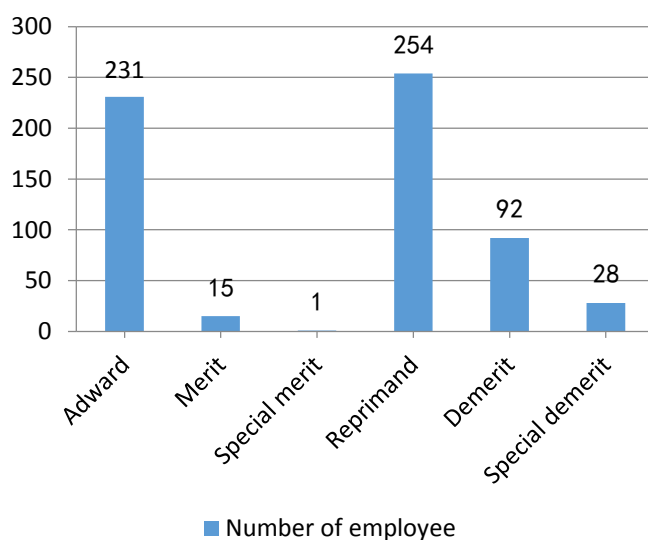
## Management of Employee's Occupational Skills and Lifelong Learning <sup>G4-LA10</sup>

In addition to systematical training, Asia Cement (China) also established independent libraries providing various relevant books about professional skills to encourage employees' self-study, improve their professional knowledge and skills and form a good habit of lifelong learning.

Save for the above, Asia Cement (China) will also arrange employees to be away from the positions to participate various trainings for certificates from time to time so as to help employees to obtain the relevant certificates, which will improve the qualification and image of the Company and employees' competitiveness in workplace.

## A Sound Performance Management Cycle <sup>G4-LA11</sup>

Statistics of Adwards and Punishments



To evaluate employees' performance and contribution objectively, encourage and find out their potential and strengthen their sense of competition and responsibility, Asia Cement (China) will assess the performance of each employee regularly every year to reflect the principle of rewarding the good and publishing the bad so that the overall efficiency of the Company can be improved. Moreover, each department also formulated Management Measures for Routine Assessment, pursuant to which the employees' daily behaviors would be assessed and accumulatively recorded and excellent employees would be rewarded by giving award or recording the merits which would be announced to the public. In 2016, the Company rewarded 231 employees, recorded 15 merits and 1 special merit.

## 7.3 Employees' Benefit

Regarding employees as the most significant asset, Asia Cement (China) expected to attract excellent personnel to join in the working team of the Company through competitive compensation package and in the market and committed to provide qualified working stage and challenging tasks to develop and lead a team which agreed with the Company's mission, prospect and core value and to achieve common success. In addition, to strengthen team building, create harmonious and good working atmosphere and strengthen the employees' centripetal force and cohesiveness to the enterprise, the Company carried out the philosophy of people-orientation, regarded taking care of the employees as its responsibility and always think of the employees.

### Remuneration System G4-54, G4-55

The basic salary of employees of Asia Cement (China) mainly includes wage, allowance (housing allowance and regional allowance) and subsidy for positions. The Company will also pay various bonus including attendance bonus, production and sales bonus, annual bonus and employee incentive reward (i.e. dividend) according to operation performance and the working performance of the employees.

In addition, the Company has separately formulated the "Measures for Operation and Administration of the Staff Welfare Committee" ( "职工福利委员会运作管理办法" ), appropriating 1.8% of total amount of the staff's salary as welfare monthly for handling the matters on the staff's benefits. In order to meeting various needs, staff can choose such benefits on their own within the prescribed amount for their own needs.

Company	Ratio of annual income of the highest paid individual to the average annual income of other employees	Ratio of percentage of increase in annual income of the highest paid individual to percentage of increase in the average annual income of other employees
Jiangxi Yadong	7.23:1	0.22:1
Huanggang Yadong	4.29:1	0.11:1
Hubei Yadong	5.79:1	0.26:1
Wuhan Yaxin	4.8:1	0.51:1
Sichuan Yadong	6.29:1	0.91:1
Sichuan Lanfeng	5.39:1	0.55:1
Nanchang Yadong	2.8:1	1.62:1
Wuhan Yadong	2.62:1	0.17:1
Yangzhou Yadong	3.47:1	0.63:1
Jiangxi Yali	3.13:1	1.55:1
Hubei Yali	3.55:1	0.31:1
Sichuan Yali	3.34:1	0.61:1
Nanchang Yali	4.41:1	0.25:1
Wuhan Yali	4.59:1	0.19:1
Chengdu Yali	4.17:1	0.19:1
Sichuan Yali	3.16:1	0.1:1
Taizhou Yadong	4.15:1	8.66:-1
Shanghai Yali	3.82:1	2.17:-1

Starting salaries of basic staff in each of business area of Asia Cement (China) were higher than the local minimum wage standard with the highest rate up to 1.47. In addition, the Company has set up a system to control minimum wage, by which the Company would make up the difference if the employees' salaries were lower than the local minimum wage standard due to frequent sick and personal leaves or decline in the performance of the Company, which was also agreed by the employers and employees in the labor contracts, and were carried out consistently in the payroll settlement system <sup>G4-EC5</sup>.

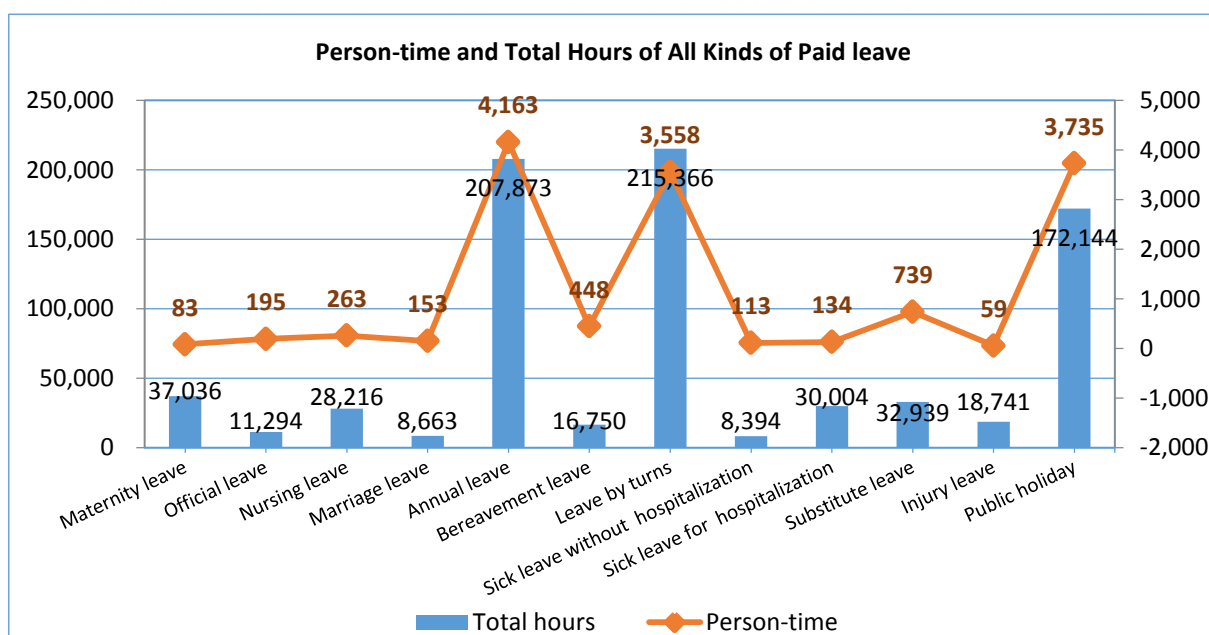
Company	Starting salaries of basic staff	Local minimum wage standard	Ratio
Jiangxi Yadong	1,618	1,340	1.21
Huanggang Yadong	1,618	1,100	1.47
Hubei Yadong	1,618	1,320	1.23
Wuhan Yaxin	1,618	1,320	1.23
Sichuan Yadong	1,618	1,380	1.17
Sichuan Lanfeng	1,618	1,380	1.17
Nanchang Yadong	1,618	1,530	1.06
Wuhan Yadong	1,618	1,320	1.23
Yangzhou Yadong	1,863	1,770	1.05
Jiangxi Yali	1,618	1,340	1.21
Hubei Yali	1,618	1,320	1.23
Sichuan Yali	1,618	1,380	1.17
Nanchang Yali	1,618	1,530	1.06
Wuhan Yali	1,618	1,320	1.23
Chengdu Yali	1,618	1,380	1.17
Sichuan Yali	1,618	1,500	1.08
Taizhou Yadong	1,863	1,770	1.05
Shanghai Yali	1,968	2,190	1

## Staff's Retirement Welfare

Male employees aged at least 60, female employees (non-supervisors) aged at least 50 and female supervisors aged at least 55 in the Company could retire. A farewell banquet would be arranged by the Company for such employees when he/she retire. Senior management would present at the banquet and give souvenirs to the employees. Meanwhile, HR department would assist he/she in conducting his/her retirement procedures to ensure that such eligible retiree could receive national pension, and enjoy medical insurance and other benefits timely.

## Leave System <sup>G4-LA3</sup>

Asia Cement (China) scheduled the staff's working hours according to the regulation of the Labor Law. Normal working hours for each employee were eight hours a day, total forty hours one week. The Company provided the employees with a flexible leave system whereby their holidays were not fixed on official holidays. Such employees who worked on official holidays due to jobs demand could have time off by the means of selecting time to leave by turns (compensatory leave). And for the part of working hours which the employees did not leave by turns, the Company would compensate them with overtime pay according to national regulations.



According to the Labor Law, all the employees of the Company could enjoy all kinds of paid leave such as maternity leave, nursing leave, marriage leave, annual leave, bereavement leave and sick leave. The Company stipulated that the employees with one year's service or above (including the working years in other units) were entitled to the annual leave according to the provisions. In addition, the employees who participated in various social activities for business also could ask for an official leave, which was also a paid leave.

Number of employees entitled to maternity leave/nursing leave	Actual number of employees asking for maternity leave/nursing leave	Number of employees returning to work after the maternity leave/nursing leave	Number of employees still on the job after 12 months subsequent to the maternity leave/nursing leave	The percentage of the employees returning to work after the maternity leave/nursing leave and keeping jobs
4,204	346	346	339	100%



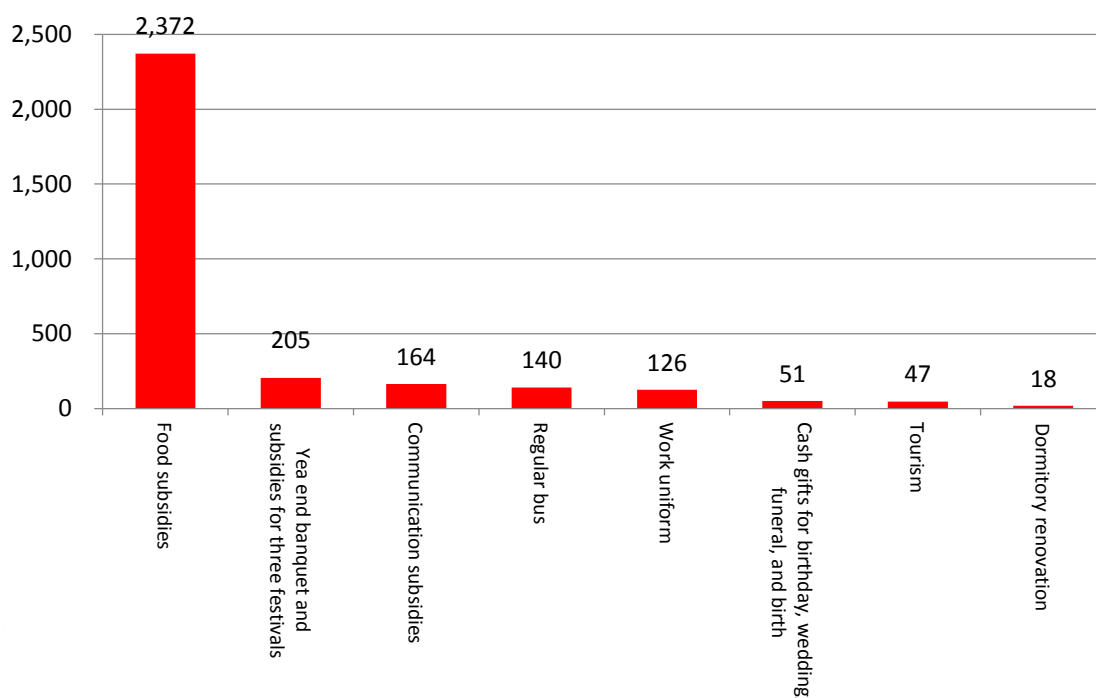
## Full-time Staff's Welfare <sup>G4-LA2</sup>

Each of the companies under Asia Cement (China) also established various types of recreational facilities according to the size of their plants, and regularly held various kinds of spare activities such as all kinds of ball games, bridge and chess games, fishing and fellowship parties, which enriched the staff's spare time, and made their relationship more harmonious and closer to facilitate the construction of a more harmonious working atmosphere. In 2016, the Company invested a total of more than RMB50,000 in the above club activities.

Club category	Number of activities	Number of participants (including family members of staff)	Total costs invested by the Company
Basketball club	13	405	9,060
Soccer club	4	103	2,050
Badminton club	9	263	10,478
Tennis club	12	313	11,335
Billiard club	6	162	3,750
Bridge and Chess club	4	111	810
Fishing club	9	170	5,080
Party activities	1	21	7,820

To enhance the staff's centripetal force and cohesion force to the enterprise, the Company implemented the people-oriented concept by regarding taking care of the staff as its responsibility, concerning them always and everywhere in all aspects of basic necessities for their daily life.

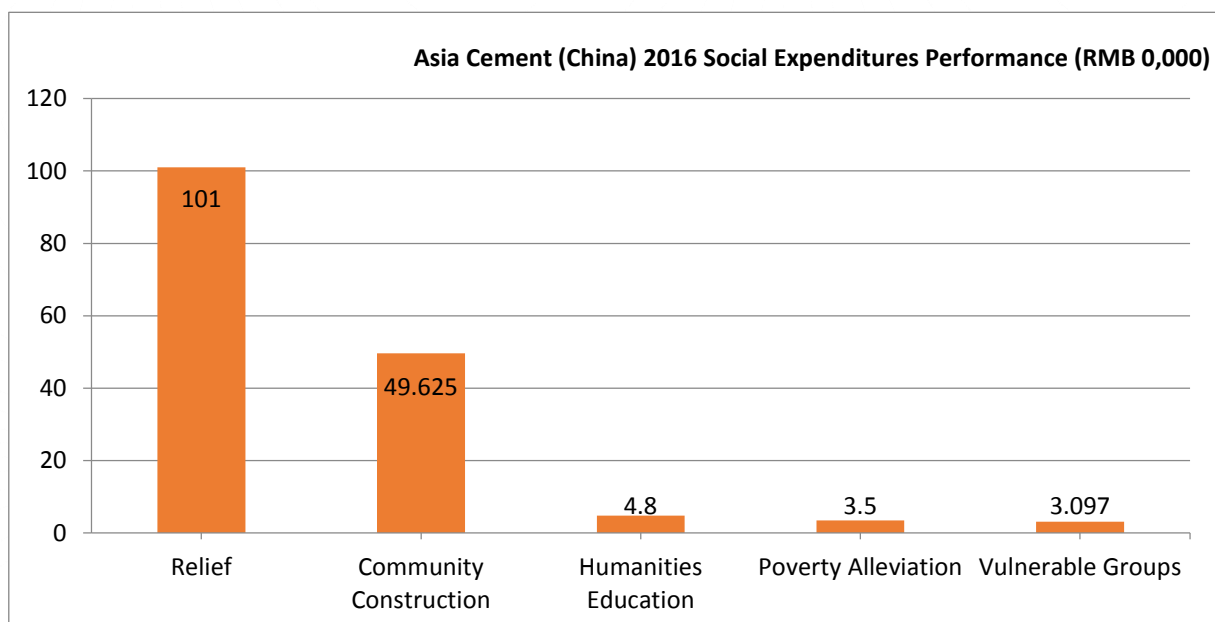
Statistical Chart for Various Welfare Subsidies (Unit: RMB0'000)

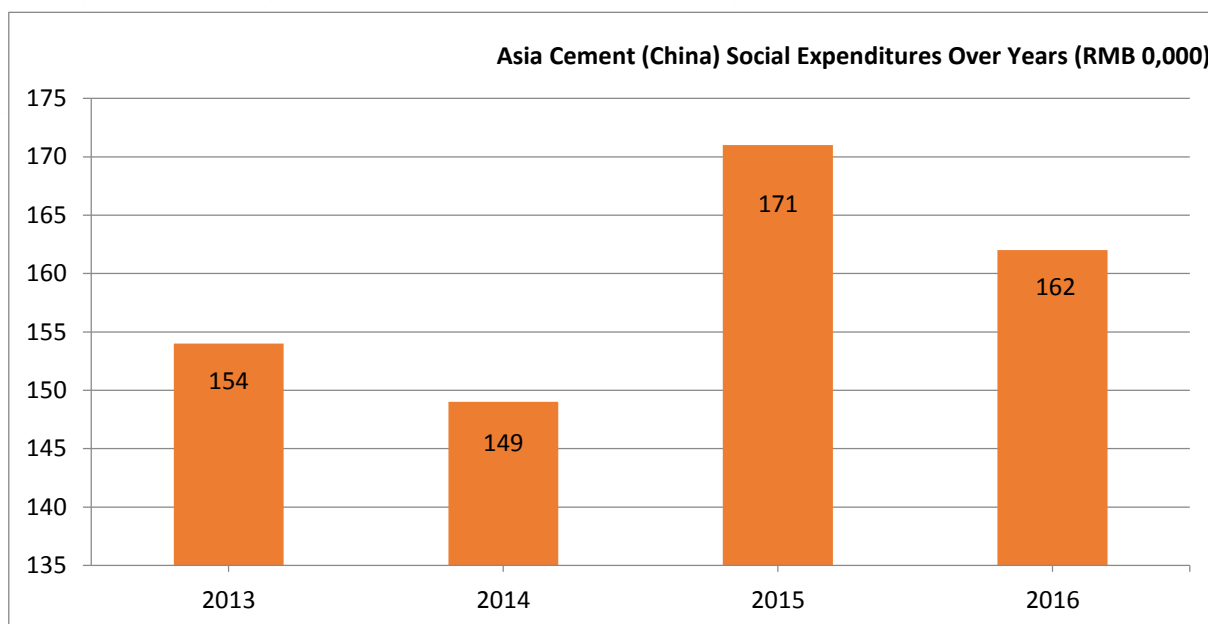


# Social Care

Based on the sustainable development strategies on the social aspect of “create a happy work place, support the vulnerable groups, strengthen the culture heritage, and create a harmony society”, Asia Cement (China) stipulated action plans including: human science education, community activities, donation to the vulnerable groups, ecological environment conservation, support art activities, and traditional culture heritage. By executing the above strategies and action plans, we complete the social care mission of “the first choice partner for building sustainable green home”.

In 2016, Asia Cement (China) spared no efforts in caring the vulnerable groups, including donations for Wuxue flood control, development and construction for poverty alleviation, charitable education fund for Xin Xing Yadong Hope Primary School, and community infrastructure construction. In 2016, the social expenditures had reached RMB 1.62 million, accounting for 1.0%<sup>G4-EC7</sup> of the earning after tax of Asia Cement (China).





## 8.1 Human Science Education

By leveraging the group resources, Asia Cement (China) cooperated with Yuan Ze University and Oriental Institute of Technology under Far Eastern Group to carry out education programs. Under the cooperation, the Group has promoted industry internships and nurturing talents plans, introduced new employees, revitalized manpower structure and cooperated with some cement profession colleges in China. In 2016, a total of 143 students and graduates visited the Company, and 24 of which involved in internships with an average of 114 days, which help cultivating their ability to combine theory with practice, and laying a solid foundation for them to adapt to a work environment and workplaces and integrate with working teams.

### Campus Recruitment

Asia Cement (China) has actively maintained close contact with the surrounding high schools and vocational colleges and carried out recruitment in the academies according to the position needs to introduce a large number of high promising talents. In April and November 2016, the Company conducted campus recruitment in Jiangxi University of Finance and Economics and Jiujiang University respectively and achieved good results.



## 8.2 Community Activities

Asia Cement (China) spares no efforts in contribution to the local communities. The main operation locations have implemented activities like communicating with the local communities, evaluating the impact, and initiating good neighbor development plans. We fully implemented the social sustainable development strategy for creating a harmony society.

In 2016, subsidiaries of Asia Cement (China) have donated more than 4800 tons of cement, 300 tons of gravel, 755 cubic meters of stone powder and cash RMB35,000 to the neighboring communities in a total of 15 times.

No	Subsidiary	Name of community	Donation	Value
1	Jiangxi Yadong	Longquan Ancient Temple, Ruichang City	50 tons of PC42.5 cement bagged	10,500
2	Jiangxi Yadong	Longquan Construction Team of Matou Town	300 tons of gravel and 755 cubic meters of stone powder	15,850
3	Jiangxi Yadong	Xiaoqiao Village, Xiafan Town	100 tons of PC32.5 cement bagged	21,500
4	Huanggang Yadong	Fangqiao Village, Datong Town and Pan Jia Wan Village, Bai Miao He Town	Poverty alleviation funds	35,000
5	Wuhan Yaxin	Group Two, Lingang Village, Zhifang Street	100 tons of cement	30,000
6	Wuhan Yaxin	Lingang Village, Zhifang Street	30 tons of cement	9,000
7	Wuhan Yaxin	Linhshan Village, Wu Long Quan Street	40 tons of cement	12,000
8	Sichuan Yadong	Shuangxing Village, Tianpeng Town	380 tons of PC32.5 cement bagged	76,500
9	Sichuan Yadong	6 villages in Longfeng Town	500 tons of PC32.5 cement bagged	108,000
10	Sichuan Yadong	Qingguang Village, Lichen Town	100 tons of PC32.5 cement bagged	23,000
11	Sichuan Yadong	Guanqu Village, Lichun Town	30 tons of PC32.5 cement bagged	6,900
12	Sichuan Yadong	Tian Sheng Qiao Village, Tongji Town	300 tons of PC32.5 cement bagged	64,500
13	Sichuan Yadong	Siwen Community, Guantian Village, Tongji Town	300 tons of PC32.5 cement bagged	64,500
14	Sichuan Yadong	Xiejia Community, Tianpeng Town	100 tons of PC32.5 cement bagged	32,000
15	Sichuan Lanfeng	Shuanghong Village, Guihua Town	200 tons of PC42.5 cement bagged	54,000

## 8.3 Donation to Vulnerable Groups

Donate to cheer for love and help the vulnerable groups out from the plight and embrace the power of love!

### Condolence in Double Ninth Festival

In order to make the elderly in Hongshiqiao Village (红石桥村) in which the company located a traditional and peaceful festival, Sichuan Lanfeng has sponsored RMB15,000 in cash to show its condolence to the elderly in 2016 Double Ninth Festival, and the committee of the village has publicized that in the condolence show.





## Mutual Help and Contribution among the Employees

Shi Lianqiang (时连强), an employee of Shanghai Ya Li, has suffered from calamity and his/her colleagues has raised contribution on their own initiative of RMB14,330. Being an employee of quality management team in Yangluo Plant of Wuhan Ya Li, Song Kaiwen (宋凯文) 's mother has suffered from breast cancer, while his/her coworkers has raised contribution on their own initiative of approximately RMB1,600 in the form of Qingsongchou (轻松筹).

## 8.4 Supporting Education

### Xinxing Yadong Hope Primary School

Every year on Teachers' Day and Children's Day, Sichuan Yadong Cement Co., Ltd. would send special person to Xinxing Yadong Primary School to take part in the celebration of "Teachers' Day" and



"Children's Day" as well as set up "Charitable Education Foundation of Employees from Yadong Company" for excellent teachers and students. The foundation derived from the charitable contribution provided from the monthly salary of every supervisor in Sichuan Yadong. Ten excellent teachers and thirty excellent students would be selected and RMB1,000 was rewarded to every selected teacher while RMB200 to every selected student.

## 8.5 Actively in Disaster Relief

Affected by the strong El Nino, since 28 June 2016, Wuxue City, where Huanggang Yadong located, has suffered continuous rainstorm, and the intensity of rainfall, the affected area, the duration and severity of which were rare in the history.

Disaster-affected population of the city reached 273,800, houses collapsed reached 644, affected arear of crops amounted to 32,251 hectares, which resulted a direct economic loss of RMB1,667 million. In response to the charitable initiative

by Wuxue Charity Association (武穴市慈善会), Chief Executive Wu was on behalf on the Company, accompanied by Assistant Manager Xu of Huanggang Yadong, heading to the flood control headquarter in Wuxue City on 23 July, donating 3,500 ton of cement (valued at RMB1 million) to Wuxue City, and making contribution with action to the flood relief of Wuxue City.







In July 2016, the water level of Yangtze River, Sai Lake and Chi Lake kept soaring as a result of the continuing torrential rain. To protect lives and properties in Ruichang City, the army, government, enterprises, together with the residents were of one mind, participated in flood control and fighting and rescue. Concerned about the front-line flood-fighting, Jiangxi Ya-

dong initially provided supplies such as mineral water, instant noodles, watermelons. In addition, the Company was willing to undertake social responsibility and actively responded to government's calling, set up vanguard teams of flood control comprising of 30 people and 20 people on 21 July and 10 August respectively to support flood relief and rescue within the industrial city.

## 8.6 Fun Staff Activities

The Company and its subsidiaries organise various staff travel activities on a regular basis. In 2016, there were over 1,200 enrolments for tours of different places, including Sanya, Zhangjiajie and Guilin.

Table of 2016 travel activities of subsidiaries of Asia Cement (China)

No.	Company	Activity description	Enrolment	Amount borne by the Company (RMB)
1	Jiangxi Yadong	1-day tour of Jiujiang Jiandao Gorge (九江剪刀峡) and Donglin Buddha (东林大佛)	78	4,919
2		3-day tour of Shanghai bi-train (上海双卧)	105	45,350
3		2-day tour of Lushan Xihai (庐山西海)	88	15,487
4		3-day tour of Sanya bi-flight / 3-day tour of Guilin one-way train and flight (三亚双飞/桂林单卧单飞)	132	63,570
5	Hubei Yadong	2-day tour of Glass Plank Road in Tiantang Zhai of Luotian (罗田天堂寨玻璃栈道)	85	18,395
6		3-day tour of Xi'an Terracotta Warriors and Horses (西安兵马俑)	35	16,760
7	Wuhan Yaxin	2-day tour of Guilin bi-highspeed rail (桂林双高铁)	239	123,741
8		2-day tour of Wanxianshan bi-high-speed rail (万仙山双高铁)	39	16,829
9	Sichuan Yadong	4-day tour of Phoenix -Tianmen Mountain and Zhangjiajie Gorge bi-flight (凤凰-天门山+张家界大峡谷)	89	46,930
10	Sichuan Lanfeng	Spring tour to Dayi Landlord Manor (大邑地主庄园) in celebration of International Women's Day	67	0
11		4-day tour of Phoenix-Tianmen Mountain and Zhangjiajie Gorge bi-flight (凤凰-天门山+张家界大峡谷)	25	13,200
12	Wuhan Yadong	3-day tour of Yuntai Mountain (云台山)	36	14,300
13	Yangzhou Yadong	2-day tour of Humble Administrator's Garden (拙政园), Huqiu (虎丘) and Xitang Ancient Town (西塘古镇)	96	16,941

No.	Company	Activity description	Enrolment	Amount borne by the Company (RMB)
14	Jiangxi Yali	3-day tour of Shanghai	44	20,590
15		3-day tour of Sanya	33	15,300
16	Sichuan Yali	Tour of Youyang Taohuayuan (酉阳桃花源), Phoenix Ancient Town (凤凰古城) and Zhangjiajie bi-flight	36	17,400
17	Nanchang Yali	2-day tour of Wuyuan (婺源)	19	4,865
18	Taizhou Yadong	2-day tour of Wuzhen, Damingshan (大明山) and West Lake	29	5,808
Total			1,275	460,385



## Appendix

### 9.1 GRI G4 Guidelines Content Index <sup>G4-32</sup>

#### General Standard Disclosure

General standard disclosure			Page/Notes	External verification
Strategy and analysis	G4-1	The statements from the most senior decision makers of the organization and the sustainability strategy	3	
	G4-2	Critical impacts, risks and opportunities	21	
Organization profile	G4-3	The name of the organization	7	
	G4-4	Major brands, products and services	7	
	G4-5	The location of the organization headquarter	7	
	G4-6	The number of countries in which the organization operates as well as their names	7	
	G4-7	The nature and legal form of ownership	7	
	G4-8	The market of the services provided by the organization	7	
	G4-9	The scale of the organization	7	
	G4-10	The type of employment and quantity of employees	70,72	
	G4-11	The percentage of total staff covered by collective bargaining agreements	73	
	G4-12	The supply chain of the organization	62	
	G4-13	Any significant changes in the organization's scale, structure, ownership or supply chain during the reporting period	No significant changes	
	G4-14	The early warning policy or principles of the organization	21	
	G4-15	The regulations, principles or other initiatives about economy, environment and society formulated by the external and recognized by the organization	No agreement signed	
	G4-16	The membership qualification of associations and national or international initiative organizations that the organization participated in	8	
Identification of significant considerations and the boundaries	G4-17	All entities included in the combined financial statements or equivalent documents of the organization	7	
	G4-18	The process of defining the contents of the report and the boundary between considerations	27	
	G4-19	All the significant considerations identified while defining the content of the report.	None	
	G4-20	The boundary between significant considerations inside the organization	None	
	G4-21	The boundary between significant considerations outside the organization	None	
	G4-22	The impact and reason of re-preparing any information provided by the previous reports	No re-preparation	
	G4-23	The significant changes in the scope and boundary of the considerations compared with those in previous reports	None	
Stakeholder engagement	G4-24	The stakeholder-groups engaged in the organization	28	
	G4-25	The identification and selection approach of stakeholders engaged	28	
	G4-26	The approach of stakeholder engagement	30	
	G4-27	The key issues and concerns and corresponding responses proposed by virtue of stakeholder engagement	30	
Basic information in the report	G4-28	The reporting period of providing information	2	
	G4-29	The date of last report	2	
	G4-30	The reporting cycle	Once a year	
	G4-31	Providing contacts that can answer the questions in respect of the report or its content	2	
	G4-32	The options guiding the report, the GRI content index	86~90	
	G4-33	The policies and current practices of seeking external guarantee/confirmation adopted by the organization for reporting	2	
Governance	G4-34	The organization's governance structure, including the committee of the supreme governance body	14	
	G4-35	The process of authorizing senior management and other staff by the supreme governance body in respect of the economic, environmental and social issues	26	
	G4-36	Whether the organization will delegate the operating management to deal with the economic, environmental and social issues and whether to report directly to the supreme governance body.	26,27	
	G4-37	The consultation process of stakeholders and the supreme governance body in respect of the economic, environmental and social issues.	27,30	
	G4-38	The composition of the supreme governance body and its committees	15	
	G4-39	Whether the chairman of the supreme governance body is also a member of the operating team	16	
	G4-40	The nomination and selection process of the supreme governance body and its committees	15	

	G4-41	The process of how the supreme governance body to ensure to avoid and to manage the conflicts of interest	16	
	G4-42	The role of supreme governance body and senior management in developing, approving and updating the organization's tenets, values or vision, strategy, policy as well as the targets relating to the economic, environmental and social impacts	27	
	G4-43	Measures taken to develop and enhance the overall understanding of the supreme governance body to the economic, environmental and social issues	More details in P33 of ACCC 2016 Annual Report	
	G4-44	The process of assessing the performance of the supreme governance body in the economic, environmental and social issues	More details in P28 of ACCC 2016 Annual Report	
	G4-45	The role of the supreme governance body in identifying and managing the impact, risks and opportunities arising from the economy, environment and society	26	
	G4-46	The role of the supreme governance body in reviewing the effectiveness of the risk management processes of the organization in economic, environmental and social issues	26	
	G4-47	The reviewing frequency of the supreme governance body in respect of the economic, environmental and social impact, risk and opportunity	26,27	
	G4-48	Due review and approval of the sustainability report of the organization conducted by the highest level committee with all major considerations having been included.	26	
	G4-49	The procedure of communicating significant and critical issues with the supreme governance body	26	
	G4-50	The nature and the total number of significant and critical issues communicated with the supreme governance body, and the coping and solving mechanism taken subsequently.	26	
	G4-51	Stating the remuneration policy for the supreme governance body and senior management by types	17	
	G4-52	The remuneration determination process and if remuneration advisors being involved in the remuneration determination.	17	
	G4-53	Seeking stakeholders' opinion and taking into consideration such opinion while determining remuneration.	No such plan	
	G4-54	The ratio of the total annual income of the highest paid individual of the organization to the median of the total annual income of the other employees (excluding the highest paid individual)	76	
	G4-55	The ratio of the increase percentage in total annual income of the highest paid individual of the organization to the median of the increase percentage in the average annual total income of other employees (excluding the highest paid individual).	76	
Ethics and integrity	G4-56	The values, principles, standards and codes of conduct of the organization	20	
	G4-57	Making consultation on ethical and legal behavior and organization of the internal and external mechanisms of integrity issues, such as service line or consulting line.	20	
	G4-58	Internal and external mechanisms of reporting behaviors violating ethics or laws and organizational integrity-relating issues	20	

## Specified Standard Disclosure

Category	Material Considerations	DMA and indicators	Page	Note/Omission	External Verification
Economy	Economic performance	DMA	19		
		G4-EC1 Direct economic value generated and distributed by organization	19		
		G4-EC2 Risks and opportunities brought about by climate change	23		
		G4-EC3 Coverage of the organization's defined benefit plan obligations	77,78,79		
		G4-EC4 Financial subsidies received from government	None		
	Market presence	DMA	77		
		G4-EC5 Ratio of standard entry level wage by gender compared to local minimum wage at significant locations of operation	77		
		G4-EC6 Proportion of hiring local citizens as senior management at significant locations of operation	None		
	Indirect economic impacts	DMA	80		
		G4-EC7 Investments in infrastructure and development and impact of supporting services	80		
		G4-EC8 Material positive and adverse indirect economic impacts identified	—	No occurrence	
Environment	Raw materials	DMA	47		
		G4-EN1 Weight and volume of raw material used	47		
		G4-EN2 Percentage of recycled raw material used	None		
	Energy	DMA	46		
		G4-EN3 Energy consumption within the organization	46		



		G4-EN4	Energy consumption outside the organization	—	No quantitative statistics	
		G4-EN5	Energy intensity	46	Subsidiaries of insignificance	
		G4-EN6	Reduction of energy consumption	41		
		G4-EN7	Reduction in energy requirements of products and services	43,44		
Water		DMA		38		
		G4-EN8	Total water withdrawal categorized by source	38		
		G4-EN9	Water sources significantly affected by withdrawal of water	—	No impact	
		G4-EN10	Percentage and total volume of water recycled and reused	39		
Biodiversity		DMA		50		
		G4-EN11	Operational offices owned, leased, managed by the organization in, or adjacent to, protected areas or other areas with high value of biodiversity	50		
		G4-EN12	Significant impacts of activities, products and services of the organization on the biodiversity of protected areas or other areas with high value of biodiversity	50		
		G4-EN13	Habitats protected or restored	None		
		G4-EN14	Stating the total number of species included in IUCN Red List and National Conservation List in the habitats affected by the operation of the organization by endangered level	None		
Emissions		DMA		33		
		G4-EN15	Direct greenhouse gas emissions (scope 1)	33		
		G4-EN16	Greenhouse gas indirectly discharged by energy (scope 2)	33		
		G4-EN17	Greenhouse gas indirectly discharged by others (scope 3)	—	No statistics	
		G4-EN18	Emission intensity of greenhouse gas	34		
		G4-EN19	Reduction of greenhouse gas emission	42		
		G4-EN20	Emission of ODS	None		
		G4-EN21	Nitrogen oxide, sulphur oxide and other material air emissions	34		
Effluents and wastes		DMA		40		
		G4-EN22	Total water discharge categorized by water quality and discharge destination	41		
		G4-EN23	Total weight of waste categorized by type and disposal method	47,48,49		
		G4-EN24	Total number and volume of severe leakages	—	No leakage	
		G4-EN25	Weight of deemed hazardous waste under the terms of appendix I, II, III and VIII in "Basel Convention" transported, imported, exported by the organization and the percentage of those transported abroad	None		
		G4-EN26	Stating the water significantly affected by water discharged by the organization and other surface runoff as well as the features, size, protected status and biodiversity value of relevant habitats	None		
Products and services		DMA		43		
		G4-EN27	Mitigating the impact on the environment of products and services	43,44,45		
		G4-EN28	Stating the percentage of products sold and corresponding packaging materials by category	68		
Regulation compliance		DMA		51		
		G4-EN29	Significant amount fined for violation of environmental laws and regulations, and the times of non-monetary sanctions	51		
Transportation		DMA		41		
		G4-EN30	Significant impacts on environment for transporting products, other commodities, raw materials for the organization's operations, and employee transportation.	41,43,44,45		
Overall		DMA		46		
		G4-EN31	Stating the total environmental protection expenditures and investment by type	46		
Environmental grievance mechanisms		DMA		—		
		G4-EN34	Number of claims regarding to environmental impacts filed, addressed and solved through formal grievance mechanism	—		
Society: Labor practices	Labor and employment relations	DMA		70		
		G4-LA1	Total number and percentage of new recruits and departed employee categorized by age group, gender and region	71		



and decent work		G4-LA2	Benefits only provided to full-time employees (excluding temporary or part-time employees) by significant operating office	79		
		G4-LA3	Percentage of reinstatement and retention after parental leave categorized by gender	77,78		
	Labor / management relations	DMA		—	By regulations	
		G4-LA4	Whether the shortest projected period relating to significant operational changes shall be detailed described in collective negotiation	—		
	Occupational health and safety	DMA		52		
		G4-LA5	Percentage of labor side representatives while assisting in monitoring and advising on relevant plans of occupational health and safety in formal Labor Health and Safety Management Committee (劳工健康与安全管理委员会)	58		
		G4-LA6	Type of injury, rates of injury, occupational diseases, rates of working days lost and absenteeism and total number of work-relating fatalities categorized by region and gender	55,56		
		G4-LA7	Workers bearing high incidence of diseases and high risk relating to their occupation	54		
		G4-LA8	Relevant health and safety issues being included in the formal agreements of Trade Union (工会)	59,60		
	Training and education	DMA		73		
		G4-LA9	Average hours of training per year per employee categorized by gender and employee type	73,74,75		
		G4-LA10	Strengthening the continued employability of employees and assisting them in managing the skills management and lifelong learning of retirement life	75		
		G4-LA11	Percentage of employees receiving regular performance and career development reviews categorized by gender and employee type	75		
	Employee diversity and equal opportunity	DMA		72		
		G4-LA12	Composition of governance bodies and various members categorized by gender, age group, minority group membership and other indicators of diversity	72		
	Labor practices grievance mechanisms	DMA		73		
		G4-LA16	Number of grievance about labor practices filed, addressed and resolved through formal grievance mechanisms	73		
Society: human rights	Forced and compulsory labor	DMA		60		
		G4-HR5	Operations and suppliers identified as having significant risk for hiring child labor and measures helpful to the eradication of hiring child labor effectively.	60		
		G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor and measures helpful to lessen any form of forced and compulsory labor	60		
	Indigenous rights	DMA		—		
		G4-HR8	Total number of incidents related to violating rights of indigenous residents and actions taken by the organization	—		
Society: community	Local communities	DMA		82		
		G4-SO1	Percentage of operations with conducting local community engagement, impact assessment and development plan	82		
		G4-SO2	Operations with significant effective or potential negative impacts on local communities	—		
	Anti-corruption	DMA		20		
		G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	20		
		G4-SO4	Communication and trainings on anti-corruption policies and procedures	20		
		G4-SO5	Incidents of corruption confirmed and actions taken	20		
	Anti-competitive behavior	DMA		—		
		G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly behavior and their outcomes	—		
	Regulation compliance	DMA		—	By regulations	
		G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with regulations	—	No violation of regulations	
Society: product responsibility	Regulation compliance	DMA		—	By regulations	
		G4-PR9	Monetary value of significant fines for violation of laws and regulations as a result of provision and use of products and services	—	No violation of regulations	

## Environment, Society and Governance Report Index

Category	Aspects	Key performance indicators	ESG indicators	Page	Note/omission	External verification
Environment	A1: Emissions	A1.1	Types of emissions and relevant data	33,34		
		A1.2	Total volume of greenhouse gas emissions (calculated by ton) and (if applicable) its density (if calculated by capacity per unit, each infrastructure)	33,34		
		A1.3	Total volume of hazardous wastes (calculated by ton) generated and (if applicable) its density (if calculated by capacity per unit, each infrastructure)	47,48,49		
		A1.4	Total volume of harmless wastes (calculated by ton) generated and (if applicable) its density (if calculated by capacity per unit, each infrastructure)	47,48,49		
		A1.5	Stating measures and achievements of reducing the volume of emission	42		
		A1.6	Stating the methods of dressing hazardous and harmless wastes, measures of reducing the volume and achievements obtained	47,48,49		
	A2: Resources usage	A2.1	Total consumption (calculated by 1000 kwh) of direct and/or indirect energy (e.g. electricity, gas or oil) and its density (if calculated by capacity per unit, each infrastructure) by category	46		
		A2.2	Total volume of water consumption and its density (if calculated by capacity per unit, each infrastructure)	38		
		A2.3	Stating the efficiency plan of energy usage and achievements obtained	41		
		A2.4	Stating if any problems exists when seeking for available water source, and the plan of improving water using efficiency and achievements obtained	39		
		A2.5	Total amount of packaging materials used by finished goods (calculated by ton) and (if applicable) amount attributable to per production unit	47		
	A3: Environment and natural resources	A3.1	Stating the significant impacts on environment and natural resources of business activities and actions taken to manage such impacts	41,43,44, 45,50		
Society	B1: Employment	B1.1	Total number of employees categorized by gender, employment type, age groups and regions	70,72		
		B1.2	Turnover rate of employees categorized by gender, age groups and regions	71		
	B2: Health and safety	B2.1	Mortality rate of work Number of work days lost due to work injuries	55,56		
		B2.2	Number of lost work days as to work injuries	55,56		
		B2.3	Stating the measures taken for occupational health and safety and relevant implementation and monitoring methods	58		
	B3: Development and training	B3.1	Percentage of trained employees categorized by gender and employee type (e.g. senior management, medium management and so on)	73,74,75		
		B3.2	Average hours of each employee to finish the trainings categorized by gender and employee type	73,74,75		
	B4: Labor standards	B4.1	Stating the measures of reviewing recruiting practices to avoid child labor and compulsory labor	60		
		B4.2	Stating measures adopted for identifying the non-compliance conditions when such non-compliance occurs	60		
	B5: Supply chain management	B5.1	Number of suppliers by region	62		
		B5.2	Stating the management related to engaging suppliers, number of suppliers conducting relevant management as well as implementation and monitoring plan of such management	—		
	B6: Product responsibility	B6.1	Percentage of products in the total sold or delivered which need to be called back for health and safety problems	—		
		B6.2	Investments obtained for products and services and the corresponding response programs	—		
		B6.3	Stating the management only related to the maintaining and protection of intellectual property rights	—		
		B6.4	Stating the processes of quality examination and procedure of calling back products	—		
		B6.5	Stating the consumers' information protection and privacy policy as well as the implementation and monitoring approach	20		
	B7: Anti-corruption	B7.1	The number of corruption proceedings cases claimed against issuers or its employees and adjudicated and the proceedings results during reporting period	20		
		B7.2	Stating the precautionary measures and reporting procedures and relevant implementation and monitoring approach	20		
	B8: Community investment	B8.1	Focusing on the fields invested (e.g. education, pleasurable environment, labor needs, health, culture, sports)	81,82,83		
		B8.2	Utilizing resources (e.g. money or time) in the focused fields	81,82,83		