



ASIA CEMENT (CHINA) HOLDINGS CORPORATION



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2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

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About this report

Overview

This report is the 10th Environmental, Social, and Governance (ESG) Report released to the public by Asia Cement (China) Holdings Corporation (hereinafter referred to as "Asia Cement (China)", "the Company" or "we"). This report is open to all stakeholders of Asia Cement (China), and truthfully discloses the Company's responsibility performance practices towards important stakeholders such as shareholders, customers, partners, and employees in 2023, and its efforts in the ESG field based on the principles of objectivity, standardization and transparency, with the aim of responding to the expectations of stakeholders and better fulfilling social responsibilities in the future.

Reporting period

This report is an annual report covering the period from January 1, 2023 to December 31, 2023 unless otherwise specified. To enhance the comparability and completeness of this report, some data and content are appropriately traced back to previous years.

Report scope

Unless otherwise specified, this report covers the ESG situation of Asia Cement (China) and its wholly-owned and holding subsidiaries, and the information boundary is consistent with the Company's annual report.

Data source

Unless otherwise specified, the information and data quoted in this report are derived from the Company's statistical reports and related documents, as well as ESG information that has been counted and audited by the Company. Monetary unit is RMB unless otherwise specified.

Basis of preparation

This report is compiled in accordance with the Index to the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited (HK ESG), Sustainability Reporting Standards (GRI Standards), Guide for Business Action on United Nations Sustainable Development Goals (SDGs), cement industry standards released by the Global Cement and Concrete Association (GCCA), and building materials industry standards released by the Sustainability Accounting Standards Board (SASB).

External verification

This report has been independently verified by Centre Testing International Group Co.Ltd.. The statement of verification is attached at the end of this report.

Confirmation and approval

This report has been considered by the Company's Board of Directors.

Abbreviations of Key Subsidiaries of the Company

Full name of company	Abbreviation of company
Jiangxi Ya Dong Cement Co., Ltd.	Jiangxi Ya Dong
Huanggang Ya Dong Cement Co., Ltd.	Huanggang Ya Dong
Hubei Ya Dong Cement Co., Ltd.	Hubei Ya Dong
Wuhan Ya Xin Cement Co., Ltd.	Wuhan Ya Xin
Sichuan Ya Dong Cement Co., Ltd.	Sichuan Ya Dong
Sichuan Lan Feng Cement Co., Ltd.	Sichuan Lan Feng
Yangzhou Ya Dong Cement Co., Ltd.	Yangzhou Ya Dong
Wuhan Ya Dong Cement Co., Ltd.	Wuhan Ya Dong
Nanchang Ya Dong Cement Co., Ltd.	Nanchang Ya Dong
Nanchang Ya Li Ready-mixed Concrete Co., Ltd.	Nanchang Ya Li
Wuhan Ya Li Ready-mixed Concrete Co., Ltd.	Wuhan Ya Li
Sichuan Ya Li Ready-mixed Concrete Co., Ltd.	Sichuan Ya Li
Chengdu Ya Li Ready-mixed Concrete Co., Ltd.	Chengdu Ya Li
Taizhou Ya Dong Building Materials Co., Ltd.	Taizhou Ya Dong
Jiangxi Ya Li Transportation Co., Ltd.	Jiangxi Ya Li
Hubei Ya Li Transportation Co., Ltd.	Hubei Ya Li
Sichuan Ya Li Transportation Co., Ltd.	Sichuan Ya Li

Publication format

This report is published online in both Chinese and English. Should there is any discrepancy between the two versions, the Chinese version shall prevail. Please view or download the report on our website at <http://www.achc.com.cn/>.

Contact

For further inquiries, questions or suggestions regarding this report and the Company's ESG work, you may contact us in the following ways:

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Chairman's report



The global economic environment has undergone significant changes in recent years. On the one hand, the development of digital technology has accelerated, driving the digital transformation of global industries and enterprises; On the other hand, countries around the world are paying increasing attention to climate issues. On December 13, 2023, at the 28th United Nations Climate Change Conference (COP28), the international community agreed for the first time on a net zero target for fossil energy: "to rapidly transition away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science". At the same time, ESG, as a vane of green development for enterprises, has developed rapidly under China's "carbon peaking and carbon neutrality" goals.

In a new era full of challenges, Asia Cement (China) demonstrates its non-traditional intentions in traditional industries, actively seek change and innovation, embrace ESG, integrate group resources, and move towards the two medium- and long-term goals of "scientific and technological innovation" and "net zero emissions".

Make top-level design and improve ESG management system

A sound governance structure and a sound governance system are the cornerstone of the sustainable development of Asia Cement (China). To improve the sustainable management of the Company, a "Corporate Sustainability Committee" has been set up under the Board of Directors to guide and promote the sustainable development the Company. The CEO chairs the Corporate Sustainability Committee to strengthen the implementation of ESG management. The Company formulates sustainable development strategies around stakeholders such as communities, employees, and suppliers, covering industrial innovation, environmental protection, health and safety, energy efficiency, sustainable procurement, employees and society, in order to expand ESG focus and improve overall governance capabilities.

Drive mutual promotion between scientific and technological innovation and green development

The cement industry has repeatedly called for the inclusion of cement in the carbon sink market as soon as possible, with stricter carbon emission quotas. By improving the scientific and technological innovation system, the Company strengthens low-carbon technology breakthrough, promotes the implementation of ultra-low emission transformation, accelerates the process of digital intelligence, and drives the transformation and upgrading of the industry into a green and low-carbon industry.

In terms of scientific and technological innovation, the Company continuously stimulates the innovation vitality of all employees, adheres to the R&D and application of environmental protection technology, and promotes process technology improvement. Through nearly two years of exploration and efforts, Jiangxi Ya Dong under the Company has obtained 9 utility model patents and 2 invention patents, covering the field of agitator technology, cement clinker production process, tail gas treatment and denitrification device, bulk cement weighing system, ship unloading device, long belt transmission equipment, etc., and achieves a transformation again and again from the whole process of production, transportation and marketing.

In terms of carbon reduction at source, all integrated cement plants under the Company have long used recycled industrial waste residues as an alternative to raw materials to reduce the use of resources such as limestone, and replace fossil fuel with biomass energy to achieve efficiency utilization of resources. It is worth mentioning that the Company's recycling economy material sources include waste and resource products from government departments and steel, petrochemical, paper and other industries, such as: Jiangxi Ya Dong to assist the government to deal with household waste and waste of Lee & Man Paper Manufacturing; Hubei Ya Dong to assist the treatment of heavy metal contaminated soil.

With respect to carbon emission reduction in different production processes, Asia Cement (China) has established the special intelligent power supply management system in collaboration with Dingding Enterprise Management Co., Ltd. and Asia Engineering Ltd. We also seek for any opportunity for energy conservation and emission reduction in every step of production. Electric power can be saved by 0.75% every year, contributing an effective carbon dioxide emission reduction of more than 10,000t. And with this as the core, the Company expands related projects to achieve intelligent optimal control, quality management, logistics management, and equipment management, etc. Constant efforts are being made to build its data analysis platform. So far, the Company has successfully developed multiple integrated smart systems, including intelligent power switch system, dual closed-loop system for efficient L-NOx denitration, energy management system, intelligent shipping system, and equipment vibration management system. In the future, the Company plans to further incorporate more management systems such as water resources and dust collectors, strengthen refined management, so as to achieve comprehensive integration from raw materials, products, equipment, workshops, factories to industrial chains, supply chains, and value chains, and comprehensively improve the energy conservation and consumption reduction level.

The Company keeps improving pollution control. Efforts are made to optimize technologies to realize ultra-low emission of main pollutants (particulate matter, SO₂, NO_x) in cement kilns. Methods such as low-nitrogen combustion, ammonia desulfurization, composite desulfurization, and dust collection with bags are adopted to reduce emissions. Renovations such as SCR denitrification and resistance reduction of cement rotary kilns are carried out to conserve energy. Through these approaches, the Company manages to reduce emission of pollutants such as nitrogen oxides and carbon dioxide, and create green cement plants. In addition, the Company designs and installs dust collection equipment such as hoods for cement bag loading machines, having controlled the concentration of dust emissions in workshops to less than 1.5 mg/m³, greatly improved working environment for employees, and realized cleaner production in cement packaging workshop. As of the end of the reporting period, all subsidiaries of the Company have completed renovation of cement kilns for ultra-low dust emission. It is planned that by 2025, all subsidiaries of the Company will achieve ultra-low emission of nitrogen sulfide and meet A-level environmental standard.

Create a happy workplace, help disadvantaged groups, foster cultural inheritance, and build an inclusive society

The Company adheres to sharing with the society and making progress with employees, and is committed to practicing corporate responsibility. By providing employees with good salary and welfare, systematic career development planning, intimate humanistic care, safe and healthy working environment, the Company has established harmonious relationship with employees with mutual respect, mutual trust and common growth to gather strength to create a happy workplace. Meanwhile, the Company leverages the advantages of cement enterprises to fully allocate resources to assist in the reconstruction of homes in disaster areas, actively responds to the national rural revitalization strategy to promote the improvement of rural infrastructure construction in Ruichang City, Pengzhou City and other places, continuously pays attention to vulnerable groups, and aids education and cultural development financially. In 2023, the Company contributed nearly RMB 2.6 million to the society. In the future, the Company will continue to pay attention to the needs of surrounding communities to contribute to the building of green homeland.

The Company always adheres to the concept of ecological priority and green development, pursues the coordinated development of the enterprise and the ecological environment, and helps to create a beautiful China with green mountains and vitality. Since its establishment, the Company has always paid attention to mine planting greening and ecological conservation to reduce the impact of mining on the environment. Five mines of Jiangxi Ya Dong Cement and three mines of Huanggang Ya Dong Cement have obtained provincial or national green mine certification.

The Company has experienced numerous political, economic and current changes. In every historical track, the Company always keeps calm in the face of changes, grasps every opportunity for change, and takes the founding spirit of "integrity, diligence, austerity, prudence and innovation" as the highest guiding principle of business development. In the future, the Company will continue to push the group's resource integration plan, adhere to sustainable development strategies, embrace a green and smart future, cultivate higher brand value, and promote win-win common prosperity of enterprises, society, environment.

徐旭東

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Statement of the Board of Directors

The Board of Directors of Asia Cement (China) Holdings Corporation is well aware of its important responsibility in promoting the sustainable development of the Company. We fully recognize that sustainable development is not only the embodiment of corporate social responsibility, but also the cornerstone of long-term corporate development. Therefore, we always integrate ESG concept into the daily operation and management of the Company.

As the highest decision-making body of the Company, the Board of Directors and senior management have adopted a bidirectional management approach to comprehensively assess the major issues facing the Company and use this as an important basis for developing sustainable development strategies. We believe that this management approach not only ensures a clear recognition and understanding of ESG at the top, but also facilitates smooth communication between decision makers and front-line workers, ensuring that ESG is effectively implemented at all levels of the Company.

We attach great importance to communication and collaboration with stakeholders, and provide stakeholders with a comprehensive picture of the Company's ESG performance and progress through regular annual environmental, social and governance reports. At the same time, we also actively listen to the opinions and suggestions of stakeholders, and constantly improve our ESG management system and practices.

We are well aware that the ESG field is keeping on changing every day and that market and international trends are constantly changing. Therefore, we will continue to monitor the latest developments in ESG related issues and understand international standards and best practices in order to adjust and optimize the Company's ESG strategies and measures in a timely manner. We will continue to seek opportunities to improve ESG and continue to improve the sustainable development level of the Company.

We firmly believe that only by adhering to the ESG concept and actively fulfilling social responsibilities can we achieve the long-term development of enterprises and the harmonious coexistence of society. In the future, Asia Cement (China) Holdings Corporation will continue to promote ESG work and contribute to the realization of the sustainable development goals.

About Asia Cement (China)

Asia Cement (China) Holdings Corporation, as one of the leading companies in China's cement industry, has been committed to providing high-quality cement products and solutions and reliable support for various construction projects since its establishment in 2004.

The Company is headquartered in Ruichang, Jiangxi Province, with its subsidiaries located in the middle and lower reaches of the Yangtze River and Chengdu, Sichuan Province, and has several modern cement production lines, with an annual cement capacity of 35,000,000 t. The Company's main markets cover Sichuan, Hubei, Henan, Jiangxi, Anhui, Jiangsu, Zhejiang, Shanghai and other provinces and cities. After years of operation, the Company's main product - Skyscraper Brand cement - has become a representative of high-quality cement in Wuhan, Jiujiang, Nanchang, Yangzhou, Shanghai, Chengdu and other urban markets. As one of the top ten cement groups in China, the Company will adhere to the concept of human foremost and integrity management in the future, and strive to achieve higher performance and market share.

annual cement
production
3,500
million tons

Development history of the Company

 **1994**

Mr. Zhang Caixiong, general manager of Taiwan Asia Cement Corporation, was invited to visit Ruichang City, Jiangxi Province and discuss investment in the construction of a cement plant with relevant leaders of the Jiangxi provincial government

 **1997**

In July, Singapore Asia Private Investment Limited on behalf of Taiwan Asia Cement Corporation signed a joint venture contract with Jiangxi Building Materials Group Corporation

 **2002**

Jiangxi Ya Dong passed ISO 9001 quality management system certification

 **2006**

Our management headquarters in the Chinese Mainland was established, and No. 1 kiln of Sichuan Ya Dong was ignited and put into operation

 **2010**

Wuhan Xinlingyun Cement Co., Ltd. was acquired and renamed Wuhan Ya Xin Cement Co., Ltd.

 **2019**

Ruichang Ya Dong New Material Co., Ltd. was established

 **1995**

Shanghai Ya Li Ready-mixed Concrete Co., Ltd., the first company established by Asia Cement (China) in the mainland, was incorporated

 **2000**

No. 1 kiln of Jiangxi Ya Dong was ignited and put into operation

 **2005**

Jiangxi Ya Dong passed ISO 14001 environmental management system certification; and Hubei Ya Dong was registered and started construction

 **2008**

Asia Cement (China) Holdings Corporation was listed on the main board of the Stock Exchange of Hong Kong (stock code: 0743.HK)

No. 1 kiln of Huanggang Ya Dong started construction, and Jiangxi Ya Dong passed OHSMS 18001 occupational health and safety management system certification

 **2014**

Sichuan Lan Feng Cement Co., Ltd. and 40% equity of Hubei Xinlongyuan Mining Co., Ltd. were acquired

Products and market layout

The Company's products include Portland cement clinker, general purpose Portland cement with different strengths, moderate and low heat Portland cement, slag powder, limestone powder, ash powder, and ready-mix concrete etc.

Our products

- Portland cement clinker
- General-purpose Portland cement of various strength grades
- Medium and low heat Portland cement
- Slag powder
- Limestone powder
- Pulverized limestone
- Ready mixed concrete

Market Layout



Corporate culture

Vision

Pursue high quality, high level of environmental protection, high efficiency, low cost, seek innovation, and become a model company in the industry

Goal and prospect

The Company hopes and strives to become one of the leading comprehensive cement producers in China with the highest regional market share and operational efficiency, and is committed to striving for maximum returns for shareholders

Mission

To be a preferred partner for building sustainable green homeland

Philosophy

Industrial development and environmental protection can go hand in hand

Founding spirit

Integrity, diligence, austerity, prudence and innovation



Sustainable Asia Cement (China)

for foundation consolidation

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We have established a governance mechanism that promotes compliance, integrity, efficiency, and smooth operation by deepening ESG management, improving corporate governance, adhering to business ethics, deepening compliant operations, and strengthening risk control, in order to promote sustainable and high-quality development of the enterprise.

Key performance:

There were a total of **11** Board members;

During the reporting period, **1** shareholders meeting, **4** Board meetings, and **9** functional committee meetings were held;

A total of **38** patents were obtained.

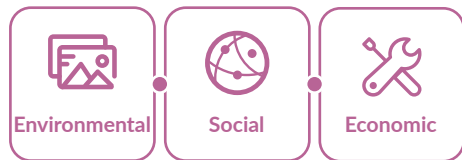


Sustainable development

Our Board of Directors attaches great importance to the deep integration of ESG management concept and the Company's development strategy, pays close attention to the comprehensive performance of ESG governance of the Company, and continuously improves the ESG management mechanism. While accomplishing the Company's business objectives, our Board of Directors actively responds to the expectations of stakeholders, earnestly fulfills corporate social responsibilities, continuously creates long-term value for the society, and escorts the Company's sustainable and high-quality development.

Sustainable development strategy

We formulate target strategies for sustainable environmental, social and economic development, and evaluate the impact of our business operations on sustainable development at home and abroad. Based on feedback from stakeholders, characteristics of the industry and opinions by external expert, we have identified sustainable mine, recycling economy and low-carbon manufacturing as key areas for our sustainable development.



In recent years, we gradually quantify our sustainable development goals through scientific demonstrations, regularly track and evaluate the completion of sustainable development goals, and disclose our progress to employees, partners, customers and the public. In the meanwhile, we timely adjust or revise the goals based on completion status, the Company's strategic planning, and changes in market risks and opportunities to ensure their rationality and feasibility.



Sustainable risk management mechanism

Management policy

In order to strengthen corporate governance and promote the steady operation and sustainable development of the Company, we have established a sound risk management mechanism to control the possible risks within an acceptable range. The Board of Directors is the highest decision-making unit for risks and opportunities, and bears the ultimate responsibility for the overall risk of the Company, and the Corporate Sustainability Committee and various responsible units execute the decisions of the Board of Directors to ensure the achievement of goals.

Process

The risk management process includes risk identification, risk measurement, risk response, risk monitoring and risk reporting. The risk types include operating risk, financial risk, hazard risk, asset security risk, compliance risk and other risks (climate change).



Risk type

- Operational risk
- Financial risk
- Hazard risk
- Resource and safety risk
- Legal compliance risk
- Other risks (climate change)

Practice

Implementation of risk control in Asia Cement (China) in 2023:

Hold a routine occupational safety and health committee meeting every month, conduct a safety check every quarter, conduct a 5S evaluation every six months, implement a work safety activity every month, and regularly check safety management and make field inspections every month.

Sustainable development goal

Net zero emission by 2060

Sustainable development work plan

Sustainable ESG action in 2023

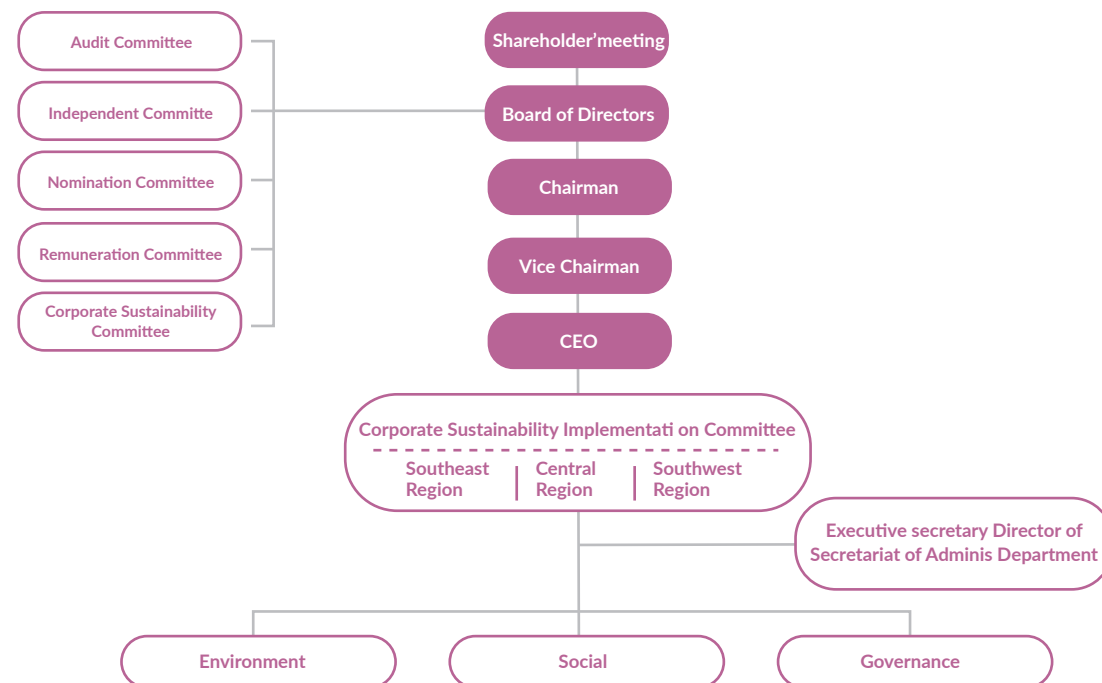
Completion of Sustainable Development Goals of Asia Cement (China)

Work planning	Completion in 2023
All manufacturing plants gradually meet China's A-level environmental standard	1 company met A-level environmental standard
All mines are gradually certified as green mines	Among 10 mines of Asia Cement (China), 8 were certified as green mines, including 6 national level green mines and 2 provincial level green mines
The rating by international rating agencies grows year on year	3.3 by MSCI, grade BB
Disclose the achievement of carbon neutrality goals of all manufacturing plants every year	Emissions in 2023 (Category 1 + Category 2) were 18,531,295 t, a decrease of 15.8% compared to 2019 baseline, and basically close to the target reduction of 17% for 2025

ESG governance

We actively implement the ESG concept, continuously integrate ESG concept into daily operation, and enhance the awareness of Board supervision and ESG management, in order to realize the sustainable development of enterprises and society. In the meanwhile, we actively maintain communication with stakeholders, understand and actively respond to the demands and expectations of all parties, and create greater benefits and value for all parties.

ESG governance structure



Board of Directors' monitoring system for environmental, social and governance matters

Corporate Sustainability Committee

In order to achieve the concept of sustainable management, we established a Corporate Sustainability Committee in 2023 through the approval of the Board of Directors, which is responsible for supervising and making decisions on corporate sustainability related matters, and shall hold at least two meetings annually and report to the Board of Directors. The Board of Directors annually advises the Corporate Sustainability Committee on the Company's environmental, social and governance related issues, and tracks and reviews annual completion to monitor corporate sustainability.

Corporate Sustainability Implementation Committee

In order to promote the implementation of sustainable development work more effectively, we have also set up a Corporate Sustainability Implementation Committee. The Company's CEO is served as the chairman of the committee and the director of secretariat of administration department is served as the executive secretary of the committee. For different ESG issues, implementation groups and conveners are set up to coordinate the implementation of sustainability issues and regularly report work objectives and implementation progress to the members of the Sustainability Committee to ensure the smooth progress of the sustainability work.

Stakeholder participation mechanism

We attach great importance to maintaining good communication with internal and external stakeholders. Therefore, a regular communication mechanism is established to understand the demands and expectations of all parties. We also continuously optimize and adjust communication channels to actively respond to stakeholders' concerns to steadily promote the orderly progress of our ESG work.

In 2023, the Company conducted 780 investor exchanges, including answering 250 phone calls from investors, handling 500 e-mails, holding 8 teleconferences, 4 video conferences and 4 online performance demonstration meetings, and 14 field surveys and symposiums, and the rate of responding to the opinions of investors has reached 100%. The specific investor communication methods include: shareholders meeting, investor hotline, company website, new media platform, email and fax, etc.

Stakeholder	Issues of concern	Communication method and channel
Employees	Legal employment Protection of employees' rights and interests Diversity and equal opportunity Training and development Occupational health & safety	Training and performance appraisal Complaints and feedback Labor union Employee satisfaction survey Employee handbook, electronic bulletin board
Shareholders and investors	Economic performance Risk management Compliance operation Management structure	Shareholders' meeting Investor zone on official website Information disclosure (annual report, social responsibility report) Daily communication (phone, email, and meeting)
Customers and partners	Customer service Product quality and safety Information security Digital transformation	Satisfaction survey Product quality certification and inspection report Suggestion and feedback on official website Laboratory cooperation Daily communication (phone, email, and meeting)
Suppliers and contractors	Business ethics Responsible procurement Supplier management	Supplier evaluation Supplier management platform Supplier opinionaire Daily communication (phone, email, and meeting)

Stakeholder	Issues of concern	Communication method and channel
Government and regulatory agencies	Economic performance Environmental compliance	Information disclosure Regulation briefing, seminar or symposium Correspondence Routine check
Non-governmental organization (NGO)	Green mine Energy conservation and emission reduction Response to climate change	Information disclosure Participation in NGO activity Seminar/symposium
Industry associations and companies in the same industry	Economic performance Green products	Exhibition and seminar Industry conference Daily communication (phone, email, and meeting)
Communities and public media	Community relations Management of mines Pollution prevention and control Charitable activity	Complaints and feedback Public welfare activities Community resident activity Company website Daily communication (phone, email, and meeting)

Analysis of substantive topics

In order to make sure our sustainable development meets the needs of stakeholders, highlight the Company's characteristics, and conform the trends of the industry, we adopt scientific approaches to systematically manage materials issues for sustainable development by four steps, i.e., identify sustainability topics, survey stakeholders, assess impact on sustainable development, and manage key material topics. Various internal and external factors are taken into account to identify material topics in a comprehensive manner. Stakeholder engagement is guaranteed via questionnaires, in-depth interviews, everyday feedback and the like. The frequency of questionnaire survey is conducted once every 1 to 2 year, which is timely adjusted in the light of the Company's actual situation. Special investigations are conducted when there are significant changes in the deployment of sustainable development tasks.

Once every
1 to 2 years
Questionnaire
frequency



While analyzing material topics for this report, we took into account our key tasks in 2023, trends of the industry, and feedback from stakeholders. Based on the survey of material topics in 2022, we included digital transformation in this report and adjusted the priority of some material topics. We conducted a cross-analysis from two dimensions, the degree of influence on stakeholders' evaluations and decisions, the degree of economic, environmental and social impact exerted by the Company, then used that analysis to form the matrix of material topics, which has been reviewed and adopted by the Board of Directors.



The social, environmental and economical impact of Asia Cement (China)

- Waste discharge
- Resource use
- Employees' rights and interests
- Work safety
- Corporate governance
- Risk control
- Energy conservation and emission reduction
- Environment management
- Client relations
- Technical innovation
- Compliance management
- Economic performance
- Biodiversity
- Response to climate change
- Intellectual property protection
- Information security
- ESG management
- Green operation
- Green construction
- Supply chain management
- Social welfare

Corporate governance

We establish a corporate governance structure composed of board of shareholders, Board of Directors and its functional committees, supervisors, and management in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Hong Kong Listing Rules, relevant laws and regulations of the China Securities Regulatory Commission, and the Company's Articles of Association. We also convene shareholders meetings and Board meetings in accordance with the requirements of the Rules of Procedure for Shareholders Meetings and the Rules of Procedure for Board Meetings for management decision-making and operation supervision, in order to ensure that the decision-making process for major matters of the Company is standardized and efficient. During the reporting period, our decision-making and supervisory bodies such as the board of shareholders and the Board of Directors conducted management decision-making and operation supervision in strict accordance with the normative operation rules and internal systems, and the operation was standardized and effective, and each committee performed its duties in accordance with the provisions of the articles of association and the rules of procedure of each committee.

Organization Chart



We actively build a diversified Board of Directors in strict accordance with the Board Diversity Policy and other internal systems. The Nomination Committee evaluates the structure, personnel and composition of the Board of Directors every year. It takes into consideration gender, age, educational background, professional experience, skills, knowledge and industry experience when nominating directors to promote the sound development of the Company from a more professional and diversified management perspective.

More
professional

More
diversified

As of the end of the reporting period, our Board of Directors consisted of 11 directors, including 6 executive directors, 4 independent directors and 1 non-executive director; and 10 male directors and 1 female director.

As of the end of the
reporting period



Responsibilities of functional committees of the Board of Directors

Audit Committee

Assist the Board of Directors in conducting independent reviews on the effectiveness of the financial reporting procedures, internal control and risk management systems of the Company and its subsidiaries, supervise the reviews, and perform other duties and responsibilities as appointed by the Board of Directors

Remuneration Committee

Review and formulate policies on the compensation structure for all directors and senior management of the Company and make recommendations to the Board of Directors for consideration

Nomination Committee

Review the structure, size and membership of the Board of Directors at least once a year and make recommendations to the Board of Directors on any proposed changes to align with the Company's development strategy

Independent Committee

Review all transactions between the Company, Asia Cement Group and Far Eastern Group to ensure that they are carried out on general commercial terms in the ordinary course of business of the Group and, where necessary, recommend to the Board of Directors to adopt amendments or not to proceed with such transactions

Corporate Sustainability Committee

Corporate Sustainable Development Committee: Supervise the implementation of corporate sustainable development policies, regulations or management guidelines and report the implementation progress to the board of directors on a regular basis

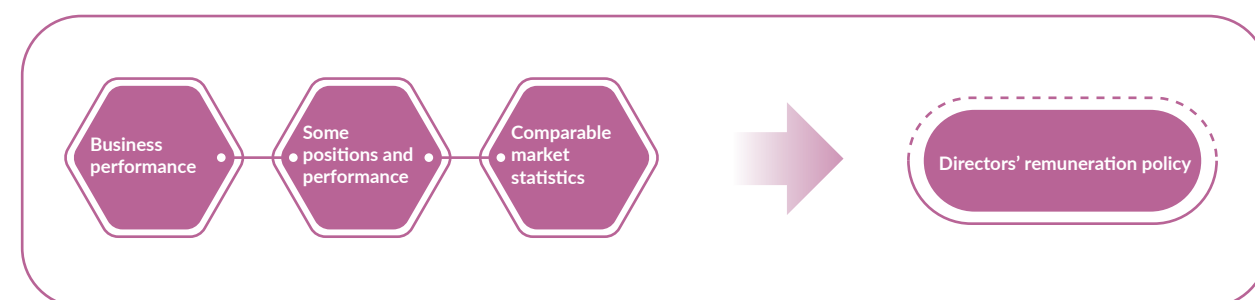
Statistics of our shareholders meetings, Board meetings, and functional committees meetings during the reporting period are shown as follows:

Type	Frequency in 2023	Director attendance
Shareholders' meeting	1	100%
Board meeting	4	90.91%
Meetings of functional committees	9	95.24%

Note: The executive director Zhang Caixiong resigned on June 9, 2023, and Chen Ruilong took over on June 9, 2023

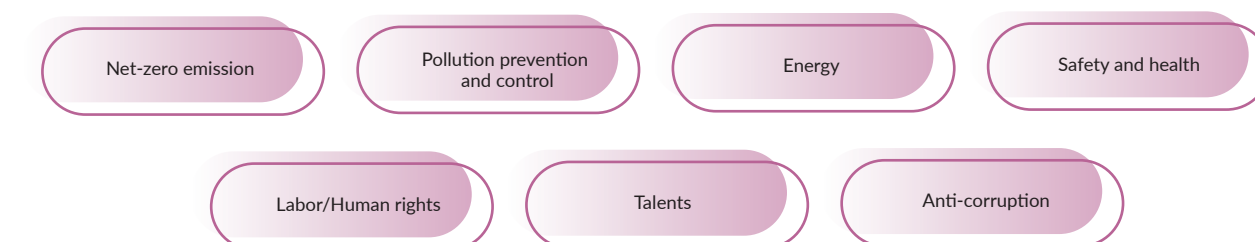
Evaluation for Board of Directors' salary and performance

The remuneration policy for directors is formulated by the Remuneration Committee based on the Company's operating performance, individual positions and performance, and comparable market statistics. For information on the salaries of each director, please refer to the Company's 2023 annual report.



ESG indicators for senior managers

Annual performance indicators: net zero emissions, pollution prevention and control, energy, safety and health, labor/human rights, talent, anti-corruption



The proportion of salaries change for senior managers from 2022 to 2025:

2022	2023	2024	2025
35%	30%	30%	30%

Compliance operation

Asia Cement (China) always adheres to compliant and honest operations and strictly abides by national laws and regulations to establish a sound corporate control system. By combining business development with the values of integrity, compliance requirements, and expectations of all stakeholders, we continuously improve corporate governance level, effectively safeguard the long-term interests of all stakeholders, and establish a good corporate image, laying the foundation for the healthy and sustainable development of the Company.

Business ethics

We regard business ethics management as a key focus of corporate governance. We strictly adhere to laws, regulations, and regulatory requirements, construct a sound and effective internal control management system, and continuously optimize internal control processes and appeal and reporting mechanisms to achieve effective supervision of anti-corruption, anti-bribery, and other related matters, avoid various improper, illegal, and irregular behaviors, and achieve effective prevention and control of internal risks of the Company. During the reporting period, the Company did not engage in any incidents of corruption or other violations of business ethics.

Construction of institutional system

The Company continues to strengthen its institutional construction and has formulated policies such as the Anti-Corruption Policies for Business Ethics Management, Code of Conduct for Business Personnel, Code of Conduct for Integrity Management, and Reporting of Third-degree Relatives, where detailed requirements have been made for all employees and stakeholders of the Company in areas such as anti-corruption and clean employment.

Business Ethics Management
Anti-Corruption Policy

Code of Conduct for Business
Personnel

Code of Conduct for Integrity
Management

Reporting of Third-degree
Relatives

The Audit Committee assists the Board of Directors in conducting independent reviews of the Company's internal controls and risk management, and supervises the audit process. At the same time, we set a general auditing office and regional auditing offices to coordinate the Company's risk control auditing work. In addition, according to the operational procedures of each department, we formulate internal auditing implementation rules to guide the implementation of auditing work.



The general auditing office and regional auditing offices develop an annual audit plan based on the risk assessment of the operational procedures, and set the audit frequency based on previous abnormal audit situations. Prioritized special investigation and audit will be conducted for temporary management risks or related reports received. Audit reports are issued for the audit results of annual audits, temporary special case, and reporting investigations, and are submitted to the Vice Chairman for approval before being sent to relevant departments for processing and improvement in accordance with the instructions.

In addition, the Company encourages each branch to conduct self-assessment of its internal control system, with the assistance of the audit department. Relevant processes and internal control systems shall be improved and revised to prevent the recurrence of improper behavior or risks identified as non-compliant and legal. At the same time, the Company incorporates process improvement and loss recovery into performance evaluation, establishes a reward and punishment system, continuously improves the operation process, and enhances the risk awareness of all employees.



Establish the system of rewards and punishments



Continuously improve the operating procedures



Enhance the risk awareness of all employees

The Company continuously improves its risk management and internal control through multiple methods such as self-assessment, external audits, annual audits, and special case audits, and continuously strengthens its risk prevention capabilities. As of the end of the reporting period, the general auditing office and regional auditing offices have completed 45 annual audits and 28 special case audits. At the same time, relevant departments have made corrections and implemented them one by one based on the rectification suggestions.

45

annual audits

28

special checks

Whistleblower protection mechanism

Asia Cement (China) continues to promote the construction of integrity and has established a normalized appeal and reporting mechanism. The general auditing office and regional auditing offices are responsible for reporting and complaint work, including accepting reports and complaints, recording, reporting, investigating, and following up on reported violations of discipline and regulations.

Record

Report

Follow-up

Investigation

The Company accepts anonymous and real-name reporting, maintains smooth internal monitoring, reporting, and complaint channels, and encourages all employees, suppliers, customers, contractors, business partners, and all other relevant personnel who have business dealings with the Company to actively report bribery, corruption, cheating, violations of corporate rules and regulations, and any suspected violations of laws and regulations.



Bribery



Corruption



Fraud



Violations of corporate rules and regulations

The Company firmly protects the legitimate rights and interests of whistleblowers. The reporting department is required to keep the information of the informant strictly confidential; it is strictly prohibited to disclose the whistleblower's personal information, reporting processing status, etc. to the person to be reported or personnel unrelated to the reporting work; it is also strictly prohibited to retaliate against the whistleblower.

During the reporting period, the Company has received and disposed of a total of 6 reported problem clues, with a completion rate of 100%.

Received and disposed of a total of 6 reported problem clues

Completion rate of
100%

Data and information security

The Company is fully committed to building a data and information security defense line by formulating a series of detailed management systems, including employee account and password management, unified computer management, data backup, computer room management, and employee internet management and clarifying the goals, principles, management responsibilities, and operating procedures of information security, in order to comprehensively carry out our data protection and information security work, and fully protect the information and privacy data security of all stakeholders.

During the reporting period, the Company did not experience any data leakage incidents, and there were no legal lawsuits related to information and data security against the Company or employees.

Management system

Employee account and password management

Computer unified processing

Data backup

Computer room management

Staff Internet service management

Information security protection measures of Asia Cement (China)



Data security

Strengthen data control, implement strict access control, adopt data transmission encryption technology, and critical data backup and recovery.



Hardware security

Purchase high-end physical hardware equipment to enhance system physical security, and regularly conduct network security checks, security vulnerability scans, and risk assessments to proactively identify and fix potential security risks.



Network security

By equipping firewalls, security servers and virus interception, regulating employee internet behavior, and taking other security control measures, ensure the stable operation of the system.



Institutional security

Continuously improve the safety management system, regularly revise and improve the internal control system.



Case

Conduct information security training by the Company



Intellectual property protection

The Company attaches great importance to intellectual property protection and has formulated the Patent Administration Measures, which stipulate the details of patent applications and maintenance for all companies of Asia Cement (China), as well as the precautions for using products with intellectual property rights.

As of the end of the reporting period, the Company has obtained a total of 38 patents, including 35 utility model patents and 3 invention patents.

As of the end of the reporting period

Obtained
38
patents

Obtained
35
utility models

Obtained
3
invention patents



Responsible Asia Cement (China) for a better future

- 29 Technological innovation
- 32 Serve customers with quality
- 37 Practice responsible supply
- 39 Staff management
- 51 Practice of social responsibilities

Asia Cement (China) always adheres to innovation-driven high-quality product development, attaches great importance to supplier management, and promotes win-win cooperation throughout the entire industry chain; adheres to people-oriented principles, fully respects the basic rights and interests of employees, and takes safeguarding and realizing the interests of all employees as the starting point and foothold of human resources work; takes on corporate social responsibility, gives back to society with development achievements, and promotes the construction of a harmonious society.

Key performance:

In 2023, there were a total of **67** proposals for innovative achievements.

In 2023, we collected a total of **442** customer satisfaction questionnaires, with a customer satisfaction rate of **97%**.

In 2023, the Welfare Committee spent RMB**1,944.95** million and the labor union's welfare expenditure was RMB **374.44** million.

In 2023, the actual training time per capita was **50.44** hours, and the staff training coverage rate was **99.76%**.

In 2023, all shbsidiaries of Asia Cement (China) held **22** employee representative meetings and **52** labor union committee meetings.



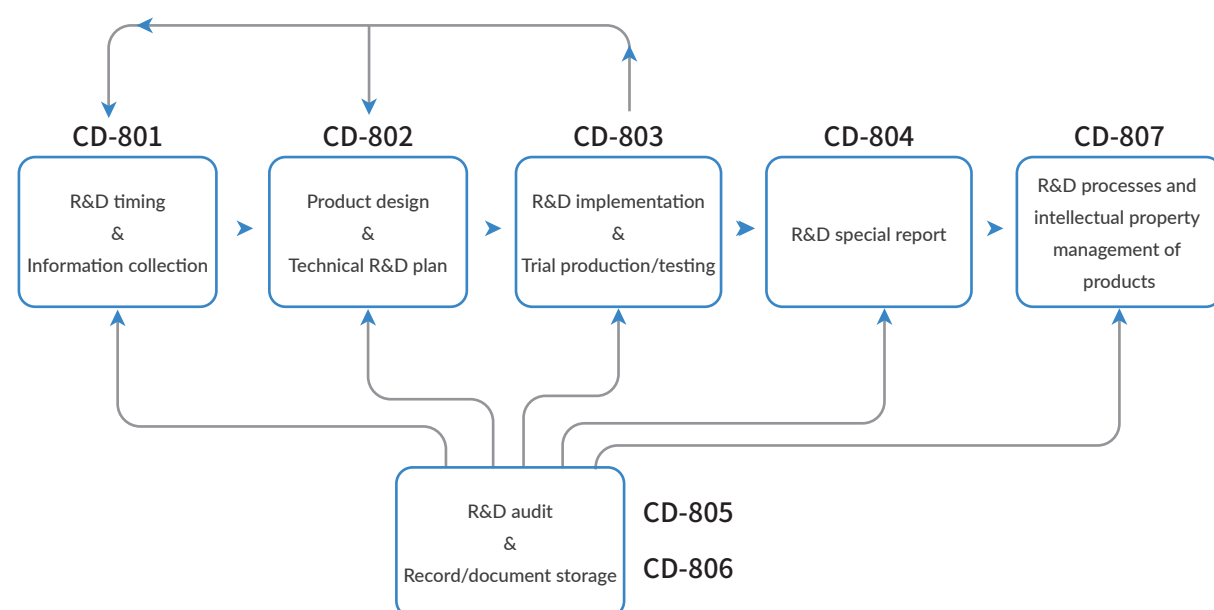
Technological innovation

Management of innovation

Asia Cement (China) has formulated the Articles of Organization for the Innovation and Improvement of Nomination Committee and Operation Management Measures 4.0, advocating for active participation of all employees in various subsidiaries of the Company, so as to fully leverage the innovative and reformative thinking of all employees, work together, continuously promote work innovation and improvement, and continuously improve the operational efficiency of the Company.

R&D cycle management system

The Company conducts active and effective R&D cycle management by combining R&D cycle management system and R&D timing and information collection, product design and technology R&D planning, R&D execution and trial production/testing, R&D project report, R&D audit, record and document storage, and R&D processes and intellectual property management of products.



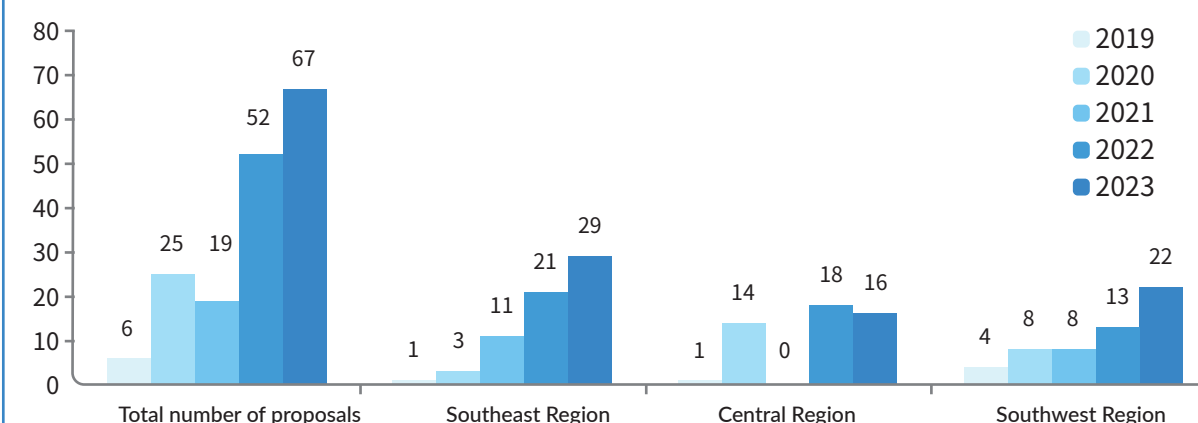
Incentive mechanism

-  Establish reward rules for proposers, execution units and units organizing proposal related work.
-  After the proposal is confirmed for implementation, the regional officials will notify the human resources unit to which the proposer belongs to issue a proposal bonus based on the evaluation and verification.
-  After the implementation of the proposal, if there are groundbreaking achievements and new construction methods, new technology, new processes, etc. have been built based on them, which are sufficient to be listed as industry benchmarks (or have been praised by relevant government authorities), or if their new products, processes, etc. can be applied for patents and successfully obtained, the leader of the proposal execution project may attach relevant information and submit it to the Nomination Committee for a separate award.
-  Based on the calculation of benefits bonus for innovative proposals, the feasible innovative proposals reviewed by the Nomination Committee shall be sent back to each department or company for improvement. The bonus from the benefits generated within a phased period from the date of completion notice issued by the project leader shall be calculated and issued to relevant personnel.

Innovative achievements

In 2023, there were a total of **67** proposals.

Comparison of Number of Proposals Implemented in Various Regions of Asia Cement (China) from 2019 to 2023



Digital transformation

The Company insists on strengthening its foundation through industrialization and empowering it with information technology to continuously increase investment in intelligent mine construction and fully promoting the construction of mine mechanization, automation, informatization, and intelligence. At present, the Company has built a remote monitoring system for open-pit mining equipment, a mine virtual 3D system, a remote monitoring system for mine output, a mine video remote monitoring system, and a mining reserve management system. Through the video remote monitoring system, corporate managers of mines can achieve real-time control of important links such as mining, processing, and production, realizing remote command and promoting mine work safety. At the same time, through comprehensive display and monitoring of mine reclamation and greening, the planning and promotion effect of green mines can be achieved by the green mine information input module. The online environmental monitoring system built in the mine can realize real-time dynamic monitoring of particulate matter, noise, etc., and such information can be publicly displayed on large outdoor display screens in the mine in real time.





Case

Construction of Intelligent Mines of Jiangxi Ya Dong



Jiangxi Ya Dong, relying on the Group's technology in the field of intelligent control and combining with the industry experience of digital transformation of modern mine enterprises, has begun to practice the construction of intelligent mines and launched a "one-stop" solution, providing guarantees for mine technology innovation, quality improvement, cost reduction, and efficiency enhancement.

One-stop

The Jiangxi Ya Dong Intelligent Mine Comprehensive Building Project has a land area of 600 m² and a construction area of approximately 3000 m², with a cumulative investment of over RMB 5 million. The completed centralized control room has centralized the control of the original 5 crusher control rooms and limestone stacker, achieving maximum optimization of manpower allocation. At the same time, the dust, noise, and vehicle GPS online scheduling during the production process in the mine area have been integrated into the centralized monitoring of the intelligent mine, achieving visualization of the mine operation platform and providing raw data for production management. At present, the output per machine-hour, energy consumption, equipment operating parameters, and belt power generation of each crusher can be displayed on the large screen and relevant reports can be automatically generated.

The complex building project covers an area of
600 m²

Building area of
3000 m²

Accumulated investment of more than RMB
5 million

Mines will gradually introduce projects such as unmanned driving and intelligent inspection systems to achieve unmanned driving of tramcars, automatic monitoring and early warning of on-site crushing and conveying equipment, and further improve the level of mine intelligence.

Serve customers with quality

Asia Cement (China) always adheres to the quality management policy of "Superior Service, Excellent Quality, Advanced Technology, and Sustainable Development". Through full process quality control, we strictly control the quality of raw materials, implement product quality standards, strengthen production management, establish a sound after-sales service system, and provide comprehensive quality assurance.

Quality management policy

Good service

High quality

Advanced technology

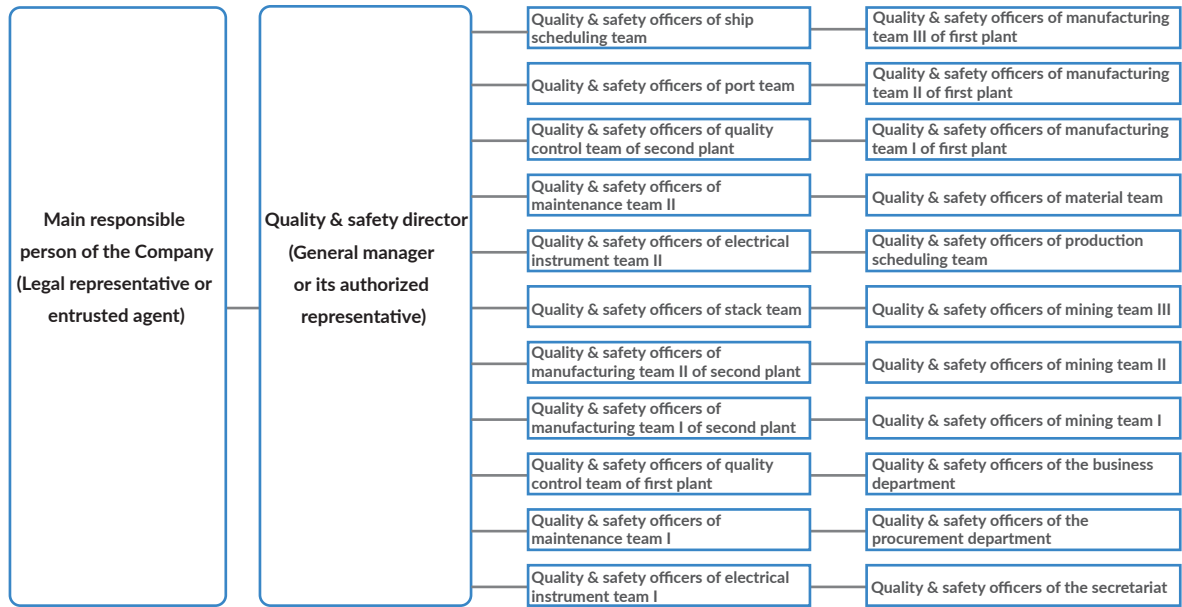
Sustainable development

Quality management system

The Company strictly complies with laws and regulations such as the Product Quality Law of The People's Republic of China, the Implementation Rules for Cement Product Certification, and the Implementation Rules for Portland Cement Clinker Product Certification. We have established relevant inspection and control standards for incoming raw materials, raw materials, clinker, and delivery cement and a three-level quality inspection system, which is managed by the quality control department throughout the entire process. During the reporting period, the Company did not experience any recall issues or related violations caused by product quality and safety issues.

Jiangxi Ya Dong Cement Co., Ltd.

Organizational Structure of Quality and Safety Management

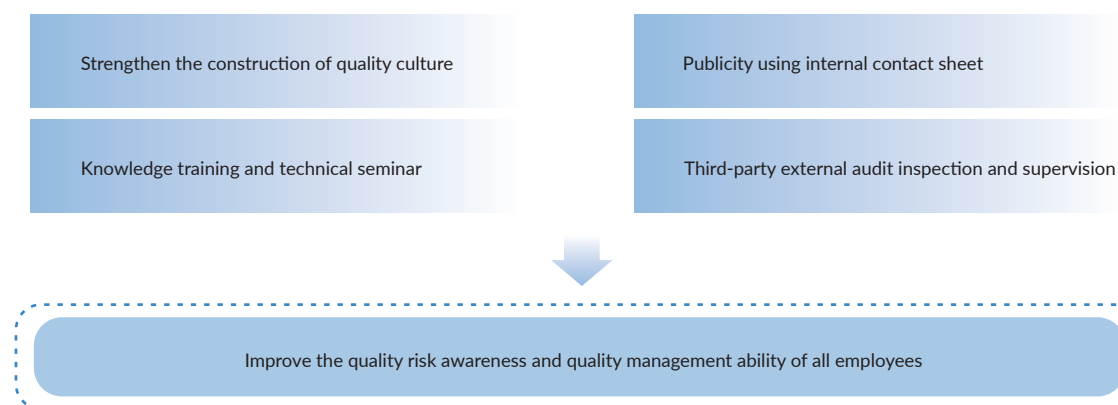


The Company continues to strengthen quality control in various production processes and has established a comprehensive ISO 9001 quality management system. It fully controls and inspects the quality of incoming raw materials, product production processes, and finished products to ensure that the quality of the products to be delivered is qualified. All integrated cement companies, cement grinding companies, and cement product companies under the Company have passed the ISO 9001:2015 quality management system certification. All cement and clinker products have passed the product quality certification, and the packaging of products is made with standardized label in strict accordance with regulatory requirements.



Wuhan Ya Li Quality Management System Certification

In order to enhance the quality risk awareness and quality management ability of all employees, the Company continuously strengthens the construction of quality culture and product quality management in accordance with relevant laws and standards of quality management, combined with regulatory requirements, knowledge training and technical seminars on the basis of cement product inspection standards, Common Portland Cement (GB175-2023), and other general laws, internal contact list promotion, and third-party external audit inspection and supervision.



Case

Special Training of Wuhan Ya Dong on quality



Assist industry development

Asia Cement (China) is brave enough to shoulder the mission of industry development, make steady progress in exploration and practice, and combine independent innovation with opening up, cooperation and standardization. While developing the relevant technologies, it plays an important role in the activities of industry association. Now it has become the official member of different associations and acted as their deputy directors, executive directors and director members. Moreover, it actively participates in the formulation of industry standards and helps promote the sustainable development of cement industry with its own development experience.

By the end of 2023, Asia Cement (China) had participated in the preparation of the CSTM Standard General Guidelines for Carbon Neutrality Evaluation in Building Material Industry under the leadership of China Testing & Certification International Group Co., Ltd.

Association name	Corporate identities
China Cement Association	Vice President unit
China Building Materials Federation	Member unit
Sichuan Cement Association	Governing unit
Jiangsu Building Materials Industry Association	Executive Director Association
Hubei Cement Industry Association	Vice President unit
Wuhan Association of Circular Economy	Standing Director unit
Jiangxi Emergency Management Association	Member unit
Jiangxi Federation of Building Materials Industry	Member unit
Yangzhou Building Materials Industry Association	Vice president unit



Case

The subsidiaries of Asia Cement (China) actively participates in the national cement test and comparison

7 subsidiaries, including Jiangxi Ya Dong, Wuhan Ya Dong, Yangzhou Ya Dong, Sichuan Lan Feng, Hubei Ya Dong, Sichuan Ya Dong and Huanggang Ya Dong, won a number of awards (for all outstanding items, all excellent items and all acceptable items) in the 19th "MEINOLF" Cup National Quality Index Test and Comparison. Asia Cement (China) Holdings Corporation won the Award for the 40th Anniversary (1983-2023) of National Cement Test and Comparison for Outstanding Contribution and other honors.



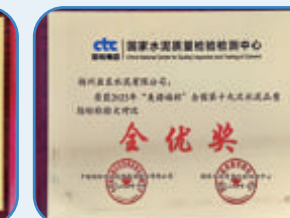
Asia Cement (China) won the Award for the 40th Anniversary (1983-2023) of National Cement Test and Comparison for Outstanding Contribution



Wuhan Ya Dong won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items



Jiangxi Ya Dong won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items



Yangzhou Ya Dong won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items



Sichuan Lan Feng won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items

Sichuan Ya Dong won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items

Hubei Ya Dong won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items

Huanggang Ya Dong won the 19th Award of National Cement Quality Index Test and Comparison for All Outstanding Items



Case

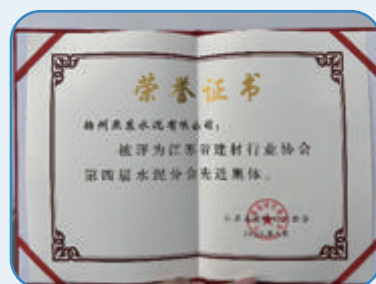
Yangzhou Ya Dong, a subsidiary of Asia Cement (China), won industry honors in 2023



Standardization Demonstration Unit of Occupational Health Archives



Excellent Member of Jiangsu Building Materials Industry Association



Advanced Collective of the Fourth Cement Branch of Jiangsu Building Materials Industry Association

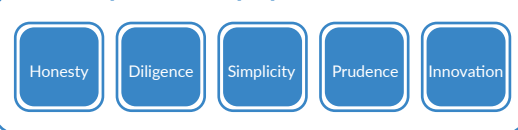
High-quality customer service

Asia Cement (China) adheres to the entrepreneurship spirit of "honesty, diligence, simplicity, prudence and innovation", focuses on the need of every customer and continuously promotes customer satisfaction by improving product quality and customer service quality. During the reporting period, Asia Cement (China) didn't experience any recall due to health and safety issues caused by the products.

Customer service management

Asia Cement (China) continues to improve the customer management system, formulates the Service Management Operation Procedure and Customer Satisfaction Survey Management Operation Procedure to carry out pre-sale, in-sale and after-sale services. The Company's business division is responsible for the distribution of cement factory test reports and service reports, customer visits and surveys and acceptance of customer complaints and the quality control team is responsible for assisting in handling related matters.

entrepreneurship spirit



Before sales

Communicate with customers in various ways, such as phone call, electronic media, advertising, online publicity and meeting for the placement of orders;

During sales

Review management operating procedures in accordance with product requirements and orders;

After sales

Establish after-sales service hotline, conduct regular customer satisfaction surveys, provide quality services, and adjust the ratio to meet customer needs.

Key indicators	Unit	2023
Number of customer complaints	No.	46
Number of complaints handled	No.	46
Rate of response to complaints after completion of handling	%	100

Customer satisfaction improvement

In order to fully protect the rights and interests of customers and improve customer satisfaction, the Company pays annual visits to customers, collects customer satisfaction questionnaires, actively strives to provide customers with better products and services, and optimizes service processes and improves service quality and standards in a timely manner according to customer feedback. Moreover, technical experts are selected to answer, handle and follow up the questions involved in the feedback according to different types of problems.



In 2023, we collected a total of 442 customer satisfaction questionnaires, with a customer satisfaction rate of 97%.

Customer privacy protection

The Company strictly and fully abides by the relevant legal provisions on personal data protection in the Civil Code of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, and strictly protects customer privacy. The Company requires all employees to sign the Letter of Commitment on the Use of IT Equipment, Network Security and Confidentiality by Employees, and promise not to disclose, steal or illegally use customer information. For business personnel who can access first-hand information of customers, the Company has formulated the Code of Conduct for Business Personnel, which provides multiple protection for customer information through authority setting and strict approval process.

During the reporting period, the Company did not have any incidents of infringing on customer privacy rights or losing customer information.

Practice responsible supply

Based on the principle of long-term win-win cooperation and mutual benefit, Asia Cement (China) adheres to fair trade, fair competition, mutual benefit, win-win situation and coordinated development. It is committed to building a responsible and sustainable supply chain.

Distribution of suppliers	Total number of suppliers	No.	1,624
	Number of suppliers in the Chinese mainland	No.	1,617
	Western Region	No.	242
	Eastern Region	No.	485
	Central Region	No.	485
	Northeast Region	No.	405
	Number of suppliers in Hong Kong, Macao, Taiwan and overseas regions	No.	7

Supply chain management system

The Company strictly abides by the Company Law of the People's Republic of China, the Tendering and Bidding Law of the People's Republic of China and other relevant laws and regulations, and has formulated regulations such as the Supplier Management Measures, the Procurement Standard Operating Procedures, the Procurement Business Code of Conduct and the Supplier Conduct Guidelines to regulate supply chain management.

Based on qualification confirmation, risk assessment, audit supervision, assessment, evaluation and other measures, the Company performs the whole life cycle control in the selection, access, use, maintenance, evaluation, audit, elimination and other stages of supplier management. Besides, we actively cooperate with suppliers to solve product quality and safety-related problems, implement supplier training, promote energy conservation and emission reduction in the supply chain, provide support for suppliers to obtain certification for self-improvement, and strive to build a healthy, green and sustainable supply chain.



Supplier access mechanism



We incorporate social responsibility and other factors into supplier selection criteria. All supplier contracts are accompanied by Supplier Conduct Guidelines, which clearly stipulate anti-corruption and unfair competition practices.

Supplier evaluation mechanism



Raw material suppliers are evaluated once every six months, and other types of suppliers are evaluated once a year. The evaluation covers factors related to sustainable development such as social responsibility and environment.

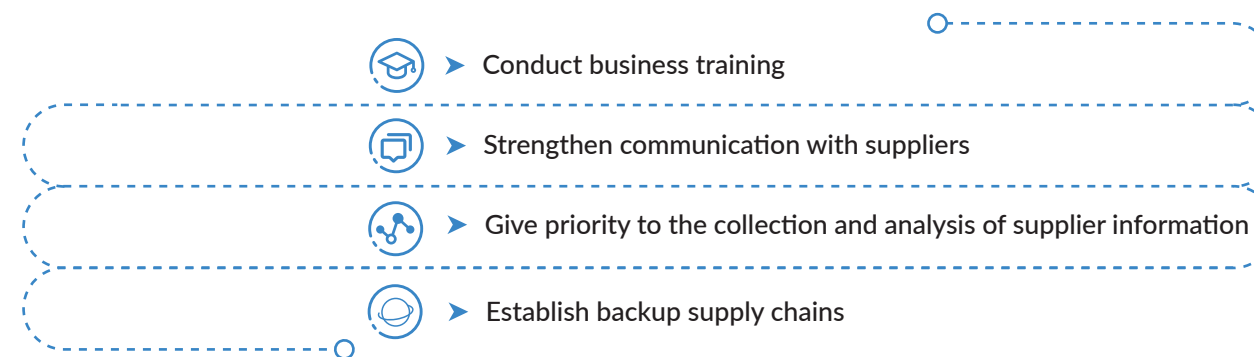
Supplier elimination mechanism



After evaluation, suppliers fall into four categories: A, B, C and D. Category-D suppliers shall not enter the list of eligible suppliers again within two years. Category-C suppliers shall accept in-depth investigation by Asia Cement (China) and correct the problems found within the time limit.

Supply chain risk management

In order to strengthen the stability of its supply chain and avoid risks caused by price fluctuations, changes in upstream and downstream enterprises and the marketing of new products, the Company implements centralized supply chain management to maximize the sharing of supply chain resources within the corporation. By carrying out business training, strengthening supplier communication, focusing on supplier information collection and analysis, creating the backup supply chain and taking other measures, we have reduced the systemic risk of the supply chain:



During the reporting period, there were no risk events arising from the supply chain.

Clean administration of the supply chain

The Company has formulated the Supplier Business Conduct Guidelines and Procurement Business Code of Conduct, which require suppliers to abide by laws and regulations and scrupulously comply with business ethics. Meanwhile, the Company requires suppliers to sign the Supplier Responsibility Declaration, follow the basic principles of honesty, trustworthiness and legal operation, and create a favorable and fair competitive environment.

Supplier audit

In 2023, the Company reviewed **589** suppliers and found no violations of laws and regulations.

Green and sustainable supply

Asia Cement (China) gives priority to the green development of supply chain, actively undertakes social responsibility, and promotes the green and low-carbon development of the supply chain. The Company takes corresponding management measures to reduce the impact of logistics, production, procurement and other steps in the supply chain on the environment, such as transportation emissions and manufacturing process waste, and expects to establish a green low-carbon sustainable supply chain with the joint efforts of supply chain partners.



- With respect to the characteristics of cement manufacturing industry, the Company chooses water transportation to reduce the energy consumption and production cost per unit of logistics;



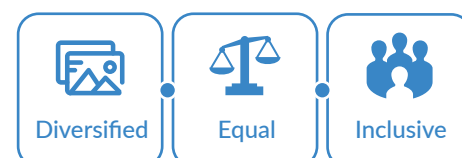
- In order to reduce the ecological damage caused by the mining of coal, clay and sandstone, the Company continues mine management and succeeds in building the national demonstration green ecological mine.

Staff management

Asia Cement (China) always adheres to the people-oriented principle, strives to build a sound mechanism of equal employment, talent introduction and training, provides a platform for employees to maximize their own value, fully respects and protects the basic rights and interests of employees, and strengthens humanistic care for employees. It will join hands with all employees for joint development and growth.

Construction of talent team

The Company regards high-quality talents as the core competitiveness of corporate development. We are committed to protecting the legitimate rights and interests of employees, standardizing the recruitment and employment process, improving the employment management system, eliminating any form of discrimination or harassment, and creating a diverse, equal and inclusive working atmosphere for all employees.



Compliance employment

The Company strictly abides by the Labor Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Law of the People's Republic of China on Protection of Minors, the Special Rules on the Labor Protection of Female Employees and other relevant laws and regulations, makes a positive response to the calls of the United Nations Declaration of Human Rights, the International Labor Organization Declaration on Basic Principles and Rights at Work and other international conventions on human rights protection, and promises to protect the rights and interests of employees, and provides employees with more comprehensive benefits over the requirements of laws and regulations.

Equal employment

The Company adheres to fair competition and open admission, and is committed to creating a diverse and inclusive environment for all employees. It never differentiates recruitment, salary, and career development by using factors such as employees' ethnicity, gender, age, nationality, religious belief, and marital status. It also resolutely prohibits any form of harassment, and employment of child labor and forced labor, takes into account gender ratio, and attaches importance to the principle of equality.

All forms of harassment, child labor and forced labor are prohibited

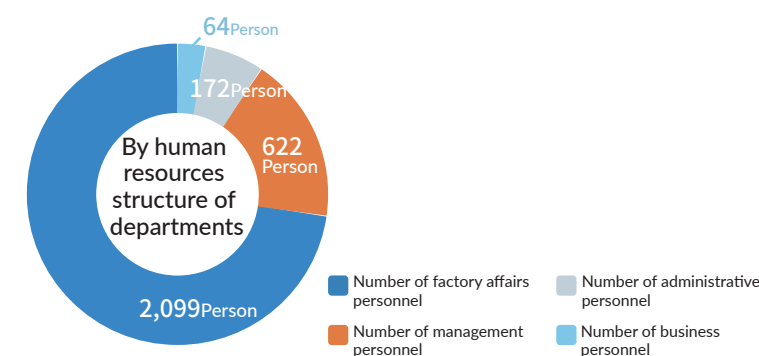
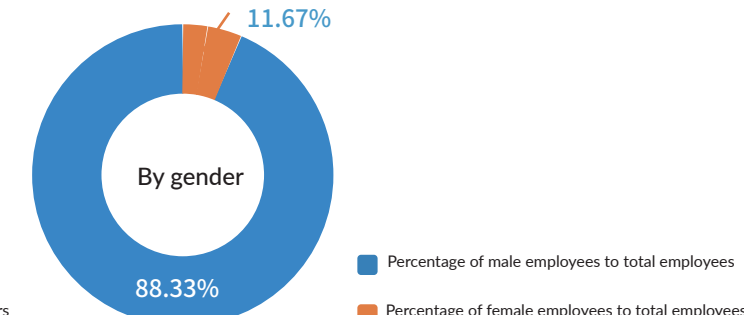
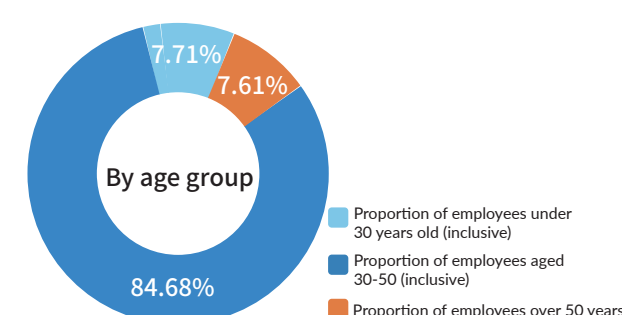
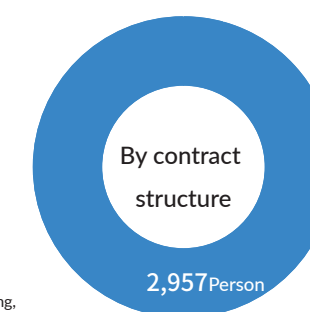
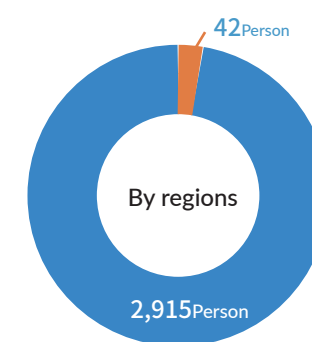
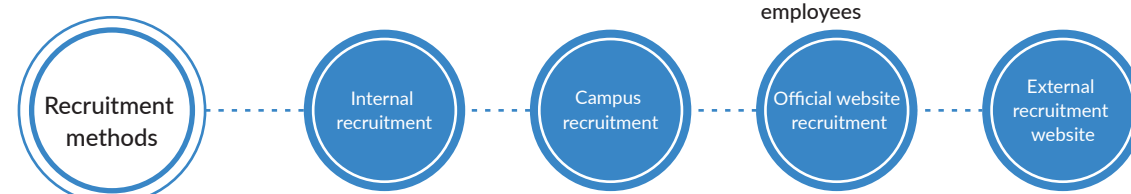
Focus on sex ratio



Give priority to the principle of equality

Diversified recruitment

The Company implements internal recruitment, campus recruitment, recruitment through official website, recruitment through external websites and using other channels to recruit talents. By the end of 2023, the total number of employees of the Company was 2,957 and the staff loss rate was only 1.79%.



Protection of employee rights and interests

The Company gives priority to the protection of employees' rights and interests, cares about their health, safety, salary and benefits, and works hard to create a humanistic, healthy and safe working environment for all employees.

Employees' remuneration and welfare

The Company formulates and improves the Salary Management Measures, Bonus Distribution Management Measures and other internal rules and regulations, fully respects the value contribution of employees, and stimulates employees' enthusiasm and sense of belonging. Staff remuneration package consists of fixed salary and bonus determined by supervisors. 100% employees enjoy variable remunerations, including monthly production and sales bonus, full attendance bonus, annual attendance bonus, year-end bonus, staff incentive bonus (dividend) and contribution bonus.

100% employees enjoy non-cash welfare. The Company pays five types of insurance and public accumulation fund for housing construction for all the employees. In accordance with the Operation Management Measures of the Employee Welfare Committee, the Company offers a variety of additional subsidies and benefits to employees, such as food subsidies, allowance for three festivals, year-end dinners, travel and customized benefits, birthday gifts, wedding, funeral and maternity cash gifts, etc. In 2023, the Welfare Committee spent RMB 19.4495 million and the labor union's welfare expenditure was RMB 3.7444 million.



Expenditure of the Company's welfare committee:
19.4495 million



Expenditure of the trade union's welfare: RMB
3.7444 million

Working hours and vacations

The Company implements a standard working hour system in accordance with the Labor Law of the People's Republic of China. The daily working hours of employees will not exceed eight hours and the average working hours per week will not exceed 44 hours. In addition, the drivers of our transport companies are subject to a comprehensive working hour system due to the special characteristics of their work. Employees are entitled to paid annual leave, marriage leave, sick leave, bereavement leave, maternity leave, nursing leave and special leave in accordance with relevant laws. Couples who comply with the maternity policy and have children under the age of three can enjoy parental leave in accordance with relevant laws. Female employees who are breastfeeding can enjoy breastfeeding leave to ensure the maternity benefits of employees.

Employees' leaves

- Paid annual leave
- Marriage leave
- Sick leave
- Bereavement leave
- Maternity leave
- Nursing leave
- Special leave

Staff development and training

The Company attaches importance to employee training and development, encourages employees to learn for life, establishes a complete talent training system, designs various types of training programs, provides corresponding training according to the career development needs of employees in different positions, and steadily carries out talent training. In order to improve the management skills of talents at each level and meet the needs of personal development, Asia Cement (China) has carried out "Elite" supervisor training, middle-level supervisor management training, grassroots supervisor management training and grassroots personnel professional quality training for many years, customized talent training programs, and helped employees with all-round development for higher training standards and more flexible teaching modes. In order to improve the overall quality of employees, the Company has added the requirements of business ethics and information security to all kinds of training, and carried out the training on mental pressure relief and the training on work safety to further enhance personal safety awareness and reduce operational risks.

Promote safety awareness

Reduce operational risk

The Company has also built libraries to provide various types of publications and organized external training for employees to obtain relevant qualification certificates and improve their professional skills based on actual business requirements.

In 2023, the Company completed 1 phase of advanced training for elite talents, training 7 middle and high-level management talent mentors and 35 qualified middle and high-level management talents, completed 1 phase of training for middle-level talents, training 48 middle-level management talents, and completed 4 phases of training for grassroots management talents, training 192 qualified grassroots management talents.

As of the end of the reporting period

7

Middle and high-level management talent mentors:

35

employees specialized in middle and high-level management

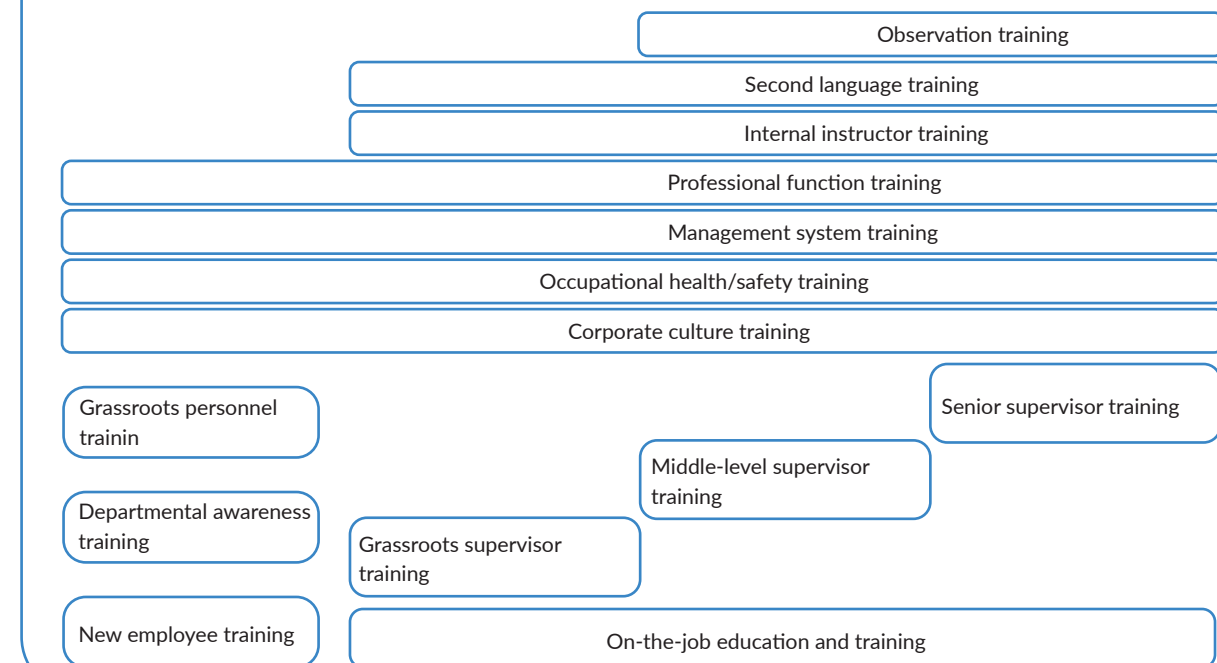
48

employees specialized in middle-level management

192

employees specialized in grassroots management

Corporate Education and Training System Chart



In order to ensure the quality and effect of training courses, achieve the coordinated development of personnel at all levels, and carry out all-round and multi-level staff training activities, the Company has formulated the Training and Internal Instructor Management Measures.

Classification of training courses (38 courses of 9 items)



The Company has also established a training database system to link training with performance appraisal, and all training data are recorded into the system to help the Company grasp the training situation in real time and provide data support for the next step of work.

In 2023, the target training time per capita was 30 hours, the actual training time per capita was 50.44 hours, and the staff training coverage rate was 99.76%. The total training cost was RMB 1,517,935.

Target number of training hours per employee

30 hours

Actual number of training hours per employee:

50.44 hours

Employee training rate:

99.76%

Total training cost: RMB

1,517,935

In 2023, 1,670 employee-times were helped by the Company to obtain certificates from authoritative organizations through training, such as special operations, special equipment operators, safety managers, blasting personnel licenses, registered safety engineers, registered fire engineers, professional and technical qualification certificates (engineers), Red Cross first aiders and emergency rescuers.

Number of person-times to obtain the licenses and permits of authorities:

1,670



Case

Advanced training for elite talents



Occupational health and safety of employees

The Company continues to optimize the construction of occupational health and safety management system, comprehensively promotes the implementation of safety responsibility norms, always adheres to zero tolerance for potential safety hazards, strengthens occupational disease prevention and management, disseminates and spreads health and safety concepts to all employees, and comprehensively improves its health and safety management level.

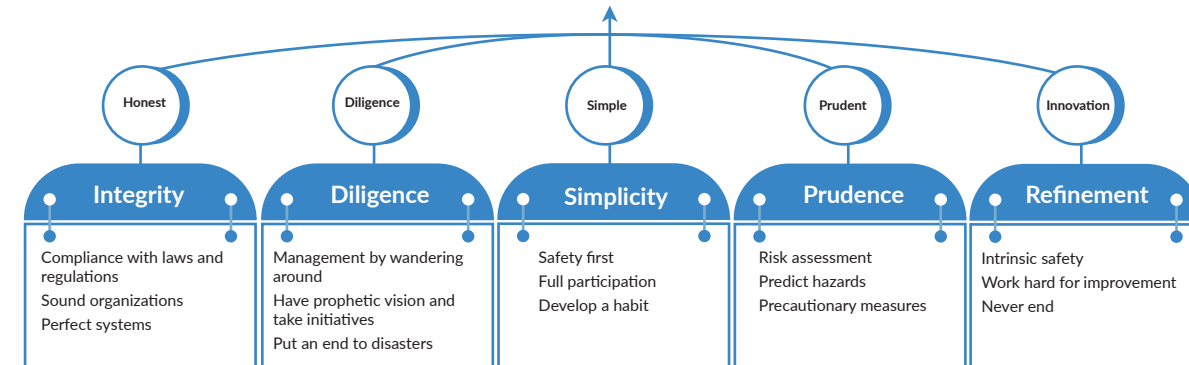
Occupational health and work safety management system

The Company strictly abides by the Work Safety Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Mine Safety Law of the People's Republic of China and other relevant laws and regulations, as well as the occupational health and safety management regulations issued by the International Organization for Standardization (ISO), and establishes a complete management rules and regulations. We carefully carry out risk assessment for each operation, establish operation procedures and post operation standards, encourage all employees to participate in education and training, develop the habit of "safety first", prevent disasters from happening through management by wandering around, and constantly innovate and improve safety measures to ensure the safety and health of workers, creates a safety culture with the characteristics of Asia Cement (China), and establishes a healthy and safe working environment for employees.

Occupational health and safety management policies of Asia Cement (China)

Build a safe and health organization culture

Create a zero-disaster working environment
Ensure the safety and health of workers



Meanwhile, the Company actively promotes the construction of work safety standardization and occupational health and safety management system to improve occupational health and safety performance through systematic management. By the end of the reporting period, all the subsidiaries have established corresponding occupational health and safety management systems according to their business attributes, and have obtained the qualification of their industry work safety standardization as secondary enterprises (building materials, open-pit mines, transportation, other products similar to cement manufacturing), occupational health and safety management system (GB/T 45001-2020) certificates and other certificates.



According to the occupational safety and health management system, the Company has set up occupational safety and health management units and personnel, and introduced appropriate management systems for implementation based on the nature and number of employees. For the work safety committee of each unit, its general manager serves as the chairman. In addition to department supervisors and professionals, the committee members also include employee representatives (accounting for 33%). The work safety committee holds a monthly meeting to review the safety and health policies, operation behaviors and potential safety hazards, form complete opinions, and arrange corrective actions according to the resolution.

Safety and health policy

Job behavior

Safety hazard

Furthermore, the Company regularly entrusts a third-party environmental monitoring agency to assess the operating environment and regularly organizes medical examinations for employees. During the reporting period, no occupational diseases occurred to the employees of the Company.

Occupational safety and health objectives

According to the industry category, the Company sets the objectives of occupational safety and health index based on the average of 2020-2022. In the industry of building materials, Asia Cement (China) has 6 cement companies, 3 grinding companies, 5 product companies and 3 transportation companies. It is aimed to reduce the occupational safety and health problems by 10% by the end of 2025. All the occupational safety and health indexes have reached the target values in 2023.

Asia Cement (China) in the industry of building materials		FR	SR	FSI
Employees	Reference value	1.47	51.03	0.27
	2021Actual	1.80	41.60	0.27
	2022Actual	1.34	46.30	0.25
	2023Actual	0.97	46.47	0.21
	2023Reach the standard	✓	✓	✓
	2025Target	1.31	45.42	0.24
Suppliers	Reference value	0.48	22.47	0.10
	2021Actual	0.33	16.20	0.07
	2022Actual	0.62	28.74	0.13
	2023Actual	0.36	9.33	0.06
	2023Reach the standard	✓	✓	✓
	2025Target	0.43	20.23	0.09

Note: The supplier is the engineering and labor contract party participating in the operation of the Company.

FR(Disabling Injury Frequency Rate)=limes of disability injury×1000000/total working hours
SR(Disabling injury Severity Rate)=lasting days of disability injury×1000000/total working hours
FSI(Frequency-Severity indicator)=√(FR×SR/1000)

Asia Cement (China) in the industry of transportation		FR	SR	FSI
Employees	Reference value	6.87	394.75	1.65
	2021Actual	6.46	432.57	1.67
	2022Actual	6.55	286.38	1.37
	2023Actual	3.53	367.36	1.14
	2023Reach the standard	✓	✓	✓
	2025Target	6.18	355.28	1.48
Suppliers	Reference value	0.00	0.00	0.00
	2021Actual	0.00	0.00	0.00
	2022Actual	0.00	0.00	0.00
	2023Actual	0.00	0.00	0.00
	2023Reach the standard	✓	✓	✓
	2025Target	0.00	0.00	0.00

Work safety objectives and assessment

Each subsidiary of Asia Cement (China) promulgates work safety objectives and performance evaluation standards every year in accordance with work safety policies, objectives and index management operation procedures. The Company's environmental protection and industrial safety office performs regular inspections on each unit, carries out evaluation once a month (including active performance and passive performance), and reports the implementation results of each unit to the work safety committee.



The Company's work safety in 2023 is outlined as follows:

Indicator	Unit	2023
Number of work injuries/fatalities	Person	10/0
Lost days due to work injury	Day	525
Number of safety accidents	Start	22
Work safety input	RMB 10,000	14,072.57
Hours of training on work safety	Hour	95,354.09
Times of training on work safety	Time	1,986
Number of person-times receiving training on work safety	Person-time	62,280
Training rate of incumbent employee on work safety	%	100
Total investment in insurance against occupational injury	RMB 10,000	296.47
Total number of employees covered by insurance against occupational injury	Person	2,957
Times of employees receiving aids in mental health	Time	174
Coverage of physical examinations and medical records	%	100
Number of person-times involved in employee care and assistance	Person-time	158

Occupational health and work safety training

Asia Cement (China) has a highly skilled occupational safety and health management team. It introduces high-quality talents from colleges and universities every year, establishes a perfect talent training and incentive system, implements on-the-job education and training regularly or irregularly, and selects excellent supervisors and colleagues as teachers to strengthen employees' safety awareness and production skills. The Company also requires suppliers to participate in "three-level safety education and training" and earnestly implement various safety management systems.

Three-level education and training

Case

Work safety activities of the Company



Special training on work safety



"Confined space" on-site emergency rescue drill



Safety training and education for contractors

Case

Occupational health and safety of employees



Occupational health examination for employees



Occupational disease prevention and control week



Nanchang Ya Dong was rated as a second-class enterprise for work safety standardization



Safety training for the personnel upon entry into site

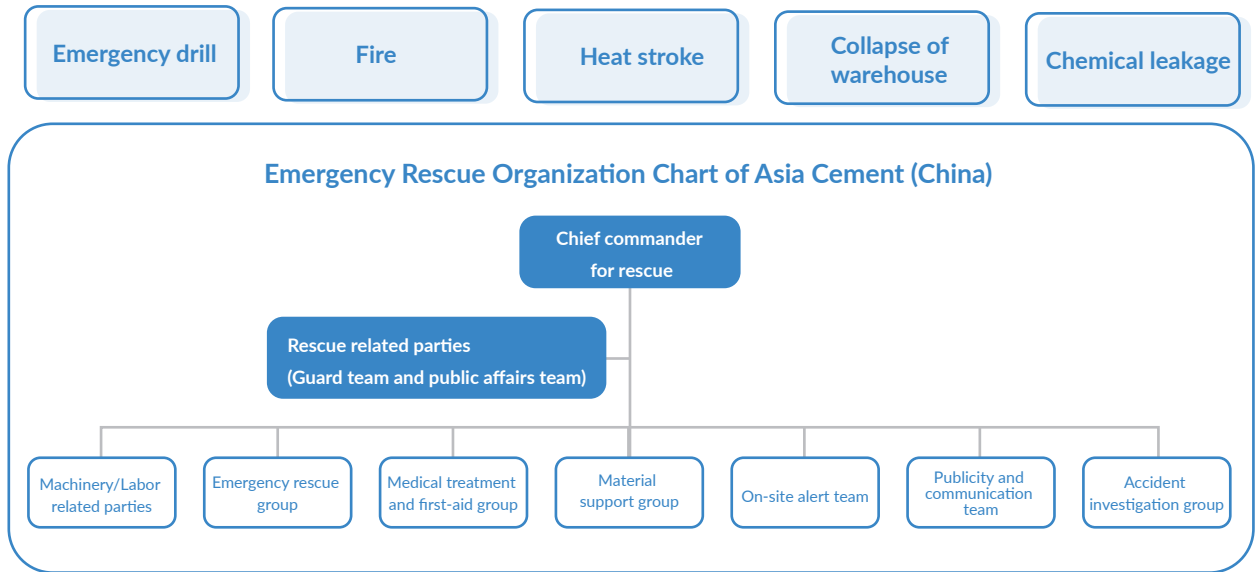


Mobilization for safety inspection

48

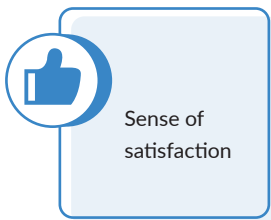
Emergency management of work safety

Asia Cement (China) formulates the Emergency Plan, Special Plan and Site Handling Plan in accordance with the relevant laws and regulations of the Emergency Regulations on Work Safety Accidents. According to the emergency drill plan, the emergency rescue team carries out various drills such as fire, heat stroke, Clearance warehouse collapse, chemical leakage, etc. every year to improve the self-rescue and mutual rescue capabilities of employees in the event of an emergency, and promote its actual combat capabilities of the emergency rescue team. Moreover, the Company works hard to improve its emergency management mechanism to ensure the corporate safety and the property and life of all employees.

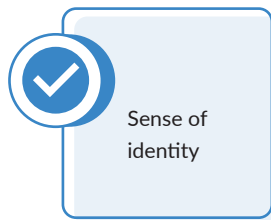


Strengthen care for employees

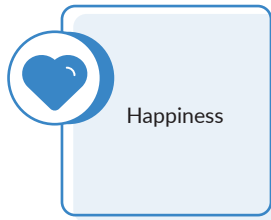
The Company cares about the work and life needs of each employee, establishes a two-way communication channel with employees, fully meets the spiritual and psychological needs of employees, pays attention to the balance between work and life, and provides employees with comprehensive and multi-dimensional practical protection and warm care. In addition, it continues to promote employees' sense of identity, satisfaction and happiness.



Sense of satisfaction



Sense of identity



Happiness

Smooth communication channels

The Company continues to strengthen democratic management, sets up workers' congresses and trade unions, ensures smooth democratic communication channels for employees, listen to employees' voices at zero distance, actively encourages employees to participate in the management and construction, effectively helps employees solve practical problems they face and build a harmonious and orderly working environment. In 2023, all subsidiaries of Asia Cement (China) held 22 employee representative meetings and 52 labor union committee meetings.



employees' congresses



meetings of the trade union

Characteristic cultural and sports activities

The Company pays attention to the demands of employees, cares about the lives of employees, and provides great care for employees.

Case



Organizing employees to participate in City Tour of Ruichang in 2023



Ping-pong game of Jiangxi Ya Dong Ping-pong Club



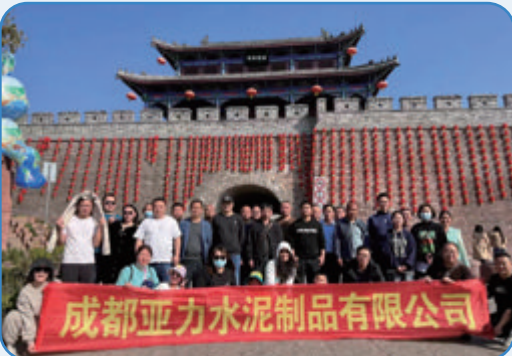
Basketball game of Jiangxi Ya Dong Basketball Club



Outdoor activity of Jiangxi Ya Dong Yoga Club



Nanchang Yi Li Trade Union organizing outdoor activities



Chengdu Yi Li organizing outdoor activities

Practice of social responsibilities

Building better communities

Asia Cement (China) actively participates in community construction and public welfare undertakings, uses its own resources and advantages to serve the society, and supports social development and improvement. During the reporting period, the Company donated RMB 2.6 million, covering education, medical care, environmental protection and other fields.



The Company donated RMB
2.6 million

The Company also actively participates in various public welfare activities, environmental protection projects and community construction, and actively fulfills its social responsibilities through actions such as caring education, unpaid blood donation, and earthquake relief.



Case

Jiangxi Ya Dong organizing employees to participate in unpaid blood donation activities



Case

Jiangxi Ya Dong making donation to Matou Ya Dong Hope Primary School

- On the afternoon of June 26, 2023, the donation ceremony of Jiangxi Ya Dong Cement Co., Ltd. to Ruichang Matou Ya Dong Hope Primary School was held in Ya Dong Hope Primary School.



- Matou Ya Dong Hope Primary School was built by Jiangxi Ya Dong in 2000 and 2003 with a total investment of RMB 1.4 million. The school has been open for 20 years and has trained more than 5,000 graduates. In order to support the school to upgrade its infrastructure, Jiangxi Ya Dong additionally donated RMB 640,000 this time to help build student canteens and improve the living environment of teachers.
- Deputy Mayor Yan of Ruichang Municipal People's Government issued a "Donation Certificate" to Jiangxi Ya Dong at the event site, and spoke highly of and affirmed Jiangxi Ya Dong's charity deeds.



Case



- Huanggang Ya Dong won the honorary title of philanthropic enterprise 2022



- Sichuan Ya Dong's activity of expressing sympathy

Contribution of characteristic services

In 2023, the Company's products were widely used in a number of key projects nationwide.



Southeast Region

Changjiu Expressway, Jiujiang Yangtze River Second Bridge, Poyang Lake Bridge, Changbei Airport, Wujiu Railway, Wuxue Bridge, Qipanzhou Bridge, Ningqi Railway, Yangtai Airport, Shouxihu Tunnel, No.328 National Highway Reconstruction and Expansion Project.



Central Region]

Ma'an Expressway, Wuhong Expressway, Wuda Expressway, Wuhan High-speed Railway Station, Wuyang Expressway, Qiaoxiao Expressway, Shuangliu Yangtze River Bridge, Tianxingzhou Bridge, Fuhe Bridge and Wuhan Metro Line 12.



Southwest Region

Chengdu Shuangliu International Airport, Tianfu International Airport, Jiuma Expressway and Chengdu Third Ring Expressway.

Asia Cement (China) sticks to green development for a better environment

- 55 Environment management system
- 59 Prevention and control of pollutants
- 65 Resource usage management
- 72 Response to climate change
- 75 Carry out green operations

Asia Cement (China) actively responds to the national carbon peaking and carbon neutrality goals, implements the concept of "lucid waters and lush mountains are invaluable assets", accelerates the construction of environmental management system and promotes relevant certification, continuously promotes the level of efficient recycling of energy resources and low-carbon development ability, actively responds to climate change, and is committed to building a resource-saving and environment-friendly enterprise.

Key performance:

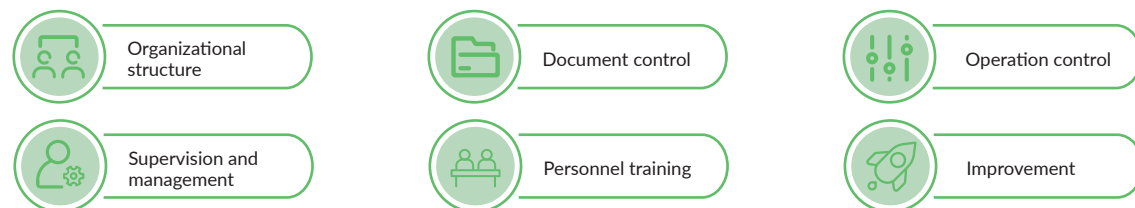
Amount of investment in clean technology R&D: RMB3,098,000;

Number of employees arranged for clean technology R&D:8.



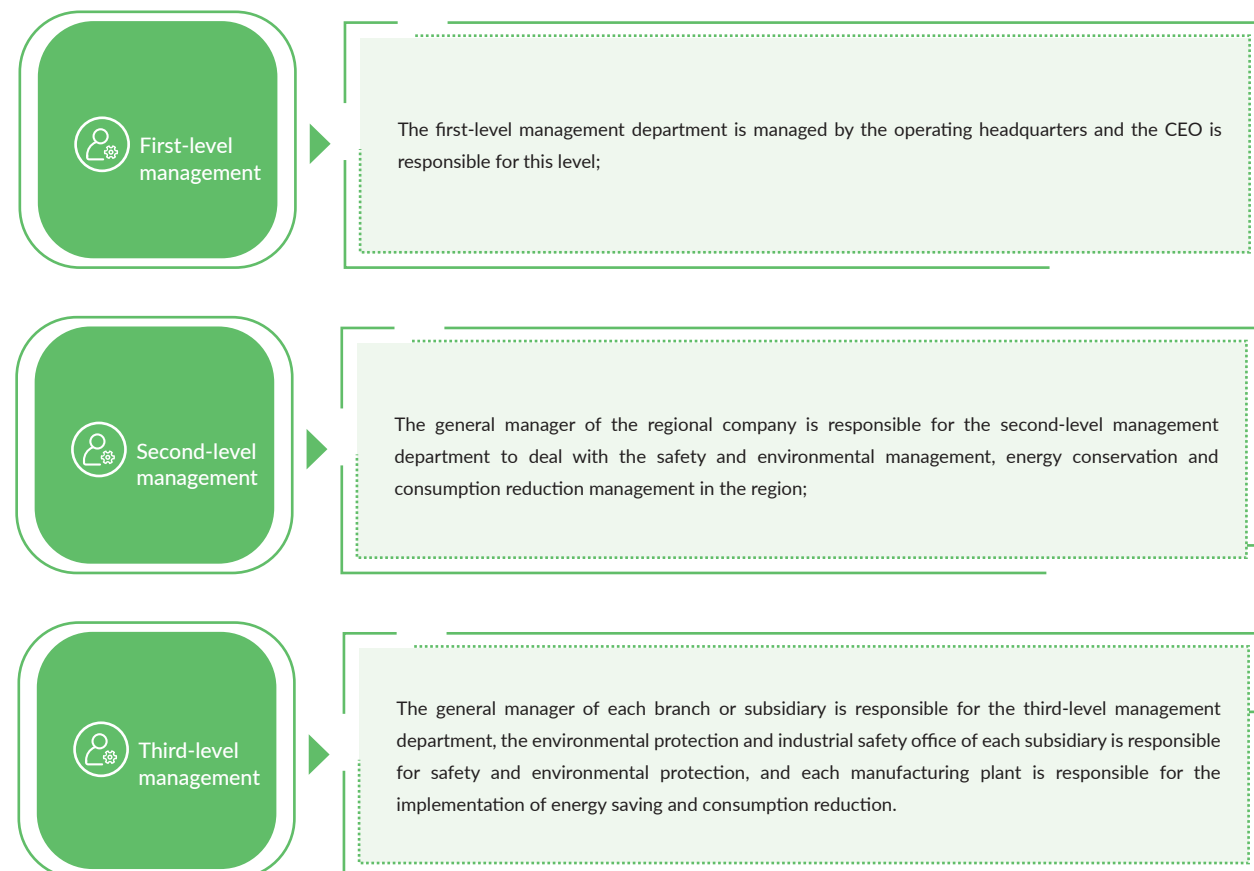
Environment management system

The Company always implements the concept of green development, strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Energy Conservation Law of the People's Republic of China and continuously improves the internal environmental management system in accordance with the standard of ISO 14001 environmental management system. At the same time, we take the environmental management policy as a guideline and systematically and regularly integrates the practice of environmental management into the whole process of production and operation activities through the planning, implementation and operation of environmental management projects from the organizational structure, document control, operation control, supervision and management, personnel training, improvement and other aspects.



Environmental management framework

The Company has established a standardized environmental protection system consisting of operating headquarters, main companies and subsidiaries in each region, and implemented the principle of localized management.



Environmental management system of Asia Cement (China)

Asia Cement (China) Operating Headquarters

The CEO of the operating headquarters takes primary responsibility.

Production technology department Main companies of each region

General manager of regional main companies: Be responsible for the safety and environmental management, energy saving and consumption reduction management of the corresponding region.

Production technology department: Be responsible for innovation, R&D and providing technical support and supervision.

Regional subsidiaries/plants

General manager of each subsidiary: Be responsible for the subsidiary's safety and environmental management, energy conservation and consumption reduction management.

Manufacturing group and environmental protection and industrial safety office: Be responsible for the implementation of subsidiary's safety and environmental management, energy saving and consumption management.



Case

Sichuan Ya Dong won the title of honest enterprise in environmental protection



Certification status

A number of subordinate enterprises of the Company have obtained ISO environmental management system certification, carried out cleaner production and applied for green factory certification to promote environmental management in a standardized and systematic manner, and comprehensively improve the level of environmental management within each enterprise. By the end of this reporting period, all integrated cement companies under the Company have passed GB/T 24001-2016/ISO 14001:2015 environmental management system certification (certification rate 100%).



Wuhan Ya Li Environmental Management System Certificate



Environmental management system certificate of Jiangxi Ya Dong



Environmental management system certificate of Hubei Ya Dong



Environmental management system certificate of Sichuan Ya Dong

Environmental management objectives

The Company's integrated cement manufacturing plants have set the 2025 emission reduction goals with 2019 as the base year, and the fulfillment of the above goal in 2023 is as follows:

Goals of the integrated cement manufacturing plants		2019 base year	Completion in 2023	2025 as the target year	Emission reduction goals by 2025
Particulates	Total (t)	677.5	311.9	361.0	Reduction by more than 45%
	Emission intensity (g/t clinker)	27.3	14.8	17.2	Reduction by more than 36%
Nitrogen oxide	Total (t)	8,400.9	4,577.2	4,556.0	Reduction by more than 45%
	Emission intensity (g/t clinker)	338.2	217.5	216.5	Reduction by more than 35%
Sulfur dioxide	Total (t)	1,578.1	693.9	721.9	Reduction by more than 54%
	Emission intensity (g/t clinker)	63.5	33.0	34.3	Reduction by more than 45%

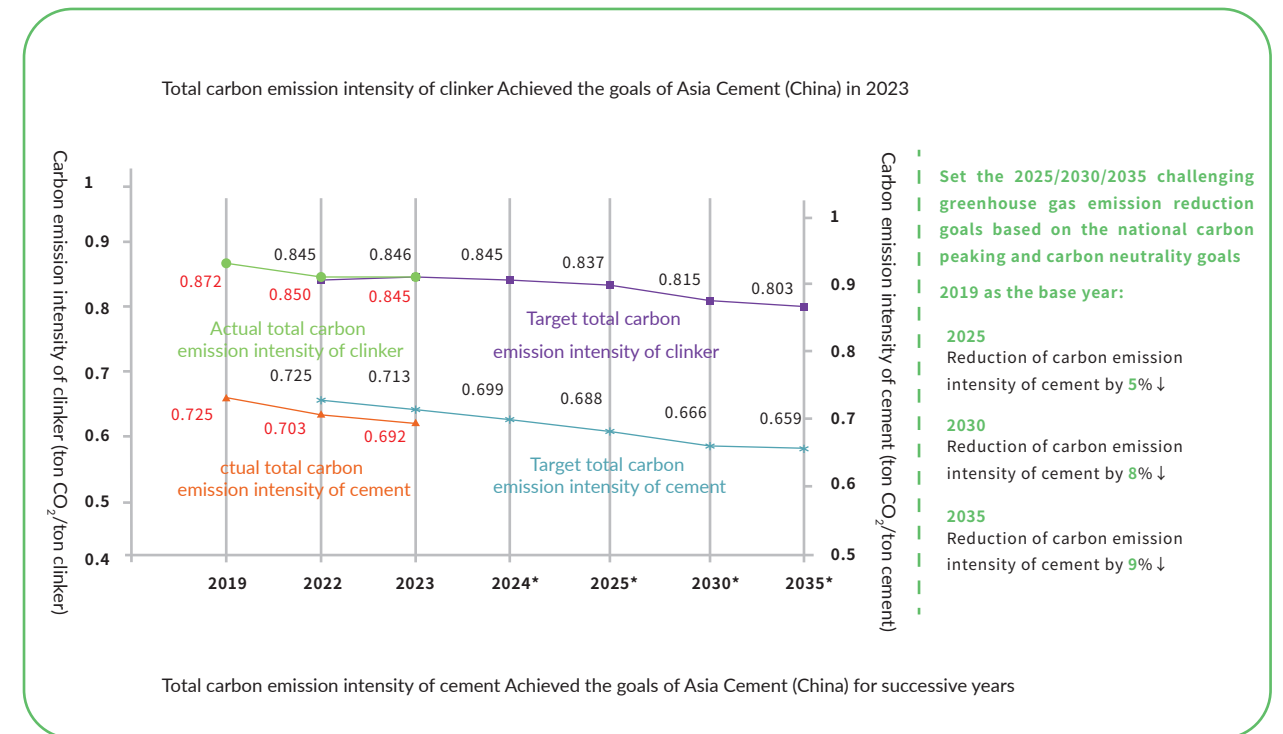
Risk prevention and control of environmental emergencies

Taking into account the explosion, combustion, leakage and other accidents that may occur during the collection and storage of hazardous wastes within the scope, the Company has formulated the Emergency Preparedness and Response Control Procedure and the Emergency Plan for Environmental Emergencies. The emergency plan is confirmed by each emergency commander or hazardous waste management department, and submitted to the local environmental protection bureau for filing after being issued and sealed. Moreover, the Company regularly conducts accident emergency drills and implements internal supervision and management measures every year to prevent and reduce the impact on the environment.

Emergency preparedness and response control procedure

Emergency plan for environmental emergencies

Net-zero emission target



Carbon emission intensity of cement from the five integrated cement companies under Asia Cement (China) (ton CO₂/ton cement)

Type	Company	2019	2022	2023	2024*	2025*	2030*	2035*
Integrated cement companies	Jiangxi Ya Dong	0.770	0.726	0.714	0.714	0.710	0.680	0.670
	Huanggang Ya Dong	0.743	0.727	0.702	0.701	0.676	0.655	0.640
	Hubei Ya Dong	0.665	0.689	0.664	0.636	0.636	-	-
	Sichuan Ya Dong	0.724	0.670	0.668	0.690	0.690	0.671	0.664
	Sichuan Lan Feng	0.671	0.685	0.671	0.683	0.675	0.668	0.665
	Wuhan Ya Xin	0.725	0.690	-	-	-	-	-
Asia Cement (China)		0.725	0.703	0.692	0.699	0.688	0.666	0.659

Note: Wuhan Ya Xin was closed in 2023

Hubei Ya Dong is expected to complete capacity replacement in 2026

Prevention and control of pollutants

The Company strictly abides by the relevant laws and regulations on pollutant prevention and control, continuously improves the relevant internal management system, and strictly controls waste gas, waste water, solid waste, air pollutants and so on to ensure that all pollutants are treated in legal ways and discharged in accordance with relevant standards.

Waste gas treatment

The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Air Pollution, Emission Standard of Air Pollutants for Cement Industry (GB4915-2013) and other relevant laws and regulations. Each production company has formulated the Air Pollution Prevention and Control Management Operating Procedure to ensure that the monitoring equipment and facilities are in normal operation and the exhaust gas meets emission standards. In order to verify the effectiveness of exhaust gas management, the Company regularly entrusts qualified third-party testing agencies to monitor exhaust emissions.

The Company also actively implements waste gas treatment and upgrading projects, through low nitrogen combustion technology, SCR denitration, SNCR denitrification, wet desulfurization, slaked lime desulfurization, hot raw meal desulfurization, electric dust collection to bag dust collection machine and other measures to continuously reduce the emission of sulfur dioxide, nitrogen oxides, soot and other waste gas and finally emit exhaust gas in accordance with the relevant standards.

Governance measures

- Low nitrogen combustion technology
- SCR denitration
- SNCR denitrification
- Wet desulfurization
- Slaked lime desulfurization
- Hot raw meal desulfurization
- Electric dust collection to bag dust collection machine

The emission reduction effects of various pollutant emission reduction measures are shown in the table below:

Item	Concentration before renovation (mg/m ³)	Concentration after renovation (mg/m ³)	Emission reduction efficiency before renovation (%)
Low nitrogen combustion + precise denitration	250	45	82
Wet desulfurization	170	10	94.1
SNCR	500	100	80
SCR	100	50	50
Slaked lime desulfurization	40	10	75.0
Hot raw meal desulfurization	200	35	82.5
Electric dust collection to bag dust collection machine	15	5	66.7

Case

Waste gas treatment and upgrade project



- The denitration project of #1, #2 and #3 kilns in Sichuan Ya Dong has been completed to achieve the emission standard of Class A enterprises, thus effectively reducing the emission of nitrogen oxides to less than or equal to 50 mg/m³ and ammonia escape to less than or equal to 5 mg/m³.



- The renovation from electric dust collection to bag dust collection machine for #1, #2, #3 kilns in Sichuan Ya Dong was completed, and the actual emission concentration of the dust is less than 5 mg/m³, which is lower than the local standard requirements.



- 2# production line of Sichuan Ya Dong passed grade-A certification of heavy pollution performance

Jiangxi Ya Dong completed SCR renovation project for its #3 kiln in November 2023 and NOX can be reduced to 50 mg/m³



- Fully enclosed corridor transportation project of Jiangxi Ya Dong
After being crushed in the crushing workshop, the mine limestone is transported to the cement plant through the fully enclosed corridor, which not only saves energy and reduces dust pollution but also ensures efficiency and safety.

Air pollutant emission targets of each production enterprise

Company name	Air pollutant emission target		
	Nitrogen oxides (mg/m³)	Sulfur dioxide (mg/m³)	Dust (mg/m³)
Sichuan Ya Dong, Sichuan Lan Feng and Hubei Ya Dong	≤100	≤50	≤10
Jiangxi Ya Dong	≤ 200 (#1 and #2 kiln) ≤ 260 (#3 and #4 kiln) ≤ 100 (#5 and #6 kiln)	≤200	≤30
Huanggang Ya Dong	≤50	≤50	≤30

In 2023, the company's main exhaust pollutants are: nitrogen oxides, sulfur oxides, dust, the specific emissions are as follows:

Indicator	Unit	2023	Compared to 2022
Exhaust pollutant emissions	kg	5,613,212	Down 25.8%
Nitrogen oxide emission	kg	4,582,841	Down 30.8%
Sulfur oxide emission	kg	6,95,900	Up 11.1%
Particulates	kg	334,471	Up 7.6%
Soot (kiln head)	mg/m³	4.03	Up 29.1%
Soot (kiln tail)	mg/m³	2.94	Up 5.9%

Waste water treatment

The Company strictly abides by relevant laws and regulations such as Water Pollution Prevention and Control Law of the People's Republic of China, Pollutant Discharge Standard for Urban Sewage Treatment Plants GB 18918-2002 (Class I Discharge Standard), Comprehensive Sewage Discharge Standard GB 8978-1996 (Class I, II and III Discharge Standard) and Water Quality Standard for Sewage Discharge into Urban Sewers GB 31962-2015 (Class B Standard), continuously strengthens wastewater management, ensures wastewater discharge in accordance with the relevant standards and reduce the consumption of fresh water.

The Company continues to improve daily management and promote wastewater treatment efficiency. During the operation, the production wastewater and domestic sewage are treated by the sewage treatment facilities, and then recycled and used for road dust reduction, watering, greening, etc.

In 2023, the Company discharged a total volume of 21,703 tons of wastewater.



21,703 tons of wastewater
The Company discharged a total volume of



Domestic sewage treatment process



Domestic sewage treatment equipment



After treatment, domestic sewage is used for spraying on roads to reduce dust



Sedimentation tank for wastewater treatment



Case

All mines of Jiangxi Ya Dong have built a large-scale four-stage sedimentation tanks integrating water and soil conservation, sand sedimentation purification and water recycling, with a total construction area of 13,136 m² and a water storage capacity of more than 30,000 m³. Through industrial wastewater collection and rainwater recycling, the annual water consumption is reduced by more than 500,000 tons, realizing zero discharge of mine wastewater.

Waste disposal

The Company strictly complies with relevant national laws and regulations such as Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the National Catalogue of Hazardous Wastes, and the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001). Each production enterprise of the Company has formulated special waste management systems such as the Hazardous Waste Management System, Operation Procedure for Hazardous Waste Management, Control Procedure for Oil Product Management, Control Procedure for Chemical Substance Management, and Control Procedure for Resource Recycling based on their actual situation, and continuously strengthens standardized waste management and compliant disposal to avoid pollution to the soil and surrounding environment.

Waste discharge target

Item	Total target emission (t) (Year-on-year decrease: %)		
	2022 base year	2023	2025
Harmless wastes	530.3	406.5	391.8
	0%	23.35%	26.12%
Hazardous wastes	2,467	2,344	2,295
	(0%)	(5%)	(7%)

Remarks: Only "household waste (handed over to the environmental sanitation station after leaving the factory)" in the harmless waste in the above table is counted as the reduction target, 100% of hazardous wastes are treated in a harmless way, the waste chemicals and wase test solutions are treated through neutralization and precipitation, and 100% of other lazardous wastes are disposed of by external competent companies.

The Company actively practices the concept of recycling economy. In addition to purchasing and digesting a large amount of industrial waste generated by other industries every year as raw materials for cement production, it also continuously advocates for the "reduction" of general solid waste in daily produc-tion and operation, such as recycling waste belts as alternative fuels after being crushed, recycling laboratory concrete test specimens, bricks and tiles as cement mixing materials, and recycling plastic and paper produced by daily office work.



Recycled waste belts are used as alternative fuels after crushing



Recycled laboratory concrete test blocks and masonry tile wastes as cement mixture materials



Recycling plastic and paper from daily office activities

Hazardous waste

To standardize the management of hazardous waste, all production enterprises strictly follow the relevant provisions of the Hazardous Waste Management System and the Operation Procedure for Hazardous Waste Management. Hazardous waste is classified according to requirements and then stored uniformly in the hazardous waste storage room. The hazardous waste storage room is constructed in accordance with the Pollution Control Standards for Hazardous Waste Storage, and the hazardous waste storage yard is equipped with concrete floors, anti-seepage paint, oil guide grooves, and sealing for "three-prevention" (leakage prevention, scattering prevention, and loss prevention) management. All hazardous wastes are treated and disposed of reasonably and effectively in accordance with requirements of laws and regulations.

The Company has also established a Hazardous Waste Warehousing Entry and Ex-warehouse Ledger Management System, and transferred the hazardous waste in strict accordance with the Multiple-Document Management Measures for Hazardous Waste Transfer. Every year, the Company submits a Hazard-ous Waste Management Plan in accordance with government regulations, and the Plan is signed and stamped by the hazardous waste management department of the Company, and then is submitted to the local environmental protection bureau for filing. The Company has signed an Entrusted Disposal Agreement with a third-party unit with a Hazardous Waste Business Certificate to ensure compliant disposal of hazardous waste.



Hazardous Waste Warehousing Entry and Ex-warehouse Ledger Management System



Multiple-Document Management Measures for Hazardous Waste Transfer



Hazardous waste management plan



Entrusted Disposal Agreement

In 2023, the hazardous wastes of the Company mainly include waste refractory bricks, waste lubricating oil, waste batteries, and waste oil packaging materials. The specific emission situation is as follows:

Indicator	Unit	2023	Compared to 2022
Total amount of hazardous wastes	t	2,302	Down 6.7%
Waste lubricating oil, used oil	t	181	Down 0.3%
Waste refractory bricks	t	2,069	Down 5.9%
Waste chemicals and waste test solutions	t	5	Down 10.8%
Others (waste batteries, filter elements containing oil, contaminators, etc.)	t	47	Down 43.0%
Density of hazardous waste	t/km ²	493	-

General solid waste

The Company has formulated the Control Procedure for Resource Recycling to standardize waste recycling manage-ment and increase waste utilization ratio. The Company requires all production organizations to send recyclable waste to the waste storage yard for management and storage. The procurement department handles the auction matters uniformly. Non-recyclable waste is incinerated in rotary kilns and energy is recovered to achieve the goals of "recycling and reduction".

Recycling and reduction

In 2023, the general solid wastes of the Company mainly include household waste, waste belts, and waste metals. The specific discharge situation is as follows:

Indicator	Unit	2023	Compared to 2022
Total amount of harmless wastes	t	18,860	Up 37.6%
Household waste	t	2,149	Up 0.2%
Waste metals	t	6,285	Up 4.5%
Industrial waste residues	t	4,259	Down 17.3%
Others (waste belts, waste tyres, waste air conditioners, etc.)	t	6,167	Up 1485.76%
Density of harmless wastes	t/km ²	4,042	-

Resource usage management

Asia Cement (China) incorporates the concept of sustainable development into the entire production and operation process, continuously strengthens resource usage management, practices the concept of green development, and promotes the green and low-carbon transformation of energy.

Water resources management

The Company strictly complies with relevant laws and regulations such as the Law on Water Conservation of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China, the General Rules for Enterprise Water Balance and Testing (GB/T 12452-2008), and conscientiously implements water-saving actions. By formulating water-saving management measures, formulating annual water use plans, setting water use goals, water-saving technology transformation, indicator assessment, publicity and training, and other measures, the consumption of water resources is reduced. At the same time, each subsidiary actively participated in the selection of water-saving enterprises. Hubei Ya Dong and Sichuan Ya Dong were rated as provincial-level water-saving enterprises, and Jiangxi Ya Dong and Nanchang Ya Li were rated as municipal water-saving enterprises.

In 2023, the water resource recycling rate of the integrated cement companies of the Company was 96.97%, and the water resource recycling rate of the cement grinding plants (companies) was 98.23%.

Water resource utilization rate of the integrated cement companies: **96.97** %

Water resource utilization rate of the grinding plates: **98.23** %

Case

Asia Cement (China) Water Conservation Action



The roller press, raw material and cement vertical mill, rotary kiln, coal mill, cement ball mill, air compressor and other equipment used in cement and clinker production all use cooling water for recycling;



The steam condensate generated by the waste heat generator unit is recycled for the boiler. The first-stage concentrated water generated through pure water production by the waste heat generator unit is recycled and not discharged, and is used for watering and dustfall in mines and factory roads;



The wastewater generated by the cement production line and the waste heat power generation system is collected in a recycling tank, and after sedimentation, filtration, and oil separation, the wastewater is reused for spraying and dustfall in the factory roads;



Reasonably control the cooling water temperature of water usage equipment for production to regulate water consumption;



Install flow meters and water meters in the main water use areas to monitor daily water usage;



The purified water and collected rainwater after treatment by the sewage treatment plant are mainly used for vehicle washing, road dust suppression, irrigation of flowers, plants, trees, and industrial water-consuming systems;



A car washing tank is arranged in the factory, and the sewage after cleaning the vehicles flows back into the sedimentation tank of the own system for sedimentation and reuse;



The maintenance team and the quality control team strengthen the water patrol work throughout the entire factory area, promptly detect water leaks and abnormal water usage, and promptly report and repair them;



A reservoir is equipped for rainwater sedimentation, and the stored water can be used for grassland watering and road flushing in summer;



After treatment, domestic sewage is used for spraying on roads to reduce dust, greening, truck washing, etc.;



The waterworks is equipped with high and low water level alarms to achieve automated water replenishment. Car washing tanks, circulating water tanks, and water purification stations are equipped with high and low water levels to prevent water overflow;



Strengthen the utilization rate of wastewater in the factory's wastewater pool, and internal and external roads of the factory are watered by the wastewater;



Strengthen the promotion of water conservation and enhance the awareness of water conservation among colleagues.



Recycling of production cooling water



Recycling of effluent generated by waste heat power generation is used for road spraying, etc.



Temperature regulation of cooling water for equipment



Install flow meters and water meters to monitor daily water usage



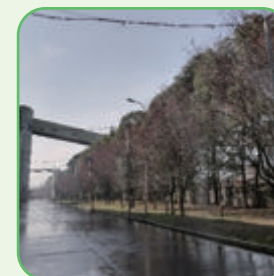
A rainwater and sewage sedimentation tank is arranged next to the raw material incoming road, and is used for flushing the raw material warehouse road



A sewage sedimentation tank is arranged next to the truck wheel washing machine at the side door of the shipment, and th



Truck washing at the side door of the raw material



Dust suppression of road



Irrigation of flowers, plants, trees



Water saving slogans



Rainwater collection pond



Rainwater used for sprinkler device



Truck washing sedimentation tank



Sedimentation tank



Sedimentation tank



Recycling rainwater for greening and dustfall



After sedimentation in the sedimentation tank, the wastewater is stored in the recovery tank and recycled for use in the factory



Reservoir



Clarification tank for tank car cleaning



Rainwater collection pond



Strengthen the promotion of water conservation and stick water conservation signboards



The Company mainly uses water provided by a third party, surface water, and collected rainwater (mining reservoirs). The Company's water resource consumption in 2023 is outlined as follows:

Indicator	Unit	2023	Year-on-year
Total water consumption	m ³	7,152,416	Decrease by 12.17%
Water consumption density	m ³ /km ²	1,532,783	-
Total water taking amount	t	7,174,119	Decrease by 10.62%
Surface water	t	6,496,993	Decrease by 8.93%
Groundwater	t	18,512	Decrease by 63.17%
Municipal water supply	t	121,188	Decrease by 68.2%
Rainwater	t	537,426	Increase by 16.59%
Total circulating water	t	210,312,764	Decrease by 5.18%

Note: Total water circulation quantity=process circulation water volume+process discharge and recovery water volume
Water resource recycling rate=(total water circulation quantity+rainwater)/(total water taking quantity+total water circulation quantity)

Energy management

As of the end of 2023, 10 subsidiary production enterprises of the Company have obtained energy management system certification, with a certification rate of 77%. Among them, the certification rate of the integrated cement plants has reached 100%.



Certification rate

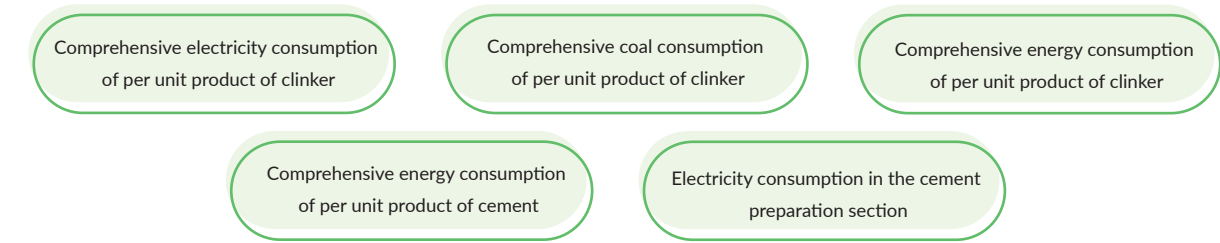


Certification rate of the integrated cement manufacturing plants



The Company attaches great importance to energy conservation and consumption reduction, sets energy consumption targets for its products, and has an energy management center to regularly supervise and inspect the energy consumption of each production line on a monthly basis.

The energy consumption target of the product is to meet the first level energy consumption limit level of the following five national standards:



The Company also continuously explores energy-saving and consumption reduction opportunities through management improvement and technological innovation to comprehensively improve energy usage efficiency. In 2023, a total of 3,268 square meters of PV panels were installed in Jiangxi Ya Dong Mine, and the photovoltaic panels can generate 42 KWh of electricity annually and reduce carbon emission by 366 tons. In addition, the Company vigorously promotes energy structure optimization, actively adopts clean energy, and focuses on increasing the usage proportion of clean energy. We carry out technological transformation, product optimization and equipment updates to continuously optimize energy use. We track and review monthly energy conservation and carbon emission to carry out targeted energy conservation improvements, comprehensively improve energy utilization rate, reduce energy use, and reduce carbon emission.

Photovoltaic panels: 3,268 m²

Annual power generation: 42 kWh

366 tons of carbon reduction

List of Energy Conservation and Emission Reduction Projects Conducted by Asia Cement (China) in 2023

Item	Emission reduction in 2023
Use yellow phosphorus slag as a raw material to improve the burnability of clinker, and use steel slag, non-ferrous metal ash slag, nickel slag, etc. as iron correction raw materials to improve the burnability of clinker, replace some of the calcium oxide and magnesium oxide content in clinker, and reduce carbon emission (t).	90,972 tons of carbon reduction
Use industrial waste such as fly ash, coal-fired slag, slag, siliceous slag, and burnt shale as cement mixing materials to replace some of the clinker, reduce the clinker ratio in cement, optimize cement quality, reduce power consumption for cement grinding, and reduce carbon emission.	269,125 tons of carbon reduction

The Company's energy consumption in 2023 is outlined as follows:

Indicator	Unit	2023	Compared to 2022
Total energy consumption	GJ	79,070,688	Down 5.5%
LNG	GJ	2,932	Down 82.8%
Coal	GJ	66,499,488	Down 11.3%
Diesel	GJ	6,672,384	Up 20.5%
Outsourced electricity	GJ	5,600,835	Down 6.36%
Natural gas	GJ	291,239	Up 96.4%
Gasoline	GJ	3,810	Up 102%
Energy discharge density	GJ/km²	16,945,074	-
Unit consumption	kgce/MT	0.34	Down 9.4%

Case

Phosphogypsum comprehensive utilization project of Huanggang Ya Dong

In order to actively protect and improve the ecological environment and practice the concept of green development, Huanggang Ya Dong plans to construct a comprehensive utilization project that can process 1 million tons of phosphogypsum annually. The implementation of the project will have a profound impact on protecting and improving the environment, promoting high-quality development of the phosphorus chemical industry, and other aspects.



The comprehensive utilization project of phosphogypsum modifies discarded phosphogypsum into usable regulated set cement modified phosphogypsum for cement production, reduce the dependence of enterprises on natural gypsum and effectively protect natural mineral resources; and the consumed phosphogypsum also reduces the pollution of harmful impurities such as phosphorus and fluorine to the environment, highlights environmental benefits and plays an important role in promoting green recycling economy and comprehensive resource utilization.



Case

Comprehensive utilization of horse-stone in surface soil of Jiangxi Ya Dong

Jiangxi Ya Dong mine uses the stripped surface soil mixed with stones through blending to not only achieve comprehensive utilization of resources and reduce the area occupied by the mining area, but also reduce the soil amount of the raw mill in the Company's factory, and reduce production costs. Every year, more than 800,000 tons of surface soil mixed with stones can be used through blending to save more than RMB 15 million in cost. The project also won the third prize in science and technology progress in green mines awarded by the ZHONGGUANCUN Green Mine Industry Alliance in 2018.



Mixed with surface
soil with more than



Save cost by more than RMB



Case

No.3 kiln waste heat power generation renovation project of Sichuan Ya Dong

After the completion of the project, it can solve the problems of low operation rate of a cement rotary kiln and inability of a generator to operate at full load, improve the utilization rate of generator and waste heat, and achieve an annual power generation of 8 million KWH.



Usage of packaging materials

In response to the requirements of green packaging cycle in Sacks for Packing Cement GB/T 9774-2020, the Company strictly manages the classification, specifications, labeling, layout printing and bag-making materials of sacks for packing cement. The sacks for packing cement is made of native polypropylene material with inside film to ensure the tightness of the sack body, reduce the possibility of cement leakage, lower unorganized emission, decrease environmental pollution, effectively preventing and controlling the occupational hazards to the sack-moving workers. 2023 saw 3,638.86 t consumption of packaging materials in the Company.



consumption of packaging
materials in the Company

Response to climate change

The Company actively responds to the "carbon peaking and carbon neutrality" strategy, assumes social responsibility to alleviate global climate change by reducing greenhouse gas emissions. At the same time, the Company commits to providing solutions to the health needs caused by climate change and trying our best to reduce the impact of climate change on the environment and human health. In 2023, the Company managed and disclosed the impacts of climate change according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

2023 saw the following greenhouse gas emissions of the Company:

Indicator	Unit	2023	Compared to 2022
Total GHG emission	tCO ₂ e	18,510,265	Down 10.2%
Greenhouse gas emissions (category I)	tCO ₂ e	17,591,385	Down 10.5%
Greenhouse gas emissions	tCO ₂ e	17,591,385	Down 10.5%
Greenhouse gas emissions (category II)	tCO ₂ e	918,879	Down 2.9%
Outsourced electricity	tCO ₂ e	918,879	Down 2.9%
Greenhouse gas emissions (category III) (Upstream and downstream transportation and distribution)	tCO ₂ e	110,272	Down 0.6%
Greenhouse gas emission density (category I and category II)	tCO ₂ e/km ²	3,966,803	Down 10.2%
Greenhouse gas emission reduction (category I)	tCO ₂ e	2,069,241	Up 162.8%
Greenhouse gas emission reduction (category II)	tCO ₂ e	27,238	Down 65.3%

Governance for response to climate change

In order to reduce the significant impact of changes in the environment and natural resources on the operation, the Company actively identifies and responds to major climate-related events that may have an impact on the Company, such as floods, fires, snowstorms, earthquakes, closure of the Yangtze River, thunder, lightning and strong winds, which are listed in the relevant regulations and implementation procedures of ISO 14001 environmental management system of various production enterprises. In addition, the environmental protection and industrial safety office of each production enterprise formulates relevant emergency management plans and exercises according to regulations to implement various control measures.

Significant climate-related events



The Company formulates Corporate Social Responsibility Practice Policy which is approved by the Chairman, which stipulates that the Company shall assess and manage all possible risks and report to the Board of Directors. The Board of Directors is the highest decision-making and the first responsible organization for climate change risks and opportunities. Review and supervise environmental performance, climate change issues and enterprises' concerned project, including the implementation progress of climate change action plan and performance targets, before examination and revision. In the annual corporate sustainability report (ESG), the Company keeps track of the completion of objectives and action plans.

Climate change strategy

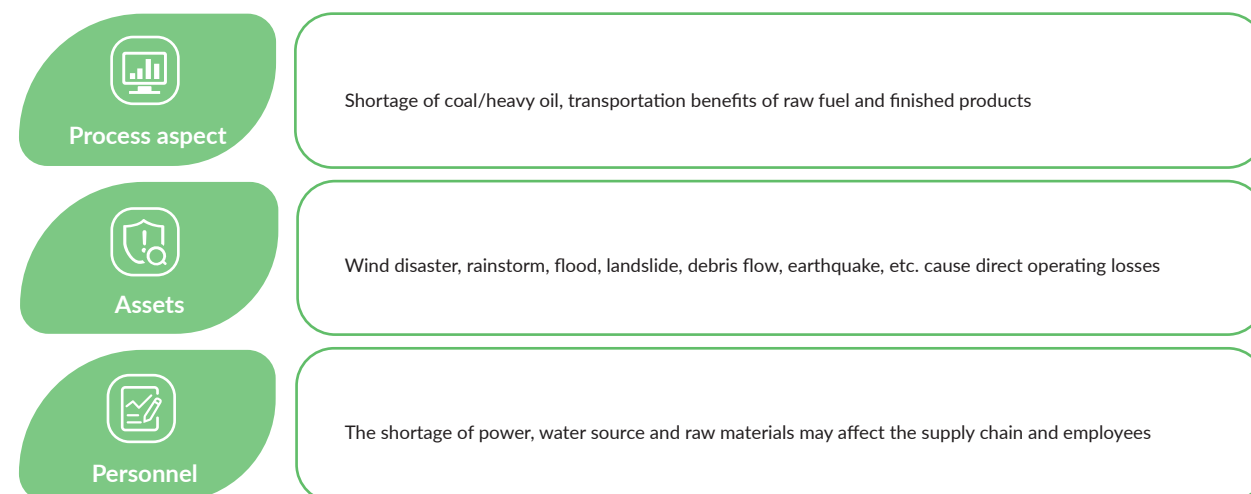
Strategy of Asia Cement (China) to Deal with Climate Change	Product	Create and develop new low-emission products and services
	Supply chain	Substitution of recycling economy fo
	Accommodation and slowdown	Promote the construction of renewable energy and cement kiln for the collaborative disposal of hazardous waste
	Low-carbon investment	Carry out low-carbon transformation solution according to the goal of carbon peaking and carbon neutrality
	Operational activities	Energy saving, carbon reduction and energy efficiency are regarded as the important operational objectives and strategies of Asia Cement (China) Coping strategies for the impact of physical risks of climate change on operational impact

Climate change risk assessment

Process of climate change risk assessment



Climate change risk content



Climate change risk action plan

Risk type	Item	Climate-related risks	Risk management and action plan
Transformation risk	Regulations	Carbon peak and carbon neutrality policy and Greenhouse Gas Reduction and Management Law	Implement energy conservation and carbon reduction; purchase renewable energy vouchers
	Technology	Rising cost of technological transformation and raw materials	The Development of "integration of energy saving and intelligence" promotes cement low-carbon process and fuel conversion; Use renewable energy and low-carbon footprint energy;
	Market	New product development and customer demand change	Analyze the substitution risk of products and the competitive advantages and disadvantages of other materials
	Goodwill	Changes in customers' or society's impression of enterprises	Double control of energy consumption, water conservation, green mine construction, humanistic care and charity work
Physical risks	Immediately	Extreme weather, such as floods and typhoons, affects production facilities or transportation, and leads to operational losses	Make contingency plans for emergency disasters
	Long-term	There are potential safety hazards in the working environment, which affect the safety and health of employees	Continuous monitoring of related climate risks

Climate change indicators and targets

The key performance indicators of climate change formulated by Asia Cement (China) include: energy, waste management, greenhouse gas emissions, etc., and related indicators and targets are established according to the guidelines of TCFD building materials department.

Type	Raw material substitution	Fuel substitution	Waste recovery	Waste heat power generation
Target	As high as 14.84% substitution ratio of cement raw materials	As high as 1% ratio of alternative fuels	Over 80% recovery ratio of annual waste	Waste heat power generation accounts for more than 30% of the power consumption of the whole plant.

Carry out green operations

The Company strictly controls the prevention and control of solid waste pollution, and adopts a series of measures in cleaner production, green technological transformation and biodiversity protection according to the principles of cleanliness, safety and efficiency, so as to promote the cleaner production and recycling economy development, thus minimizing the impact on the environment.

Clean production

The Company actively promotes all subordinate enterprises to accomplish cleaner production, and requires continuous improvement of production technology, promotion of energy-saving technology and utilization of renewable resources, thus reducing the environmental load. By the end of the reporting period, one of all the integrated cement companies under the company had passed the cleaner production audit.

Case

Jiangxi Ya Dong's Cleaner Production Action



PV power generation project

Jiangxi Ya Dong built **485** m² PV panels in the employee parking lot, and **2,783** m² PV panels above the crushing system shed in the preliminary stage, with an annual power generation of **420,000** Kwh and a carbon emission reduction of **366** t.



Build a downhill power generation belt

2 downhill power generation belts were built in Jiangxi Ya Dong, wherein the downhill power generation belt of Line 5 and Line 6 was put into use in 2014, with a total length of **3,604** m and a **1,200** mm wide steel wire conveyor belt, the transportation capacity of **1,500** T/H, the belt's end-to-end drop of more than **200** m, as high as **300** KW/H power generation and more than **1** million kWh per year; downhill power generation belt of line 4 was put into use in 2020, with a total length of **800** m and an annual power generation capacity of more than **100,000** kWh. Two downhill power generation belts can save more than **RMB600,000** of electricity every year.

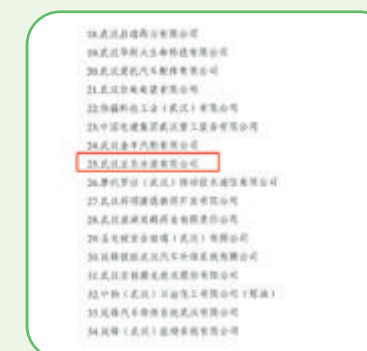


Fully enclosed corridor for transportation

After being crushed in the crushing workshop, the mine limestone is transported to the cement plant through the fully enclosed corridor, which not only saves energy and reduces dust pollution but also ensures efficiency and safety. In addition, the corridor and the natural environment are integrated and complement each other, achieving many things at one stroke.

Case

Wuhan Ya Dong has passed the cleaner production audit in Wuhan



Case

Jiangxi Ya Dong Low-carbon Product Certification

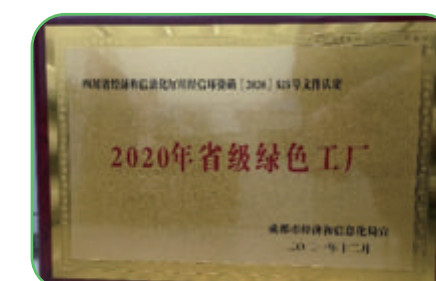
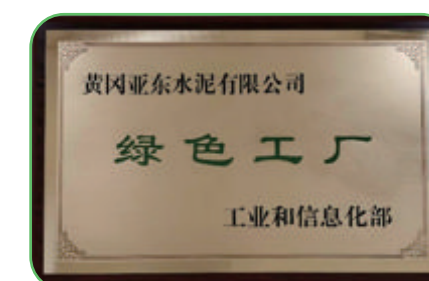


Green factory

Among all integrated cement companies under the Company, 1 has passed the national green factory certification and 1 has passed the provincial green factory certification.

Number of plants passing the national green plant certification: **1**

Number of plants passing the provincial green plant certification: **1**



Green mine

Asia Cement (China) continues to carry out a new mining development model that meets the requirements of ecological civilization construction in an all-round way in accordance with the spirit of the document Implementation Opinions on Accelerating the Construction of Green Mines (GTZG [2017] No.4) and the implementation standards of the Code for the Construction of Green Mines with Cement Limestone (DZ/T 0318-2018).

During the reporting period, the Company has invested a total of RMB 38.89 million in mine construction and management, including 169 projects such as mining area environment, mining development mode, comprehensive utilization of resources, energy conservation and emission reduction, scientific and technological innovation and digital mining, and enterprise management and image.

38.89
million

Amount of investment in the
mine construction and treatment: RMB

169

projects

As of the end of the reporting period, among 10 mines of Asia Cement (China), 8 were certified as green mines, including 6 national level green mines and 2 provincial level green mines Specific contents:

 8 green mines

 6 national green mines

 2 provincial green mines

Mines belonging to Jiangxi Ya Dong

Wharf limestone mine (national green mine in 2019), Xinwutian limestone mine (national green mine in 2020) and Xiazhang limestone mine (national green mine in 2020); Dawuchen cement sand shale mine (a provincial green mine in Jiangxi Province in 2023) and Bao'anshan cement clay mine (a provincial green mine in Jiangxi Province in 2023)

Mines belonging to Huanggang Ya Dong

Benjishan limestone mine (national green mine in 2019), Yuanyishan limestone mine (national green mine in 2019) and Middle bay sandstone shale mine (national green mine in 2019)

The Company continuously monitors green mines, as shown below:

Project disclosure	Indicator	Completion in 2023
Mining methods	Carry out the policy of "stripping before mining both rich and poor mines" to achieve more than 95% ore recovery rate	In the bench mining adopted from top to bottom, the bench is designed as an inward-tilting storage platform to guide the surface runoff to the mine drainage system inside the bench. In addition, the manufacturing parameters of the cement plant are optimized and more waste rocks with high magnesium oxide are used to reduce the waste discharge. 2023 saw the ore recovery rate of more than 98%.
Mine blasting vibration	Comply with GB6722-2014 Safety Regulations for Blasting, namely the safe allowable particle vibration speed of the protection object is 2.5 cm/sec, below the standard limit.	In 2023, digital electronic detonators and high-precision non-electric detonators of Orica were used to carry out deep blasting hole by hole, which effectively reduced blasting vibration.
Soil and water conservation in mining area	Conforming to the first-class standard in Table IV of GB8978-1996 Integrated Wastewater Discharge Standard	2023 saw the quarterly sampling and testing of all mines below the first-class standard limit.
Safety monitoring in mining area	Perform slope stability monitoring according to the Technical Code for Non-coal Open-pit Mine Slope Engineering (GB51016-2014)	2023 saw less than 1 mm mean square error of displacement points of monitoring points in the slope displacement observation piles distributed monthly.
Environment monitoring in mining area	The noise meets the Class II limit of GB 12348 Emission Standard for Industrial Enterprise Noise at Boundary; The exhaust gas meets the limit value in Table 2 of GB 4915 Emission Standard of Air Pollutants for Cement Industry.	In 2023, the observed noise and particulate matter emissions were lower than the standard limit.
Green coverage rate in mining area	In line with DZ/T 0318-2018 Code for the Construction of Green Mines with Cement Limestone, the green coverage rate of the mining area should as high as 100%.	2023 saw full afforestation of the afforestable area, and as high as 12.16 ha of total afforestation area (plane and slope) in the whole mining area.
List of green mines evaluated	List of evaluated green mines above the provincial level before 2023	In 2023, Dawuchen sand shale mine and Bao'anshan clay mine in Yadong, Jiangxi Province were awarded provincial-level green mines in Jiangxi Province
Employment ratio of local residents in the mine	At least 60% employment ratio of local residents in the workers in factories and mines	73.1% employment ratio of local residents

Biodiversity protection

The Company strictly abides by relevant laws and regulations of China, formulates and solidly promotes relevant measures for biodiversity protection. The Company insists on rational exploitation of limestone on the basis of effective protection of biodiversity, to promote sustainable development. The Company's Corporate Sustainability Committee formulates biodiversity policy and protects biodiversity according to the group standard of China biodiversity protection and green development foundation Biodiversity Mining Area Standard, and with reference to Asia Cement of Taipei.

Asia Cement (China)'s Commitment



Biodiversity assessment and environmental impact assessment before mining are carried out before new mining points are added.



All mining strongholds shall formulate plans for the development and utilization of mineral resources, the restoration of geological environment in mining areas and the management of land reclamation, and adhere to the principle of "paying attention to both production and ecology" and zoning management.



As per the principle of "management while mining", in the mining activities, the Company has achieved the whole process of green mining and environmental governance, and carry out regular biodiversity monitoring and environmental dynamic monitoring and disclosure.



It is promised that various regions restored and managed after mine closure shall reach a safe and stable state, to promote the effective protection and restoration of the overall ecological function and biodiversity.



Promise not to destroy forests, and abide by the requirements of local laws and regulations. The mining area is only within the scope permitted by laws and regulations. No logging is ensured outside the mining area to prevent any damage to the original forests.



Achieve "carbon peaking and carbon neutrality" goals with the efficient utilization and recycling of resources as the core and the principle of "reduction, reuse and recycling".

Biodiversity protection measures

Asia Cement (China) has already made and executed geological environment recovery plans and land reclamation plans for all mines.



Case

Biodiversity Conservation Action of Jiangxi Ya Dong



Building an ecological agriculture park

In response to the ecological concept of "lucid waters and lush mountains are invaluable assets" proposed by General Secretary Xi, Jiangxi Ya Dong has transformed the abandoned industrial site into a comprehensive ecological agriculture park integrating fruit and vegetable planting, aquaculture and green leisure; by promoting the development of agriculture within the mine through the construction of green mines, the project won the third prize in science and technology progress in green mines awarded by the Zhongguancun National-united Green Industry Service Innovate Alliance and has been promoted nationwide as a successful case.



Building a greenhouse nursery

The limestone mine of Jiangxi Ya Dong strictly follows the policy of simultaneous mining, treatment and restoration. Jiangxi Ya Dong actively implements the ecological restoration in the mine, invests funds in the construction of a greenhouse nursery and large-scale construction sites, and provides good conditions for simultaneous mining and restoration in the mining area.



Renovation of waste bone material production sites

For harmonious coexistence between mining production and natural ecology, Jiangxi Ya Dong renovates the waste bone material production site, covering the site with soil and planting various local tree species and plants, sowing grass seeds, building recreational trails, constructing pavilions and wooden bridges, transforming the original crushing station into a pigeonry, and introducing 20 pigeons (with multiple generations hatched currently, totaling more than 200 pigeons).

After the renovation, the environment is greatly improved and the ecology is significantly restored. The special personnel are arranged in the mining area to place birdseed at designated locations, attracting various birds to search for food, thus forming a virtuous cycle. The number of birds in the park is increasing diverse and continuous.



Building a garden-style mine

To create a good ecological environment, Jiangxi Ya Dong plants begonia trees and constructs begonia gardens around the sedimentation tank.



Wharf limestone mine not to be mined temporarily and area covered with soil for greening

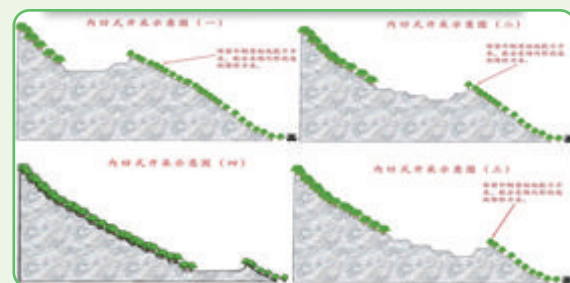
In order to minimize the exposed area of the mining area, the mining area is planned to be mined reasonably, and the platform not to be mined temporarily is covered with soil, and various grass seeds are sown for greening, realizing the dynamic balance between production and ecological environment in the mining area to the greatest extent. As of now, more than 1,600 acres have been treated cumulatively.



Continuous reclamation of Dawuchen cement sand shale mine

Concave mining method

The "concave" mining method is used, with a reasonable planning and mining from top to bottom. The height of mining platform is all 12 m, and the steps are clean and free of dangerous stones, ensuring that the mining area is not only clean, beautiful, efficient and safe, but also creating good conditions for ecological restoration and improvement in the later stage, while greatly reducing the visual landscape impact.



Building deep ditches + earth trench construction + hanging net for spraying and greening

The mine strictly follows the policy of simultaneous mining, treatment and restoration. By building deep ditches + earth trench construction + hanging net for spraying and greening, realize three-dimensional and comprehensive biodiversity greening, and maximize the restoration of the original ecology before mining.



Case

Continuous Reclamation by Sichuan Ya Dong

In 2023, the Woniuping Mine reclaimed **1,290** platforms on the north side of the mining area, covering an area of **135** acres. **2,000** cryptomeria fortunei, **2,500** holly trees and **3,000** Zhennan trees were planted, totaling **7,500** trees; **6,700** m² of fringed iris herbs, **900** ivies and **2,500** kg of grass seeds were planted.

•135mu•

Area of reclaimed land

In 2023, the Tazishan Mine reclaimed and greened the temporary slope on the north side of the mining area, covering an area of **32.25** mu. **1,200** cryptomeria fortunei, **1,920** ivies and **1,120** Phyllostachys aureosulcata McClure were planted.

•32.25mu•

Area of reclaimed land



Completion of temporary slope on the north side of the mining area by the Tazishan Mine



Completion of temporary slope planting on the north side of the mining area by the Tazishan Mine



Looking ahead to the future

In terms of environmental protection

Asia Cement (China) will be committed to reducing carbon emissions and waste during the production, and promoting sustainable development of the cement industry through technological innovation, upgrading, reconstruction and green production. Actively participate in environmental protection projects, assist in the construction of national ecological civilization, and realize the harmonious coexistence with nature. Improve resource utilization efficiency and promote the transformation of enterprises towards green production. At the same time, the Company will actively participate in environmental protection and public welfare and improve the local ecological environment.

In terms of social responsibility

Asia Cement (China) will adhere to the people-oriented principle, pay attention to employee welfare, health and safety, improve employee benefits, provide a safe and comfortable working environment, and cultivate a high-quality and diversified workforce. Foster harmonious industrial relations. In addition, the Company will actively participate in social welfare and community construction, give back to society, and make contributions to local economic development and social progress.

In terms of corporate governance

Asia Cement (China) will continuously improve the governance structure, enhance the governance level, strengthen information disclosure and transparency, and safeguard shareholder rights. At the same time, the Company will actively communicate and cooperate with various stakeholders to jointly promote the stable, standardized and sustainable development of the enterprise, and create long-term value for shareholders.

Looking ahead to the future

Asia Cement (China) Holdings Corporation will continuously enhance its competitiveness with ESG concept, excellent product quality, innovative technological strength and a good corporate image, unremitting efforts to realize the sustainable development of green, low-carbon and recycling economy!

Independent Assurance Statement

The target stakeholders of this statement: ☒Government ☒Non-Government Organization ☒Clients
☒Suppliers ☒Investors ☒Customers
☐Other stakeholders:

Responsibilities of the reporting organization and assurance provider: CTI Certification Co., Ltd. (hereinafter referred to as "CTI") is entrusted by Asia Cement (China) Holdings Corporation. (hereinafter referred to as the "Reporting Organization") to assure the sustainable development information disclosed in its 2023 Environmental, Social and Governance Report (herein-after referred to as the "Report"). The purpose of this process is to provide reasonable assurance for the sustainable information disclosed by the reporting organization, and to provide confidence for stakeholders to make decisions based on the information provided by the reporting organization. This independent assurance statement is available in both Chinese and English versions, the Chinese version shall prevail.

Assurance Standard: AA1000 AS (v3)
 Scope:

- Assure the content, background, and application of the report, as well as the quality of sustainable development information presented during the reporting period;
- Evaluate the compliance of the report with the AA1000 Accountability Principles (2018) in terms of inclusivity, materiality, responsiveness, and impact;
- Review the sustainability initiatives, practices, implementation, maintenance, and performance information described in the report;
- Assess the reporting mechanism of sustainability information and its consistency with applicable reporting standards;
- Evaluate the applicability and appropriateness of data collection, quantification, and data management included in the report.

Assurance type: Type 1

Subject matters and depth of review: **Subject Matters** Degree of compliance with AA1000 Accountability Principles (2018) **Level of Assurance** Moderate Level

Reference to criteria used: ☐ISO 26000 ☒GRI ☒SASB
☐ISO 14064 ☐IFRS ☒UNSDG
☐TCFD ☐IIRC ☒HKEX ESG Guidelines
☒Others: GCCA

1/3

CTI 华测认证  AA1000
 Licensed Assurance Provider
 000-999

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 Address: Xian'an Block Bao'an District, Shenzhen, China.



Sources of Disclosures Name of report: 2023 Environmental, Social and Governance Report

Covered: Source: Reporting Organization

Methodology: CTI formulated an engagement plan based on the assurance process and conducted the engagement according to the plan. CTI conducted inspections with a professional skepticism attitude, and the assurance activities included the following procedures:

- Based on the process of sampling, understanding, testing and judging the degree to which the reporting organization adheres to the AA1000 Accountability Principles, an evaluation is made of the degree to which the reporting organization adheres to the AA1000 Accountability Principles;
- Conducting management interviews on the effectiveness of the processes that have an impact, including the top management, department managers, and managers responsible for sustainable development;
- Based on sampling, reviewing and inspecting the management practices, business processes, and evidence-collection processes of the reporting organization;
- Collecting and assessing documentary evidence and management representations that support adherence to the AA1000 Accountability Principles

Conclusions: According to the AA1000 Assurance Standard (v3), CTI conducted a Type 1 assurance on the sustainable development information disclosed in the report prepared by the reporting organization. According to the requirements of the AA1000 Accountability Principles (2018), the conclusions are as follows:

The conformity of reporting organization and the report against AA1000 Accountability

Principles (2018)

Inclusivity: CTI did not find any deviation between the report and the inclusive principle of AA1000 Accountability Principles (2018). The reporting organization regularly identifies and participates stakeholders, incorporating the concerns of key stakeholders into important considerations for the company's sustainable development. The report meets the requirements of inclusivity.

Materiality: According to the AA1000 Accountability Principles (2018), CTI conducted a substantive evaluation of various aspects of the reporting organization, both internally and externally. CTI believes that the report proposes various issues and boundaries of different business operations of the reporting organization, and that the report meets substantive requirements.

Responsiveness: After the assurance of CTI, it is believed that the reporting organization's response to major issues has been defined and reflected in the report. The report meets the responsiveness requirements of the AA1000 Accountability Principles (2018).

Impact: The reporting organization has clear procedures to regularly monitor and measure their sustainable development impact, and has professionals to effectively promote the sustainable development agenda. CTI did not find any situations or issues that had an impact on the ecosystem and surrounding infrastructure, and the reporting organization met the impact requirements of the AA1000 Accountability Principles (2018).

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Limitations and mitigation methods

The limitations and mitigation methods of CTI in the assurance process:

- CTI did not conduct assurance on economic performance indicators, and only confirmed the accuracy of economic performance indicators through the verification of audited financial reports;
- CTI did not verify sustainability performance indicators. It only confirmed through interviews and factual evidence that all sustainability performance indicators have clear data sources;
- CTI was unable to provide assurance opinions on the opinions, beliefs, inferences, wishes, expectations, future intentions, and other viewpoints described in the report. However, CTI conducted assurance and issued assurance opinions on both quantitative and non-quantitative factual evidence supporting the above viewpoints;
- CTI will further focus on improving and enhancing the disclosure and management of ESG report information based on the purpose of continuous improvement in future assurance engagement.

Competence and independence of CTI

Established in 2004, CTI has been approved by the China National Certification and Accreditation Administration (CNCA) and accredited by the China National Accreditation Service for Conformity Assessment (CNAS). It is an independent and impartial third-party professional certification institution with extensive experience in conducting management system certification for quality, environment, safety, occupational health and energy, and validation and verification of environmental information such as greenhouse gases.

Except for the assurance and verification of sustainability data and the report, no member of the assurance team has any business relationship with Asia Cement (China) Holdings Corporation, its directors, executives, or department managers. After the internal impartiality assessment conducted by CTI, we believe that there is no conflict of interest in this assurance engagement.

Assurance Team Leader

Wang Hui

王惠

Technical Reviewer

Lin Wu

林武

Signed by

General Manager: Zhou Lu

周路



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Appendix Key Performance Indicator

Indicator	Unit	2023
Part I: Environment	-	-
Emission management	-	-
Exhaust pollutant emissions	kg	5,613,212
Nitrogen oxide emission	kg	4,582,841
Sulfur oxide emission	kg	6,95,900
Particulates	kg	334,471
Soot (kiln head)	mg/m3	4.03
Soot (kiln tail)	mg/m3	2.94
Total GHG emission	tCO2e	18,510,265
Greenhouse gas emissions (category I)	tCO2e	17,591,385
Greenhouse gas emissions	tCO2e	17,591,385
Greenhouse gas emissions (category II)	tCO2e	918,879
Outsourced electricity	tCO2e	918,879
Greenhouse gas emissions (category III) (Upstream and downstream transportation and distribution)	tCO2e	110,272
Greenhouse gas emission density (category I and category II)	tCO2e/km2	3,966,803
Greenhouse gas emission reduction (category I)	tCO2e	2,069,241
Greenhouse gas emission reduction (category II)	tCO2e	27,238
Total amount of hazardous wastes	t	2,302
Waste lubricating oil, used oil	t	181
Waste refractory bricks	t	2,069
Waste chemicals and waste test solutions	t	5

Indicator	Unit	2023
Others (waste batteries, filter elements containing oil, contaminators, etc.)	t	47
Density of hazardous waste	t/km²	493
Total amount of harmless wastes	t	18,860
Household waste	t	2,149
Waste metals	t	6,285
Industrial waste residues	t	4,259
Others (waste belts, waste tyres, waste air conditioners, etc.)	t	6,167
Density of harmless wastes	t/km²	4,042
Resource use	-	-
Total energy consumption	GJ	79,070,688
LNG	GJ	2,932
Coal	GJ	66,499,488
Diesel	GJ	6,672,384
Outsourced electricity	GJ	5,600,835
Natural gas	GJ	291,239
Gasoline	GJ	3,810
Energy discharge density	GJ/km²	16,945,074
Unit consumption	kgce/MT	0.34
Total water taking amount	t	7,174,119.00
Surface water	t	6,496,993
Groundwater	t	18,512
Municipal water supply	t	121,188
Rainwater	t	537,426
Waste water discharge	t	21,703
Total water consumption	m³	7,152,416
Water consumption density	m³/km²	1,532,783

Indicator	Unit	2023
Total circulating water	t	210,312,764
Packaging material consumption	t	3,638.86
Green actions and measures	-	-
Number of green factories	No.	2
Among them: number of national green factories	No.	1
Number of provincial level green factories	No.	1
Amount of investment in clean technology R&D	RMB	3,098,000
Number of employees arranged for clean technology R&D	Person	8
Ecological restoration area of mines	m²	12,155,000
Part II: Society	-	-
Employment	-	-
Number of employees	Person	2,957
Number of full-time employees	Person	2,957
Number of employees in the Chinese mainland	Person	2,915
Number of employees from Hong Kong, Macao, Taiwan and overseas regions	Person	42
Percentage of male employees to total employees	%	88.33
Percentage of female employees to total employees	%	11.67
Proportions of employees by age group	-	-
Proportion of employees under 30 years old (inclusive)	%	7.71
Proportion of employees aged 30-50 (inclusive)	%	84.68
Proportion of employees over 50 years	%	7.61
Proportion of employees from minority groups	%	0.37
By human resources structure of departments	-	-
Number of management personnel	Person	622
Number of business personnel	Person	64
Number of administrative personnel	Person	172

Indicator	Unit	2023
Number of factory affairs personnel	Person	2,099
Employee turnover rate	%	1.79
Male employee turnover rate	%	1.45
Female employee turnover rate	%	0.34
Health and safety	-	-
Number of work injuries/fatalities	Person	10/0
Lost days due to work injury	Day	525
Number of safety accidents	Start	22
Work safety input	RMB 10,000	14,072.57
Hours of training on work safety	Hour	95,354.09
Times of training on work safety	Time	1,986
Number of person-times receiving training on work safety	Person-time	62,280
Training rate of incumbent employee on work safety	%	100
Total investment in insurance against occupational injury	RMB 10,000	296.47
Total number of employees covered by insurance against occupational injury	Person	2,957
Times of employees receiving aids in mental health	Time	174
Coverage of physical examinations and medical records	%	100
Number of person-times involved in employee care and assistance	Person-time	158
Development and training	-	-
Employee training types	Item	9
Times of employee training	Time	98,208
Total number of trainees	Person	2,948
Number of training courses	Subject	38
Annual training expenses	RMB 10,000	151.79
Average training hours of employees	Hour	50.44
Employee training rate	%	99.76

Indicator	Unit	2023
Proportion of trained male employees	%	99.77
Proportion of trained female employees	%	99.71
Proportion of trained senior management employees	%	98.77
Proportion of trained middle management	%	99.63
Proportion of trained grassroots employees	%	99.83
Average training hours of male employees	Hour	51.06
Average training hours of male employees	Hour	45.75
Training duration per capita for senior management employees	Hour	109.92
Training duration per capita for middle management employees	Hour	64.87
Average training hours of grassroots employees	Hour	45.05
Supply chain management	-	-
Total number of suppliers	No.	1,624
Number of suppliers in the Chinese mainland	No.	1,617
Among them: Western Region	No.	242
Eastern Region	No.	485
Central Region	No.	485
Northeast Region	No.	405
Number of suppliers in Hong Kong, Macao, Taiwan and overseas regions	No.	7
Statistics of supply chain risk events	No.	0
Number of suppliers reviewed	No.	589
Number of suppliers with whom the cooperation suspended for non-compliance	No.	17
Product/service responsibility	-	-
Recalls or violations caused by product quality and safety problems	No.	0
Number of customer complaints	No.	46
Number of complaints handled	No.	46
Rate of response to complaints after completion of handling	%	100
Number of customers participating in satisfaction survey	Person	442
Customer satisfaction	%	97
Anti-corruption	-	-

Indicator	Unit	2023
Number of articles and cases related to anti-corruption themes pushed	No.	4
Number of compliance and systems related to risk control developed	Item	1
Revision and improvement of compliance and systems related to risk control	Item	1
Community investment	-	-
Amount of funds invested in social welfare activities	RMB 10,000	260
Economic performance	-	-
Total assets	RMB 10,000	2, 028,290
Total operating revenue	RMB 10,000	742,701
Total profit	RMB 10,000	47,163
Gross profit margin	%	14.41
Total tax	RMB	733,105,704.93



Index of indicators

Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited.

Main categories, levels, general disclosures, and KPIs		
A. Environment		
A1: Emissions		
General disclosure	Disclosure about relevant exhaust gas and greenhouse gas emissions, discharges into water and land, hazardous and non-hazardous waste: (a) Policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Prevention and control of pollutants
A1.1	Types of emissions and respective emissions data	Prevention and control of pollutants
A1.2	Direct (scope 1) and indirect (scope 2) greenhouse gas emissions from energy sources (in tons), and (where appropriate) intensity (e.g. per unit of production volume, per facility).	Resource usage management
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Prevention and control of pollutants
A1.4	Total harmless wastes produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Prevention and control of pollutants
A1.5	Description of the emission objectives set and the steps taken to achieve such objectives.	Prevention and control of pollutants
A1.6	Description of how hazardous and harmless wastes are handled, reduction initiatives and results achieved	Prevention and control of pollutants
A2: Resource use		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource usage management
A2.1	Total direct and/or indirect energy consumption and density by type	Resource usage management
A2.2	Total water consumption and density	Resource usage management
A2.3	Description of energy use efficiency initiatives and results achieved	Resource usage management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Resource usage management
A2.5	Total packaging material used for finished products and per unit produced	Resource usage management

A3: Environment and natural resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environment management system
A3.1	Description of significant impacts from business activities on the environment and natural resources and the actions taken to manage them.	Environment management system
A4: Climate change		
General disclosure	Identification and response to policies prepared for significant climate-related issues that have already had or may have an impact on the issuer.	Response to climate change
A4.1	Description of significant climate-related issues that have already had or may have an impact on the issuer and corresponding responsive actions.	Response to climate change
B. Social		
B1: Employment		
General disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) Policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Staff management
B1.1	Total employees by gender, employment type, age group and region	Staff management
B1.2	Employee turnover rate by gender, age group and geographical region.	Staff management Key Performance List
B2 Health and safety		
General disclosure	Disclosure about providing a safe working environment and protecting employees against occupational hazards: (a) Policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Staff management
B2.1	The number and ratio of work-related deaths annually in the past three years (including the reporting year).	Staff management
B2.2	Lost days due to work injury.	Staff management
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Staff management
B3 Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activity	Staff management
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Staff management
B3.2	Average training hours completed per employee by gender and employee category.	Staff management

B4 Labor standards

General disclosure	Disclosures about preventing child and forced labor: (a) Policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Staff management
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Not involved
B4.2	Description of steps taken to eliminate such practices when discovered.	Not involved

B5: Supply chain management

General disclosure	Environmental and social risk policies for supply chain management.	Practice responsible supply
B5.1	Number of suppliers by geographical region.	Practice responsible supply
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Practice responsible supply
B5.3	Description of the practices used to identify the environmental and social risks at every stage of the supply chain and relevant implementation and monitoring methods.	Practice responsible supply
B5.4	Description of the practices used to promote the use of green products and services at the time of selecting suppliers and relevant implementation and monitoring methods.	Practice responsible supply

B6: Product responsibility

General disclosure	Disclosure about health and safety, advertisement, label and privacy matters relating to products and services provided and methods of redress. (a) Policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Serve customers with quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Serve customers with quality
B6.2	Number of products and services related complaints received and how they are dealt with.	Serve customers with quality
B6.3	Description of practices relating to safeguarding and protecting intellectual property rights.	Serve customers with quality
B6.4	Description of quality verification process and product recall procedures.	Serve customers with quality
B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Serve customers with quality

B7: Anti-corruption

General disclosure	Disclosure about bribery, extortion, fraud and money laundering: (a) Policy; (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Compliance operation
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance operation
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance operation
B7.3	Description of the anti-corruption training provided for the directors and employees.	Compliance operation

B8: Community investment

General disclosure	Policy on community participation to understand the needs of the operating community and ensure that its business activities take into account the interests of the community.	Practice of social responsibilities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, and sports).	Practice of social responsibilities
B8.2	Resources (e.g. money or time) contributed to the focus areas.	Practice of social responsibilities



GRI indicators references

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	About Asia Cement (China)	2-1 2-6
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Title		Description
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	Resource usage management	2-27 301-3 302-1 302-2 302-3 302-4 302-5 303-1 303-2 303-3 303-4 303-5 305-1 305-2 305-3 305-4 305-5
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SASB Disclosure Guidelines for Building Materials Industry

Subject	Indicator	Description
GHG emission	Scope - emissions (tCO2e)	17,591,385
	Scope - emission regulatory percentage (%)	/
	Management scope - long-term and short-term strategies and plans for emissions, reduction targets, andPerformance analysis	See P72-74
Air quality	NOx (t)	4,582.84
	SOx (t)	6,95.90
	PM10 (t)	334.47
	Dioxin/furan (ngTEQ/m3)	/
	Volatile organic compounds (VOCS) (t)	/
	Polycyclic aromatic hydrocarbons (PAHS) (t)	/
	Heavy metals (total Tl, Cd and Pb) (mg/m3)	/
Energy management	Total energy consumption (GJ)	79,070,688
	Proportion of electricity in the power grid (%)	7.28
	Proportion of renewable energy sources (%)	/
Water resources management	Total amount of fresh water intake (t)	7,174,119
	Percentage of water recovery (%)	see P65-68
	Percentage of high/extremely high water risk areas (%)	0
Waste management	Waste output (t)	21,162
	Percentage of hazardous waste (%)	10.88

Subject	Indicator	Description
	Percentage of waste recovery (%)	/
Biodiversity impact	Environmental management policies and measures for activity places	See P79-82
	Percentage (%) of land area (hectares) affected by interference and recovery	/
	-	
Employee health and safety	Frequency of accidents and injuries for full-time employees and dispatching workers (FR)	See P45-46
	Near miss accident rate (%) (NMFR) for full-time employees and dispatching workers	See P45-46
	Confirmed accidents (incidents) of pneumoconiosis	0
Product innovation	Percentage of products eligible for sustainable building design and certification	/
	Sales amount and market share of innovative products (reducing water, energy and/or material impacts)	/
Pricing integrity and transparency	Total amount of pecuniary losses caused by legal proceedings related to cartel activities, pricing and antitrust activities	0

Reader feedback form

Dear readers:

Hello!

Thank you for reading the 2023 Environmental, Social and Governance (ESG) Report of Asia Cement (China) Holdings Corporation. If you have any comments or suggestions during the report reading, please provide correction to help us further improve sustainable development management in the future!

Selective question (please mark “√” in the corresponding position)

1. For Asia Cement (China), your identity is

- ☐ Government
- ☐ Investor
- ☐ Employee
- ☐ Customer
- ☐ Supplier/Contractor
- ☐ Partner
- ☐ Peer
- ☐ Community and public
- ☐ Media
- ☐ Non-governmental organization
- ☐ Others (please specify)

2. What is your opinion of this report?

- ☐ Very good
- ☐ Good
- ☐ General
- ☐ Poorer
- ☐ Poor

3. Do you think the report structure is reasonable?

- ☐ Very reasonable
- ☐ Reasonable
- ☐ General
- ☐ Less reasonable
- ☐ Unreasonable

4. How much information you are concerned about is disclosed in the report?

- ☐ Very comprehensive
- ☐ Relatively comprehensive
- ☐ Involved
- ☐ Rarely involved
- ☐ Not involved

5. What other information do you think you are concerned about that has not been reflected in this report?

6. What suggestions do you have for the ESG report of Asia Cement (China)?