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2018

BBMG CORPORATION

Corporate Social Responsibility Report (Environmental, Social and Governance Report)

About This Report

This report is a true reflection of how BBMG Corporation (hereinafter referred to as "BBMG" or the "Company") has actively fulfilled its economic, social and environmental responsibilities and in addition, has achieved comprehensive, coordinated and sustainable development. Statements concerning future business plans, development strategies, and any other future endeavors herein do not constitute a substantial commitment of the Company to investors.

Reporting Period

This report covers the period from 1 January 2018 to 31 December 2018. Part of the contents of the report may cover periods outside of the above reportin period.

Scope of the Report

All cases and materials in this report are from BBMG and its subsidiaries.

Sources of Information

The data and information used in this report come from the following sources: internal data collection and statistics systems of BBMG, report preparation from qualitative and quantitative information collection tools, and cases of social responsibility practice submitted by subsidiary companies.

Basis of Reporting

This report has been prepared in compliance with the social responsibility information disclosure standards that are commonly accepted in the industry. Based on the industry background, this report highlights the characteristics of the Company. In accordance with the *ESG Reporting Guide of the Hong Kong Stock Exchange Limited*, the report was prepared in strict compliance with the four principles for ESG reporting - "Materiality", "Quantitative", "Balance", and "Consistency" - and the requirements of "Director Responsibility" with reference to the *Guidelines for Environmental Information Disclosure of Listed Companies* of the Shanghai Stock Exchange, the *Guidelines for Preparation of Social Responsibility Report for Cement Enterprises of China Cement Association*, and the *Global Reporting Initiative (GRI) Standards*.

Abbreviations

For the convenience of presentation and reading, BBMG Corporation is also represented by "BBMG", "Company" or "We" in this report.

Access to the Report

This report is published in both English and Chinese. The electronic version is available for download at www.sse.com.cn and <http://www.hkexnews.hk>.



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Chairman's Statement



2018 saw an extraordinary year in the history of BBMG development. Facing the complex ever changing external environment with arduous and onerous reform and development tasks, BBMG was guided by the new development concept and continued forging ahead, leaving an impressive mark on its grand blueprint of creating a first-class industry group in the world.

Great achievement is made by bearing in mind one's original goal; glory is reaped by living up to one's mission. In the past year, we have actively promoted the integrated development of Beijing-Tianjin-Hebei region and form an industrial layout that is highly compatible with the national strategy. Focusing on the "Four Centers" of the capital, we vigorously "accelerated advancement by relieving and rectification" and realized the organic combination of industrial restructuring and advancement. We continued to deepen the adjustment and reform of the management and control system and organizational structure, and promoted the reform and development of BBMG in a stable and forward-looking manner. We comprehensively strengthened basic management, consolidated our foundation, and improved the quality and efficiency of our development.

In the spirit of reform and innovation, we take the initiative to act actively and with courage, integrating our economic, environmental, and social responsibilities with industrial development. We play an active role in assisting in relieving the production capacity and upgrading industries of Beijing. In recent years, we have, on our own initiative, shut down 25 key enterprises in Beijing and vacated 310,000 square meters of land and buildings. By optimizing resource allocation, we built a "high-grade, pre-vision and advanced" industrial structure and realized the organic combination of industrial restructuring and advancement. In 2018, we completed 461 tasks of relieving and rectification. We pay attention to people and society by sharing the concerns of the government with practical actions. For instance, we undertook a large number of solid waste disposal tasks in areas where we operate; we took the initiative to contract the construction of affordable housing, renovation of run-down and ecological conservation areas, renovation and greening of abandoned mines, construction of public facilities, etc. In order to help people achieve their desire for a better life we explored and promoted sci-tech and cultural innovation, health and elderly care, modern services, etc. And we dedicated ourselves to serving the construction of the "Four Centers" of the capital city, providing green products and quality services to key projects such as the Beijing City Sub-center (北京城市副中心), Xiong'an New District (雄安新区), Winter Olympic Games stadiums (冬奥场馆) and the new airport, all of which won widespread acclaim.



In 2018, keeping in mind the responsibility and mission entrusted to us by the State, we thoroughly implemented the national green development strategy. With green building materials as the core, we struck the balance between property development, property investment and management, and other segments, leading the building materials industry to embark on a green development path. We practiced in depth the concept that "Lucid waters and lush mountains are invaluable assets" by working to achieve urban green development while promoting the sustainable development of business operation and the environment. We are deeply concerned about the vital interests of employees; we took concrete steps to ensure their occupational health and safety and incorporated the realization of employees' dreams into the drive of corporate development. We assumed social responsibility with resolve helping to sustain social harmony and stability and we contributed to regional economic development.

2019 marks the 10th anniversary of the listing of the H shares of BBMG. Looking into the future from the present, we will make BBMG bigger, stronger, and better by sticking to our original goal, pooling the strength of reform and opening-up, innovation and cooperation, and making unremitting efforts for self-improvement. We will continue to achieve high-quality development and make greater contributions to economic development and social progress!

Chairman Jiang Deyi

About Us



BBMG was founded in December 2005, with its H shares and A shares listed on the main board of the Hong Kong Stock Exchange on July 29, 2009 and the Shanghai Stock Exchange on March 1, 2011 respectively.

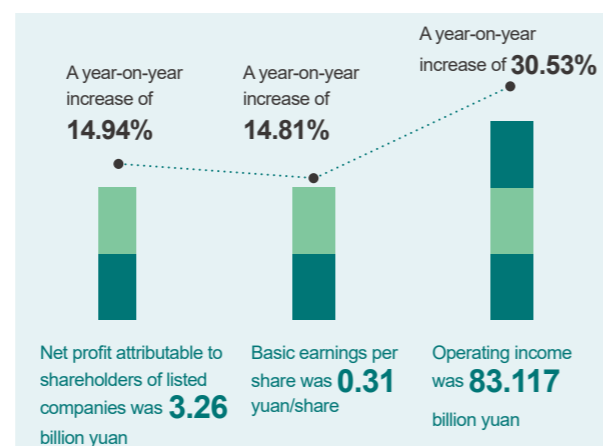
Since its inception, BBMG has focused its unique resource advantages on manufacturing of cement and new green building materials, extending vertically to real estate development, property investment and management, and other industries, thereby becoming one of China's largest building materials manufacturers with a unique vertically integrated industrial chain and business covering more than 20 provinces, autonomous regions and municipalities across the country and expanding overseas.

BBMG is one of the leading enterprises in China's building materials industry, one of the largest suppliers of green environmentally friendly and energy-saving building materials in the Bohai Rim region. BBMG is also one of the most competitive real estate developers and one of the largest investment property holders and managers in Beijing. Our cement production capacity ranks third in the country, coupled with strong regional scale advantage and market control, making us the leader of domestic cement industry in terms of low-carbon environmental protection, energy saving and emission reduction and circular economy and among the top 500 Chinese enterprises in overall strength, top 200 in economic efficiency and top 100 in profitability.

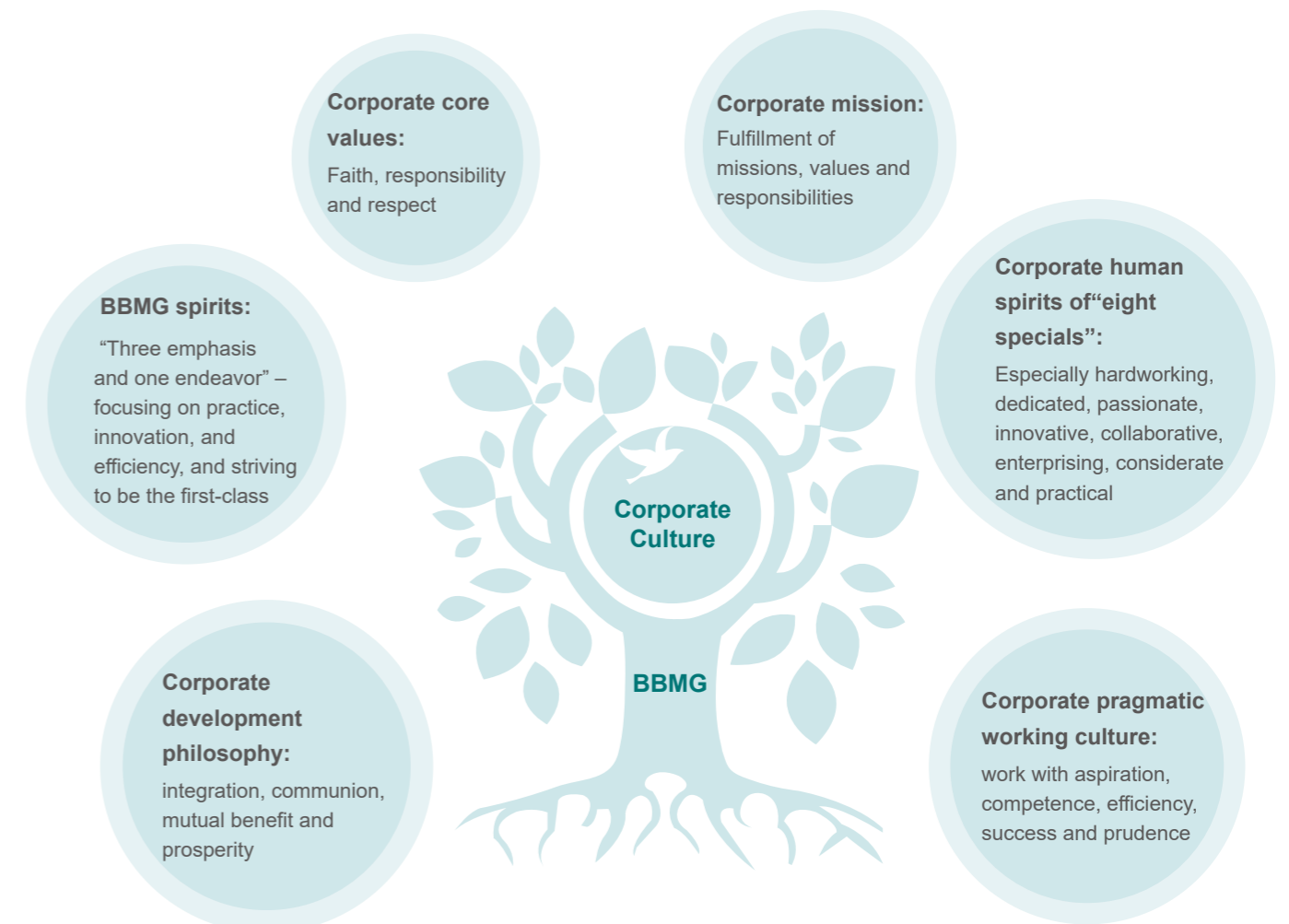
Top 500 Chinese enterprises in overall strength
Top 200 in economic efficiency
Top 100 in profitability

BBMG actively fulfills its corporate social responsibility. To serve the construction of the "four centers" of the capital, we actively contribute to Beijing's urban planning and relieving of non-capital functions. We participated in national key projects and major infrastructure constructions such as the Beijing Olympic Games stadiums, Beijing City Sub-center, and Xiong'an New District. Relying on our superior resources in Beijing-Tianjin-Hebei region, we take the lead in realizing integrated development of the building materials industry in the region.

In 2018, BBMG continued to improve its operating quality and economic efficiency with substantial growth in major economic indicators:



Based on the total share capital of 10,677,771,134 shares at the end of 2018, the Company distributed a cash dividend of 0.55 yuan (including tax) every 10 shares to all shareholders, totaling RMB 587,277,412.37, so that shareholders truly shared the Company's development results. The Company paid taxes of about 8.1 billion yuan in 2018.



BBMG 2018 Honors & Awards

Top 500 Chinese Enterprises 2018 (188th Place)

China Enterprise Confederation / China Enterprise Directors Association

Top 500 Chinese Manufacturing Enterprises 2018 (the 79th place)

China Enterprise Confederation / China Enterprise Directors Association

500 Most Valuable Brands of China

World Brand Lab

Excellent Company in Developing Building Materials Service Industry

China Building Materials Federation

Most Noteworthy Real Estate Developers for Capital Market 2018

China Real Estate TOP10 Research Group

Top 10 Shanghai and Shenzhen Listed Real Estate Developers in Financial Stability 2018

China Real Estate TOP10 Research Group

Top 10 Shanghai and Shenzhen Listed Real Estate Developers in Investment Value 2018

China Real Estate TOP10 Research Group

Top 10 Shanghai and Shenzhen Listed Real Estate Developers in Overall Strength 2018

China Real Estate TOP10 Research Group

Outstanding Enterprises in Contribution to the 40-Year Reform and Opening-up

China Enterprise Reform and Development Society

Best IR Hong Kong Listed Company 2018

New Fortune

"Jinzhong Award" Most Socially Responsible Listed Company in China 2018

Financial website JRJ.com

Top-Level Design for Social Responsibility Management

BBMG actively fulfills its social responsibilities by building a social responsibility management system, incorporating the requirements of sustainable development into the Company's management system, and infiltrating the sense of social responsibility into the corporate culture. In addition, we keep active communication with stakeholders to identify sustainable development issues that are closely related to the Company and work to achieve sustainable development for all stakeholders.





Social Responsibility Management System

The Board of Directors of BBMG attaches great importance to social responsibility management.

In 2018, BBMG further improved the ESG governance system by assigning environmental, social and governance functions and responsibilities to the Strategic Committee.

In August 2018, the 34th meeting of the 4th session of the Board of Directors revised after deliberation the *Rules of Procedure of the Strategic Committee of the Board of Directors*, which officially included the preparation of BBMG Social Responsibility Report (ESG Report) in the Committee's scope of responsibilities, thereby elevating social responsibility management to the level of the Board of Directors.

In November 2018, Mr. Zheng Baojin, Executive Director, presided over the kick-off meeting of BBMG's 2018 Social Responsibility Report, where he listened to the report on work arrangement, and then organized the implementation of various tasks such as personnel interviews, questionnaires, on-site investigations, data collation, and information collection. The Company headquarters' relevant departments and seven second-level group companies formed an executive working group to be responsible for the preparation of ESG report.










In February 2019, the Company's directors revised the reporting framework after deliberation.

In March 2019, the second meeting of the Strategic Committee of the 5th session of the Board of Directors considered the *Proposal on the Company's 2018 Social Responsibility Report cum Environmental, Social and Governance Report*. All directors carefully reviewed the report and proposed suggestions for revision.



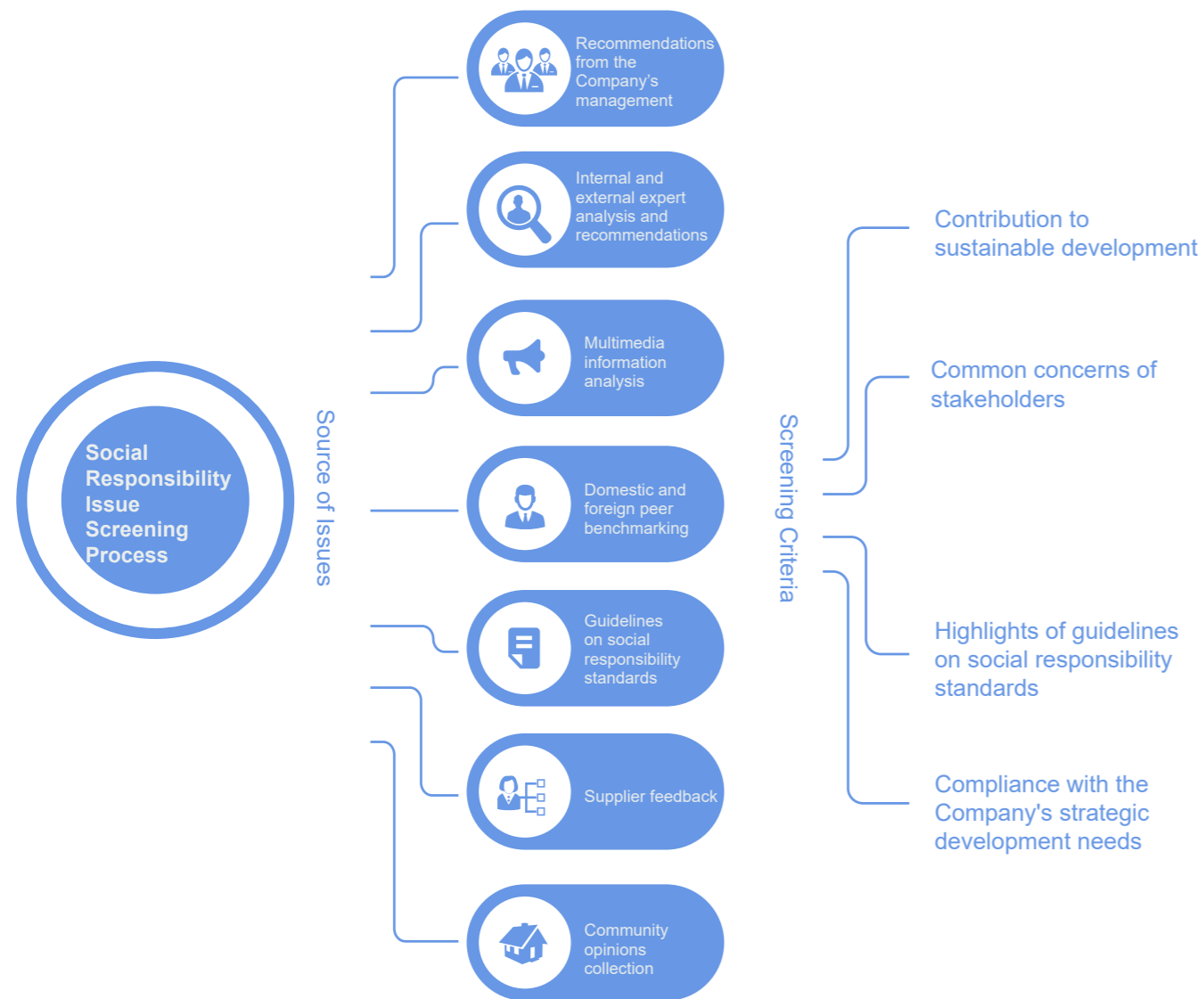
Stakeholder Communication

BBMG places a high value on communication with stakeholders. It listens to voices from different angles which serve an important basis for improving its ESG governance. We take a targeted approach of communication with different stakeholders.

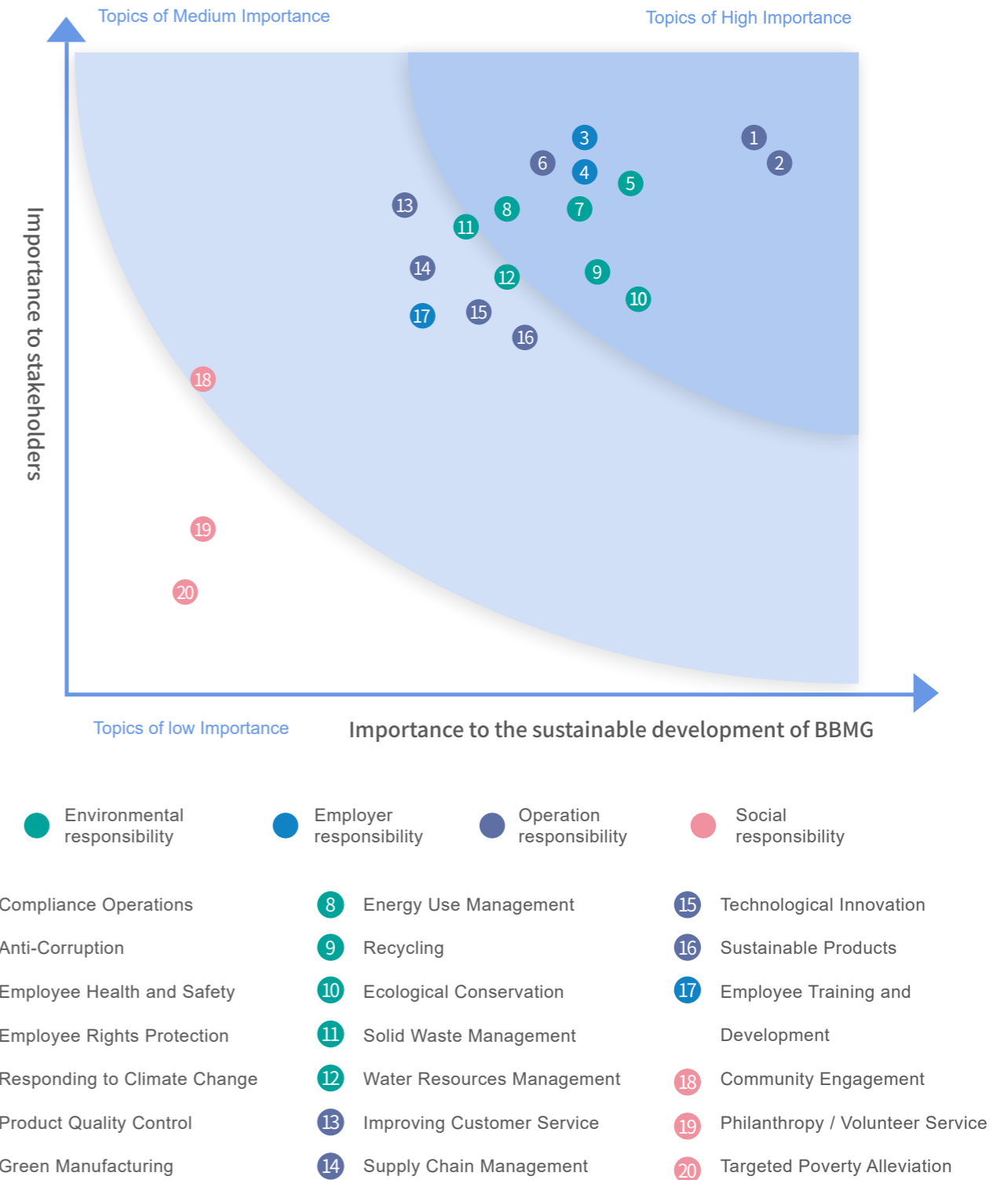
Stakeholders	Demands and Expectations		Communication Channels	
	Government and regulatory authorities	<ul style="list-style-type: none">• Compliance operation• Risk management and control• Safety production• Energy conservation	<ul style="list-style-type: none">• Promoting employment• Responding to national strategy• Sci-tech innovation	<ul style="list-style-type: none">• Information disclosure• Daily communication and report• Field visit• Supervision and inspection• Visits reception
	Shareholders and investors	<ul style="list-style-type: none">• Compliance operation• Continuous and stable return on investment• Improving product and service quality• Risk management• Corporate governance		<ul style="list-style-type: none">• Shareholders' meeting• Periodic reports and announcements• Investor communication meeting
	Customers	<ul style="list-style-type: none">• Improving product and service quality• Information disclosure• High-quality aftersales service		<ul style="list-style-type: none">• Customer satisfaction survey• Visits for communication• Customer activities
	Employees	<ul style="list-style-type: none">• Employee rights and interests protection• Occupational health and safety• Vocational training• Personal development• Employee care		<ul style="list-style-type: none">• Consultation• Communication mechanism on career development• Employee representative meeting• Daily communication and exchange
	Industry	<ul style="list-style-type: none">• Leading the industry• Sci-tech innovation• Improving product and service quality		<ul style="list-style-type: none">• Industry exchange• Peer cooperation
	Suppliers and partners	<ul style="list-style-type: none">• Abiding by contract• Mutual benefit and long-term cooperation• Improving supply chain management		<ul style="list-style-type: none">• Business negotiation• Project cooperation• Business dealings and exchanges
	Community	<ul style="list-style-type: none">• Community communication• Community service• Community investment• Environmental protection concept publicity• Compliance operation		<ul style="list-style-type: none">• Household visit and interview• Volunteer communication• “Open Day” events• Response to public inquiry
	Natural environment	<ul style="list-style-type: none">• Providing environmentally friendly products and services• Environmental protection• Green operation• Environmental protection concept publicity• Ecological restoration		<ul style="list-style-type: none">• Project and environmental impact survey• Communication with environmental organizations
	Society	<ul style="list-style-type: none">• Providing safe and reliable products• Stable employment• Building a harmonious community		<ul style="list-style-type: none">• “Open Day” events• Charitable activities

Materiality Analysis

With reference to the *Guidelines for Environmental Information Disclosure of Listed Companies* of Shanghai Stock Exchange and the *ESG Reporting Guide of the Hong Kong Stock Exchange Limited*, BBMG defined the process of report preparation. The Company started with strengthening interaction with stakeholders through various channels to understand their concerns, expectations and demands regarding the Company's sustainable development. Then by various means such as recommendations from the Company's management, domestic and international peer-to-peer benchmarking, multimedia information analysis and on-site research, etc., we identified and sorted out ESG issues that are related to BBMG and measured the extent of stakeholder attention to these issues, thus to finally determine the material issues.



Using an anonymous online survey, we ranked the priority of the ESG issues sorted out to understand the extent of attention from internal and external stakeholders to these ESG issues. During the reporting period, we received a total of 1,674 valid questionnaires. After analyzing the survey data, we finally determined the extent and boundaries of disclosure of the issues and developed the materiality matrix of BBMG's sustainable development issues.



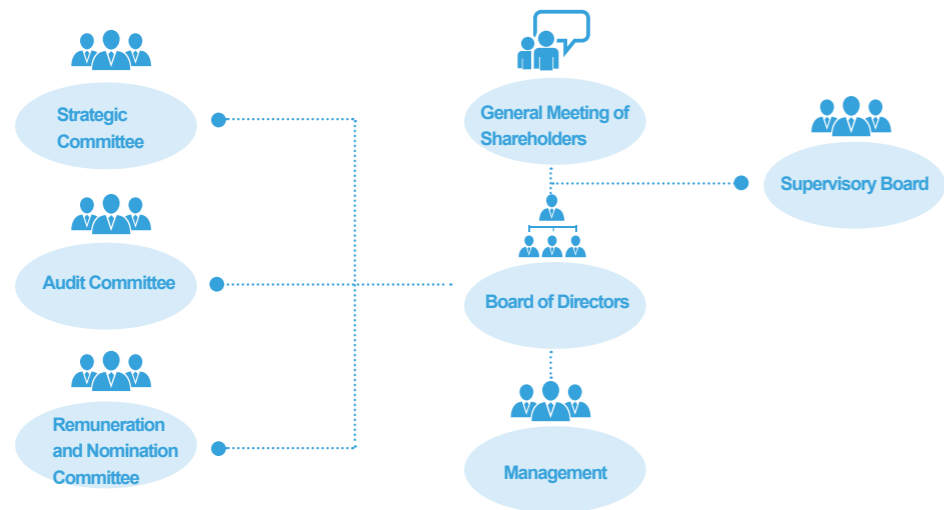
Improving Corporate Governance by Deepening Reform

BBMG strictly abides by the requirements of the listing rules of Shanghai and Hong Kong stock exchanges and the relevant national laws and regulations such as the *Company Law of the People's Republic of China* by establishing a well-functioning corporate governance mechanism. We commit to maintaining efficient and compliant operations at all levels of corporate governance, establishing effective risk mechanisms, and adhering to high standards of ethics, so as to ensure business operations carried out in a transparent manner and to safeguard the long-term interests of BBMG and its stakeholders.



Globe icon Governance Structure

In 2018, BBMG adapted itself to the needs of scale expansion by further rationalizing its governance mechanism. It continued to adjust the management and control structure according to the principle of “flattening, specialization, regionalization, and informationization” to improve management efficiency and operational level and ensure compliance operations of the Company.



- General Meeting of Shareholders** General Meeting of Shareholders is the highest authority of BBMG. The general meeting of shareholders exercises its power according to law to decide on the Company's business policy and investment plan and to amend the Company's articles of association, rules of procedure of shareholders' meeting, rules of procedure of the board of directors, and rules of procedure of the board of supervisors. During the reporting period, BBMG held three general meetings of shareholders to consider and adopt a total of 20 proposals concerning the injection of relevant assets of BBMG cement business into Tangshan Jidong Cement Co., Ltd. and the revision of the “Articles of Association”.
- Board of Directors** The Company's Board of Directors consists of three professional committees: Strategic Committee, Remuneration and Nomination Committee, and Audit Committee. It conscientiously implements the regulatory requirements of listed companies, complies with laws and regulations, operates with high quality and efficiency, and solicits opinions and suggestions from the Supervisory Board on material issues to ensure decisions made are scientific and compliant. During the reporting period, BBMG held 14 board meetings that considered and adopted 57 proposals or issues.
- Supervisory Board** The Supervisory Board is the Company's supervisory body responsible to the General Meeting of Shareholders. It exercises its functions and powers in accordance with the law, including inspecting the Company's financial and risk management and internal control, supervising and evaluating the performance of duties by the Board of Directors, the management and its members, and making comments and suggestions. During the reporting period, BBMG held a total of 7 supervisory meetings that considered and adopted 20 proposals or issues.
- Management** The main functions of the Company's Management include presiding over the Company's production and operation management, organizing and implementing board resolutions, the Company's development strategies, annual business plans, investment plans and financial budget plans, and formulating performance targets and appraising performing results, etc. The management reports to the Board of Directors or the Supervisory Board on the Company's performance of major contracts, use of funds and profits and losses. The Board of Directors also regularly reviews the functions assigned to the management and their work to ensure the overall interests of the Company.

Globe icon Risk Management and Control

In 2018, BBMG strengthened the construction of the internal control system and improved the risk prevention and control system. It clarified the main responsibility of risk prevention, improved management norms, and strengthened daily supervision. By continuously resolving operation and management risks, the Company improved management on all fronts.

In accordance with the requirements for listed companies, BBMG established an effective risk management system, involving general meeting of shareholders, the board of directors, supervisory board and executive meetings. The parties involved have clear responsibilities and coordinate with each other in operation to comprehensively control the risk of operation and management.

During the reporting period, members of the BBMG Supervisory Board supervised and reviewed the financial status, operation status, and performance of duties by directors and senior management personnel in accordance with relevant laws and regulations. An internal control system for financial monitoring, operational monitoring and compliance monitoring was established to continuously review and evaluate the Company's internal control, thus to ensure the timeliness, accuracy and completeness of each report.

Globe icon Anti-Corruption

BBMG is committed to creating a corporate culture of integrity and fairness. In strict compliance with the *Supervision Law of People's Republic of China*, a strict internal punishment mechanism and management system was formulated to eliminate corruption and fraud.

Regulations and Norms

During the reporting period, BBMG continued to advance clean governance and anti-corruption by establishing a sound system of punishment and prevention of corruption with equal emphasis on education, system and supervision.

- 1

Measures for Implementation of the Decision-making System
- 2

The CPC Committee of BBMG implements the Measures for the Accountability of the Communist Party of China
- 3

Inspection Tour System (provisional)
- 4

Opinions on Implementation of the Use of "Four Formats" In Supervision and Discipline Execution
- 5

Opinions on Implementation of Work Ledger for Promoting the Implementation of the "Dual responsibilities" for the Construction of Clean Governance and "Dual responsibilities for One Post" of Leading Cadres
- 6

Opinions on Strengthening Clean Governance at the Grassroots Level
- 7

Notice on Deepening the Work of "Dual responsibilities for One Post" in Building A Clean Company and Party
- 8

Notice on Further Improving the Construction of the Integrity Risk Prevention and Control Management System
- 9

Guiding Opinions on Strengthening the Basic System Construction for Corporate Punishment and Prevention of Corruption
- 10

BBMG Disciplinary Committee Secretary Debriefing System

Preventive Measures

BBMG actively carries out clean governance education and raises employees' awareness of anti-corruption. Such forms as centralized study, exchange seminars, knowledge quiz, etc. are adopted to educate employees on the *Constitution of the People's Republic of China* and the *Supervision Law of People's Republic of China*, and warning education is conducted in such forms as typical case demonstration and visits to warning education bases. Before and after important holidays, BBMG organizes leading cadres and key personnel in key positions to revisit in the form of thematic lectures the *Eight-Point Regulations* of the central government to strengthen their awareness of anti-corruption. In 2018, BBMG held 5 training sessions on clean governance.

In 2018, BBMG took actions on corruption risk monitoring and evaluation for all posts. Special channels such as reporting hotline and e-mail address were opened. Special investigations were conducted on real-name reports and credible anonymous reports. Areas with high incidence of fraud were inspected. In 2018, BBMG Commission for Discipline Inspection received 20 letters and complaints about corruption, all of which were investigated and closed.

Leading the Industry to Create a Green Future



Cities are a constituent of a modern society, carrying people's dreams of living comfortably. BBMG adheres to corporate responsibility by developing urban environmental protection industries with unique characteristics centered on harmless and resourceful disposal of urban wastes. It also joins hands with peers to plan the green future of urban development, while protecting the environment of more than 20 cities across China.



Responding to National Strategies

While seeking own development, BBMG keeps in mind national interest. Over the years, adhering to the harmonious unity of economic, social and ecological values, BBMG has actively responded to national strategies, fulfilled social responsibilities, and integrated its responsibilities and industrial development, forming a unique core competence.

Focusing on Xiong'an Millennium Plan

The construction of Xiong'an New District is a significant historical strategy of the country. It is a millennium plan and a national priority. By giving full play to our advantages in the building materials industry, we shoulder the social responsibility and adheres to "green building materials + comprehensive urban development and operation", contributing to building Xiong'an into one of the world's first-class cities.

Waste disposal to help build the new district

A large amount of solid waste is generated every day during urban construction. How to deal with these wastes becomes an inevitable problem in every city. In the view of BBMG, cement plants can become urban purifiers. Cement kilns can be used to co-dispose of all kinds of wastes harmlessly and resourcefully, and wastes can be converted into cement production raw materials, which provide building materials for urban construction, while giving back the city a blue sky.

The construction of a green Xiong'an is inseparable from the disposal of large amounts of solid waste. In September 2018, Tangshan Jidong Cement Co., Ltd. and Anxin County Branch of the Ecological Environment Bureau of Xiong'an New District of Hebei Province signed the *Agreement for Comprehensive Utilization of Solid Waste*. The former actively participated in the treatment of solid waste hoarded in the five villages and townships in Anxin County of Xiong'an New District – Santai, Zhaili, Juantou, Anzhou, and Anxin - providing strong support for the environmental governance of Xiong'an New District



Building a green civic service center

Xiong'an Civic Service Center is the first construction project in Xiong'an New District. The project has a total construction area of 99,600 square meters, planned total land area of 24.24 hectares, and total investment of about 800 million yuan. The project mainly includes planning exhibition center, conference training center, government service center, management committee, etc.

BBMG building materials have such advantages as environmental protection, energy conservation, excellent quality, brand reputation, strong supply capacity, and rich experience of application in national key engineering projects such as Beijing City Sub-center. BBMG cement, aerated concrete slabs, rockwool, and other products successfully won the bid for Xiong'an Civic Service Center project.



Cement

- Yixian-Laishui Regional Company has many advantages in brand, supply, production capacity, quality, service and transportation in the industry and region, and will fully meet Xiong'an New District's demand of cement, lime, and construction sandstone for highways, railways, bridges, water conservancy and hydropower, airports, housing, and other infrastructure projects.
- The concrete usage will be 35,000 cubic meters

BBMG aerated sheet products

- BBMG aerated sheet products are fireproof, lightweight, sound insulation and absorbing, of high strength, of low production cost, seismic, environment-friendly and conveniently processed, mainly used to build filling walls and shear walls, to reduce load of non-load bearing walls of wall buildings and multi-story buildings, and to build low building was and roof board,etc.
- Expected usage is 3,000 square meters, and 2,000 square meters had been delivered by the end of 2018.

BBMG G-STAR Rock Wool

- BBMG G-STAR Rock Wool is characterized by high temperature resistance, chemical stability, super weatherability, heat preservation and environmental-friendly, etc. Products are applicable to steel-structure buildings, exterior insulation of public and civil buildings, sound-absorbing of interior wall, roof insulation, and fireproof isolation belt of exterior walls, etc.
- Expected usage is 120,000 square meters, and 102,000 square meters had been delivered by the end of 2018.

Gypsum-based self-leveling mortar

- It has the characteristics of high strength, strong bonding force, no hollowing, no cracking, etc., applicable to ground leveling construction of various substrata; it has good fluidity and leveling property, ensuring high flatness and size accuracy after construction; the construction is easy and quick that the mortar can be pumped or manually applied, and the drying time is short, which can effectively shorten the construction period; gypsum-based self-leveling is especially suitable for floor heating leveling, characterized by stable volume, no cracking due to temperature change, no damage to floor heating, etc.
- The application will be 1,500 tons with a construction area of nearly 50,000 square meters.

Creating Beijing's Sub-Center with Green Building Materials

The Beijing's Sub-center Administrative Office Area is a national key project. A boutique city will be built with the highest standards, the latest concepts and the best quality.

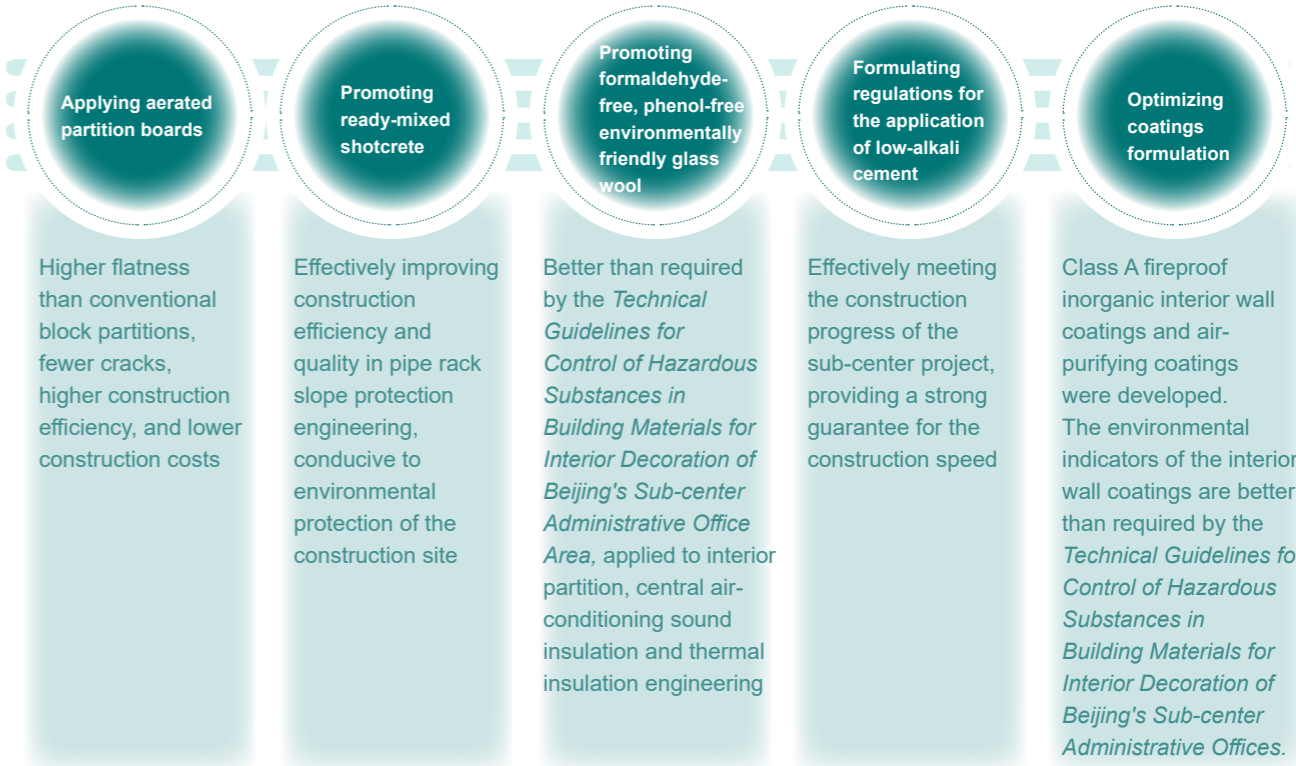
Efficient teamwork, high-standard design, high-specification construction and high-quality materials are essential for a quality project. With high-quality products, BBMG signed a strategic cooperation framework agreement with the Beijing's Sub-center Administrative Office Area Engineering Construction Office in 2016 to comprehensively cooperate on the supply and quality of building materials used in the project.



By the end of 2018, BBMG had supplied cement	Concrete	Mortar	Aerated concrete
378,000 tons	230,000 cubic meters	7,000 tons	12,000 cubic meters

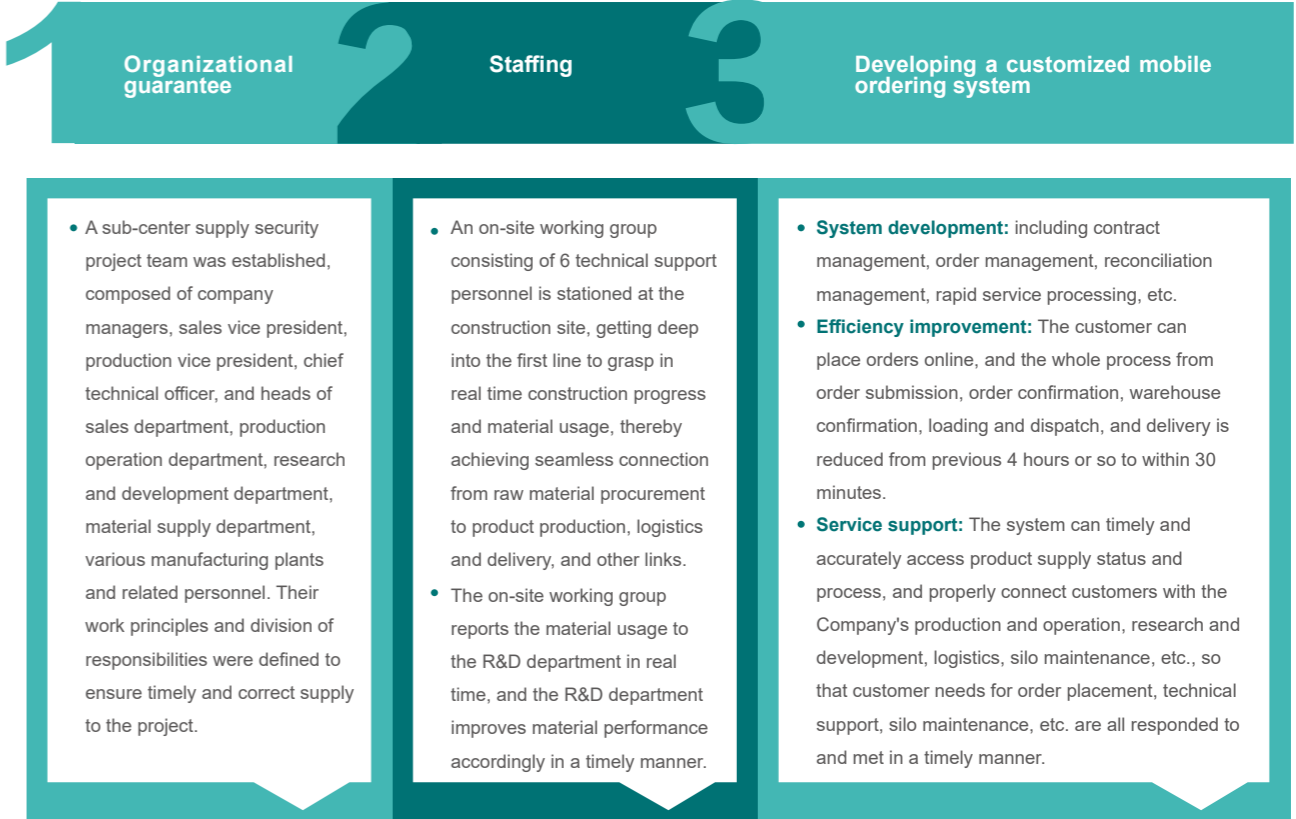
Green building materials R&D and application

As a landmark project, the Beijing's Sub-center has a high-end positioning for building quality. In accordance with the concept of green, energy-saving, environment-friendly and innovative development, BBMG provides the most advanced green building materials, while innovating on materials and technologies to help build the sub-center into a green city, a forest city, a sponge city and a smart city with green quality building materials.



Mortar product supply security

In order to protect the construction of Beijing's sub-center and provide high-quality building materials, BBMG established a sound organizational guarantee system and proposed a work plan on overall product supply guarantee. As one of the main suppliers of the project, BBMG Mortar Co., Ltd. took a series of measures from organizational guarantee, staffing, efficiency improvement, mobile order system construction and other aspects, laying a solid foundation for supply security.



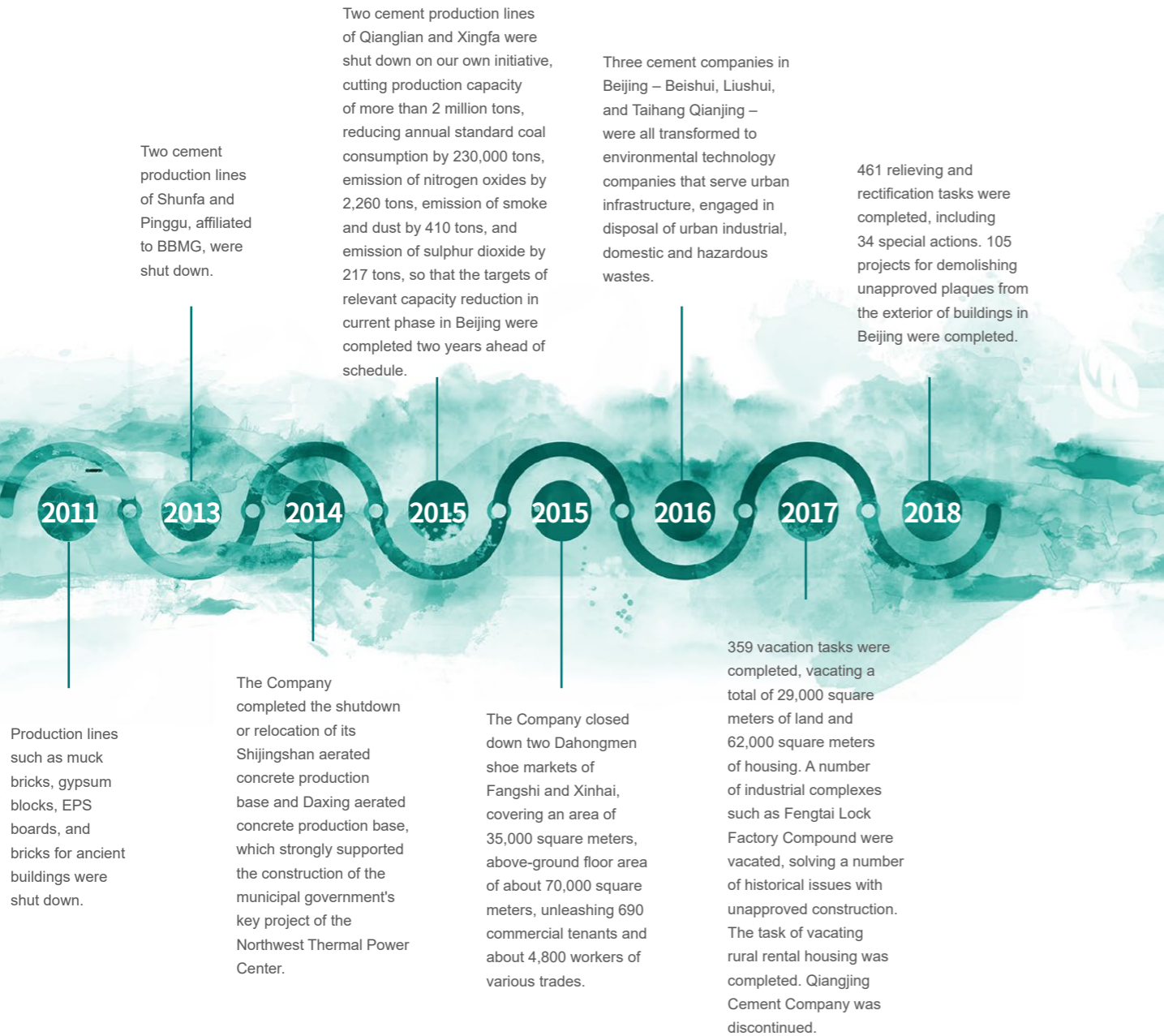
Building “High-Grade, Precision and Advanced” Industries by Relieving and Rectification

As one of the key enterprises in Beijing, BBMG plays a leading and demonstration role in the action to “advance upgrade by relieving and rectification”.

The Company has successively shut down or relocated **25** key enterprises from Beijing, including **12** relocated and **7** merged, reassigned **15,000** employees.

Vacated **310,000** square meters of land and buildings, cleared **150,000** square meters of low-end industrial land, demolished **160,000** square meters of buildings on the low-end industrial land, and renovated and vacated **65,000** square meters of underground space.

BBMG Memo on Advancing Upgrade by Relieving and Rectification



Focusing on the “four-center” positioning of the capital, BBMG uses the vacated land and housing to foster new industries and new business models that conform to the capital's functional positioning, striving to build a “high-grade, precision and advanced” industrial structure, thus to fully realize industrial transformation and upgrading.

Transformation from Tiantan Furniture Factory to BBMG Intelligent Manufacturing Workshop

BBMG Intelligent Manufacturing Workshop, located in Haidian District, Beijing, covers a total area of 200,000 square meters, above-ground construction area of 120,000 square meters. Based on the production space of former BBMG Tiantan Furniture Co., Ltd., the old industrial plants were rebuilt and upgraded to an innovative sci-tech industrial park with intelligent manufacturing as its core industry.

In accordance with Beijing's plan to relieve itself of non-capital functions, BBMG completed the overall migration of Tiantan Furniture's production capacity to Dachang, Hebei in the first half of 2016, reassigning more than 2,000 employees from traditional manufacturing.

After the reconstruction, BBMG Intelligent Manufacturing Workshop will be centered on intelligent manufacturing industry and gather internationally renowned intelligent manufacturing enterprises to form an intelligent, green and people-oriented innovation hub of complex intelligent manufacturing industries such as new materials, new energy, smart cars, robots, additive manufacturing equipment, and intelligent manufacturing infrastructure, and build a platform for display and exchange of intelligent manufacturing R&D achievements, thereby making the Workshop a new benchmark for intelligent manufacturing industry cluster.



Rejuvenating the Country in Culture and Sports with Winter Olympics

As a world-famous sports event, the 2022 Winter Olympics in Beijing & Zhangjiakou has been pulling the heartstrings of all Chinese people since the bid was won. International high-profile events require high-quality stadium.

The 2022 Winter Olympics stadiums will be built in strict accordance with the standards for professional ice events. The humidity and ice surface temperature must be kept constant. The requirements of design, coordination and management of such subcontracts as condensing heat recovery system are extremely high. With product performance fully meeting the material requirements of the venues, BBMG provides high-quality building materials for the Winter Olympics projects.

Winter Sports Management Center Training Hall

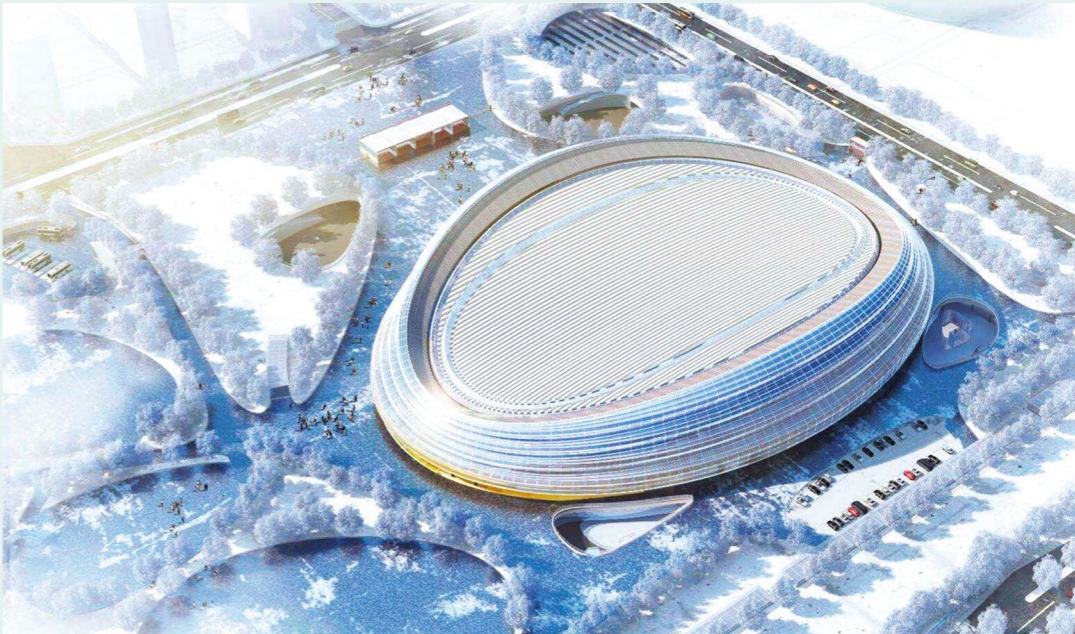
The Winter Sports Management Center Training Hall, also known as the “ice altar”, looks from a high altitude like a cross section of a curling and from the side like one after another track for short-track speed skating. The design is beautiful. The project, located at No. 54 Zhongguancun South Street, Haidian District, Beijing, is one of the first new venues put into construction for the Winter Olympic Games in Beijing. It has a total construction area of 33,200 square meters. After the completion, it will undertake the training, competition and management of many events such as curling, figure skating, short-track speed skating and ice hockey in the 2022 Winter Olympics. The ice rink on the first floor of the venue will become the first Olympic-standard curling training venue in China. After the Olympic Games, "ice altar" will continue to serve as a training ground for the national team, and will also become a shared facility to popularize ice events.



In October 2018, BBMG Aerated Concrete Co., Ltd. provided 7,000 cubic meters of B06-grade 5.0Mpa-strength high-quality positive-pressure aerated concrete blocks for the construction of the 2022 Winter Olympic Games Winter Sports Management Center. On November 1, 2018, the first truckload of concrete arrived at the project site. In 2018, the Company supplied 750 cubic meters of concrete blocks for the project, and the production and supply were carried out in an orderly manner according to the construction schedule.

National Speed Skating Oval

The National Speed Skating Oval is located on the west side of the Olympic Park in Chaoyang District, Beijing, south of the National Tennis Center. It echoes the National Sports Stadium “Bird's Nest” and the National Aquatics Center “Water Cube”. Its silver-white streamlined exterior structure displays the integration of ice and speed, a perfect expression of the unique "ice ribbon". The venue has a total construction area of about 80,000 square meters, a 400-meter track, and 12,000 seats, making it the largest speed skating venue in Asia. After completion, it can accommodate five ice sports - speed skating, short-track speed skating, figure skating, curling, and ice hockey.



In 2019, BBMG Aerated Concrete Co., Ltd. successfully signed the construction project of the “Ice Ribbon” National Speed Skating Oval, the iconic venue of the 2022 Winter Olympics, to provide 8,300 cubic meters of B05-grade 3.5Mpa-strength quality blocks.

Creating Prosperity in Beijing-Tianjin-Hebei region with Integrated Development

BBMG earnestly implements the requirements of the country to promote the integrated development of Beijing-Tianjin-Hebei region by adhering to the harmonious unity of economic, social and ecological values. It actively fulfills its social responsibilities by integrating the responsibilities and industrial development to form a unique core competence.

Building materials industry integration in Beijing-Tianjin-Hebei region

The Company strives to be a “first mover” in deepening supply-side structural reform and leading regional development. In April 2016, BBMG Jidong strategic restructuring was officially launched, creating the largest merger and acquisition case through market-based methods in the history of China's cement industry. On May 4, 2018, the signing ceremony of Tianjin Building Materials Group's mixed-ownership reform program was held. BBMG with good strategic synergy and high business complementarity acquired a 55% stake in Tianjin Building Materials as its controlling shareholder.

Through two large-scale restructurings, BBMG took the lead in realizing the integrated development of Beijing-Tianjin-Hebei region in the building materials industry. A “tripod” has taken shape consisting of Beijing-based sci-tech innovation and real estate business center, Tianjin-based building materials commerce and logistics center, and Hebei-based cement and modern building materials manufacturing center, an industrial layout that is highly compatible with the national strategy of Beijing-Tianjin-Hebei integration, laying a solid foundation for the synergy of industries and truly helping the building materials industry integration in Beijing-Tianjin-Hebei region.

BBMG Jidong Strategic Restructuring

In October 2016, BBMG Jidong equity restructuring was completed. The Company became the controlling shareholder of Jidong Development Group with indirect control of two listed companies of Jidong Cement and Jidong Equipment.

Jidong Cement’s production technology, process and equipment ranks in the forefront of the national cement industry; BBMG, as a comprehensive industrial group in Beijing, has strong capital advantage and technological innovation drive.

On July 30, 2018, reorganization of the first batch of assets of BBMG Jidong was completed, followed by the launch of injection of the second batch of assets. After the completion of reorganization, Jidong Cement will be the only cement business platform of the Company with cement production capacity ranking third in the country.

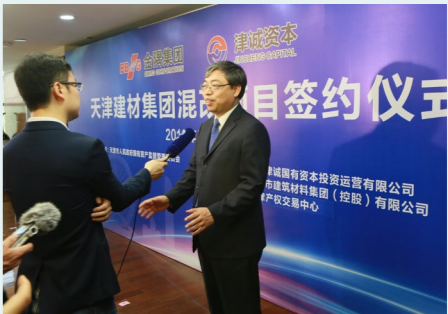


Participating in the mixed-ownership reform of Tianjin Building Materials Group

On June 12, 2018, BBMG became the controlling shareholder of Tianjin Building Materials Group.

Tianjin Building Materials Group's full name is Tianjin Building Materials Group (Holdings) Co., Ltd. It is a comprehensive industrial group with diversified business formats, such as building materials R&D and production, trade and logistics of building materials and related products, property development and management, etc.

BBMG will make full use of the location and policy advantages of Tianjin Free Trade Zone to deeply integrate the trade and the logistics of building materials and build a national first-class platform for building materials commerce and logistics.



Construction Projects in Beijing-Tianjin-Hebei Region

Beijing Daxing International Airport

The new airport in Beijing has a total investment of 79.98 billion yuan and a construction period of five years. It includes not only the 4F-grade flight zone (four runways including three vertical and one horizontal), 700,000 square meter-terminals, freight station and various supporting projects of water supply, power supply, office and warehousing, sewage treatment, etc. BBMG developed special high-performance cement for the large-volume concrete slab as the ground floor of the main terminal. The special cement is characterized by low hydration heat, good anti-seepage and anti-freezing performance, etc. and can greatly reduce concrete cracking, thereby effectively improving concrete durability.



BBMG High-tech Industrial Park

BBMG High-tech Industrial Park is located to the east of Dazhuang Village, Huangcun Town, Daxing District, Beijing, within a 15km radius of the new airport, and has a total construction area of 280,000 square meters. Based on the location and resource advantages, guided by the industrial positioning of the capital, the Park integrates and makes full use of industry resources. With e-commerce and health industry as the key service targets, the Park aims to provide the enterprises stationed with full-industry chain services such as commodity trading, modern warehousing, information exchange, circulation, processing and distribution, supply chain finance, credit evaluation, etc. By virtue of BBMG brand influence, it is a multi-functional modern industrial park integrating logistics, flow of goods, information flow and capital flow.



Leading the Industry's Development

As China's third largest and North China's largest cement enterprise, BBMG has never forgotten why it started. It fulfills its social responsibility and drives the industry progress with own development, striving to lead the first-class enterprises in the industry.

In 2018, BBMG hosted the "Passive Low Energy Consumption Building Industry Technical Exchange Conference on Technology Innovation Strategic Alliance cum the Beijing-Tianjin-Hebei Ultra-Low Energy Consumption Building Industry Alliance Inaugural Ceremony", the "8th China International Ready-mixed Mortar Production Application Technology Seminar", the "2018 Annual Conference of China Ready-mixed Mortar Industry ", the "2018 International High-Level Forum on Comprehensive Utilization of Industrial Solid Waste in Beijing-Tianjin-Hebei Region and Surrounding Areas", and other events, which serve as technology exchange and integration platforms to provide technical advice and services for the industry.



Integrating Internet +

Building materials as a traditional industry face such problems as overcapacity, vicious competition, excessive middle traders, and low profit margins. The "Internet +" strategy actively promoted by the state promotes the infiltration of information technology from the tertiary industry to the primary and secondary industries.

Against such a background, BBMG leverages the "ecological integration" of information technology and traditional industries. Through the construction of a cement online mall, transparent procurement platform and smart logistics platform, automatic delivery is achieved, upstream and downstream links integrated to form an integrated cement industry platform. Innovation is made to the traditional business model of building materials to effectively accelerate the transformation and upgrading of the industry, making a solid case for building an Internet-based building materials industry in the future.

In the future, driven by such technologies as cloud computing and big data, BBMG will use Internet technology to accelerate the integration of multiple links from front-end product development to back-end marketing, and create more new models to improve energy efficiency, reduce costs and provide customers with more efficient and quality products and services.



Cement Online Mall

While continuously developing new products, the Company focuses on building a professional e-commerce platform to realize online trading of cement products and truly enable customers to "do business and buy cement at any time and anywhere".

The cement online shopping mall has a variety of products, including cement, aggregate, slag, coal, processed coal products, etc. The purchase is assisted by professional customer service. As of December 31, 2018, the e-commerce platform had served more than **200** customers, processed more than **8,300** online orders with a trading volume of **580,000** tons and a transaction volume of **173** million yuan.



Transparent Procurement Platform

In order to provide convenience to suppliers and introduce quality suppliers, the Company developed a transparent procurement platform for cement business, which provides suppliers with online query of procurement information, online quotation, online bidding, online query of bidding (selection) results and other functions. The Company puts bidding, inquiry, price comparison, and negotiation bidding of its subordinate enterprises online, making public procurement information and bidding results.

As of the end of the reporting period, the Transparent Procurement Platform covered all 101 cement-related entities of the Company that are engaged in cement, aggregate, mineral powder and logistics. The volume of transactions reached **10.03** billion yuan; the number of registered suppliers reached **7,947**, and **16** operating companies got online accounting for **16%** of the sales.

The builder of Green City

As urbanization accelerates in China, sludge discharge from sewage treatment plants, urban domestic garbage and hazardous wastes increase rapidly. Lack of disposal capacity has increasingly become a bottleneck restricting urbanization in China, which has a great impact on urban environment.

While carrying out normal industrial production with existing industrial facilities, BBMG considers it an inevitable choice and due responsibility to improve the quality of social development.

As early as 1999, BBMG actively explored the technology of relying on cement kilns to dispose of urban industrial waste, and has achieved remarkable results: BBMG participated in the formulation of 2 national standards and 2 industry standards for cement kiln co-processing waste; its self-developed technologies such as cement kiln co-processing incineration fly ash, cement kiln co-processing domestic sludge, cement kiln-based soil remediation by thermal desorption, waste pretreatment, alternative fuel preparation and staged combustion, etc. are all at the leading level in the industry.

BBMG applies cement kiln co-processing technology in many aspects such as industrial waste, domestic sludge, fly ash, and contaminated soil remediation, winning a leading position in the field of cement kiln co-processing waste. In the past 20 years of practice and exploration, BBMG has formed unique, rich and complete waste management systems and service standards. It not only provides services to more than 4,000 enterprises and institutions and more than 20 cities, but has also found a path with universal applicability for the development of circular economy in the industry.



Promoting Industrial Synergy

The Company teams up with Beijing Construction Engineering Group, Beijing Uni-Construction Group, Beijing New Voyaging Co., Ltd. and Beijing Gaoqiang Concrete Co., Ltd. to establish the comprehensive synergy strategy organization “C5+1+N”. Led by five industry leaders, the organization absorbs a wide range of other concrete enterprises that seek win-win cooperation and identify with regulated development, in order to form an efficient and synergistic concrete industry organization that takes responsibility and leads industry self-discipline.

The Company will work with peers to build an effective mechanism for deepening synergy in the concrete industry and explore new ideas for industry development. Through cooperation and adoption of various measures, the concrete industry will develop in new directions of being innovation-driven, green and low-carbon, vigorously revitalizing real economy, promoting the optimization and upgrading of traditional industries, etc.

Strategic Synergy Development Directions

To improve quality management	Promoting the rapid improvement of technical level and management level of the industry, and ensuring the quality of construction with high standards and strict requirements;
To promote green development	Promoting the gradual improvement of green product standards, actively exploring green production and operation, integrating green and low-carbon concepts into the planning, design, construction and even operation management of concrete enterprises, and resolutely responding to Beijing’s construction of green supply chain for sandstone and aggregate by regulating the industry’s procurement of sand and gravel and increasing the use of green products;
To promote industrial upgrading	Absorbing the advanced experience of plant construction, vigorously promoting the transformation and upgrading of concrete plants from “manufacturing” to “intelligent manufacturing”, improving plant design, production processes and equipment, optimizing production processes, fully utilizing IoT technology and intelligent manufacturing to strengthen supervision of production services throughout the whole process and establish a high-end manufacturing image of the ready-mixed concrete industry in the process of urban modernization;
To improve quality management	Taking the lead in industry development, safeguarding national economic security, while serving urban construction, benefiting the people and the society.

Adhering to Technological Innovation

Technological innovation is an inexhaustible driving force of long-term development of enterprises. In 2018, BBMG organized and implemented 28 key scientific research projects focusing on sci-tech innovation. Translation of sci-tech achievements was realized in energy conservation and emission reduction, solid waste utilization and other aspects, and the industrialization rate reached 75% with 7 varieties (series) of new products and 8 new technologies developed.



Case: BBMG Central Research Innovation Talent Training Platform

The Beijing Building Materials Academy of Science Research under BBMG was established in 1959, and its research in the fields of green energy-saving and environmentally friendly new materials, energy-saving buildings, solid waste resource utilization, and residential industrialization is at the leading level in China. In September 2012, BBMG established the BBMG Central Research Institute with the Academy as the core. The Institute has two professional talent training platforms - post-doctoral (young talents) innovation practice base and post-doctoral research workstation. It actively carries out international scientific cooperation and exchanges and holds international and domestic academic exchanges with high influence and popularity, making it a base for talent cultivation and gathering, scientific research cooperation and exchange.

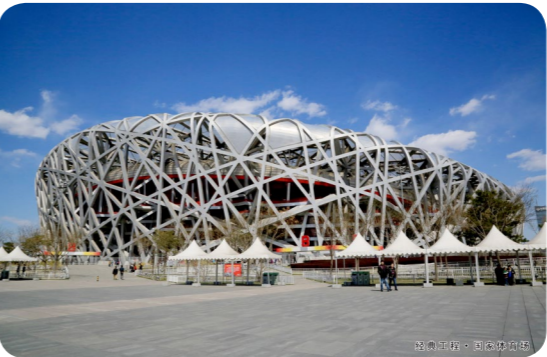


Supplying Green Products

Over many years of development, BBMG has gradually formed four major business segments: cement and ready-mixed concrete, modern building materials and commerce and logistics, property development and property investment and management. Adhering to the green development model, BBMG relies on industrial production facilities to solve environmental problems by developing green building materials, committed to building green buildings with green building materials. At the same time, it continues to deepen green operation of buildings and form a green industrial chain to promote the future development of cities .



Engineering Cases



National Sports Stadium

Products used: BBMG cement, mineral wool acoustic boards, KOHLER sanitary ware, TOTO sanitary ware, wooden doors, coatings



National Aquatics Center

Products used: BBMG cement, mineral wool sound acoustic boards, KOHLER sanitary ware, TOTO sanitary ware, wooden doors, coatings



National Theatre for the Performing Arts

Products used: BBMG cement, TOTO sanitary ware, coatings, aerated concrete, Quinette chairs



Sheraton Grand Beijing Dongcheng Hotel

Products used: BBMG cement, TOTO sanitary ware, coatings, aerated concrete, Tiantan furniture, fixed furniture, wooden doors, cable trays

Cement and Ready-Mixed Concrete



BBMG is the third largest cement industry group in the country. With strong regional and scale advantages and market control, it is the leader of domestic cement industry transformation towards environmental protection, energy saving and emission reduction and circular economy. Taking Beijing-Tianjin-Hebei region as the core strategic area, BBMG continuously expands its cement business layout, which has now spanned 13 provinces (municipalities, autonomous regions) such as Shaanxi, Shanxi, Inner Mongolia, Northeast, Chongqing, Shandong, Henan and Hunan. With cement as the core, the Company formed an internal linkage mechanism of related products and services. At present, its ready-mixed concrete production capacity is about 65 million cubic meters, aggregate capacity about 38.5 million tons, and grinding aid and admixture capacity about 340,000 tons. Its annual disposal capacity of solid waste is over 1.3 million tons. BBMG products are widely used in the construction of national key projects and major infrastructure projects. The Company takes the lead among peers in adopting specialized technologies such as cement kilns to treat industrial waste, sewage treatment plant sludge, hazardous waste, municipal waste, and urban garbage incineration fly ash in a resourceful and harmless manner, thereby achieving harmony of economic, social and ecological benefits.

As one of the first circular economy pilot enterprises in the country, BBMG takes the lead in promoting such circular economy technologies as cement kiln waste heat power generation and cement kiln co-processing industrial waste, providing valuable practical experience for cement enterprises in transition towards environmentally friendly ones. BBMG is the first cement company that has won "China Environment Award", an honor in the field of environmental protection.

Cement

Project examples: National Sports Stadium (Bird's Nest), National Aquatics Center (Water Cube), CCTV New Site, Beijing-Shanghai High-speed Railway, Tianjin Olympic Center, etc.

Ready-mixed Concrete

BBMG's ready-mixed concrete products cover C10-C80 series and professional concrete of special projects,making BBMG the first supplier of major projects in Beijing-Tianjin-Hebei region.

Project examples: National Sports Stadium (Bird's Nest), National Aquatics Center (Water Cube), CCTV New Site, Beijing Municipal Party Committee Building, China Zun Tower, Tianjin Jinta Mansion, etc.

Modern Building Materials, Commerce and Logistics

BBMG is one of the leading enterprises in China's building materials industry and one of the largest suppliers of environmentally friendly and energy-saving building materials in the Bohai Rim region. It offers such key products and services as furniture, wood products, walls and insulation materials, decoration materials, building materials, commerce and logistics and so on. After winning a controlling stake in Tianjin Building Materials Group in 2018, it further consolidated its leading position in the building materials industry in the Bohai Economic Circle. The Company took the initiative to undertake the main supply of building materials required for the construction of the Beijing's Sub-center. Its aerated sheet products, G-STAR Rock Wool, mortar and other products won the bid for Xiong'an Civic Service Center, which improved the Company's image in the market of modern building materials and promoted its upgrade in product quality, organizational guarantee and management capability. Under the premise of controllable risks, BBMG continues to consolidate its commerce and logistics segment and actively explore mature e-commerce marketing models.



Rock wool and rock wool insulation system



G-STAR Rock Wool Has the world's advanced rock wool production lines, and is only one using electric fumace-high temperature smelting technology in China. BBMG rock wool is characterized by high temperature resistance, chemical stability, super weatherability, heat preservation and environment-friendly, applicable to steel-structure buildings, exterior insulation of public and civil buildings, sound-absorbing of interior walls, roof insulation, and fireproof isolation belt of exterior walls. BBMG rockwool was certified as green building materials (three-star) in 2017.

The products mainly include: system of rock wool external thin plastering, system of rock wool inner wall isolation, system of rock wool sound-absorbing wall, system of rock wool floor sound-insulation ,system of rock wool attic heat-preservation, system of rock wool inclined roof heat-reservation system, system of isolation belt thin plastering, and rock wool for metal core plates, etc.


Project examples: Rebuilding of the old properties in Beijing Dongcheng and Changping District, Beijing city government center, etc.

Glass wool and glass wool insulation system

BBMG centrifugal glass wool production line has the most advanced technology, the most stable performance and the highest degree of automation in the country. The product is characterized by heat insulation, sound insulation and absorption, Class A non-combustible and fireproof, water repellency, corrosion resistant, etc., applicable to steel structure construction, heating ventilation and air conditioning ventilation system, industry areas, exterior wall insulation of public and civil buildings, technology market (acoustical treatment for train carriages, car insulation pad, dance theaters, gyms, studios) and other fields. The product was certified as green building materials (three-star) in 2017.

The products mainly include: exterior wall thermal insulation system, sandwich plate system, hard glass wool single ply roofing system, automobile engine heat insulation pad, glass wool for heating ventilation and air conditioning system, glass wool for nuclear power plants, glass wool for sound absorption and insulation of theaters.

Project examples: National Theatre for the Performing Arts, National Sports Stadium (Bird's Nest), Capital Airport T3, CCTV New Site, Great Hall of the People, etc.



BBMG decoration and wall material products are used in the National Theatre for the Performing Arts.



Property Development

As one of the most competitive property developers in Beijing, BBMG has an annual scale of construction of 8 million square meters with presence in 15 cities including Beijing, Shanghai, Tianjin, Chongqing, Hangzhou, Nanjing, Chengdu, Hefei and Haikou. It has successively developed and built more than 130 real estate projects with a total construction scale of about 30 million square meters. The Company has a national development layout “based on Beijing, covering Beijing-Tianjin-Hebei, Yangtze River Delta, and Chengdu-Chongqing Economic Zone” and ability to comprehensively develop real estate projects of multiple categories. On the basis of continuously consolidating core business advantages, the Company strives to develop new business models and actively participates in the development and utilization of urban mineral resources focusing on relieving Beijing of non-capital functions and the integrated development of Beijing, Tianjin and Hebei. It has successfully entered a number of fields such as characteristic towns, industrial real estate, and sci-tech real estate, which brings new development opportunities to the Company.

With courage to take corporate social responsibility, the Company has led the construction of affordable housing in Beijing for many years. It has developed and built 19 social housing projects in Beijing, including affordable housing, two-limited housing (limited price and habitable area), directional placement housing, low rent housing and public rental housing. It plans to cumulatively build social housing of more than 7 million square meters, providing more than 70,000 units. The Company has made a due contribution to the promotion of Beijing’s urban construction and living conditions improvement. In 2018, the Company had a total of 14 policy housing projects covering Beijing, Shandong, Zhejiang, and Sichuan, etc.

XishanJia No.1 Residential Area

The project is located in Changxindian Eco-city on the south side of Garden Expo of the southwestern fifth-ring in Beijing. It is livable, beautiful and convenient for commuters. To make it more comfortable (constant temperature, humidity and oxygen) for living, while saving energy and protecting the environment, the project uses a number of green energy-saving technologies such as ground source heat pump system, ceiling radiation system, replacement fresh air system, etc., creating a green and tech-savvy eco-system.



Property Investment and Management



As one of the largest investment property holders and managers in Beijing, BBMG holds a total of 1.35 million square meters of investment property, i.e. high-end office buildings, commercial complexes, and industrial parks, etc. in Beijing and Tianjin, including about 720,000 square meters of high-end investment properties in central Beijing. It manages nearly 13 million square meters of property (including residential quarters and ground floors for commercial use). BBMG’s professionalization, brand awareness, occupancy rate and income level have maintained the leading level among peers in Beijing and even the whole country for many years.



Tengda Plaza won the first “Green Building” label in Beijing in 2011.



The Global Trade Center passed the US “LEED-EB Gold” certification in 2012 and won the two-star green building label in 2016.

 Pursuing Excellent Quality

Providing quality products and services to customers is the responsibility of BBMG as an industry leader. For a long time, BBMG has continuously developed high-quality products, consolidated product quality, and standardized its products and services with high standards and strict requirements to build the BBMG brand with solid quality.

Strict Control of Product Quality

BBMG adheres to the philosophy of strengthening its responsibility for quality and unleashing its internal impetus to improve quality. Adhering to the quality policy of sci-tech drive, first-class quality, sustainable development and pursuit of excellence, it aims to control quality risks and improve quality and efficiency, and continuously strengthens product quality management.

BBMG fully implements the *Product Quality Law of the People's Republic of China*, *Measurement Law of the People's Republic of China*, *Outline of Quality Development of the State Council (2011-2020)*, *Regulations on the Administration of Production Licenses for Industrial Products of the People's Republic of China*, *Measures for Management of Hazardous Waste Business Licenses*, *Construction Engineering Quality Management Regulations*, and other national laws and regulations. It established a four-level quality management system, and formulated such systems as *BBMG Measures for Product Quality Supervision and Management (Trial)*, *BBMG Opinions on Strengthening Quality Risk Prevention and Control*, etc.

Cement and ready-mixed concrete

- An intelligent information platform on product quality is used to monitor and analyze the performance of production lines, products and raw materials online.
- Product performance and comparing capability of laboratories are inspected on a regular basis to timely identify and take corrective measures for quality problems.
- The *Measures for Management of On-site Technical Quality Evaluation* and detailed rules to implement the Measures were formulated: Through the on-site technical quality evaluation by experts organized annually, enterprises have had in-depth exchanges on quality management and improved on-site quality management.

Modern building materials and commerce and logistics

- Refined management is implemented: Modern building materials companies go further on winning green building materials certification.
- Each subsidiary developed *Quality Control Procedures*, *Product Quality Inspection Process*, *Unqualified Raw Material Treatment System*, etc. according to product characteristics, and strengthens product quality through systematic management.

Property development

- A quality management system was established, *Quality Management System and Quality Evaluation Measures* formulated.
- Third-party organizations are hired to conduct on-site quality evaluation twice a year on projects under construction.
- Co-builders are scored to eliminate lowliest place, and their qualifications are under strict control to consolidate the quality foundation, so that the one-time acceptance rate of projects reaches 100%.

Property investment and management

- Internal service standards are continuously updated by promoting service standardization.
- A high-performance management model is promoted in an orderly manner: In 2018, we won the title "Trustworthy Team" issued by Beijing Quality Association, in addition to a number of quality awards such as Innovation Achievements, QC Group and so on, which created a "glided signboard" in high-end property service in Beijing.

Providing Quality Service

Excellent customer service is the basis for the continuous growth of BBMG. The Company continues to strengthen customer relations maintenance and dedicate itself to quality customer service. Each subsidiary of BBMG formulated and continuously optimized the Customer Service Management Measures, established customer files to manage customers by category, while clarifying the content of customer service management before, during and after sales. Pre-sales management includes reception and guidance of customer visits. In-sales management includes various services provided during the sales process. After-sales service includes presentation of product quality certificates, return calls, etc. In addition, due to the variety of business forms and customer needs, the subsidiaries conduct customer satisfaction surveys or customer return visits on a regular basis.

Each subsidiary strengthens the protection of customer privacy by establishing a computerized database to manage customer files and ensuring that customer files are not leaked through a series of confidential measures.

Customer complaint handling

Each subsidiary has a customer service hotline to provide customers with inquiry, reporting for repair, complaining and other functions. The Company established a clear process to handle different complaint, such as general complaint, production supply complaint, technical quality complaint, etc. Each complaint is assigned to the responsible person. To prevent similar events from recurring, the Company places emphasis on relevant rectification measures after addressing each complaint.



Building a Win-Win Supply Chain

We always regard suppliers as partners for common growth and development. Quality products and customer service are inseparable from high-quality raw materials and services provided by suppliers. In order to strengthen management of suppliers and build good partnerships, the various platform companies of BBMG formulated a series of systems such as Material Supply Management System and Supplier Management Measures, which stipulate detailed rules for material procurement management, supplier management, procurement contract approval and other aspects. In addition, in order to strengthen communication with suppliers and deeply understand their needs, the Company continuously expands its supplier communication channels. Each subsidiary effectively consolidates its cooperation with suppliers by means of holding supplier conferences and so on.

Supplier access

Bidding and procurement is carried out in accordance with the principles of openness, fairness, impartiality, honesty and credibility. The *Tendering and Purchasing Management System* formulated by each platform company clearly defines the duties and responsibilities, bidding procurement and scope, bidding and procurement process and other contents.

Supplier management

Suppliers are managed according to the principles of unified management, classified management, dynamic management, and selection based on quality. A tiered supplier database was established. The Company conducts on-site inspections of some suppliers and hierarchical management of suppliers to ensure the quality of suppliers.

Supplier supervision

According to the *Supplier Evaluation System*, the evaluation plan is formulated in a targeted manner, and the products, services, qualifications, prices, etc. of suppliers are evaluated periodically and annually, so that excellent potential suppliers enter the qualified supplier pool, and unqualified suppliers are excluded from the cooperation scope of the Company.

Supplier disqualification

Suppliers whose evaluation results meet the elimination criteria or that have major incidents in the cooperation process that meet the elimination criteria are included in the unqualified supplier pool.

Environmental Protection with Technological Innovation

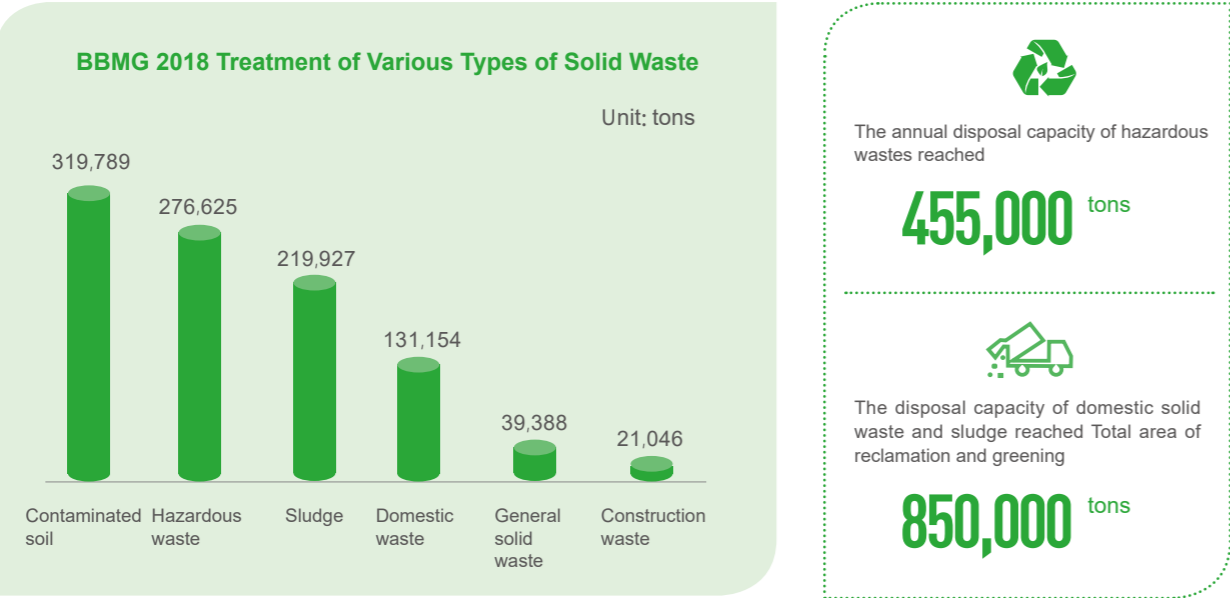


Adhering to the concept of green development, BBMG practices earnestly the idea that “lucid waters and lush mountains are invaluable assets”. It always follows the principle of giving priority to protection, emphasis on prevention, and integrated governance. By actively promoting enterprise transformation and upgrading, it promotes sustainable development and coordination between production management and environmental protection.

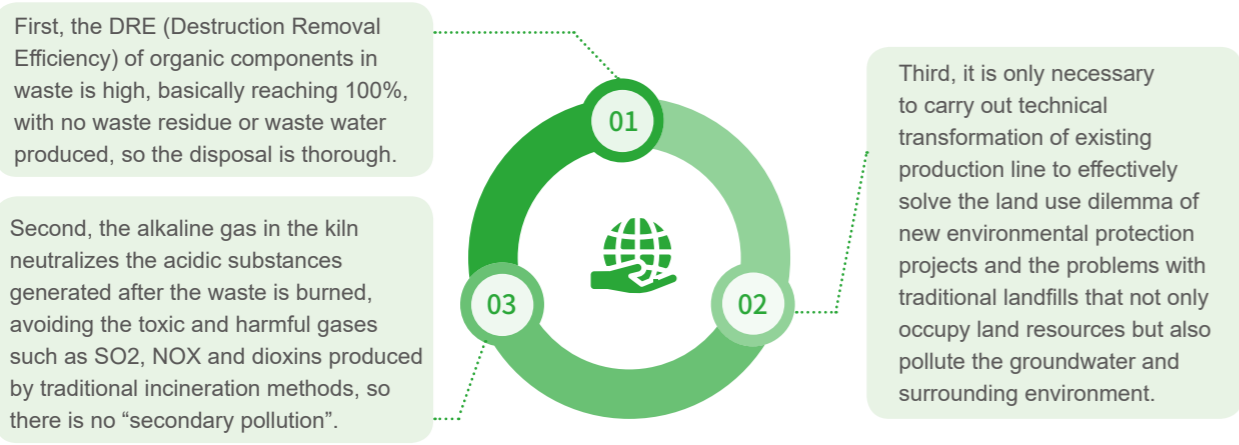


🏠 Speeding up Transformation and Upgrading

As a leading company in the cement industry, BBMG actively leverages its own advantages to accelerate transformation of the Company from an energy-intensive, high-pollution, and resource-dependent enterprise to an environmentally-friendly, resource-saving and innovation-driven one. By the end of 2018, 22 enterprises of BBMG had completed and put into operation waste disposal projects to achieve green transformation and upgrading. The annual disposal capacity of hazardous wastes reached 455,000 tons, and the disposal capacity of domestic solid waste and sludge reached 850,000 tons. By transformation and upgrading, BBMG began to use industrial hazardous waste as an alternative fuel and raw material for cement production, realizing the resourceful utilization of industrial waste.



The restructuring and transformation of Tangshan Jidong Cement Co., Ltd. is a representative case of environmental transformation and upgrading of cement enterprises. With the advancement of equity restructuring and asset restructuring of BBMG Jidong, the cement business of BBMG and Jidong Cement is deeply integrated. One of the important contents is the establishment of the environmental protection industry center to replicate and improve the BBMG cement kiln co-processing technology, which is a unique advantage in waste treatment technology and processes.



BBMG has transformed cement companies from simple cement producers into urban purifiers, becoming a promoter of regional industrial structure optimization and regional ecological conservation.

🏠 Creating Green Mines

Mining is the first process of cement production. BBMG actively promotes cleaner production, develops circular economy, and promotes harmony between resource development and sustainable development of economy and society by creating "harmonious, green, demonstrable and eco-friendly mines". In 2018, BBMG carried out more than 10 mine reclamation projects with a total area of 321,000 m².

In 2018, in order to further deepen the construction of "green mines", BBMG formulated the *Measures for Mine Resources Management* to promote and standardize the comprehensive treatment and utilization of solid waste and tailings. At the same time, it invested in scientific research with focus on solid waste utilization and disposal to improve the comprehensive utilization of bulk solid waste, reduce the consumption of primary resources, and achieve sustainable use of resources.

In order to reduce the application of natural sand, stone and other natural resources, BBMG uses more than 40 million tons of various types of waste residue in cement production every year. In 2018, BBMG disposed of 11 million tons of waste rock and 700,000 tons of tailings.



📄 Case: Green Mine Project of BBMG Guangling Cement Co., Ltd.

In 2018, BBMG Guangling Cement Green Mine Project was fully launched. By the end of the year, the project had completed detailed survey of the mine, hardening of roads for ore transportation, greening of the unloading platform, hardening of the parking lot, greening and other work. The greened area totaled about 3,000 square meters. The digital mine was completed and put into use after installation of equipment. To conduct water uphill for the mine, two high-level reservoirs were built together with main pipeline laying and equipment installation. The green mine construction achieved initial results.



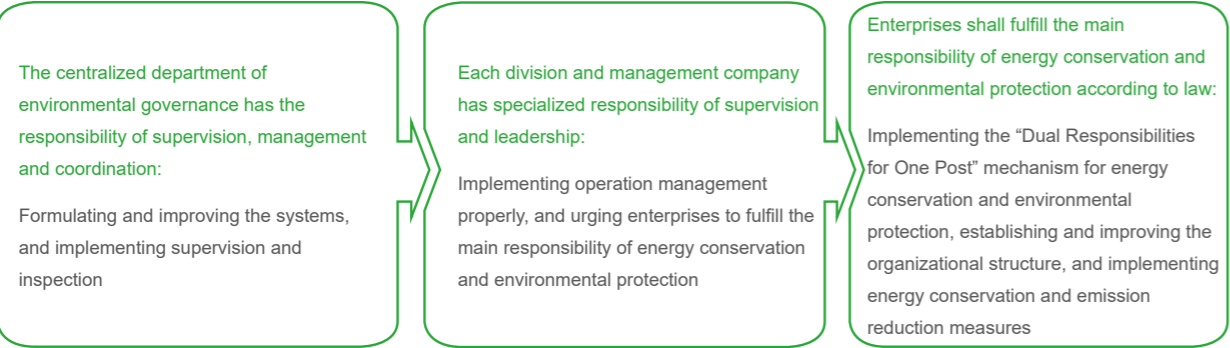
Green Mine Project of BBMG Guangling Cement Co., Ltd.

Strengthening Environmental Management




The Company strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and other environmental laws and regulations. The Company revised and improved its environmental systems such as Measures for Environmental Protection Management, stipulating the strengthening of environmental protection as an important means of transforming the model of development, creating benefits, and fulfilling social responsibilities, and has taken solid steps to promote its work on environmental protection.

BBMG incorporates environmental protection into the whole process of production and operation. It established "Dual Responsibilities for One Post" operation mechanism and a three-level responsibility system to promote environmental standardization. It constantly carries out investigation and comprehensive governance of environmental hazards, increases investment in environmental protection, and strengthens its ability to prevent pollution. In 2018, BBMG invested nearly 600 million yuan in environmental protection.

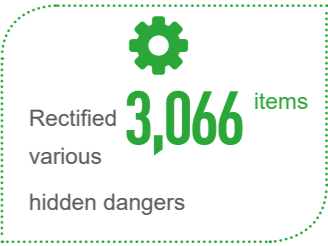
BBMG Three-Level Responsibility System for Environmental Governance:



BBMG 2018 Data on Environmental Pollutant Emissions

Pollutant emissions		Unit	2018 data
 Air pollutants	SO ₂ emissions	Tons	1,762.78
	NO _x emissions	Tons	28,922.26
	Particulate matter emissions	Tons	4,486.22
 Water pollutants	Waste water emissions	Tons	571,511.62
	COD emissions	Tons	25.36
	Heavy metal ion emissions	Tons	0.00
 Hazardous waste	Waste engine oil disposal	Tons	483.71
	Waste paint disposal	Tons	91.55
	Other hazardous waste	Tons	27,924.60
Hazardous waste emissions (per 10,000 yuan revenue)		Tons/10,000 yuan	0.0034
Greenhouse gas emissions		10,000 tons of CO ₂ equivalent	6729.51
Greenhouse gas emissions (per 10,000 yuan revenue)		Tons of CO ₂ equivalent per 10,000 yuan revenue	8.10

The Company attaches great importance to inspections by environmental protection authorities at all levels by continuously strengthening environmental supervision. Oriented at problem identification, multi-form and high-frequency actions of environmental supervision and inspection are constantly carried out, such as daily inspection, special inspection, and emergency inspection, etc., forming an omni-directional and grid-styled pattern of environmental protection featuring joint prevention and control. In 2018, BBMG established risk accounts for all hidden dangers with insistence on immediate action and correction, and rectified 3,066 various hidden dangers.

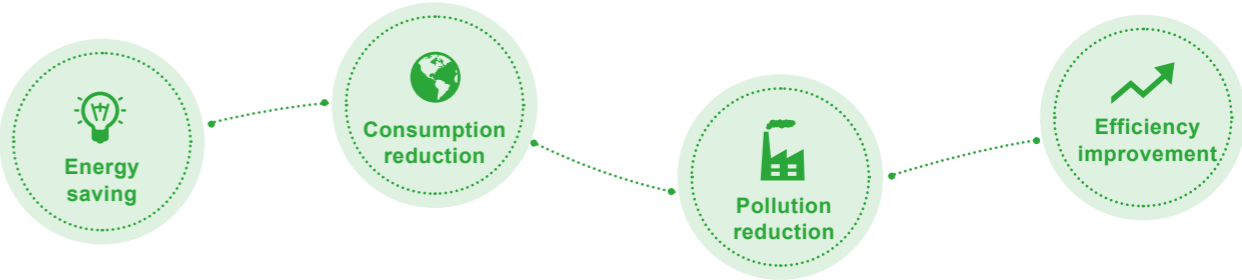


In terms of air quality assurance and emergency response, the Company actively responds to the government's call by fulfilling its social responsibilities and responding to severe air pollution. In accordance with the requirements of local governments, all affiliated enterprises have formulated emergency plans for heavily polluted weather, and adopted measures such as production cut and suspension, reducing pollutant emissions and coping with heavy air pollution. In 2018, during the heavy pollution warning period designated by local governments, all enterprises seriously implemented the emergency plans to ensure the successful completion of the plans.

At the same time, we evaluate and improve the effectiveness of emergency plans every year, organize expert argumentation and filing with the government to improve the scientificity and effectiveness of the plans.



In order to achieve scientific development, BBMG continues to promote environmental standardization to improve its environmental management. According to the characteristics of each segment, BBMG formulated and improved the environmental standardization evaluation index system and completed the annual evaluation. 132 enterprises have carried out environmental management system certification, and the pass rate was 100%. All companies actively carry out cleaner production, and some have completed multiple rounds of audit and inspection. Through the implementation of the cleaner production program, all enterprises have achieved the goal of "energy saving, consumption reduction, pollution reduction and efficiency improvement" and the unity of economic, social and environmental benefits.



The Company continuously strengthens the internal control of environmental protection by advance layout and active exploration of new technologies and new processes, thereby making major breakthroughs in industrial transformation and upgrading. In 2018, in-depth research was carried out on technologies for further reduction of emissions of major pollutants such as nitrogen oxides and sulfur dioxide, which further reduced the total emissions and concentration of major pollutants.


BBMG 2018 Data on Pollutant Emission Reduction

Pollutant emissions	Unit	2018 data
SO ₂ emission reduction	Tons	838.93
NO _x emission reduction	Tons	5,784.02
Particulate matter emission reduction	Tons	815.71
Wastewater emission reduction	Tons	191,855.84
COD emission reduction	Tons	1.24

According to the plan, BBMG cement pollutants discharge during the “13th Five-Year Plan” period will reach the international leading level.

 Energy Conservation

According to the *Energy Conservation Law of the People's Republic of China*, the *Measures for the Implementation of the Energy Conservation Law of the People's Republic of China in Beijing* and other national and local laws and regulations, BBMG formulated the Measures for Energy Conservation Management. In 2018, BBMG invested more than 14 million yuan in R&D for energy conservation and consumption reduction, and continued to invest in comprehensive utilization of resources, new energy, and development and utilization of renewable energy, etc.



In 2018, BBMG invested in R&D for energy conservation and consumption reduction more than

RMB **14** million

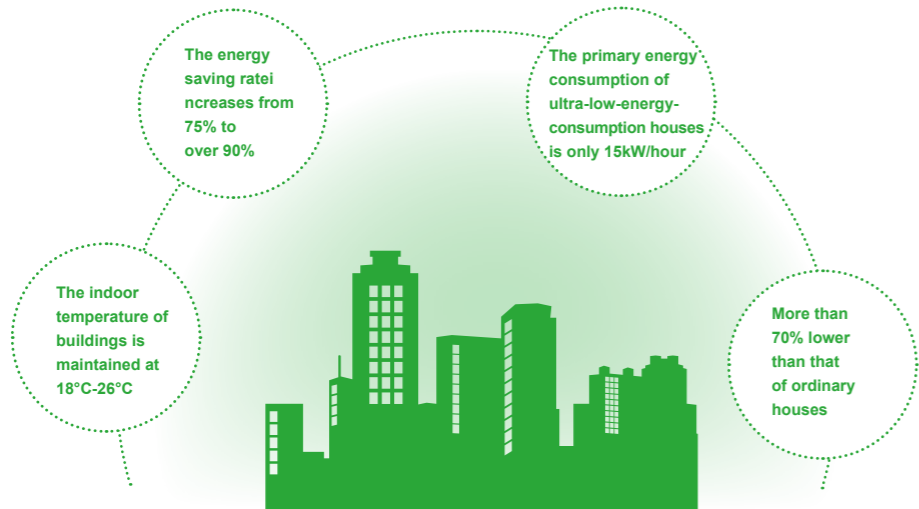
BBMG 2018 Data on Energy and Resource Use

Pollutant emissions	Unit	2018 data
Grid power usage	10 mWh	668,646.62
Coal consumption	10,000 tons	1,040.74
Gasoline consumption	Tons	1,558.79
Diesel consumption	Tons	41,231.59
Natural gas consumption	10,000 standard cubic meters	5,292.32
Renewable energy-based power usage	KWh	4,097.00
Outsourced heat usage	MkJ	766,319.09
Overall energy consumption	Tons of standard coal	8,427,826.88
Comprehensive energy consumption per 10,000 yuan revenue	Ton of standard coal/10,000 yuan	1.01
Total water consumption	Tons	19,150,606.25
Water use per 10,000 yuan revenue	Tons/10,000 yuan	2.30
Packaging material consumption	Tons	28,311.43
Packaging material consumption (per 10,000 yuan revenue)	Tons/10,000 yuan	0.0034

On design and construction of buildings, BBMG has always adopted energy-saving building structures, materials, appliances and products, while strengthening the management and maintenance of energy-using equipment facilities to reduce the consumption of heating, cooling, lighting, power, and water resources. In 2018, its electricity consumption for the whole year was 17.6% lower than that of 2017.


Ultra-low-energy-consumption buildings

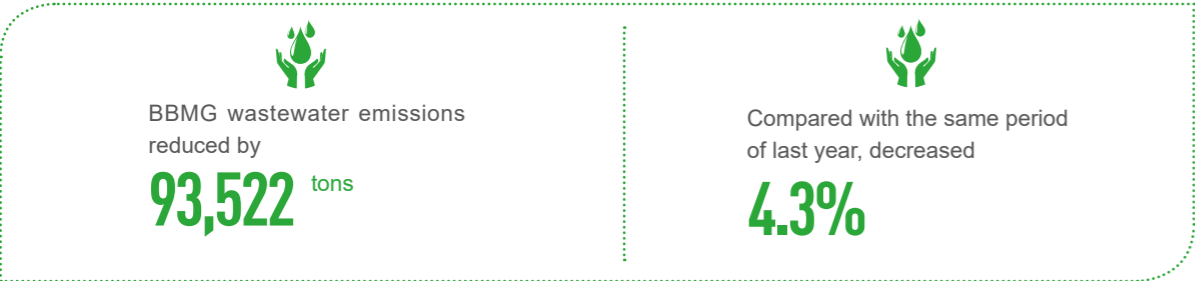
BBMG is committed to becoming the leader and master of ultra-low-energy-consumption building technology in Beijing and even in China. We offer ultra-low-energy-consumption building products and services throughout the industrial chain from design to parts, from exterior construction to interior decoration, from inspection to operation, and so on. The fresh air system, insulation system and high airtight door and window system are used to achieve heating in winter, cooling in summer, and smog removal, so that the indoor temperature of buildings is maintained at 18°C - 26°C, and the energy saving rate increases from 75% to over 90%. Take the heating season in Beijing as an example. The primary energy consumption of ultra-low-energy-consumption houses is only 15 kW / hour, which is more than 70% lower than that of ordinary houses.



In terms of water conservation, BBMG makes full use of the energy and water management platform for refined management.

In 2018, two projects of BBMG Property Management Co., Ltd. - Global Trade Center and Tengda Plaza - won the title of “Water-saving Unit” in Beijing.





In terms of carbon emission reduction, BBMG set up a carbon emission management leading group to guide the work on carbon emission reduction. It formulated annual production targets that are compatible with its carbon allowance, coordinated the carbon credit trading behaviors and methods of various enterprises, and assessed carbon emissions and implementation of carbon allowance.

The Company's aim for the "13th Five-Year Plan" period is that its total energy consumption and energy consumption per 10,000 yuan revenue reach the targets set by the government for the provincial (municipal) level during the "13th Five-Year Plan" period.

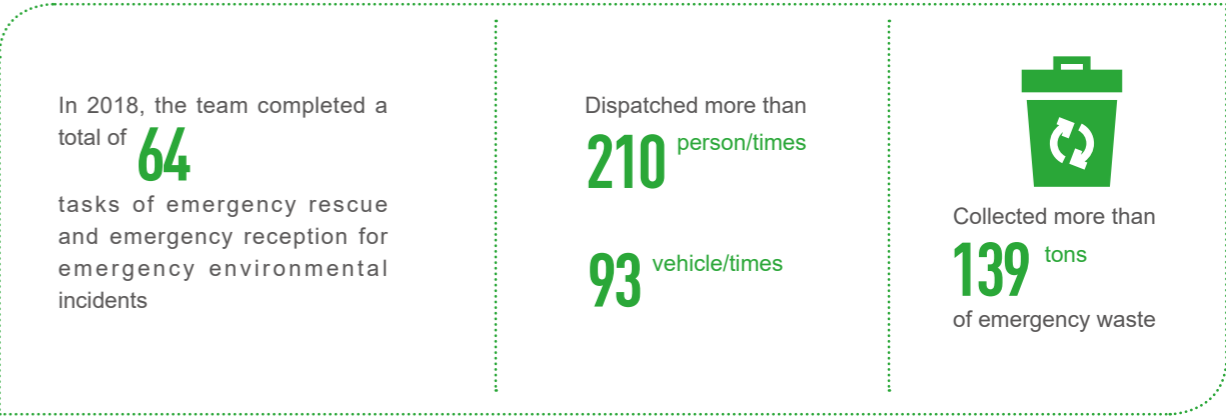
Serving Green Urban Development

While carrying out various measures for energy conservation and emission reduction within the Company, BBMG pays attention to environmental protection responsibilities outside the enterprise by fully serving the green urban development.

BBMG Mangrove (Ecological Island) Emergency Response Team for Hazardous Chemicals and tasks completed in 2018

BBMG Mangrove (Ecological Island) Emergency Response Team for Hazardous Chemicals was formed under the guidance of Beijing Emergency Committee, Beijing Environmental Protection Bureau, and Beijing Environmental Emergency and Accident Investigation Center. The team was recognized by Beijing Emergency Response Committee as the municipal-level specialty emergency team, mainly undertaking tasks of emergency response to environmental emergencies.

By 2018, the team had grown from 5 members at the beginning to 47 members, including professional and technical personnel, professional security personnel, team leaders with many years of experience in emergency services, and other members. The team ensured environmental safety for major events and during sensitive periods such as Olympic Games, Paralympics, military parades, APEC meetings, Spring Festival, the two sessions, National Day holiday, the 19th National Congress of CPC, etc. It sticks to the 24/7 standby scheme for emergency response.

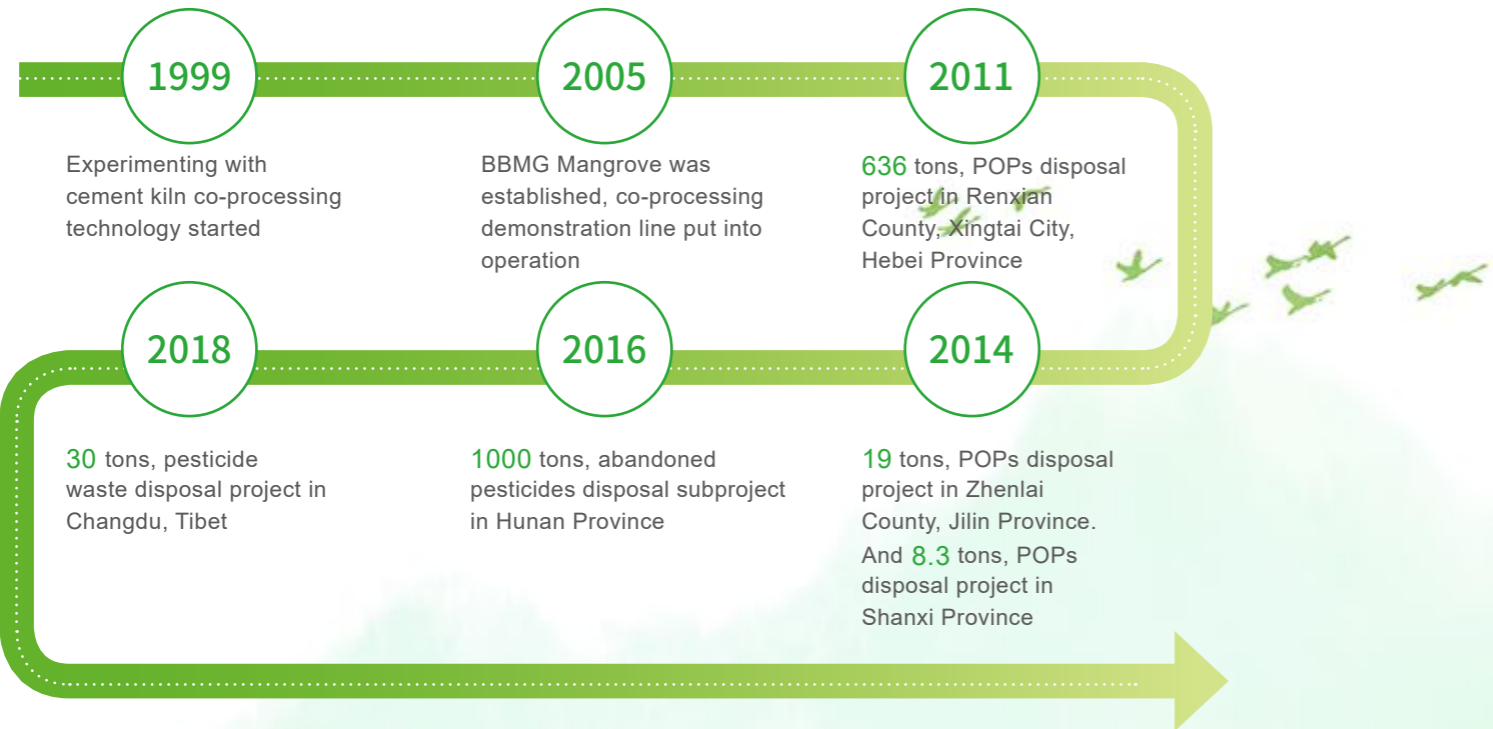


Case:Emergency Response to Leakage of Pesticide Truck on 101 National Road in Miyun District, Beijing

At around 21:00 on April 27, 2018, BBMG Mangrove Environmental Protection Technology Co., Ltd. (here in after referred to as “BBMG Mangrove”) received an emergency notice from the Miyun District Environmental Protection Bureau that a pesticide truck was rear-ended near the Happy Squirrel Valley on 101 National Road, Miyun District, Beijing, resulting in pesticide leakage, and that BBMG Mangrove was required to carry out emergency rescue. After receiving the emergency notice, the company immediately responded by quickly starting the Emergency Plan for Environmental Emergencies and carrying out rescue and disposal. A total of 8 emergency personnel, 1 emergency command vehicle and 1 hazardous waste transport vehicle were dispatched. In the face of the task, the emergency team members worked in unison to overcome difficulties. From receiving the notice, planning, team assembling, to arriving at scene and successfully completing the task, it took only 5 hours. 0.48 tons of waste pesticides and contaminated materials were collected, closing the emergency rescue task successfully.


Environmentally Harmless Management and Disposal Project for Persistent Organic Pollutants (POPs)

In order to live up to the *Stockholm Convention on Persistent Organic Pollutants*, implement China's plan of POPs management and disposal, and eliminate the potential environmental hazards of POPs, BBMG Mangrove from 2011 to 2018 completed five projects on innocuous disposal of POPs totaling nearly 1,700 tons. The projects further promoted the application of cement kiln co-processing technology in the field of solid waste treatment, and established an international and domestic POPs management exchange platform, contributing to global POPs disposal.



Actively practicing into environment protection activities

BBMG vigorously promotes green public welfare, so that the concept of environmental protection is not only implemented across the Company, but also spreads throughout the society.



Case:BBMG Investment Property Management Group practices voluntary forestation seven years in a row

“Planting a Tree of Compassion” is a voluntary tree planting activity organized by BBMG Investment Property Management Group since 2012. It is one of the activities of the “BBMG Journey of Love” public-spirited project. On March 31, 2018, nearly 60 employees of the company went to Sancha Village, Dashiwo Town in Fangshan District to plant trees voluntarily. After a morning of collective "fight", more than 400 seedlings were “settled” in Sancha Village. Voluntary tree planting is a concrete action initiated by BBMG to practice the concept of green development, making a fair share of contribution to ecological conservation.

Creating a Safe Environment in BBMG

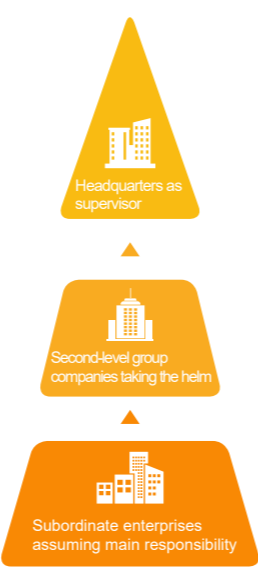
Guided by the ideology of life first and safety first, BBMG strictly abides by the *Safety Production Law of the People's Republic of China*, the *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China*, and other laws and regulations by formulating and implementing the *Safety Production Management Measures of BBMG* and other systems. With a sound safety management system and full-process safety management control, BBMG takes raising safety awareness as the guide and carries out various tasks to create a safe working environment for employees.



Improving the Responsibility Management System

BBMG has a tiered safety production management mechanism of “headquarters as supervisor, second-level group companies taking the helm, and subordinate enterprises assuming main responsibility” as institutional guarantee. Through the Safety Production Committee, safety production work is discussed, deployed, and studied on a regular basis. Safety production work priority and performance indicators are deployed and implemented by such means as signing a tailored letter of assignment for safety production target management with 106 assessment units, convening special sessions on safety production, and so on. BBMG Safety Production Committee discusses, deploys and studies safety production work on a regular basis, and urges subordinate enterprises to implement safety production management requirements.

The second-level group companies conduct quarterly and semi-annual safety inspections of subsidiaries by means of inter-regional inspections, joint inspections and cross-checking. The Safety Production Committee fully exerts its role of deliberation and actively carries out safety inspections involving its members and hidden dangers shooting involving specific post holders. All enterprises have carried out and completed the appointment of “safety director” to strengthen the building of a safety management team, thereby gradually changing the work on safety from “passive supervision” to “active restriction”.



Managing the Whole Process of Safety Production

In order to have a good control of the safety production process, BBMG in 2018 continued to put efforts on safety audit, safety production standardization, hidden danger shooting and management, project safety management, and supplier safety management and supervision, and achieved significant results.

Piloting safety audit for “Safety BBMG”

In 2018, BBMG carried out safety audit for “Safety BBMG” with 11 enterprises as pilots. Based on the *Safety Audit Management Measures (Trial) for “SafetyBBMG”* and *Safety Audit Standards for “Safety BBMG”*, the safety audit team led diagnostic surveys concerning safety organizations, fund guarantees, system construction, file management, education and training, on-site protection, emergency work, etc., and issued audit questions, hidden danger lists and audit reports to help enterprises streamline the safety work process and urge them to promote the level of risk management and safety work. In 2018, the safety audit team found 1,428 safety issues, all of which were tracked and rectified by the BBMG Safety Committee Office until completion.

Promoting safety production standardization

In 2018, BBMG organized a special campaign to promote safety production standardization. Standardization training, active assistance, exchange and learning, and other forms were adopted to promote safety production standardization.



Strengthening investigation and management of hidden dangers

BBMG established an information platform for hidden dangers shooting and management, which serves as an important tool for statistical analysis of hidden dangers shooting and management. In 2018, the information platform covered all subordinate enterprises in Beijing and Tangshan Jidong Cement Co., Ltd. A total of 11,000 posts involving 340,000 employees were screened for hidden dangers and 6,311 hidden dangers were rectified.

Case: Promotion and operation of the hidden danger investigation and management information platform

In 2018, BBMG completed the promotion and operation of the hidden dangers investigation and management information platform in Tangshan Jidong Cement Co., Ltd. 6,700 copies of hidden dangers investigation and management list were prepared for all cement enterprises, and 88 enterprises received information system training of more than 1,000 person-times. The platform was put in trial operation in August. As an automated tool for hidden danger investigation, management and tracking, the platform improves enterprises' efficiency of hidden danger management and tracking and improves the completion rate of hidden dangers rectification.

BBMG attaches great importance to the governance of illegal land use and construction and the work of relieving Beijing of non-capital functions. BBMG Investment Property Management Group's subsidiaries located in Beijing take active actions. For instance, Jianji Asset Management Co., Ltd. (hereinafter referred to as “BBMG Jianji”) completed 45 relieving and vacation projects and 108 projects of demolishing and rectifying houses of polystyrene steel color plates, eliminating the hidden dangers that had existed for many years; Jinhaiyan Property Management Co., Ltd. rectified material fire hazards in many neighborhoods such as Huaxi, Kanghuiyuan and Ganluyuan.



Strictly implementing “Three-Simultaneous” measures

In 2018, BBMG organized 20 enterprises to conduct “Three-Simultaneous” (design, construction, and operation of supporting facilities shall proceed simultaneously with that of the main work of a project) document review or thematic argumentation on 25 new renovation and expansion projects, urging enterprises to implement special design and safeguard measures for construction project safety, occupational disease protection and fire protection facilities. Comprehensive risk identification and safety evaluation were carried out on the construction projects in accordance with the law to strengthen the construction process and implement the “Three-Simultaneous” system.

Building intrinsic safety with mechanization and intelligence

BBMG encourages and advocates the use of technological innovations to achieve mechanization and automation in order to ensure the intrinsic safety of the workplace.



Supplier safety management and supervision

In 2018, BBMG carried out research on safety management of relevant parties, requiring all enterprises to strictly implement the *Administrative Measures for Labor Employment and Business Outsourcing*. Through the special action of “Outsourcing Standardization and Management”, enterprises were urged to handle properly coordination, management, and inspection with outsourcing-related parties according to laws and regulations. Each segment implements targeted supplier management according to own operating characteristics.



Protecting Employees' Occupational Health

BBMG attaches great importance to the occupational health of employees by providing employees with a healthy and safe working environment. Pre-employment and on-job occupational health training is offered to employees to popularize occupational health knowledge. Occupational disease prevention supplies that meet the national standards are provided for workers exposed to occupational disease hazards, and their use is supervised and inspected. Employees are urged to abide by the laws, regulations, rules and operating procedures for occupational disease prevention and guided to use correctly occupational disease prevention equipment and occupational disease protection products for personal use.

For workplaces involving occupational hazards, we carry out occupational hazard testing on a regular basis. Evaluation of the status of occupational disease prevention is carried out every three years for enterprises that are prone to serious occupational hazards. The test results and evaluation reports are announced for public scrutiny. For workers exposed to occupational disease hazards, we organize occupational health screening before, during and after employment in strict accordance with regulations, and inform the workers of the results.

Improving the Safety Awareness of All Employees

Adhering to the concept that "insufficient training is a material hidden danger", BBMG formulated and implemented the *2018 Safety Production Training Program*. Training of different contents and in different forms was offered to managerial and executive levels to meet the needs for safety knowledge and skills of different types of employees.



Safety Training for Employees in Manager Level

- Offered safety courses to factory-level manager rotation training classes.
- Organized the certification training for persons in charge and safety management personnel of enterprises in Beijing and special training for persons in charge and safety management personnel of cement enterprises.
- Organized registered safety engineer pre-examination training and continuing education training.



BBMG "June 20 open class" on safety production via video

Safety Training for Employees in Grassroots Level

- Combined with BBMG's work to implement the *Safety Production Management Measures*, printed and distributed the Measures to employees and created a short video with the theme that "safety is achieved by compliance" for employees to watch and learn.
- Organized all enterprises to attend 99 safety production open classes via video.
- Organized a campaign of "offering classes to the grassroots level" to enhance the "last-mile" safety awareness and capability.

BBMG encourages the development of various forms of safety production education combined with traditional training. Enterprises at all levels actively work to create safety culture, enrich promotional carriers of safety culture, and pursue safety both internally and externally.



Case: BBMG's "Safety Production Month" Series Activities

The "Safety Production Month" activities, with the "Safety Production Theme Week" and "Thematic Special Events", were launched within BBMG on June 1.

The theme week activities included four parts of "theme presentation week", "electricity safety week", "emergency drill week" and "safety education week". Through enterprise newsletters, radio, WeChat, website and other media, safety knowledge was promoted in a multi-modality, multi-angle manner to individual employees, teams, and regions where business is carried out, to strengthen the awareness of safety production responsibility of everyone involved.



Fire prevention knowledge presentation



Safety commitment signature event on "Safety Production Publicity Consultation Day"

Assisting Employees to Grow and Realize Their Dreams

BBMG places a high value on the growth of employees. While pursuing own development, it keeps in mind the dreams of employees. Adhering to the talent concept of “providing platforms for hard work, opportunities for innovation, space for development, and rewards for contribution”, BBMG pays attention to the introduction and cultivation of talents by protecting the rights and interests of employees and facilitating the development of talents. Caring for the lives of employees, BBMG provides good benefits and broad space for career development, striving to provide talent and intellectual guarantee for the realization of the grand goal of “building a world-class industrial group”.



Protection of Employees' Rights and Interests

Safeguarding employees' legal benefits is the foundation and base line for BBMG to fulfill its employees' responsibilities. The Company adheres to an equal employment and democratic management system. With the establishment of a transparent fair employment system and the perfection of its democratic management system basically shaped by workers' congress, we feasibly guarantee employees' rights and interests, and construct a harmonious and stable labor relationship.



Equal Employment

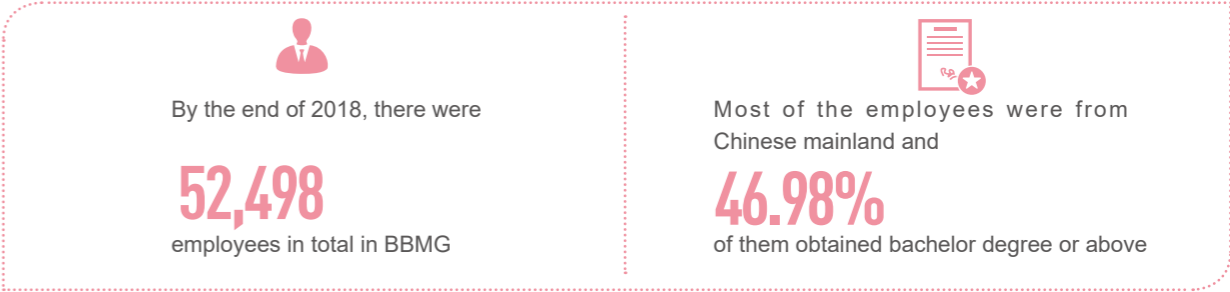
BBMG adheres to the equal employment, by means of protecting the equal rights of employment for different people, assuring employees' legal rights and equally treating people with disparate gender, race, religious beliefs and health conditions. The Company strictly observes the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other related laws and regulations. The Company has also formulated employment policies and compensation and benefit policies, such as *On Further Strengthening Employment Management and Compensation Management Regulations and Jinyu Headquarter Employees' Compensation Management Measures*, etc. In the *Administrative Measures for Rewards and Punishments for Employees (Trial)*, the Company explicitly forbids the use of forced labor and child labor in any case, so as to assure the punctual payment of full compensation, social insurance and housing fund, and various benefits like having the right to statutory holidays in accordance with laws. Besides, the Company constantly regulates its working procedures on fresh graduates' recruitment and perfects its intellectual selection and cultivation mechanisms. Meanwhile, the Company formulates Interim Measures for Recruiting University Graduates of BBMG Group to select excellent talents and to actively make preparation for cultivation and reserve of youth talents. In 2018, the Company created jobs for nearly 2000 people, in which 481 of them were fresh graduates (61 postgraduate, 296 undergraduates, 124 junior college students and below) and more than 1500 were production workers from social recruitment.



Case: BBMG, together with University of Science and Technology Beijing carried out a campus recruitment

BBMG signed a strategic cooperation contract with University of Science and Technology Beijing, by which formally launched its campus recruitment work and sent an invitation to the fresh graduates from University of Science and Technology Beijing. 37 subsidiaries of BBMG cumulatively received almost a thousand resumes in the recruitment, 91 of them reached an agreement on intentional signing. BBMG expanded its influence on campus through the recruitment activity, attracting youth talents to join in and build their dream together.

Composition and distribution of employees



Democratic Management

For the improvement of its democratic management, BBMG actively makes its complaint channel unimpeded and earnestly carries out collective negotiation. It urges the trade union in various units to tease out their collective contracts and salary collective bargaining agreement, alone with the filing of online information. In 2018, the construction rate and renewal rate of collective contracts in Beijing's enterprises maintained 95% above, likewise, the collective contract fulfillment rate was 100%, realizing the stability and harmony of labor relation. Jidong Heidelberg (Fufeng) Cement Limited Company and Jidong Cement Fengxiang Limited Liability Company were honored to win the honorary title of Shanxi Labor Relation Harmonious Enterprise and Shanxi Labor Relation Advanced Unit in the year 2018.

Referring to its labor relations, the Company constantly improves its trade union's disputes settlement mechanism and strengthens risk inspection. It makes effort to protecting rights and services duties and promoting institutionalization and normalization of the democracy on factory affairs. By intensifying democratic management and forging development energy, BBMG forms a well-organized structure as "solving problems in public, promoting development democratically". To defend its harmonious and stable development, the Company also constantly improves the linkage mechanism between protection for labor and supervision of trade union. Besides, the company reinforces the prevention and solution for labor relation contradiction and sets its sight on the origins to handle labor disputes.

In addition, we continue to improve and perfect the democratic management system, attach great importance to and deepen the pilot work of Beijing workers' congress at group level, and adhere to and improve the democratic corporation management system based on the workers' congress. In the year 2018, we have actively made preparations and successfully convened the first session of the second workers' congress of BBMG. 22 new franchisees were guided to establish workers' congress system. It is required that important issues concerning corporation's major decisions, the reform and adjustment of programs and things involving employees' vital interests should all be submitted and approved by workers' congress and thus further regulated our democratic management work.

Case: BBMG convened the first working conference and the first session of the second workers' congress in 2018

In the year 2018, BBMG convened the first working conference and the first session of the second workers' congress in Beijing. The *Production Safety Work Report*, *2017 Financial Statements and 2018 Financial Budget Report*, along with *2017 Operation Entertainment Expenses Report* were considered and passed in the meetings, which also confirmed the election of directors and supervisors among company employees. Representatives spoke out freely and actively discussed how to strive for the Company's development.

Boosting Talent Development

BBMG adhered to leading production through talents and gathering talents through production. It built a complete talent system through unceasingly improving its talent promotion channel, constructing talent cultivation system and boosting talent development. In the year 2018, training programs had covered all employees of BBMG with a 100% rate.

A Smooth Channel for Career Promotion

We offer employees a perfect talents' vocational development channel and construct business promotion channel for both management and professionals, assisted with matched compensation management and vocational development system. Moreover, to guarantee employees' selection and promotion mechanism is realized in an open flow, a fair process, a justified result, a equal chance and a democratic policy, we establish management selection and appointment regulations and senior competition regulations. In terms of system, we lay a good foundation for employees' well-organized promotion and development. The best employees with outstanding business capabilities and management potentials, selected through performance assessment, will be trained as reserve management. We assist them in vocational development planning, providing development platform, satisfying vocational requirements on constantly growing and self-value realizing.

Cultivating Professional Competence

Training is the key to successful corporate development, as well as a powerful approach to forge complete talent system and an effective tool to elevate corporation competitiveness. BBMG abides by the principals systematically, institutionally, initiatively, diversely and effectively to exercise its training on employees. We also formulated the *BBMG Training Management System(Measures)* and *Beijing BBMG(Stock) Company Training Organization and Implementation Management Measures*. For the mutual development of employees and company, we put forth effort to form a training management system features BBMG.

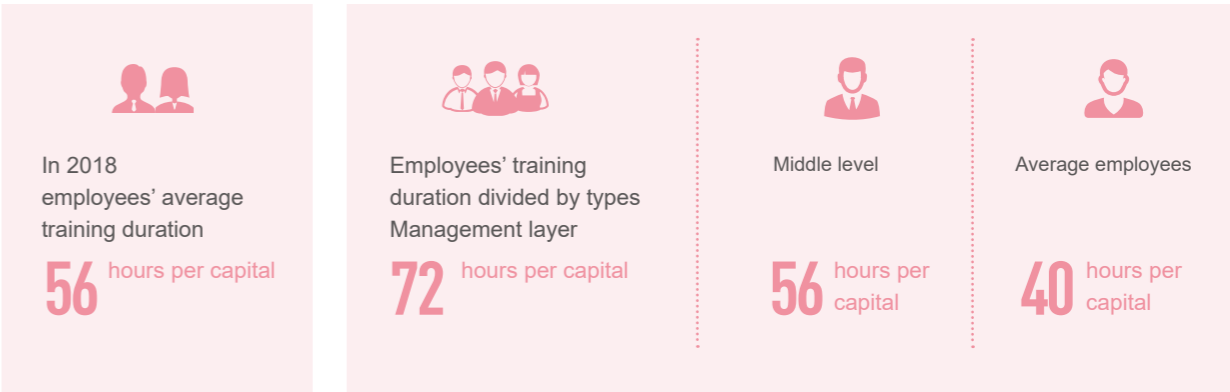
On one hand

We make full use of educational resources as science and technology schools, training base and so on, to systematically develop curriculum system, faculty system and training results assessment system that are fit for various talent groups.

On the other hand

We carry out school-enterprise cooperative education with colleges and vocational training organizations, innovating talents' cultivation mode, establishing experts' working station, postdoctoral young talents innovative practice working station and postdoctoral scientific research working station. We gradually form a standardized Jinyu talents' cultivation mode, on which integrating training resources, founding Jinyu University and developing intensive training on the selected excellent talents.

Besides, we devote to creating more learning platform for employees and providing them a broader communication space to help construct talent groups. Annually, Jinyu applies for all kinds of municipal technician training classes to the Municipal Human Resources and Social Security Bureau, including fire safety training, energy conservation and environmental protection training, property management training and so on, so that it can offer training platform for related corporate personnel. In the year 2018, employees' average training duration Jinyu divided by gender was 56 hours per capital and employees' training duration Jinyu divided by types of them was respectively 72 hours per capital for management layer, 56 hours per capital for middle level and 40 hours per capital for average employees.



Case: University' multi-dimensional talents' cultivation

BBMG utilizes its advantages with training resources to establish Jinyu University, which conducts intensive cultivation on the selected talents as chief staffs. In 2018, Jinyu University successively launched training programs in various forms. For one thing, it aimed at developing academic promotion education, providing core talents a certain proportion of scholarships, encouraging them to proceed to a higher degree in spare time. For another, it organized 'future general' induction training class to carry out a 40-period training on enterprise culture and professional quality for the new recruited college students. Last but not the least, it set up "future general" tracking training class, mainly directing at a 40- period training as team building, executive force and career planning for college graduates with three to five years' working experience. Jinyu University cultivates talents in a multi-dimensional way, thus forming a normalized, professional and unified talent education and training system.



Case: Zanhuang BBMG Cement Limited Company's Employee Library Was Awarded the Honorary Title of 'Nation's Demonstration of Employee Library' by National Federation of Trade Union

Zanhuang BBMG Cement Limited Company' trade union constructed a training system features 'whole staff, whole journey and all-round'. The company organized a variety of skill competition and focused on the construction of 'employee library' platform. Training books as Vocational Skill Standard were written customized for employees, so as to help them get a comprehensive understanding on operational knowledge within a short time. Employees' library was turned into 'gas station' and 'energy store' for study, meanwhile, significant contribution to lifting employees' quality and promoting corporate development had been made. In the year 2018, Zanhuang BBMG Cement Limited Company Trade Union's employee library was authorized the honorary title of 'Nation's Demonstration of Employee Library' by National Federation of Trade Union. Zanhuang education training center was honored with the title of 'national employees' education training demonstration site.



To extensively carry out educational activities on employees' quality, BBMG applies various types of competition to promote employees' leaning skill, enhance their compatibility and elevate their occupational quality. It constructs a favorable atmosphere of respecting knowledge, respecting skill and respecting talent, which set off a wave of learning skill, competing skill and job training. The staffs' wisdom and energy have been gathered up and they are inspired to make new contribution for leapfrog development of BBMG.

Furthermore, BBMG constantly optimizes its talents' incentive mechanism and forms talents' assessment system features Jinyu to encourage scientific and technological talents concentrate on studies and keep making innovation.

We set up awards as



'Top ten scientific and technological people', 'science and technology progress award', 'scientific and technological innovation advanced unit' and so on and make selection annually. Awards like governmental agencies' advanced award above the provincial (ministerial) level, scientific and technological innovation platform, scientific and technological awards of associations with the qualification to recommend scientific and technological award at the national level, patents and software copyright authorized by state would all be rewarded. In 2018, 250 million yuan in total were rewarded to various talents and units, which convincingly inspired talents' development and thus enhanced its competitive edge among peers.

 Caring for Employees

With the concept of human-oriented and no small thing in employees' interests, BBMG keeps perfecting assistance mechanism through building employees' home and enriching their activities to sincerely serve for them. The Company especially pays attention to the care for female employees, which fortifies employees' sense of belonging and sense of well-being.

Construction of "Employees' Home"

BBMG takes the overall situation into consideration and starts from trifles to serve for employees with enthusiasm. We thoughtfully creates an employees' home characterized 'a room for multiple purposes'. It can be used as employee library and recreational and sports activity room, also a spiritual post for them. It is the home and harbour for employees' participation in trade union's affairs, their experience on generalized service of preferences, the implementation of communication and exchange and the settlement of disputes.



Besides, we devote to the establishment of a reliable trade union that employees have easy access to. We try to turn the trade union into a real sense of "employees' home" and make its officials be the truthful "family and friends". To guarantee its high quality services, the company makes evaluation on and supervises grassroots trade union's work at regular intervals.

 Case: Employees' home—a tiny but warm library

In 2018, under the support of BBMG, the relocated BBMG Construction Machinery Company rebuilt employees' home. The trade union not only constructed various activity rooms for badminton, ping pong, table tennis, bodybuilding exercise, instruments, mummy and infant, and etc; but also upgraded employee library with added subscription of magazines about infant education, women, the middle aged, kitchen, psychology, military, sports and photography. In the library, pen, ink, paper and ink stone were provided and calligraphy classes were established. The fragrance of ink and books offered employees a place to cultivate their taste and absorb spiritual nutrients. Finally, employees' home was unanimously praised by all staffs.



Enriching Employee Activities

BBMG pays high attention to employees' physical and mental health and care for their spare-time life, by advocating mutual balance and mutual promotion between efficient work and healthy lifestyle. Various healthy and upward, abundant and colorful recreational and sports activities we organize are important carriers of caring and serving employees, as well as enriching employees' cultural life, for instance, employees' art performance, art troupe, tour, employees' sports event and so on. All the activities help to building a broader stage for employees to do exercise, to communicate and exchange and to show their talent. Thus, it forms a healthy, civilized, positive and optimistic cultural atmosphere.



Case: Competition and Unity—the Ninth Session of Employees Sports Game of BBMG

This year, with the grand opening of the ninth session employees' sports meeting of BBMG, 81 enterprises' delegations from 23 provinces and autonomous regions nationwide gathered up and enjoyed the feast for the combination of sports competition and cultural exchange. This sports meeting stressed the enjoyment of activities and the involvement of employees. With a duration 7 months, 9 major terms and 73 single events were completed successfully, which effectively promoted employees to enhance sports exercise and enriched their spare-time life. The sports meeting strengthened employees' cohesion and corporate liveliness, which could be a good sample and demonstration for local enterprises.



Caring for Needy Employees

BBMG seriously implemented the deploy of Beijing Federation of Trade Unions, giving great impetus to employees' problem sloving and mutual assistance and promoting the establishment of special assistance fund on corporate practical situation, so as to serve employees better. In the year 2018, the trade union of BBMG cumulatively visited more than 3,000 model workers and needy employees, granting 450,000 yuan special fund featured "love delivering, harmony constructing and development promoting" to 110 needy employees and model workers from 24 grassroots units. It transmitted Jinyu' care and the warmth of this big family to its employees.

In addition, the Company actively explored a new working mode of 'internet + trade union' work' to push the construction of intellectual trade union's sharing platform. In accordance with the working requirements of 'generalized system of preferences and full coverage', we transact union members' interactive support service cards for employees by offering four types of mutual support assurance as 'binding type', 'one plus one type', 'disperse type' and 'contracting type'. The mutual assurance of employees' special disease basically realized its coverage. In the year, insurance amount cumulatively reached 2.401 million yuans, in which 1.507 million applied to the claims of hospitalization and outpatient service, benefiting 3532 employees. Employees' interactive support insurance mode, becoming a shining brand for trade union's service, widely won staffs' recognition and applause.



Case: A Warm BBMG Family

On the Spring Festival Eve of 2018, Zhangjiakou Jinyu Cement Limited Company did its utmost on assistance and visiting work, leading trade union's personnel to the home of model workers, retired staffs and needy employees in severe cold winter, by sending the gifts such as rice, flour and oil to express company's care and blessing.



Caring for Female Employees

BBMG attaches great importance to its women employees' rights and interests and actively carries out related work, providing female employees same working compensation, management position, professional training and occupational development opportunity, paying maternity insurance for them and offering pregnant women antenatal care leave, maternity leave and breastfeeding leave. Based on which, the Company forms women's union committee, specializing in women employees' occupational development and rights and interests protection. Women's committee focuses on females' requirements and practical work by considerably implementing many care activities, for examples, holding women employees' health knowledge lectures, supervising female employees conducting physical examination, constructing "a room of mother and infant care" and carrying out abundant activities on Women's Day. The Company does positively make effort to do practical things and good deed, and solve problems for women employees, from which they feasibly receive care and warmth from "women employees' union", and thus help them build their confidence in the pursuit for bright new life in Jinyu's excellent cultural atmosphere and sparkle Jinyu female's presence.



Case: "Celebrating the Women's Day and Becoming an Excellent Employee"—A Female Employees' Workshop

In 2018, the Company carried out female employees' thematic seminar on "toasting the Women's Day for female's achievements, aiming at making lofty contribution", to recognized women's role of holding up 'half the sky' in Jinyu's leapfrogging development. The Company also encouraged female employees to offer their advice and suggestions, and it also organized 50 corporate female representatives from Jidong Jinyu Cement Beijing Regional Company to attend 'China's female health promotion planning' meeting with giving out 3000 books at Great Hall of the People. It showed a positive image of Jinyu women by granting splendid female workers with 'Beijing March Eighth red banner medal'.



Case: The Trade Union of BBMG Organized Its Female Employees to Join in the Plan of Cervical Health Promotion

In April 2018, women's union committee of BBMG organized female representatives to attend "China's female health promotion planning" meeting in the year 2018 sponsored by China Women Development Foundation and National Federation of Trade Unions Female Staff Department at Great Hall of the People. The meeting aimed at popularizing female cervical knowledge and disease precaution knowledge through organizing health lectures, delivering publicity and education information, broadcasting public service advertisements and so on. The committee also arranged vaccination for female employees by signing up and making an appointment on their own will. It helps female employees prevent cervical cancer, improve their health literacy and self-protection awareness, lower morbidity of cervical cancer and care female employees' physical and mental health with heart.

Carrying Forward Fine Traditions and Taking up Responsibility

Adhering to the business philosophy of “sharing happiness”, BBMG in 2018 actively carried out social service activities, contributing to community development and fulfilling the social responsibility of corporate citizens. In 2018, BBMG's charitable donations totaled RMB 984,505.



Contributing to Community Development

We devote ourselves to serving the community by continuously innovating on service details and service content and vigorously improving community service quality and community satisfaction. In 2018, we launched a series of activities with theme of “BBMG Journey of Love”. Through greening community, improving community environment, creating a livable environment, and enriching community activities, etc., we responded to the diverse and personalized life needs of community residents, provided extended services that suit the community, and brought a better life experience to residents. Through various community service activities, we also cultivated responsible employees, responsible teams, and a corporate culture that makes difference, and translated them into an inexhaustible drive for practicing our hard-working culture, thus to promote the sustainable development of the Company.

Case:A Better Life Experience for Owners

BBMG Dacheng: Decorating the community to convey blessings for Spring Festival

BBMG Dacheng Property Management Co., Ltd. carried out Spring Festival celebrations and a variety of community activities. It delivered “fortune” stickers that were printed in uniformity to owners door to door to create a warm, cheerful and peaceful atmosphere, which got the company closer to the owners and created a harmonious community atmosphere.

BBMG Shanshu: Lighting the community with creativity

BBMG Shanshu Property Management Co., Ltd. mobilized all departments to personally make hand-painted stone paintings for the community. The vivid stone paintings were placed in the water area of the West District, impressing the owners and adding a fresh atmosphere to the cold winter days. The owners couldn't praise this idea more.

BBMG Feili: Dust-cleaning public-spirited activities

BBMG Feili Project Department launched a public welfare activity to remove dust from and glaze the doors to owners' houses, winning the praise of owners.

BBMG Investment Property Management Group: 7 years of voluntary tree planting

BBMG Investment Property Management Group carried out the activity entitled “planting a tree of compassion”, the seventh consecutive year of voluntary tree planting since 2012.



Focusing on Targeted Poverty Alleviation

BBMG actively implements social responsibility by thoroughly deploying the “pairing of one enterprise and one village for assistance”. With a high sense of social responsibility, enterprises strengthened communication with counterpart villages on their own initiative. Excellent managers were selected to support counterpart village officials. Service guarantee was implemented focusing on targeted poverty alleviation. We established a profound friendship with local villagers by making due contribution to the battle against poverty.

In 2018, BBMG won the “Jinzhi Award” as China's Most Socially Responsible Listed Company in 2018. By the end of 2018, BBMG had cumulatively invested more than 40 billion yuan in poverty alleviation in Hebei, Henan, Inner Mongolia and Xinjiang, etc.

Case:BBMG Liushui Environmental Protection Technology Co., Ltd. Launched “Pairing of One Enterprise and One Village for Assistance” Program

Through years of poverty alleviation practice, BBMG Liushui Environmental Protection Technology Co., Ltd. has implemented a number of initiatives and achieved remarkable results in poverty alleviation. The company carried out a thorough analysis of the low-income farmers in the counterpart village before giving targeted assistance with priority to families with sick and disabled members. Not only donating materials, it also extended technical training in planting and breeding to low-income farmers. Based on existing resources, Shibantai Village was helped to transform the industry, improve own economic capability, so as to achieve long-term poverty alleviation.



Case:Delivering Pair-up Assistance to Inner Mongolia Region, and Solving Employment Problems for the Poor

On Dec 5th 2018, the subsidiaries of BBMG actively responded to targeted poverty alleviation activity of “thousands enterprises help thousands villages” in Fangshan area and developed pair-up assistance to Inner Mongolia region. Inner Mongolia Yidong Jidong Cement Limited Company, Baogang Jidong Cement Limited Company and Baotou Jidong Cement Limited Company took their own advantages to create employment platform for low income peasants. They totally received 11 registered poor people, effectively solving the problem of employment for the poor and unemployed and added a reassuring insurance to poor villagers' poverty alleviation and income increasing.



Case: Jidong Heidelberg (Jingyang) Cement Co., Ltd. Donates Cement to Poverty-Stricken Village

In 2018, Jidong Heidelberg (Jingyang) Cement Co., Ltd. actively implemented the work on poverty alleviation and assistance for the counterpart village. It donated money to the Senior Citizens Association of Wangqiao Village, Wangqiao Town, Jingyang County, for the latter to carry out daily activities, so that the elderly live through retirement with fun and happiness. In addition, the company donated 125 tons of cement for renovation of dilapidated buildings in Wangqiao Town, contributing to the construction of the poverty-stricken village. Igniting hope with love and passing warmth with sincerity, the company helps the poverty-stricken village out of predicament with BBMG resolve.



Case: BBMG Hebei Dingxin Cement Helps Improve the Infrastructure of Counterpart Poor Village

In 2018, BBMG Hebei Dingxin Cement Co., Ltd. donated 200,000 yuan to the counterpart village Lijiazhuang, Tashang Town, Lingshou County, and carried out all-round assistance through designated procurement, assistance in construction and other means. Dingxin found that the weak infrastructure in the village seriously restricted the income of villagers and the industrial development of the village. In order to accelerate the construction of infrastructure and increase the income of low-income farmers in the village, it helped transformation of aqua privies to flushing toilets, infrastructure restoration and leisure activity center construction, which improved the village's living environment and quality of living, beautified the village appearance, and improved the happiness of villagers.



Practicing Volunteerism

BBMG encourages subordinate enterprises to actively play their role in social welfare activities, encourage employees to join the ranks of volunteers and contribute to society. More than 30,000 BBMG young employees from enterprises in and outside Beijing formed more than 300 service teams, and established BBMG Young Volunteer League with the tenet of "Dedication, Friendship, Mutual Assistance and Progress" to call on all young people to join social welfare undertakings. During the reporting period, the Company carried out more than 200 volunteer service activities in 23 provinces and cities across the country, including teaching aids, helping the elderly, helping the disabled, energy conservation and environmental protection, public services, event support and on-job contribution, etc., involving more than 12,000 person-times and total service time of more than 15,000 hours.



Case: BBMG Property Management Group builds a High-Quality Emergency Rescue Volunteer Team

In order to build a high-quality emergency rescue volunteer team, BBMG Property Management Group organized volunteers to receive training at Beijing Tongda Emergency Rescue Technical Training Center. The training combined theoretical lectures and on-site exercises. Senior medical instructors from American Heart Association (AHA) and clinical medical experts from 999 Emergency Center were invited to teach psychological quality and skills required for emergency rescue volunteers, emergency case analysis, and professional knowledge such as cardiopulmonary resuscitation, wound dressing, and emergency treatment of people with special needs, etc. The young volunteers were led to review the volunteer oath and volunteer spirit. All volunteers successfully passed the written and practical examinations. With a thorough knowledge of emergency rescue, they will deliver warmth to more people in need and establish a new image of the youth.



Case: BBMG Zhanhuang Cement Company Supports "College Entrance Examination" Candidates

During the 2018 college entrance examination, BBMG Zhanhuang Cement Company's youth volunteers created a service station near the examination site of Zanjiang Middle School to provide such volunteer services as "examination support" and "traffic guidance" and maintain order in the surrounding areas. Volunteers also provided candidates and parents with umbrellas, benches, free drinking water, emergency vehicles and other items to meet their needs. In addition, volunteers chatted with parents with enthusiasm to ease the tension of parents. With concrete actions to express concern, volunteers did what they could to support the candidates.



Case: "Warm Clothes as Winter Companion"

For the fifth consecutive year, BBMG participated in the popular public welfare volunteer activity in Beijing – "Warm Clothes as Winter Companion". In 2018, through donation stations, WeChat account and other online and offline methods, we mobilized all BBMG young employees across the country to participate in donations, adding up to nearly 10,000 pieces of clothes so far. With the help of college students in Beijing who returned home for winter vacation, the cotton clothes were delivered to people in need. BBMG young employees collect love and warmth to deliver positive energy. Donations went to many poverty-stricken provinces and regions around Beijing, achieving good social benefits.

"Devoting a limited life to an infinite service for the people" is the essence of Lei Feng Spirit and the most vivid and true portrayal of his glorious life. BBMG continue to enrich the connotation of Lei Feng Spirit by carrying out a variety of volunteer services according to local conditions. BBMG youth are guided to integrate more characteristics of the times into the veins of Lei Feng Spirit, to consistently dedicate themselves to work and society by following the footsteps of Lei Feng, and to rewrite the story of Lei Feng in the new era with practical actions.

Subordinate enterprises	Volunteer services to carry forward “Lei Feng Spirit”
BBMG Zhanhuang Cement	“Learning from Lei Feng” Month Launching Ceremony cum Voluntary Blood Donation” and a memorial ceremony at Zhanhuang County Martyrs Cemetery were organized. More than 50 young people donated 16,000 ml of blood.
BBMG Real Estate Group Chengdu Branch	All members obtained the China Red Cross First Aid Certificate. The young people mastered the basic emergency rescue theory and practical operation skills, and can save themselves and each other in the event of accidental injuries.
BBMG Property	A series of volunteer service activities were launched with the theme “Paying Tribute to Lei Feng with Volunteer Service”. Volunteers carried out the activities of respecting the elderly, planting trees, and education on smoking bans, etc., and the “Earth Hour” public-welfare activity for environmental protection was carried out online and offline.
BBMG Jianji	Employees were organized to carry out voluntary propaganda of “Safe Driving with Love”. The youth distributed brochures concerning “Summer Vehicle Maintenance”, “Green and Low-Carbon Travel” and “Lei Feng Spirit in New Era”, and placards to fill in car owner phone number for moving cars in case.
BBMG Commercial and Trading	Nearly 100 BBMG young employees were organized to carry out a series of activities such as first-line sales support, standardizing shared bicycle parking, planting trees to mitigate smog, and so on to serve the business operation and fulfill social responsibilities.
Tangshan Jidong Cement Co., Ltd.	<p>Caring for hearing-impaired children</p> <p>At the arrival of the 28th National Day for Helping the Disabled, young volunteers from Tangshan Jidong Cement Co., Ltd. donated materials to families with hearing-impaired children, and also presented wonderful programs for this event.</p>



BBMG Zhanhuang’s young volunteers in voluntary blood donation activities



BBMG Investment Property Management Group's 2018 “BBMG Journey of Love” Volunteer Service

Outlook for the Future

In 2019, BBMG will continue its efforts at the three levels of economy, environment, and society. Since BBMG is a large-scale state-owned holding industrial group in Beijing and A+H-share listed company based on “new green building materials manufacturing, trade and services, property development and operation, and property management”, economically, we will continue to lead industry development, promote industry progress with our own development, and strive to become the industry pacemaker. At the environmental level, we will continue to adhere to the concept of green development, transform to an environment-friendly enterprise, and commit ourselves to upgrade to green building materials, create green buildings, and develop urban environmental protection industries with unique characteristics centered on harmless and resource-based disposal of urban waste. At the social level, we will continue to actively respond to the national strategy by participating in the construction of such large-scale projects as the Xiong'an New District, the Beijing City Sub-center, and the Winter Olympics stadiums. We will integrate our social responsibility and industry development, and continue to carry out social service activities to contribute to community development and live up to the corporate citizenship standard.

Standing at a new starting point of sustainable development, BBMG will continue to develop steadily while making progress. Adhering to the concept of sustainable development and the pursuit of a green and low-carbon, healthy and environmentally-friendly development model, we will continue to protect the environment for the society and strike a better balance between economic development, environmental protection, and social responsibility.

HKEX Environmental, Social and Governance Reporting Guide Content Index

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		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P45
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ESG Indicator			Disclosure and Description
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Feedback from Readers

Dear readers,

Thank you very much for reading the *2018 BBMG Corporate Social Responsibility Report*. We pay great attention to and expect to hear your feedback on BBMG's management, practice and reporting of social responsibility. Your comments and suggestions will help us to continue promoting the management and practice of corporate social responsibility. We look forward to your reply!

Multiple-choice Questions (please tick✓ in the appropriate box)

1. Does the Report reflect the significant influence of BBMG on economy, society and environment?
Yes ☐ Somewhat ☐ No ☐
2. Do you think the relation analysis of stakeholders hereof and BBMG is accurate and comprehensive?
Yes ☐ Somewhat ☐ No ☐
3. Was the information provided in this report comprehensive?
Yes ☐ Somewhat ☐ No ☐
4. Was the information provided in this report readable?
Yes ☐ Somewhat ☐ No ☐

Open Question

Please address any opinions and suggestions on the 2018 BBMG Corporate Social Responsibility Report.

Your Contact Information

Name:	Tel:
Company:	E-mail:
Address:	Fax: