



CHINA TIANRUI GROUP CEMENT COMPANY LIMITED

中國天瑞集團水泥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1252)

Environmental, Social, and Governance Report 2021

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021**

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1 ABOUT THE COMPANY

The main scope of business of China Tianrui Group Cement Company Limited (Stock Code: 01252) (“the Company” and, with its subsidiaries, collectively referred to as “the Group”, “we” or “us”) is production, sales and export of cement, clinker, fly ash, slag powder, concrete, aggregates and other cement products. The Group has 20 clinker production lines and 58 cement grinders for the year ended 31 December 2021. The annual production capacity of clinker, cement and aggregates is approximately 28.4 million tonnes, 56.4 million tonnes and 20.2 million tonnes respectively.

The Group has established internationally recognized policies and management framework to achieve control of environmental responsibility-driven and quality-driven operations. The Group has been committed to a sustainable business that balances important environmental, social and governance (ESG) issues through comprehensive frameworks and regular reviews of key performance indicators.

2 ABOUT THIS REPORT

2.1 BASIS OF PREPARATION OF REPORT AND SCOPE OF REPORTING

This Environmental, Social and Governance Report (“this Report”) is prepared in accordance with Appendix 27 *Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited*, and make references to standards issued by China Cement Association, *T/CCAS 002 Guidelines for Cement Corporate Social Responsibility Report Writing* and *T/CCAS 001 Cement Corporate Social Responsibility Guidelines*, and is based on the principle of “Materiality”, “Quantitative”, “Balance” and “Consistency”.

Materiality: In order to identify and assess the material concerns of our stakeholders, the Group determines the factors that have material impacts on our sustainable growth through engaging and communicating with stakeholders.

Quantitative: The quantitative principle applies to all information in this Report. All performance indicators are provided with clear definition and unit measurement is clearly stated.

Balance: The source of information and cases of this Report was mainly obtained from the Company’s statistical reports, relevant documents and internal communication documents. The Group undertakes that this Report does not contain any false information or misleading statement, and accept responsibility for the contents of this Report as to its authenticity, accuracy and completeness.

Consistency: We prepared this Report in accordance with the Guidelines. Should there be any changes in the future that may affect the comparison with previous reports, footnotes will be added by the Group in the corresponding sections of the Report.

This report has fulfilled the “Comply or Explain” requirements set out in the reporting guide. It has also provided the performance of key performance indicators in regard to the Group’s social aspect, following the “recommended disclosure” requirements in the guidelines.

This report covers environmental, social and governance related activities from 1 January 2021 to 31 December 2021 (the “Reporting Period”).

This ESG report covers the main production areas of the Group that include its cement, clinker and aggregates production businesses in Henan, Liaoning, Tianjin and Anhui Province, among them, Henan and Liaoning account for the largest proportions.

2.2 CONTACT INFORMATION

The Group welcomes comments and suggestions related to the report. Please feel free to send us your feedback to larryli@ctr cement.com or ir@ctr cement.com.

3 MESSAGE FROM THE BOARD OF DIRECTORS

We are pleased to share the Group's significant achievements in promoting sustainable development in this 2021 Environmental, Social and Governance (ESG) report.

The Board assumes the overall responsibility for the sustainable development, and leads the Group to fulfil social responsibility. We will also ensure its development direction is in line with the stakeholders' expectations by ongoing sustainability risk management and stakeholder communication.

The Board has implemented measures such as reducing emissions, prudent use of resources, enhancing occupational safety and health, as well as focusing on development and training. We are convinced that the measures can help the Group achieve the established mission and goals of the group. The board of directors believes that emphasizing ESG management has lots of benefits, including increasing the group's income and enhancing the corporate brand image, reducing operating costs and improving corporate competitiveness. It can also enhance the group's ability to comply with relevant laws & regulations, and promote community development, in order to give back to society.

The Board has actively participated in relevant training, in order to understand the latest developments in ESG issues. When circumstances arise, the Board will consider inviting relevant experts to join the Board to upgrade the relevant expertise of existing boards. Our main operating units have set up a working group to set ESG targets, and to regularly reviews the effectiveness of the plans. The Board of Directors establishes strategies to allow the operating units to have a clear direction when formulating plans and goals. Our board also regularly review the effectiveness of the plan. The working group will collect ESG data, and report to the board of directors every six months to one year. The board of directors regularly reviews strategies and plans, and reviews ESG reports to ensure that the group's development direction and level of disclosure of the group are in line with the expectations of stakeholders.

Risk management in ESG-related areas is of crucial importance to our Board. The Board of Directors communicates with different stakeholders and utilised their broad understanding of the business to assess each relevant risk and incorporated relevant risks into our risk management and internal control system. As a result, this can promote comprehensive risk management within the Group. The Group pays particular attention to the environmental risks regarding exhaust and greenhouse gas emissions and the related regulations.

The Board believes that by focusing on reducing exhaust and greenhouse gas emissions and properly managing their associated risks, and ensuring occupational health and safety, we can help the Group achieve its goal of establishing an excellent corporate image. Therefore, the Group will set targets to regularly review our emissions data and occupational safety statistics as these targets and assessments are indicators of effective operational control.

With the gradual and effective prevention and control of the pandemic, our workers have resumed work and production. The cement industry continues to implement government supply-side reforms and a series of policies such as environmental protection and energy conservation, implementation of energy conservation and emission reduction, off-peak production, comprehensive mine renovation and other measures. The effect of the law is significantly improved our production efficiency. The Group actively planned and strictly implemented off-peak production While doing well in pandemic prevention and control, we actively optimize the product structure to promote digital and intelligent innovation and efficiency activities, so that the Group can save energy and reduce costs. Remarkable results have been achieved in terms of energy consumption and green environmental protection.

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The Group attaches great importance to corporate social responsibility and is committed to promoting business development and bringing greater returns to stakeholders. The Group endeavored to fulfill its corporate social responsibility during the year. The management focused on staff professional skills training and team building, and won numerous provincial and municipal quality awards. For example, the Group was awarded the “Concrete Glorious Cup” in the National Cement Quality Inspection Contest by National Cement Quality Supervision and Inspection Center, and “Hi-tech Enterprise” accredited by the Leading Group of State High and New Enterprises Accreditation. The Group is committed to fulfilling its own environmental responsibilities, continuously optimizing production processes, creating smart manufacturing demonstration enterprises, saving water and energy, reducing emissions, and doing a good job in environmental pollution prevention and control, and completing quality, environment, energy, and occupational health and safety management systems. The Group has obtained the "Five in One" Certification. Many branches have also obtained a number of provincial and municipal Green Mines, Green Factory, Green Supply Chain and other honors. We participated in public welfare activities such as student assistance and poverty alleviation, community volunteer services, and created a stable and harmonious community environment.

The purpose of this report is to disclose the Group’s environmental, social and governance management methods and the overall performance achieved by each measure. We strive to play an important role in the circular economy, sparing no effort in the sustainable management of raw materials and by-products to continue to provide high quality products. We would like to thank all departments and teams for their dedication and contribution to the Group’s sustainable development.

4 STAKEHOLDER PARTICIPATION AND MATERIALITY ASSESSMENT

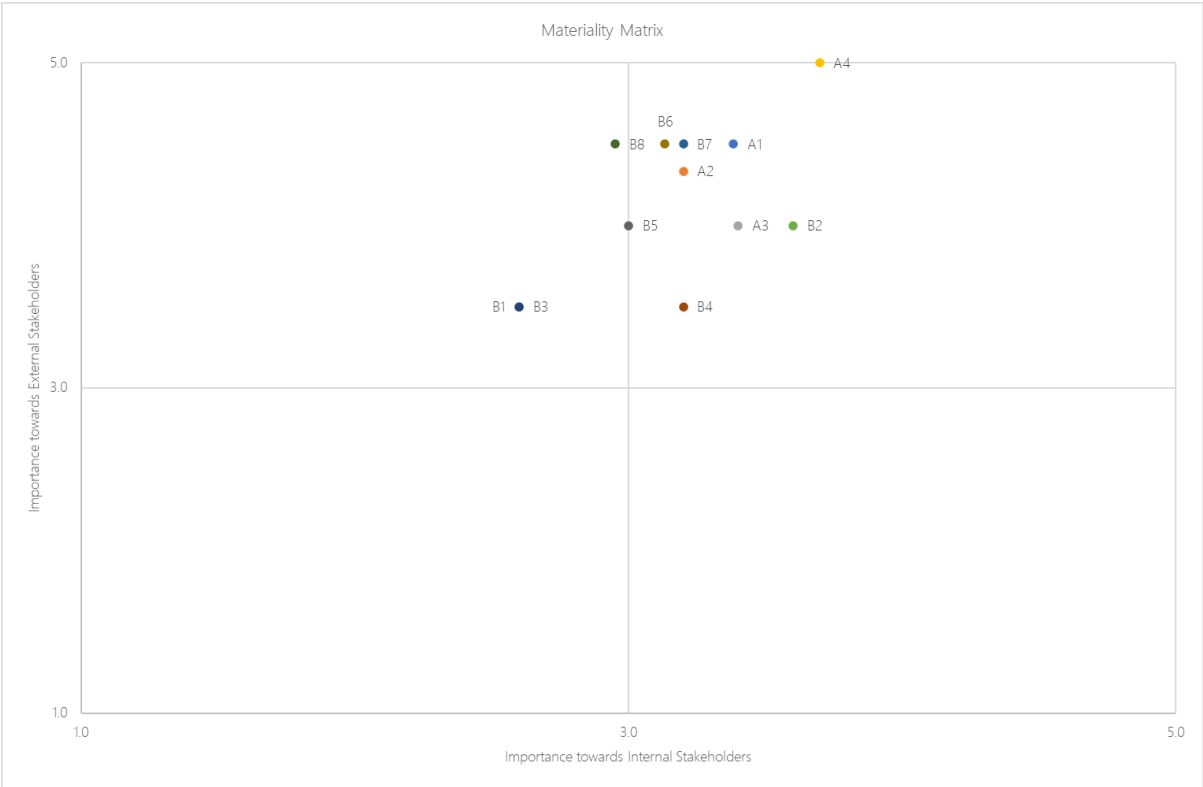
A high quality environmental, social and governance report must include a review on stakeholders’ involvement, as well as a materiality assessment. Therefore, the Group determines which issues are of crucial importance to our business by reviewing the degree of involvement of various stakeholders and their opinions on the development of the Group. After that, the Group decides which issues are to be prioritized and dealt with first.

The Group therefore invited all stakeholders to participate in an online survey. Both external stakeholders, such as customers and suppliers, and internal stakeholders such as directors and employees (including management level staff and general staff) are invited to participate in our survey. Based on their opinions on the importance of different issues to the Group and their respective communities, the Group rated the importance of each issue specified in ESG guideline.

We can decide on the importance of each issue that is to be reported after all participant giving their opinions. The importance of each issue to be reported is determined by taking the average of the level of importance rated by the respondents of that stakeholder group in the survey. The overall importance rating across multiple stakeholder groups is the average of the importance ratings for each group.

To illustrate our findings clearly, the materiality matrix below illustrates the importance of each issue rated by internal and external stakeholders respectively. The materiality matrix classifies the concerns the directors of the Group and other stakeholders by the rating of each issue (i.e. ranking 1-5). The issues situated in the top right hand corner of the materiality matrix are viewed as the most important by all stakeholders.

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Indicators :

<p>A1 Emissions A2 Use of Resources A3 Environment and Natural Resources A4 Climate Change</p>	<p>B1 Employment B2 Health and Safety B3 Development and Training B4 Labour Standards B5 Supply Chain Management B6 Product Responsibility B7 Anti-Corruption B8 Community Investment</p>
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We have received responses from all stakeholders who are invited to give opinions in the survey. Issue A4 “Climate Change” is identified as the most important issue in the topic of Stakeholder Participation and Materiality Matrix. Issue B1 “Employment” and B3 “Development and Training” are rated as the least important issues. However, most issues are being positioned above the threshold of the materiality (i.e. its importance to the Group and various stakeholders is rated at 3.0 or above).

The table below summarizes the top material ESG issues concerned by different stakeholders.

Stakeholder Groups	Top Material Issues
Employee	A4 Climate Change B7 Anti-Corruption
Client	A4 Climate Change
Supplier	A4 Climate Change B5 Supply Chain Management

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In response to the concerns of relevant stakeholders, the corresponding chapters of this report have disclosed the relevant policies and measures implemented by the Group. The Group firmly believes that understanding stakeholders' expectations is critical to the direction of company development. It values the comments and feedback of each stakeholder. The Group has carried out intermittent contact with stakeholders through various channels, including clients, employees, government organizations and community organizations, with a view to building consensus on corporate social responsibility. The Group proposed a corporate social responsibility framework that covers four main areas, namely the **environment**, **product responsibility**, **manpower** and **society**, for the sustainable development goals of itself and its stakeholders based on a mutual understanding.

5 OVERVIEW OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

Environment

- Obtained the Environmental Management and Energy Management System Certification
- Conducted carbon emissions accounting
- Introduced modern techniques to improve the "ammonia-free denitrification" of rotary kilns to reduce nitrogen oxide emission
- Used denitrification system and high quality coal with low sulfur content to reduce the discharge of pollutants
- Installed electrostatic bag composite dust remover to increase dust removal efficiency in exhaust
- Used enclosed belt conveyors and storage sheds and installed vehicle cleaning equipment and dust collectors in loading lane to reduce dust
- Used advanced NSP technology and waste heat recovery system in production line to increase energy efficiency during production
- Installed water recycling system, implemented the recycling of water resources at the production lines to achieve zero industrial wastewater discharge
- Used industrial by-products of other industries as production resources to build a cross-industry circular economy industry chain
- Many branches have won many provincial and municipal Green Mines, Green Factories, Green Supply Chain and other honours

Product Responsibility

- Obtained Quality Management System Certification
 - Self-built laboratory obtained Cement Industry Laboratory Certification
 - Regularly appointed testing organizations at
-

provincial-level or above to test product quality

- Committed to completing investigations regarding complaints received by the relevant department within 24 hours. Held supplier exchange conferences to promote communication between parties
-

Manpower

- Valued multiculturalism, advocated gender equality
 - Obtained Occupational Health and Safety Management System Certification
 - Organized monthly comprehensive safety inspections
 - Hired a third-party agency to conduct occupational health status assessments every three years
 - Provided employees with personal protection equipment
-

Society

- Published the whistle-blowing telephone number, e-mail address and instant messenger number to ensure the confidentiality of reporting of incidents
 - Set up a prevention education division to educate the staff by using corruption and bribery cases
 - Established a work contact mechanism with the local auditing and judiciary department
 - Come out in full force to volunteer for anti-pandemic work in the community
 - Actively participated in the flood relief in affected areas
 - Actively volunteered for tree planting activities and visits to underprivileged and needy families
 - Actively participated in charitable projects such as local road repairs and building water conservancy projects
-

6 ENVIRONMENT

6.1 EMISSION CONTROL MANAGEMENT

As part of cement industry, the Group continuously adopts new management approaches and new supporting systems to improve environmental protection quality, phases out old production methods in response to the concern of our stakeholders regarding the emission performance, and thereby enhance our environmental protection performance.

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The clinker production process in the cement industry is one of the main sources of atmospheric pollutant emission. Burning coal in the kiln is the main source that causes atmospheric pollutant emissions. Emissions include contaminants such as nitrogen oxide, suspended particulate matter and sulphur dioxide. The Group has always adhered to high environmental protection standards by adopting various measures to reconstruct the production flows as below:

- High quality coals with low sulphur content were used to reduce sulphur oxides production;
- Electrostatic bag composite dust removers were installed to increase efficiency of removing exhaust air dust;
- Used denitrification systems and introduced modern techniques to improve the "ammonia-free denitrification" of rotary kilns to reduce emissions of nitrogen oxide;
- Enclosed belt conveyors and sealed ingredients scale were used;
- Retrofitted fast curtain doors and set up enclosed sheds;
- Hardened roads and retrofitted sprinklers devices;
- Retrofitted dust collectors in loading lane; and
- Vehicles are washed before they leave factories to reduce dust.

The particulate matter emission concentration of all production lines of the Group are below the threshold of 10mg. The Group has installed flue gas treatment facilities such as denitrification systems and bag composite dust removers for all clinker production lines. The emission concentrations of sulfur dioxide, nitrogen oxides and particulate matter have been lower than the national pollutant emissions standard limits. The Group aims to meet the best practices of emission control in the cement industry. We have set up a central control room to track and monitor production in real time, and installed an online pollutant monitoring system at the kiln head and kiln tail to ensure stable emission.

During the Reporting Period, the Group has complied with laws and regulations related to particulate matter, nitrogen oxide and sulfur dioxide emissions, such as:

- the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution;
- the Emission Standard of Air Pollutants for Cement Industry;
- the Standard for Pollution Control on Co-processing of Solid;
- the Measures for the Administration of Automatic Monitoring of Pollution Sources;
- the Specifications and Test Procedures for Continuous Emission Monitoring Systems Flue Gas Emitted from Stationary Sources.

Overview of Atmospheric Pollutant Emissions	
Pollutant Emissions ¹	Total Amount
Nitrogen oxide (Tonnes)	6,150
Particulate matter (Tonnes)	1,670
Sulfur dioxide (Tonnes)	353

Burning coal in the kiln directly and other energy consuming equipment generates direct and indirect greenhouse gas emissions respectively. As such, the Group has taken measures to reduce carbon emissions, such as using calcined raw materials and to reduce the annual coal

¹ Pollutant emissions amount is based on the actual measurement of the on-site monitoring system at the factory.

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consumption. The Group has identified carbon emission sources according to the requirements of the national and provincial development and reform commission policy and subcontractors' verification agencies. The Group has also calculated the carbon emission amount according to the relevant carbon emission policy and calculating method. Quantifiable carbon reduction goals have been developed and have been carried out during the production process. The effectiveness of carbon reduction would be evaluated regularly whereby problems and imperfections would be analysed and corrected. Our subsidiaries would set energy-saving and carbon-reduction targets in the light of their own circumstances according to the "Norm of Energy Consumption per Unit Products of Cement" (GB16780), assess energy-consumption intensity monthly, analyze the performance of energy-saving and carbon reduction, and enable appropriate measures to be implemented.

Overview of Greenhouse Gas Emissions	
Greenhouse Gas Emissions ²	Total Amount
Scope 1: Direct emissions (from production line) (Tonnes of carbon dioxide equivalent)	21,765,544
Scope 2: Indirect emissions (from electricity consumption) (Tonnes of carbon dioxide equivalent)	1,131,431
Total amount of greenhouse gas emissions (Tonnes of carbon dioxide equivalent)	22,896,975
Intensity of greenhouse gas emissions (Tonnes of carbon dioxide equivalent/ tonnes of cement production)	0.63

The Group has strongly adhered to the principle of recycling to handle waste materials generated during the production process, both hazardous and non-hazardous waste would be identified and segregated. Hazardous waste generated at the production site mainly came from chemicals used for machinery maintenance. Under certain circumstances, chemical waste produced from large production processes would be used again as lubricating material for on-site equipment and machinery. Other chemical wastes that could not be reused would be appropriately stored and handled according to local laws and regulations. The Group classified waste rock and soil from mining and sold to construction sites to be reused. Recyclable waste material such as steel scrap produced from equipment replacement would be regularly collected and handled by recycling companies. As the Group focuses its production of cement in synergy, there is no significant amount of non-hazardous waste discharged.

The Xiaoxian branch company set hazardous waste reduction targets to reduce the amount of hazardous waste produced by 1% from previous years. Liaoyang Branch is committed to taking diversified measures to reduce hazardous waste, and has set a goal to reduce the amount of hazardous waste generated from previous years by 5%. The Liaota branch is committed to taking various measures to reduce hazardous waste, with the goal of reducing hazardous waste generation by 10% of that amount recorded in 2020 by 2025. The

² Being calculated according to the Greenhouse Gas Emissions Calculation Method and Reporting Guide for China's Cement Production Companies (Trial) and based on grid emission factor. According to historical data, the greenhouse gas emissions caused by fuel and gas consumption only accounted for about 0.1% of the total amount of Scope 1 and Scope 2, which were not included in the data in this table based on the principle of materiality.

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Environmental Protection Committee collects information on hazardous waste on a quarterly basis to monitor and evaluate the effectiveness of the measures.

During the Reporting Period, the Group complied with relevant laws and regulations, including:

- the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution of Solid Waste;
- the Standard for Pollution on the Storage and Disposal Site for General Industrial Solid Wastes

Waste Data Overview	
Hazardous waste (Tonnes)	32

6.2 EFFICIENT USE OF RESOURCES

The cement industry plays a key role in boosting a cross-sector circular economy. As the Group serves as vanguard in protecting the environment, it makes good use of its unique nature of the industry, uses industrial by-products and wastes from other industries for production, and continually improves the environmental protection performance of its supply chains.

The Group used its production line to absorb fly ash from power plants, slag from steel plants, sulfuric acid slag and industrial by-products such as limestone tailings from chemical plants to use as production resources. The Group has set up factories near the main raw material, limestone, mining source and sales channels to reduce resources used for transportation of raw materials and finished products. The Group obtained necessary licenses for limestone mining, and satisfied the mining conditions and procedural requirements of paying mine resource compensation and taxes. This allows the Group to carry out mining work in a manner that was compliant to the existing laws and regulations in the PRC.

All clinker production lines have been equipped with advanced NSP technology to reduce energy consumption and atmospheric pollutant emissions. The Group has equipped most production lines with residual heat recovery system, so that the heat generated from the clinker production process would be captured and recycled through the heat recovery system for cement production, to reduce the overall energy required for production and further reduce the raw materials used during production. Moreover, the Group has saved a substantial amount of cost and contributed to a cleaner production by increasing efficiency and reducing coal consumption, to improve its competitiveness.

Our subsidiaries would set energy-saving and carbon-reduction targets in the light of their own circumstances according to the “Norm of Energy Consumption per Unit Products of Cement” (GB16780), assess energy-consumption intensity monthly, analyze the performance of energy-saving and carbon reduction, and enable appropriate measures to be implemented.

The Xiaoxian branch aims to save 0.5 kWh of electricity per tonne of clinker and 0.5 kWh of electricity per tonne of cement. Liaota Branch has set a power-saving target targeted to save 420,000 kWh. Liaoyang Branch has set a power saving target targeted to save 2,600,000 kWh. In the reporting year, it over-achieved its target by reducing electricity consumption by 4.8% as compared with the previous reporting year, and saving 7,954,200 kWh of electricity year-on-year.

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During the Reporting Period, the main sources of energy consumption was from coal consumption and electricity usage during the production process. The table below shows the energy consumption of the Group during the Reporting Period.

Overview of Energy Consumption of the Group³	
Direct energy	
Coal (MWh)	24,368,386
Indirect energy	
Electricity (MWh)	1,866,054
Total energy consumption (MWh)	26,234,440
Energy intensity (MWh/ tonnes production of cement)	0.72

As freshwater is extremely valuable, the Group has adopted water saving management policies. To boost the water consumption efficiency, our Group has taken the following measures :

- Installed water recycling systems, water resources at the production line would be treated and reused;
- Recycled water was used as cooling agent for production facilities;
- Discharged water treated by sewage treatment station was used for greenery irrigation; and
- Recycled water was used for watering and dust control.

The Group achieved zero industrial wastewater discharge so as to reduce water consumption. For sewage that must be discharged, the Group has strictly adhered to the requirements on the sewage discharge permit.

Liaota Branch aimed to reduce the average water consumption per employee from 19 m³ to 17 m³. With 2020 as the base year, Liaoyang branch aims to reduce the average water consumption per employee from 40 cubic meters to 38 cubic meters. Average consumption per employee has been reduced to 16 m³ and 37 m³ after carrying out a series of back-office water-saving measures, such as reusing of greywater and installing water-saving equipment that lead to the achievement of water saving target.

Overview of Water Consumption	
Total water consumption (m ³)	647,562
Intensity ('000 m ³ /Million tonnes production of cement)	18

³ According to historical data, solar power, fuel and gas consumption accounted for only about 0.1% of the total energy consumption, which is not included in the data in this table based on the principle of materiality.

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During the Reporting Period, the amount of material used for product packaging is as follows;

Overview of Amount of Packaging Material Used	
Total amount of packaging material(m ³)	2,394
Intensity of packaging material usage('000 m ³ /Million tonnes production of cement)	0.07

6.3 ENVIRONMENT AND NATURAL RESOURCES

During the Reporting Period, seven of our subsidiaries achieved energy saving, carbon reduction and low emission through the upgrade of equipments. Based on the clinker production capacity of 35 million tonnes, there will be a saving of 74,900 tonnes of raw coal, 39.9 million kWh electricity, a reduction of 223,200 tonnes carbon dioxide emissions each year, that resulting in cost saving of over RMB 100 million. During the Reporting Period, the List of Steel and Cement Enterprises Completing the Evaluation and Monitoring of Low Emission Transformation (關於完成超低排放改造評估監測鋼鐵水泥企業名單的公示) announced by the Henan Development and Reform Commission (河南省發展和改革委) shows that 135 cement enterprises in Henan Province have completed the evaluation and monitoring of low emission transformation, among which 16 companies are under the Group. The Xiaoxian branch has reduced its discharge pollutants level after it adopted advanced facilities, leading it to become the first cement enterprise in Anhui Province to meet the low emission standard.

The Group is committed to improving its environmental performance in the industry from various aspects, upgrading and transforming the hardware to enhance production efficiency, promoting and strengthening awareness of environmental protection by means of software application. The Group has established coal, energy, water and gas conservation management policies and measures, and have set incentives to encourage repair and reuse, and to conserve energy as well as enhance productivity by technological transformation. All clinker production lines have passed the Energy Management System Certification. The Group's headquarters and all subsidiaries of the Group have passed the four-in-one certifications for quality, environment, occupational health and safety management systems and products. The Group has placed great importance on enhancing the environmental awareness of the employees in regards to daily work tasks and production by providing seminars and training on environmental protection periodically.

The Group vigorously carried out mine restoration and greening work in the process of mining, which effectively reduced the soil erosion in and around the mine. The Group actively carried out the construction and planting of green mines, that started to yield results and being included in the National Green Mine List by the Ministry of Natural Resources.

During the Reporting Period, Liaoyang branch and Xindeng branch were awarded National Green Factory Certification. Together with the Dalian branch which was awarded National Green Factory Certification last year, the Group currently has three national green factories and six provincial green factories. During the Reporting Period, six branches located in Zhengzhou, Xindeng, Nanzhao, Qianjing Town of Yuzhou, Yongan and Guangshan respectively were listed on the Green Development of Key Industries in Henan Province (2021 年度重點行業綠色發展排行榜).

6.4 CLIMATE CHANGE

Climate change is an indisputable fact. The Group is concerned about the implication of climate change and it has already identified and assessed the risks of it. In response to the physical risks brought by the climate change, the Group has formulated measures to mitigate the impact on the operations of the Company and to protect its employees, which include ensuring the infrastructure of the Company having a design capacity to withstand extreme weather and strictly following the relevant extreme weather guidelines issued by the government. Various measures include publishing timely extreme weather warning, emergency drills, strengthening plant facilities, installing flood protection barriers that can withstand higher water level, installing more emergency power supply and water supply facilities, and backup power generators. The mine is prohibited to accumulate soil and waste in order to prevent the damage of landslips arising from extreme weather. In the light of the transitional risk of climate change, the Group adheres to “The Norm of Energy Consumption per Unit Products of Cement” (GB16780) to ensure the energy consumption per unit of production keeps up with market standard. At the same time, the Group pays close attention to the development of domestic carbon emission trading platforms, and strives to improve its own performance, with a view to ensuring a smooth transition when the Group or its operating divisions are included in the platform.

7 PRODUCT RESPONSIBILITY

7.1 SUPPLY CHAIN MANAGEMENT

The Group makes good use of its own industrial characteristics to aid various industries in improving their waste material management. Some materials required for production are derived from industrial by-products and waste. This sustainable procurement policy effectively solves corporate social responsibility problems in the supply chain. The Group’s management committee, legal affairs department, control department, finance department, audit department and other professional management departments supervise, inspect and assess all material bidding of the Group. The control division of the Group is the main supervising body during the bidding procedures and is responsible for the Group’s inspection work.

Number of suppliers by geographical region	
Mainland China	173
Others	0

The supplier engaging practice of the Group is applicable to all existing suppliers. During the procurement process, the Group would make supplier selections through bidding procedures based on factors such as quality, pricing, delivery time, service quality, reliability, the geographical location, environmental and social risks. A closer proximity to the Group’s operational site would enable better control on delivery time and reduce the environmental impacts caused by transportation, so suppliers which are located close to the production site would be considered with first priority after considering a wide range of matters.

The Group would regularly evaluate suppliers by assessing the quality of goods supplied, timeliness, after-sale service and other considerations such as suppliers’ track record of compliance with relevant environmental and social laws. The Group would also regularly host

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networking events for suppliers to improve relations and build trust with each party, strengthen partnerships and minimize risks caused by the supply chain.

The Group has also maintained a list of suppliers for sourcing. Based on the environmental and social risks that are associated with each supplier, we classify suppliers into categories of high, medium and low level of risks:

- develop a Supplier Code of Conduct, which suppliers are required to comply with;
- require suppliers to complete an ESG risk assessment questionnaire; and
- arrange our staff to conduct on-site inspections if necessary

The Group has set up a policy on assessing the suppliers' environmental and social risks. With reference to the ESG questionnaire and the findings collected from on-site inspections, the Group regularly monitors ESG-related risk and the performance of our suppliers. The areas being assessed include personal protection gear, guidelines on safe working procedures, and regular assessment of risks and training. We monitor the performance of the suppliers in regard to the environmental risks of the projects they take part in. This includes assessing the air pollution and proper disposal of waste water in their operations. The purpose of this is to minimize the risk of the supplier violating certain environmental laws and regulations and review the Supplier List regularly.

To promote environmentally-friendly procurement, the Group adopts a digitalization and centralization approach in regard to procurement procedures. Staff can use our platform to order equipment, materials and office supplies. The whole process can be done online and paperless. The whole procedure, starting from application for purchasing an item to getting management approval, getting price quote and any other steps, is paperless.

The Group has formulated a list of green product purchasing based on the principle of environmental procurement. From product design to the production and logistics of the product, we use recyclable, reusable materials and any other environmental materials, subject to our requirements being met, in order to minimize the negative impacts on the environment due to the materials we use. The Group regularly reviews the green materials which we use. For the materials that do not meet our requirement, we will communicate with the supplier and request them to improve the quality. If there is no improvement, the Group will remove such material the List for green materials.

In addition to supporting green products, the Group also supports green organizations. When selecting suppliers, if each supplier meets the basic requirements, the Group will give priority to those with outstanding performance in the field of environmental protection, such as obtaining certificates for environmental protection-related management systems issued by certification agencies, and environmental protection-related awards issued by environmental protection agencies and being the environmental protection institutions recognized by government departments.

7.2 QUALITY AND COMPLIANCE MANAGEMENT

The Group is committed to keeping up a high quality and good service, and has provided our customers with superior quality products. We always adhere to a unified, open and fair publicity strategy, so that we have earned the “customer first and service first” reputation. The Group says no to monopoly and supports benign competition, so that it ensures that all aspects from raw material procurement to product sales are fair and lawful.

The Group's quality control department is responsible for monitoring the production process and inspecting the output quality of the cement products. The quality control department ensures the products have met all relevant laws and customer requirements through inspecting

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suppliers to ensure they meet the requirements on the quality and health and safety of the products. Our laboratory has been awarded the Cement Enterprise Laboratory Certificate and would test the quality safety of the products and raw materials according to various requirements. The finished products were inspected and tested in accordance with a variety of national standards, including compressive strength and cement chemical analysis. The Group has also appointed testing organizations at provincial-level or above to regularly carry out product quality tests to verify the accuracy of the test results performed by the laboratory, and to ensure that the product inspection information is reliable and effective.

The Group's recall procedure requires that, once a product fails to meet standard, it must be recalled and the investigation will be carried out with a view to improving quality. The Group has strictly controlled the quality and remained committed to excellent after-sales service. Based on the ISO 9001 quality management international standards, the Group has established a comprehensive framework to manage quality of the products, and has obtained the Quality Management System Certification.

The Group's *Sales Customer Management Method* explains what customers' personal information and details is to be collected and which departments have the right to collect and use customers' personal information. The level of customers' information given to employees would correspond to the management level of the employee. Customers' personal information would be used only for business development, internal analysis and customer relationship management and is strictly confidential.

The Group attaches great importance to the maintenance and protection of intellectual property rights. All licensed products are purchased from distributors authorized by the copyright owners. The Group promises not to purchase or use pirated products. The Group has a dedicated department responsible for monitoring intellectual property and customer information and has ensured that the Group abides to policies and laws related to information confidentiality and intellectual property.

Contact method for complaints have been posted at the place of sales, online promotion platforms, product manuals and product packaging labels. The Group has sought to improve the quality of its products and services through regular on-site visits, information exchange on the Internet, communicating with customers through telephone enquiries and carrying out customer satisfaction survey. The Group has established emergency response plans for customer complaints at all levels, and has set up a customer service hotline. Upon receiving complaints, the Group would immediately arrange for professionals to handle complaints and follow-up. Responsible departments would complete the investigation within 24 hours and convene with relevant departments to consult and resolve the issues. Responsible departments would collect customer feedback on a monthly basis, consolidate and analyze the information and follow up with any complaints.

During the Reporting Period, the Group recorded no recalled products due to health and safety issues and no substantiated complaints, and has not violated any laws and regulations relevant to health and safety, advertising, labeling and privacy issues.



Zhengzhou Dengfeng Municipal Bureau of Industry and Information Technology Reviews Our Condition of Digitalization Process

8 MANPOWER

8.1 EMPLOYMENT AND RESPECT FOR LABOUR RIGHTS

In order to enhance employees’ work satisfaction and the Group’s competitiveness in the long run, the Group has advocated a workplace that is inclusive and fair to all employees. The Group’s employment culture focused on creating a respectful and diverse work environment and the recruitment process focused on hiring suitable talents. It respects for gender, ethnicity, age, religion and other differences. The Group believes that diversity has effectively promoted innovative ideas and experience sharing within the company.

The Group’s recruitment and employment procedures strictly complied with local related laws and regulations to prevent child and forced labour within the Group’s operational boundaries. The Human Resources Department had been responsible for checking the age of applicants, overseeing employment issues, performing background screening and regular checking. The Administrative and Human Resources Department conducts random inspections, interviews and other measures to ensure strengthened internal supervision, and the employees can report to the Department if any suspicious cases found, in order to control the issues of forced labor. Feedback collection boxes are provided in all working units that employees can express their real-name or anonymous opinions, and the meeting would be held in time for research, processing and reply.

In terms of remuneration, the Group would initiate the salary adjustment mechanism in a timely manner by reference to the market standards in the cement industry that are comparable to other companies, and the external and internal factors that affect the actual value of the employees’ salary, individual performance and the Group’s overall financial performance for retaining, recruiting and motivating talented people. The Group’s management position will be promoted or replaced by way of external recruitment or internal selection. In the event that a position is available due to an expansion of the Group’s business,

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a demotion or a resignation, an internal selection would typically be carried out initially before performing an external recruitment.

The Group focused on providing employees with fair compensation and remuneration, reasonable working hours and rest periods, career development opportunities and a friendly working environment. To enhance good long-term career development for employees, a variety of employment training and external training opportunities were provided. The Group had also paid endowment insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance and housing provident funds for its employees.

To strengthen employees' sense of belonging and honor, in addition to salary, the Group would provide certain allowances and benefits to the employees based on the Group's financial situation, social responsibility and social customs. These allowances and benefits included on- the-job allowance, summer heat subsidy, washing subsidy, work environment subsidy, holiday welfare, social insurance and paid vacations. The Group would provide holiday subsidies in cash or equivalent to all employees at some festivals. The Group had organized a number of activities for employees to promote company culture and employees' interactions. Team lunches, cooking classes, recreational sports, cultural activities and family gatherings were arranged to boost work-life balance and the physical and mental well-being of employees.

The Group has strictly complied with relevant employment laws including the *Labour Law of the People's Republic of China*, and there have been no cases of prosecution for violation of the relevant employment laws during the Reporting Period.

<u>Monthly average total number of employees in the Reporting Period</u>	
<u>By gender</u>	
Male	5,426
Female	1,927
<u>By employment type</u>	
Full-time	7,353
Part-time	0
<u>By age group</u>	
Age 18-30	791
Age 31-45	4,734
Age 46-60	1,715
Age 61 and above	113
<u>By location</u>	
Mainland China	7,353
Others	0

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<u>Employee turnover rate</u>	
<u>By gender</u>	
Male	1.39%
Female	0.67%
<u>By age group</u>	
Age 18-30	6.13%
Age 31-45	0.51%
Age 46-60	0.82%
Age 61 and above	1.62%
<u>By location</u>	
Mainland China	1.20%
Others	N/A



Liaota Branch Participates in the Wensheng District Table Tennis Team Match



New Year's Day Sports



Group Hiking on Labour Day

8.2 SAFETY AND HEALTH

The Group fulfills the responsibility of maintaining a safe working environment and promotes safety-first culture. The Group has established an occupational health and safety system and has obtained relevant certifications. The Group has implemented the health and safety performance management process to create a healthy and safe working environment for employees, so as to benefit the long-term development of the Group.

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The production unit would put up a dangerous operation notification card in high-risk areas of the workplace to identify and notify employees of the high-risk tasks in the employees’ work procedures. For example, warning signs on noise and dust would be placed to remind employees to take precautions that could eliminate danger. The production unit has organized monthly comprehensive safety inspections and safety issues would be rectified within a certain time limit. The Company is committed to the standardization of corporate safety. Tianrui Xindeng Zhengzhou Cement Company Limited has passed the assessment and inspection of the Level I Standardization of Work Safety Enterprise of the Industry and Trade Industry 2021 by the Emergency Bureau. A number of enterprises have successfully passed the Level II Safety Standard.



The Assessments of the First-Class Enterprise in Production Safety Standardization



On-site Assessment of Level I Safety Standard

To ensure employees' health, the Group would carry out regular occupational disease examination to identify potential problems early. Based on relevant national occupational health laws and regulations, the Group has hired a third-party organization to carry out occupational health status assessments every three years, and conduct occupational hazard testing work every year. The Group has a specialized unit that is responsible for occupational health and safety matters. The Group would regularly provide occupational health and safety educational training to raise employees' awareness and enhance their knowledge of operational procedures to minimize the risk of accidents and injuries. The Group has provided protection equipment such as safety helmets, protective clothing, and safety boots for employees. Safety rope and other equipment and tools have been provided for work at high places. In the summer, heatstroke prevention, cooling medication and other first aid supplies would be given.

The Group has regularly organized a variety of safety education activities, such as "Safe Production Month" and "Fire Drill" to effectively enhance employees' work safety and fire rescue awareness, in order to further strengthen employees' safety awareness.



Production Safety Month

COVID-19 has been spreading all around the world during the year. The Group stepped up action against threats of the spread of virus after the resumption of work and production. General emergency responses for COVID-19 mainly include:

- educating employees about the importance of good hygiene practices, encouraging employees to keep office and living place sanitary;
- controlling the flow of visitors, checking the health condition of visitors, all employees having to measure their body temperature before going to work and getting off work, any person being suspected of acute infectious diseases will be put in quarantine; establishing temperature checkpoints at the entrance and exit to measure the body temperature of persons entering and leaving the Company, especially to check visitors' body temperature, to provide them with masks, and to register their personal information;
- sanitizing working areas, staff quarters and meeting rooms, and opening doors and windows for natural ventilation at regular intervals to improve indoor air quality;
- strengthening the hygiene management in canteens, carrying out meal-taking system in shifts, providing hand-washing facilities at the canteen entrance, all service personnel must wear masks, utensils must be sanitized with disinfection cabinet, and the cupboards for staff to store utensils will be cleaned and sanitized regularly; and
- restroom will be disinfected and kept ventilated after use, keeping hand-washing basins and hand dryers clean, refilling hand sanitizer to strengthen sanitation management; keeping restroom clean; cleaning frequently contacted surfaces every day, such as front desks, desks, door handles, restroom, fixtures, toilets, mobile phone, computers and tables; cleaning any surfaces that may be contaminated with blood, body fluids and secretions or excrement.

The Group were not aware of any work-related fatalities in the past three years (including the Reporting Period). During the Reporting Period, the Group recorded several minor injuries happened in the business premises, resulting in a loss of 223 working days in total.

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The Group has complied with relevant safety laws and regulations such as the *Law of the People’s Republic of China on Work Safety* and *Law on the Prevention and Treatment of Occupational Diseases*. There have been no cases of prosecution due to violation of laws related to occupational safety during the Reporting Period, thanks to trainings and strict compliance with health and safety laws and regulations.

8.3 EDUCATION, TRAINING AND CAREER DEVELOPMENT

The Group believes that the career development of employees is the key to the long-term development. The Group focuses on enhancing the capabilities of its employees through a wide range of technical and management training courses, and provides training covering all fields of work and various career development programs.

Newly hired employees would attend pre-job training organized by the hiring unit regarding introduction of the Group and the units where the new employees will be working, company culture, management system, employee regulations, labour safety, policies, and job responsibilities. Training programs included direct purchase supervisor training, 5-in-1 comprehensive system training on product quality, environment, energy, occupational health and safety and product certification, as well as official document and reporting method training.

The Group’s human resources strategy focused on identifying and developing high standard talents, and as such, managers would assess employees’ performance and potential based on the Group’s standards. The Group has also encouraged and supported employees to attend various academic training and would subsidize eligible applications. All employees at managerial level would have to provide on-the-job training, guidance, to their subordinates so that they know the required job skills and business quality. Managers would make reasonable arrangement on the training content and time, and to assist and supervise subordinates to share and apply their training knowledge and skills in practical work.

<u>Percentage of employees that attended training⁴</u>	
By gender	
Male	74%
Female	26%
By level	
Senior management	5%
Middle management	6%
Supervisor	13%
General staff	76%
Percentage of total employees being trained	100%

⁴ According to the latest recommendation of the HKEX, the percentage of employees trained is calculated using the total number of employees participating in training as the denominator instead of the total number of employees in that category.

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<u>Average number of training hours per employee</u>	
<u>By gender</u>	
Male	22
Female	21
<u>By level</u>	
Senior management	7
Middle management	26
Supervisor	8
General staff	25
All employees	22

9 SOCIETY

9.1 ETHICS, INTEGRITY AND ANTI-CORRUPTION

The Group upholds its moral and integrity, and considers that is the key to winning trust and success. Therefore, it has established anti-corruption policies to monitor business operations and prevent bribery and corruption.

The Group has developed a code of conduct for the employees, which specifies various job behaviours and anti-corruption and bribery work practices. Employees are not allowed to receive gifts from related parties. Gifts allowed to be accepted would be submitted to the relevant department by the unit. The Group would appoint professional personnel to set up a unit specialized in audit and supervision whereby the supervisor would be appointed to be responsible for internal review. The Group has established a working collaboration mechanism with local auditing and judicial departments to observe and report crimes like bribery, extortion, fraud and money laundering. The Group has hired independent non-executive directors to supervise the company's operations.

An internal case investigation division has been set up to review all reports and set punishments based on rules and regulations. By publishing a report phone number, e-mail and WeChat number, the Group has also set up a reporting policy that would allow employees to report any possible corruption cases internally through confidential and comfortable reporting channels.

During the Reporting Period, the staff who acted both as director and as joint secretary of the Group participated in the joint training seminar for directors and board secretaries, the 58th Affiliated Persons Enhanced Continuing Professional Development Seminar organized by the Hong Kong Institute of Chartered Secretaries, which provides our directors and senior management with training on the revised rules of procedure for Board of Directors meetings and information disclosure, related transactions, risk control, etc. On the other hand, the Group also provided Tianrui Core Values and Seven Rules for Management (天瑞核心價值觀和幹部天規七條) training for more than 800 middle and senior management staff, and the training content includes the latest relevant anti-fraud information.

The Group has strictly complied with relevant anti-corruption and bribery laws, and there have been no cases of prosecution due to violation of *Regulations of the People's Republic of China for Suppression of Corruption* and other relevant laws.

9.2 COMMUNITY PARTICIPATION

The Group strives to do its part as a corporate citizen well and contribute to the community by extending care to the community and assuming social responsibility, while expanding its business, so as to position all our businesses for sustained growth.

Prevention of Pandemic

In the face of the sudden outbreak of the pandemic, our subsidiaries took active actions and acted proactively, quickly responded to the calls for actions coming from local governments, encouraged employees to join the volunteer team, assisted in compulsory testing, and worked together with medical staff to fight the pandemic and prevent the pandemic. We will fight to ensure the safety and health of the people.



Voluntary Pandemic Prevention Work

The volunteers of the Group log in to the collection software, scan the unpacking code and test tube code, collect information, hand over cotton swabs, seal test tubes according to the training and testing process requirements, and work closely with medical staff to make sure testing work is carried out smoothly and efficiently.

COVID-19 pandemic is severe, that has brought a serious impact on people's production and living order. The pandemic is an “order”, and prevention of virus is a “responsibility”. The Group has always dared to be socially responsible, taking the overall situation into account and acting quickly. The Group has actively organized personnel to participate in the local pandemic prevention and control work, while taking strict prevention and control measures itself. After receiving the document issued by the Social Prevention and Control Team of COVID-19 Pandemic Prevention and Control Headquarters, the Party Committee of the Group immediately convened unions such as grass-roots Party organizations and units, and recruited volunteers every day from Party members, prospective Party members, Party activists, and security personnel. The team is responsible for pandemic prevention and control in the local community.



Voluntary Pandemic Prevention Work in the Community

Disaster Relief

In the face of a historic heavy rain, the Group's subsidiaries in Henan District, that are respectively located in Zhengzhou, Weihui, Xindeng, Yongan, Zhongmu, Yuzhou, Linru, Nanzhao took emergency actions to save themselves while actively assisting the local government in flood fighting, rescue and disaster relief, and under the unified arrangement of the Group, donated a total of over RMB 20 million (including RMB 3 million in cash and RMB 17 million worth of cement) to Zhengzhou, Ruzhou, Weihui and other regions, indicating the responsible behaviour of the Group. The Group focused support on areas severely affected by the flood, helped local people rebuild their homes, in order to resume normal production and life as soon as possible.



Production and Transportation of Cement Required for Emergency Rescue and Disaster Relief

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The Group Uses Excavators to Repair 234 Provincial Highway



The Group Forms Rescue Team to Support Local Flood Control



The Group Provides Vacant Properties Such As Accommodation and Office Premises for the People Affected by Disaster

Other Community Services

The Group continues to actively participate in public welfare activities and supports poverty alleviation with the vision of creating a stable and harmonious community. During the year, thanks to the mutual assistance among employees, the Group arranged to participate in voluntary tree-planting activities, and also offered festive greetings and support to the needy communities nearby.



Voluntary Tree Planting

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Visit Needy Communities Nearby

All units of the Group provided strong support to relevant organizations of the local streets, communities and government departments in arranging employment, tax payment and poverty relief work. They also actively participated in public welfare activities such as local road repairs and water engineering projects, and have established good partnership relations with relevant departments and organizations. More than 300,000 hours have been dedicated to volunteer work during the Reporting Period.

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10 AWARDS AND RECOGNITION

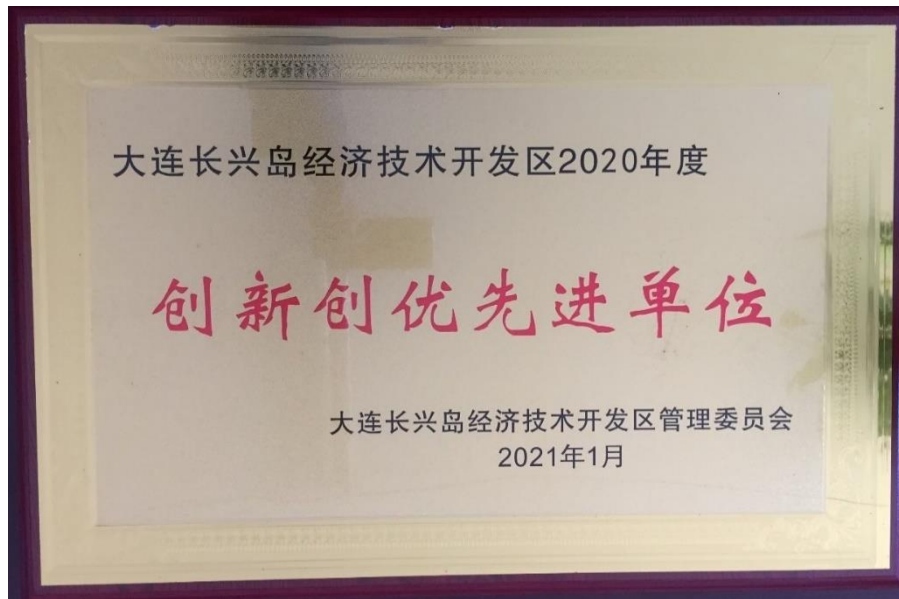
Award / Achievement	Issuing Authority
Integrity and Law-abiding Enterprise	Yahe Industrial Zone Management Committee
Worker's Pioneer	Nanyang City Federation of Trade Unions
One Star Industrial Enterprise	Nanyang Municipal People's Government
Xingyang City Health Enterprise	Xingyang Patriotic Health Campaign Committee
Xingyang City "Industrial Contribution Gold Cup"	Xingyang Municipal Party Committee and Municipal Government
Leading Enterprises Contributing to Economic Development	Cuimiao Town Party Committee and Town Government
Caring and Supporting Advanced Unit in National Defense Construction	Xingyang Municipal Party Committee, Municipal Government, People's Armed Forces Department
Advanced Unit of Zhengzhou City's Three-year Action Plan for Pollution Prevention and Control	Zhengzhou Municipal Party Committee, Zhengzhou Municipal Government
The First Prize of the Safety Production Knowledge Competition in the Industry and Trade Industry of Zhanhe District	Emergency Management Bureau of Zhanhe District, Pingdingshan City
Cement Standardization Laboratory	Henan Building Materials Industry Association
2021 Quality Inspection Excellence Award	Henan Cement Quality Supervision and Inspection Center
Tax Credit A-Class Enterprise	Provincial Internal Revenue Service
Physical Inspection Comparison Award	National Cement Quality Supervision and Inspection Center
Excellence Award for Physical Inspection	Provincial Cement Quality Inspection Center
National High-tech Enterprise Certification	Torch Center of the Ministry of Science and Technology
Advanced Grassroots Trade Union 2020	Zhitian Town People's Government
Advanced taxpayer in 2020	Zhitian Town People's Government
Advanced Unit of Safety Production 2020	Zhitian Town People's Government
Zhengzhou "Ankang Cup" Competition Winner 2020	Zhengzhou Federation of Trade Unions
Gongyi May 1 st Labor Award	Gongyi City Federation of Trade Unions
"99 Charity Day" Love Unit 2021	Henan Charity Federation
Gongyi City's Most Caring Donation Enterprise in 2021	Gongyi City Charity Leading Group
Triple A Standardized Good Behaviour Certificate	China Association for Standardization
Won the 2020 Xinxiang Four-star Industrial Enterprise	Xinxiang Municipal People's Government
First Batch of High-tech Enterprises Recognized and Filed by Henan Province in 2021	National High-tech Enterprise Certification Management Leading Group Office
Quality Benchmarking Enterprise in Henan Province	Department of Industry and Information Technology of Henan Province
National Energy Consumption Leading	Ministry of Industry and Information

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Enterprise	Technology
Excellent Laboratory of Cement Enterprises in Henan Province in 2020	Henan Construction Industry Association
Unity and Progress Award for the Three-Year Action Plan for Pollution Prevention and Control	Zhengzhou Municipal Committee of the Communist Party of China, Zhengzhou Municipal People's Government
Four Cathay Pacific Cup Technological Innovation Awards in 2021	Henan Machinery, Metallurgy and Building Materials Industry Committee, Henan Building Materials Industry Association
Standardization Laboratory Certificate for Cement Production Enterprises	China Building Material Council
Home of Model Workers in Pingdingshan City	Pingdingshan City Federation of Trade Unions
Ruzhou Excellent Enterprise (Leading Type)	Ruzhou People's Government
Tax Contribution Advanced Enterprise	Ruzhou People's Government
Advanced Investment Enterprises	Ruzhou People's Government
Advanced Technology Investment Enterprise	Ruzhou People's Government
Technology Innovation Enterprise	Ruzhou People's Government
Henan Province Cement Enterprise Laboratory Quality Inspection Competition Excellence Award 2021	Henan Cement Quality Supervision and Inspection Center
Standardization Laboratory Certificate for Cement Production Enterprises	Henan Building Materials Industry Association
Advanced Technology Investment Enterprise	Ruzhou People's Government
Tax Contribution Advanced Enterprise	Ruzhou People's Government
Ruzhou City Industrial and Economic Operation Advanced Enterprise	Ruzhou People's Government
2020 First Prize for Outstanding Enterprises in Economic Development	Qianjing People's Government
Advanced Unit of Social Contribution in 2020	Qianjing People's Government
2020 Advanced Unit of Safety Production	Yuzhou City Safety Production Committee
Yuzhou City's 2021 Civilized and Honest Merchant	Yuzhou Market Supervision Administration
2020 Manufacturing High Quality Development Award	Xuchang People's Government
High-tech Enterprise	Henan Provincial Department of Science and Technology / Henan Provincial Department of Finance / State Administration of Taxation Henan Provincial Taxation Bureau
Annual Safety Production Advanced Enterprise	Safety Production Committee of Pingqiao District, Xinyang City
Top 10 Taxpayers in Xiaoxian County in 2020	Xiaoxian County Party Committee and Xiaoxian People's Government
Xiaoxian "Top Ten Manufacturing Enterprises" in 2020	Xiaoxian County Party Committee and Xiaoxian People's Government
Advanced Enterprise of "Double Creation and Excellence" in Xiaoxian Work System	Caring for the Next Generation Working Committee of Xiao County
Caring for the Next Generation Advanced	Caring for the Next Generation Working

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units of "Love to Help Students" of Xiaoxian 2021	Committee of Xiao County / Xiaoxian Cares for the Next Generation Caring Student Association
Won the Title of " Walk in Harmony " Unit in Xiaoxian County in 2021	Xiao County Human Resources and Social Security Bureau/Xiao County Federation of Trade Unions/Xiao County Federation of Industry and Commerce
Top 10 Taxpayers in 2020	Wensheng District Committee of the Communist Party of China, Wensheng District People's Government
2020 Wensheng District Trade Union Work Advanced Group	Wensheng District Federation of Trade Unions
Advanced Private Enterprise in Liaoyang City's "Hundreds of Enterprises Linking Hundreds of Villages, Walking the Road to Prosperity" Targeted Poverty Alleviation Action	Liaoyang City Federation of Industry and Commerce, Liaoyang City Poverty Alleviation and Development Leading Group Office
Tian Lifeng Liaoyang City Model Worker Honorary Title	Liaoyang Municipal Committee of the Communist Party of China, Liaoyang Municipal People's Government
In 2020, the City's Enterprises and Institutions Won the Third-class Public Security Work	Liaoyang Public Security Bureau
Liaoyang City Advanced Grassroots Party Organization	Liaoyang Municipal Committee of the Communist Party of China
"Concrete Glorious Cup" in the 18th national large-scale comparison on cement chemical analysis	Chinese Cement Quality Testing Center
The Labour Union of Liaota Branch Won the Honour of Advanced Labor Union Work in 2020	Labour Union of Wensheng District, Liaoyang City
2021 Chinese Brand Value Evaluation Result Notice	China Council for Brand Development
Innovation and Creation Priority Unit	Dalian Changxing Island Economic and Technological Development Zone Management Committee
Advanced Unit of Industrial Development	Dalian Changxing Island Economic and Technological Development Zone Management Committee
Advanced Unit for Tax Contribution	Dalian Changxing Island Economic and Technological Development Zone Management Committee
Special Contribution Unit for Pandemic Prevention and Control	Dalian Changxing Island Economic and Technological Development Zone Management Committee
Advanced Grassroots Party Organization	Dalian Changxing Island Economic and Technological Development Zone Working Committee of Chinese Communist Party



Dalian Branch Won the Honorary Title of "Innovation and Creation Priority Unit"



Nanzhao Branch was Awarded the Honorary Title of "One-star Industrial Enterprise" in 2020 by the Nanyang Municipal People's Government



Xindeng Branch Won the Honorary Title of "Excellent Laboratory of Cement Enterprises in Henan Province" in 2020

11 VISION

As one of the national cement industry leaders receiving significant support from the government, the Group shall take advantage from the policies and its own strengths by enhancing internal structure, refining management quality, strictly complying with standards of environmental protection, strengthening water and soil pollution prevention, and strengthening ecological construction. The Group also utilize the support from the Chinese government such as tax incentives, special projects or financing approvals and optimize production process to increase production efficiency, so as to promote regional market integration and synergy effect, as well as promote the elimination of backward production capacity of the cement industry and raise industry barriers.

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12 HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE
REPORTING GUIDE INDEX

A	Environment	Section
<i>Scope A.1</i>	Emissions	6.1
KPI A.1.1	Types of emissions and relevant emissions data	6.1
KPI A.1.2	Total amount of greenhouse gas emissions and intensity	6.1
KPI A.1.3	Total amount of hazardous waste produced and intensity	6.1
KPI A.1.4	Total amount of non-hazardous waste produced and intensity	No significant non-hazardous waste is discharged due to the focus of its business model on working in synergy
KPI A.1.5	Description of emissions target(s) set and steps taken to achieve them	6.1
KPI A.1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	6.1
<i>Scope A.2</i>	Use of Resources	6.2
KPI A.2.1	Direct and/or indirect energy consumption and intensity by type	6.2
KPI A.2.2	Total amount of water consumption and intensity	6.2
KPI A.2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	6.2
KPI A.2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	6.2
KPI A.2.5	Total amount of packaging material used for finished products and per unit of production	6.2
<i>Scope A.3</i>	Environment and Natural Resources	6.3
KPI A.3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	No activities that had major impact on the environment and natural resources during the Reporting Period
<i>Scope A.4</i>	Climate Change	6.4
KPI A.4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	6.4
B	Society	
<i>Scope B.1</i>	Employment	8.1
KPI B.1.1	Total number of employees by gender, employment type, age and geographical location	8.1
KPI B.1.2	Employee turnover rate by gender, age and geographical location	8.1
<i>Scope B.2</i>	Health and Safety	8.2
KPI B.2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	8.2
KPI B.2.2	Number of days lost caused by work injury	8.2
KPI B.2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	8.2
<i>Scope B.3</i>	Development and Training	8.3
KPI B.3.1	Percentage of employees that attended training by gender and employment type	8.3

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KPI B.3.2	Average number of training hours per employee by gender and employment type	8.3
<i>Scope B.4</i>	Child Labour or Labour Standards	8.1
KPI B.4.1	Description of measures taken to review recruitment practices to avoid child labour and forced labour	8.1
KPI B.4.2	Description of steps taken to eliminate the situation after discovery of a violation	No violation in the Reporting Period
<i>Scope B.5</i>	Supply Chain Management	7.1
KPI B.5.1	Number of suppliers by geographical locations	7.1
KPI B.5.2	Description of practices for hiring suppliers, the number of suppliers, and the execution and monitoring methods of the relevant practices	7.1
KPI B.5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	7.1
KPI B.5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	7.1
<i>Scope B.6</i>	Product Responsibility	7.2
KPI B.6.1	Percentage of sold or delivered products recalled because of safety and health reasons	7.2
KPI B.6.2	Number of complaints received regarding products and services, and solution	7.2
KPI B.6.3	Description of practices related to protecting and ensuring intellectual property	7.2
KPI B.6.4	Description of quality inspection process and product recall process	7.2
KPI B.6.5	Description of consumer data protection and privacy policy, and related execution and monitoring methods	7.2
<i>Scope B.7</i>	Anti-corruption	9.1
KPI B.7.1	Number of corruption cases filed by the issuer or employees during the reporting period, and the outcome of the proceedings	No corruption lawsuit in the Reporting Period
KPI B.7.2	Description of preventive measures and reporting methods, and related execution and monitoring methods	9.1
KPI B.7.3	Description of anti-corruption training provided to directors and staff	9.1
<i>Scope B.8</i>	Community Participation	9.2
KPI B.8.1	Focus on scope of contribution	9.2
KPI B.8.2	Resources used on focused area	9.2