



2023 WEST CHINA CEMENT LIMITED Environmental, Social and Governance Report

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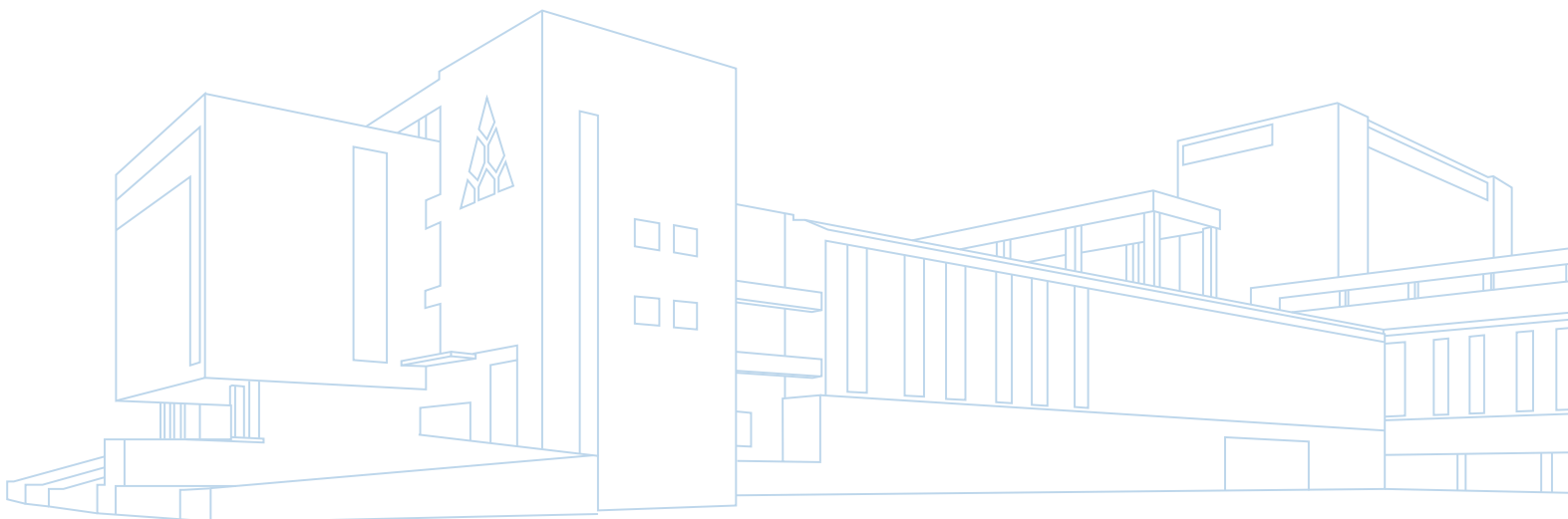
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About the Report

● Reporting Guidelines

The Environmental, Social and Governance ("ESG") Report of West China Cement Limited (hereinafter referred to as "West China Cement" or "the Company") and its subsidiaries (collectively referred to as "the Group" or "we") describes the Group's approach to and performance on ESG in 2023. The report is intended to disclose efforts made for promoting sustainability management strategies, actions and results to internal and external stakeholders.

● Reporting Boundary and Period

This Report covers all companies whose operations are under the control of the Company, including Yaobai Special Cement Group Co., Ltd ("Yaobai Group") and West Holding Group Limited ("West Holding Group"), for the financial year from 1 January 2023 to 31 December 2023. The boundaries of this Report are determined by the principle of the operational control.

● Reporting Standard and Principles

This Report follows the ESG Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. It adheres to reporting principles of materiality, quantitative, balance, and consistency. The Report was prepared with reference to Guidelines for the Preparation of Social Responsibility Report of Cement Enterprises (T/CCAS 002-2018) by China Cement Association.

● Language of the Report

This Report is published in both Chinese and English. You can view the electronic version of this report on the websites of West China Cement, Yaobai Group or the Hong Kong Stock Exchange.

● Feedback

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02 A Message from CEO

Dear Stakeholders:

West China Cement had a standout year in 2023, marked by strong leadership and a commitment to hard work and integrity. As an active participant in development of Western China, we are well aware of development needs of the region. We are committed to meeting development needs of Western China by providing quality cement products for the infrastructure, urban construction and rural development markets. Whether it is highways, railways, bridges or tunnels, our cement products play an indispensable role and strongly support the construction and development of Western China.



We are committed to moving our operations towards sustainability. Throughout the year, we focused on sustainable, green initiatives, adopting the philosophy that green mountains and clear waters are as valuable as gold and silver. We have made significant progress in reducing energy use and emissions. The introduction of second-generation dry production line technology has significantly improved production efficiency, while reducing energy consumption and emissions. Notably, our Tongchuan plant set new benchmarks for energy efficiency and low emissions, while our Shifeng and Danfeng plants achieved satisfactory environmental and safety performance, underscoring our commitment to green development. Moreover, production safety has always been a top priority for us, and we have made continuous efforts to establish a safety-oriented enterprise. The Group has strengthened its dual prevention mechanism for production safety and has consistently implemented intelligent supervision to enhance on-site management.

In response to industry changes and low-carbon transformation trends, we are actively promoting technological and management innovation to drive enterprise transformation and upgrading. In 2023, we are exploring digitisation, implementing intelligent projects for new industries, strengthening carbon emission management, and promoting the construction of green factories and rehabilitation of green mines.

Our employees are the heart of our success, and in 2023, we continued to prioritise a people-first culture. We have listened to our employees, nurtured their talents, and improved their welfare. Our Management Training Institute is a prime example of this commitment, offering a combination of online and offline training to support employees' growth alongside the Company. We are committed to building a professional and efficiency workforce by continuously strengthening the development and motivation of our young and local employee.

Although the market environment has been complex, we have managed to increase our core market share by enhancing our marketing efforts and sales structure. Consequently, we have made significant progress in overseas markets, resulting in a rise in cement sales and a substantial increase in our market share.

We have also stepped up our community contributions, particularly in education and poverty relief. Our Autumn Assistance Programme is helping more children receive quality education, and our partnerships with various stakeholders are strengthening local economies and social progress.

Looking to the future, we remain dedicated to the ethos of modesty and hard work. With our original goal in mind, we aim to keep progressing and contributing to West China Cement's continued success. Let's work together towards a bright future!

A LETTER 
TO STAKEHOLDERS

Chief Executive Officer



03

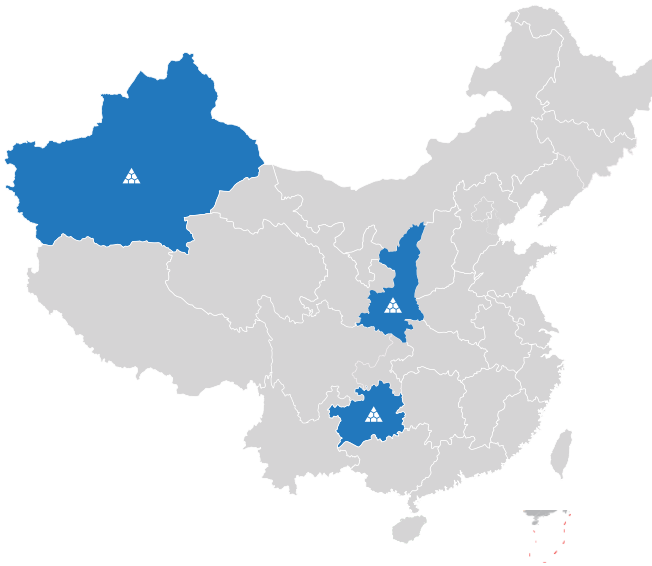
About Us

Company Profile

West China Cement Limited (Stock code: 2233.HK) is a large enterprise engaged in cement, new building materials production, research and development and industrial investment. It is the holding company of two groups, namely, Yaobai Special Cement Group Company Limited (Yaobai Group) and West International Holding Limited (West Holding Group). Yaobai Group is headquartered in Xi'an City, with more than 50 subsidiaries located in Shaanxi, Xinjiang, Guizhou, Sichuan and other provinces. West Holdings Group is headquartered in Addis Ababa, Ethiopia, with more than 20 subsidiaries located in various African countries.

In 2023, West China Cement was ranked 27 globally for cement production capacity and 11 for cement clinker production capacity in China. It is the largest building materials enterprise in Western China, with a well-established production system and sales and logistics network. Our products are mainly sold in Shaanxi, Xinjiang, Guizhou and Africa.

Western China focus -Shaanxi, Xinjiang, Guizhou and Sichuan



Africa focus-Mozambique, D.R. Congo and Ethiopia



The largest cement producer in Shaanxi Province by NSP production capacity

Cement capacity:	31.8 million tonnes
Shaanxi:	21.7 million tonnes
Xinjiang:	3.5 million tonnes
Guizhou:	1.8 million tonnes
Mozambique:	2.0 million tonnes
D. R. Congo:	1.5 million tonnes
Ethiopia:	1.3 million tonnes

2023 sales volume

Clinker & Cement:	20.5 million tonnes
Aggregate:	4.05 million tonnes
Concrete:	1.91 million cubic meters

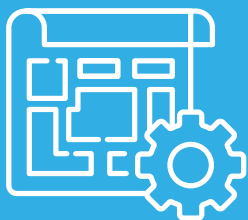
2023 Major Honours

Honours Received	Awarding Organisations	Time
Special Contribution Award for the 4th Shaanxi Province College Students Ecological Literature Creation Competition	Shaanxi Provincial Department of Ecology and Environment, Shaanxi Provincial Department of Education, Shaanxi Provincial Department of Water Resources, Shaanxi Provincial Forestry Bureau, Shaanxi Provincial Committee of the Communist Youth League	2023.06
Outstanding Achievement and Classic Case in the Cultural Construction of Building Materials Enterprises for the 2022-2023 Academic Year (First Prize)	China Building Materials Enterprise Management Association	2023.08
Exemplary Unit for Energy-saving and High-efficiency Development in Shaanxi Province	Shaanxi Provincial Center for Industrial and Economic Development Promotion	2023.10
Advanced Unit with Outstanding Contributions in the National Cement Comparative Analysis for the 40th Anniversary	China National Inspection and Testing Group Corporation Limited, National Cement Quality Inspection and Testing Center	2023.06
Outstanding Contribution Award in the First Shaanxi Province High-Strength Green Low-Carbon Concrete Mix Design Skills Competition	Shaanxi Concrete Industry Association	2023.08
Excellent Organisation Award in the 2023 Cement Industry "Mei Nuofu" Cement Quality Inspector (Physical) Skills Competition.	China Cement Association	2023.11
Top 10 Private Building Materials Enterprises in 2023	China Building Materials Enterprise Management Association	2023.12
Top 50 Building Materials Enterprises in 2023 based on their strength.	China Building Materials Enterprise Management Association	2023.12



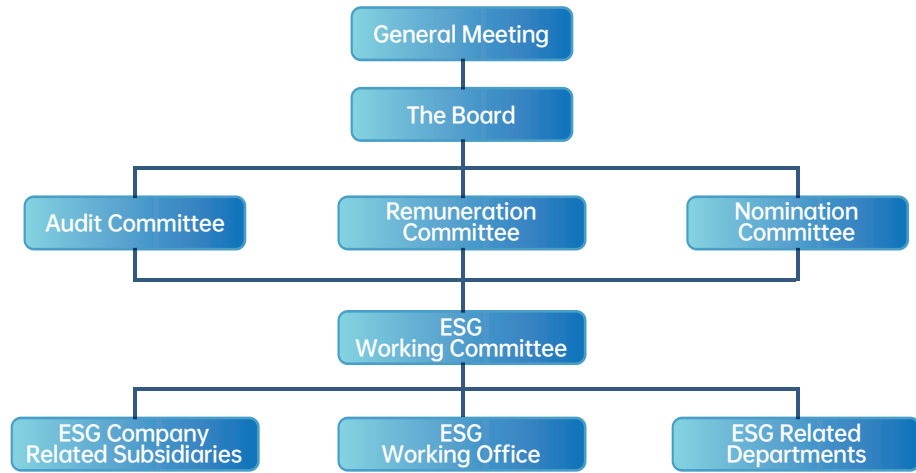


04 ESG Governance



The Company has established an Environmental, Social and Governance Working Committee (ESG Working Committee) headed by senior and middle management. The ESG Working Committee reports to the Board of Directors and is responsible for implementing the Company's environmental and social responsibility strategic plan, formulating the related policies and rules, and establishing the environmental and social responsibility management and implementation system. It also checks and supervises fulfilment of environmental and social responsibility.

Organizational framework



To ensure effective implementation of ESG policies and plans, the Group has established an ESG office and appointed an environmental and social responsibility liaison officer. The officer is responsible for communicating the Group's strategies and specific measures regarding the environment, social responsibility, and governance. Additionally, they collect data and provide feedback to the ESG coordination and management network in our subsidiaries. The Company has strictly implemented the requirements of industry authorities and industry associations on the fulfilment of environmental and social responsibilities by enterprises. ESG research has also been actively carried out to enhance the Company's ability and standard of fulfilling its responsibilities through practical actions, thus laying a solid foundation for achieving sustainable development.

<p>ESG Working Committee</p>	<ul style="list-style-type: none"> · Organise, lead, and deploy environmental and social responsibility initiatives. · Develop an environmental and social responsibility management system. · Approve environmental and social responsibility plans and publish reports. · Oversee major environmental and social responsibility projects.
<p>ESG Working Office</p>	<ul style="list-style-type: none"> · Coordinate the rollout of environmental and social responsibility initiatives. · Establish and implement an environmental and social responsibility management system. · Develop plans and programmes for environmental and social responsibility efforts. · Recommend budgets and training programmes for environmental and social responsibility initiatives. · Create the environmental and social responsibility section on the Group's official website. · Compile environmental and social responsibility reports.
<p>ESG Liaison Officer</p>	<ul style="list-style-type: none"> · Assist in environmental and social responsibility related work · Assisting in preparation of the environmental and social responsibility reports · Collecting data for the Group's environmental and social responsibility section and providing feedback.

Board Statement

The Board of Directors is in-charge of overseeing the Group's ESG matters and making sure they are part of our day-to-day business. An ESG Working Committee keeps the Board updated on ESG-related performance, risk metrics and targets. The Board reviews the progress of ESG-related targets annually. The Group places significant emphasis on risk management and has a comprehensive risk governance structure in place. The Board of Directors serves as the supreme governing body of the Company's risk management, while the Audit Committee is responsible for identifying, supervising, and controlling various types of risks, including strategic, financial, managerial, and legal risks. Additionally, the Audit Committee provides risk analyses and decision-making support to the Board. We consider ESG risks in our overall risk management plan also, identifying and prioritising them based on how likely they are to happen and their potential impact. We set ESG goals that match our main business activities and keep track of our progress. These risks and progress towards ESG goals are regularly reported to the Board.

The Group has established a systematic risk management mechanism. It regularly summarises and analyses the effectiveness and reasonableness of its risk management strategies and continuously optimises and improves risk management policies and mechanisms in light of the actual situation. The ESG Working Committee ensures identification, supervision, and control of ESG-related risks and takes timely preventive measures. During the reporting period, West China Cement conducted 69 comprehensive internal control audits on all its subsidiaries and special audits targeting 6 areas of management risks, effectively identifying and addressing potential risks and achieving full regulatory compliance.

Process To Determine Materiality

With an innovative spirit and a pragmatic attitude, we strive to transform and upgrade the Chinese cement industry, working towards realising the vision of being a leading enterprise in the cement industry. We uphold the enterprise mission of "people-oriented, high-quality, continuous innovation, and first-class mindset", integrating environmental and social responsibility into corporate operations. Starting from the perspectives of safety, environment, employees, customers, partners, and communities, we continuously work to fulfil our environmental and social responsibilities. This includes strengthening factory safety management, enhancing environmental management standards, innovative energy-saving and emission reduction measures, implementing health management initiatives, and promoting collaborative waste disposal projects.

Stakeholder Engagement

The Group values clear and effective communication with all stakeholders around the world, and has established a range of channels for communication with employees, customers, suppliers, investors, governments, and partners, including media, disclosure, performance roadshows, shareholder meetings, thematic reports, visits, community activities, employee organisations and others. We consider the impacts of material issues on sustainability and take them into account when formulating the Group's sustainability strategy. During the reporting period, we regularly assessed our communication with various stakeholders and continuously improved its effectiveness and timeliness. We communicate with internal and external stakeholders through the following channels:

Stakeholder	Expectations and Requirements	Communication Method
Government	<ul style="list-style-type: none"> · Comply With the Law · Paying Taxes According to Law · Promote Local Employment · Promote Economic and Social Development of the Local Community 	<ul style="list-style-type: none"> · Regular Reporting of Work · Relevant Meetings · Information Reporting
Industry Authorities	<ul style="list-style-type: none"> · Participate in the development of industry standards · Promote healthy and sustainable development of the industry · Promote technological advancement and industrial restructuring and upgrading 	<ul style="list-style-type: none"> · Periodic Performance Report · Performance Reporting · Relevant Meetings · Information Reporting
Shareholders and Investors	<ul style="list-style-type: none"> · Honesty and Integrity · Regulated Operations · Profitability 	<ul style="list-style-type: none"> · Shareholder Meeting · Investor Presentation · Results Announcement Meeting · Company Announcement · Regular Reports
Client	<ul style="list-style-type: none"> · Provide Quality Products · Provide High Quality Service · Rights Protection 	<ul style="list-style-type: none"> · Consultation With Clients
Supplier	<ul style="list-style-type: none"> · Providing Quality Products and Services · Fair Operations · Honest Operations · Fulfil the Contract on Time · Win-Win Co-Operation 	<ul style="list-style-type: none"> · Regular Meetings · Exchange Visits · Senior Visits · Contractual Agreements
Employee	<ul style="list-style-type: none"> · Protecting Basic Rights · Promoting Capacity Enhancement · Broaden Career Development · Sense of Belonging and Identity · Sharing the Benefits of Corporate Development 	<ul style="list-style-type: none"> · Trade Union Organisations at All Levels · Employee Council · Employee Exchange Platform
Environment	<ul style="list-style-type: none"> · Energy Saving and Emission Reduction · Resource Conservation · Ecological Conservation and Restoration 	<ul style="list-style-type: none"> · Regular Reports On Energy Saving And Emission Reduction · Enhance Information Disclosure
Community, Public and NGOs	<ul style="list-style-type: none"> · Participate In Community Building · Provide Employment Opportunities · Supporting Public Welfare Undertakings · Supporting Poor Districts and Disadvantaged Groups 	<ul style="list-style-type: none"> · Company Website · ESG Report · Visits And Exchanges · Co-operation · Public Welfare Activities

Materiality Assessment



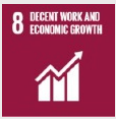



During the reporting period, the Group carried out a materiality assessment to identify sustainability issues that have a significant impact on its long-term development, as well as on the environment and the society, by taking reference from the Hong Kong Stock Exchange's "Environmental, Social and Governance Reporting Guide", the "Sustainability Reporting Standards", and industry best practices.

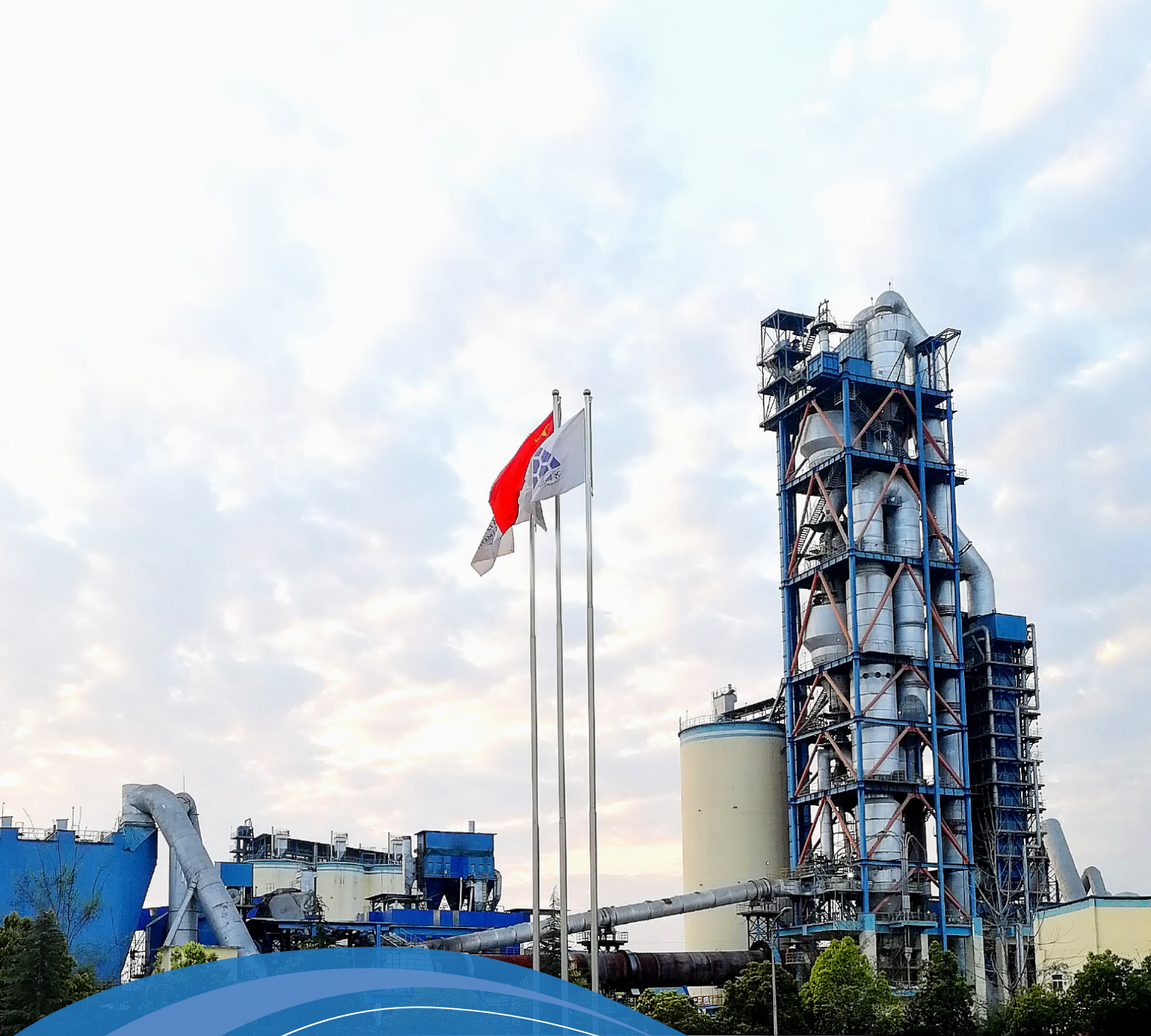
We follow four steps for assessing materiality: identification, prioritisation, validation and review. The 26 identified issues were segregated into four levels, of which 10 issues were identified as material topics that have a significant impact on the Group's operations and were validated by the Board of Directors. The materiality matrix is shown below:



Level 4	Level 3	Level 2	Level 1
6 Water Management and Conservation	3 Non-hazardous Waste Management 2 Hazardous Waste Management 7 Greenhouse Gas Reduction 12 Staff Training and Promotion 16 Employee Communication 26 Customer Satisfaction	5 Energy Management and Conservation 9 Wastewater Management 11 Talent Management 14 Child and Forced Labor 15 Employee Compensation and Benefits 17 Diversity and Equal Opportunities 20 Supplier Management 22 Sustainable Procurement Policy 25 community Welfare	1 Exhaust Management 4 Environmental compliance 8 Tracking Climate Change 10 Biodiversity and Land Use 13 Occupational Health And Safety 18 Product and Technology Innovation 19 Intellectual Property 21 Product Quality and Safety 23 Business Ethics 24 Anti-corruption

The Group's sustainability blueprint is aligned with the United Nations' Sustainable Development Goals (SDGs). Through various initiatives, we support the global goals of promoting economic prosperity while safeguarding the environment.

Sustainability Pillars	SDGs	Materiality	Actions
Environment	 	<ul style="list-style-type: none"> Exhaust Management Environmental Compliance Tracking Climate Change Biodiversity and Land Use 	<ul style="list-style-type: none"> Staggered Peak Production Waste Recycling Waste Heat Generation Mine Rehabilitation
Employee		<ul style="list-style-type: none"> Occupational Health and Safety 	<ul style="list-style-type: none"> Strengthening Health and Safety
Operations	 	<ul style="list-style-type: none"> Product and Technology Innovation Intellectual Property Product Quality and Safety 	<ul style="list-style-type: none"> Promoting industrial optimisation Protecting intellectual property rights Implementing new industrial production models
Governance		<ul style="list-style-type: none"> Business Ethics Anti-corruption 	<ul style="list-style-type: none"> Compliance Acceptance of Supervision



05 Climate Change

Governance

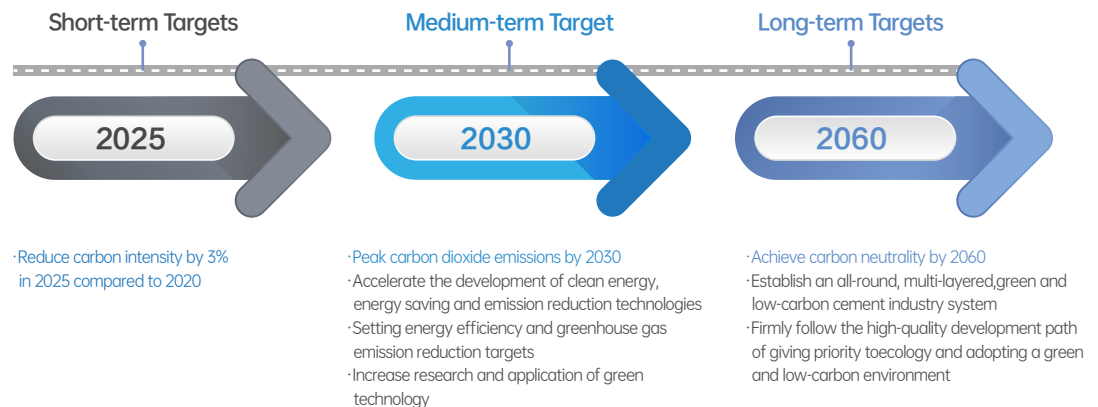
The climate change issue triggered by the increase in global greenhouse gas emissions is one of the biggest problems facing the Planet in the 21st century. The Group is highly concerned with the issue of climate change and the Board is responsible for overseeing the Company's sustainability risks, including climate-related risks. ESG Working Committee is responsible for the development of West China Cement's "3060" action path and climate strategy, including significant measures to mitigate, adapt and resist climate change, and for regularly reviewing the Group's progress and annual performance in achieving energy efficiency and carbon reduction.



Strategy

Climate change poses risks to West China Cement's businesses and operations, including physical risks such as extreme weather events and water scarcity, as well as impacts on assets and employees. It also provides opportunities to innovate in production technologies and processes to help develop a low-carbon economy. We will continue our efforts to develop a low-carbon economy, with a focus on the "National 14th Five-Year Plan" and the "2035 Vision". Our goal is to pursue a high-quality development route that prioritises ecology and is green and low-carbon in nature. Simultaneously, we have developed the "3060" Action Plan, which establishes goals for enhancing energy efficiency and aiming to gain a competitive advantage in achieving "Carbon Peaking and Carbon Neutrality". We aim to be carbon peaked by 2030 and carbon neutral by 2060.

West China Cement Climate Target



Risk Management

To develop a sustainable business strategy that has safeguards against climate change risks, the Group evaluates physical and transformation risks by making reference to the Climate-related Disclosure standard published by ISSB. A list of climate change risks was compiled, and qualitative scenario analyses were conducted to assess their potential impact on the Group's financial performance. Additionally, the Group identifies opportunities resulting from climate change and captures the financial benefits to promote sustainable development.

	Type of Risk	Potential Financial Impacts	Response Measures
Physical risks	<ul style="list-style-type: none"> Storm or flood destroys factories and offices, resulting in failure to operate normally (possibly lasting for several hours/days) Damage to operating facilities and equipment, storage areas and cargo Transportation delays caused by extreme weather events 	<ul style="list-style-type: none"> Decrease in revenue: failure to produce and deliver on time, affecting business operations Decrease in value of assets: depreciation of assets and increase in insurance expenses Increase in expenditure: repair and replacement of damaged facilities and equipment Decrease in revenue: failure to deliver on time, affecting business operations 	<ul style="list-style-type: none"> Annual mock flood exercises Prepare corresponding emergency plans for rainstorms or floods Strengthen the maintenance of special facilities and equipment for flood prevention and drainage in factories and offices Prepare corresponding emergency plans in advance, and formulate alternative transportation plans
Transition risks	<ul style="list-style-type: none"> More stringent environmental protection policies implemented by the government have increased the operating costs of enterprises Stricter environmental regulations may expose enterprises to higher risks of claims and litigation New energy-saving facilities are widely used by industrial competitors, which increases market competition, forcing the Group to purchase new equipment to replace old ones 	<ul style="list-style-type: none"> Increase in costs: renovation costs and emission costs will increase Increase in costs: non-compliance leads to litigation claims Increase in costs: investment in research and development of green technologies will increase and new equipment shall have to be purchased Decrease in value of assets: existing facilities will be disabled 	<ul style="list-style-type: none"> Regularly compile and update regulations via various channels such as government agencies and the Internet to ensure operational compliance Assess the environmental performance of subsidiaries and branches with reference to the environmental protection assessment measures Accelerate the switch to energy-saving and automated equipment Promote the use of new and clean energy, such as electric vehicles and electrical equipment
Opportunities	<ul style="list-style-type: none"> Purchase new equipment to replace old ones to improve energy efficiency Investors increasingly prefer environment-friendly enterprises Consumers increasingly prefer environmentally-friendly products 	<ul style="list-style-type: none"> Decrease in costs: operating costs are reduced Decrease in costs: financing costs are reduced Increase in revenue 	<ul style="list-style-type: none"> Accelerate the switch to energy-saving and automated equipment Promote the use of new and clean energy, such as electric vehicles and electrical equipment Promote green production and green operation Procure raw materials and green products Improve the emissions management process Incorporate climate change considerations into the procurement process and actively consider low-carbon or zero carbon and energy-efficient products and materials

Metrics and Targets

To monitor energy consumption and carbon emissions, we regularly hire third-party organisations to conduct energy audits. Our total energy consumption during the reporting period was 11,037 million kWh. Intensity of energy consumption per unit of clinker declined by 14.9% year-on-year due to optimisation of energy structure and technological innovations.

Energy Consumption				
Types	Unit	2022	2023	Change
Total Direct Energy Consumption	hundred million kWh	119.38	101.36	-15.1%
Coal Consumption	hundred million kWh	119.31	101.36	-15.0%
Other Direct Energy Consumption	hundred million kWh	0.07	9.00	-12.9%
Total Indirect Energy Consumption	hundred million kWh	10.33	8.85	-14.3%
Electricity Consumption	hundred million kWh	10.33	110.37	-14.9%
Comprehensive Energy Consumption	hundred million kWh	129.71	878.22	-4.1%
Energy Consumption Per Unit of Clinker (Clinker Process) ¹	kWh/tonne of clinker	915.90	101.36	-15.1%
Energy Consumption Per Unit of Operating Revenue	hundred million kWh/ RMB hundred million)	1.53	1.22	-20.3%

Our total greenhouse gas (GHG) emissions decreased by 10.8% year-on-year to 10,359,742.6 tonnes of CO₂e during the reporting period. We were able to reduce emission intensity to 0.8657 tonnes of CO₂ equivalent per tonne of clinker, which represents a year-on-year decrease of 1.1%, due to the successful implementation of energy-saving and emission-reduction measures.

GHG Emissions				
Types	Unit	2022 ²	2023	Change
Direct GHG Emissions (Scope 1)	tCO ₂ e	11,617,185.84	10,359,742.60	-10.8%
Indirect GHG Emissions (Scope 2)	tCO ₂ e	480,447.38	519,211.70	8.1%
Total GHG Emissions	tCO ₂ e	12,097,633.22	10,878,954.30	-10.1%
GHG Emissions Intensity	tCO ₂ e/ tonne of clinker	0.8753	0.8657	-1.1%



Emission reduction target:
Carbon emission intensity to be reduced by more than 3% in 2025 as compared with 2020



Energy saving target:
5% reduction in energy intensity (clinker process) in 2025 compared to 2020

1. Clinker production of 12.567 million tonnes in 2023 (excluding clinker production from Yaowangshan)
2. 2022 GHG emissions have been recalculated

Performance and Approaches

While enhancing our ability to respond to physical risks of extreme weather events, we also continue to focus on addressing the issue of climate change. We have achieved this by perfecting the application of green and low-carbon technologies and continuously raising the standard of our work. Our efforts are aimed at mitigating the impact of climate change. To achieve our carbon neutrality target, we have implemented a multi-faceted approach. This includes improving energy efficiency, using alternative energy sources, carbon capture and storage (CCS), optimising industrial structure, promoting low-carbon technologies, and strengthening policy guidance, which effectively reduce carbon emissions during cement production and promote low-carbon transformation of the industry as a whole.

Integrated Energy Utilisation and Energy Saving Technology Replacement

· Energy Monitoring

We have set up an online energy monitoring system for online collection and real-time monitoring of electricity and coal consumption in each section, in order to understand energy use in each process in detail, and actively take measures for energy saving and explore energy saving potential.

· Residual Heat Power Generation

In 2023, we built a 10MW pure low-temperature residual heat power generation system using kiln waste heat recovery technology, which can generate 52.58 million kWh of electricity annually and heat the office and dormitory.

As of 2023, the Group has 14 power generating units operating in its cement clinker production lines, with a total installed capacity of 94.5MW. The aggregate annual power generation capacity is 362 million kWh, generating an economic benefit of 1.49 hundred million RMB which, calculated on the basis of the same calibre of thermal power generation, will result in a saving of 11.59 hundred thousand tonnes of standard coal, equivalent to a reduction of 36.12 hundred thousand tonnes of carbon dioxide, 10.86 hundred thousand tonnes of SO₂ and 0.54 hundred thousand tonnes of NO_x.

Waste Heat Generation

Types	Unit	2022	2023	Change
Power Generation	hundred million kWh	3.31	3.63	9.7%
Standard coals saved	hundred thousand tonnes	13.24	11.59	-12.5%
Reduction in CO ₂ emissions	hundred thousand tonnes	33	36.12	9.5%
Reduction in SO ₂ emissions	hundred thousand tonnes	0.99	10.86	997.0%
Reduction in NO _x	hundred thousand tonnes	0.5	0.54	8.0%

· Raw Fuel Material Substitution

The Group is committed to the ethos of "harmony between humanity and nature, sustainable development" and actively promotes experimentation, validation, and application of low-cost alternative materials across its subsidiaries in four key aspects: raw materials blending, alternative fuels, cement formulation and energy conservation and carbon reduction, while ensuring the stability and safety of quality and process systems.

The Group actively promotes substitution of raw materials, continually innovating and refining low-cost alternatives, summarising experiences, and optimising usage schemes to enhance product quality. During the reporting period, the Group consumed a total of over 8.7 hundred thousand tonnes of urban construction waste (including waste bricks, concrete slag), various mining tailings (aluminium tailings, lead-zinc tailings, ore dressing slag), and industrial smelting slag (water quenched slag, barium slag, steel slag, copper slag, fluor gypsum, phosphonyls, etc.) throughout the cement production process. The utilisation of these low-cost alternative materials resulted in cost savings of over 5 million RMB.

Green Development Programme

The Group's plan for green development focuses on clean energy generation, energy storage technology, alternative fuels, waste treatment, and energy-saving modifications to production lines. We have established the West International Holding Green Development Technology Company (WIHGDTG) in line with our Group's strategic development direction and the current potential for green and clean energy in the African region. The goal is to build a comprehensive, multi-layered, green, and low-carbon cement industry system that achieves sustainable development and maximizes economic benefits. Specific measures are set out below:

Solar Power Project

- The Group constructs solar power systems to replace diesel power generation in African countries and regions such as Madagascar, Namibia and Botswana, where power is scarce and electricity prices are high, thus solving the problem of power supply for itself and neighbouring regions and reducing costs. Additionally, the Group provides electricity services to the outside world, resulting in both economic and social benefits.
- A 1500+2500kW PV project will be implemented in the first half of 2024 to replace over 50% of diesel power generation in the cement production line in Madagascar. Additionally, a 100kW PV and energy storage facility will be constructed to power the living areas of the production area. This will be extended to other eligible regional segments of the Company, mines, and living areas.

Hydropower Projects

- Utilising the rich water resources of the DRC, it is proposed to build two hydroelectric power stations of 50,000 and 70,000 units, which will not only meet the electricity needs of the cement plant, but will also transmit electricity to the outside world and generate economic benefits, with the project to be completed and operational within three years.

Electricity Storage Facilities

- To balance the volatility of solar power generation and the instability of power supply in local areas, we plan the layout of energy storage facilities. We select the appropriate scale of energy storage through accurate cost analysis to reduce the cost of electricity production, mitigate the impact of power outages on production, and reduce equipment loss.

Alternative Fuels and Local Lignite Utilisation

- To use local biomass and low-calorific-value lignite instead of expensive imported coal, improve the quality and combustion efficiency of lignite through screening and washing, and increase combustion completeness by introducing oxygen-enriched combustion technology. This will reduce production costs.

Refuse Industrial Waste Disposal

- The kiln's calcination characteristics are used to treat rubbish and industrial waste, reducing coal consumption and waste emissions. This achieves both environmental protection and economic benefits.

Energy-saving Retrofits for Production Lines

- We conducted a thorough assessment of the old production lines to identify and optimize technological bottlenecks. We also retrofitted and upgraded high energy-consuming equipment, such as large-scale wind turbines, motors, and air compressors. To improve equipment reliability and reduce overall energy consumption, we referred to mature retrofitting cases. This shortened the return on investment cycle.



06

Managing our Environmental Impact



West China Cement adheres to the concept of ecologically sustainable civilisation and strictly complies with national and regional laws and regulations on environmental protection to ensure adherence to the path of ecological priority, green and low-carbon development and minimisation of the potential impact on the environment. We continue to improve our environmental management system and processes, and have implemented a two-tier environmental management responsibility system, namely "Group-Subsidiary". The Group's subsidiaries, Yaobai Group and West Holdings Group, have formulated the "Yaobai Group Environmental Protection Management System 2023" and the "West International Holdings Environmental Protection Management System 2023" respectively to regulate workflow of the subsidiaries and their subsidiaries, related to prevention of environmental pollution, environmental contingency plans, waste discharges management and resource consumption.

As at the end of the reporting period, the Group's investment in environmental protection was RMB 93.64 million, a total of 21 production enterprises in the Group had obtained certification for ISO14001 Environmental Management System Certification, and Tongchuan Yaobai company was rated as "Shaanxi Province energy-saving and high efficient Development Demonstration Unit", provincial "Green Factory" and national "Green Factory".



Biodiversity and Land Use

Green mine construction and mine restoration

West China Cement prioritises environmental protection, resource conservation, and safe production throughout its operations, right from the mine development process. Currently, Xunyang, Yangquanshan, Shibao, Mianxian, Xixiang, and Yangxian mines have been designated as provincial green mines. The Group complies with the principle of "Mining While Treating", fulfils its responsibility for restoration management, and synchronises restoration management with mining. In the process of management, we adhere to the restoration concept of "human intervention as a supplement, natural restoration as the mainstay", and carry out comprehensive restoration measures such as landform reshaping, soil reconstruction and vegetation rebuilding according to the actual situation. In terms of plant group, the combination of "trees, shrubs, grasses and vines" is adopted, and local plants are used as much as possible to build a multi-dimensional plant community and ensure the formation of a stable ecosystem.

During the reporting period, there were favourable conditions in the context of climate and rains and the Group used this opportunity to carry out the mine restoration work, with a total investment of about RMB 11 million, and completed restoration and treatment area of about 250,000 square meters, of which 88,000 square meters were hung up nets. More than 130,000 plants were planted, and more than 4,000 kilograms of grass seeds were sown. More than 8,000 meters of ditches were built, as well as platform retaining walls, dangerous rock clearing, geological environment and land reclamation monitoring and other ancillary works.



Invest Capital
11,000,000



Govern Area
250000m²

Water and Wastewater Management

The Group continues to strengthen its management of water resources, strictly abides by the "Water Law of the People's Republic of China", the "Regulations on Urban Water Supply" and other relevant laws and regulations, and actively cooperates with supervision of territorial water supply, water affairs, environment and other government departments.

Water consumption				
Indicators	Unit	2022	2023	Change
Total water consumption	tonne	2,858,424	2,630,000	-8.0%
Water consumption intensity per unit of clinker	tonne of water consumption /tonne of clinker	0.13	0.13	-
Water consumption intensity per unit of operating revenue	tonne of water consumption / RMB10,000	33,671.56	29,157.43	-13.4%

During the reporting period, the Group did not face any problems in sourcing water that is fit for the purpose, and the Group has always adhered to the philosophy of "Reasonable Use and Conservation of Water" and continues to strengthen the management of water resources and reduce water waste. We have mainly taken the following measures to save water:



Water saving efficiency target: the water use intensity will decrease by 6% in 2025 as compared to 2020.

Water-saving measures

1. Promote the use of water-saving appliances throughout the Group to reduce water waste
2. Emphasize rational use of water resources in production of cement clinker
3. Strengthen the water-saving assessment management of subsidiaries, and strictly prohibit waste water resources
4. Promoted installation of production line sewage treatment and production wastewater purification system, cooling water circulation system and rainwater collection

The Group has set the goal of zero discharge of industrial wastewater, and has made the following provisions for management of wastewater prevention and control:

1. Comprehensive reuse of domestic sewage after treatment; closed-circuit reuse for production (cooling water);
2. Implement diversion of rainwater and wastewater;
3. Prohibit discharge of oil, acid, alkali and toxic substances into water bodies; prohibit the discharge and dumping of pollutants into water bodies;
4. Take emergency measures in time to prevent expansion of pollution in case of abnormal discharge of sewage;
5. The sewage treatment station (system) shall publish the process flow, system and operation procedure on the wall, and shall clearly mark the middle pool, oxidation pool, sedimentation tank, emergency pool and other facilities.

Industrial sewage discharge target



During the reporting period, all industrial wastewater discharged met the standard requirements. Fuping, a subsidiary of Yaobai Group, has continuously improved its wastewater treatment and wastewater recycling capacity to achieve zero discharge of production and domestic wastewater. In 2023, the Group's clinker production lines (including Luxin, Hotan, Jianghua and Lantian) consumed a total of 2.63 million tonnes of water, and about 800 thousand tonnes was recycled.

Packaging Materials

We improve production efficiency and product quality by using innovative production and intelligent processes and effectively avoid problems such as stitching of the packaging bags and paper edges entering the cement. In addition, we also recycle plastics, old woven bags and other waste resources to produce packaging bags, saving raw materials while realising second use of resources, which is helpful in saving resources and reducing environmental pollution.

In 2023, the total consumption of packaging materials by Yaobai Group was about 7,100 tonnes, and consumption of packaging materials per tonne of cement production was 1.4 kg/tonnes.

Packaging Materials				
	Unit	2022	2023	Change
Total packaging material consumption	hundred thousand tonnes	7,300	7,100	-2.7%
Cement packaging material consumption per ton	kg/tonnes	3.78	1.4	-63.0%
Packaging material consumption per unit of operating revenue	Tonnes/RMB 100 million	85.99	78.71	-8.5%

Exhaust Emissions

The Group strictly abides by the "Environmental Protection Law of the People's Republic of China", "Air Pollution Prevention and Control Law" and other applicable laws and regulations, and continues to strengthen its management of air emissions. We actively respond to the national policy call for synergistic efficiency in reducing pollution and carbon, and independently develop the "Cement Kiln Flue Gas DDN[®] Deep Denitrification Technology", which has been applied in production at Yaobai Group and has yielded good results. In addition, in accordance with the Technical Guidelines for "Formulation of Emergency Emission Reduction Measures" for Key Industries in PL CHECK Heavy Polluted Weather, we have built desulfurisation facilities and have strengthened the control of unorganised particulate matter.

Yaobai Group has built desulfurisation and denitrification facilities in its production subsidiaries, and selected some subsidiaries as ultra-low emission transformation points. At present, emissions of nitrogen oxide and sulfur dioxide by the Group are decreasing every year. Four subsidiaries have reached the ultra-low emission level³ and one subsidiary has reached the B emission level of environmental performance rating⁴. In terms of particulate matter control, each production subsidiary of Yaobai Group has built efficient dust removal and dust inhibition facilities and closed belt corridors, besides hardening transfer road, transforming dust emissions from unorganised emissions to organised low concentration emissions.

Exhaust Emissions and Intensity				
Types	Unit	2022	2023	Change
SO ₂ emissions	tonne	658.11	319.50	-51.5%
SO ₂ emissions intensity	kg/tonne of clinker	0.029	0.02	-31.0%
NO _x emissions	tonne	8,492.21	4,431.23	-47.8%
NO _x emissions intensity	kg/tonne of clinker	0.372	0.33	-11.3%
Particulate emissions	tonne	673.88	240.67	-64.3%
Particulate emissions intensity	kg/tonne of clinker	0.030	0.018	-40.0%

3. Ultra-low emission level: particulate matter < 10 mg/m³, SO₂ < 35 mg/m³, NO_x < 50 mg/m³

4. B emission level: particulate matter < 10 mg/m³, SO₂ < 50 mg/m³, NO_x < 100 mg/m³

Waste Management

The Group disposes hazardous waste in accordance with applicable standards, improves recycling of non-hazardous waste, and has set waste management targets. We actively promote

comprehensive utilisation of non-hazardous waste technology. In addition to the waste generated by its own production, the Group also regularly recycles volcanic ash, fly ash, tailings, industrial smelting waste and other wastes as raw materials for cement products, which not only reduces the discharge of waste, but also promotes recycling of resources. During the reporting period, the Group recovered a total of 87,000 tonnes of various types of smelting waste.



100% compliant disposal of hazardous waste



100% recycling of non-hazardous waste

For hazardous waste, the Group has set a system that regulates the whole process of handling of hazardous waste. The specific requirements are as follows:

Hazardous waste management measures

- Hazardous waste generating units must classify hazardous waste in strict accordance with the National List of Hazardous Waste, and then carry out the declaration, temporary storage and disposal of hazardous waste
- Establish a hazardous waste management ledger, truthfully record the type, quantity, flow direction, storage, utilization, disposal and other information of hazardous waste generated, and take measures to prevent and control environmental pollution
- Formulate practical emergency plans for hazardous waste. In case of emergencies, timely and effective measures should be taken to avoid the expansion of environmental pollution incidents
- For hazardous waste that the Group is unable to dispose, it is imperative to clearly specify the types, quantities, receiving entities, and transportation units entrusted for disposal by third parties.

Waste Emission

	Unit	2022 ⁵	2023	Change
Total amount of hazardous waste generated	tonnes	88.77	88.92	0.2%
Hazardous waste generated per unit of operating revenue	tonnes of hazardous waste / RMB10,000	1.05	0.99	-5.7%
Total amount of non-hazardous waste generated ⁶	tonnes	259.89	307.07	18.2%
Non-hazardous waste generated per unit of operating revenue	tonnes of non-hazardous waste / RMB10,000	3.06	3.40	11.2%

Co-disposal of Solid Waste and Hazardous Waste

We undertake synergistic disposal of solid waste in cement cellars to treat and utilise general solid waste and hazardous waste efficiently, reducing the impact on the environment. In cement kiln, some solid waste can replace part of raw materials and fuel, and help saving of resources and energy. Besides, the cement kiln has the characteristics of high temperature, large heating capacity, alkaline environment, long exposure to high temperature and leaving no waste residue. It can decompose or solidify the toxic and harmful components such as heavy metals in the solid waste, to achieve "Harmless, Reduced and Resourceful" treatment of solid waste and realise the recycling of resources.

As of the end of the Reporting Period, three hazardous waste co-disposal projects have been completed in Fuping and Mianxian of Shaanxi Province and Yining of Xinjiang Province. During the reporting period, with the cement kiln co-disposal, Yaobai Group co-disposed of 77,788.228 tonnes solid waste, and 45,231.888 tonnes of hazardous waste.

5. The scope of non-hazardous waste disclosure is updated, along with revised 2022 data.

6. The Group's generation of non-hazardous waste comprises domestic waste and food waste.

Green culture cultivation

The Group actively cultivates a green culture, and integrates the ecological civilisation concept of "green mountains and clear waters are as valuable as mountains of gold and silver" into the construction of factories, mining areas and offices, and has formulated the "Green Management Principle" which guides the greening work.

The Group continuously carries out environmental improvement in factories, focusing on building garden-style factories. With the goal of "factory in sight, garden in mind", we have hired professional staff to optimise the overall planning for the greening of factories and creating a beautiful working and living environment. The Group regularly organises employees to plant trees in factories and mining areas to add greenery to the garden-style factories.



As at the end of the Reporting Period, the average greenery coverage at each production unit reached over 25%.

Green and Low-carbon Development Case

We actively follow the development concept of "Green, Low-Carbon, Environmental Protection" and strive for industrial upgrading and quality improvement by creating "green factory". We constantly innovate and explore a high-quality development road that integrates development with ecology and creates a win-win situation of ecology and economy.

Technological Innovation and Development

- Taibai Mountain limestone mine was rated as "provincial green mine" and it realized green manufacturing. It has organized and implemented 23 innovation projects, 16 technological innovations in process quality and 7 innovations in equipment

Craft Products

- Use advanced technology and ensure environmental protection and efficient equipment deployment for cement production. Aggregate energy consumption of cement products is better than comparable cement products of peers in terms of per unit energy consumption, and we obtained the "low-carbon product certification" and "China Environmental Label Product certification"

Green and Low-carbon Construction Management

- Improve the energy management system and obtain the energy management system certification
- Continue work on energy conservation and materials consumption reduction, take measures to control the increase of energy consumption

Construction of Green Garden-style Factories

- A group has been set for overseeing the construction of a green garden-style factory
- According to the requirements of green manufacturing construction plan, build a "green factory"

Pollution Control

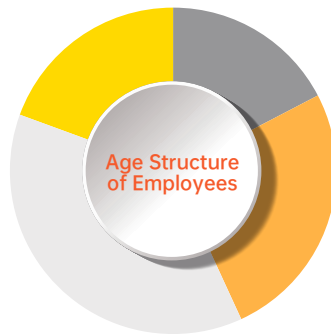
- Since 2020, the technology of coal mill bag dust collection and cement mill bag dust collection has been upgraded. At the same time, the electrostatic dust removal in the early stage of the kiln head has been upgraded to cloth bag dust removal facilities, and particulate matter emissions of the company through bag dust collection has been far lower than the national emission standards
- The cement kiln is equipped with low nitrogen combustion technology plus kiln tail selective non-catalytic reduction (SNCR) plus cement kiln flue gas DDN® deep denitrification technology



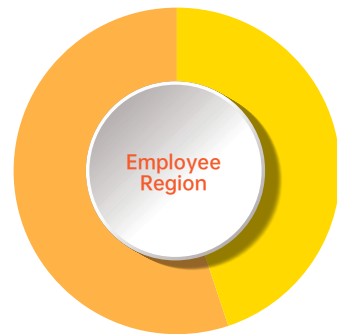
07 Our People

Employee Profile

West China Cement has improved its personnel management system to align the age, gender, and educational background of its employees with industry standards. At the end of the reporting period, the Company had a total of 8,297 full-time employees, with 3,730 oversea employees. West China Cement's senior management team and employees experienced minimal turnover, with 417 new employees and 645 departures, representing a turnover rate of 7.77%. In line with our localisation of management approach, we provide more employment opportunities to the local community.



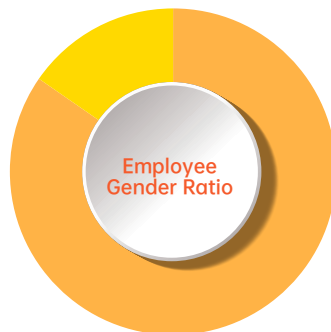
13.11%	1,088 Employees Aged 50 And Above
29.16%	2,419 Employees Aged 40-49
38.54%	3,198 Employees Aged 30-39
19.19%	1,592 people under the age of 30



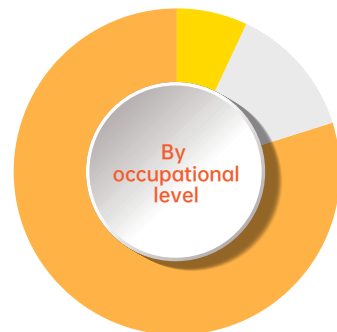
55.04%	4,567 Chinese Mainland
44.96%	3,730 Overseas Region



Existing Employees
8,297



15.46%	1,283 Female Employees
84.54%	7,014 Male Employee



6.36%	528 Senior Management
13.25%	1,099 Middle Management
80.39%	6,670 Grass-roots staff



Overseas Employees
3,730

The Group adheres strictly to relevant laws and regulations in the PRC and other countries where it operates. We uphold the principle of equal employment and oppose all forms of discrimination based on gender, age, location, education level, religious belief, nationality, race, sexual orientation, disability, and other grounds. The Group ensures there is no child labour, forced labour, harassment and abuse, and effectively protects the legitimate rights and interests of both domestic and international employees. We ensure that all employees are treated fairly in terms of recruitment, employment, remuneration, training, promotion, pay and leave, regardless of their background.

Recruitment and Dismissal

The Group has established a comprehensive and standardised recruitment system and management framework that ensures strict compliance with labour laws and regulations relating to talent recruitment at different operating locations and aligns with the people-oriented philosophy and the principle of fair competition. We have built a team of highly qualified talents through various channels such as campus recruitment, online recruitment and social recruitment. Since the commencement of the recent recruitment campaign, the Group has recruited 200 positions, interviewed more than 3,500 candidates and successfully on-boarded 592 employees.

We continue to expand our talent acquisition channels by recruiting outstanding talents through social recruitment and local talent pools, appointing young talents with ability, courage, familiarity with international laws and regulations, besides proficiency in international business. Our personnel management mechanism is based on qualifications, whereby excellent performers are promoted, medium performers are given the opportunity, and underperformers are reallocated. In this way, we establish and broaden the development path for both domestic and international talent pools, and cultivate a team of outstanding talents who can adapt to international standards. We ensure that all dismissal processes comply with legal requirements and company policies. We always treat affected employees with high respect during the dismissal process, giving full consideration to their rights and entitlements, and providing the necessary support during the transition period.

Labour Standards

We strictly prohibit the use of child labour and forced labour and have implemented a rigorous pre-recruitment screening process. Our recruitment procedures and employment records are regularly reviewed to ensure compliance with labour laws and regulations. Any instances of non-compliance are required to be promptly reported to the relevant authorities and the contract is to be terminated. During the reporting period, after a thorough review, the Group did not find any instance of employment of child labour or forced labour.

Employee Benefits and Right

We ensure that all employees pay their contributions towards pension, unemployment, work injury, medical, maternity insurance, and housing provident fund. The Group places high importance on employees' physical and mental well-being, establishing a comprehensive attendance and leave management system. We rigorously enforce paid leave policies to safeguard employees' legal rights and interests. Additionally, we conduct annual occupational health check-ups for employees. During the reporting period, the social insurance coverage for the Group's employees reached 100%.

Compensation and Benefits

The Group ensures timely payment of wages in accordance with the law and there are no outstanding payments. We adjust salaries reasonably based on positions, focusing on protection and incentives. By constructing a salary system based on job value and performance, we aim to enhance our market competitiveness. We optimise welfare benefits promptly, including insurance, high temperature allowance, and holiday packages.

Employee Engagement

The Group continuously enhances its communication and coordination mechanisms and channels, promoting democratic management. We have formulated and issued the "West China Cement Communication and Coordination Management Regulations", ensuring smooth communication channels, and clarifying communication responsibilities. We follow the principles of fairness, equality, and voluntary negotiation in labour contracts with all domestic and international employees, outlining the rights and obligations of both labour and management.

The Group consistently improves its communication mechanisms, facilitates employee feedback channels, has established reporting hotlines and email addresses for grievances, and collects employee opinions and requests through surveys, workers' congresses, and collaborative office platforms. This continuous feedback helps enhance management practices. When formulating policies and systems that directly impact employee interests, feedback and suggestions are sought from employees at all levels, ensuring a collaborative and inclusive approach to decision-making processes.

Caring For Women

We focus on safeguarding the rights of female employees and provide maternity leave and equal opportunities for career development, besides ensuring that female employees receive equal pay and benefits. Additionally, the Group offers reasonable sick leave, personal leave, marriage leave, maternity leave, paid annual leave, and statutory holidays for female employees. Personalised benefits, such as organising International Women's Day activities, are provided to enhance the sense of belonging and happiness among female employees.



Helping The Needy

The Group actively assists and comforts employees facing difficulties, helping improve the quality of life and establishing green aid channels. The Group also provides employment opportunities and skills training for residents to alleviate poverty.

Employee Development

To meet the strategic development needs and enhance core competitiveness, we attach great importance to talent development and continuously improve the mechanisms and systems for nurturing echelon talents, supporting employees' growth and success. The Group has established an annual echelon talent construction and development plan, which includes on-the-job guidance, expanded job responsibilities, and support for job rotation. A "Theory + Practice" approach is used in implementation of the echelon talent programme. During the reporting period, The Group selected and confirmed 883 talents under the talent programme, organised EMBA Leadership Enhancement Training for 18 senior executives at manager level and above.

We have formulated a comprehensive training programme aimed at enhancing employees' skills and knowledge, actively promoting their professional development and personal growth. Yaobai Group emphasises the importance of continuous learning and training for employees and employs various methods for their development.



Yaobai Group's Employee Training Methods and Effectiveness in 2023

An internal system of selection, assignment, and grouping of training courses has been established within the Company, with a total of 120 part-time instructors (including 75 domestic instructors) providing support for the training efforts at West China Cement. This empowers our business operations and enhances management effectiveness.

We utilize online learning platforms for collective learning and specialized training for talent development. Through the 'Yaobai Live Room', we conduct business empowerment training. The proportion of online collective learning and offline training is about 50% each. During the reporting period, a total of 20 live training sessions were organized, with participation of 3,000 individuals. The overall satisfaction rate for these training sessions reached 96%. Additionally, we facilitated online learning for talent development through 6 thematic areas and 25 courses, with a total learning duration of 18 hours. The overall completion rate for the online learning programme was 75%.

We organized a one-week on-site group training programme for trainers in the Guanzhong and Southern Shaanxi regions. A total of 8 instructors shared 8 courses, with a combined teaching duration of 32 hours. The training programme was attended by 400 participants, and the overall satisfaction rate among the attendees reached 98%.

We actively conduct training programmes for different functional areas, continuously enhancing employees' professional expertise and capabilities in their respective fields, to enable them to address challenges and meet the demands of their work. By providing specialised knowledge and skill training in various departments, we cultivate a workforce that is more professional and competent, thus providing a solid foundation and support.

During the reporting period, a total of 38 training sessions were organised and tracked for the West Holding Group's functional business systems, covering a total of 3,347 individuals. The completion rate for the annual training plan in 2023 was 78%. The data for the training programmes are as follows:

Category	Number Of Training Sites	Number Of Trainees	Training Hours
Types of Administrative Offices	6	269	7.5
Types of Human Resources	3	158	7
Types of Finance	13	884	16.5
Types of Production Management	11	498	18.5
Types of Safe and Environmentally Friendly Initiatives	5	443	6.5
Types of Project Management	1	38	4
KET English Training	60	260	40

Occupational Health and Safety

We view occupational health and safety as important priorities and are committed to creating a safe and healthy working environment. The Group strictly adheres to applicable laws and regulations regarding occupational health and safety, including but not limited to the "Production Safety Law", "Criteria for Determining Hidden Hazards of Major Accidents", "Standardisation Assessment Criteria for Safety Production in Cement Enterprises", "Occupational Disease Prevention and Control Law" and relevant laws and regulations of countries where overseas projects are located. Additionally, we have established a comprehensive set of internal systems, such as the "Safety Management System", which provide employees with clear work guidelines and operating procedures to ensure effective implementation of occupational health and safety management.



With our extensive experience in safety standardization construction, we have been approved as the inaugural Chairman Unit of the "Safety Production and Occupational Health Branch of the China Cement Association"

We consistently adhere to the safety development principle of "people-oriented, life first" and actively implement the spirit of national, provincial, and municipal safety production conferences and documents. Through the establishment of various safety production management systems and standards, we implement safety risk identification and control measures, and comprehensively promote the implementation of various safety-related work.

Category	2021	2022	2023
Number of Work-related Fatalities	0	0	0
Days of Work Lost Due to Injuries	1,166	1,424	1,617



Health Protection and Assurance

We consistently uphold the principle that "the life safety and health of employees are paramount." During the project construction phase, we incorporate safety and occupational health protection facilities into the design, construction, and commissioning of main projects. We actively adhere to the requirements of the "Occupational Disease Prevention and Control Law", and include various occupational health protection measures in management decisions alongside daily equipment and facilities to ensure normal operations. Operational production units continuously invest in occupational health protection facilities, gradually replacing technologies, processes, equipment, and materials that pose significant occupational disease hazards, and provide employees with protective equipment that meet international standards. The subsidiaries have established medical rooms equipped with medical personnel and common medical equipment and provide training on infectious disease prevention. We also provide mosquito and insect prevention facilities to employees in canteens and dormitories, regularly disinfect them, and gradually improve the working and living environment for employees.

Workplace Safety

For ensuring safety of employees, we have standardised and regulated operational procedures in place. We have developed specific operating procedures for key positions and operational processes, while continuously engaging in on-site "Three Violations" governance and "Four No Harms" promotion. We have established a set of "35 Serious Violation Behaviours" and enforce strict supervision and assessment mechanisms to regulate employees' operational conduct. Furthermore, we have implemented safety process management indicators, conducted comprehensive inspections and governance of potential hazards at work sites, provided employee safety education and training programmes, and encouraged the observation of safe behaviours. These measures are aimed at strengthening the foundation of safety management and ensuring the well-being of employees throughout the production process.

We use third-party services for safety management where required and strictly adhere to the requirements of relevant national regulations by incorporating third-party contractors into our company's unified management framework. We have signed safety management agreements that clearly define the responsibilities of both the host organisation and the contractors, and we require contractors to develop plans prior to commencing operations. At the work site, we place management responsibility plaques and contractor inspection forms, thereby strengthening supervision and inspection. Furthermore, we have implemented post-construction safety acceptance management to ensure that contractors meet safety requirements before completing their operations and leaving the premises. Through these measures, we continuously reinforce the primary responsibilities of contractors and local regulatory authorities, ensuring a safe working environment.

Safety Standardisation Construction

The Group cordially invites China Building Materials Inspection and Certification Group Co., Ltd. to provide specialised technical services for implementation of the "Standardisation of Safety Production in Cement Enterprises." With a focus on the 13 primary elements, 51 secondary elements, and 211 assessment criteria, we aim to comprehensively promote standardisation of safety production in cement enterprises. Our goal is to achieve standardised safety production at the production site and further enhance the safety awareness of employees. During the reporting period, a total of 15 subsidiary companies of the Group have been evaluated as second-level standardised safety enterprises, and 7 mines have been evaluated as second-level standardised mines.

Safety Training

Safety education and training are important initiatives of the Group. We attach great importance to the development and training of our employees. We strictly adhere to the requirements of national regulations and implement a three-level safety education programme for new employees, employees transferring positions, and employees returning to work. We also require them to sign safety commitment statements at different stages.

We organise equipment inspections and repairs in advance, launched specialised training and drills, and organised risk and potential hazards investigation and management in accordance with seasonal characteristics, targeting severe weather conditions such as high temperatures, thunderstorms, rainy seasons, gales, and sandstorms, etc. During the reporting period, we conducted 21 drills for fire prevention and flood control, involving a total of 8,387 trainees, identifying 1,818 potential hazards with a 100% rectification rate, which has effectively enhanced the resistance and resilience against the climate-related risks.

We are also committed to enhancing the occupational health awareness and capabilities of all employees, providing regular health examinations and training. During the reporting period, the Group had a total of 36 certified occupational health personnel and completed occupational health examinations for a total of 7,916 individuals, and all production units of the Group have completed safety production and occupational health system certification, and timely undergo system review and renewal each year. In addition, we have selected highly skilled management executives with expertise in safety to conduct on-site specialised trainings. During the reporting period, we have provided training to 32 subsidiaries, totalling 810 individuals.

We also took the Safety Production Month as an opportunity to organise specialised training on major accident hazards, skills competitions, and safety emergency drills, thus improving our safety management level through the method of "learning + application + practice".



Fire Safety Knowledge Training



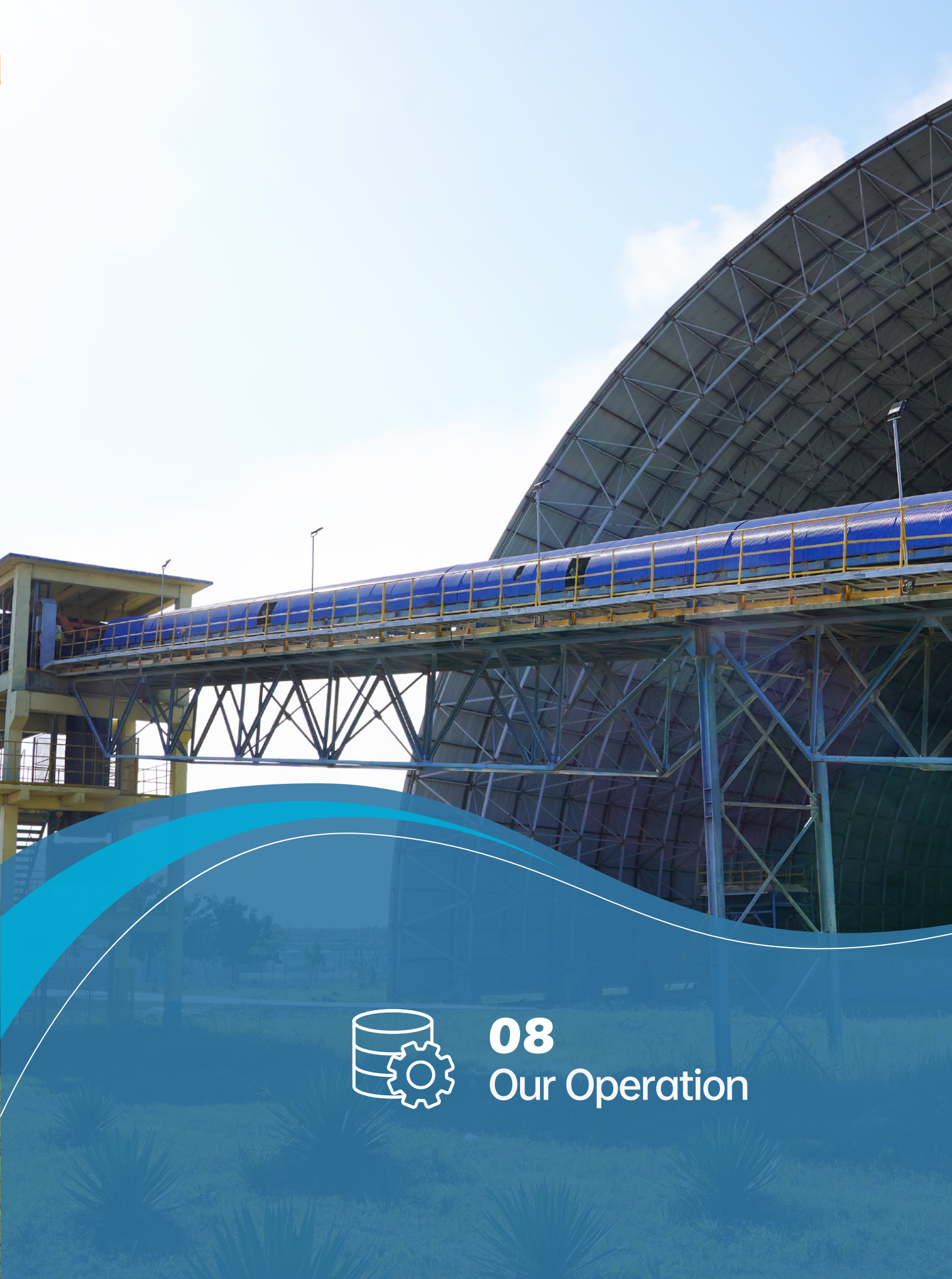
Fire Emergency Drill



Mine Slope Collapse Emergency Drill



Major Accident Potential Determination Standard Training



08 Our Operation

Responsible Supply Chain

Suppliers are a vital component in the procurement process and the Group adheres to the principle of "mutual benefit, cooperation, and win-win" while looking for suitable suppliers. We prioritise supplier management and strengthen it from a holistic perspective. Currently, we have established long-term cooperation with over 600 suppliers. Through the digital supply chain management platform (Youyun Cloud Platform), we have established a unified supplier database to meet the needs of centralised procurement operations and gradually improve the supplier management system.

During the reporting period, we revised and implemented management policies such as the "Procurement Management Measures" to require suppliers to conduct their business responsibly and ethically and to ensure that ethical, safety, health and human rights guidelines related to suppliers are aligned with those of West China Cement and suppliers' social and environmental performances meet our standards.

Distribution of suppliers

Number of suppliers from China	1,852
Number of suppliers from countries and regions outside China	12



Number of suppliers from China
1,852

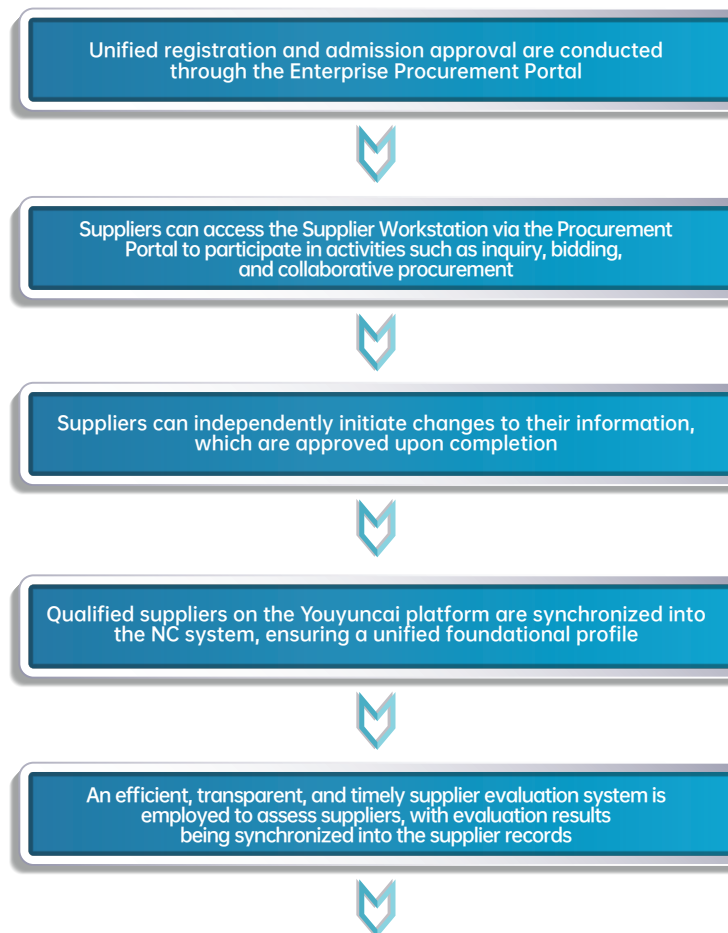


Number of suppliers from countries and regions outside China
12



Supplier Selection

As a responsible company, we recognise the critical importance of supplier selection and management in achieving our social responsibility goals. To ensure that our suppliers meet our social responsibility standards, we actively conduct supplier audits and evaluations. The audit covers various aspects, including product quality, delivery performance, service quality, contract compliance, financial status, company size, supplier nature, bill settlement, operational environment, and after-sales service. The evaluation is carried out by the procurement department and the department responsible for product material usage, following the reference evaluation criteria. The evaluation results are recorded in the supplier files and serve as an important factor for future supplier assessments.



Supplier lifecycle management process

During the reporting period, a total of 612 suppliers (including recyclers) were audited. Among them, there are 481 A-grade excellent suppliers, 117 B-grade good suppliers, 8 C-grade satisfactory suppliers, and 6 D-grade pending suppliers. According to the "Supplier Evaluation and Assessment Measures", C-grade suppliers are included in the backup supply channel for the year 2024, while D-grade suppliers are added to the elimination list and are not considered for further cooperation in 2024.

In addition, we are committed to employing various methods to identify, enforce, and monitor environmental and social risks associated with our suppliers, ensuring that our supply chain adheres to sustainable development principles.

Risk Assessment

- Supplier risk assessment is conducted through an internal process to assess the creditworthiness of suppliers in terms of corporate nature, financial strength, service, price, tax risk and environmental protection.

External Environmental Analysis

- Timely understanding and collection of relevant national and industry policies and regulations, and timely adjustment of supplier channels in accordance with changes in the external market environment, such as policies and regulations, competition and market trends, in order to prevent business risks.

Data and Statistical Analysis

- To gain a better understanding of suppliers' environmental operations, relevant data from suppliers are collected and analysed. This includes reviewing suppliers' environmental impact assessment reports and inspection reports from environmental regulators.

Due Diligence Investigation

- Before selecting a new supplier, an on-site survey is conducted to find out about the supplier's track record in environmental operations; the company also requires the supplier to provide relevant compliance certificates to ensure that it meets the company's environmental standards.

Establishment of Risk Control Mechanism

- Effective risk control is carried out at all times, including expansion of diversified supplier resources, regular supplier audits and evaluations, and verification of qualification procedures to prevent operational risks.

Product Responsibility

The Group remains steadfast in its commitment to upholding the "Product Quality Law of the People's Republic of China" and other pertinent product quality regulations in other operating countries. The Group has implemented stringent internal control measures to ensure the highest standards, setting "stable components, stable strength and stable performance" as its quality management objectives. In addition to adhering to national and industry product quality standards, the Group has established a comprehensive quality management system and production process management system that encompasses the entire product life cycle, from raw material procurement and production process control to product shipment inspection and after-sales technical services.

We understand the importance of product quality in ensuring customer satisfaction. Our technicians continuously optimise production processes and quality control systems to meet or exceed national and industry standards. We have invested in advanced production equipment and automated control systems to enhance efficiency and quality. Our production technology department implements rigorous raw material inspection procedures to ensure that all materials entering the production line meet quality requirements. Multiple quality checkpoints are established during the production process to regularly test the chemical composition and physical properties of our products and monitor any quality fluctuations. Furthermore, our final products undergo rigorous quality checks prior to leaving the factory to guarantee that each batch meets the predetermined quality standards. Our products are used in various projects such as construction of airports, high-speed railways, and water reservoirs. We have demonstrated excellent performance indicators that have been fully recognised by customers and quality inspection bodies.

During the reporting period, all cement production enterprises of the Group have obtained the certification of "Quality Management System: ISO9001".

Product Sales and Recall Procedures

The Group has an extensive global sales network spanning multiple countries. We have established robust procedures to ensure quality control, customer satisfaction, and proper product labelling. In cases where product quality issues render products unusable, we recall and subject such products to rigorous testing and analysis. A standardised product rejection and recall process involves on-site inspections, photographic documentation, submission of recall applications, proper labelling and separate storage of recalled products, detailed record-keeping, and coordination with customers for replacements or compensation.

During recall processes, comprehensive information about each affected product is meticulously recorded to facilitate root cause analysis and improvements to production, quality control, storage, and transportation processes. This approach ensures reliable product quality and prevents similar occurrences in the future. We are dedicated to upholding the highest standards of product quality, labelling, and customer service through robust quality control measures, effective recall procedures, and a commitment to learning from experiences to enhance our offerings consistently.

During the reporting period, the Group did not have any violations related to the information and labelling of production and services or any violations related to sales and marketing. The Group did not have any product recalls or complaints due to safety and health reasons.

Customer Services and Satisfaction

West China Cement has introduced a "Whole Process" service for all its products. This includes a dedicated mailbox and hotline for complaints about product quality and service, as well as a specialised department within the sales team to handle customer complaints. If a customer raises a complaint, we contact them within 24 hours to fully understand the situation. A joint team comprising sales, marketing and technical experts then conducts an on-site inspection. If the issue can be resolved immediately, we take prompt action. Otherwise, we assign someone to follow up and ensure that the problem is resolved properly. Additionally, we create a corrective action plan based on customer feedback and continuously work towards improving our products and services.

We also focus on collecting and analysing customer feedback forms to improve customer satisfaction further, using this information as an essential basis for improving products and services. Through this feedback, we can promptly identify and resolve any issues in products or services and continuously optimise our business processes and product quality.



Intellectual Property

The research and development team of the Group has been diligently developing new technologies and processes that can enhance the quality and efficiency of our products. As a company that values innovation and technological advancement, we strongly emphasise protecting our intellectual property rights. We recognise that our patents, trademarks, and other intellectual assets are crucial to maintaining our competitive edge and ensuring the long-term success of our business. During the year, we have significantly strengthened our intellectual property portfolio and applied for one national patent. At the end of the reporting period, the Group holds a total of 32 trademarks and 223 valid patents, including 20 invention patents, 171 utility model patents, 32 computer software works, and has participated in and presided over 5 national industry standards in recent years.

32
Hold a Trademark

223
Valid Patent

20
Invention Patent

171
New Patent



Data Privacy Protection

The Group has an extensive customer information system and has established a multi-dimensional customer information control system to ensure strict confidentiality of customer information. The system is regularly upgraded to improve its reliability and security. According to each segment's product classification and business characteristics, customer service management systems are formulated separately. To meet the different needs of different types of customers, the Group establishes connections with every kind of customer, strengthens communication and exchange, and understands customer needs.

The Group has incorporated customer information protection into its comprehensive risk management system and continuously establishes and improves customer information protection policies, mechanisms, and processes. Each customer service centre takes the lead in managing customer information protection work, clarifying responsibilities such as information attribution and usage, and strictly implementing the responsibility system guided by the principles of "who is in charge, who is responsible", and "who is the main organiser, who is responsible". The responsibility system clarifies the responsible persons and their duties, refines work measures and processes, and continuously strengthens the implementation of the customer information protection responsibility system. At the same time, regular information security training is conducted through meetings and weekly meetings to constantly enhance the awareness and education of customer information protection among all sales staff. Through multi-channel communication, the Group continues to help customers raise their security awareness and enhance service process optimisation and customer education in the aftermath of customer information leakage incidents.

Digitalisation and Innovation

Digitalisation and Innovation

In 2023, the Group upgraded the functions of the original production digital management and control platform and the "One-Card" system to meet the demands of production management. This upgrade is based on the Group's overall planning and takes into account the usage of the existing information technology system and the development of information technology in the industry.

Our IT team upgraded and transformed the production digital management and control platform used by subsidiaries of the Group. Following the principles of cost reduction, efficiency enhancement, and quality improvement, we improved the functions of online team statistics, equipment idle time, automatic data collection, and remote monitoring. This has provided a basis for improving the accuracy and fine tuning of reported data, enabling managers to conveniently monitor equipment, energy consumption, and quality. In 2023, the number of employee registrations on the digital office desk reached 500,000. This has eased the workload of employees and improved online work efficiency.

Smart Exploration

With the country's proposal to "promote the green transformation of the mining industry through digital technology empowerment" and the gradual deepening of green mine promotion, as well as the development and popularisation of technologies such as big data, 5G networks, automatic control, and the Internet of Things, the construction of digital mines has become an industry trend. The Group's information technology personnel have explored and developed a set of digital mine systems that align with the Group's existing management status, address the pain points of mine management, and meet the regulatory requirements of non-coal mines' supervision. This combines the Group's situation and requirements stipulated by regulatory authorities and follows the composition of one centre + three platforms + four systems to achieve the construction of a digitally intelligent mine. A brilliant mine dispatch centre (data centre + large-screen display system); three-dimensional visualisation comprehensive management and control platform; production collaboration management and digital mining; vehicle intelligent dispatch, unmanned driving, safety and environmental protection, and slope monitoring, and a series of application modules have been integrated to construct a digitally intelligent mine, thereby realising the digitalisation of mine resources, visualisation of production management, and informatisation of equipment, achieving end-to-end digital management from mining rights and geological exploration to mineral resource production and utilisation.

Anti-corruption

The Group has always been committed to a corporate culture of integrity and justice where all employees refuse to accept any form of corruption or bribery. We are acutely aware of the importance of maintaining a fair, transparent, and honest operating environment for sustainable development. Hence, we have zero-tolerance towards all illegal activities and resolutely oppose any form of corruption and have established a robust anti-corruption system and implemented stringent compliance measures. During the reporting period, the Group received a total of 37 reports on cadres' work style, ineffective performance of duties and abuse of authority, 16 of which were substantiated, and the rate of closure within the reporting period was 100%.

We strictly adhere to the laws and regulations of the operating country, including the "Anti-Unfair Competition Law of the People's Republic of China", the "Anti-Money Laundering Law", and the "Criminal Law", insisting on lawful and compliant operations to vigorously maintain a fair and just market and business order. Additionally, the Group has set up a monitoring department, formulated "Regulations on the Self-Discipline of Cadres" and "Management Measures for the Discipline of Management Cadres", and organised the signing of a "Commitment to Integrity" by the board of directors and all management staff. We vigorously promote integrity and self-discipline to deeply imbibe the awareness of anti-corruption in the hearts of all cadres and employees. We pledge to adopt a "zero-tolerance" attitude, steadfastly avoid, investigate, and punish any form of corruption, and constantly remind our directors and managers at all levels to respect the law and exercise power with integrity.

Anti-Fraud Supervision and Whistleblowing Mechanism

The Group has established an anti-fraud supervision and whistleblowing platform and requires all subsidiaries to publicly display this, encouraging all employees, customers, suppliers, and contractors to report any non-compliant business activities to the Group. We continuously optimise internal complaint channels, ensuring smooth bottom-up reporting channels through mailboxes, telephones, emails, and WeChat. According to the "Regulations on the Self-Discipline of Cadres" and "Management Measures for the Discipline of Management Cadres", the Group has clearly defined the methods of complaint reporting and investigation and handling processes, establishing a tiered responsibility, centralised handling, and dedicated investigation and verification mechanism to ensure that every reported case of properly handled. Once a report is verified, we immediately take disciplinary actions and generate a handling notice.

The importance of maintaining privacy of whistle-blowers and proper supervision and reporting mechanism goes without saying. We commit to protecting the information of every whistle-blower. No unit can leak whistle-blowers' personal information in any form, and all are prohibited from retaliation against whistle-blowers, their relatives, and those who assist in the investigation.

Corporate Style and Culture Construction

The Group carried out a series of specific measures for long-term construction of a working style and integrity culture of "focusing on hard work rather than empty talk, low-profile and pragmatic", helping the Group to better achieve the business goals in the future.

This year, our key measure was the launch of theme activities for "practicing corporate culture, boosting style transformation." After internal mobilisation and discussions and refinements by various units, we designated the activity leadership group and responsible persons, established a work style responsibility mechanism for management cadres, organized all management cadres to learn and implement, conducted 10 style improvement activities, including training on corporate culture, style behaviour codes, launching special education activities on integrity in practice, sharing stories of struggles with veteran employees, self-criticism and sharing, tackling prominent issues, investigating managers' duties, and special supervision activities, among others.

The Group's supervisory management department was dispatched to all subsidiaries for work style supervision, generating quarterly work style supervision reports. Issues identified, including irregular modifications of testing records, formality of competitive contracts, chronic problems in cadre style, and falsely reporting mileage for subsidies, were addressed with targeted measures such as enhanced process training, rule refinement, increased inspections, and warnings to the parties involved, ultimately solving the identified issues and enhancing responsibility awareness and problem-solving abilities, truly implementing style transformation actions.

To strengthen team cohesion, West China Cement and its units, such as Hainiu Company and Nanpula Project Department, organised various holiday activities, including cultural evening, mountain climbing, dining, and sports competitions, promoting mutual assistance and understanding among team members, not only enhancing employees' identification with company culture but also providing a favourable social environment for nurturing anti-corruption culture.

For strengthening integrity and discipline, the Group specifically emphasises the required promotional activities. We conducted in-depth interpretation and educational discourses on the "Ten Prohibitions, Five Don'ts" integrity discipline behaviour codes. These educational activities deepened employees' understanding through specific cases, established the concept of integrity and self-discipline, and further strengthened the internal anti-corruption atmosphere within the Group.

We believe that through the implementation of these specific measures and activities, The Group will effectively advance the implementation of anti-corruption work, establishing a stronger corporate culture and upright work style to ensure sustainable development of the enterprise, fulfilment of our social responsibilities, establishment of a clean and anti-corruption workplace environment, and set a benchmark for the industry.



09 Community Involvement




The Group is committed to establishing solid and vibrant partnerships with local governments at all levels, business partners, and communities. Under the premise of strictly adhering to all laws and regulations of the operating country, we proactively cooperate with governments, willingly submit to government supervision and management, and jointly promote community development and environmental protection. This year, West China Cement's various departments and subsidiaries continued to establish in-depth cooperative relationships with multiple government agencies, local communities, and educational institutions, advancing a series of projects aimed at promoting community development and environmental protection.

Promoting Educational Development

The Group believes that building of a fair and progressive society is closely linked to promoting education. Therefore, it insists on supporting local education as a crucial measure to fulfil its social responsibility by providing students and schools with necessary support and resources. 2023 marks the fifth year since the formal operation of the Shaanxi Yaobai Education Foundation. During the year under review, we supported the foundation in carrying out 30 batches of donation activities, investing a total of 3,837,000 Yuan in various types of education charity funds, and benefiting 2,390 people.


Educational Public Welfare Funds
3,837,000

The Group actively upholds the principle of "helping students and the poor, serving society". We strictly adhere to various rules and regulations, and have successfully contributed to the educational cause in several underdeveloped regions. We have signed a joint agreement with the government of Pucheng, where our company originated. Additionally, we have established an education fund to continue subsidising the development of basic education in the area. The "Golden Autumn School Aid" programme, held annually on the eve of the school year, has been successfully carried out this year. A large amount of funds were allocated to help poor university students and support the development of basic education, thus enabling more students to pursue their dreams.


Cumulative Benefit
2,390

The Group is committed to expanding the coverage of its social responsibilities. We have invested in 11 primary and secondary schools in Ethiopia and Mozambique. Additionally, we have improved teaching facilities, such as roads, fences, and classrooms, in many of these schools. Furthermore, we partnered with the Dire Dawa Education Bureau to establish an internship programme for university students. This initiative offers them practical work experience and enables the Group to identify potential future talents. The collaboration not only enhances local education standards but also creates more job opportunities for the local community.

This year, by supporting institutions such as the Busyish Tadele Fund, we continued to contribute to help several schools in Ethiopia, including Kalaymi University, Lemmi Town Primary School, Mudisa School, Hainiu School, and UNIKAL University, and continued to sponsor school fees and learning and living supplies for a large number of impoverished students. This reporting year, the Group invested more than 5.33 million RMB in various educational charity funds in the African region, supporting dozens of schools.



On May 17th, the handover ceremony of the Gende primary school building and toilet project, which was supported by the National Cement Company, was successfully held in Dire Dawa. According to statistics, we invested a total of 2.6 million Birr (equivalent to 330,000 RMB) in construction, continuing to practice West China Cement's beautiful vision of "investing in Africa, building Africa."



On October 7th, Dahulake Company, a subsidiary of the Group, donated 40 tonnes of cement to UNIKAL University in the Democratic Republic of Congo (DRC), with a view to improving the environment of the local university, providing high quality talents for the society, and jointly promoting the development of education in the Kalemie region.

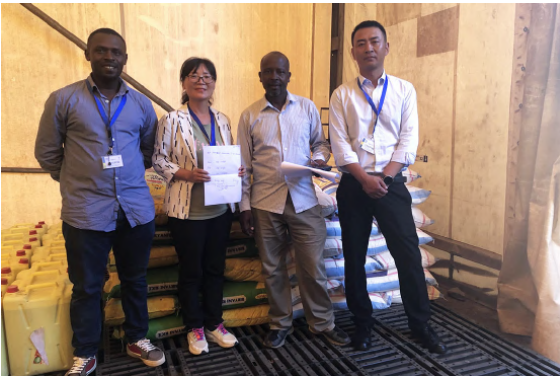
Driving Regional Economy, Enhancing the Livelihood Environment

The Group adheres to the operational philosophy of "running a good enterprise, driving local economies, and benefiting the local people", always considering the development of surrounding areas as an important part of fulfilling its social responsibilities. While ensuring the development of our projects, we do not forget to actively minimise the negative impact of the mining industry. The Group fully leverages its corporate strengths, vigorously supports the construction of basic infrastructure in counties, townships, and villages. In addition to donating cement and building materials, we also invest manpower and technology to help local people build bridges, roads, and renovate old houses, effectively improving the living environment of the surrounding population.

This year, we directed our aid towards Africa. In response to the inadequate infrastructure in certain regions, we provided building funds to various governments and organisations. This included the Government of Mozambique, the Mozambique Police Department, and the village of Gama in Angola. As a result, the quality of life for the local people has significantly improved. Manatee, a subsidiary of the Group, has completed the sub-donation of two major projects currently under construction in Gold Coast and Bella Vista. Statistics show that the Group invested over RMB 48.79 million in improving the living environment during the year.



On the eve of Christmas, December 23rd, Angola subsidiary of the Group specially organised a "Sympathy for Orphans and Giving Love" event. The deputy manager of the company attended the event alongside the director of the Benguela Provincial Department of Commerce and other government officials. The company presented household items, including rice, flour, and oil, as well as school supplies such as schoolbags and stationery.



On 15th May, on behalf of the company, the deputy manager of the company donated rice, flour, cooking oil and other living materials to the victims in Kigali.
On 16th May, the company called on all Chinese and local staff to raise funds and raised a total of about 1,750,000 LKR, which is equivalent to about RMB 11,700 yuan.

Promoting Social Inclusion

The Group consistently adheres to corporate social standards through actual actions as far as possible, remaining committed to promoting social inclusion and narrowing the gap of economic inequality. We are acutely aware that many vulnerable groups in impoverished communities, such as children and the elderly, still face numerous challenges and difficulties. For this reason, we provide direct assistance and establish close collaborations with welfare institutions, offering help and support through cash donations or material sponsorship in a targeted manner to ensure that love and care are effectively delivered, creating a more inclusive and harmonious society.

During the reporting period, we took the initiative to care for community welfare, continuing to offer assistance in various African regions to governments, communities, foundations, and individuals in need. We supported the construction of institutions such as national defence police stations, social services offices, and hospitals, funded health insurance and food programmes, donated a significant amount of materials to assist education departments and local football associations, and made contributions to welfare foundations, community children, and victims of floods. According to statistics, the Group invested over 6.35 million RMB in community welfare and charity activities in the African region, and continues to increase corporate investments in addressing social issues such as healthcare, poverty, and aging.



On 19th October, Lemmi Building Materials Industrial Park donated school supplies to the Primary school in Amhara Township.



On 9 March, Manatee Mozambique donated relief materials, including 200 tonnes of rice and 54 culverts, to Matutuni District, Matola City, to support relief efforts and infrastructure recovery in the affected areas.

10

Appendix

Appendix 1: Law and Regulations

Aspects	Applicable Laws and Regulations	Compliance Status
Environmental Management	<ul style="list-style-type: none"> • "Environmental Protection Law of the People's Republic of China" • "Air Pollution Prevention and Control Law" • "Solid Waste Pollution Prevention and Control Law" • "Water Law of the People's Republic of China" • "Water Pollution Prevention and Control Law of the People's Republic of China" • "Noise Pollution Control Law of the People's Republic of China" • "14th Five-Year Plan for Environmental Impact Assessment and Pollution Permit Work Implementation Plan" 	<p>Within this year, the Group has not violated any laws or regulations regarding emissions and greenhouse gas emissions, pollution to water and land, and the production of hazardous or non-hazardous waste that have had a significant impact on us.</p>
Equal Employment	<ul style="list-style-type: none"> • "The Labour Law of the People's Republic of China" • "The Labour Contract Law of the People's Republic of China" • "The Labour Contract Law of the People's Republic of China" • "The Labour Contract Law of the People's Republic of China" 	<p>Within this year, the Group is not aware of any legal or regulatory issues related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, anti-discrimination, and other treatment and benefits, including those preventing child labour and forced labour, that have had a significant impact on the group.</p>
Safety Management	<ul style="list-style-type: none"> • "Work Safety Law of the People's Republic of China" • "Fire Protection Law of the People's Republic of China" • "Implementation Measures for the Safety Production Permit of Non-Coal Mines" 	<p>Within this year, the Group has not experienced any serious work injuries or work-related deaths.</p>
Occupational Health Assurance	<ul style="list-style-type: none"> • "The Work Safety Law of the People's Republic of China" • "The Standard for Safety Production Assessment of Cement Enterprises" • "The Occupational Disease Prevention and Control Law of the People's Republic of China" 	<p>Within this year, the Group is not aware of any violations related to providing a safe working environment and protecting employees from occupational hazards that have had a significant impact on the group.</p>
Product Quality Management	<ul style="list-style-type: none"> • "Product Quality Law of the People's Republic of China" 	<p>Within this year, regarding the Group's products and services related to health and safety, advertising, labelling, privacy matters, and remedial measures, our group has not discovered any illegal incidents that have had a significant impact on the group.</p>
Anti-Corruption	<ul style="list-style-type: none"> • "The Anti-Unfair Competition Law of the People's Republic of China" • "The Anti-Money Laundering Law of the People's Republic of China" • "The Criminal Law of the People's Republic of China" 	<p>Within this year, the Group has not discovered any legal or regulatory actions related to bribery, extortion, fraud, or money laundering that have had a significant impact on the group.</p>

Appendix 2: Key Performance Indicators

Environment

Environmental KPIs	Unit	Data for 2023	Data for 2022
Resource Consumption			
Direct energy consumption	100 million kWh	101.36	119.38
Total coal consumption	100 million kWh	101.36	119.31
Indirect energy consumption	100 million kWh	9.00	10.33
Total electrical energy consumption	100 million kWh	8.85	10.33
Comprehensive energy consumption	100 million kWh	110.37	129.71
Energy consumption per unit of clinker (Clinker process)	kWh/tonne of clinker	878.22	915.90
Energy consumption per unit of operating revenue	100 million kWh/RMB 100 million	1.22	1.53
Total water consumption	Tonne	2,630,000	2,858,424
Water consumption per tonne of clinker production (clinker process)	tonnes of water consumption/tonne of clinker	0.13	0.13
Water consumption per unit of business income	tonnes of water consumption/RMB 100 million	29,157.43	33,671.56
Consumption of cement packaging bags	Tonne	7,100	7,300
Unit tonnage consumption of cement packaging materials	kilograms/tonne	1.4	3.78
Cement packaging bags consumed per unit of business income	Tonnes/hundred million yuan	78.71	85.99
Air Pollutant Emissions			
Direct greenhouse gas emissions (Scope 1)	tonne of CO ₂ equivalent	10,359,742.60	11,617,185.84
Indirect greenhouse gas emissions (Scope 2)	tonne of CO ₂ equivalent	519,211.70	480,447.38
Total greenhouse gas emissions (Scope 1 + Scope 2)	tonne of CO ₂ equivalent	10,878,954.30	12,097,633.22
Greenhouse gas emissions per unit of clinker produced (clinker process)	tonne of CO ₂ equivalent / tonne of clinker	0.8657	0.8753
Air Pollutant Emissions			
Total SO ₂ emissions	tonne	319.50	658.11
SO ₂ emission Intensity	kg/tonne of clinker	0.02	0.029
Total NO _x emissions	tonne	4431.23	8,492.21
NO _x emission Intensity	kg/tonne of clinker	0.33	0.372
Total particulate matter emissions	tonne	240.67	673.88
Particulate matter emission Intensity	kg/tonne of clinker	0.018	0.030
Waste			
Total hazardous waste	Tonne	88.92	88.77
Hazardous waste generated per unit of operating revenue	Tonne of hazardous waste/ RMB 100 million	0.99	1.05
Total non-hazardous waste	Tonne	307.07	259.89
Non-hazardous waste generated per unit of operating revenue	Tonne of non-hazardous waste/ RMB 100 million	3.40	3.06

Appendix 2: Key Performance Indicators

Social

Social KPIs		Unit	Data for ⁷ 2023	Data for ⁸ 2022
Total Number of Employees		person	8,297	6,364
By gender	Male	person	7,014	5,245
	Female	person	1,283	1,119
By rank	Senior management	person	528	318
	Middle management	person	1,099	636
	General employee	person	6,670	5,410
By age	Under 30	person	1,592	1,237
	30-39	person	3,198	2,375
	40-49	person	2,419	1,640
	Over 50	person	1,088	1,112
By region	China	person	4,567	5,662
	Overseas	person	3,730	702
By length of service	Less than 2 years	person	2,538	1,750
	3-5 years	person	2,628	1,710
	6-9 years	person	1,129	875
	More than 10 years	person	2,002	2,029
By educational level	Bachelor's degree and higher	person	1,191	1,073
	College degree	person	1,780	1,645
	Lower than college degree	person	5,326	3,646
Employee Turnover Rate		%	17.74	9.20
By gender	Male	%	7.58	30.26
	Female	%	8.81	69.74
By age	Under 29	%	15.99	40.10
	30-39	%	7.40	30.38
	40-49	%	5.00	14.19
	Over 50	%	4.14	15.33

7. The number of overseas employees in 2023 includes both Chinese and foreign employees.

8. The number of overseas employees in 2022 was limited to Chinese employees.

Social KPIs		Unit	Data for 2023	Data for 2022
Occupational Safety and Health KPI				
Lost days due to work injury		day	1,617	938
Training KPIs ⁹				
Total number of employees trained		person	8,297	6,364
Total training hours		hour	121,165	32,432
Percentage of employees trained		%	100	100
By gender	Male	%	100	100
	Female	%	100	100
By rank	Senior management	%	100	100
	Middle management	%	100	100
	General employee	%	100	100
Average training hours per employee		hour	14.60	5.10
By gender	Male	hour	14.60	5.10
	Female	hour	14.60	5.10
By rank	Senior management	hour	14.60	5.10
	Middle management	hour	14.60	5.10
	General employee	hour	14.60	5.10
Other Operating Data				
Number of major partner suppliers		unit	1,864	1,691
By region	Mainland China	unit	1,852	1679
	Overseas	unit	12	12
Percentage of products recalled for safety and health reasons		%	0	0
Handing rate of complaints about services and products		%	100	100
Number of corruption litigation cases		case	0	0
Investment in public welfare		RMB	58,977,000	1,067,957.2

9. Recalculate the 2022 employee training KPIs.

Appendix 3: ESG Content Index

Indicators	HKEX ESG Reporting Guide Requirements	Section/Remarks
Governance Structure		
General Disclosure	<p>A statement from the board containing the following elements:</p> <p>(a) a disclosure of the board's oversight of ESG issues;</p> <p>(b) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</p> <p>(c) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	ESG Governance - Board Statement
Reporting Principles		
General Disclosure	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose:</p> <p>(a) the process to identify and the criteria for the selection of material ESG factors;</p> <p>(b) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About the Report - Reporting Standard and Principles
Reporting Boundary		
General Disclosure	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	About the Report - Reporting Boundary and Period

A. ENVIRONMENTAL

Aspect A1: Emissions

General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Managing our Environmental Impact Appendix 1: Law and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Climate Change - Metrics and Targets Managing our Environmental Impact - Exhaust Emissions Appendix 2: Key Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Climate Change - Metrics and Targets Appendix 2: Key Performance Indicators
KPI A1.3	Total hazardous waste produced and intensity.	Managing our Environmental Impact - Exhaust Emissions - Waste Management Appendix 2: Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced and intensity.	Managing our Environmental Impact - Waste Management Appendix 2: Key Performance Indicators
KPI A1.5	Description of emission target (s) set and steps taken to achieve them.	Climate Change - Metrics and Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	Climate Change - Performance and Approaches

Aspect A2: Use of Resource

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Managing our Environmental Impact - Water and Wastewater Management
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Climate Change - Metrics and Targets Appendix 2: Key Performance Indicators
KPI A2.2	Water consumption in total and intensity.	Managing our Environmental Impact - Water and Wastewater Management Appendix 2: Key Performance Indicators

Appendix 3: ESG Content Index

Aspect A2: Use of Resource

KPI A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Climate Change - Metrics and Targets - Performance and Approaches
KPI A2.4	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.	Managing our Environmental Impact - Water and Wastewater Management
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	Managing our Environmental Impact - Packaging Materials Appendix 2: Key Performance Indicators

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuers' significant impact on the environment and natural resources.	Managing our Environmental impact - Biodiversity and Land Use
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Managing our Environmental impact

Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change - Strategy Managing our Environmental impact
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change - Risk Management - Performance and Approaches

B. SOCIAL

Aspect 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) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Our People - Recruitment and Dismissal - Employee Benefits and Right Appendix 1: Law and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Our People - Employee Profile Appendix 2: Key Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People - Employee Profile Appendix 2: Key Performance Indicators

B. SOCIAL

Aspect B2: Health and Safety

General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Our People - Occupational Health and Safety Appendix 1: Law and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Our People - Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Our People - Occupational Health and Safety Appendix 2: Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People - Occupational Health and Safety

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People - Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our People - Employee Development Appendix 2: Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People - Employee Development Appendix 2: Key Performance Indicators

Aspect B4: Labor Standards

General Disclosure	Relating to preventing child and forced labor: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labor.	Our People - Labor Standards Appendix 1: Law and Regulations
KPI B4.1	Description of measures to review employment practises to avoid child and forced labor.	Our People - Labor Standards
KPI B4.2	Description of steps taken to eliminate such practises when discovered.	Our People - Labor Standards

Appendix 3: ESG Content Index

B. SOCIAL

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Operation - Responsible Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Our Operation - Responsible Supply Chain Appendix 2: Key Performance Indicators
KPI B5.2	Description of practises relating to engaging suppliers, number of suppliers where the practises are being implemented, how they are implemented and monitored.	Our Operation - Responsible Supply Chain - Supplier Selection
KPI B5.3	Description of practises used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Operation - Supplier Selection
KPI B5.4	Description of practises used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Operation - Supplier Selection

Aspect B6: Product Responsibility

General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Our Operation - Product Responsibility Appendix 1: Law and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our Operation - Product Sales and Recall Procedures Appendix 2: Key Performance Indicators
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Operation - Product Sales and Recall Procedures Appendix 2: Key Performance Indicators
KPI B6.3	Description of practises relating to observing and protecting intellectual property rights.	Our Operation - Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Our Operation - Product Sales and Recall Procedures
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Operation - Data Privacy Protection

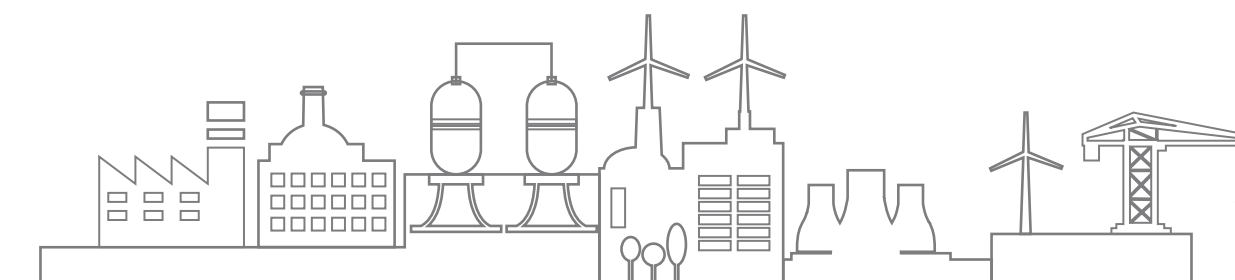
B. SOCIAL

Aspect B7: Anti-corruption

General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Anti-corruption Appendix 1: Law and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption Appendix 2: Key Performance Indicators
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and employees.	Anti-corruption

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Involvement
KPI B8.1	Focus areas of contribution.	Community Involvement
KPI B8.2	Resources contributed to the focus area.	Community Involvement





Readers' Comments and Feedback Forms

Dear Readers,
Greetings!

Thank you for reading the 2023 Environmental, Social and Governance Report of West China Cement Limited. We sincerely look forward to your evaluation of the Environmental, Social and Governance work of West China Cement Limited and this Environmental, Social and Governance report. Your opinions and suggestions will help us to continuously promote Environmental, Social and Governance management and practice, as well as to improve the level of our Environmental, Social and Governance information disclosure. You can fill in the following content and feedback to us through mail or email. Thank you very much!

West China Cement Limited
April 2024

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Your evaluation of the report: (Please tick "✓" at the corresponding place)

Which stakeholder do you belong to?

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- | | | | | | |
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| 2. Information Quality | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> General | <input type="checkbox"/> Poor | <input type="checkbox"/> Very Poor |
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