



2014

CBMI SOCIAL  
RESPONSIBILITY  
REPORT





# Report Description

The report is the actual portrayal of the continuous improvements on fulfillment of social responsibility of CBMI Construction Co., Ltd, (CBMI) in 2014. By reading the report, employees, clients, partners, sub-contractors, shareholders and contributors, various national competent departments in charge, societies and all the people who cared about development of CBMI could understand the social responsibility ideas and practices as well as the unremitting endeavors the company had made for further promoting economic and social sustainable development.

The annual report is basically compiled in accordance with the content and form outline recommended by the United Nations Global Compact in terms of Communication of Progress (COP). The annual report is written in both Chinese and English, and the Chinese version shall prevail for report auditing.

The report ranges from January to December of 2014, which is released once every year, covering CBMI and its all affiliated projects.

To publicize the knowledge and ideas of social responsibility in a larger scale and ensure the extensiveness, professionalism and quality of the material sources relating to the compiling of the social responsibility report as well as the compiling quality, CBMI set up leading compiling panel and compiling body to prepare the annual social responsibility report. We formulated the issued policy papers such as CSR annual report compiling scheme, guidelines, communications, schedule, feedbacks, and seriously learned the United Nations Global Compact in terms of Communication on Progress (COP). We also invited experts of the United Nations Global Compact Network China and Beijing Provalue Management Consultancy Corporation, a CSR/Sustainability think tank, to guide and conduct training for some of those people who participated in the social responsibility report compiling.

The financial data involved in the report was in consistence with stipulations of the "Accounting Standard for Business Enterprises" and the "Accounting System for Business Enterprises" issued by the State.

To ensure the contents are authentic and reliable, CBMI invited Dr. Zhang Xiao, a CSR and sustainability expert from Provalue Management Consultancy Corporation and also Executive Director of China Strategy Research Center of CSR in Building Materials, to conduct the third-party evaluation and to provide improvement suggestions for CBMI Social Responsibility Report 2014.

To read online "CBMI Social Responsibility Report 2014" in electronic version, please visit CBMI website at <http://www.cbmi.com.cn>.

This report has been submitted to the website designated by the United States Global Compact Office, please visit <http://www.unglobalcompact.org>.

## Process of report compilation

Data collection and analysis

Data collection and analysis

Stakeholders survey

Identification of theme and topics

Compilation and translation of report

Designing and printing

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# Chairman's Statement

Adhering to social responsibility ideas put forward by the United Nations Global Compact in such aspects as respect for human rights, labor rights, environmental protection and anti-corruption, CBMI will continue to support and promote the implementation of the United Nations Global Compact's Ten Principles in its influencing extent. The strategies, corporate culture and day-to-day operation will focus on the influence on stakeholders, implementing corresponding social responsibilities.

CBMI has publicly pledged to comply with the idea of "continuous improvements" of the United Nations Global Compact, consistently improving the human rights condition such as non-discrimination employment, elimination of child labor, no forced labor, and local labor rights, safeguarding the occupational health and personnel safety of all workers, guaranteeing their labor income and caring about personnel safety of all workers, guaranteeing their labor income and caring about their career development, promoting and utilizing new technologies to save energy, reduce emission and protect working environment and living surroundings, making efforts to construct fair and just culture, and advancing anti-corruption process.

Regarding the United Nations Global Compact's Ten Principles as an integral part of the corporate strategy and businesses, CBMI promises to publicize the principles among its senior managers and all the employees, so as to gain extensive support for the principles.

At present, China's economy has stepped into a new normality and the landscape of international competition is experiencing profound changes. In face of both challenges and opportunities, CBMI will continue to make the progress of the implementation of social responsibility known to the public, accepting the supervision of the public and constantly strengthening the management of social responsibility. Meanwhile, we engage ourselves in paying active attention to the climate change and actually protecting the interests of the employees. What we vigorously want to achieve is the construction of an environment-friendly enterprise and harmonious labor relations. And we greatly concern about the community development and social public welfare and spare no efforts to achieve a responsible and sustainable business overseas. We will cooperate with all stakeholders to mutually promote sustainability of the economic and social development at home and abroad.



Chairman of CBMI Construction Co., Ltd

# About US

## No.1

Domestic EPC cement project

Foreign cement plant projects undertaken by Chinese companies

Construction of cement factories in developed European countries

Export of large complete-set cement equipment made by China exported to European firms

## Enterprise Profile

Affiliating to the China National Materials Group Corporation Ltd. (Sinoma) under the Sinoma International Engineering Co., Ltd, CBMI has a history of more than 60 years. Registered in Tangshan City, Hebei Province of China, the management center, technology center, engineering center, procurement center of CBMI are located in the Beijing Economic-Technological Development Area (BDA).

CBMI possesses foreign operation rights, import-export rights, and the qualification of class A in general contracting of national engineering projects. It's a well-known enterprise that takes the first step to implement the "going out" strategy in the building materials industry with a great influence in the field of international cement engineering. CBMI undertook the first EPC-mode general contracting engineering project in China. CBMI was the first foreign cement plant project built by a Chinese company. It was the first Chinese enterprise to build cement plants in developed countries of Europe and also the first to export large-sized complete sets of cement equipment made by China to Europe.

CBMI has passed the ISO9000 quality management system certification, ISO14000 environmental management system certification and the OHSAS18000 Occupational Health & Safety Advisory Services certification. The Credit line of the company has continuously kept at Level AAA.

# Business Scope

## Main Business

CBMI engages in turn-key cement plant projects. The company provides customized EPC- or EP-mode general contracting integrated service in such aspects as engineering consultation, design and R&D, equipment manufacturing and complete set, civil engineering and installation, production and commissioning, spare parts and components, after-sales service, and production management of cement production line at various scales for clients in accordance with their requirements and environmental characteristics.

In recent years, CBMI has actively explored and promoted multi-business development strategy. Good explorations have been made in building, metallurgy, electricity, municipal construction, environmental protection and extension of main business. It developed and promoted reconstruction technology of cement production projects with the advantage of energy saving, pro-environment and low emission, and used the technologies of cogeneration and desulfurization and denitrification.

## Business Plate

Currently, CBMI's main businesses are mainly located overseas, spreading over Europe, Asia, Africa and America, while its client resources are largely from high-end markets including LAFARGE, HOLCIM, Heidelberg and Italcementi Group, with good brand and fame.

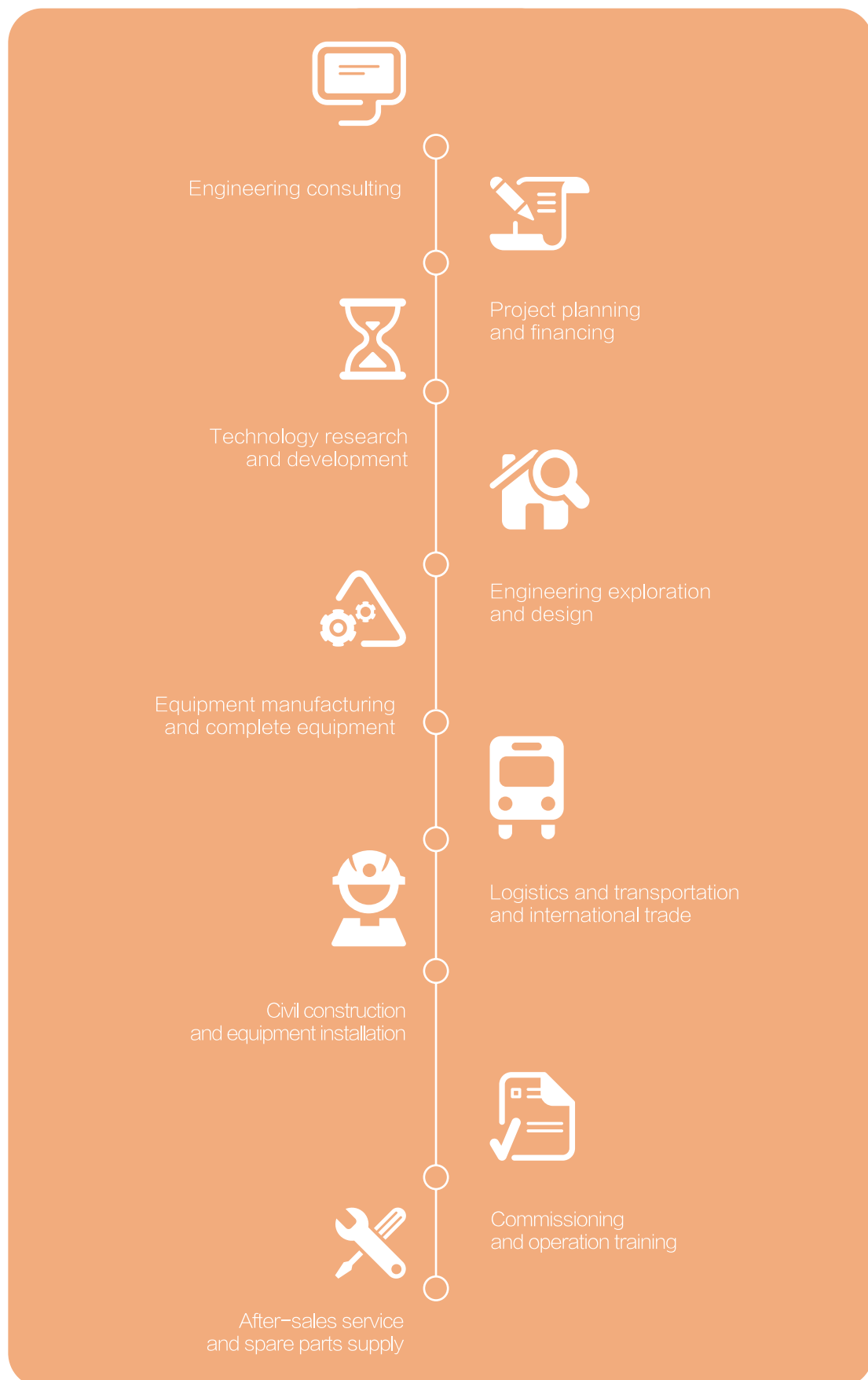
In the history of China's cement industry construction, CBMI has created various records such as the world's largest cement factory project with two production lines of 10,000 tons, the first full set technological production line introduced from abroad, the first independently-developed dry-process rotary kiln production line, the first Sino-foreign joint production line, the first international general contracting "turnkey" project, the first production line

installation project with daily production of 10,000 tons of cement clinker, and the first production line of complete set equipment for exporting to European countries.

CBMI has constructed most major projects of cement production lines In the Chinese cement industry, including most of the foreign-invested projects and the projects with daily production scale of cement clinker of more than 4,000 tons. The company has accumulatively constructed nearly 160 cement production lines.

With over 1,000 employees, CBMI could construct more than 10 projects totaling nearly 10 billion yuan in more than 10 counties simultaneously.

## Business Process



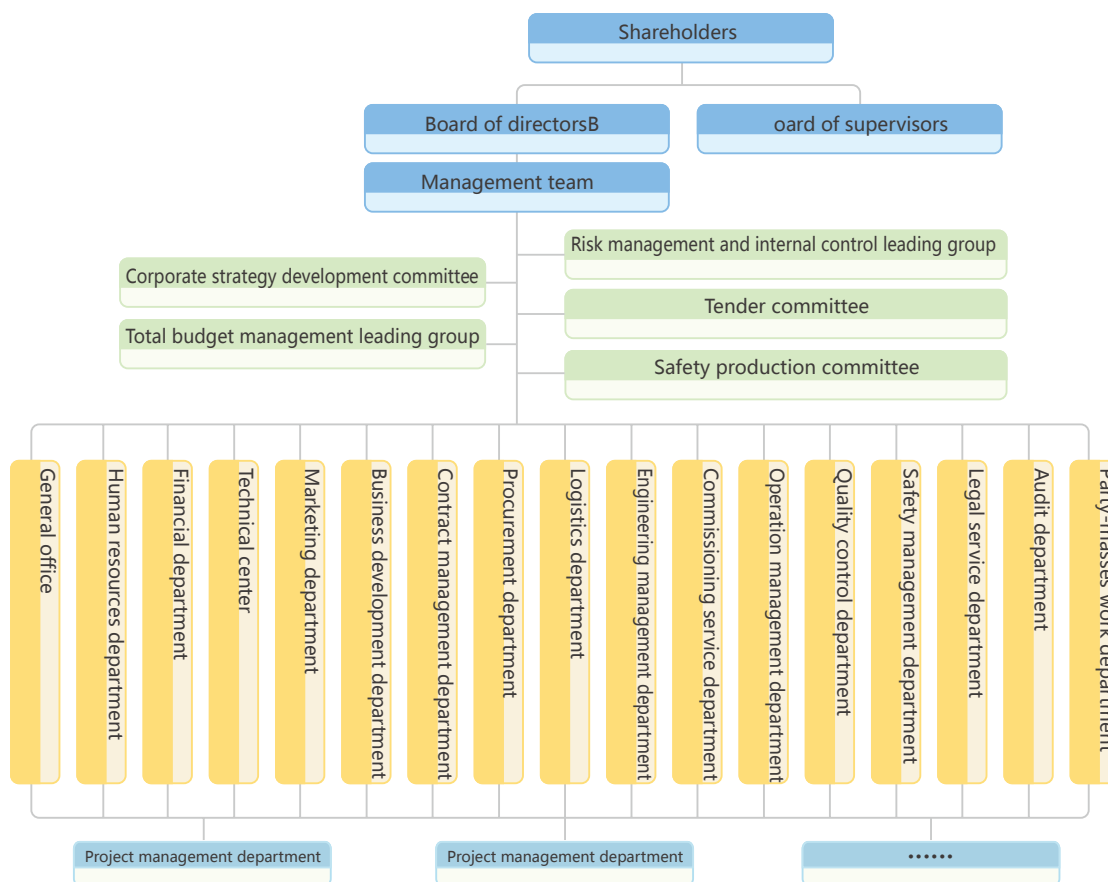
## Governance Structure

CBMI is a limited liability company established in accordance to the 'Company law of the people's Republic of China'. It has set up the board of shareholders, board of directors, board of supervisors and general manager in accordance to the corporate charts. The general manager shall be responsible for the board of directors. The board of directors has set up specialized committees, including corporate strategy development committee, safety production committee, tender committee, risk management and internal control leading group, and total budget management leading group, managing and controlling corporate operation risks and

supervising clean operation.

CBMI would hold meetings with shareholders, board of directors, and board of supervisors as well as the general manager's office meeting regularly and irregularly, carrying out work in accordance with "CBMI Articles and Association", "Meeting Procedure Rules of Shareholders", "Meeting Procedure Rules of Board of Directors", "Meeting Procedure Rules of Board of Supervisors", and "Work Rules of General Manager", and conducting decision-making in such areas as production, operation and management.

## Organizational Structure Chart of CBMI



## Project Distribution

The construction projects undertaken and implemented by CBMI are mainly located in Spain, France, Italy, Russia, Hungary, Albania, Ukraine, Moldova, Cyprus, Azerbaijan, Bulgaria, Syria, Saudi Arabia, Tunisia, Morocco, Mauritania, Zambia, South Africa, Nigeria, Uganda, Benin, Algeria, Ghana, Guinea, Dominican Republic, Ecuador, Malaysia and other countries and regions in Europe, Asia, Africa and America.



## Stakeholders Involved

Stakeholders		Relationship	Means of Communication
<b>Shareholder</b>	Sinoma International Engineering Co., Ltd.	Wholly owned subsidiary	The board of directors
<b>Clients</b>		Client service	Business contact
<b>Staff I</b>	Registered Staff	Labor relations	Contract and trade union
<b>Staff II</b>	Domestic Employees		
<b>Staff III</b>	Foreign project-based employees		
<b>Supplier I</b>	Technical design subcontract	Business subcontract	Business contact
<b>Supplier II</b>	Procurement subcontract		
<b>Supplier III</b>	Engineering subcontract		
<b>Supplier IV</b>	Labor subcontract		
<b>Community I</b>	Local government	Relevant policies and laws	Conference and visits
	Tangshan Fengrun District Office, State Administration of Taxation	Tax collection and management	
	Tangshan Fengrun District Local Taxation Bureau	Tax collection and management	
	Bank of Communications, Bank of China and other commercial banks Funds	Access, credit, and guarantee, etc.	
	Fengrun District Housing Accumulation Fund Management Center	Management of employees' housing accumulation fund	
	Accounting firm	Auditing of annual financial statement	
	Tangshan Central Branch of the State Administration of Foreign Exchange	Foreign exchange management	
	Import and Export Taxation Branch of Tangshan City Office, State Administration of Taxation	Export rebates	
<b>Community II</b>	Local residents	Economy, employment and environment	
<b>Community III</b>	Local social organizations	Trade union, information and other special topics	
News media covering the headquarters, branches and projects of the company		Information and advertisement	Interview

## Membership involved

No.	Name	Position of CBMI
1	United Nations Global Compact	Member
2	China Building Materials Federation	Member
3	China Enterprise Directors Association	Member
4	China Association of Construction Enterprise Management	Council Member
5	China International Contractors Association	Member
6	China National Building Materials Construction Association	Vice Chairman
7	China Building Materials Machinery Association	Vice Chairman
8	China Cement Association	Executive Director
9	Building Materials Branch under Accounting Society of China	Member

## Honors in 2014

No.	Granting Organization	Honors
1	Tangshan National Taxation Bureau, Tangshan Local Taxation Bureau	A-class Tax Credit Rating Certificate
2	Shijiazhuang Customs	Import and Export Qualification Certificate of AA Class
3	Intergraph Corporation	Intergraph PP&M 2014 Gold Value Award(TCCL clinker project in Tanzania)
4	China Building Materials Enterprise Management Association	Model of National Building Materials Enterprise Culture Construction Good Example of the National Building Materials Enterprise Culture Construction In 2014
5	United States Global Compact Network in China	The best practice award of labor employment and rights protection in 2014
6	Bulgarian National Development Department	The award of "Building of Year 2014" of Bulgarian Industrial Construction Technology Innovation and Development (Devnya Project)
7	China Association of Construction Enterprise Management	AAA Grade Credit Enterprise in Enterprise Credit Evaluation
8	China Association of Building Materials Engineering Construction	Quality Engineering Award of National Building Materials Engineering Construction in 2014
9	Tangshan Central Sub-branch of the People's Bank of China	One of the Most Creditable Loan Enterprise in 2013
10	All-China Federation of Trade Unions, State Administration of Work Safety	the Winning Unit of the National Ankang Cup Competition
11	The Communist Youth League Committee of Tianjin	Model Post of Youth Safety Production (Russian FER Project)
12	Sinoma International Engineering	Outstanding Unit of "Safety Production Month" in 2014 (Management Department in the Bulgaria DEV Project)

# Our Philosophy

## Corporate Strategy & Philosophy

As a service provider of global engineering construction, CBMI consistently holds the concept of integrity, way of realistic and scientific management to innovate our service with the aim to build a high-quality project for maximizing the investment from our clients.

CBMI's development positioning: Adhering to the main business of project contracting, striving to boost diverse development, insisting on

scientific development, placing people in the first place, persisting in the "innovation-oriented, internationalized and value-oriented" corporate positioning, making efforts to build a leading integrated engineering company throughout the world by means of science & technology innovation and management innovation as well as the strengthening of the business functional construction and the corporate culture construction.

### The CBMI's core values

Attaching equal importance to knowledge and achievement, being pragmatic and innovative, and adhering to integrity.

### Enterprise Spirit

Making every day counts, being serious about everything.

### Enterprise Spirit

Constructing high-quality and beautiful environment of factories, and bringing benefits to the people and joy to their life.

## Concept and Promotion of Social Responsibility

CBMI accepts the concept of social responsibility proposed by the United States Global Compact in respect for human rights, labor rights, environmental protection, anti-corruption and other aspects. In the long-term practice, CBMI gradually transforms the external motivation of undertaking the social responsibility into the endogenous driving force of its sustainable development strategy and similarly converts the social responsibility values into the sustainable development ability. In 2014, CBMI won the best practice award for labor employment and rights protection granted by the United States Global

Compact Network China, which was another prize after winning the best practice award for promoting the development and cooperation in 2013. CBMI was the only award winner in the Chinese building materials industry in 2014.

In August, 2014, CBMI became the originator of a joint declaration of construction of honesty in China's building materials industry, and was assessed as a practice base of corporate social responsibility by the CSR strategy research center of China Building Materials Industry.

# Our Actions

100%

Annual contract execution ratio

32

Total amount of projects for the whole year

20

Main results of technology research and development throughout the year

18,112,700 yuan

Total investment in safety production of the year

861,700 yuan

Total investment in training of the year

1,486,000,000 yuan

Annual amount of purchasing

## Strengthen Management, Standardize Operation

12.89 million yuan

The total subtract savings of CBMI in 2014

10.94 million yuan

Arrears recovered of CBMI in 2014

19%

Bulk density ratio of CBMI in 2014 declined

# Strengthen Basic Management

## Operation Assessment

CBMI signed performance liability agreements with each project team and department yearly or in the project period, and elaborated and allocated the overall business objectives to each project department. It formulated a performance appraisal index system and a series of KPI, which effectively rewarding the diligent while punishing the lazy. The performance assessment has set up a correct guide of promoting healthy development and the institutionalized

management of the company.

CBMI carried out the operation assessment on the subcontract settlement audit of 18 projects and 58 companies in 2014, with 12.89 million yuan subtracted to save, decreasing 3.04%. The assessment played a positive role in reducing the cost of the subtracted project and controlling and saving the cost.

## Procurement Management

On the basis of adhering to the management pattern of the tender committee, CBMI established an electronic procurement platform to improve purchasing efficiency and increase work transparency. Part of the projects adopted the way of pre-bidding to push the progress of procurement to gain more time for construction. CBMI also established a procurement tracking management ledger and ledger for cost beyond the purchasing cost control, and strengthened the communication and coordination with

departments of technique, project management, logistics and quality control, and etc. The company established and improved relevant mechanisms to improve the efficiency and service level of purchasing effectively.

The amount purchased of CBMI is 1.486 billion yuan in 2014, including 79.1 million yuan of steel and 58.62 million yuan of fixed assets equipment, which are bulk materials.

## Logistics Management

CBMI comprehensively started the work of package inspection, preparing package inspection plan in order to strengthen the measures of management and controlling in all aspects. It continuously improved the business processes and strengthened internal performance assessment. It also strengthened the management of sub contractors and adopted the bid bond system. CBMI passed the customs audit successfully, and was promoted to the level AA in 2014.

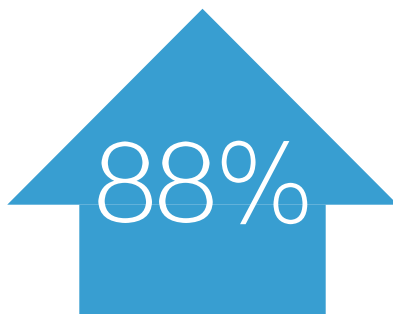
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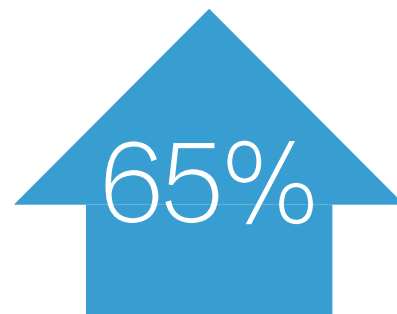


The data compared to the same period last year

Quantity of shipment in 2014  
Increased compared to the same period



Exports of goods in 2014  
Increased compared to the same period



Density of cargo in 2014  
Dropped compared to the same period



The financial damage in 2014  
Dropped compared to the same period



## QEOHS Management System

CBMI paid attention to the construction and improvement of the QEOHS management system. It established an integrated management system that headquarters and project management departments are all in one, and developed the contact and coordination of QEOHS management system. The company strengthened the controlling and checking of the quality management, environment protecting, occupational health maintenance and safety production status, while supervising the project departments over the quality management and environmental protection. Meanwhile, the company cared about the staff's occupational health, and complied with safety production standards strictly to make sure there were no major safety and personal injury accidents.

On July 17 of 2014, CBMI accepted the surveillance and audit of the experts of the certification audits of Fang Yuan agency. The operation of quality, environment, occupational health and safety management system accorded with the three standards.

## Assets and Fiscal Management

CBMI strengthened the implementation of comprehensive budget management, strictly practicing economy, lowering the cost and improving the efficiency further. The company strengthened the construction of financial management system continuously, and promulgated the Methods of administration of Business Administration, the Notice on Further Strengthening the hospitality business management and "small treasury" self correction work, the High-tech enterprise department responsibility index, the Budget management of Corporate Capital Spending, etc. CBMI was granted the honor of "The most trustworthy loan enterprise" by the Tangshan Central Branch of the People's Bank of China.

## Audit Work

CBMI completed the auditing on overall risks, internal control system and effectiveness of the projects in construction and completed, with a focus on internal control and performance. The company strengthened the sorting and collection of the field data of the unit under audit, and finished the internal control inspection. It also drew up a manuscript of

internal audit work and sorted the data. When inspecting work in the FER project of the company in Russia, SASAC inspection team gave CBMI recognition and affirmation for the grades it made in the overseas projects asset management and risk prevention and control work.

## Legal Management

CBMI improved the legal management system. While strengthening the legal risk prevention, the company dealt with various lawsuits. In the charge of balance payment in arrears against Shui Cheng in Guizhou Province, CBMI

successfully recalled all the remaining 10.94 million yuan of balance payment in 2014, after recovering 2 million yuan of balance payment in the previous year.



## Develop Market Actively

In 2014, in face of the adverse factors such as slow recovery of the international market and the unbalanced development of the regional market, CBMI spared no effort to strengthen market development, and completed the operation target set at the beginning of the year successfully. The amount of the newly signed contracts in 2014 reached 4.23 billion yuan, accounting for 118% of the annual task object set at the beginning of the year and increasing 10.4% compared with the same period of 2013. At the end of 2014, the company signed contracts on the BISKRA cement project with Lafarge in Algeria, the ZAHANA cement project with GIGA in Algeria, and the Bechar cement project in Algeria. CBMI has increasingly showed the advantage of scale in operation. The EDO 6000 TPD project in Nigeria has expanded CBMI's business chain and enriched its forms of operation. The winning of the PPC 3000 TPD clinker line project in South Africa has helped the company go back to the South African market.



## Develop Diversified Businesses

CBMI vigorously developed its client resources and multiple businesses, taking the advantages accumulated in the cement engineering field. In 2014, focusing on the projects of water treatment, water supply, electric power and waste disposal, the company signed agreements on a waterworks project in San Men Xia and steel structure project in Papua New Guinea, with a total sum of more than 40 million yuan. Besides, CBMI signed a strategic cooperation framework agreement with the IDE Technologies of Israel on a seawater desalination project, while signing a series of cooperation agreements with Lion Gold Corp of Singapore, PAPINDO

Company of Papua New Guinea, and Shenyang Aluminum Magnesium Design and Research Institute, establishing a foundation for the company's multiple businesses.

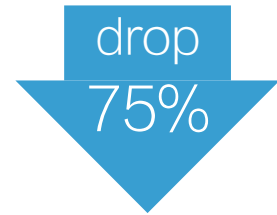
Meanwhile, the regional companies and project management departments of CBMI actively explored and prompted the development of new businesses. After unremitting efforts, the company has made great progress in various projects in the field of steel construction, waste disposal and power plant in the countries such as Bulgaria, Azerbaijan and Malaysia.

## Anti-corruption System

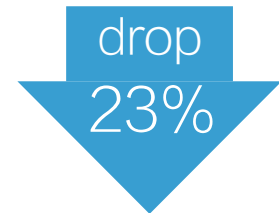
### Endeavored to Improve the Corruption Prevention System

CBMI continuously deepened the cooperation with universities in research on the corruption risk prevention system. The company cleaned up the operational system and business processes, seeking risk points of corruption. The company's commission on discipline inspection played an important role in the public bidding and purchasing, by the means of overseeing the bidding meetings and supervising the standardization of the bidding and implementation of related regulations. CBMI enacted the Responsibility System of Construction of the Party's Working Style and Anti-Corruption, and also revised the Responsibility Letters of Construction of the Party's Working Style and Anti-Corruption, clarifying pointed requirements for key business areas including procurement, engineering subcontract and funds management. In early 2014, the company signed the responsibility letters of incorruption with all departments and project managers to ensure all measures effective. Compared with 2013, the conference expenses dropped by 75 percent and business entertainment expenses declined by 23 percent in 2014.

compared with 2013  
the conference  
expense



compared with 2013  
the business  
entertainment expenses



### Corruption Warning Education in Engineering Project Area

The Party Committee of CBMI invited experts to deliver a special report on anti-corruption in the field of engineering projects at the company's annual working meeting. More than 200 people learned the report including the leading group, mid-level managers and project managers. The report analyzed some cases concerning duty crimes committed by leaders or personnel in key positions, respectively explaining in detail on the cases of taking bribes, abuse of power, embezzlement of public funds. The report took a good effect in warning education.

# Stick to Innovation, Provide High Quality Service

## Strength Research and Development Innovation

Aimed to serve the engineering projects, CBMI strengthened innovation of research and development. The company has obtained patents or got acceptance of patent application for its four technologies of cement rotary kiln bypass system used in burning junked tire, asymmetric solid slipper bearing, high temperature butterfly valve and the steel-shell concrete wind power tower. In addition, the company actively promoted application for the project of the national 863 plan and further improved the heavy oil system and sewage treatment system of its independent research and development. It has completed the research and design of the stable process for bi-material premixing, while accomplished the research project of "Research and Design of Power supply and Distribution System in Low Temperature Environment" on the basis of the experience of the Russia project.

In 2014, CBMI achieved fruitful results in the research and development of new materials and new energy, including the major breakthrough in the research and application of coal ash. The technology reuses the coal ash emitted by the coal-fired power plant by processing it into ultra-fine ash, so as to improve the utilization of waste emitted by the power plant. The technology produces both environmental benefits and social benefits, with the advantages of maximization of resources utilization, reduction of cost of emission, elimination of secondary pollution and decrease of source of haze weather.

In the field of mechanical equipment, CBMI's technology of cement kiln pre-heater ceramic inner barrel had the advantages of resistance to high temperature, corrosion resistance, high conductivity, light weight, simple installation and convenient maintenance. And the service life of the inner barrel is 3 times longer than the others, which reduces the cement production cost. It has been regarded as the best alternative of pre-heater heat resistant steel inner barrel for the dry-process cement line.

28

Accumulated 28 patents in total

4

Obtaining 4 state authorized patents in 2014

100 million

Over 100 million yuan saved due to optimization of design

## Patents Authorized or Accepted by the State in 2014

Project Name	Type	Authorization or Acceptance	Number of Application or Patent
Rotary kiln system of burning waste tires	Utility Model	Authorization	ZL 201420263859.7
Asymmetric solid slipper bearing	Utility Model	Authorization	ZL 201420298336.6
High temperature butterfly valve	Utility Model	Authorization	ZL 201320459440.4
Steel concrete wind power tower drum	Utility Model	Authorization	ZL 201320405467.5

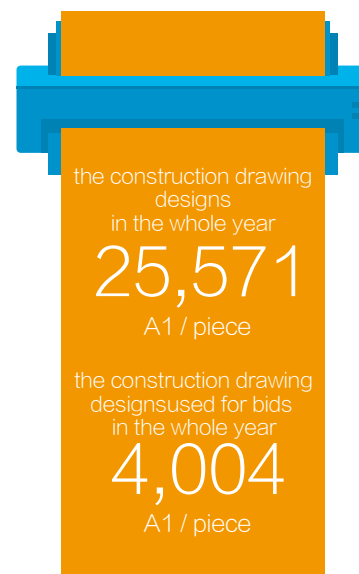
## Promote Lean Design

By promoting projects according to 3D and EB design, CBMI gradually established a new working process, decomposing worker to different working levels, to totally improve work efficiency and accuracy. The projects in Tanzania and Ecuador have successfully adopted new designs, such as SP3D, EB and so on.

In 2014, CBMI promoted lean design in the process of construction drawing designs for the Ecuador project, the TK2 and MBE projects in Tanzania, the SOKOTO and UNICEM projects in Nigeria, the BIS project in Algeria. The company finished 25,571 pieces of the construction drawing designs in the whole year and 4,004 pieces used for bids.

CBMI consistently improved the ability and level of designing, and strengthened the control of construction quality by perfecting the design. As a result, the company saved a cost of over 100 million yuan in 2014, while completing the design and research of the European and American standards as well as working out the

standard operation procedures (SOP). CBMI also promoted vigorously the adoption of 3D design which has been used in some sub-items of the projects. In September of 2014, the company was awarded the 'Intergraph PP&M 2014 Gold Value Award' for its TCCL clinker project in Tanzania. In the project, the company's ability in 3D factory design was fully recognized in the industry.



# Strict Engineering Management

## Project Execution

In 2014, the project execution of CBMI enforced regional management especially in the areas of Nigeria, Algeria and Saudi Arabia where the company's projects were relatively concentrated. CBMI also made progress in localization of the project operation. The projects in Bulgaria, Azerbaijan, Indonesia and Heidelberg contributed good experiences in localization operation , laying a solid basis for strengthening the project management.

## Quality Control

CBMI realized management and control of current situation of project quality management as well as quality control results. Due to the system of reporting the builders' diary online, the information of project execution was released in time. The company organized quality management trainings, to enhance the sense of quality among the engineering and quality management personnel. It also strengthened technical communication with suppliers in quality control in advance, and a special process was set up for such communication. It improved equipment check by the means of collaborative check with professionals of electrical, machinery and fault detection involved together, to ensure more comprehensive, professional and standard check.

## Adhere to Red Line, Ensure Safety Production

10,398

Person-time of special safety trainings in 2014

100%

Coverage rate of safety training

100%

Rate of employment with certificates of special operation personnel

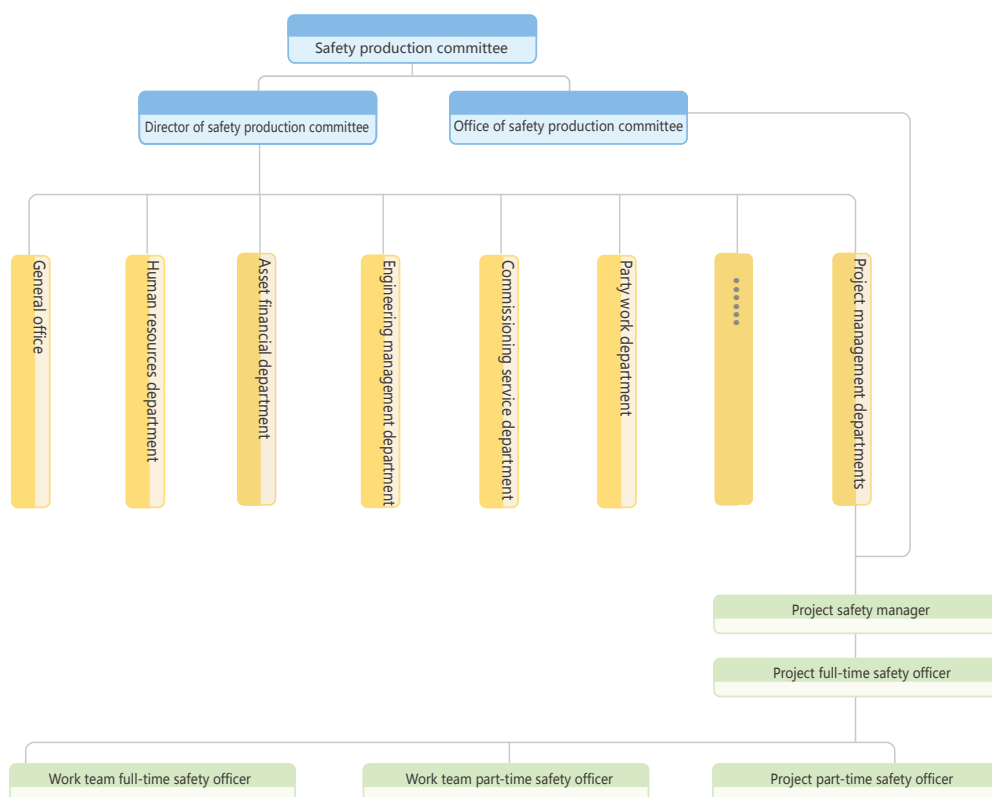
## Safety System Construction

CBMI insists on the working principle that "safety is in the first place, precaution is crucial, comprehensive treatment is important". By the means of scientific and standardized safety performance evaluation, the company strengthened implementation of the responsibility system of safe production and the safety management system. Meanwhile, it increased investment in safety production, reinforced supervision and inspection, and carried out special campaigns to ensure safety production, so as to enhance the basis of the company's safety. The DEV project department in Bulgaria was awarded the excellent unit by SINOMA in the campaign of "safety production month" of the year 2014. The FER project department in Russia was awarded "Youth Model Post for Safety Production" by the Communist Youth League of the Tianjin Municipal Party Committee.

In 2014, CBMI divided and quantified the safety goal into departments and projects to clarify the responsibilities and accidents accountability in accordance with Safety Responsibility Policy, Letters of Safety Responsibility Policy and Safety Performance Assessment Indication.

The general manager signed letters of safety responsibility with all department directors, while all department directors signed letters of safety and environmental protection responsibility with all sub-contractors. By signing these letters, CBMI divided the safety indicators and responsibility to each level, with clear division of work, goal and responsibility, to make every staff realize the importance of safety and its relationship with each person.

## Organizational Structure Chart of Safety Production Committee



# Measures of Safety Management

## Inspection and Regulation

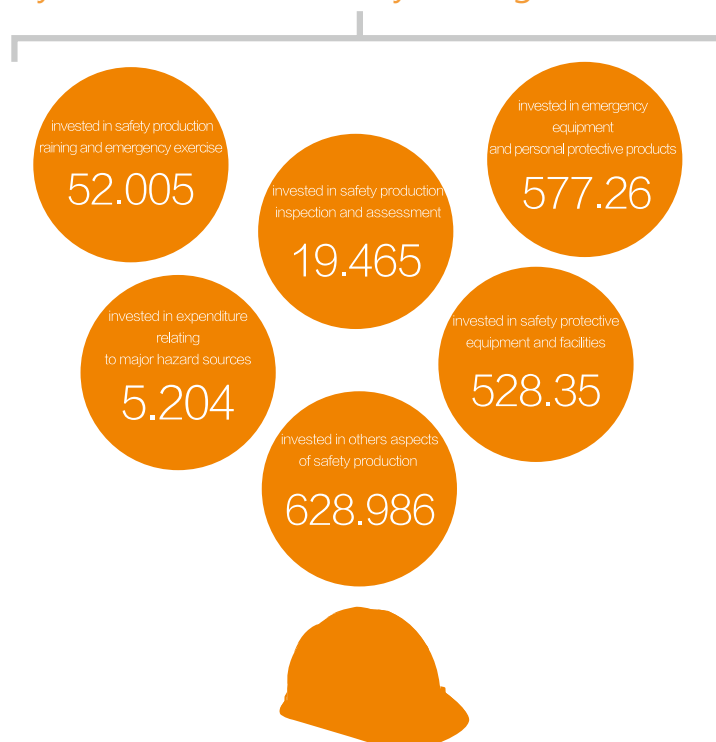
In 2014, all project departments of CBMI carried out 558 special or comprehensive inspections, besides the daily, weekly and monthly inspections and tour-inspections regularly conducted, finding out a variety of 6,995 safety loopholes.

During the "safety production month", the project departments thoroughly conducted safety inspection and walkthrough of the emergency plans, while making self-check on the key points concerning standardization of safety production in June and the safety management in the flood season and the summer time.

## Information Platform of Safety

CBMI promoted safety management information platform in 2014, and enhanced the safety supervision and regular appraisal. By using the information platform, the company strengthened the sense and responsibility of safety, and realized prior management, standard management and alert management, correcting timely the possible deviation in management and largely improving the safeguarding capability.

## 18,112,700 yuan invested in safety management of CBMI



## Prevention and Control

In face of the spread of the Ebola virus, CBMI formulated the Measures on Prevention and Control of African Infectious Diseases, and strictly implemented the Measures. The project personnel have been managed and controlled effectively.

## Safety Publicity and Education

Taking the advantage of the safety production month, CBMI initiated a series of activities concerning safety, including promoting education and training of safety production, photography collection with the theme of "safety development, people oriented", collection of corporate security spirit and motto, knowledge contest on occupational disease prevention, interviews with safety models, the activity of "consulting day" about safety production promotion, safety production inspection and safety contingency drills. These activities helped the employees to improve their sense of safety. The safety management of the company was greatly improved, laying a good foundation for the company's healthy and stable growth.

In 2014, CBMI organized 396 trainings on safety know-how and special skills, training a total of 10,398 person-times annually. The company also organized safety trainings for 17 safety management staff, among which 12 passed the qualification examination for national registered safety engineers. The company accomplished education to 16 "three class people" to meet the requirement of safety management and operation, and provided trainings for 670 staff going abroad. In accordance with the newly adopted Law of the People's Republic of China on Work Safety, all employees of the company attended safety training and relative education activities.

## Cases of Safety Production

CBMI's MBE project department in Tanzania organized entrance safety training for new staff and sent its staff to Lafarge, the owner of the project, for working aloft training and training on emergency rescue at heights. The training helped the staff enrich the safety knowledge and understand the mind setting and safety conception of the Europeans, which was beneficiary to further cooperation.

The MBE project manager held a meeting before work every day, with the safety building on the top agenda. Problems happening on the previous day would be discussed at the meeting to avoid repeating the mistake. The way of sharing experiences was very effective in promoting safety knowledge, especially for those of special types and front-line staff to learn rules and regulations about safety management. These measures helped create a soft environment of safety management and cultivate the sense of safety of all staff.

Many project departments of CBMI placed information plates and sign boards as well as construction permits, special operating permits and risk analysis table in the construction areas. Chinese, English and the local language were used in the above materials, in case of language barriers. Thus, all people could improve their capability in safety protection by understanding the meaning of the signs.



# Green Ecology, Energy Saving and Environmental Protection

99.54%

Average recovery rate of poisonous and hazardous waste is 99.54%

96.7%

Utilization rate of rolled steel is 96.7%

100%

Publicity rate of laws and regulations on energy conservation and emission reduction is 100%

## Improve the Construction of the System

Adhering to the environmental concept of "Using humanistic spirit and green thinking to build our common home", CBMI tried the best to comply with regulations such as the "United Nations Environment Programme Declaration on Cleaner Production" and the "ICC Commercial Rules" during the process of operating management. In terms of production, life and office work, the company actively took various measures to reduce pollution and protect environment. No major environmental pollution incident has happened in the year of 2014.

In 2014, CBMI continued to enhance the environmental protection work and further improved the internal control goals and indicator compiling for environmental protection during the process of deployment and arrangement of the 2014 annual work plan, so as to ensure each section of work responsibility to each department and each staff. The company updated or enriched the documents relating to environmental protection system, making the management activities, production process and service process more suitable to the requirements of relevant laws and regulations.

## Widespread Publicity and Education

Advocating the ideas of energy conservation, emission reduction and environmental protection, CBMI took full advantages of its OA, internet, newspapers and magazines, and lectures to publicize the principles, policy and knowledge of energy conservation and emission reduction, so as to improve the sense of ecological environmental protection.

From 8th to 14th of June 2014, the company organized an activity of energy saving publicity week with the theme of "With energy conservation and low carbon hand in hand, creating clear water and blue sky together". The CBMI labor union and Youth League Committee proposed an initiative of emission reduction, urging all the staff to practice the concept of energy saving and low carbon in both work and life.

Setting the 10th of June as Low Carbon Practice Day, CBMI took the chance of the national activity of energy conservation publicity week to improve research on new technologies of energy conservation and emission reduction, while developing, promoting and applying the new techniques, new technologies and new equipment for energy conservation and emission reduction in the cement industry. CBMI aimed to become a low-carbon EPC provider and a leader in energy conservation and emission reduction in the cement industry, by practicing the ideas of energy conservation and environmental protection in the process of design, building and engineering management. It would also practice the idea of low-carbon development in the diversified businesses.

## Measures to Strengthen Management

### Apply Environmental Technologies

In 2014, CBMI strengthened the promotion of new technologies, and continuously gave priorities to adopt energy-saving and emission reduction technologies, materials and equipments. The projects gave priorities to power- and oil-saving construction machinery, and used them in a reasonable and scientific way, so as to achieve energy saving, environment protecting and low emission. The company focused on the promotion of frequency conservation power-saving technology, low-nitrogen combustion technology and other environmental protection technologies in the cement process design.

### Intensify Waste Management

The non-toxic and harmless waste in the site of the CBMI headquarters as well as the offices and living areas of the project departments were put under waste classification in two categories of "recyclable" and "non-recyclable". Special storage sites for waste of construction were set up at all project sites. The waste was stored separately according to the classification of "recyclable", "non-recyclable" and "hazardous waste". The recyclable were centralized for treatment, gaining money and also saving resources and energy. The non-recyclable were put under separate storage, which would be recycled by agencies or companies with local waste discharge permit. All project departments adopted the trade-in system or signed waste treatment agreements with local waste treatment suppliers.

### Case of Green Production

All projects of CBMI are carried out in strict accordance with local requirements of energy conservation and environmental protection. The Devnya project in Bulgaria is designed and constructed in strict compliance with the EU construction code. Energy efficiency, the roof of dressing room is designed to install 10 groups of solar vacuum tubular collectors to meet people's need to take hot showers. Land conservation, the company makes use of the original buildings in construction or constructed on the basis of original buildings. The new buildings are in

compact form and the land was conserved. Water conservation, rainwater is accumulated and recycled, which is used in the process of circulation water system and fire protection water system after being treated. Materials saving, when the residential garbage in cities is burned in the RDF system, thermal energy is produced simultaneously, reducing the use of non-renewable resources. On environmental protection, a system for decreasing nitrogen oxide emission is designed to reduce the emission of polluted air and dust.

# Care Our Staff, Share Development Results

1,160

Number of employees in 2014 in total

397

Number of technical personnel in 2014

91

Number of newly recruited employees in 2014

## Protect Employees' Rights and Benefits

By the end of 2014, CBMI had 1,160 employees, including 783 employees with college degree or above, accounting for 68 percent of the total. The company had 397 technical staff, accounting for 34 percent of the total, among which 235 were research staff, accounting for 59 percent of all the technical personnel. The company recruited 91 new employees in 2014, including 67 college and technical school graduates, and 24 through social recruitment.

In 2014, CBMI made a proper adjustment to employee's performance bonus and oversea allowances. In 2013 and 2014, the average income of the general staff increased 10.5% and 13.5% respectively, compared to those of the previous year. The annual pay of the middle-level managers grew by 3 percent and 2 percent respectively.

## Strengthen Vocational Training

In 2014, CBMI organized 40 trainings, with a total investment of 861,700 yuan and a total sum of 540 employees trained. In the whole year, 39 staffs have passed the qualification appraisal of professional technicians, among which 25 got senior professional titles, 14 got junior titles, and 5 gained registered qualification in related professions.

In 2014, CBMI issued a series of management systems including Measures on Management of Experts Recruitment, Measures on Management of Professional Manager Appointment, and Measures on Management of Senior Project Managers Appointment, which helped expand the career channel of technicians and managers and was good for the company to attract and remain excellent employees.

## Enrich Employees' Spare Time

CBMI has devoted to enriching the employees' spare time and improving their health level. In 2014, the company built an activity center at the headquarters and organized eight cultural and sports activities groups concerning badminton, table tennis, basketball, football, billiards, dancing, chess and cards, and photography. The company held various activities such as New Year party and forum, fellowship and film reception on the Women's Day, as well as summer tours, film reception on the National Day and employees' photography contest. CBMI also undertook the "Nigeria Cup" football tournament sponsored by SINOMA, while participating in the "Tai Bo Cup" Badminton Match sponsored by SINOMA.

The cultural and sports activities organized in the spare time have helped increase the group cohesiveness of the employees, and improve the buildup of corporate culture.

## Focus on Youth Growth

CBMI paid a great attention to the growth of young employees and built up a platform for their development by providing lectures and trainings. On the eve of the International Youth Day, the company commended outstanding league members and excellent league cadres, setting a good example for all young employees.

The League Committee of the company established a social website on the company's internet, for the convenience of the young employees to communication under the situation of projects distributing widely. Meanwhile, the League Committee organized various activities to enrich the spare time of the young.

## Concern for Employees' Lives

In 2014, CBMI's Labor Union has overcome various difficulties and cooperated with relevant departments in Tianjing and Tangshan, so as to solve the school problems for the employees' children. The company insured hospital insurance and supplementary medical insurance for all on-the-job employees and the retirees, reducing the economic burden of the sick employees. The company provided life relief funds for 15 bereaved families, and subsidies for 18 sick workers, bereaved families and the staff whose parent passed away. In 2014, CBMI set up a "Love Fund", through the employees' voluntary enrollments and voluntary contributions, which improved the system of employees' mutual assistance. The fund devoted 38,000 yuan to 3 sick workers and 5 workers in poverty because of illness. Moreover, the fund raised more than 180,000 yuan for Cui Baochuan, a worker of CBMI who would take a kidney transplant operation.

In 2014, CBMI arranged physical examination for on-the-job employees and retirees to prevent and cure diseases. In the same time, CBMI organized health care lectures, and a series of lecture with the theme of "Care for Women's Health", further strengthening the awareness of employees' health and spreading health knowledge. The company also held lectures on legal knowledge, increasing legal awareness. It held a New Year symposium for retired cadres, showing great concern about the lives of retired cadres.

# Integrate into Community, Create Value Together

101 million

CBMI has paid taxes of 101 million yuan in 2014

50%

The proportion of localized procurement reached nearly 50%

40%

Local people accounted for 40% of the total employees in overseas projects

## Promotion of Community Economy

CBMI regards voluntary rate payment as a social value and also a social responsibility of a company. In 2014, CBMI has paid 101-million-yuan taxes in total.

CBMI always upholds the concept of sharing the achievements of development. In the procurement of equipment and materials, the company adopted the policy of localization and promoted economic development of the countries and regions where the projects located. The proportion of local procurement reached nearly 50% in 2014.

When conducting the overseas construction projects, CBMI strictly abided by the local labor policy. The amount of foreign employees accounted for about 40% of the total. There were no racial, gender, religion or discrimination problems in the employment of all projects overseas. Both foreign and Chinese employees working on the overseas project stayed in harmony and pleasure.

## Promotion of Cultural Exchange

CBMI organized the staff overseas to learn and understand the social culture and folkways, to avoid conflict caused by misunderstanding of culture. The project departments actively participate in to cultural activities in the local community, so as to understand and integrate into the community.

On March 8th of 2014, invited by the Devnya mayor, the staff of the project department in Bulgaria presented at the local traditional horse racing, and even invited to

grant awards to the winners as guests. The horse race is the most ancient and most influential traditional activities in Devnya. CBMI donated BGN 1000, approximately 500 euros, to this activity. The local employees were proud of CBMI's active participation and strong support.

In March 27th, 2014, CBMI Bulgaria branch was invited to attend the industrial infrastructure annual meeting held in Sofia, the capital of Bulgaria. The branch manager Wang Bing presented at the meeting and had conversation with representatives from different participating parties. This meeting was the Bulgarian widest-influence domestic industrial construction forum, it has attracted many well-known Bulgarian construction corporations to participate.

August 17th is Indonesia's National Independence Day. The manager of CBMI Indonesia Heidelberg project held a special celebration entertainment activity for the local staff. The activity was arranged and hosted by the local staff of project department. Employers from the two countries were having fun together, further deepened the friendship between both of them.

In October 24th, CBMI Bulgaria branch held a forum for foreign employers. The branch gave out beautiful gifts and good blessings to all foreign employers to express thanks for their outstanding contributions on site in the construction process. After the forum, the employers picked up pens and wrote down their own words to the company and autographed.

# Our Model

## Model

121 partners

4,500 people involved in site construction

The proportion of Chinese and foreign staff was 1:20

The proportion of Chinese and foreign managers is 1:1

“Zero” major quality accident

“Zero” major safety accident

## Localized Operation of Devnya Project in Bulgaria

The Devnya project in Bulgaria constructed by CBMI is the biggest single investment in Bulgaria over the past 25 years and the first winning project overseas in the Chinese cement industry. It is also the biggest project contracted in Bulgaria by a Chinese company. Meanwhile, it is the first EPC cement project which was conducted in the European Union by applying the European design and adopting localized operation, since CBMI carried out the strategy of internationalization. The scope of the project included design, procurement, construction, commissioning, etc. The engineering construction ranged from reconstruction of mine, raw materials and clinker storage, including all professions of civil, mechanical, electrical and automation.

## The EU Standards

The Dvenya project is in accordance strictly with EU standards for design and construction. After working out the design drawings according to the EU standards, CBMI experienced three rounds of examination and approval by the client, localization in Bulgaria, an independent third party examination by the Bulgarian side and a final approval of the Bulgarian government. Site operation was allowed after the five steps. The high efficiency of CBMI created conditions for accomplishment of the project on time.

## Localized Cooperation

In the Devnya project, the parts of civil, fire-fighting and refractory works were 100-percent localized except that the techniques were undertaken by CBMI. In the supply, 78 percent of steel structure and 95 percent of non-standard parts were undertaken by Bulgaria, Romania and Hungary. According to statistics, the project has 121 partners. And 121 partners were involved in the project and an accumulative total of 4,500 people participated in the site construction. The proportion of Chinese and local people was 1:20. The project contributed to the local economic development.

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## Innovation of Technology

The new engineering of the Devnya project had a high requirement for the interface with the old factory, because the work yard was narrow and small and the underground pipeline of the old factory was complicated. In the construction, the ground group was used for the rotary kiln and two truck cranes used in the installation. Integral installation was used in the steel structure of raw materials silo and equipment group, while technical measures were adopted in the installation of tower steel column and the construction coordination of civil engineering. On the safety aspect, measures were adopted in falling protector for working at height and moveable double-deck safety net. In the organization of construction, the steel column base of the tertiary air duct was used as base of tower crane, reducing the cost of the basic construction of tower crane and expanding the area of construction. The technological innovation in construction and safety effectively guaranteed the implementation of the project and its timely delivery.

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## Localized Employment

The Devnya project hired Bulgarian employees to undertake the work of safety files, delivery documents and construction procedures. At the same time, local people are appointed as the HR director. Among the 47 managers, 24 managers of whom are locals. The local employees had the advantages of language and acquaintance to local resources.

The project department formulated the system of local employment, clarifying the procedures of recruitment and the standard of payment. The project department strictly abided by the local laws and regulations, the staff on the special post could be allowed to operate with special permit. Investment was made to invite local professional training agencies to provide trainings for the staff required to obtain permits. The project department also enacted the system of payment management, established a container office, and also equipped with a big meeting room, a cafe and a changing room. These measures largely ensured the rights and interests of the local staff as well as their enthusiasm.



## Safety Management

The Devnya project strictly complied with the demands of the EU safety management for engineering projects. Before the entrance, all the subcontractors must submit 18 different types of files, including contract, safety agreement, injury insurance, reports on staff and machines situation. The admission training was required before operation, while all sub-items of the construction would submit construction scheme and risk analysis, which would be examined and approved by the project owner and the government before the start. In the construction of more than 30 months, the project achieved "Zero" major quality accident and "Zero" fatality accident.

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## Energy Conservation and Environmental Protection

The Devnya project took a full consideration of the influence on the ecological environment around the construction site from the very beginning of design. It made detailed analysis and elaboration on energy conservation, land conservation, water conservation, materials conservation and environmental protection, so as to meet various demands of the stakeholders. The project completely followed the concept of the EU's environmental protection. After the replacement of the wet-process techniques by the dry-process, the efficiency of the fuels was improved, while the consumption of the fuels and water was reduced, and the discharge of waste dropped to the minimum. The RDF could be used as fuels. Classification treatment of construction waste was adopted and the rain water could be reused. In the process of construction, the project strictly complied with the demand of environmental protection by the local government, while the earthwork treatment, waste classification and waste treatment were undertaken by appointed companies. Professional managers and collaborative agencies were engaged in compliance of relative requirements and regulations, who playing an active role in the implementation of the project.

## Cultural Exchange

The Devnya project management department respected the local religion, cultural tradition and traditional customs of the local. It established good relationship with the project owner, government, companies, foreign employees and local residents. The project management department increased the sense of belonging and the sense of honor of the local staff by the means of organizing Christmas party, sponsoring the local traditional horse racing festival, donating the local primary schools, funding the local association of the disabled. These contributions strengthened the cultural exchange and friendship between the two nations.

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## Growth of Employees

23 managers dispatched by CBMI worked on the Devnya project, with the average age of 35 below. Under the leadership of Wang Bin, the project manager, they took the project department as their base and accomplished all the contracts by overcoming various difficulties and setbacks. The young team obtained rich experiences from the project and set up a leading benchmark for CBMI.

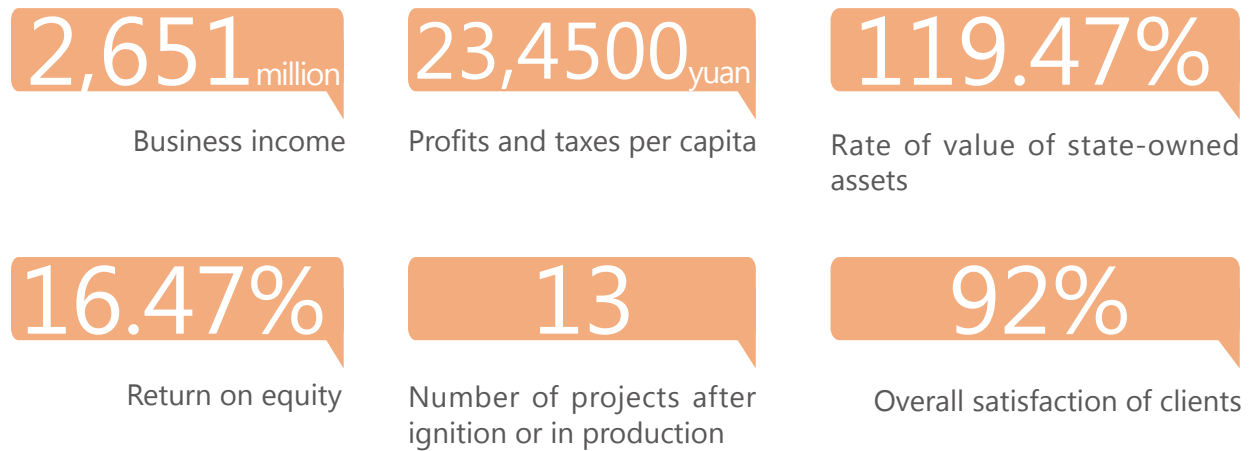
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## The Award Winning

On December 10th of 2014, the Bulgaria 13th annual national Award announced, and the Devnya project won the award of "Building of Year 2014". It was the first time for CBMI to obtain a state-level award for its project conducted in EU and also the first Chinese company to have the honor since the Award was founded 13 years ago. The Devnya project pioneered in the journey of prize winning abroad in the Chinese cement industry.



# Our Performance



## The Key Performance of Responsibility of the Year 2014

In 2014, according to the overall arrangement of CBMI's overall international deployment and early work of the Conference, the staff of CBMI work hard in unity to tackle tough, hard work and successfully completed the main tasks and objectives for the whole year, and also obtained a good achievement in the complex environment.

## Economic Responsibility

Index	Index Value
Business income (100 million)	<b>26.51</b>
Total Taxes (100 million)	<b>1.01</b>
Rate of Value of State-owned Assets(%)	<b>119.47</b>
ROE(%)	<b>16.47</b>
Economic Value Added (100 million)	<b>1.34</b>
Gross Profit Rate(%)	<b>17.92</b>
Profits and Taxes Per Capita (10 thousand yuan)	<b>23.45</b>
Amount of Newly Signed Contracts Annually (100 million)	<b>42.3</b>
Value of Exports (100 million US dollar)	<b>About 2.8</b>

## Product responsibility

Index	Index Value
Number of Projects in Progress in 2014	<b>20</b>
Number of Completed Projects in 2014	<b>5</b>
Number of Projects Started in 2014	<b>4</b>
Number of Projects Obtaining PAC Certificate in 2014	<b>3</b>
Overall Satisfaction of Clients(%)	<b>92</b>
Component Satisfaction of Clients(%)	<b>90</b>
Rate of Contract Execution(%)	<b>100</b>
Number of Patents Authorized by the State (item)	<b>4</b>
Number of Patents Granted in 2014 (item)	<b>33</b>
Number of Technology R&D Achievements (item)	<b>16</b>
Number of Enterprise Standards Newly Established and Upgraded (item)	<b>6</b>

## Safety Responsibility

Index	Index Value
Coverage Rate of Safety Training(%)	<b>100</b>
Rate of Incidents Causing Serious Injuries or Even Worse(%)	<b>0</b>
Control Rate of Harmful Operating Sites After Treatment in Labor Environment and Labor Conditions(%)	<b>100</b>
Completion Rate of Potential Dangers Rectification(%)	<b>100</b>
Rate of Employment with Certificates of Special Operation Workers(%)	<b>100</b>

## Environment Responsibility

Index	Index Value
Rate of The Average Recovery of Hazardous Waste(%)	<b>99.54</b>
The Number of Complaints for Exceeded Noise in Project Construction	<b>0</b>
Publicity Rate of Energy-saving and Emission cut(%)	<b>100</b>

## Employment Responsibility

Index	Index Value
Total Number of Employees at the End of the Year	<b>1,160</b>
Rate of Female Middle-level Managers(%)	<b>5.2</b>
Minorities Employees	<b>33</b>
Employees with Disabilities	<b>2</b>
Rate of Employees' Participation in Labor Union(%)	<b>100</b>
Rate of Labor Contracts Signing(%)	<b>100</b>
Coverage Rate of Social Insurance(%)	<b>100</b>
Insured Employers' Liability Insurance (person)	<b>781</b>
- Payment Amount (10 thousand yuan)	<b>515,460</b>
Insured Accident Insurance (person)	<b>890</b>
- Payment Amount (10 thousand yuan)	<b>267,000</b>
Total Investment in Training (10 thousand yuan)	<b>86.17</b>
Percentage of Employees Receiving a Medical Examination(%)	<b>100</b>
Number of Labor Disputes	<b>0</b>
Ordinary Employees Income Increase over the Previous Year(%)	<b>13.5</b>

# Our Outlook

3.087 billion

Plan to complete business income of 3.087 billion yuan in 2015

157 million

Plan to achieve net profit of 157 million yuan

4.1 billion

Plan to achieve 4.1 billion yuan of new ly signed contracts

## Business Development

In 2015, CBMI's business objectives are to achieve revenue of 3.087 billion yuan, net profit of 157 million yuan and newly signed contracts amount of 4.1 billion yuan. To actively adapt to the "new normal" of the Chinese economic development, the company will work well on the Thirteenth Five-Year Development Plan and further develop the market by insisting on the principles of market-oriented, diversification, basis and innovation. Meanwhile, the company will speed up the diversified businesses, strengthen the risk management of projects, and intensify the project plan management and execution. Carrying out the corporate spirit of "building consensus, undertaking with courage, challenging ourselves, building dream", CBMI will spare no efforts to accomplish the annual objectives comprehensively, laying a solid basis for its development during the Thirteenth Five-Year Plan period.

## Management Upgrade

In 2015, CBMI will strengthen the basic management in the three aspects of systems and processes, service quality, and performance assessment. By enhancing the benchmarking management, training of project managers in rotation, and project audit, the company will effectively improve the quality of project management. The company will make a move forward in the work of management by promoting comprehensive innovation.

## Corporate Social Responsibility

In 2015, CBMI will further establish and improve the system of corporate social responsibility information management to ensure the integrity and accuracy of the relevant information and indicators. Based on the annual corporate social responsibility report, the company will improve the work of corporate culture and the ideological and political work, while expanding the CSR publicity, training and education, so as to further increase the employees' sense of identity, the sense of belonging, the sense of honor and cohesiveness. The buildup of CSR is expected to further improve the communication with stakeholders and to improve CBMI's influence in the industry.

# Stakeholders ' Assessment

## Assessment of Project Owners, Supervisors

CBMI not only made investors very satisfied with the quality of construction, but also did well in the management and communication. Thanks for the tremendous efforts of Bulgaria project staff paid for the project.

—Mr. Bruno Lafont, chairman of Lafarge

CBMI had a good progress of the project in Burkina Faso. The quality and safety of the project and the management of the project teams of both sides is satisfying.

—Dr. Scheifele, CEO of Heidelberg Cement Group

## Assessment of Foreign Employees in Overseas Projects

CBMI's project provided more than 4,000 local jobs, and it was welcomed by the local people.

—Elena, Bulgaria Bulgarian Devnya project employee

# Assessment of Local Government Where the Overseas Projects Locate

Bulgarian Devnya project has a full range of high-tech equipment, which not only improved energy efficiency, optimize resource management, but also helped protect the environment.

—Mr. Rosen Plevneliev, Bulgarian President

CBMI has made outstanding contributions to promote employment and promote local economic development in the process of Devnya project construction.

—Boiko Borisov, Bulgarian Prime Minister

In the Bulgaria project of new construction hosting 4000t / d cement production line, CBMI showed the international image, systematic management and virtuosity, which have been quite impressive. Project site construction was satisfying in safety management, quality control, project progress, etc. CBMI as one of the largest construction companies in Bulgaria, left a deep impression for everyone, and made a positive contribution to the development of Bulgaria.

—Dragomir Stoynev, Bulgarian Minister of National Resources, Energy

Thanks for Sinoma to help Nigeria with the cement construction engineering, and better performance is expected in the future. The CBMI projects not only created a lot of jobs for Nigeria, but also helped set up a good relationship with the local community.

—Patrick Olusola Onadipe ,Nigerian Ambassador to China

# Third –Party Assessment

I have carefully read the Social Responsibility Report 2014 of CBMI Construction Co. Ltd (hereinafter referred to as "the Report"), and hereby made the following comments:

In the completeness, materiality and responsiveness respect, the Report meets the requirement of an international CSR report, and it is a high quality report.

The Report released the CSR management, performance and events of CBMI Construction Co. Ltd (hereinafter referred to as "CBMI") in the year of 2014. The Report made a complete framework and structure, releasing information in six issues – responsible management, market performance, environment, OHS, employee development, anti-corruption and bribery and philanthropy.

The Report accounted the operation features of building materials industry and issues stakeholders concerned, recognized and released the material issues in performance in accordance with the United Nations Global Compact in terms of Communication on Progress (COP).

As to the issues stakeholders concerned, the Report made an objective response. I think the Report is responsive.

CBMI disclosed in the "report" of the values of social responsibility, policy and strategies, management activities and performance achieved, especially the outstanding localized operations of the Devnya project in Bulgaria, reflecting the CBMI's CSR management focus and corporate culture.

I am pleased to find by reading the "Report" that CBMI has not only consistently pursued commercial success, but also consciously taken up social responsibility, and it is reflected in the company's business development in the country. I believe that CBMI, as a leader in internationalization strategy, will continue to carry forward the excellence tradition and genes of responsibility and innovation in the new historical stage of development. I also believe that CBMI will continuously enhance the capacity to fulfill its social responsibility, so as to increase the competitiveness of the responsibility and create shared value.

Diana Zhang  
Chairman, Provalue Management Consultancy Corporation  
Executive Member, China Institute of Strategy & Management  
Executive Director, China Strategy Research Center of CSR in Building Materials



# Reader's Feedback Form

We sincerely appreciate for your reading of the CBMI SOCIAL RESPONSIBILITY REPORT 2014. To constantly boost the quality of the report and to better disclosure our CSR information, we expect comments and advice from you. Please fill out the questionnaire below, and send it back according to the contact information. We promise that all the information will be only used for analysis and improvement of the report.

Basic Information				
Name		Tel.		E-mail address
Employer				Position
Comments				
<p>Please tick in the appropriate boxes.</p> <p>1. Your overall evaluation of the report?</p> <p><input type="checkbox"/> Great <input type="checkbox"/> Good <input type="checkbox"/> Moderate <input type="checkbox"/> Poor</p> <p>2. What do you think of the clearness, accuracy and integrity of the disclosure information?</p> <p><input type="checkbox"/> Great <input type="checkbox"/> Good <input type="checkbox"/> Moderate <input type="checkbox"/> Poor</p> <p>3. Which part of the report interest you the most?</p> <p><input type="checkbox"/> About US <input type="checkbox"/> Our philosophy <input type="checkbox"/> Our performance</p> <p><input type="checkbox"/> Strengthen management, Standardize operation</p> <p><input type="checkbox"/> Innovation to lead, High quality services to provide <input type="checkbox"/> Adherence to red line, ensure safety production <input type="checkbox"/> Green ecology, energy efficiency and environmental protection</p> <p><input type="checkbox"/> Care our staff, share development results <input type="checkbox"/> Integrate into community, create value together</p> <p><input type="checkbox"/> Our Model <input type="checkbox"/> Our Outlook <input type="checkbox"/> Third Party Assessment</p> <p>4. What do you think of the extent of the information disclosure and the responses to the expectation of the interest parties?</p> <p><input type="checkbox"/> Great <input type="checkbox"/> Good <input type="checkbox"/> Moderate <input type="checkbox"/> Poor</p> <p>5. How is the readability of the report?</p> <p><input type="checkbox"/> Great <input type="checkbox"/> Good <input type="checkbox"/> Moderate <input type="checkbox"/> Poor</p> <p>6. How is the format design of the report facilitating your reading process?</p> <p><input type="checkbox"/> Great <input type="checkbox"/> Good <input type="checkbox"/> Moderate <input type="checkbox"/> Poor</p>				
Your advice for CBMI's CSR work and compilation of CSR Report				