



INTERNATIONAL CEMENT GROUP LTD.

SUSTAINABILITY REPORT 2021

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ABOUT THIS REPORT

BOARD STATEMENT

We are pleased to present the annual Sustainability Report (the “Report”) of International Cement Group Ltd. (“ICG” or the “Company”, and together with its subsidiaries, the “Group”) for the financial year ended 31 December 2021 (“FY2021”). This Report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B, and references the Global Reporting Initiative (“GRI”) Standards, Core option.

This Report highlights the key economic, environmental, social and governance (“EESG”) related initiatives carried out throughout a 12-month period, from 1 January 2021 to 31 December 2021, and it includes information on the Group’s key operating entities as follows:

Cement segment

- Tajikistan
 - International Manufacturing Company Chzhungtsai Mohir Cement LLC (“IMCCMC”)
 - Mohir Cement LLC (“MC”)
- Kazakhstan
 - Alacem LLP (“ALACEM”)
 - Sharcem LLP (“SHARCEM”)
 - Korcem LLP (“KORCEM”)

Aluminium segment

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

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

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

REPORTING FRAMEWORK

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

FEEDBACK

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

11 April 2022

CORPORATE PROFILE

ABOUT INTERNATIONAL CEMENT GROUP

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

In addition to its Tajikistan operations, the Group also owns and operates a cement plant in the Almaty region of Kazakhstan, with an annual production capacity of 1.2 million metric tonnes.

In September 2021, the Group entered into a joint venture to build a new cement plant in the Korday district, Jambyl region in Kazakhstan, with an annual production capacity of 1.5 million metric tonnes. Construction of the new cement plant commenced in the last quarter of 2021 and is expected to be completed by mid-2023.

In November 2021, the Group completed the acquisition of a cement plant in the Jarminsky district in the East Kazakhstan region, with an annual production capacity of 1.0 million metric tonnes. Upgrading works commenced in end-2021 and the plant is expected to commence commercial production by mid-2022.

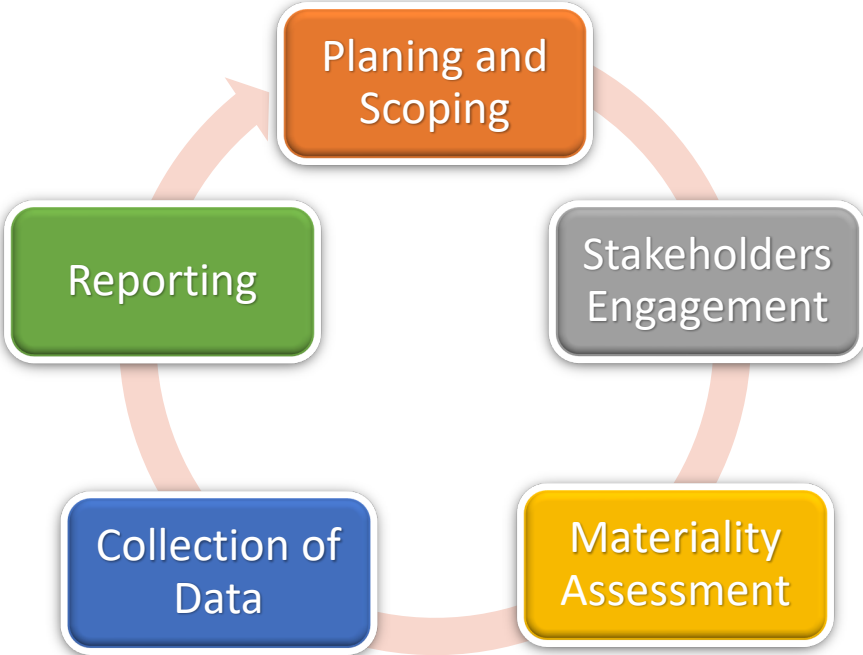
The Group also has an established business in manufacturing and marketing aluminium extrusions used for the construction industry in Singapore.

OUR BRANDS		
 		
Existing Plant	Location	Annual Production Capacity
TAJIKISTAN		
● 1 Cement Plant - IMCCMC	Yovon District, Khatlon Region	1.2 mil MT
● 1 Grinding Station - MC	Kolkhozabad, Khatlon Region	0.6 mil MT
◆ 1 Drywall (Gypsum Plasterboard) Plant* - MI	Yovon District, Khatlon Region	30 mil m ²
KAZAKHSTAN		
★ Central Asia Headquarters	Almaty City	-
● 1 Cement Plant - Alacem	Sary-Ozek, Almaty Region	1.2 mil MT
● 1 Cement Plant* - Sharcem	Jarminsky District, East Kazakhstan Region	1.0 mil MT
● 1 Cement Plant* - Korcem	Korday District, Jambyl Region	1.5 mil MT



SUSTAINABILITY APPROACH

OUR SUSTAINABILITY APPROACH



STAKEHOLDER ENGAGEMENT

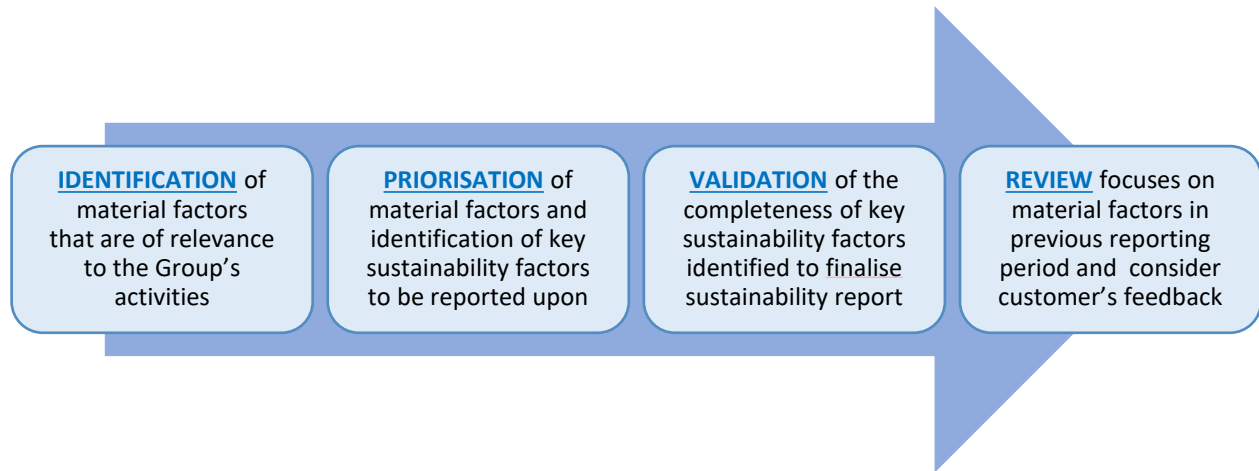
An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited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

The following sets out our engagement platforms with our key stakeholders:

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

MATERIAL ASPECTS ASSESSMENT

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



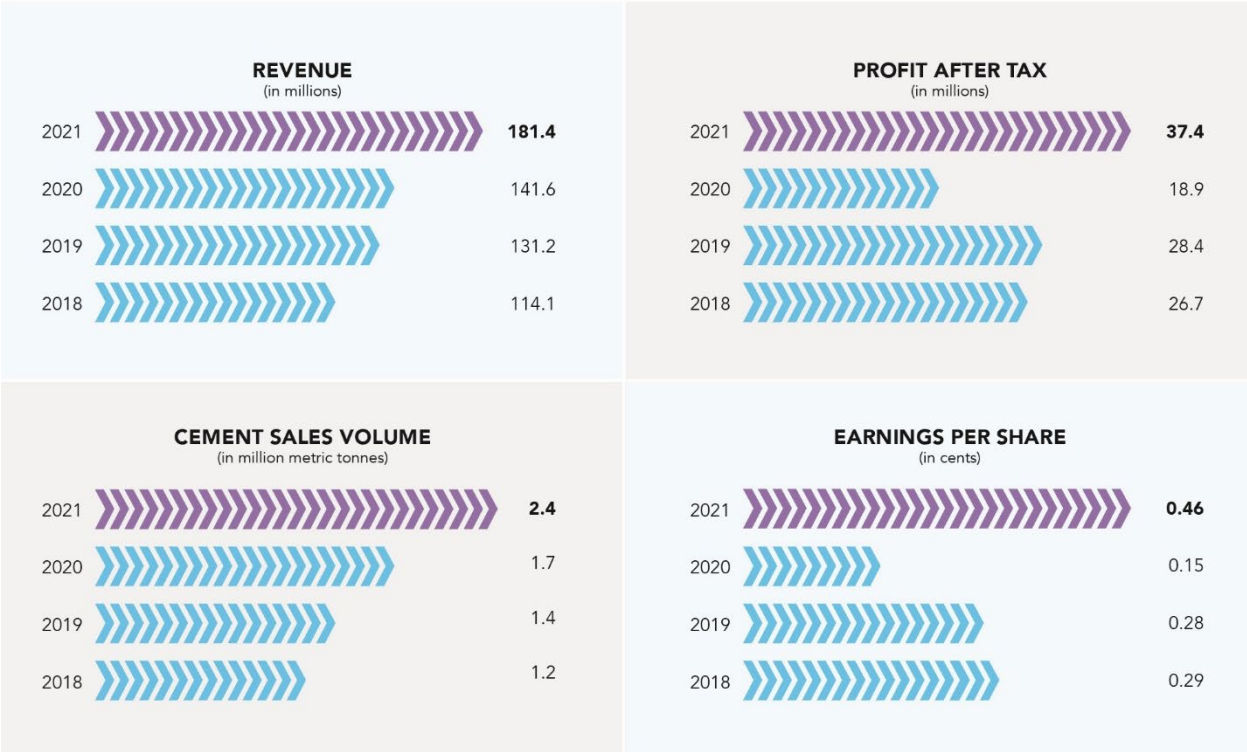
We conducted a materiality assessment during the year. A materiality review was conducted, incorporating inputs from engagements with key stakeholders.

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

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



ECONOMIC



ECONOMIC PERFORMANCE

The Group posted a revenue of S\$181.4 million in the financial year ended 31 December 2021, up 28.1% from S\$141.6 million the year before. This was due to an increase in revenue from the cement segment of S\$41.1 million, or 30.9%, following the commencement of sales at its Alacem cement plant in Kazakhstan during the second half of 2020, which generated S\$67.2 million in sales in FY2021. However, the overall increase was partially offset by a decline in revenue from the Group’s Tajikistan cement operations and aluminium segment of S\$13.5 million and S\$1.3 million respectively, due to a slowdown in local construction activities in Tajikistan and Singapore as a result of the COVID-19 pandemic.

CEMENT SEGMENT

Since making our foray into the Central Asia region in 2017, we have been continuously increasing our cement production capacity in this region each year. We now own and operate a cement plant and a grinding station in Tajikistan, and a cement plant in Kazakhstan, with a combined annual cement production capacity of 3.0 million metric tonnes.

During the year in review, we continued to make great strides in building our cement production capacity to support the Group's long-term growth in this region:

- (i) in September 2021, International Cement Korday Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a joint venture to construct a cement plant in the Korday district, Jambyl region in Kazakhstan. This joint venture will be implemented through Korcem LLP, a 87.5% owned subsidiary of the Group; and
- (ii) in November 2021, Sharcem LLP, a newly incorporated 60% owned subsidiary of the Company, acquired cement-related assets located at Jarminsky district in the East Kazakhstan region, for a cash consideration of approximately 7.1 billion Kazakhstan Tenge (S\$22.3 million).

We are heartened that we will be partnering with Mr Nurzhan Shakirov ("Mr Shakirov"), who is also the local partner of our existing Alacem plant, to build and operate these two new cement plants. Over the years, we have forged a strong partnership with Mr Shakirov, who has worked closely with us in growing our cement operations in Kazakhstan. With our accumulated capabilities and experience in the cement industry in Central Asia, as well as Mr Shakirov's extensive local expertise in Kazakhstan, we are confident that both of these new projects will be another successful collaboration. With the addition of these two new cement plants, the Group will nearly double our total annual cement production capacity from 3.0 million to 5.5 million, positioning us well for further growth. Moving forward, even as the macro environment remains challenging, we will continue to cautiously pursue growth opportunities in the Central Asia region through both construction and acquisitions of cement plants where demand for cement continues to stay strong.

Review of Operations

The cement segment accounted for 95.9% of revenue in FY2021 as compared to 93.9% in FY2020.

Revenue from the cement segment increased by 30.9% to S\$174.1 million in FY2021 largely due to the commencement of sales from the Alacem cement plant in Kazakhstan, which generated S\$67.2 million in sales in FY2021. However, the increase was partially offset by a decline in revenue from the Group's Tajikistan operations due to a slowdown in local construction activities as a result of the COVID-19 pandemic. The gross profit margin for the Group's cement operations in Kazakhstan was higher than its operations in Tajikistan due to the lower cost of raw materials in Kazakhstan. As a result, the division's profit before tax rose by 100.3% to S\$50.6 million.

Geographically, the increase in revenue was mainly attributable to an increase in revenue contribution from Kazakhstan of S\$54.7 million, which was partially offset by a drop in revenue contribution from Tajikistan, Afghanistan, and Uzbekistan of S\$7.0 million, S\$4.0 million, and S\$2.5 million respectively.

ALUMINIUM SEGMENT

In 2021, the Group continued to secure public-sector residential projects within Singapore, which are expected to be completed progressively over the next 3 to 5 years. As at 31 December 2021, the Group had an order book of approximately S\$16.2 million, including variation orders.

The implementation of safe management measures to curb the spread of the virus in Singapore has led to a slowdown in construction activities. As our aluminium business is closely related to construction activities, its operations and performance were adversely impacted during the year. The aluminium segment was also constrained by manpower shortage due to the strict border restrictions imposed by the Singapore government on foreign labour. In Malaysia, multiple phases of movement restrictions imposed by the Malaysian government throughout the year caused a significant slowdown in production in our fabrication factory, which resulted in a delay in the delivery of cast-in window frames from Malaysia to Singapore.

Despite the many challenges we faced, we continued to work closely with our main contractors on the delays in deliveries and executing our projects on hand. Some of the projects completed during the year include the supply of aluminium windows for local public sector housing projects such as Bedok South Horizon at Bedok South and Tampines GreenVerge at Tampines Avenue 9.

Meanwhile, to mitigate the financial impact of not just the prolonged COVID-19 situation but the tough business environment, we will work towards conserving our cash flow by implementing cost-containment measures in our procurement and payment services. Overall, we expect the operating environment to remain challenging with the ever-evolving COVID-19 pandemic, manpower shortage, and pressure on margins stemming from rising material and labour costs.

Review of Operations

The aluminium segment accounted for 4.1% of revenue in FY2021 as compared to 6.1% in FY2020.

Revenue from the aluminium segment fell by 15.2% to S\$7.4 million in FY2021 mainly due to a slowdown in construction activities in Singapore. Loss before tax widened to S\$3.6 million from S\$1.3 million the year before, as a result of a significant increase in raw material and labour costs.

THE WAY AHEAD

Moving into 2022, the Group is now in a stronger position to capture more growth opportunities in the Central Asia region. As governments in the Central Asia region continue to prioritise infrastructure development, we will build on this momentum and continue driving growth by leveraging on our expanded capacities and strong track record.

With the addition of the two new cement plants, our combined annual cement production capacity will almost double from 3.0 million metric tonnes to 5.5 million metric tonnes. This will strengthen the Group's ability to meet the strong demand for cement in Central Asia and contribute towards increasing our market share within the domestic market.

Looking ahead, despite the ongoing pandemic, we are cautiously optimistic for the year to come as we foresee that the demand for construction materials within the Central Asia region will remain strong. We will remain strategic and prudent in our pursuits of opportunities to further expand our cement operations in the Central Asia region through investments, acquisitions, joint ventures, and/or strategic collaborations to achieve sustainable and viable long-term growth, as well as create greater value for our stakeholders.

In addition, the Group will remain vigilant as we continue to navigate through this rapidly evolving COVID-19 situation. Safeguarding the well-being of our employees is our top priority and we will ensure that necessary health and safety measures are enforced across all our operations. We will continue to actively monitor and take the necessary steps to mitigate any continuing impact this may have on the Group's business.

The sanctions arising from the conflict between Ukraine and Russia are unlikely to have a direct operational and financial impact on the Group's business as we are not involved in any sanctioned business dealings with Russia. Nevertheless, we have put in place adequate and effective internal controls to monitor, address and mitigate sanction-related risks.

For details on financial results, please refer to our FY2021 Annual Report Financial Highlights (page 4), Operations and Financial Review (pages 14 to 24), and Financial Statements (pages 49 to 111).

ANTI-CORRUPTION

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

In FY2021, the Group was not involved in any litigation cases concerning corruption, bribery, blackmailing, fraud and money laundering (FY2020: nil).

WHISTLEBLOWING

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

We achieved the target we set last year. There were no whistleblowing cases in FY2021 (FY2020: nil).

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

ENVIRONMENT

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

EFFLUENTS AND WASTE

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

CEMENT

Type of waste	FY2020	FY2021	Disposal method
Waste rock	163,000 tonnes	183,750 tonnes	During the limestone mining process, waste rocks are recycled and blended into the raw materials for cement production.
Waste hydrochloric acid	5.0L	3.0 L	We neutralise the waste hydrochloric acid to a pH level of between 6 to 8 and discharge into the sewage treatment system. Subsequently, a small amount of filtered residue together with empty hydrochloric acid bottles are incinerated in a preheater. The on-site and laboratory employees will jointly supervise the disposal process.
Hydrochloric acid bottle	50 kg	50 kg	
Waste water	34 tonnes	39 tonnes	Waste water will be filtered and treated before using it to irrigate the greenery in our cement plants.
Scrap iron	25 tonnes	10 tonnes	We actively carry out repairing by reusing scrap iron to reduce damage to the environment.
On-site domestic waste	10 tonnes	5 tonnes	We actively approach to waste management company for waste collection services. They will collect all the waste and transport it to a waste treatment facility.
Construction Waste	5 tonnes	2 tonnes	We try to fully make use of the construction waste as raw material when we start for a new construction project.

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



Hydrochloric acid bottles are incinerated in a preheater

RECYCLING OF FLY ASH FOR ENVIRONMENTAL BENEFITS

Fly ash is a coal combustion product, a by-product of pulverised coal incineration in the process that generates electricity. During FY2021, we purchased 82,000 tonnes (FY2020: 135,000 tonnes) of fly ash waste produced by nearby power plants and used them as raw materials which reduced the number of clinkers utilised in the clinker-to-cement production process. This not only solves the problem of environmental pollution caused by the disposal of fly ash waste by these power plants, but also contributes to energy saving and reduction of other materials required for production.

ALUMINIUM

Type of waste	FY2020	FY2021	Disposal method
Sludge	4.7 tonnes	0.1 tonnes	Sludge is sent to a waste management centre which has an incineration plant, a solidification plant, a physical and chemical plant, and a secured landfill and clinic waste treatment centre. Sludge from the coating division is disposed by an authorised collector twice a year.
Waste water	84,480 litres	12,270 litres	Water used for surface preparation is treated by qualified waste water consultants. Treated water sample is tested in a laboratory to ensure compliance with environmental requirements for discharge to the public water system. The Group reuses the treated water as water curtain which evaporates during the coating process.

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

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

We achieved the target we set last year. During FY2021, there was no incident of non-compliance with safety and environmental requirements (FY2020: nil).

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

ENERGY

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

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

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

In FY2021, to further save energy, reduce cement manufacturing costs, enhance market competitiveness, achieve energy-saving targets and ensure sustainable development of production and environment, we managed to save energy and reduce consumption by focusing on high-tech transformation. Measures to improve energy efficiency were implemented as follows:

1. Frequency conversion transformation was made to the kiln tail exhaust fan and the inverter of the kiln tail was replaced to further reduce energy consumption.
2. The rotary feeder and fly ash belt were installed with high pressure frequency converter to significantly reduce energy consumption and noise pollution.
3. Technical transformation of medium voltage variable frequency air outlet was made to the exhaust fan to further reduce energy consumption.
4. Technical transformation was made to the belt conveyor hopper located on the train unloading area to further reduce energy consumption.
5. The frequency converter controls were installed for the fly ash belt conveyor, soil residue belt conveyor and rotary unloader to further reduce energy consumption.
6. The auxiliary material feeding machine was added with additional plate feeder to reduce energy consumption.
7. The start-up and shutdown time of the coal mill and cement mill were strictly controlled, and the equipment was strictly prohibited from being idle for a long period.



Replacement of kiln tail inverter



Technical transformation of frequency air outlet



Technological transformation of belt conveyor hopper



Installation of frequency conversion control

We achieved the target we set last year. During FY2021, the cement operations had shown remarkable energy saving results with a reduction of 1.0 million kWh (FY2020: 2.5 million kWh) of electricity and 1,000 tonnes (FY2020: 3,900 tonnes) of raw coal.

In FY2022, we target to further enhance our energy management, reduce energy consumption, increase employees' awareness of energy conservation, optimise operating processes, increase equipment operating rates, develop corrective measures, and implement remediation and timelines for root causes identified, so that energy wastage is minimised.

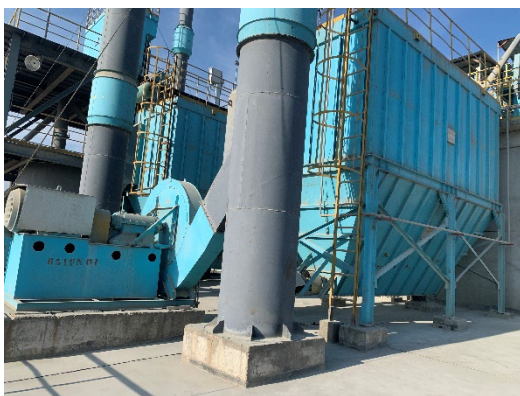
We aim to reduce electricity and raw coal consumption in FY2022 as follows:

Entity	Electricity	Raw Coal
CMISB	2%	N/A
IMCCMC	1%	1%
MC	1%	N/A
ALACEM	1%	1%

EMISSIONS

Effective control of dust and gas emissions improves the environment in which our plants operate and enables them to help meet local residents' needs for clear waters and green mountains. Not only should this objective be part of our corporate social responsibility, it would also benefit us in the form of cost savings and waste reduction. We use advanced equipment for our production lines to ensure that dust and gas emissions are within acceptable range. The equipment in our plants includes an energy saving and environmental-friendly precipitator and bag filter which reduces the dust emission for the Group by 150,000 tonnes every year. By operating the rotary kiln and raw material mill simultaneously at the same time, raw materials absorb carbon dioxide, sulphur dioxide, nitrogen oxides and other gases, which reduces the gas discharge by more than 23,000 tonnes per year. By running the kiln synchronously and humidifying and stopping spraying, it can save more than 63,000 tonnes of tap water per year. To enhance water saving efficiency, we build water wells near the plant area for use in production and reduce the usage of tap water in our plant.

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



Dust collectors

In addition, we ensure that the gas analyser equipment is maintained. The dust bag of the bag filter is replaced on a regular basis to further reduce the exhaust gas and dust emissions.



Replacement of dust bag

As for the aluminium business, gas emissions from the polyvinylidene fluoride (“PVDF”) wet paint coating line and powder coating line are released through the respective chimneys. Air emission monitoring is conducted yearly to determine the quantum of solid particles and volatile organic compound through chimneys. This practice is to ensure that Standard Environmental Quality (Clean Air) Regulation 1978, Standard “C”, Part V Requirement of Malaysia is met. The Group had complied with this regulation in FY2021 (FY2020: zero non-compliance).

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

ENVIRONMENTAL COMPLIANCE

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

We achieved the target we set last year. During FY2021, there were no major cases of non-compliance (FY2020: nil). Our objective is to have zero cases of non-compliance towards environmental requirements.

SUPPLIER ENVIRONMENTAL ASSESSMENT

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

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

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

We achieved our target by assessing 100% of our sub-contractors and suppliers. We aim to continue assessing 100% of our sub-contractors and suppliers. We include the sustainability related factors in the selection as well as evaluation of suppliers and work together with them to reduce adverse environmental impact.

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

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

We have established a safety management system and set the safety management principle of “Safety First, Prevention First, Comprehensive Management, Full Participation”. To further implement the safety management policy and the principle of “One Role, Duo Responsibility, Joint Management”, we set up a management team which focuses on the standardisation and implementation of the safety system throughout the Group and at all employee levels with defined responsibilities.

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

In addition, we also encourage employees to adopt a safety-first work culture in company. Detailed key performance indicators (“KPIs”) in safety targets have been included in the KPI booklet and responsibilities have been announced with letters of declaration signed by designated personnel.

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

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

In FY2021, safety management trainings pertaining to Safety System, Emergency Planning & Documentation, Safety Operation Procedures and safety training sessions were conducted with 721 attendees (FY2020: 703) in total, to improve each employee’s safety awareness and skills. Assessments were conducted after trainings.

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



Safety trainings and drills

We have obtained the ISO9001:2015 Certificate for IMCCMC, MC and ALACEM with validity until 2023.

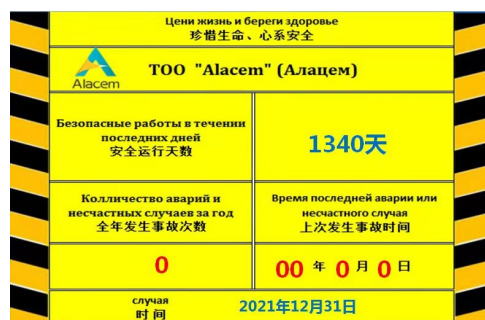


CEMENT

As at 31 December 2021, IMCCMC, MC and ALACEM had operated safely for 2,022, 986 and 1,340 days respectively. There were no major or minor safety-related incidents in FY2021 (FY2020: nil).

We achieved all targets for FY2021:

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



We aim to maintain zero cases of all type of injuries at our operation by providing sufficient safety training and drills to our employees in FY2022.

ALUMINIUM

We understand that accidents do happen during work and we will strive to reduce the number of accidents in the upcoming year by constantly inspecting our machines and reminding workers to be vigilant at work. We have set the KPIs for FY2022, aiming to achieve zero number of accidents and zero direct economic losses from accidents through continuous implementation of the standardisation of the safety system, safety training and emergency management.

We achieved the target we set last year. During FY2021, there were no minor or major incidents at our plants in Malaysia (FY2020: nil). We will aim to achieve the KPIs set in FY2022.

TRAINING AND EDUCATION

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

Our training programmes in FY2021 were as follows:

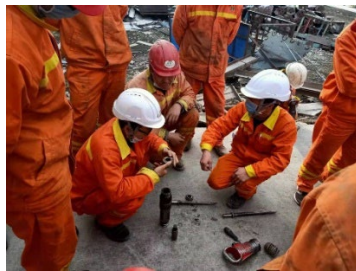
- Administrative integration
- Anti-money laundering and combating the financing of terrorism training
- Core-trade door and window installation aluminium
- Enterprise management
- Epidemic prevention and control knowledge training
- Equipment management training
- Financial management and business training
- Management improvement training
- Professional skill improvement for each position
- Production technology training
- Russian language training
- Safety and environmental protection
- Safety management training (e.g., safety briefings before commencement of work, post safety operation procedures, safety management system, safety operation procedures for high altitude operation, fire safety knowledge, construction etc.)
- Safety of window courses
- System and process training
- Team building

Information on staff training hours was as follows:

Tajikistan (IMCCMC and MC):

Staff Training	FY2020	FY2021
Total number of staff trained	532	513
Total training hours	34,069	43,092
Training hours per person	64	84

In FY2021, we mainly focused on technical training and increased the number of trainings for production employees. In FY2022, we target to organise employee training on average of 4 times a month, with 2 hours each time and will mainly focus on "Safety Management Improvement", "System and Process Regulations", "Language Improvement", and "Professional Skills Improvement". The trainings will be conducted in the form of lectures and practical exercises.



Technical training



Equipment management training

Kazakhstan (ALACEM and SHARCEN):

Staff Training	FY2020	FY2021
Total number of staff trained	180	332
Total training hours	8,100	5,930
Training hours per person	45	18

As ALACEM commenced operations in third quarter of FY2020, we conducted significantly more trainings in FY2020 to train our employees on production, safety, etc. In FY2022, we target to organise employee training on average of 4 times a month, with 1 to 2 hours each time and will mainly focus on "Safety Management Improvement", "Technical Skills", "Language Improvement", and "Professional Skills Improvement". The trainings will be conducted in the form of lectures and practical exercises.



Technical skill training



System management training



Safety training

Malaysia (CMISB):

Staff Training	FY2020	FY2021
Total number of staff trained	–	14
Total training hours	–	77
Training hours per person	–	6

Due to the COVID-19 pandemic, we were unable to conduct training in FY2020 and we were only able to conduct online trainings for certain employees in FY2021. In FY2022, we target to provide training for at least 50% of our employees.

Singapore (ICG, CMIPL and IPL):

Staff Training	FY2020	FY2021
Total number of staff trained	13	14
Total training hours	184	138
Training hours per person	14	10

In FY2022, we aim to provide at least 80 hours of training to our employees on core-trade door & window installation.

DIVERSITY AND EQUAL OPPORTUNITY

The Company recognises the importance and benefits of having a diverse Board to enhance the quality of its performance. The Company has not adopted a board diversity policy in FY2021. The Terms of Reference of the Nominating Committee includes consideration of candidates from a wide range of backgrounds, their merits and against objective criteria with due regard for the benefits of diversity on the Board, including gender, skills, knowledge, experience and diversity. The Board currently comprises individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge ranging from legal, accounting and finance expertise to individuals with the industry knowledge relevant to the Group's business.

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

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

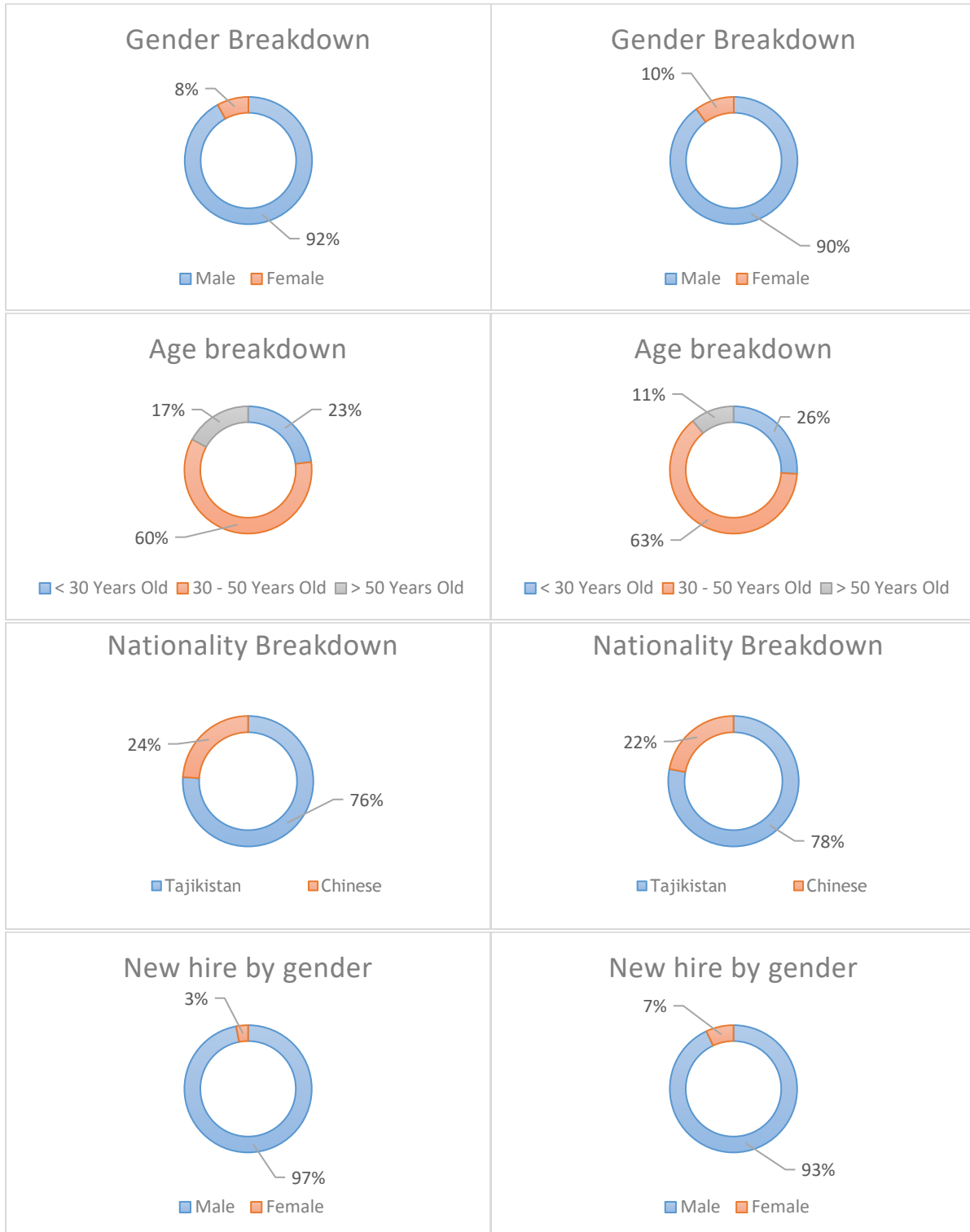
As at 31 December 2021, we had a workforce of 55, 72, 444 and 725 (FY2020: 58, 83, 455 and 236) employees in Singapore, Malaysia, Tajikistan and Kazakhstan respectively. During FY2021, there were 6, 23, 94 and 512 (FY2020: 3, 10, 63 and 102) new staff hired in Singapore, Malaysia, Tajikistan and Kazakhstan respectively.

Profiles of our headcount and new hires were as follows:

Tajikistan (IMCCMC and MC):

FY2020

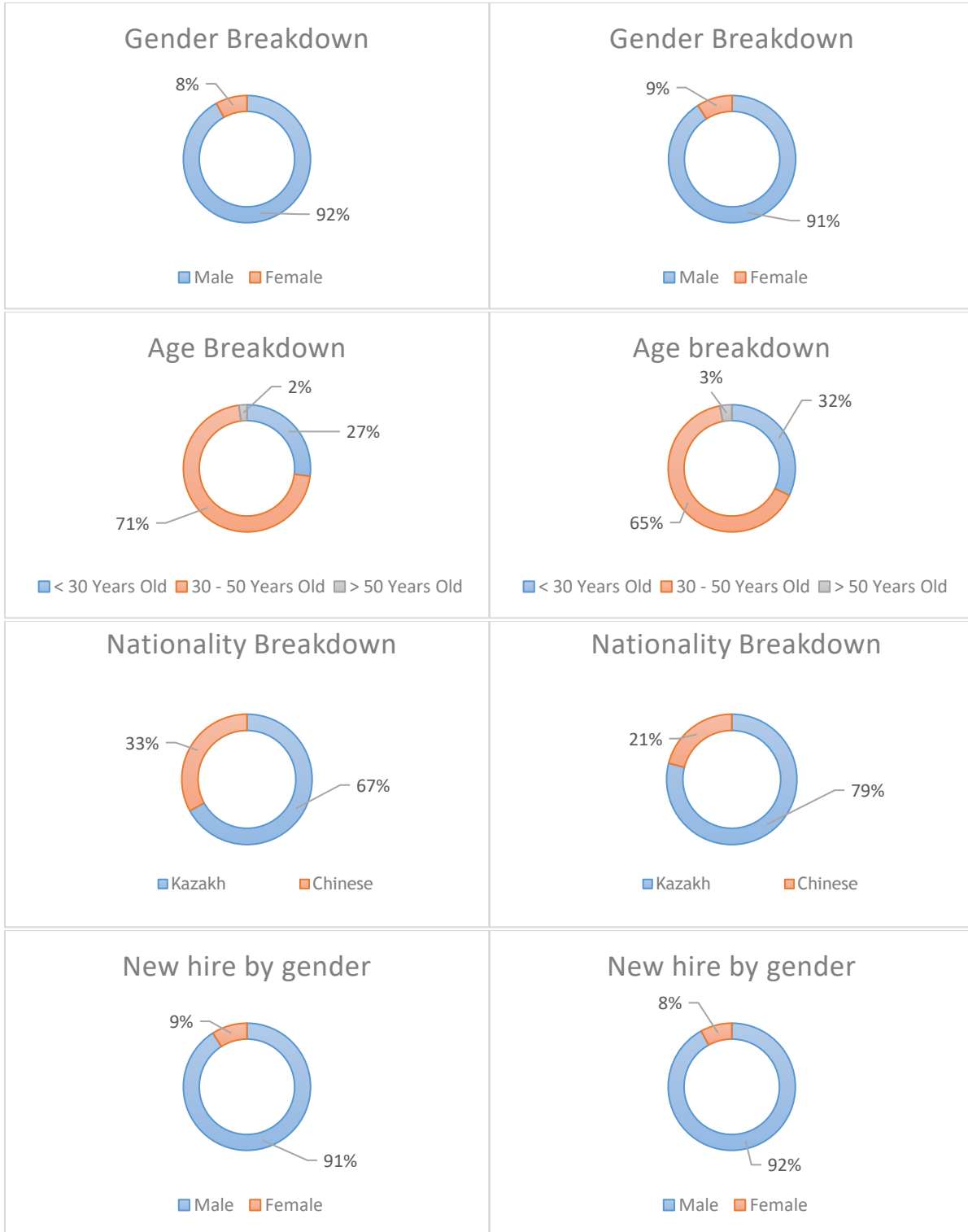
FY2021



Kazakhstan (ALACEM, SHARCEM, KORCEM):

FY2020

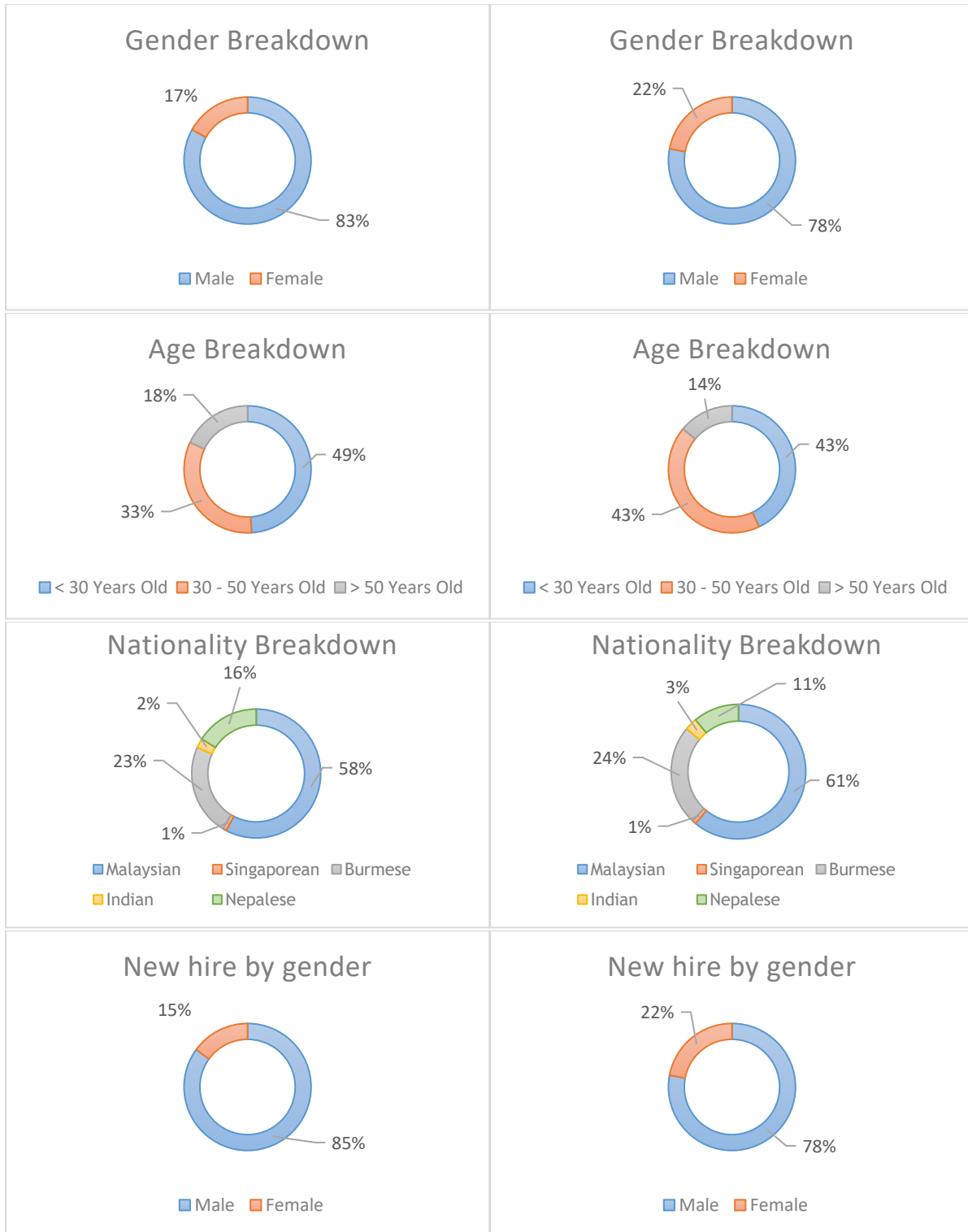
FY2021



Malaysia (CMISB):

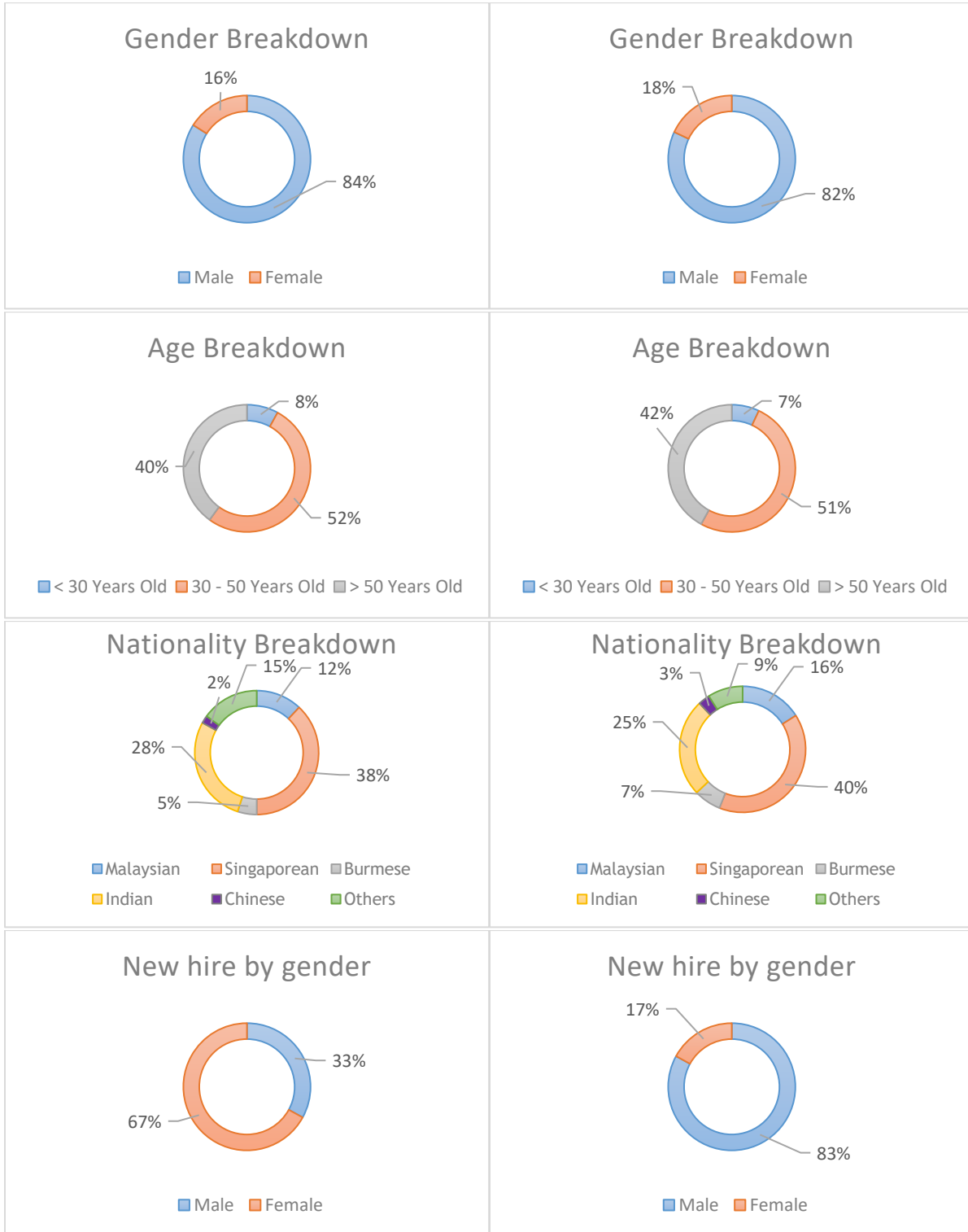
FY2020

FY2021



**Singapore (ICG, CMIPL and IPL):
FY2020**

FY2021



Every employee plays an essential role in our Group and we pay utmost attention to the wellbeing of our employees. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communication while showing care and support for each other. During FY2021, we organised different types of activities for our employees, such as basketball, table tennis, movie screenings, cultural activities, teamwork games, barbeque party, and luncheon gathering during Christmas and New Year Eve, etc. We also set up rooms for recreational activities such as table tennis, billiard, KTV and mahjong, and a convenience store for employees. Moreover, we participated in the celebration of 30th Anniversary of the State Independence of the Republic of Tajikistan.



Barbeque party



International Women's Day



Table tennis and billard



Teamwork game



Basketball



Nawrouzi Festival



30th Anniversary of the State Independence of the Republic of Tajikistan

CODE OF CONDUCT

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

We achieved the target we set last year. During FY2021, there were no complaints on discrimination (FY2020: nil). We aim to maintain zero incidents of complaints on discrimination and continue to have diversity and equal opportunities for employees.

LOCAL COMMUNITIES

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

In addition to pursuing sustainable business development and growth, we are committed to giving back to our local communities. In FY2021, we actively engaged in numerous CSR initiatives across the Group.

In Tajikistan, we donated 1,500 metric tonnes of cement worth 1.08 million Tajikistan Somoni ("TJS") (\$\$128,000) to the Tajikistan government and local administrations of the Khatlon region. The donated cement went towards several local infrastructure improvements projects within Tajikistan that aim to improve the lives of the local residents. These included road repairs and upgrading local amenities such as fire protection facilities. Additionally, we contributed TJS 0.44 million (\$\$52,000) to the local government to build a road along the entrance of our grinding station in Kolkhozabad.

We strive to make a difference in the lives of the less privileged in the communities where our business operates. We contributed TJS 1.5 million (\$\$178,000) towards setting up a university bursary to improve access to education for the underprivileged. Donations to 66 students were made during the year to ease the financial burden of their educational expenses. In addition, through our employee union fund, we provided monetary aid to 350 employees in need.

We also continued our annual tradition of donating to the Kurgan Nursing Home, contributing TJS 0.2 million (\$24,000) this year to improve the living conditions of the nursing home to provide a better quality of life for its elderly residents.

As we continue to build our presence in Kazakhstan, we remain committed to building relationships with the local community, donating 1.03 million Kazakhstan Tenge (“KZT”) (\$3,000) in cash contributions and other in-kind donations. To support the development of sports in Kazakhstan, we sponsored the Kerbulak District Volleyball Federation team’s participation in state and national competitions, including the players’ sports attire, as well as the national game, “Kokpar”, organised by the Kazakh youth. Our social initiatives during the year include festive visits and gifts donation to local disabled children and centenarians of Sary-Ozek.

We achieved the target we set last year. In the coming year, we will continue to actively pursue meaningful CSR activities and extend our help to our community wherever possible. We believe that such initiatives allow us to give back to society while providing our employees with meaningful opportunities to connect with the communities around them.



CUSTOMER PRIVACY

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

We achieved the target we set last year. During FY2021, there were no (FY2020: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations. We aim to maintain zero incident of non-compliance with laws and regulations.

SOCIOECONOMIC COMPLIANCE

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

We achieved the target we set last year. During FY2021, there were no (FY2020: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

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

AWARDS

Over the years, we have built up our reputation rapidly and won the recognition of the governments, local communities and customers in Tajikistan and Kazakhstan. In FY2021, our operations in Tajikistan received awards from the government on Advanced Unit in Industrial Technology and Environment.



*Advance Unit in Industrial
Technology Award*



Environment Award

GOVERNANCE

CORPORATE GOVERNANCE

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

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

Please refer to the FY2021 Annual Report (pages 28 to 41) on details of the Code of Corporate Governance.

ENTERPRISE RISK MANAGEMENT (“ERM”)

ERM is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables the Group to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For details on ERM, please refer to the FY2021 Annual Report (page 36).

We performed risk assessment exercise in FY2021 and achieved the target we set last year. We aim to perform risk assessment annually and ensure compliance with disclosures in accordance with SGX-ST requirements.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference/Description	
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures 2016	102-1	Name of organisation	International Cement Group Ltd.
	102-2	Activities, brands, products and services	Sustainability Report ("SR") pages 4 to 5, Annual report ("AR") pages 2 to 3
	102-3	Location of headquarters	AR pages 2 to 3 and 26
	102-4	Location of operations	AR pages 2 to 3
	102-5	Ownership and legal form	AR pages 2 to 3, 5 and 26
	102-6	Markets served	AR pages 2 to 3
	102-7	Scale of the organisation	SR pages 26 to 30, AR pages 2 to 3 and 5
	102-8	Information on employees and other workers	SR pages 26 to 31
	102-9	Supply chain	SR page 20, AR pages 2 to 3 and 14 to 20
	102-10	Significant changes to the organisation and its supply chain	N/A – There were no significant changes.
	102-11	Precautionary principle or approach	SR page 2
	102-12	External initiatives	SR pages 32 to 33
	102-13	Membership of associations	None
	102-14	Statement from senior decision maker	SR pages 2 to 3
	102-16	Values, principles, standards and norms of behaviour	SR page 35
	102-18	Governance structure	SR page 35, AR pages 28 to 41
	102-40	List of stakeholder groups	SR page 7
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR page 6
	102-43	Approach to stakeholder engagement	SR page 7
	102-44	Key topics and concerns raised	SR page 7
	102-45	Entities included in the consolidated financial statements	SR page 2, AR page 5 and 80 to 81
	102-46	Defining report content and topic boundaries	SR pages 2 to 3
	102-47	List of material topics	SR page 8
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR page 2
	102-51	Date of most recent previous report	23 Apr 2021
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR page 3
	102-54	Claims if reporting in accordance with the GRI Standards	SR page 3
	102-55	GRI content index	SR pages 36 to 37
102-56	External Assurance	We may seek external assurance in the future.	
MATERIAL TOPICS			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	SR pages 9 to 12
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	SR page 13
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SR pages 16 to 17
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR pages 18 and 19

GRI Standard	Disclosure		Reference/Description
GRI 306: Effluents and waste 2016	306-1	Water discharge by quality and destination	SR pages 14 to 15
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	SR page 19
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	SR page 20
GRI 403: Occupation health and safety 2018	403-1	Occupational health and safety management system	SR pages 21 to 24
	403-5	Worker training on occupational health and safety	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	SR pages 24 to 26
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	SR pages 26 to 31
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SR pages 32 to 33
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR page 34
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	SR page 34