

Asia Cement (China) Holdings Corporation

Sustainable Development Policy

Chapter 1 General Principles

Article 1 In order to achieve corporate sustainability and to promote economic, environmental, and social advancement for purposes of sustainable development. The Company adopts this policy with reference to its parent company's proactive approach.

Article 2 The Policy shall apply to the entire operation of the Company, and its subsidiaries (collectively referred to as "the Company" hereinafter).

The Company shall give due consideration to the reasonable expectations, needs and rights of stakeholders when carrying out operation of the Company.

In the pursuit of sustainable development and profitability, the Company shall also give due consideration to factors such as environmental, social and corporate governance, and to include these factors into the Company's management policy and operation.

Article 3 For the purpose of managing sustainable development initiatives, the Company establishes the Corporate Sustainability Committee for enforcing and implementing sustainable development policies, system or relevant guidelines, and reporting on the same to the board of directors on a regular basis.

The Company shall establish the Corporate Sustainability Promotion Committee, for executing matters relating to corporate sustainability. The Chief Executive Officer shall act as the director of the said committee, various relevant units shall be responsible for promoting corporate sustainability works. The Secretariat of the Administration Office shall be the General Convener. Following are the scope of work of the Corporate Sustainability Promotion Committee:

1. Consolidation and disclosure of information relating to corporate sustainability
2. Planning and execution of corporate sustainability projects
3. Coordination and submission of information relating to external evaluations on corporate sustainability

Article 4 The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to corporate

operations, and establish relevant risk management policy or strategy for managing economic, environmental and social risks and impact.

Article 5 The Company follows the following principles in implementing sustainable development

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Maintain public welfare.
4. Enhance disclosure of corporate sustainable development information.

Chapter 2 Exercising Corporate Governance

Article 6 The Board of Directors of the Company (the “Board”) shall exercise fiduciary stewardship in urging the Company to perform its sustainable development responsibilities, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies. The Board is to give full consideration to the interests of stakeholders, including the following matters, in the Company's furtherance of its sustainable development objectives:

1. To formulate a Sustainability Strategy Blueprint, and other management guideline;
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. Ensuring the timeliness and accuracy of the disclosure of sustainable development information.

The Company shall, organize education and training on the promotion of sustainable development initiatives.

Article 7 The Company shall enhance corporate governance by establishing effective corporate governance structure and relevant ethical standards.

Article 8 In order to create a fair competitive environment, the Company shall operate according to relevant regulations, avoid committing unfair competition and corruptive behavior.

Chapter 3 Fostering a Sustainable Environment

Article 9 The Company shall follow relevant environmental laws, regulations and international standards, and to establish proper environment management systems. Such systems shall include the following:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining the sustainability and relevance of such goals.
3. Adopting enforcement measures such as concrete proposals or action plans, and examining the results of their implementation on a regular basis.

The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and specific action plans, and should hold environment education courses for relevant personnel.

The Company should consider the impact of its operations on ecological efficiency when implementing operating activities and internal management, and strive to achieve the Company's environmental goals and reduce the impact on the natural environment and mankind.

Article 10 The Company shall assess the current and future potential risks and opportunities presented by climate changes, and to adopt corresponding measures.

Article 11 The Company shall be committed to improving the efficiency of energy (resource) utilization. Reducing energy and water consumption of products and services, and promoting the recyclability and reuse of raw materials or products.

Article 12 The Company shall construct and strengthen environmental protection treatment facilities, properly process waste, and reduce the emission of pollutant, toxic substances and waste into water, air and land, and shall adopt appropriate measures applying pollution prevention and control technology.

Article 13 To adopt standards or guidelines generally applicable domestically and abroad to measure and disclose greenhouse gas emission, water and energy consumption and waste disposal volumes.

Chapter 4 Maintaining Public Welfare

Article 14 The Company shall comply with relevant labor laws and regulations, and the International Bill of Human Rights, and to protect employee's legal rights. The Company shall not violate the basic rights of employees, and shall provide employees with information on labor laws

and employee privileges in the countries where the employees are employed.

The Company shall adopt and evaluate management policies and processes relevant to human rights.

The Company shall ensure that their employment policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, benefit and remuneration, hiring conditions, training and appraisal.

Article 15 The Company shall establish channels for two-way communication channel with employees.

The Company shall respect employee representatives' rights to bargain.

The Company shall, by appropriate means, notify employees of any changes in operation that may have material impacts on them.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters violating the rights and interests of the labor force, and shall ensure fairness and transparency of the grievance process.

Article 16 The Company shall provide safe and healthy work environments for its employees, with the

provision of necessary health and first-aid facilities and shall endeavor to eliminate elements hazardous to employees' safety and health, and to prevent occupational accidents.

Article 17 The Company shall create an environment conducive to the development of its employees' careers and establish effective training programs to foster work skills.

The Company shall establish and implement policy on reasonable remuneration and employee benefits. The Company should ensure such policy is in line with the strategic goals of the Company and its stakeholders, and that employees' remuneration and benefits are corresponding to the Company's operating performance.

Article 18 The Company shall adhere to the laws and regulations of the government and relevant standards of the respective industries to secure the quality of products and services, and maintain the safety of its products throughout the processes of research and development, procurement, production and operation.

The Company shall follow relevant laws, regulations and international guidelines regarding to product and services safety compliance, customer commercial secret, and marketing and advertising and shall not deceive, mislead or commit fraud.

Article 19 The Company shall assess the impact its procurement may exert on society and environment of the community where their suppliers are located, and shall cooperate with their suppliers and business partners to enhance corporate sustainability.

The Company shall set up supplier management policy, and shall include terms stipulating compliance with corporate sustainability policies of both parties when entering into contract with major suppliers.

The Company shall avoid transacting with suppliers who violate the Company's sustainability policy. The Company should also terminate or rescind contracts with suppliers violating the Company's suppliers' policy and causing significant negative impact on the environment and society of the community of the supply source.

Article 20 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the locations of its business operations, to enhance community acceptance.

The Company shall, through investment, commercial activities, endowments, volunteer services or other professional services, dedicate resources to organizations that resolves social or environmental issues in a commercial manner; participate in events held by civic organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Sustainable Development Information

Article 21 The Company shall disclose information according to relevant laws and regulations. The Company shall also disclose relevant and reliable information relating to their sustainable development to improve information transparency.

Article 22 The Company shall comply with requirements of relevant regulations and adopt generally accepted international standards or guidelines to disclose the promotion and effect of sustainable development. The Company shall obtain a third-party assurance or verification to enhance the reliability of the disclosed information. The disclosure on corporate sustainability shall include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.

2. Major stakeholders and their concerns.
3. Results and assessment of the execution of corporate governance, fostering of a sustainable environment, maintenance of public welfare and promotion of economic development.
4. Directions of future enhancement and goals.

Chapter 6 Supplementary Provisions

Article 23 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and change in business environment so as to examine and improve its established sustainable development framework as well as the implementation of sustainable development.

Article 24 This Policy may be implemented or modified upon approval by the Board.