

Message from the CEO

Working Together To Build A Green Island

Welcome to our second Sustainability Report where we share our progress and latest initiatives over the last 24 months. In this reporting cycle, new elements are introduced to provide greater insight on Green Island Cement's ("GIC") approach to sustainability initiatives. We have expanded some disclosures in efforts to increase transparency and improve the Report quality as well as to better align our Report with the Global Reporting Initiative's (GRI) Standards reporting guidelines.

Since we consider the environmental impact of our Company to be of the utmost importance for preserving Hong Kong's delicate ecosystem and limited natural resources, we have been making every effort to operate in an environmentally responsible manner. This period saw our continuing efforts to experiment with using waste as an alternative fuel or as an alternative constituent for our cementitious products.

In fact, in 2020 we will be bringing 'eco-friendly cement' to Hong Kong through the construction of a new slag-grinding plant at Tap Shek Kok. We expect this cutting-edge technology will also help reduce our carbon dioxide emissions going forward. We have also been busy collecting and burning typhoon yard waste, to be used in our plant as an alternative energy source to coal. In order to help divert Hong Kong's waste glass from landfill we have taken the initiative to use glass cullet as an additive during cement production. Doing this both helps us reduce

our carbon dioxide emissions while also diverting tonnes of glass from our landfills.

Furthermore, our Mainland operations have successfully mastered the technology of using waste oil and oil filters as a coal replacement.

These small steps forward help us rely less on internationally sourced materials, which are becoming increasingly scarce and more expensive, while enabling us to minimize our carbon footprint.

Offering a healthy workplace for our employees, providing incentives and initiatives that promote an honest and collaborative working environment have always been an important focus. Since late 2017, we have enhanced our Staff Referral Bonus Programme, adopted a five-day work week, installed a staff fitness room, launched our Scheme "A" Graduate Training programme, and introduced Volunteer Leave and new staff bonus programmes. All of which are to support our aim of being an attractive employer where colleagues feel valued and are able to apply their skills in a welcoming and collaborative work environment.

When I think about our suppliers, I think about the community of people with whom we have partnered and worked alongside for years. We do our best to support the local economy by purchasing products and services



locally as much as possible. As we keep growing and expanding our operations in the Mainland, we have also been exploring integrated industrial waste treatment with local groups and will be increasing production and employment opportunities in Guangdong subsequent to our acquisition of a cement grinding plant and three pier berths in 2018.

Looking to our broader community of stakeholders, I am pleased by how much our team has volunteered and donated to local non-profits and community groups. We also continue to open up our production facilities for schools and local NGOs and corporate education. I believe this helps us engage with our communities, imparts the importance of GIC's work and offers an opportunity for youth to realize the vast usability and need for cementitious products.

Since the views of our stakeholders are very important, we expanded our engagement more widely than last year and found that we have gained support for: our energy saving initiatives to reduce emissions, along with our efforts for improving employees' training, their benefits and a sense of belonging, while continuing to improve our health, safety, and staff well-being programmes, as being the most important issues for our focus. Reducing operational costs while continuing to enhance and improve production processes were also highlighted, and these are each discussed in the Report.

In our last Report, we identified four of the United Nation's Sustainable Development Goals (SDGs) to which we have found linkages with our own sustainability efforts. We are using these four goals to guide our decision-making moving forward. Despite all of the progress we have already made, there is always potential to improve our business and environmental impact and I am both optimistic and excited about the future.

As I am proud to see our colleagues continuously innovating on our environmental initiatives, I would appreciate you taking the time to read our Report which demonstrates their successes and the challenges they face. I look forward to hearing your feedback on our progress towards meeting our commitments on sustainability.

Eddy Tsang
Chief Executive Officer
22 July 2020