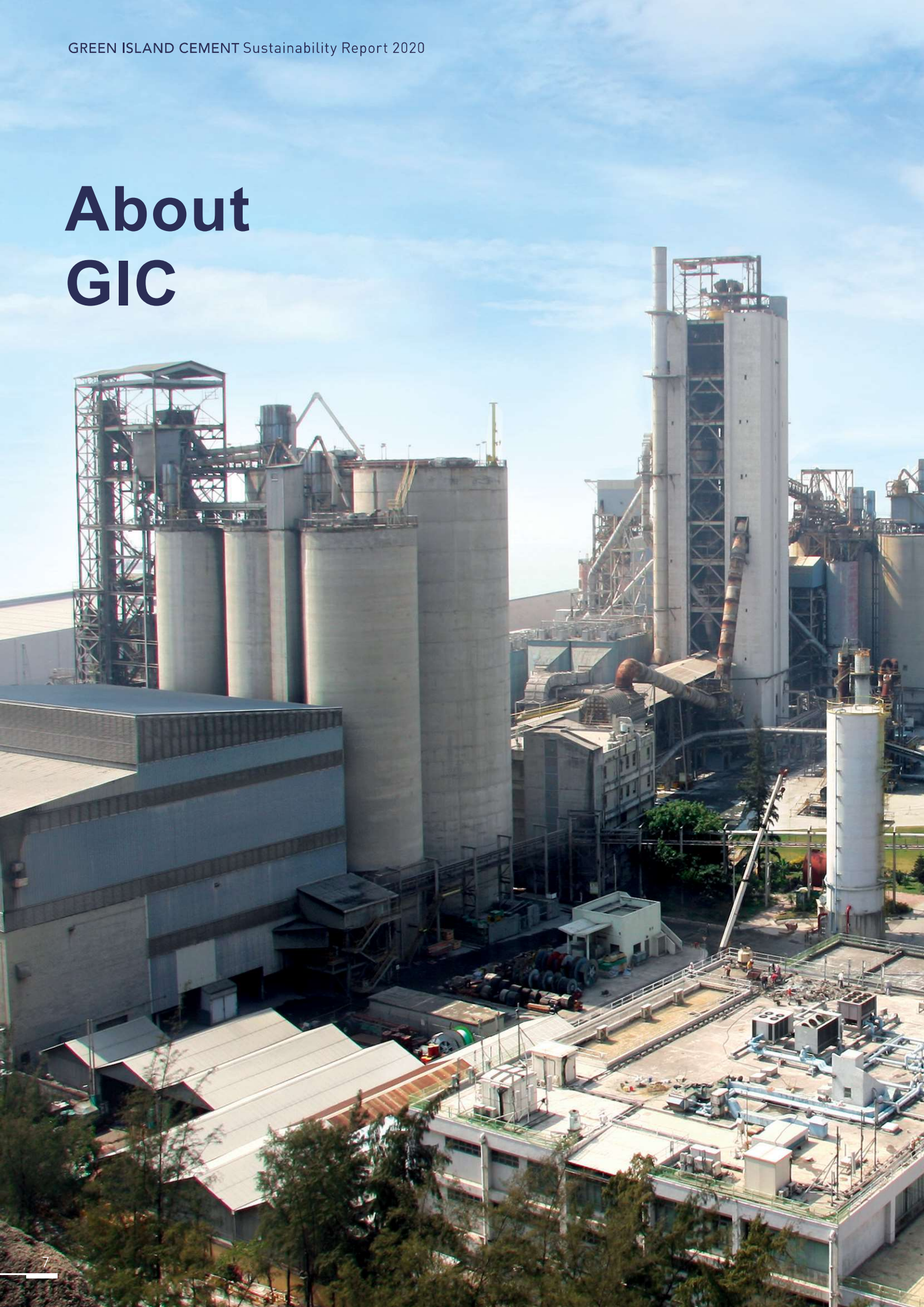


About GIC



Who We Are

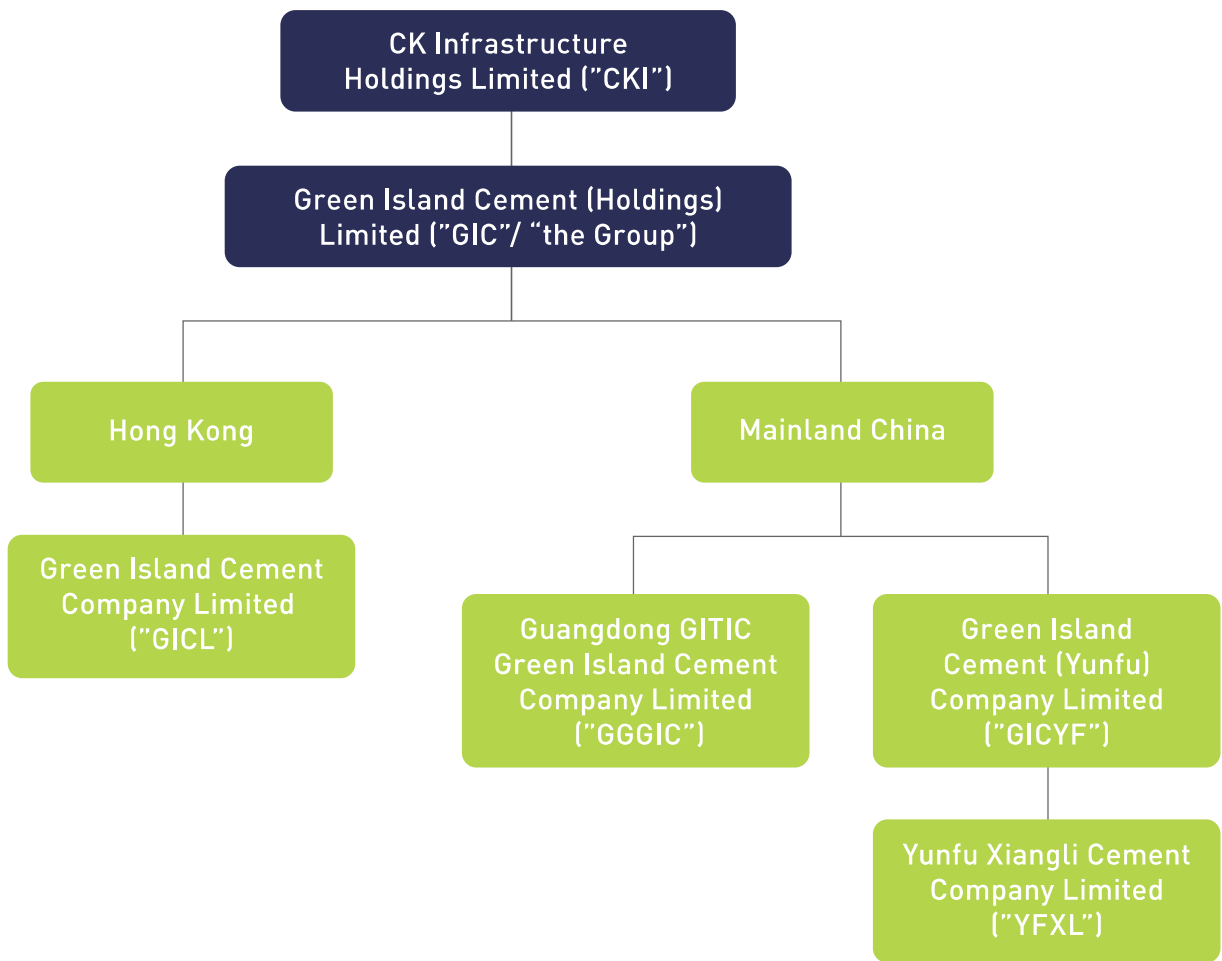
Founded in 1887 at Tsing Chau (Green Island) in Macau, Green Island Cement Company Limited ("GICL") has grown to become Hong Kong's leading manufacturer and distributor of cement and cement-based products.

Over the years we have helped build and grow Hong Kong, from its iconic buildings to infrastructure projects. From towers to bridges, hospitals to Hong Kong's Airport, our products are the bedrock of Hong Kong, and have in turn helped build the Hong Kong economy. Today GIC remains Hong Kong's only integrated cement manufacturer, accounting for more than half of the city's market share.

In 1998 GICL acquired the former Guangdong Yunfu Cement Plant in Mainland China, which led to the establishment of Guangdong GITIC Green Island Cement Company Limited ("GGGIC") - a joint venture. GGGIC owns a quarry with a large reserve of high-quality limestone.

Green Island Cement (Yunfu) Company Limited ("GICYF") is our flagship cement plant in Mainland China, which has been in operation since 2013, together with a supporting waste heat power generation system. Operating in Mainland China enables our goal of becoming a bigger and stronger cement Group and in April 2018, we acquired Yunfu Xiangli Cement Company Limited ("YFXL"), a cement grinding plant and jetty facilities in Yunfu City.

For more details of GIC's background and history, please refer to our website: www.gich.com.hk and www.gggic.com for details about our Mainland China business.

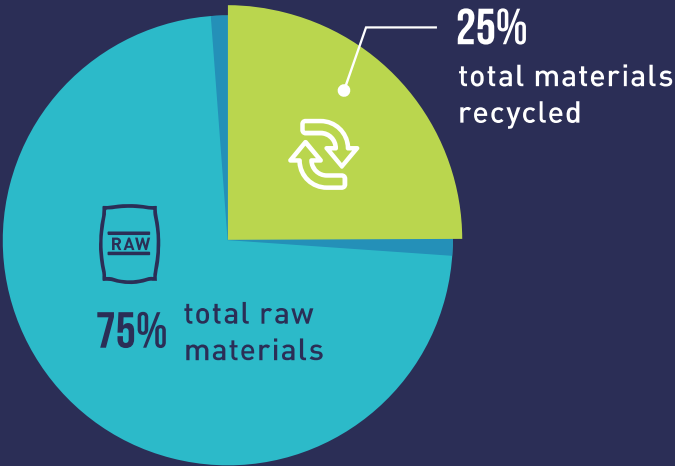


The Nature of Our Business

GIC's Value Chain



RAW MATERIALS



Suppliers by region

- Hong Kong
- Mainland China
- Asia
- UK
- Europe
- Australia
- Canada
- USA etc





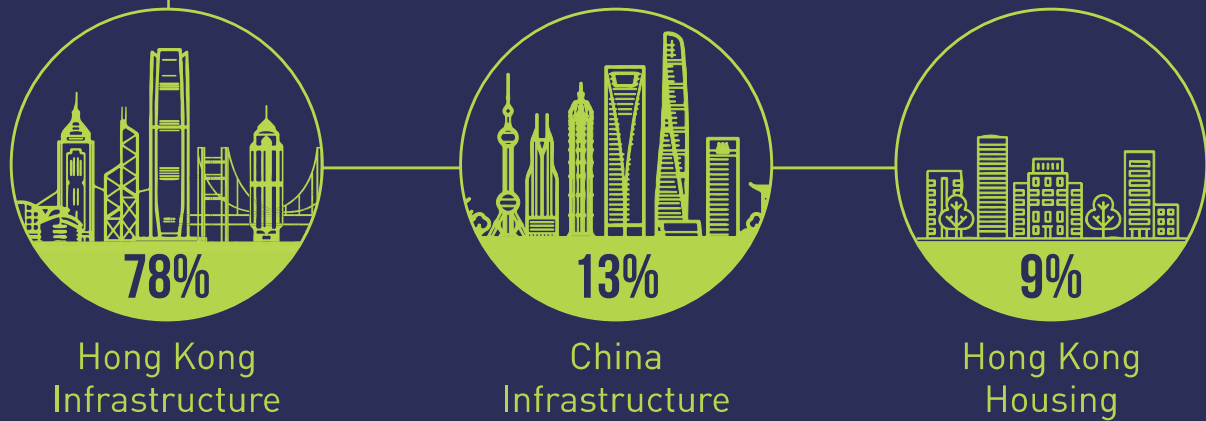
PRODUCTION



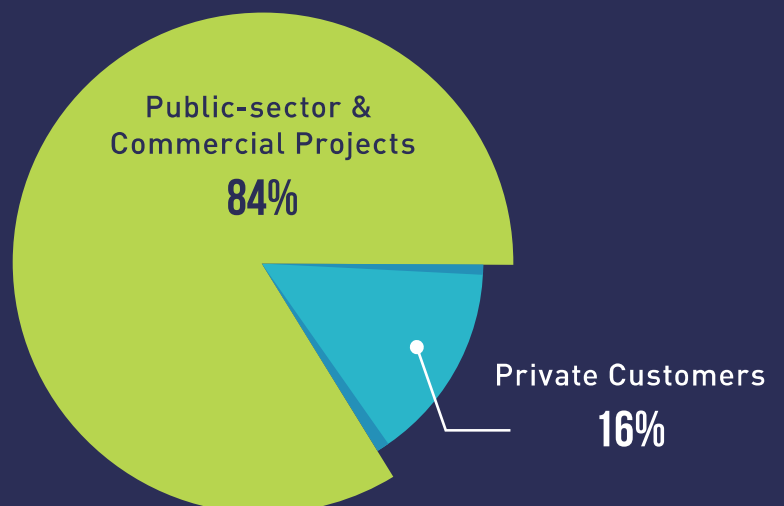
PRODUCTS



HOW THEY ARE USED



CUSTOMERS



Cement is our core business; however, we are also an innovative technology company that applies new approaches to cement and aggregate development. We work with local waste management groups to reuse recycled glass cullet, the local government to collect wood waste for wood pellets, and more (learn more in the Simultaneously Reducing Emissions and Waste section). Our portfolio continues to expand our eco-friendly production as part of our mission to be the leading manufacturer and distributor of cement and cementitious products in Hong Kong while maintaining an

environmentally friendly, efficient and effective waste management production processor. The concerns with climate change impacts have local implications and we take this seriously. Since we operate in a sector that contributes to the problem, we also understand that our focus on innovating helps us attract talent that in turn will support our mitigation initiatives. Our intention is to be known for our responsible business conduct which builds trust and gives us the opportunity to work with partners for a climate resilient Hong Kong.

Our Connectivity with Hong Kong

Our cement has contributed to the construction of countless iconic sights and infrastructure projects in Hong Kong. Between 2017 and 2018, more large-scale projects using GIC's cement were commissioned which include:



The Hong Kong-Zhuhai-Macao Bridge which was commissioned in October 2018.

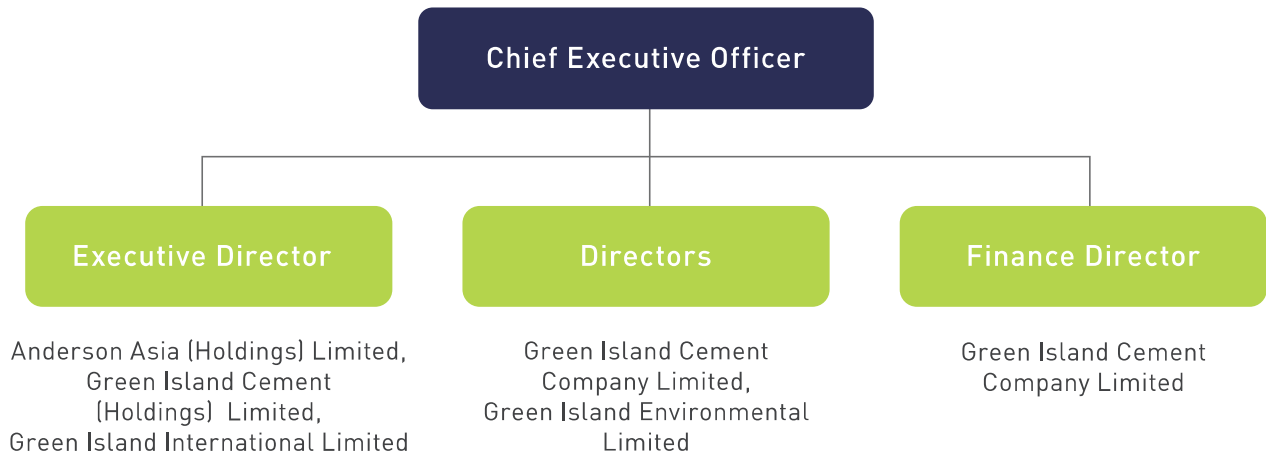


The Guangzhou-Shenzhen-Hong Kong Express Rail Link which was commissioned in September 2018.

Corporate Governance

We are firmly committed to the principles of good corporate governance by emphasising transparency, independence, accountability, responsibility and fairness when conducting business. Further information about CKI, our parent company, can be found on the Group website, in the Annual Report 2018, and from the Group Corporate Governance Report.

The basic structure of our organisation management:



Our Values and Commitments

Our six core values reflect our aim to be recognized by our employees, the government and the public as good corporate citizens. Since it is important to us to be an employer of choice and for our staff to remain proud of what they do we continue to focus on building a high quality, healthy and safe workplace for our employees. By upholding our responsibility to our staff by offering incentives and initiatives that promote an honest and collaborative working environment we will also enhance our ability to attract new talent. At the same time, we endeavour to further protect the environment by using cutting-edge technology and have been continuously experimenting with using waste as an alternative fuel or an alternative constituent for our cement products. As such we are motivated to grow and diversify our portfolio of products, from waste management and treatment projects to generating revenue from other sources in order to sustain our operations for years to come.



Business Ethics and Integrity

GIC has zero tolerance for corruption and bribery. To maintain high standards of business ethics and corporate governance, the Group adheres to the Code of Conduct of CKI Materials (CKIM), which specifies our values and the ethical and legal standards that apply at our Company, including guidelines on how employees should behave. Policies within the Code of Conduct include Prevention of Bribery, Acceptance of Advantage, Offer of Advantage, Entertainment, and Conflict of Interest. Any director or employee in breach of this Code is subject to disciplinary action, including termination of employment. The topics of corruption prevention and complaints and grievance procedures are also included in our Employee Handbook.

The process for reporting concerns about illegal or unethical behaviour is outlined in the Code of Conduct as well as preventive measures and whistle-blowing procedures. Any violations of this Code may prompt internal reporting and all staff are encouraged to direct enquiries about the Code or provide reports of possible breaches to the General Manager, Group Human Resources and Administration. Reports will be treated as confidential to the extent possible as allowed by law. No director or employee will be disciplined for reporting a concern in good faith. A register of both suspected and actual cases and the relevant statistics is provided to Management on a quarterly basis.

Commitment to Sustainable Development

To meet today's global challenges, there is a need for partnerships between individuals, companies and organizations to collectively find solutions to issues such as poverty, inequality and climate change, reducing carbon emissions and natural resource depletion by the year 2030. As we look ahead to 2030, we hope not just to be a cement company but a genuinely innovative environmentally-friendly building materials company. GIC takes into consideration how our products, operations and long-term outlook contribute to the international sustainable development agenda and we are committed to enhancing collaboration through global initiatives such as the United Nation's Sustainable Development Goals (the SDGs).

In our last report, we identified four SDGs (7, 8, 12 and 13) that we believe are where we can make the most positive impact. For this report we have gone one step further by finding linkages with our own sustainability efforts and are using them to guide our decision-making. By innovating across our value chain and within our operations, we strive to be a responsible company that not only has its employees' wellbeing at heart but also cares for the environment and society as a whole. In coming years, we will continue to align our practices with the following motivations, commitments and progressive targets.

SDG	Motivation to:	Commitment to:	Progress in 2017-2018:
	<ul style="list-style-type: none"> ▪ Increase renewable energy sources ▪ Improve our energy efficiency 	<ul style="list-style-type: none"> ▪ Conduct research on the possibility of using alternative fuels from unwanted solid waste to provide cleaner energy and better manage waste 	<ul style="list-style-type: none"> ▪ Total energy consumption decreased by 11% ▪ In 2018, diverted approximately 263 tonnes of fallen trees from landfill ▪ Completed the trial burn test of wood derived fuel in Hong Kong
	<ul style="list-style-type: none"> ▪ Achieve high levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 	<ul style="list-style-type: none"> ▪ Safeguard our employees by providing a zero-harm workplace ▪ Adopt a diverse and inclusive employment approach to attract the best talent ▪ Offer tailor-made training that best develops the potential of our employees 	<ul style="list-style-type: none"> ▪ Reduced the number of lost days due to work injury by 46% ▪ Developed a new approach to attract more diverse talent which includes Scheme A Graduate Training and Referral Bonus Programme ▪ Provided ongoing training to employees ▪ Created new positions to build the slag plant
	<ul style="list-style-type: none"> ▪ Address resource usage ▪ Refer to Targets 12.2 (achieve the sustainable management and efficient use of natural resources) and 12.5 (substantially reduce waste generation through prevention, reduction, recycling and reuse) as we move forward 	<ul style="list-style-type: none"> ▪ Strive for sustainably-sourced key materials including gypsum, fly ash, and glass to avoid overuse of raw materials ▪ Increase energy efficiency across our supply chain including sourcing, manufacturing, packaging and logistics ▪ Reduce our water consumption ▪ Achieve zero waste in our production process 	<ul style="list-style-type: none"> ▪ Sourced 25% of reused or recycled materials ▪ Water intensity reduced by 61% ▪ In 2018, handled 3,560 tonnes glass cullet, while also diverting nearly 1,000 metric tonnes of glass from landfill every month ▪ Maintained zero disposal of bulk materials from production process
	<ul style="list-style-type: none"> ▪ Focus on our organizational capacity to address awareness, strategy development and planning around mitigation ▪ Learn more about adaptive capacity and resilience to climate change impacts 	<ul style="list-style-type: none"> ▪ Support innovative solutions that reduce emissions such as reducing the volume of limestone in cement, as well as the use of a low NOx burner and employing flue gas desulfurization ▪ Support to use of alternative cementitious material to reduce greenhouse gas emission 	<ul style="list-style-type: none"> ▪ Reduced the volume of greenhouse gas by 8% ▪ NOx intensity reduced by 23% ▪ SOx intensity reduced by 85% ▪ Increased the waste-heat power generation by 3% ▪ Started the construction of slag grinding plant in Hong Kong in February 2018

We believe our operations are well aligned with these Global Goals and we will continue to innovate our product portfolio and demonstrate our support for tackling the global compelling issues through the following actions:

- Use of alternative fuels;
- More efficient use of natural resources;
- Minimization of negative impacts on ecosystems; and
- Reduction of emissions to tackle climate change.

Each of these actions are further elaborated in their respective sections of the Report.

Additionally, internal audit of our manufacturing processes and products will be conducted regularly to enable us to create positive synergies and conditions that can address these development challenges.