



SUSTAINABILITY  
REPORT  
- 2020 -

# EXPANDING FOOTPRINT

**ICG**  
INTERNATIONAL  
CEMENT GROUP

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# ABOUT THIS REPORT

## BOARD STATEMENT

We are pleased to present the annual Sustainability Report (the “Report”) of International Cement Group Ltd. (“ICG” or the “Company”, and together with its subsidiaries, the “Group”) for the financial year ended 31 December 2020 (“FY2020”). This Report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B, and references the Global Reporting Initiative (“GRI”) Standards, Core option.

This Report highlights the key economic, environmental, social and governance (“EESG”) related initiatives carried out throughout a 12-month period, from 1 January 2020 to 31 December 2020, and it includes information on the Group’s key operating entities as follows:

### Cement segment

- Tajikistan
  - International Manufacturing Company Chzhungtsai Mohir Cement LLC (“IMCCMC”)
  - Mohir Cement LLC (“MCL”)
- Kazakhstan
  - Alacem LLP (“ALACEM”)

### Aluminium segment

- Malaysia
  - Compact Metal Industries Sdn. Bhd. (“CMISB”)
- Singapore
  - Compact Metal Industries Pte. Ltd. (“CMIPL”)
  - Integrate Private Limited (“IPL”)

Sustainability is a part of the Group’s wider strategy to create long-term value for all stakeholders. As such, the key material EESG factors for the Group have been identified and cautiously reviewed by management. The information provided in this Report has not been verified by an independent third party. We relied on internal data monitoring and verification to ensure accuracy of data and information. The Board of Directors of the Group (the “Board”) oversees the management and monitoring of these factors and takes them into consideration in determining the Group’s strategic direction and policies. We adopted the precautionary principle to minimise negative effects of conducting our business whenever feasible.

Recognising the importance of sustainability, the Board leads the sustainability efforts at the Group. It has considered sustainability issues as part of its strategic formulation, determined the material EESG factors and overseen the management and monitoring of these factors.

## REPORTING FRAMEWORK

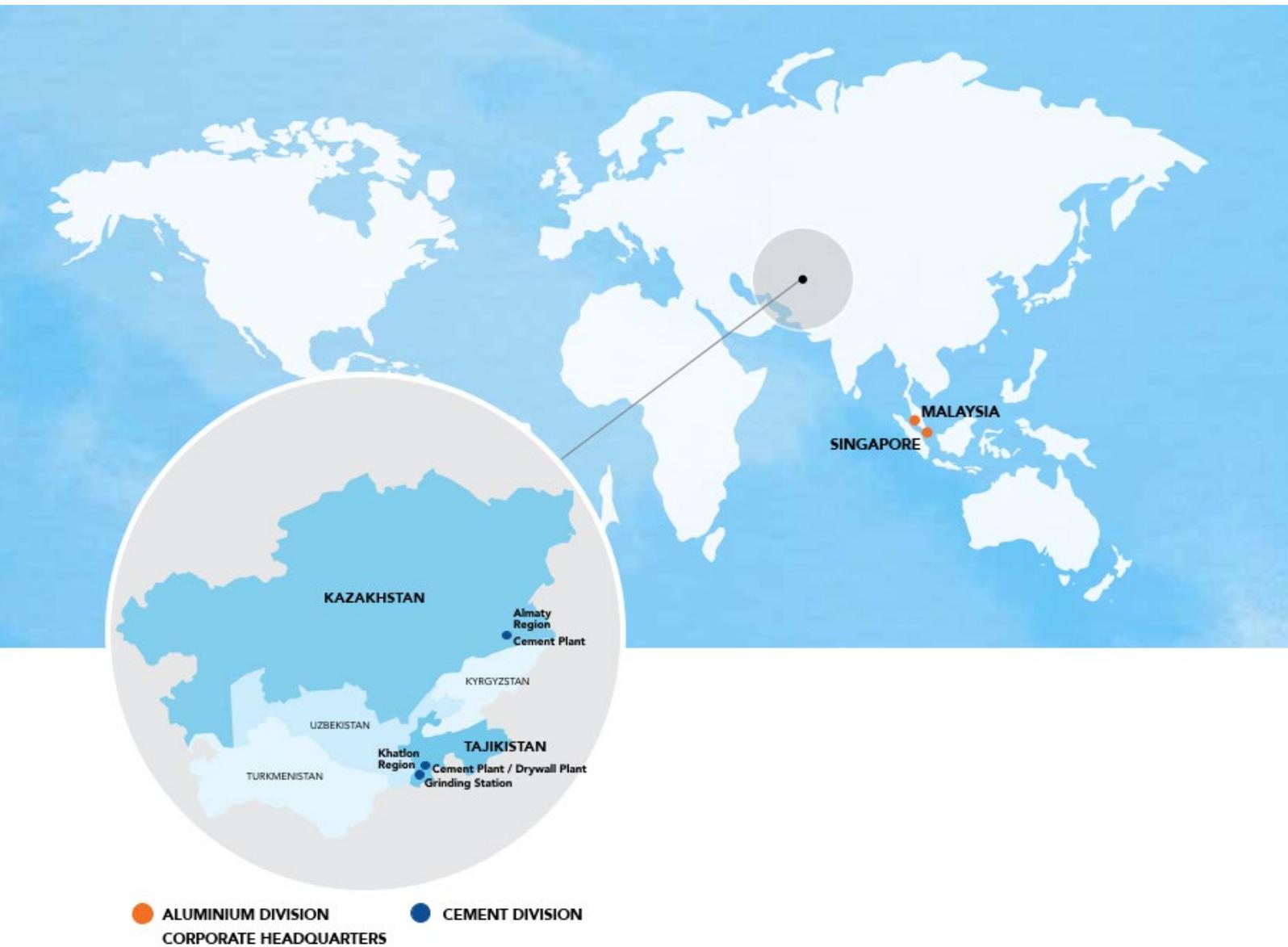
The Group has chosen the GRI framework as it is the most established international sustainability reporting standard that covers a comprehensive range of sustainability disclosures and in respect of the extent to which such framework is applied, this Report has been prepared in reference to the GRI Standards reporting guidelines, Core option. Moreover, this structured framework promotes reporting a full and balanced picture of the Group's material matters and the management of its impact.

## FEEDBACK

We welcome feedback from all stakeholders with regard to our sustainability efforts, as this will enable us to improve our policies, systems and results. Please send your comments and suggestions to [contactus@internationalcementgroup.com](mailto:contactus@internationalcementgroup.com).

23 April 2021

# CORPORATE PROFILE



## About International Cement Group

International Cement Group Ltd. (the “Company”, and together with its subsidiaries, the “Group”) is a cement producer with operations in the Central Asia region. The Group owns and operates the largest cement plant in the Khatlon Region in Tajikistan in Central Asia, with an annual production capacity of 1.2 million metric tonnes. The Group also owns and operates a grinding station in Kolkhozabad, Tajikistan, with an annual production capacity of 0.6 million metric tonnes.

In addition to its Tajikistan operations, the Group also owns and operates a cement plant in the Almaty region of Kazakhstan. The plant, which has an annual production capacity of 1.2 million metric tonnes, commenced commercial production in April 2020.

The Group also has an established business in manufacturing and marketing aluminium extrusions used for the construction industry in Singapore.

Existing Plant	Location	Annual Production Capacity
<b>TAJIKISTAN (MOHIR)</b>		
1 Cement Plant	Yovon District, Khatlon Region	1.2 mil MT
1 Grinding Station	Kolkhozabad, Khatlon Province	0.6 mil MT
<i>Upcoming development</i>		
1 Drywall (Gypsum Plasterboard) Plant	Yovon District, Khatlon Region	30 mil M <sup>2</sup>
<b>KAZAKHSTAN (ALACEM)</b>		
Cement Plant	Sary-Ozek, Almaty Region	1.2 mil MT

# SUSTAINABILITY APPROACH

## OUR SUSTAINABILITY APPROACH



## STAKEHOLDER ENGAGEMENT

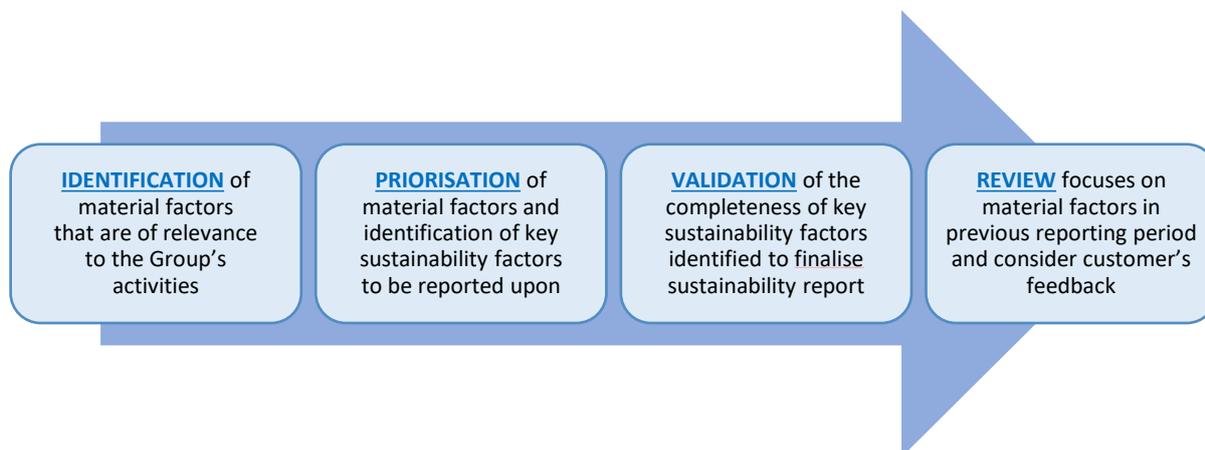
An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, employees, customers, suppliers, investors and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The following sets out our engagement platforms with our stakeholders:

Stakeholders	Key topics and concerns	Means of communication and exchange	Actions taken
Employees	<ul style="list-style-type: none"> <li>• Employees' basic rights and interests</li> <li>• Capability enhancement</li> <li>• Broad choices for career development</li> <li>• Sense of belonging and identity</li> <li>• Sharing outcomes of corporate development</li> </ul>	<ul style="list-style-type: none"> <li>• Open dialogues</li> <li>• Team bonding</li> <li>• Disclosure of relevant information</li> </ul>	<ul style="list-style-type: none"> <li>• Safeguarding employees' legal rights and interests</li> <li>• Providing fair opportunities and platforms for work, learning and promotion</li> <li>• Supporting career plans</li> <li>• Fulfilling individual values</li> <li>• Creating a happy environment</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• High quality products</li> <li>• High quality services</li> <li>• Protection of rights and interests</li> <li>• Timely delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Email queries and feedback</li> <li>• Customer survey</li> <li>• Market feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Providing high quality raw materials</li> <li>• Adapting technological innovation</li> <li>• Developing customer service system</li> <li>• Providing customer satisfaction survey</li> </ul>
Suppliers and service providers	<ul style="list-style-type: none"> <li>• Products and services</li> <li>• Fair business conduct</li> <li>• Honest transactions</li> <li>• Timely performance of contracts</li> <li>• Win-win by cooperation</li> <li>• Compliance and comparable pricings</li> </ul>	<ul style="list-style-type: none"> <li>• Face to face meet-up</li> <li>• Annual review</li> <li>• Contracts and agreement</li> <li>• Assessment for approved vendors</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring new areas for cooperation</li> <li>• Ensuring responsible procurement</li> <li>• Disclosing procurement information</li> <li>• Enhancing common beliefs</li> </ul>
Investors/Regulators	<ul style="list-style-type: none"> <li>• Honesty and integrity</li> <li>• Regulated operations</li> <li>• Profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Group annual report</li> <li>• Annual general meeting with investors</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring compliance with laws and regulations</li> </ul>

## MATERIAL ASPECTS ASSESSMENT

An important part of our sustainability journey begins with the identification of relevant aspects. Relevant aspects are then prioritised as material factors which are then validated. The end result of this process is a list of material factors disclosed in the sustainability report. The assessment process is as shown below:



We conducted a materiality assessment during the year. A materiality review was conducted, incorporating inputs from engagements with key stakeholders.

To determine if an aspect is material, we assessed its potential impact on the economy, environment and society and influence on the stakeholders. Together with senior management and our external consultant, aspects were identified and prioritised through internal workshops, peer reviews and social impact assessments on site.

Applying the guidance from GRI, we identified the following material aspects:



# ECONOMIC



## ECONOMIC PERFORMANCE

The Group recorded revenue of S\$141.6 million in the financial year ended 31 December 2020, up 7.9% from S\$131.2 million in the year-ago period. This was due to an increase in revenue from the cement segment of S\$19.0 million, or 16.7%, driven by the strong demand for cement in Tajikistan and the commencement of sales in the third quarter of 2020 at the new cement plant in Kazakhstan. However, the increase was partially offset by a decline in revenue from the aluminium segment of S\$8.6 million, or 49.7%, as a result of the suspension of construction activities in response to the COVID-19 pandemic and its related countermeasures, as well as the cessation of the aluminium extrusion business in Malaysia since the end of 2019.

### CEMENT DIVISION

During the financial year ended 31 December 2020, operations at our cement plants in Tajikistan and Kazakhstan were partially disrupted due to the COVID-19 pandemic and its related effects. In order to mitigate the effects of the pandemic, as well as ensure that the health and safety of our workers were taken care of, the Group implemented comprehensive health and precautionary measures across our cement operations in Central Asia. These included the restriction of all overseas travel, as well as the implementation of safe distancing measures, split team arrangements, and the daily provision and mandating the use of face masks in the workplace and during public transit to and from work.

Despite the pandemic, demand for cement in the Central Asia region remained relatively strong throughout the year, thanks to the commitment of local governments towards infrastructure and housing construction and redevelopment.

We expect this demand for cement to remain buoyant in the year ahead. With two cement plants and one grinding station, and a combined annual cement production capacity of 3.0 million metric tonnes, we are well-positioned to meet this continued demand. Moreover, we also plan to further strengthen our production capacity through both new constructions and acquisitions of available cement plants in the Central Asia region. We will remain prudent in our pursuit of opportunities to increase our production capacity in the region so as to achieve growth which is sustainable and viable in the long-term.

### Review of Operations

The cement division accounted for 93.9% of revenue in FY2020 as compared to 86.8% in FY2019.

Revenue from the cement division increased by 16.7% to S\$132.9 million in FY2020 driven by the strong demand for cement in Tajikistan, as well as the commencement of sales in the third quarter of 2020 at our new cement plant in Kazakhstan. Despite the higher revenue, the division's profit before tax fell by 33.6% to S\$25.3 million in FY2020 mainly due to the significant foreign exchange losses of S\$10.8 million caused by the depreciation of Kazakhstani tenge ("KZT") against the United States dollar ("USD") and Chinese yuan ("CNY"), as well as the depreciation of Tajikistan Somoni ("TJS") against the USD.

### ALUMINIUM DIVISION

In 2020, the Group continued to secure public-sector residential projects within Singapore, which are expected to be completed progressively over the next 3 years. As at 31 December 2020, the Group had an order book of approximately S\$14.7 million, including variation orders.

In the second quarter of 2020, our aluminium division's operations were disrupted due to the implementation of Circuit Breaker lockdown measures in Singapore, as well as further restrictions on manpower due to movement restrictions on foreign workers. However, with the easing of lockdown measures and gradual resumption of construction activities from June 2020 onwards, we have since fully resumed our operations. We were thus able to complete numerous projects this year, including the supply of aluminium windows for local public sector housing projects such as Clementi Crest at Clementi Avenue 3 and Northshore Straitsview at Punggol North. Additionally, we also completed work on overseas projects such as the supply of aluminium for 'curtain wall' features at Sovereign Resort and Macquarie University Arts Precinct in Australia.

During the year, the Group had activated business continuity measures for its aluminium business. These measures include work-from-home and split team arrangements for key roles. In order to mitigate the financial impact of the pandemic on the Group's aluminium business, we tapped on various government budgetary support schemes.

The Group also continued to undertake internal reviews throughout the year, with a view to manage costs which allowed it to narrow its losses in FY2020. The Group is optimistic that these efforts will allow for improvements in the aluminium segment's performance in the future. However, given the challenging operating environment which includes keen competition and increasing business costs, the Group retains an overall cautious outlook on its aluminium business.

## Review of Operations

The aluminium division accounted for 6.1% of revenue in FY2020 as compared to 13.2% in FY2019.

Revenue from the aluminium segment fell by 49.7% to S\$8.7 million in FY2020 mainly due to the suspension of construction activities as a result of the COVID-19 pandemic and its related countermeasures, as well as the cessation of the extrusion business in Malaysia since end of 2019. Despite the decline in revenue, loss before tax narrowed to S\$1.3 million from S\$3.8 million the year before, as a result of better cost management during the year.

## OUTLOOK & FUTURE PLANS

Despite the COVID-19 pandemic, we are optimistic that with long-term construction and development in mind, the demand within Central Asia for quality building materials such as cement will remain strong overall. To that end, we will continue to focus on cautiously expanding our footprint in the Central Asia region and building up our production capacity so as to be well-positioned to cater to this demand. In particular, we intend to expand our operations through both new constructions and acquisitions of existing plants, as we believe that this will enable us to capture the growing demand in the Central Asia region.

In addition to growing our cement operations, we also intend to expand our product offerings within the Central Asia region by constructing a drywall (gypsum plasterboard) production line at our main Tajikistan plant in the Yovon District, at which we have access and mining rights to the necessary raw materials. We had initially intended to construct the production line in FY2020 but had to delay our plans due to the disruptions brought on by the pandemic. We are optimistic that we will be able to commence construction in the coming year and commence commercial production in the following year. We intend to tap into our existing distribution network in Tajikistan to market our drywall products thereafter.

In the year ahead, we will also continue to review the aluminium business' internal processes and cost structures wherever possible. In addition, we intend to pursue projects which will provide us with higher margins. We believe that managing our costs and selectively choosing projects which are more profitable will allow us to improve our financial performance overall.

In addition, we will continue to closely monitor the prolonged COVID-19 pandemic and ensure that the necessary health and safety measures are enforced across all our operations for both the cement and aluminium segments. We are hopeful that by implementing the necessary precautions, we will be able to mitigate the pandemic's continued effects.

For details on financial results, please refer to our FY2020 Annual Report Financial Highlights (page 3), Operations and Financial Review (pages 12 to 19), and Financial Statements (pages 43 to 114).

## **ANTI-CORRUPTION**

In our dealings with customers, we get our employees to strictly uphold the Group's policy on anti-corruption/bribery. We may also ask our suppliers through a supplier questionnaire on whether they have anti-corruption clauses with their upstream suppliers. Meanwhile, the Group has formulated directives and regulations, provided anti-commercial bribery trainings, executed anti-commercial bribery commitment letters and taken a number of other measures targeting at the risk of commercial bribery, to ensure that its business activities are carried out on the premise of lawfulness and compliance.

In FY2020, the Group was not (FY2019: nil) involved in any litigation cases concerning corruption, bribery, blackmailing, fraud and money laundering.

## **WHISTLEBLOWING**

Our whistleblowing policy provides a mechanism for employees and external parties to report concerns over alleged wrongful acts. This policy is posted on various locations in the office so that employees are well aware of the policy. Employees can expose fraudulent practices by reporting via phone calls, fax, emails and WeChat. Anonymous protection is provided to whistle-blowers.

We achieved the target we set last year. There were no (FY2019: nil) whistleblowing cases in FY2020.

Our goal is to maintain zero incident of corruption. We will regularly review our policies on whistleblowing and anti-corruption.

## ENVIRONMENTAL

As an environmentally responsible group, we continue to maintain our core focus well into the future and our proactive commitment to environmental awareness and stewardship.

### EFFLUENTS AND WASTE

Due to our business nature, there are effluents generated from the production process. We monitor effluents continuously to ensure compliance with government regulations.

#### CEMENT

Type of waste	Total	Disposal method
Fly ash waste	135,000 tonnes (FY2019: 140,000 tonnes)	We purchase fly ash waste produced by power plants and use them as raw materials which helps to reduce to amount of clinkers utilised in the clinker-to-cement production process. This not only solves the problem of environmental pollution caused by the disposal of fly ash waste by these power plants, but also contributes to energy saving and reduction of other materials required for production.
Waste rock	150,000 tonnes (FY2019: 133,000 tonnes)	During the limestone mining process, waste rocks are recycled and blended into the raw materials for cement production.
Waste hydrochloric acid	5.0 litres (FY2019: 5.2 litres)	We neutralise the waste hydrochloric acid to a pH level of between 6 to 8 and discharge into the sewage treatment system. Subsequently, a small amount of filtered residue together with empty hydrochloric acid bottles are incinerated in a preheater. The on-site and laboratory employees will jointly supervise the disposal process.
Hydrochloric acid bottles	50 kgs (FY2019: 52 kgs)	

In addition, all cooling water used for production equipment is recovered and recycled after the cooling tower and treatment. There is no loss of water resources throughout the production process. The sprinkler method of self-owned well water is used to irrigate the plant area. Water generated from the production process is reused after filtering and treatment, and there is no sewage discharge. Wood, paper and plastic packaging materials such as refractory materials, equipment components and other packaging materials, as well as combustible waste generated in the production area, are all burned in the high-temperature rotary kiln to increase the heat required for calcination. Construction waste, testing cement blocks, replacement refractory brick castables are added as mixtures to cement ingredients to realise and utilise waste effectively.

#### ALUMINIUM

Type of waste	Total	Disposal method
Sludge	5 tonnes (FY2019: 69 tonnes)	Sludge is sent to a waste management centre which has an incineration plant, a solidification plant, a physical and chemical plant, and a secured landfill and clinic waste treatment centre. Sludge from the coating division is disposed by an authorised collector twice a year.
Waste water	84,480 litres (FY2019: 211,200 litres)	Water used for surface preparation is treated by qualified waste water consultants. Treated water sample is tested in a laboratory to ensure compliance with environmental requirements for discharge to the public water system. The Group reuses the treated water as water curtain which evaporates during the coating process.

The Group has also established policies and procedures for handling other solid and liquid waste generated:

- Waste generated must not be stored for more than 6 months, or 20 tonnes in the designated area.
- Waste should be packed with suitable packaging to prevent contamination of the surrounding (for example, ink and waste sludge must be kept in jumbo bags while used metal drums must be stored on pallets).
- The date on which waste is collected must be shown on a label on the waste packaging.
- Waste packages must be stowed properly to prevent them from spillage or leakage of the waste.
- Waste storage area is locked and only accessed by authorised personnel handling the waste.
- Waste is collected and disposed by certified waste collectors.

We achieved the target we set last year. During FY2020, there was no incident (FY2019: nil) of non-compliance with safety and environmental requirements.

We target to maintain the level of effluents and waste that is compliant with government standards. We will continuously control waste process management, prevent unorganised emissions, and ensure all emissions meet the national standards.

## ENERGY

Besides ensuring optimum production capacity, our plants are also designed with environmental protection in mind. We incorporate comprehensive pollution mitigation measures in our cement production process, such as a new suspension preheater (“NSP”) dry process which is more fuel and energy efficient as compared to traditional technologies. NSP technology involves the pre-heating of raw materials to ensure their substantial decomposition prior to being mixed and fed into the rotary kiln. This pre-heating process greatly reduces the energy consumption in clinker production as it significantly reduces the amount of raw material to be broken down before the calcination and formation of clinkers can take place. Apart from reducing damage caused to the environment, such energy-efficient measures also lower costs incurred during production.

Our plants’ design took into consideration efficient environmental protection in its processes which includes pollution mitigation measures.

We use energy only when needed. Regular checks are conducted on the entire plant to ensure lights were switched off when not in use. Printing of paper is minimised and paper is recycled for internal use. From time to time, meetings with a focus on energy conservation and consumption reduction are held to solve technical issues encountered during daily operations.

In FY2020, to further save energy, reduce cement manufacturing costs, enhance market competitiveness, achieve energy-saving targets and ensure sustainable development of production and environment, we managed to save energy and reduce consumption by focusing on high-tech transformation. Measures to improve energy efficiency were implemented as follows:

1. Technical improvements were made to the outer row elevator and belt of the raw material mill, and reasonably configured the inverter and soft starter, which effectively reduced the energy loss.
2. The tail exhaust fan of the cement mill was changed from soft starter to frequency converter to reduce energy consumption.
3. The exhaust fan of the coal mill and circulating fan of the cement mill was modified to high pressure frequency convertor to significantly reduce energy consumption and noise pollution.
4. A research team was set up in Kazakhstan to address the power and coal consumption issues in the clinker as well as cement manufacturing processes, and ensured that the operation of the equipment was at full capacity to maximise the output of the equipment.
5. The air consumption of the exhaust fan and cooler of the kiln head was continuously optimised to reduce energy consumption.
6. The energy currents of the exhaust fan of the kiln head and coal mill and the main motor of coal mill were controlled and optimised to reduce energy consumption.
7. The start-up and shutdown time of the coal mill and cement mill were strictly controlled, and the equipment was strictly prohibited from being idle for a long period.



In FY2020, the cement operations had shown remarkable energy saving results with a reduction of 2.5 million kWh (FY2019: 1.2 million kWh) of electricity and 3,900 tonnes (FY2019: 1,100 tonnes) of raw coal.

In FY2021, we target to further enhance our energy management, reduce energy consumption, improve employees' awareness of energy conservation, optimise operating process, increase equipment operating rate, develop corrective measures, implement remediation and timelines for root causes identified, so that energy wastage is minimised.

We aim to reduce electricity and raw coal consumption in FY2021 as follows:

Entity	Electricity	Raw Coal
CMISB	5%	N/A
IMCCMC	1%	1%
MCL	1%	N/A
ALACEM	3%	3%

## EMISSIONS

Effective control of dust and gas emissions improves the environment in which our plants operate and enables them to help meet local residents' needs for clear waters and green mountains. Not only should this objective be part of our corporate social responsibility, it would also benefit us in the form of cost savings and waste reduction. We use advanced equipment for our production lines to ensure that dust and gas emissions are within acceptable range. The equipment in our plants is equipped with an energy saving and environmental-friendly precipitator and bag filter which reduces the dust emission for the Group by 150,000 tonnes every year. By operating the rotary kiln and raw material mill simultaneously at the same time, raw materials absorb carbon dioxide, sulphur dioxide, nitrogen oxides and other gases, which reduces the gas discharge by more than 22,000 tonnes per year. By running the kiln synchronously and humidifying and stopping spraying, it can save more than 63,000 tonnes of tap water per year.

In the grinding section of our plants, we perform regular checks of the dust collector. We ensure regular checks and maintenance of the original gas (pulse valve, poppet valve) and solenoid valves, check the filter system of the dust collector and replace some original parts to ensure that the exhaust gas can meet the Tajikistan and Kazakhstan atmospheric emission standards. Environmental policy has also been put in place.

We also ensure that the gas analyser equipment is maintained. The dust bag of the bag filter is replaced to further reduce the exhaust gas and dust emissions.



As for the aluminium business, gas emissions from the polyvinylidene fluoride (“PVDF”) wet paint coating line and powder coating line are released through the respective chimneys. Air emission monitoring is conducted yearly to determine the quantum of solid particles and volatile organic compound through chimneys. This practice is to ensure that Standard Environmental Quality (Clean Air) Regulation 1978, Standard “C”, Part V Requirement of Malaysia is met. The Group has complied with this regulation in FY2020 (FY2019: zero non-compliance).

We achieved the target we set last year to be in compliance with regulations. We will continue to maintain zero incidents of non-compliance in coming years.

## **ENVIRONMENTAL COMPLIANCE**

It is a continuous challenge to successfully manage environmental issues. Sustainable practices have been incorporated into our business model and implemented throughout the Group. Our products and services meet relevant safety and environmental requirements from our customers and regulatory bodies. The industrial development and the awareness of environmental protection of Tajikistan and Kazakhstan are relatively weak. However, as an international group, we always prioritise environmental protection in terms of design and installation, strictly in accordance with safety and environmental requirements. The harmonious development of the local economy and environment is fulfilled as part of the social responsibility of the Group.

During FY2020, we obtained ISO 14001 Certificate for Alacem.

We achieved the target we set last year. During FY2020, there were no (FY2019: nil) major cases of non-compliance. Our objective is to have zero cases of non-compliance towards environmental requirements.

## **SUPPLIER ENVIRONMENTAL ASSESSMENT**

The Group continues to reduce its environmental impact and encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations.

Our procurement team conducts meeting with suppliers regularly and arranges site visits to their offices and mining areas. We recommend suppliers to adopt new mining models and minimise any adverse impact on the environment.

In addition, during the new supplier selection process, we choose companies without outdated technology, processes and equipment and consider environmental criteria. We also conduct annual evaluation on our key suppliers and request them to provide us their policies on monitoring and managing of supply chain with regards to environmental issues, efficient use of resources, ethics, training as well as safety issues.

We achieved the target we set last year. We aim to continue to include the sustainability related factors in the selection as well as evaluation of suppliers and work together with them to reduce the adverse environmental impact.

# SOCIAL

## OCCUPATIONAL HEALTH AND SAFETY



The Group is firmly committed to a policy which enables all work activities to be carried out safely, and with all possible measures taken to remove or at least reduce risks to the health, safety and welfare of workers, contractors, authorised visitors, and anyone else who may be affected by our operations. We ensure compliance with the Work Health and Safety Act in the respective countries that we operate in.

We established a safety management system and set the safety management principle of "Safety first, Prevention first, Comprehensive management, Full participation". To further implement the safety management policy and the principle of "One Role, Duo responsibility, Joint management", we set up a management team which focuses on the standardisation and implementation of the safety system throughout the Group and at all employee levels with defined responsibilities.

All new employees are required to undergo mandatory safety training and drills to ensure familiarity with the machines before they can work without supervision. A health and safety officer is also appointed for each entity to ensure site safety, monitor and assess hazardous and unsafe situations, and develop measures to ensure personal safety. In addition, we also conduct safety briefings and provide safety instructions to third party employees, such as the wearing safety helmets.

A Health and Safety Committee has also been established by each operating subsidiary where members meet up regularly to receive reports on health and safety and environmental audits, accident statistics, communications with enforcing authorities and from relevant sub-groups, and recommendations to relevant internal management on any corrective action required.

Safety signs are posted on the walls and Closed-Circuit Televisions (“CCTVs”) are installed on gates and next to road crossings.

In FY2020, safety management trainings pertaining to Safety System, Emergency Planning & Documentation, Safety Operation Procedures and Safety training sessions were conducted with 703 attendees (FY2019: 6,873) in total. Assessments were conducted after trainings. These trainings improved each employee's safety awareness and skills.

Given that we value our employees’ health and safety as a priority within our organisation, achieving these required certifications and implementing the framework of systems is vital to our organisation. The implementation of the framework has enabled us to systematically identify, reduce and mitigate risks involved in the operations within the Group.

During FY2020, we obtained/renewed the ISO 9001:2015 Certificate for IMCCMC, MCL and Alacem and OHSAS 18001 for Alacem.

### CEMENT

The operations in Tajikistan (IMCCMC and MCL) and Kazakhstan (Alacem) had operated safely for 365 days since January 2020 (FY2019: 365 days) and 275 days since April 2020 (FY2019: n/a) respectively. There were no (FY2019: nil) major or minor safety-related incidents in FY2020. We achieved all targets for FY2020 and FY2019:

- Zero death and serious injury;
- Zero minor injury;
- Zero number of people who are not qualified for safety training or training; and
- Zero fire accident.



## ALUMINIUM

We understand that accidents do happen during work and we will strive to reduce the number of accidents in the upcoming year by constantly inspecting our machines and reminding workers to be vigilant at work. We have set the KPI for FY2021, aiming to achieve zero number of accidents and zero direct economic losses from accidents through continuous implementation of the standardisation of the safety system, safety training and emergency management. Detailed key performance indicators (“KPIs”) has been included in the KPI booklet and responsibilities have been announced with letters of declaration signed by designated personnel.

We achieved the target we set last year. During FY2020, there were no (FY2019: nil) minor or major incidents at our plants in Malaysia. We will aim to achieve the KPI set in FY2021.

## TRAINING AND EDUCATION

We strongly believe that workplace training is essential to keep the Group competitive. Training provides employees with the expertise they need to fulfil their role and aid them in their career progression. By constantly providing training to employees, we are continuously engaging them and this in turns improve employee retention and growth. At the same time, it boosts a feeling of value in the employees where they will feel more appreciated and will stay longer with the Group. We provide regular training to strengthen teamwork, work efficiency and skills for all level of employees.

List of our training programmes in FY2020 were as follows:

- Safety management training (e.g., safety knowledge 5 minutes before work, post safety operation procedures, safety management system, safety operation procedures for high altitude operation, fire safety knowledge, etc.)
- Equipment management training
- Epidemic prevention and control knowledge training
- System and process training
- Russian language training
- Professional skill improvement for each position
- Management improvement training
- Enterprise management
- Team building
- Production technology training
- Financial Management and business training.

Information on staff training hours is as follows:

**Tajikistan (IMCCMC and MCL):**

Staff Training	FY2020	FY2019
Total number of staff trained	642	591
Total training hours	8,833	47,480
Training hours per person	14	80

Due to the COVID-19 pandemic, classroom trainings were cancelled and switched to online trainings instead, resulting in a significant decline in number of training hours per person in Tajikistan.

In FY2021, we target to organise employee training on average of 4 times a month, with 2 hours each time and will mainly focus on "Safety Management Improvement", "System and Process Regulations", "Language Improvement", and "Professional Skills Improvement for each position". The trainings will be conducted in the form of lectures and practical exercises.



**Kazakhstan (ALACEM):**

Staff Training	FY2020	FY2019
Total number of staff trained	180	26
Total training hours	8,100	624
Training hours per person	45	24

In FY2021, we plan to strengthen trainings such as team building, system process, enterprise management, production technology, of at least 100 hours per staff.



**Malaysia (CMISB):**

Staff Training	FY2020	FY2019
Total number of staff trained	–	23
Total training hours	–	483
Training hours per person	–	21

Due to the COVID-19 pandemic, we were unable to conduct training in our Malaysia plant. The operations in Malaysia target to arrange at least 2 online trainings for all employees in FY2021.

### **DIVERSITY AND EQUAL OPPORTUNITY**

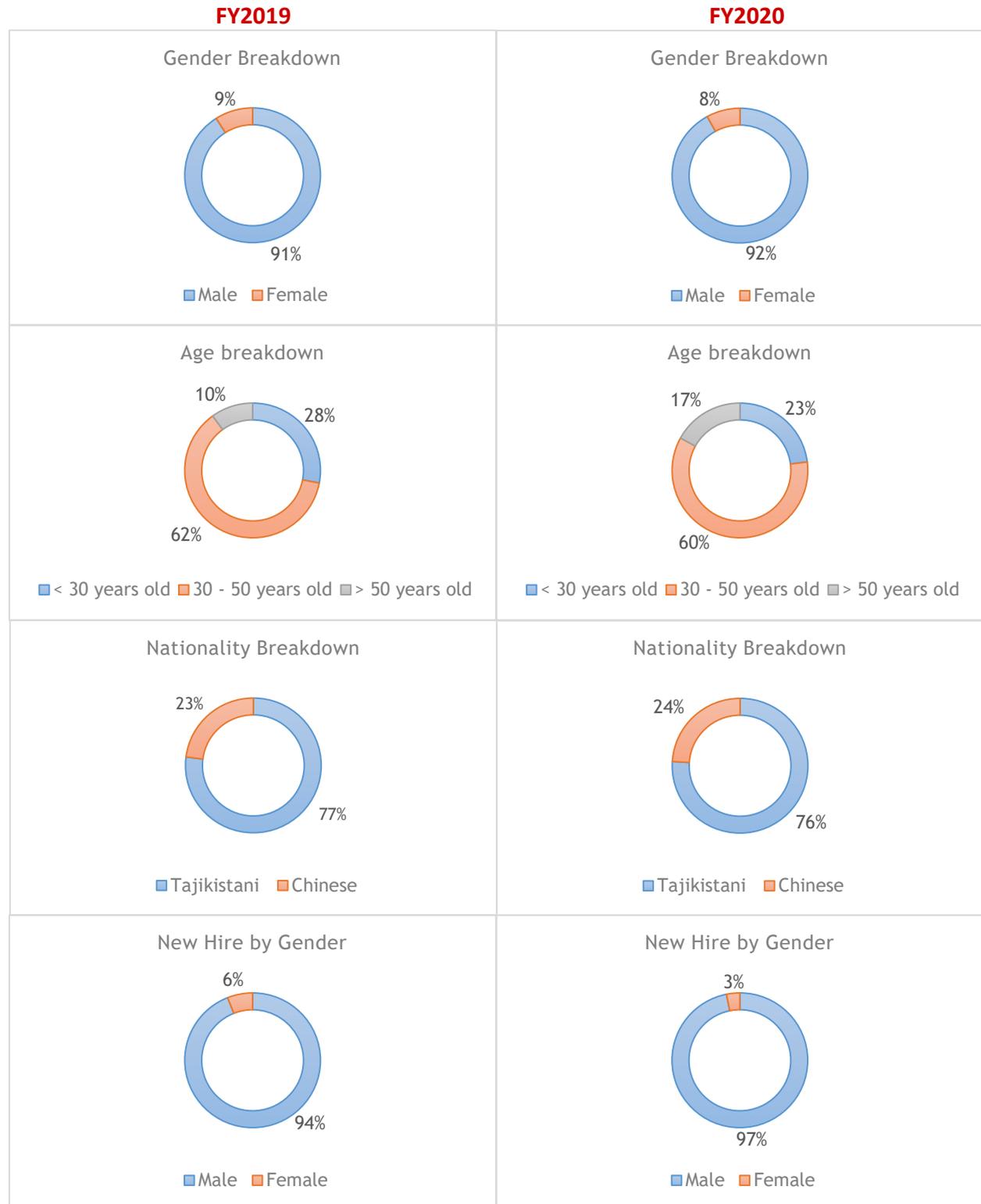
We embrace diversity, and at the same time expect employees to be aligned with the Group's vision and strategic initiatives. Even though our staff consists of people with different nationalities and academic qualifications, we strive for fair treatment. We are committed to provide competitive remuneration and benefits to our employees. We are also committed to safeguard our employees' health and safety against any potential workplace hazards.

The Group practises fair employment and is committed to eliminate discrimination and encouraging diversity amongst our workforce.

As at 31 December 2020, we had a workforce of 83, 455 and 236 (FY2019: 81, 452 and 195) employees in Malaysia, Tajikistan and Kazakhstan respectively. In FY2020, there were 10, 63 and 102 (FY2019: 21, 195 and 168) new staff hired in Malaysia, Tajikistan and Kazakhstan respectively.

Profiles of our headcount and new hires were as follows:

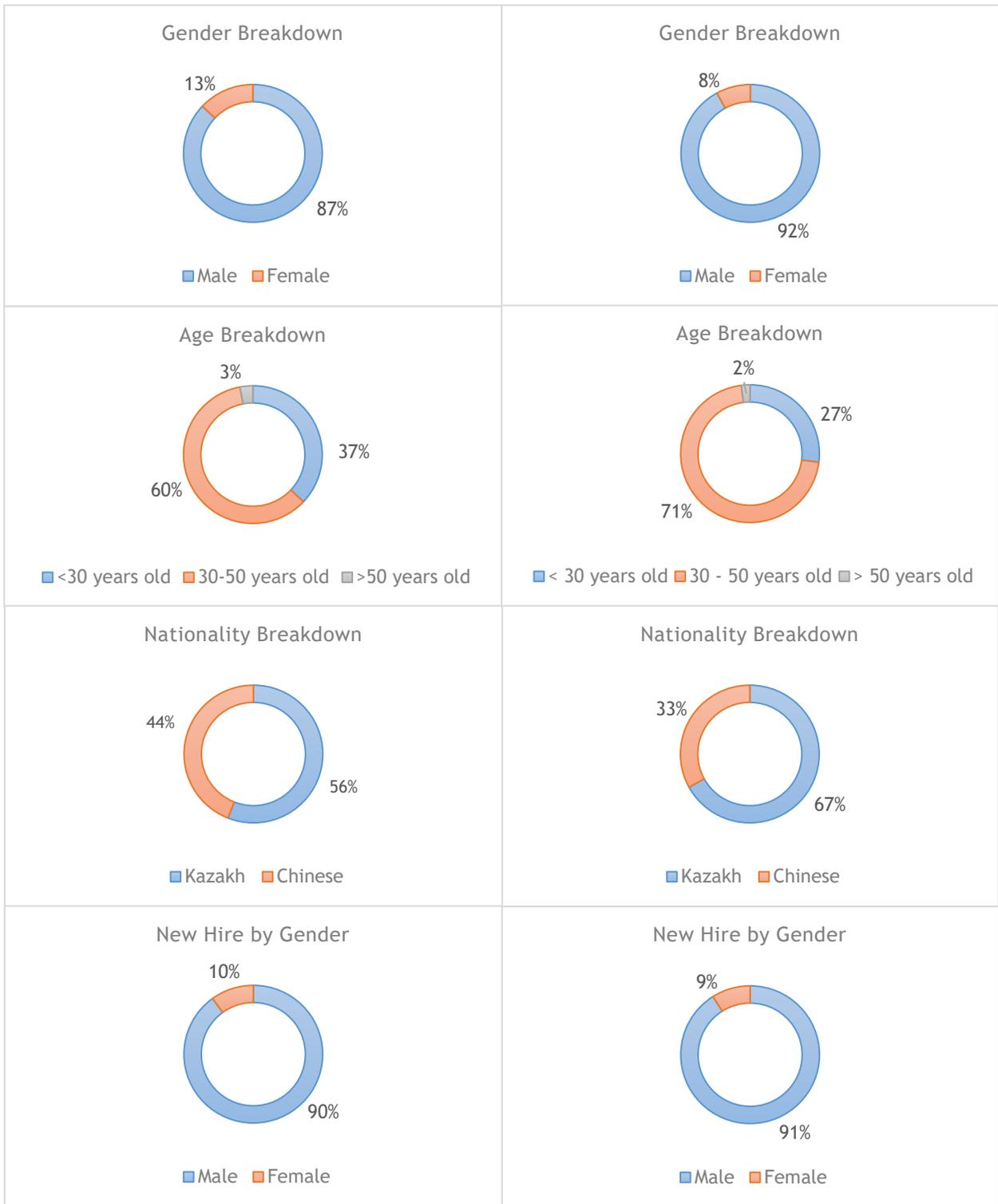
**Tajikistan (IMCCMC and MCL):**



Kazakhstan (ALACEM):

**FY2019**

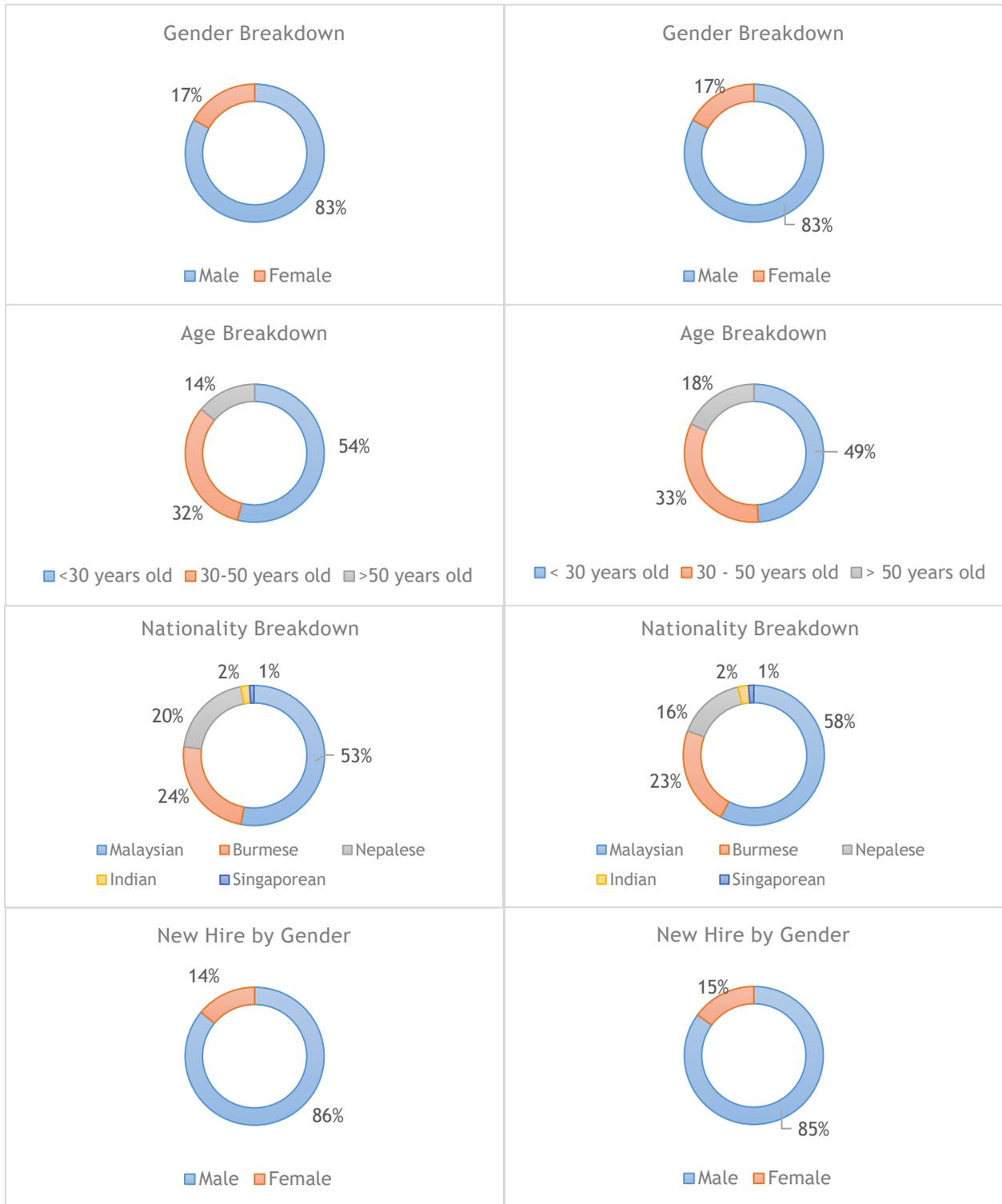
**FY2020**



Malaysia (CMISB (FY2019: CMISB and SELACO)):

**FY2019**

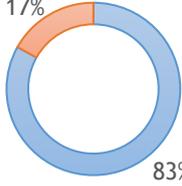
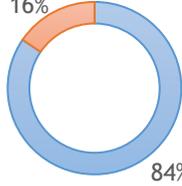
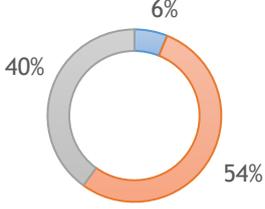
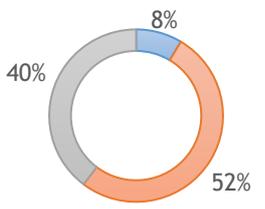
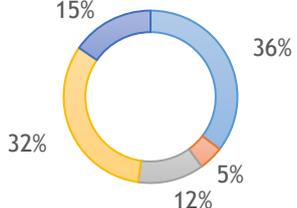
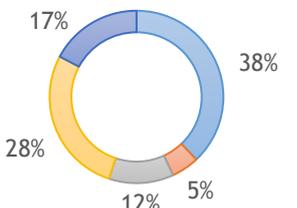
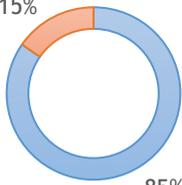
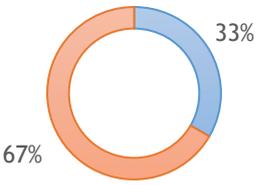
**FY2020**



Singapore (CMIPL and IPL):

**FY2019**

**FY2020**

<p>Gender Breakdown</p>  <p>17% 83%</p> <p>■ Male ■ Female</p>	<p>Gender Breakdown</p>  <p>16% 84%</p> <p>■ Male ■ Female</p>
<p>Age Breakdown</p>  <p>6% 40% 54%</p> <p>■ &lt; 30 years old ■ 30 - 50 years old ■ &gt;50 years old</p>	<p>Age Breakdown</p>  <p>8% 40% 52%</p> <p>■ &lt; 30 years old ■ 30 - 50 years old ■ &gt;50 years old</p>
<p>Nationality Breakdown</p>  <p>15% 36% 32% 5% 12%</p> <p>■ Singapore ■ Myanmar ■ Malaysia ■ India ■ Others</p>	<p>Nationality Breakdown</p>  <p>17% 38% 28% 5% 12%</p> <p>■ Singapore ■ Myanmar ■ Malaysia ■ India ■ Others</p>
<p>New Hire by Gender</p>  <p>15% 85%</p> <p>■ Male ■ Female</p>	<p>New Hire by Gender</p>  <p>33% 67%</p> <p>■ Male ■ Female</p>

Every employee plays an essential role in our Group and we pay utmost attention to the wellbeing of our employees. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communication while showing care and support for each other. We organise different types of activities for our employees regularly, such as basketball, table tennis, volleyball, tug-of-war, skipping rope competition, Chinese chess, movie screenings, and luncheon gathering during Christmas & New Year Eve etc. We also set up rooms for table tennis, billiard, KTV and mahjong, and a convenience store for employees.



In FY2020, we took part in the volleyball tournament organised by the government of Kazakhstan to further promote a collaborative environment.



## CODE OF CONDUCT

The Group sets out the expected code of conduct in its employee handbook and ensures compliance with labour and employment laws, including working hours. Furthermore, the Group does not discriminate against anyone because of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. An Equality and Diversity Policy has been established where the Group is committed to promoting equality and diversity and in ensuring that individuals are treated fairly and valued. The Group recognises that it has clear obligations towards all employees to ensure they are treated fairly. Non-compliance in relation to discrimination must be reported to the manager, human resources or through our whistle blowing system.

We achieved the target we set last year. In FY2020, there were no (FY2019: nil) complaints on discrimination. We aim to maintain zero incidents of complaints on discrimination and continue to have diversity and equal opportunities for employees.

## LOCAL COMMUNITIES

The Group embraces the philosophy of giving back to the community by encouraging proactive involvement in the Group's various corporate social responsibility ("CSR") initiatives and environmental conservation programs. Contributing time and resources, we are committed to aid the development and improvement of the society in which we live and work. The Group continuously contributed to the development of local transportation, catering, service and other related industries. Since commencement of operations, we continuously hired our local labour force from local communities in respective countries. It is not only alleviating the local employment pressure in a timely manner, but also playing a positive role in promoting regional economic development.

As we continue to build our presence in Tajikistan and Kazakhstan, we remain committed towards giving back to the communities around us through CSR initiatives.

In Tajikistan, we donated a collective total of TJS 3 million (S\$406,000) and 1,500 metric tonnes of cement. Of the TJS 3 million donated, TJS 1.5 million (S\$203,000) was donated to the Tajikistan government to be used in the country's COVID-19 counterefforts. The remaining TJS 1.5 million (S\$203,000) went towards local education initiatives, including donations to 73 students which alleviated the financial burden of their educational expenses. The donated cement was used for various projects within Tajikistan that aim to improve and enhance the lives of local residents. These include infrastructure development efforts such as road construction.

We also continued to strengthen our relationship with the Kurgan Nursing Home, donating TJS 10,000 (S\$1,000) to the home this year. In addition to our monetary contribution, we also donated supplies worth TJS 16,000 (S\$2,000) to the home. We are hopeful that our donations have played a part in improving the lives of the elderly in the home.

In Kazakhstan, where we completed construction on our first plant in FY2019, we continued to build relationships with the local community during the year through a range of CSR initiatives. These efforts include both monetary and social initiatives such as a donation of KZT 2 million (S\$7,000) to a local hospital for the purchase of supplies and medical equipment to be used in COVID-19 counterefforts, as well as a festive visit to local disabled children during Christmas.

We achieved the target we set last year. In the year ahead, we will continue to give back to local communities by carrying out more CSR initiatives. We believe that such efforts are instrumental in allowing us to build lasting ties with the communities around us.



## CUSTOMER PRIVACY

The Board is of the view that cyber security and data privacy are important in safeguarding both the Group's data and that of our customers, suppliers, business partners and employees. The Group takes measures to guard against protecting confidential information for both our internal and external stakeholders by complying with the Personal Data Protection Act of each country. We achieved the target we set last year.

For FY2020, there were no (FY2019: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations. We aim to maintain zero incident of non-compliance with laws and regulations.

## SOCIOECONOMIC COMPLIANCE

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conduct the business with integrity and to safeguard the interest of all our stakeholders, both internal and external.

Our goal is to be compliant to all laws and regulations.

We achieved the target we set last year. During FY2020, there were no (FY2019: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

## AWARDS

Over the years, we have built up our reputation rapidly and won the recognition of the governments, local communities and customers in Tajikistan and Kazakhstan. In FY2020, our operations in Tajikistan received awards from the government on Outstanding Contribution, Outstanding Enterprise, Infrastructure Bridge Funding and Appreciation, and our operations in Kazakhstan received certificate of gratitude from the government for active participation in social assistance activities.



# GOVERNANCE

## CORPORATE GOVERNANCE

Lawful and compliant business conduct are the fundamentals of an enterprise and it starts with our production and operation activities. The Group is committed to build an excellent enterprise, abide by state laws and regulations strictly, implement and execute industry-related policies diligently. We also adhere to business ethics, build stringent management systems and decision-making processes, and reduce system constraints. At the same time, we identify controls over key processes and improve our internal control systems continuously to regulate the Group's production and business conduct.

The Group continuously focused on enhancing its capabilities of governance. Specifically, it sought legal support service for significant decisions at the head office, focusing on strengthening guidance, coordination and supervision of any major disputes at the subsidiary level, and carried out activities to increase awareness for preventing legal risks among all employees.

Please refer to the FY2020 Annual Report (pages 23 to 35) on details of the Code of Corporate Governance.

## ENTERPRISE RISK MANAGEMENT (“ERM”)

ERM is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables the Group to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For details on ERM, please refer to the FY2020 Annual Report (page 30).

We performed a risk assessment exercise in FY2020 and had achieved the target we set last year. We aim to perform risk assessment annually and ensure compliance on disclosures in accordance with SGX-ST requirements.

# GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference/Description	
<b>GRI 101: Foundation 2016</b>			
<b>GENERAL DISCLOSURE</b>			
<b>GRI 102: General Disclosures 2016</b>	102-1	Name of organisation	International Cement Group Ltd.
	102-2	Activities, brands, products and services	Sustainability Report ("SR") pages 4 to 5, Annual report ("AR") page 2
	102-3	Location of headquarters	AR pages 2, 21
	102-4	Location of operations	AR page 2
	102-5	Ownership and legal form	AR pages 2, 11, 21
	102-6	Markets served	AR pages 2
	102-7	Scale of the organisation	SR pages 22 to 26, AR pages 2, 11
	102-8	Information on employees and other workers	SR pages 22 to 28
	102-9	Supply chain	SR pages 17, AR pages 2, 12 to 16
	102-10	Significant changes to the organisation and its supply chain	N/A – There were no significant changes.
	102-11	Precautionary principle or approach	SR page 2
	102-12	External initiatives	SR page 28 to 29
	102-13	Membership of associations	None
	102-14	Statement from senior decision maker	SR pages 3 to 4
	102-16	Values, principles, standards and norms of behaviour	SR page 31
	102-18	Governance structure	SR page 31, AR pages 23 to 35
	102-40	List of stakeholder groups	SR page 7
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR page 6
	102-43	Approach to stakeholder engagement	SR page 7
	102-44	Key topics and concerns raised	SR page 7
	102-45	Entities included in the consolidated financial statements	AR pages 11
	102-46	Defining report content and topic boundaries	SR pages 2 to 3
	102-47	List of material topics	SR page 8
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR page 2
	102-51	Date of most recent previous report	22 April 2020
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR page 3
	102-54	Claims if reporting in accordance with the GRI Standards	SR page 3
102-55	GRI content index	SR pages 32 to 33	
102-56	External Assurance	We may seek external assurance in the future.	
<b>MATERIAL TOPICS</b>			
<b>GRI 201: Economic performance 2016</b>	201-1	Direct economic value generated and distributed	SR pages 9 to 11
<b>GRI 205: Anti-corruption 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	SR page 12
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	SR pages 14 to 16
<b>GRI 305: Emissions 2016</b>	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR pages 16 to 17
<b>GRI 306: Effluents and waste 2016</b>	306-1	Water discharge by quality and destination	SR pages 13 to 14
<b>GRI 307: Environmental compliance 2016</b>	307-1	Non-compliance with environmental laws and regulations	SR page 17

GRI Standard	Disclosure	Reference/Description
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria SR page 17
<b>GRI 403: Occupation health and safety 2018</b>	403-1	Occupational health and safety management system SR pages 18 to 20
	403-5	Worker training on occupational health and safety
<b>GRI 404: Training and education 2016</b>	404-1	Average hours of training per year per employee SR pages 20 to 22
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1	Diversity of governance bodies and employees SR pages 22 to 28
<b>GRI 413: Local communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs SR page 28 to 29
<b>GRI 419: Socioeconomic compliance 2016</b>	419-1	Non-compliance with laws and regulations in the social and economic area SR page 29