



# **SUSTAINABLE DEVELOPMENT REPORT**

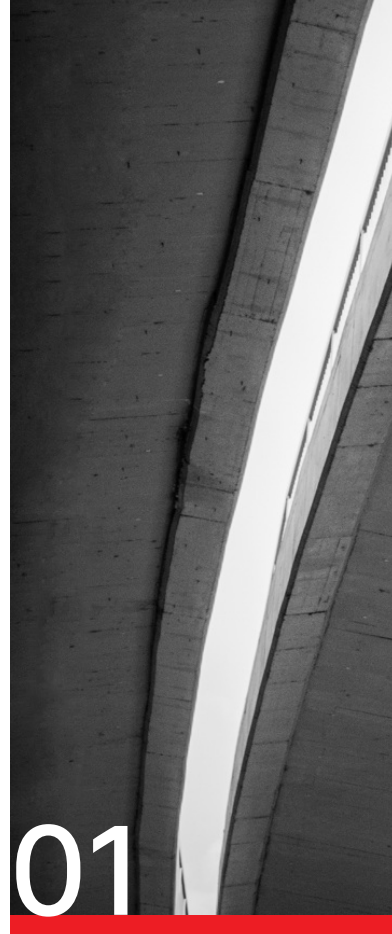
2020



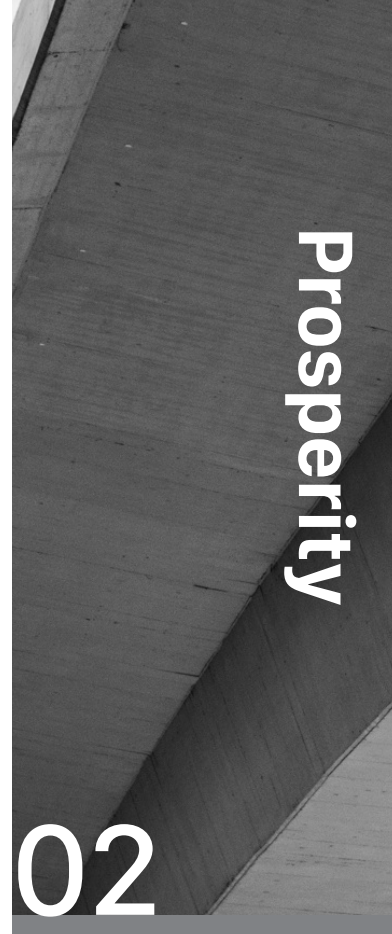
As a global brand of construction materials, we build a world where life is worth living



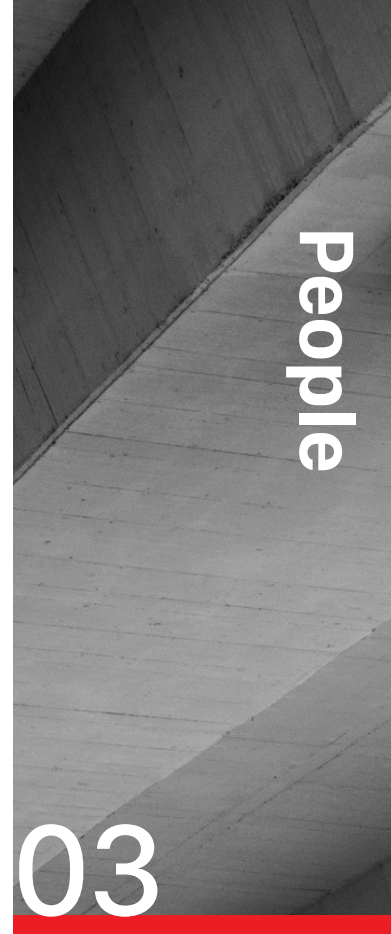




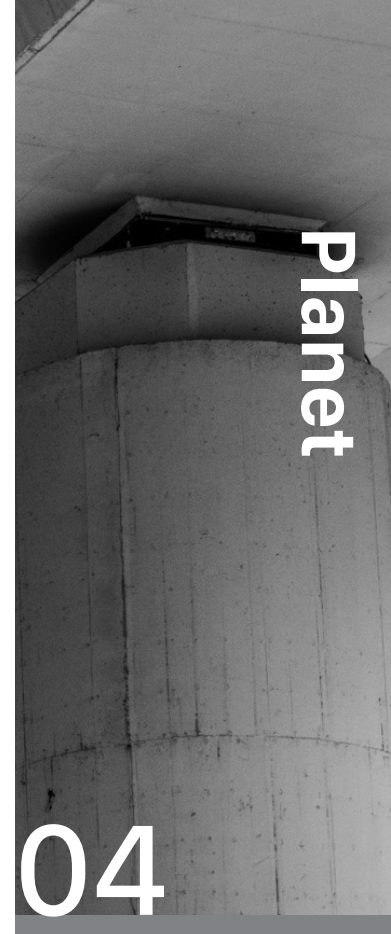
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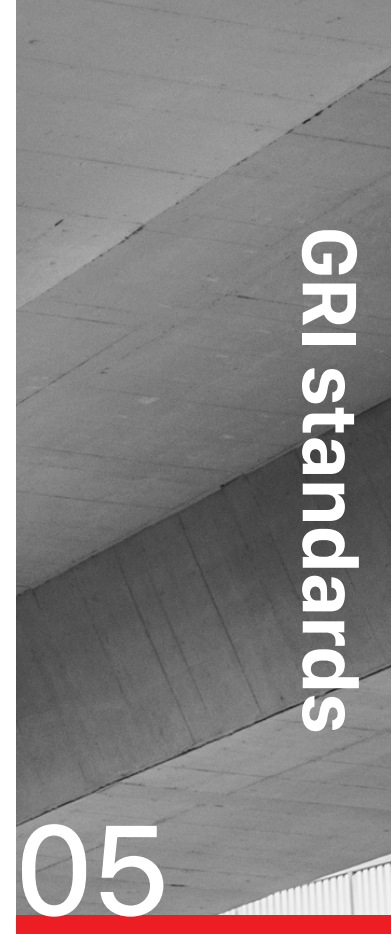
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# Brand philosophy – Build For Life

Our ambition is to become the leading building material and sustainable construction solutions provider in Vietnam by 2025. Sustainability and innovation are cores to our mission to provide world-class construction materials and services that help improve quality of life. The expectations of our customers and other key stakeholders are central to this vision as we work to deliver the highest sustainability standards. Our focus on sustainability not only makes a vital contribution to the challenges we face today as a society, but opens up business opportunities, improves our competitiveness, enhances our reputation and strengthens our resilience.

**If everything we build together improves quality of life, the world will be a better place: that is at the heart of our new brand philosophy “BUILD FOR LIFE.”**

Whether we are providing cement and other products to build a home or a business, a factory or a bridge, a governmental building or a hospital, our aim is to carry out this work with the highest levels of commitment to sustainability in our materials, our processes and our performance.

By making a contribution to society through our core business, with the highest standards of integrity and sustainability, we retain our license to operate as a business and remain an attractive business partner, supplier and employer.

That is how we build for life, by contributing to prosperity, people and the planet in the way we conduct our business. For over a decade, we’ve been pioneers in adopting a sustainability approach in Vietnam.

By focusing on sustainable development, our business strategy aims to balance the triple bottom line of economic growth, environmental performance and social responsibility. This approach not only helps guarantee our long-term business but also helps us address both global and industry challenges. This strong commitment is not only part of our corporate culture, it also provides us a competitive advantage in the marketplace.

## Prosperity

A prosperous society requires constant development and growth balancing the triple bottom line. As one of the leaders in the sustainable construction industry in Vietnam, we know that our customers expect us to deliver innovative construction materials and sustainable solutions designed to improve life quality. More than just a cement manufacturer, INSEE provides comprehensive solutions, with a diverse portfolio of building materials to help make constructions more sustainable.

## People

Our employees are the most important pillar in our ecosystem. By developing based on this element, we build the company and create a lifeline to constantly innovate, provide many growth opportunities and strive to create a balance between work and life. We always strive to provide a safe working environment and create opportunities for our employees to grow continuously. Building an ideal working environment also means enhancing the company’s ability to attract and retain talent. Besides, as a socially responsible business, we also continuously contribute to the local community, typically the campaign to support Mekong Delta’s citizens during the recent severe salinization period.

## Planet

As a pioneer in the circular economy, the Company’s manifesto of “Build For Life” has become the guideline for the business’s sustainable development activities. From improved production and business activities that are environmentally friendly, we can minimize carbon emissions. Build for life is intertwined with the idea of the circular economy and on making a positive environmental impact through our operations while minimizing our carbon footprint. Helping to protect the planet is a top priority for INSEE; it is essential not only for sustainable development but also for our business to thrive and grow. From our waste management Ecocycle business to green manufacturing state - of - the - art technologies, high standards of environmental performance and environmental protection, we strive to mitigate our impact across all the stages of a product or process lifecycle and within our value chain. That is what our customers and our other stakeholders have come to expect.

While challenges may lie ahead, our concerted efforts will lay a solid foundation for sustainability in the future. By focusing on the positive impacts that we can make through our business, it helps us contribute to the United Nations Sustainable Development Goals (UNSDGs). To build for life is how we approach developing our business in the long term. This is how we will earn the continuing confidence of our customers, business partners, employees and society in the world we build together.



## Message from CEO



We are going through very challenging times with COVID and impact on climate changes, which enables us to look at what is important in life. Our families, friends’ or colleagues’ health is important, and the world around us is fragile and there is an urgency to protect it.

As I write, South Vietnam, its people and economy is negatively impacted by the pandemic, after a very strong economic first half 2021, that INSEE Vietnam could benefit. While the situation is serious, we have good reasons to be optimistic and expect a strong recovery in quarter 4 for Vietnam. Measures taken by the Authorities are showing good results; vaccinations are accelerating and priorities to fight the pandemic are well defined.

INSEE Vietnam has taken appropriate measures to go through this temporary and short term situation, keeping in mind the health of our colleagues as a priority and I am convinced that INSEE will be stronger than before as the pandemic has accelerated our transformation, in more efficient ways of conducting businesses internally but also interfacing and engaging with our customers or suppliers.

Long term, we also see evidence all around confirming climate change - from flooding to wildfires to very violent weather system. The sea levels are rising. And those changes will also have impact on Vietnam some already visible; we already see salinization in Mekong delta having an impact on the farmers and overall community.

The topic of a sustainable future is vitally important. Therefore, at Group level, INSEE has devised the INSEE Sustainability Ambition 2030. There are 3 basic pillars in our ambitions namely Climate and Energy, Circular economy and Biodiversity and Water. These are interconnecting with two themes - one is a very important theme of Occupational Health and Safety, and the other one is how we engage with our communities and stakeholders.

### Pillar 1: Climate and Energy

The INSEE Group is committed to reducing CO<sub>2</sub> by 30% from 1990, it’s quite a stretch because it means a 15% reduction of CO<sub>2</sub> emission between 2020 and 2030 alone. Within Climate and Energy, INSEE also commits to reduce electricity consumption by >10% and within the electricity consumed, at least 20% should come from alternative energy sources.

The strategy continues to move away from OPC (Ordinary Portland Cement) to composite cements and low clinker factor cement applications. With our Ecocycle division, we also want to accelerate and increase the use of more alternative fuels coming from industrial waste and participating in the zero landfill objectives.

### Pillar 2: Circular Economy

We are committing to double the usage of waste derived fuels from around half a million ton to around one million ton by 2030. And we also want to increase the use of byproducts such as fly ash and slag by around 65% and bring it to over 1.4 million tons of byproduct use to produce our cementitious products.

### Pillar 3: Biodiversity and Water

INSEE ambition on Biodiversity and Water is to have net positive impact on biodiversity and to maximize water preservation. Biodiversity has always been very important to us as it impacts on nature around our quarry and mining activity. We will also continue to have net positive impacts by participating or leading community activities around facilities protecting seas, lands or biodiversity as we did a lot last year in Kien Giang provinces for instance.

As the planet is very scarce on clean, drinkable water, INSEE wants to play its part to preserve as much water as possible. This means using surface water as much as possible and lowering the amount of ground water usage. Special projects in Mekong Delta associating our customers are on going and will be amplified.

So all the above is embodied in INSEE Sustainability Ambition 2030, intersecting with two interconnecting themes, Occupational health and safety (zero harm ambition) and Community Engagement, as we will be involving our employees, suppliers, customers and every other stakeholder around us deeply in our Sustainability Ambition 2030.

The INSEE ambition is incorporated in INSEE Vietnam business and financial plans. It means that strategy, investments will always be made considering all the above.

**Sustainability is a responsibility of everybody on this planet**, and you can count on every INSEE member to play its role in achieving our ambitious targets. This is something that I, all of us are very proud and living by and more than ever our Build for life purpose is resonating stronger.

Thank you,

A handwritten signature in blue ink, appearing to be 'PR' or a stylized version of the name Philippe Richart.

**PHILIPPE RICHART**  
General Director of INSEE Vietnam



# About Siam City Cement Public Company Limited

Siam City Cement Public Company Limited (SCCC) was established in 1969 and began cement production with completion of the first cement plant in 1972. In 1977 it was listed on the Thailand Stock Exchange. As one of the country’s largest cement producers, SCCC has provided world-class construction materials and services that have been vital to economic growth in Thailand for almost 50 years. SCCC has embarked on a strategy to extend its footprint across the broader southeast Asian region, with operations in Indonesia, Cambodia, Bangladesh, Sri Lanka and Vietnam.

In 2020, our group faced an unprecedented global COVID-19 pandemic. Fortunately, the second half of 2020 has seen some of our markets recovering faster than expected and others have now stabilized. However, we always remain fully prepared to take further restructuring steps in case business conditions in any of our markets deteriorate again.



1969

Establishment of Siam City Cement Company

1972

First cement plant

1989

Continuous improvement

First cement producer in Southeast Asia to introduce waste heat recovery system

1998

Become a member of Holcim Corporation

2000

Keep innovating

Introduction of alternative and raw materials (AFR)

2000 - 2005

Business diversification

Launched INSEE Mortar Max, Conwood, Thailand’s first high-grade plastering cement product

2013 - 2017

Market expansion

Invest in CEMEX Thailand and Bangladesh. Investment in Holcim (Lanka) Limited, Holcim Vietnam, Cambodia

2019

50<sup>th</sup> Anniversary of Siam City Cement Public Company Limited

2020

Adjustments to succeed in the face of crisis conditions

The Company have taken steps to address fixed and variable costs at pace with market demand and price fluctuations for our products to maintain business in the context of the pandemic

# About INSEE Vietnam

INSEE in Vietnam is a member of the Siam City Cement Public Company Limited (SCCC), one of the market leaders in building materials industry in the region.

Since establishment in 1994, INSEE Vietnam has become one of the leading cement, construction mortar, CONWOOD and waste management companies in the South of Vietnam. We are proud that INSEE’s high quality and sustainable products are used in many iconic buildings and important infrastructure projects, as well as contributing to countless housing and commercial projects development throughout South Vietnam. In this way, we contribute our small part to the sustainable development of the economy, environment and society. With the brand manifesto: “Build for Life”, INSEE believes that the world will become a better place if every project we build contributes to making life more worth living.

The company has more than 1000 employees working at 5 different cement production sites as well as head office in Ho Chi Minh city. INSEE Vietnam is very proud to be the company honored in the Top 100 Sustainable Businesses in Vietnam for 5 consecutive years, co-organized by the Vietnam Chamber of Commerce and Industry (VCCI) with the Business Council for the Sustainable Development of Vietnam. (VBCSD). Besides, we are the pioneer in Vietnam to launch the “Green Certified Product Portfolio”, which meets the green product standards of the Singapore Green Building Council.

# Vision

We want to be the leading and highest-performing company in the building materials industry.

# Mission

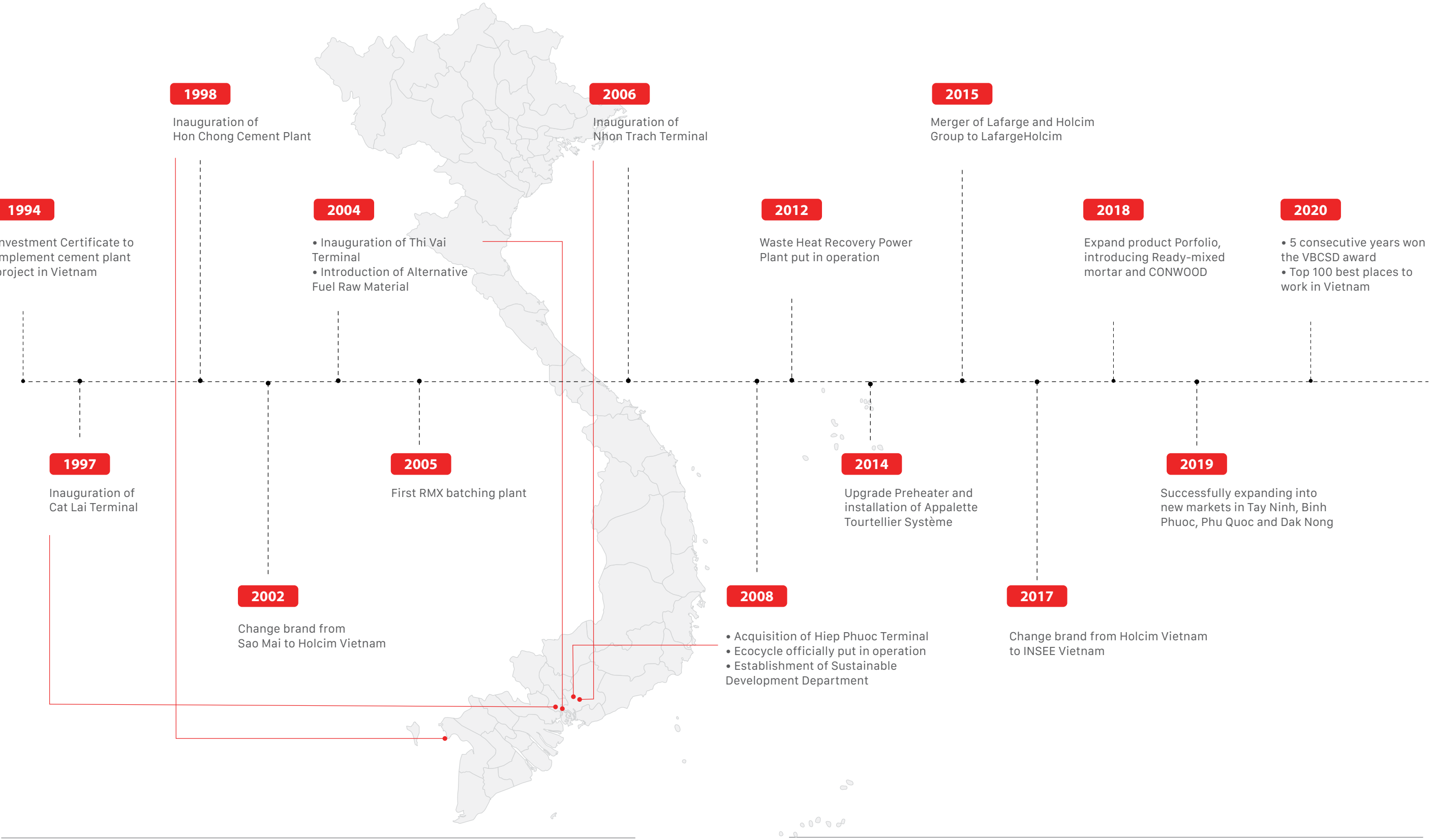
We provide world-class innovative construction materials and sustainable solutions that can help improve life quality.

Combining sustainability and innovation, we strive for operational excellence and to exceed the expectations of our stakeholders.

- 1000 employees
- INSEE Vietnam has achieved 2nd place in terms of cement brand is remembered first for consumers (Top of mind - TOM)
- As a pioneer in development green product portfolio according to certificate received from SGBC, VGBC and meets the standards of reputable rating systems like LEED, Lotus, Green Mark
- 4 grinding terminals and 1 cement plant
- 5 consecutive years to reach the Top 100 Sustainable Businesses in Vietnam by VBCSD
- Top 100 Best Places to Work in Vietnam

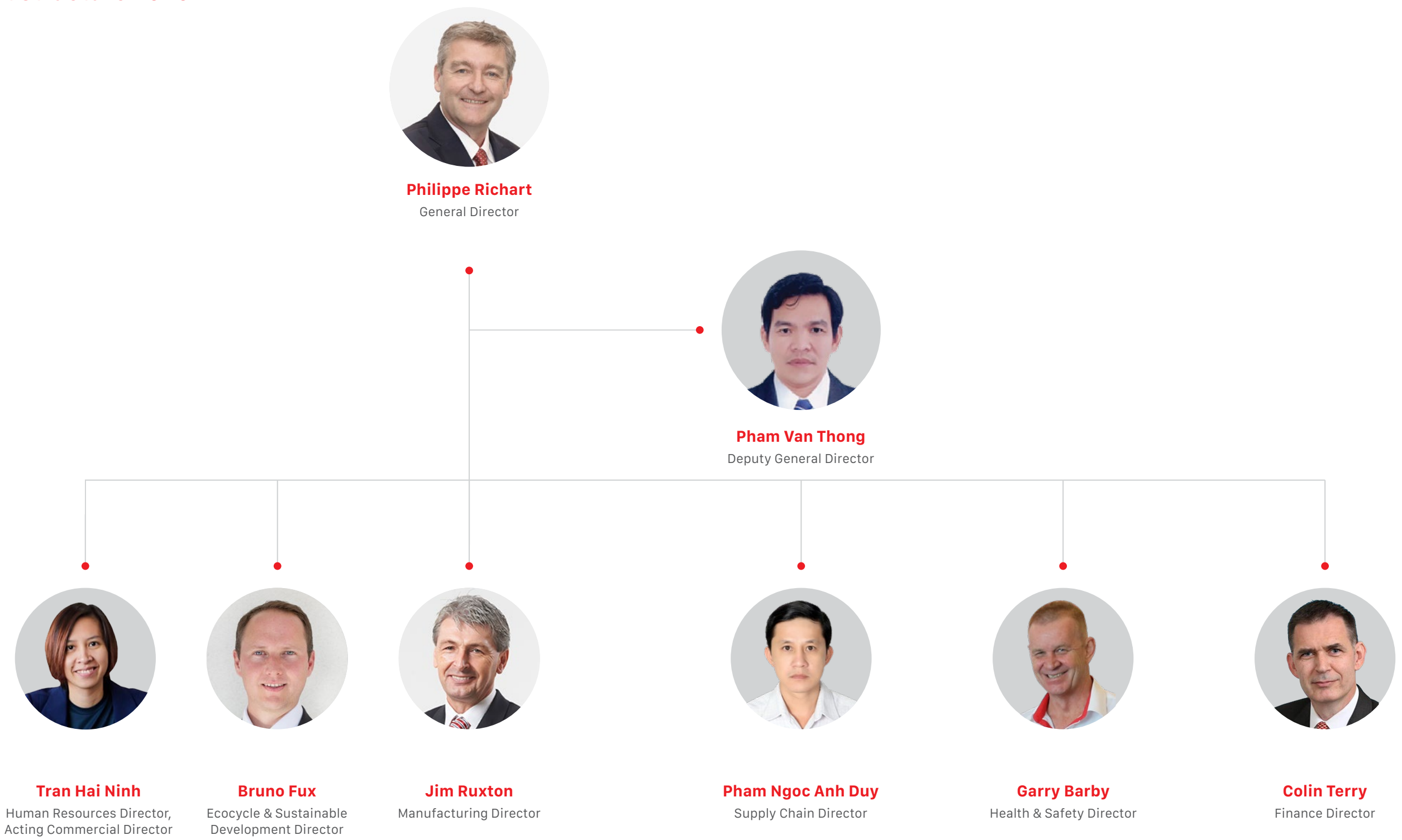


Development timeline of INSEE Vietnam





Management structure 2020







“

## Build for Life

INSEE believes that the world will be better if everything we build always contributes to making life more worth living.



Business segments



INSEE Housing Solution: For millions of long-lasting durable residential projects

A stable home with time is always the dream of every Vietnamese family. As an expert in the field of research and improvement for civil construction materials, INSEE brings comprehensive solutions to millions of Vietnamese residential projects that are durable and resilient to all climate challenges in Vietnam.



INSEE Industrial Solution – For sustainable connection infrastructure

Each construction project requires specific material requirements to guarantee for durability. As the first choice for key infrastructure projects, INSEE provides a variety of specific construction solutions, suitable for many applications at the construction site, while helping to optimize sustainability in all weather conditions and connecting regions throughout Vietnam. Furthermore, we continuously improve our products to be more environmentally friendly, in line with green material criteria and contribute to reducing global CO<sub>2</sub> emissions.



CONWOOD - Beautiful as nature

The urban look is more complete thanks to the delicate combination of material properties and natural beauty. With the goal of bringing “beauty as nature”, CONWOOD offers an innovative combination between the aesthetics of real wood and the convenience, strength of concrete. With the main ingredient of recycled cellulose fiber and high quality cement, CONWOOD has high hardness and durability but still has the beauty of natural wood.



Light building materials - For a durable and beautiful urban appearance

Convenience and time-saving factors in construction have become a necessity which are searched quite a lot in the building materials market today. With the goal of providing solutions that meet both of the above needs, INSEE offers a line of solutions for Paving Adhesives, Construction Mortars and Anti-Compounds permeability which can help customers to complete the project quickly with high and stable quality, creating absolute peace of mind for homeowners and contractors.



INSEE Ecocycle – Because tomorrow matters

As a partner of more than 250 large corporations from many industries in Vietnam, INSEE Ecocycle is proud to bring Co-processing technology in cement kilns to safely and thoroughly handle more than 1,200,000 tons of waste, reduce more than 1,200,000 tons of greenhouse gas emissions during more than 10 years of operation.

Key performance highlight in 2020



Prosperity

- Successfully expanding to the new market included Tay Ninh, Binh Phuoc, Phu Quoc and Dak Nong
- INSEE Vietnam has achieved the second position in terms of cement brand remember first for consumers (Top of mind – TOM)
- Successfully building the connection network for contractors and customers connection through the Zalo platform
- Launched INSEE Power Fast cement which was capable of optimizing costs, accelerating the construction progress, creating stability for the foundation and helping create the long-lasting work. In addition, the dry mortar product group also has new product INSEE TileGrout ULTRA+ with outstanding durability and in material group lightweight construction CONWOOD also released CONWOOD color paint with 8 main colors and have the possibility to mix different paint colors according to customers’ requirements



People

- 0% injury rate and **18,357 hours** for safety training
- **54,013 hours** in 2019 and **37,769 hours** in 2020 training for employees
- The percentage of female leaders in the company was **18.58%** in 2019 and accelerating to **20%** in 2020
- Invested **6,3 billion VND** for 29 projects with **51,000** beneficiaries
- **10** projects provide free health insurance cards for 8000 students
- **153** volunteer labor activities
- **7** big activities to help Mekong Delta citizens overcome the historic salinization
- Top 100 Best Places to Work in Vietnam



Planet

- The average dust emission is less than **10mg/Nm³**
- The average CO<sub>2</sub> emission is **416kg/ton of cement** compared to the industry average at 750kg/ton of cement produced
- Employees organized **24** site green days

About our report

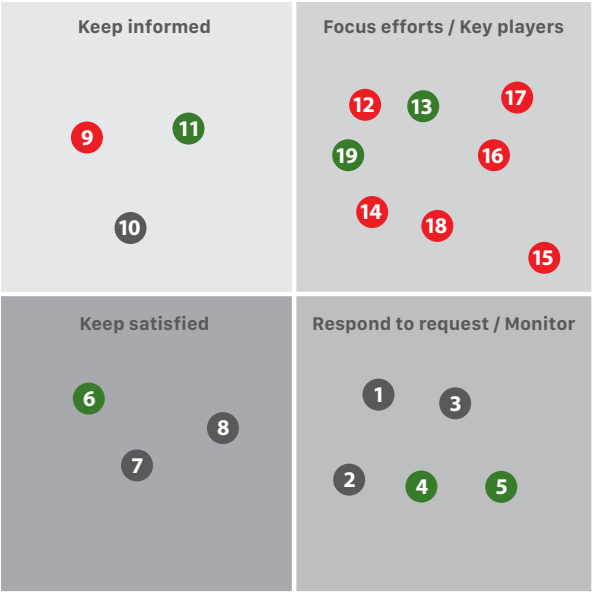
INSEE Vietnam commits to customer-centric culture, changing continuously and transparent operation with the publication of our sustainability performance annually. This report shows how we have progressed in our journey in 2020.

This is the third sustainability report since the transition from Holcim to INSEE. It covers the operations of the Siam City Cement (Vietnam) Co. Ltd at Hon Chong Cement Plant, four grinding terminals and the head office in Ho Chi Minh city.

INSEE 2020 Sustainability Report: Overview

Reporting Framework	Global Reporting Initiative (GRI) Standard
Reporting period covered	2020
Reporting cycle	Annually
"In accordance" Option	Core

List of stakeholders groups



- 1

Mass community
- 2

Academic
- 3

Universities
- 4

NGOs
- 5

Cement Industry
- 6

Government
- 7

Financial Institutions
- 8

Ministry
- 9

Contractors
- 10

Students

11

Suppliers

12

Local community

13

Local authorities

14

Media

15

VICEM

16

Employees' family

17

Employees

18

Customers

19

Consumer

Level of influence (impact) in INSEE



Level of interest in INSEE





Sustainability reporting at INSEE Vietnam was implemented in response to greater transparency for both internal and external stakeholders. This report has been prepared in accordance with the GRI Standards: Core option. On a broader scale, it has taken into account the United Nations Sustainable Development Goals (SDGs), which aim to address the world’s biggest challenges, inequality, climate change, and responsible production. INSEE Vietnam believes that the SDGs provide a framework for business to ensure that its sustainability journey is part of the global development agenda. The SDGs allow us to ensure that we provide meaningful products and services, promote innovation, create more jobs and, overall, ensure the long-term viability of economies. INSEE Vietnam will act through its core business to implement initiatives for supporting these SDGs.



Materiality topics matrix 2020

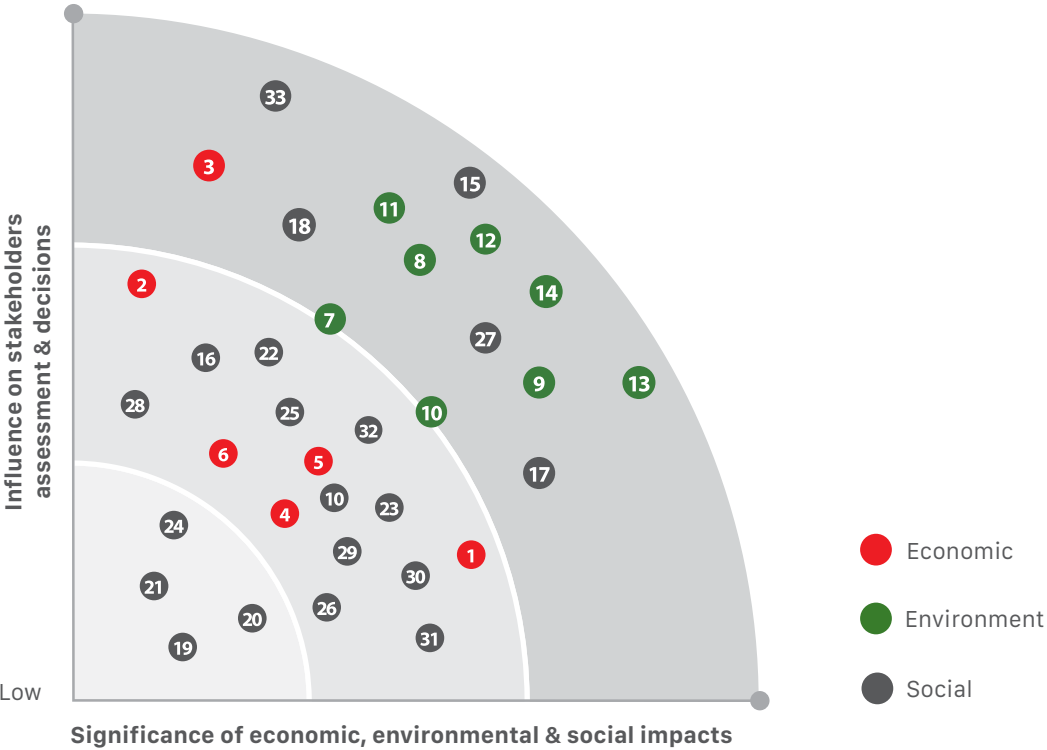
Our materiality process

In preparing this report, INSEE conducted stakeholder engagement and a materiality assessment to define our material issues and report content in line with the GRI Standards. The data utilized were drawn from direct discussions with stakeholders in regular meetings, survey results.

Fight for sustainable development

At INSEE, sustainability is championed at the highest levels of the organization. Our organizational

structure integrates various sustainability aspects including financial performance, operations, environment, occupational health and safety, stakeholder engagement, personnel development, compliance, and customer relation, represented by the members of our sustainability technical working group. As heads of their respective departments, they report directly to the CEO on the sustainability KPIs relevant to their areas and are responsible for the accomplishment of these KPIs and championing the sustainability agenda among their employees. Moreover, the Company has its own Sustainability Department, which oversees, monitors consolidates and reports on all aspects related to sustainability



- |                             |   |                                 |
|-----------------------------|---|---------------------------------|
| 1 Economic performance      | 12 Water - Effluents; Waste - Emissions             | 23 Forced or compulsory labor   |
| 2 Market presence           | 13 Environment compliance                           | 23 Security practices           |
| 3 Indirect economic impacts | 14 Environment assessment                           | 25 Rights of Indigenous Peoples |
| 4 Procurement practices     | 15 Employment                                       | 26 Human Rights Assessment      |
| 5 Anti corruption           | 16 Labor/Mgt relations                              | 27 Local communities            |
| 6 Anti competitive behavior | 17 OH&S   | 28 Supplier social assessment   |
| 7 Material                  | 18 Training & education                             | 29 Public Policy                |
| 8 Energy                    | 19 Diversity & equal opportunity                    | 30 Customer Health & Safety     |
| 9 Water and Effluents       | 20 Non - discrimination                             | 31 Marketing & labeling         |
| 10 Biodiversity             | 21 Freedom of Association and Collective Bargaining | 32 Customer privacy             |
| 11 Emissions                | 22 Child labor                                      | 33 Socioeconomic compliance     |

Awards and recognitions



Top 50 Attractive Employees Brands for Students by Anphabe



Top 10 Most Reputable Building Material Companies honored by Vietnam Report and Vietnam net



Top 100 Vietnam Best Places to Work 2020 through annual survey conducted by Anphabe collaborate with market research firm INTAGE



Saigon Times CSR 2020 Award honored by Saigon Times newspaper for business having meaningful and impressive CSR activities



Third year that INSEE be honored "Vietnam Best Construction & Building Materials Supplier 2020" by Nhip Cau Dau Tu Magazine



5th consecutive years to be honored "Top 100 Vietnam Sustainable Companies" from 2016 – 2020 by the Viet Nam Business Council for Sustainable Development (VBCSD)



Achieving the green product standards of Singapore Green Building Council (SGBC)



Commendation of organizations and individuals performing well in social responsibility works which respectfully gave by People's Committee of Kien Luong District





# PROSPERITY

As a pioneer in sustainability initiatives, INSEE believes that the world would be a better place if everything we build together can improve life quality. We care not only about the prosperity of INSEE but also the prosperity of everyone, especially those in our value chain.





The construction industry has an important role in contributing to society's economic development and people's quality of life. But like many other industries, the construction industry and its products - including buildings and other structures - consume a huge amount of natural resources, such as energy and mineral. According to data from the Ministry of Construction's annual report, it is estimated that the total volume of cement and clinker consumed in the year 2020 is 100 million tons, an increase of 1% compared to 2019. In which, in 2020, domestic consumption of cement is about 62,09 million tons, export of cement and clinker products is about 37,91 million tons. With that volume, the CO<sub>2</sub> emission in 2020 of the INSEE factory is about 416kg/ton of cement produced compared to the average emission of 750kg of CO<sub>2</sub>/ton of cement produced.

Advancements in science and technology have led to new innovations in the design and construction of homes, structures, and sustainable materials. Thanks to the remarkable advances made in the areas of sustainable construction and green building, we have been able to construct and operate buildings at a lower cost, with less carbon emissions and to live, work in a better environment.

**Being as a pioneer in sustainability initiatives, INSEE believes that the world would be a better place if everything we build together can improve life quality. We care not only about the prosperity of INSEE but also the prosperity of everyone, especially those in our value chain.**



Our stakeholders

We contribute to the prosperity of the community not only through tax payments to the government but also through successfully implementing projects that use INSEE’s sustainable products and methods. This approach benefits a wide variety of stakeholders across our value chain: residents, business owners, local authorities, business partners, contractors, distributors, and retailers.

Retail customers segments - Home owners

For Vietnamese people, a house is not only a piece of property but also a source of pride and often one’s life work, to be passed on from generation to generation. In recognition of those values, we have built a comprehensive product portfolio, using our extensive experience when working closely with consumers, contractors, designers and the community. Our goal is to ensure the highest standards of product quality, guaranteeing lifetime durability, with sustainability at the core.



Investors of Industrial buildings and Infrastructure projects

Our solutions and products are designed to meet every construction needs and technical specification of projects. In cement concrete consists of cement, sand, stone, fresh water, and other additives. Indeed, anyone can make it using simple ingredients and tools following detail instruction from cement manufacturer. However, creating a more technically demanding product requires extensive knowledge of basic attributes such as how long it takes a material to dry and its hardness, to more complex aspects such as uniformity and flexibility, adhesion, separation, strength, material consistency, time required to set, along with quality control. In-depth knowledge, understanding and technical expertise in sustainable construction also need to be kept up to date.

Today, most international funds or banks require investors and project developers to meet Green building standards for financial support. These investors need to make sure their ingredients come from reliable sources and are certified by an international organization. By providing innovative and environmentally friendly solutions with internationally certified standards, INSEE has helped many project owners realize their Green buildings.



Liquefied petroleum gas (LPG) underground storage project in Ba Ria - Vung Tau

Investor: Hyosung Group  
Main Contractor: Hyundai  
Total investment: 1.35 billion USD

- Technical requirement for concrete
- Sprayed concrete with and without reinforcement or fibers
  - Concrete strength: 6 MPa after 8 hours, 20 MPa after 7 days, 26 MPa after 28 days
  - Concrete temperature (wet shotcrete or dry mix concrete): in the temperature range from +10°C to +30°C
  - Concrete cover is poured at a depth of 100m underground (12x7.0x3.5m).
  - Concrete grade: C30
  - Flux: 600-800mm (SCC)
  - Maximum temperature with fresh concrete: 30°C
  - Maximum temperature of concrete during hardening: 65°C

- Cement used
- **INSEE Easy Flow - Cement for ready-mixed concrete:** High flexibility and strength stability are suitable for the arch structure of underground warehouse. In addition, with low alkali content in cement, it helps to reduce the alkaline reaction of aggregates to increase the lifespan of the construction.
  - **INSEE Mass Pour - The optimal solution for large concrete blocks:** Reduces heat of hydration significantly compared to conventional concrete. Avoid cracking in bulk concrete.



Long Son petrochemical refinery complex - package A2 and package F

Investor: SCG Group (Thailand)  
Main Contractor: POSCO E&C  
Total investment: 5.4 billion USD

- Technical requirement for concrete
- Package A2: Tanks**
- Large block concrete for foundation - Concrete grade: C17.5 | Maximum temperature with fresh concrete: 30°C
  - Concrete for other structures (pillars, walls, beams) - Concrete grade: C28 | Maximum temperature with fresh concrete: 32°C
- Package F: Wharf system**
- Reinforced concrete exposed to aggressive environment; Underwater concrete; Non-reinforced breakwater; Wave wall
  - Concrete grade: C35/45
  - Maximum water/ water-cement ratio: 0.37
  - Maximum Haide Content: 0.7 kg/m³
  - Capillary Index IC v/v/sec-1/2 Vmax/Qmax: 3.5/4.5
  - Porosity rate: 7.0 %
  - Maximum temperature with fresh concrete: 30°C

- Cement used
- **INSEE Extra Durable - Sulfate resistant cement:** Construction projects in coastal areas are heavily affected by the environment, so the contractor requires concrete to have high durability, suitable in aggressive environments with chemical corrosive agents (sulphates, acids, chlorine, etc)



## Tra Vinh wind power project V1-1

**Investor:** CIO Investment Fund, ST International – Korea and the European Union (EU) co-sponsors

**Main Contractor:** Danish Vestas

**Totasl investment:** more than 2.400 billion VND

### Technical requirement for cement

- Compression strength R3 > 22MPA
- Sulfate strength not more than 0.5%

### Technical requirement for concrete

- 7-day intensity reaches 90%: C35/45 and C45/55 Mpa

### Cement used

- **INSEE Extra Durable - Sulfate-resistant cement**  
With the ability to prevent corrosive elements (chlorine, acid, salt, and low pH, ...) thanks to the low permeability of concrete, IED is suitable for constructions in the sea environment. In addition, the stability of quality helps to ensure the quality and strength of the concrete



## Upgrading Nguyen Huu Canh Street

**Investor:** Traffic Construction Investment Project Management Board

**Main Contractor:** Joint Venture T&T Transport Construction Trading Service Co., Ltd & 68 Construction Trade & Service Joint Stock Company

**Totasl investment:** more than 470 billion VND

### Cement used

- **INSEE Stable Soil - Cement solution used to reinforce the foundation**  
INSEE STABLE SOIL Cement was selected as the most optimal solution for soil pile cement due to its good compatibility with many types of soils, high development strength and stable quality to ensure the ability to bearing capacity of roadbed over time

## Our Contractors

INSEE always organizes seminars to guide contractors on how to build our products. In Vietnam, most construction workers have limited education and little technical training. Thanks to on-site training activities and hands-on experience, contractors can improve their knowledge on how to use various INSEE products. For this group of partners, we pay special attention to raise their awareness of the product specifications. Because they will often be the one to directly advise customers on products used for small-scale construction projects.



## Programs for contractors

With the goal of bringing knowledge and introducing INSEE's diverse product portfolio as well as strengthening the connection with our contractor partners, in the period of 2019 to 2020, INSEE has implemented a series of Contractor Conferences throughout specific markets.

**20**  
provinces & cities  
nationwide

**4,496**  
participants

**33**  
conferences  
held

**3,037**  
contractors  
attended





Green Label – A Sign of Our Commitment


Everything we build today creates a legacy for tomorrow. Our goal is not only to produce the highest-quality construction materials, but also the most sustainable. INSEE is a pioneer in the most advanced sustainable construction technologies and always innovates in cement production.

We are a pioneer in the field of cement in Vietnam that achieve:


- The entire product portfolio is on the Green Database system of the Vietnam Green Building Council (VGBC)
- More than 90% of products have been certified Green Mark by the Singapore Green Building Council (SGBC) for 5 consecutive years and is the first Asian company in the cement field to achieve this certificate.
- The first cement company in Asia to have completed the label profile and EPD (Environmental Product Declarations) according to ISO 14025: 2006; and comply with the rules of construction product list according to European standard EN 15804: 2012+A1:2013
- We are proud to be the only cement company in Vietnam that meets the requirements of products used in Green buildings according to all standards: LEED, Lotus, Green Mark, Green Star...
- INSEE Vietnam has participated in the program “Benchmarking and Announcing Sustainable Companies in Vietnam” annually organized by the Vietnam Business Council for Sustainable Development (VBCSD) to evaluate the Sustainable activities of private sector in Vietnam as CSI (Corporate Sustainability Index)

Green Label products portfolio

“Green Label” cement reduces the carbon footprint by at least 24% and saves natural resources for future generations. If all Vietnam cement can reach the qualification of Green Label, we can reduce CO<sub>2</sub> emission by at least 17 million tons a year.



Reduce carbon emissions by at least 24%



CONWOOD is durable, termite resistant and non-flammable

Our cement products and solutions meet all “Green” building standards such as Lotus, LEED, Green Mark, and EDGE (IFC). INSEE products are the first company in Vietnam to be included in the Green Lotus database of the Vietnam Green Building Council (VGBC) and awarded the International Certificate of Green Label Product by the Singapore Green Building Council (SGBC). In the cement product group includes all the Housing solution such as Mutil – application cement INSEE Power-S, Masonary cement INSEE Wall Pro, Multi-application cement Lavilla Xtra, INSEE cement Power Fast, Eco Multi-application cement; Industrial products such as INSEE Easy Flow, INSEE Quick Cast, INSEE Extra Durable, INSEE Stable Soil, INSEE Mass Pour, INSEE Compact Rock.



In addition, we also have CONWOOD solution: inspired by the concept of sustainable construction, CONWOOD develops flexible application products for most construction items, as wood material alternative. CONWOOD helps modern spaces become more durable, contributing to adorn life and still maintain harmony with nature. Manufactured using Portland cement and eco-friendly fiber cellulose materials, CONWOOD has the advantages of both lightweight concrete and wood in one product. The CONWOOD bar is durable, termite-free, fire resistant and at the same time retains the beautiful aesthetic as real wood, helping to solve the problem of

indiscriminate exploitation of forest resources. For the finishing set of INSEE Tiles Adhesive, Plastering Mortars & Waterproofing Compounds, we are proud to offer our customers solutions that are not only green but also convenient, with high quality and stability to give user the absolute peace of mind. This set of solutions includes dry mortar, tile adhesive, grout and waterproofing compound with a simple preparation process - quick to install, contractors or individual customers can use the product to complete the project without taking too much time but still ensure the quality, durability and high aesthetics of constructions.



## Outstanding products

### CONWOOD

The use of natural wood to bring luxury to users is a concept that is still very popular among Vietnamese people. The more durable and beautiful the wood, the higher its value. This leads to the use of natural wood in interior decoration is quite expensive. However, the over-exploitation of natural timber today is a serious problem not only in Vietnam but also in many countries around the world. In addition, the tropical climate in Vietnam easily affects the quality of wood (mold, warping, termites...) causing damage to furniture and buildings.

**Intending to provide a green, user-friendly decoration solution, CONWOOD is constantly researched and developed to be the best replacement for natural wood. CONWOOD allows users to receive the optimal value of aesthetics and flexibility like real wood while still preserving the natural environment.**

Made with 30% recycled materials, high quality cellulose and Portland cement; These materials help CONWOOD balance all the advantages of lightweight concrete and natural wood. The product is durable, termite resistant, non-flammable and has the beauty of real wood. INSEE is the pioneer company to bring the leading wood alternative solution CONWOOD to Vietnamese consumers.





## Outstanding products

### INSEE tiling grout and plastering mortar

Finishing the rough construction phase means that about 70% of the work has been completed, the rest is the contractor's time spent on finishing other categories of the work. Although simpler, this is the process that is most likely to incur unexpected costs, since the progress may not be as guaranteed as when building the rough part. This puts a lot of pressure on the contractors against the pressure from the investors.

**Understanding the urgent need of the market, with long-term experience in the industry, INSEE has researched and launched a comprehensive set of four convenient products: Plastering Mortar INSEE Wall Speed, Tile Adhesive INSEE Fix Plus, Tile Grout INSEE Grout NANO and Tile Grout INSEE TileGrout Ultra<sup>+</sup>.**



#### Plastering Mortar INSEE Wall Speed

**Fast plastering,  
beautiful smooth wall**

The contractors will no longer worry about bringing too many raw materials to the construction site from now on. With Plastering Mortar INSEE Wall Speed, customers only need to mix with the recommended ratio of clean water to produce a mixture with high adhesion ability for smooth and anti-cracking wall surfaces.



#### Tile Adhesive INSEE Tilefix Plus

**Convenient and  
super adhesive**

Produced with NANO Lock technology from INSEE Group, the product can easily lock all types of bricks on the construction surface. Tile Adhesive INSEE Fix Plus is suitable for non-absorbent, large tiling tiles and applicable for even swimming pool. Moreover, INSEE TileFix Plus has a bag, making it more convenient for contractors to transport and use tile adhesive for small construction and renovating items.



#### Tile Grout INSEE TILEGROUT NANO

**Comprehensive  
protection**

The compound in the product researched and released with NANO technology will fill the gap between tiles helping to improve durability and enhance waterproofing for both interior and exterior tile installations and even areas subject to high humidity. Tile Grout INSEE Grout NANO helps to increase durability and ensure high aesthetics for the project, giving the owner a peace of mind.



#### Tile Grout INSEE TileGrout Ultra<sup>+</sup>

**Outstanding durability**

Produced with exclusive Eagle Seal Technology from INSEE, the compound in the product will fill the gap between tiles and help limit the mechanical impact causing cracking and abrasion of tile grout. Using Tile Grout INSEE TileGrout Ultra<sup>+</sup>, the owner can have a peace of mind and save on grout maintenance costs in the long term.



Successfully expanding the market

The period between 2019 and 2020 is an important milestone in the development of INSEE Vietnam. We have successfully introduced the Company’s products to potential new markets such as Phu Quoc, Tay Ninh, Binh Phuoc and Dak Nong.

Tay Ninh Market

When being recognized as a Grade 2 urban area, Tay Ninh city has had a strong development in economy, real estate and infrastructure. With its geographical position adjacent to Ho Chi Minh City area, Tay Ninh market has many advantages in logistics, market demand can reach up to 50,000 tons of cement consumed in a month. Since the first appearance in Tay Ninh market from October 2019, INSEE Cement Vietnam has achieved certain successes in terms of output and presence in this potential area. Up to now, products of INSEE Cement have been presented at 160 retail points and 3 major distributors in Tay Ninh. With the annual growth rate reaching 100% of the set target, the Company expects to continue to grow stronger in the coming periods.





### Phu Quoc Market

Phu Quoc market is considered a hot spot for development with many super projects of resorts, surrounding utilities and large housing constructions. Since officially entering this market in August 2020, INSEE has developed rapidly. In a short period of time, INSEE's bag cement products have covered all crucial projects, acquired many retail points in Phu Quoc, making an important contribution to the total volume and market share of Kien Giang province. Up to now, the volume in this market has reached at least 2000 tons per month, estimated at 157% of the expectation. Besides, it has to be mentioned about the rapid growth of volume and market share in a short time of INSEE Wall Pro cement products in Phu Quoc market. Up to date, INSEE Wall Pro has initially won the trust of contractors and retailers thanks to a latest breakthrough formula, containing hydrated Super Flex active ingredient that slows down surface water evaporation, maintaining mortar moisture and limiting plastic shrinkage cracking during construction. In addition, with a bag weight of 40kg, contractors can easily transport these products during construction but still produce the same amount of mortar as a normal 50kg bag of cement on the market. To be able to support customers in construction more smoothly, a team of experienced technicians and Mobile Lab will always support customers when needed.

### Binh Phuoc Market

Binh Phuoc is a province in the southern key economic region, owns a prime location and adjacents to major economic centers such as Binh Duong, Ho Chi Minh City, Dong Nai, Tay Ninh and Ba Ria - Vung Tau. With a relatively large market demand, which can reach up to 55,000 tons of cement consumed per month, this area is considered a promising developing market. At the end of 2019, INSEE Vietnam entered this market and has been present at more than 20 retail points with one major distributor. The annual growth rate has reached the target as planned and is expected to maintain a strong growth rate in the foreseeable future.

### Dak Nong Market

In Dak Nong market, the province has been implementing many housing construction and urban development investment projects. These projects create an rich supply for the residential land and commercial housing market, which is a condition for the real estate and construction materials market to develop strongly. INSEE Cement has been presented in Dak Nong market since October 2020 and continued to grow in this potential region. Up to now, the Company has acquired 1 large distributor and 5 retail points in the area.



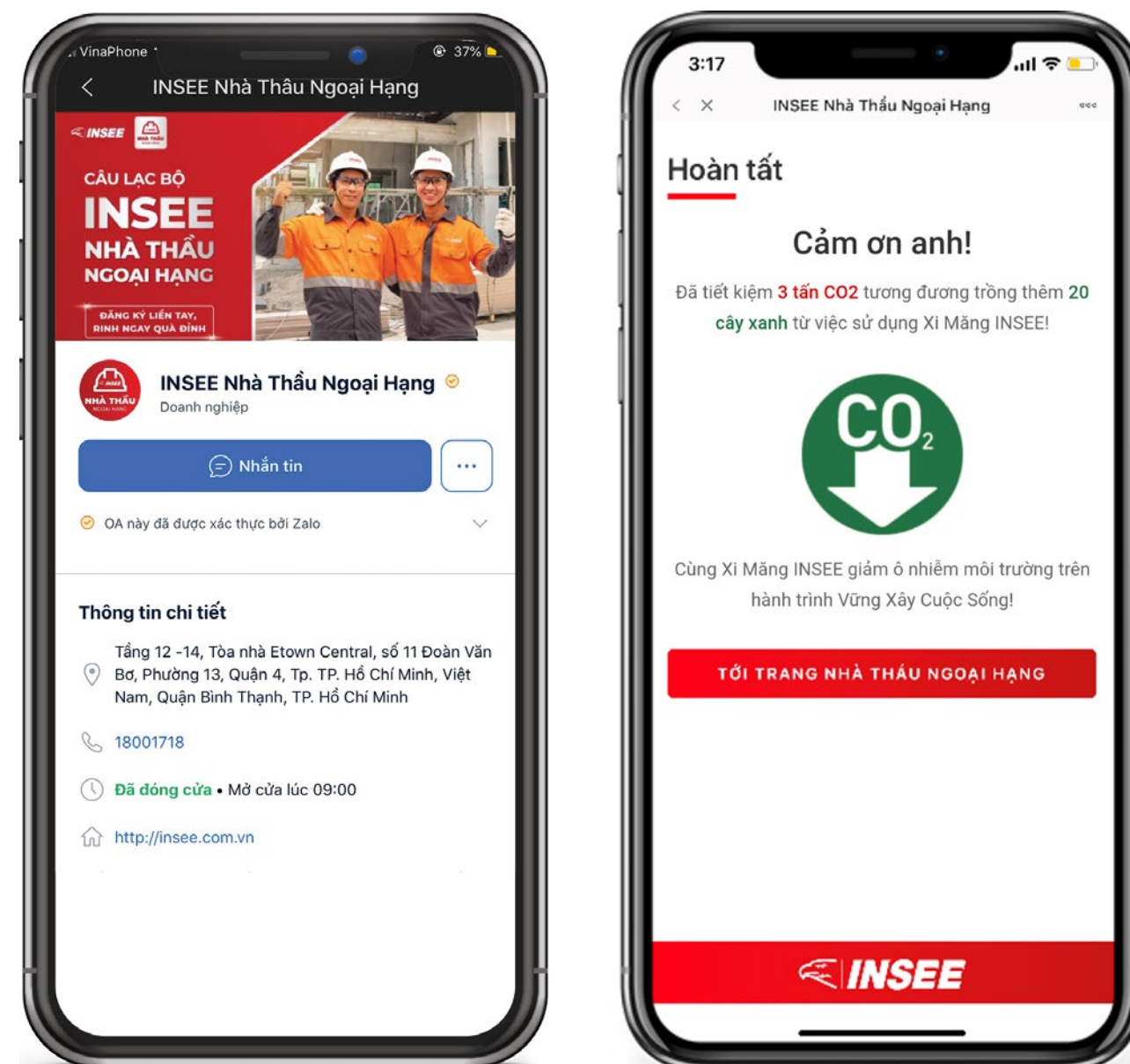


## New Zalo platform

According to market research from INSEE, Zalo is a renowned super application in Vietnam, especially with the construction contractor community. Since then, the Company has made the decision to promote the development of connected communication on this social network platform.

**INSEE's Zalo was created with the goal of connecting the Company's large contractor community, providing them with information about the list of Green certified products - INSEE's efforts in bringing to society products with high quality, stable and Environmental friendly.**

In addition, this is also a channel to organize many exclusive promotions to express gratitude towards contractors for trusting and introducing cement products of INSEE. Besides, the function of calculating CO<sub>2</sub> reduce emissions from using INSEE Cement which also contributes to improving the reputation of their works, so they can feel that each project completed is contributing to a better Vietnam.







# PEOPLE

People are the core foundation for our long-term success at INSEE Vietnam. This includes not only our employees but also the communities in which we operate and the people working across our value chain. INSEE Vietnam aims to build a safe, dynamic, and cooperative working place and a culture that emphasizes effective performance and challenging convention.



INSEE vietnam, a safe,  
fair and dynamic  
workplace







# Safety first



Occupational health and safety have become a public health priority in industrialized countries and a primary concern, especially in high-risk industries (Rachid et. al. 2015). Cement manufacturing is one of these industries.

Health and safety is at the center of everything we do, from the daily routine tasks in our plants to our customers’ project worksites and our actions in our neighboring communities. Our aspiration is to conduct our business with zero harm to people and to create a healthy and safe environment for our employees, contractors, communities, and customers.

INSEE Vietnam’s ambition is that 100% of personnel entering any of our sites return home as safe and healthy as when they arrived. In our company, the overall objective of implementing all the blocks within the Health & Safe pyramid is to provide an effective H&S management system that can ensure healthy and safe workplaces. This is measured against H&S indicators and guidelines. All the blocks are fully executed indicating that INSEE has met H&S standards and guidelines, provided necessary training and resources, and conducted H&S performance measurements.



H&S staff organize sharing sessions for employees to feel ownership for safety and take responsibility for themselves and others, and actively converse with colleagues on safety topics. This includes talks on the safety toolbox, safety observation tours, hazard & incident reports, and near miss reports. Especially, a tool called "personal risk assessment" is a simple but effective process for keeping every person safe. Before each task or activity, employees are encouraged to take a small amount of time to consider all aspects of the activity and ask themselves what could be risks and what they can do to prevent such incidents.

Significant continuous improvements have been made across the entire business, demonstrating the ongoing commitment of top management to improve our health and safety performance.



	2019	2020
Total frequency of injury	TIFR = 0.89	TIFR = 0
Occupational disease	1	0
Workforce representation in health & safety management	128	128
Total hours of safety training	21,816	18,357

To recognize good performance and behavior in H&S-related activities for both employees and contractors, we have maintained a recognition program called "Safety scratchy card" program for many years. There have been more than 2000 award cards distributed to encourage good practice and to reinforce safety performance at all levels.

Practical safety training is an ongoing element of our H&S approach and includes a lecture followed by practice on site and then an online test. Our visible leadership training program is designed to provide participants with an understanding and practical experience in leading H&S improvements.

We further strengthened our safety standards with our international certification in occupational health and safety, OSHAS 18001, which we first received in 2014 and have reviewed every year. The standard provides us with a consistent framework for implementing a safety management system that identifies, controls, and minimizes the risks associated with health and safety in the workplace. It covers functional elements in the areas of leadership, structure, and processes and actions and ensures compliance with all applicable health and safety laws and regulations in Vietnam. In 2019, INSEE plans to upgrade to ISO 45001:2018 to further strengthen our commitment to Safety First.

## Empowering our employees

Since 2017, we have successfully transitioned from Holcim to INSEE, starting our new journey full of energy and excitement. The year 2020 is when we continue to stabilize and strengthen our organization by putting greater emphasis on our people.

At INSEE, people are at the core of our business strategy. We believe that a highly performing

business is one in which employees are fully engaged and developed to their full potential. We provide an international, professional, and open working environment where employees are respected and able to collaborate across departments and Groups to perform their best at work. We provide our employees - from new graduates, production staff to senior managers - many ways to build their careers and develop themselves professionally and personally through a variety of development programs, mentoring and coaching.



2020 is also a year where we deepen our approach to employees. Thanks to the "Human Resources - Strategic Business Partner" (HRBP) model, we aim to provide higher quality of human resource services to attract, develop, motivate, and retain the talented workforce and efficiency for current and future businesses. We do this with an emphasis on strategic stakeholder partnerships, customer-centricity, openness, and efficiency. In 2020, we focus on improving the skills of this team through mentoring and training sessions, building the first pillar for HR Academy according to international standards, upgrading resources from Jardines with Josh Bersin Academy.







	2019	2020
Percentage of women (%)	18,58	20
Percentage of women in leadership roles (managerial and supervisory) (%)	19,8	21,5
Percentage of employee subjected to annual performance review (%)	100	100
Percentage of domestic employees (%)	98,9	99,03
Total employee	1114	930





### Training hours

	2019	2020
Senior management level and above	376	337
Middle management level	4,772	4,107
Primary management level	19,138	13,658
Employee level	29,727	19,667
Average number of hours	13,503	9,442
Total training hours	54,013	37,769

### Employee breakdown according to rank and gender

	2019		2020	
				
Senior management level and above	23	5	19	5
Middle management level	85	21	76	24
Primary management level	75	15	55	11
Employee level	724	166	594	146

### Leave rate

	2019		2020	
				
Leave rate (%)	9,6	4,6	6,4	2.4

	2019	2020
Average age	32	37,2
Average stayting duration (year)	5.6	9,9



Training for empowerment



At INSEE, we inspire our employees' desire for success and provide them with the skills and standardized training environment to unleash their full potential. In 2019 and 2020, INSEE has invested more than 9 billion VND in internal development programs, young talent development programs such as JET, GDP, EVE, etc. These programs will always be updated. and innovated with the goal of equipping employees with the latest knowledge and skills.

**Leadership Development Program**  
With the goal of creating a professional and creative working environment, INSEE is constantly innovating training programs and content for the Company's employees, especially the leaders - who play the crucial role in helping INSEE stay strong as one of the leading companies in the industry. Our leaders are well-trained through standardized programs such as: Leader Development Program (LDP), Supervisory Development Program (SDP) or Coach the Coach (CTC). With LDP, we've innovated, focused on customer experiences as well as real-life scenarios that align with our business strategy and leadership skill set, while SDP's aim is to develop in-depth knowledge into practical tools for supervisors to apply on daily work. Over the years, we have also added a Safety certified program to help the leadership team understand the importance of building a safety culture for their team with assessment tools and effective risk identification. Specifically, in the year 2019 - 2020, 7 employees graduated from the Leadership Development Program (LDP), 27 employees graduated from the Supervisory Development Program (SDP) and 13 employees were well-trained through INSEE's CTC program.



Graduation ceremony of GDP/JET program 2019 - 2020

**Young Talent Development Program**  
With the desire to bring learning and experience opportunities to new graduates from many different universities and fields, give them the chance to work in an international environment; INSEE has implemented young talent development programs such as JET (Junior Engineer Talent), GDP (Graduate Development Program) for 11 consecutive years with many talented students graduating from the program and fulfill the vacancies of the Company. Following that success, in 2020, INSEE welcomed 17 talented students to graduate and officially join the organization. During the training process, each of them will be designed a unique framework, a separate development plan that are suitable for the requirements of each position to help them execute the job and produce the best results. In addition, with the aims to provide skills and a broader knowledge base about the industry and the Company, INSEE has equipped them with a series of training programs focusing on two main parts: professional working skills, supporting knowledge of the industry and the core of the business. This provides our GDP and JET graduates with the strong knowledge base with professional working style to integrate into the dynamic working environment of INSEE.



Graduation ceremony of EVE program in 2019 - 2020

**Enterprise-based Vocational Education Program**  
IINSEE currently has up to 5 extremely modern equipped factories in Ho Chi Minh, Ba Ria - Vung Tau, and Kien Giang. For a high-tech manufacturing plant like the INSEE Hon Chong factory, people are the key to a successful operation. However, because of the remote geographical location, it is not easy for INSEE to recruit the necessary talent for the factory. Therefore, the Enterprise-based Vocational Education Program (EVE) has helped the Company to train and find suitable human resources for key technical positions. At the same time, the Company can create conditions for young people who have just graduated from high school in the locality to develop skills and workmanship, thereby contributing to improving the competent for local human resources. With those aims, INSEE has implemented the EVE program. Each training session will last for 3 years, built by Kien Giang Technology and Economic College and with the participation of INSEE experts to develop local talents, leading to meeting the strict requirements of the Company. During the past 20 years, the program has trained 227 talents and most of the students choose to stay with INSEE. In 2020, 11 candidates have been selected to participate in our Enterprise-based Vocational Education Program.



How meaningful is the GDP Program to me?

Over 25 years of training & building a potential human resources with the thoroughly understanding of sustainable development, INSEE has created opportunities for many generations of students to gain practical experiences and develop themselves in a multinational corporate environment through the annual GDP/JET Young Talent Development program. Many GDP/JET students after graduating from the program have been accompanying INSEE Vietnam until this day.



Ms. Vo Thi Thanh Truc – HRPB and Talent Development Manager (alumni of GDP program)

“For me, INSEE’s Young Talent development program is the golden key that opens up the door to career opportunities that I will forever cherish.”

Ten years ago, when I was still a student about to graduate and still had many doubts about the career path, I was introduced to a program by an acquaintance that, if I look back, I have to say to him. “Thank you for giving me this opportunity, helping me to have a successful career path like today”.

As a large company at that time, Holcim and now INSEE attracted a lot of young and talented candidates to apply for the Graduate Development Program (GDP). With my best efforts, I always try to show all the skills and knowledge that I have to the judges in all rounds. With a little luck and my own ability, I overcame more than 1000 candidates to get a ticket for the GDP position in the Human Resources Department.

Now as I have taken on the role of leading the next generation of young talents, I will share with you 3 things. Firstly, because you are young, becoming a GDP/JET for a large corporation like INSEE will be the key for you to develop yourself quickly. Therefore, be open to constructive advices from your supervisors and colleagues, dare to face many assigned tasks and not be discouraged. Second, you should learn the skills of time managment and prioritizing the assigned tasks so that you can best fulfill the requirements of your role. And finally, you can talk to the seniors in the company when you need help or or you meet a problem which you cannot solve by yourself . Be confident that every people at INSEE will always support you as much as possible, so you should take advantage of this opportunity.

Here are a few shares from Ms. Ma Thi Kim Ngan – a former GDP member who has had many impressive achievements in the program and on her 7-year journey with the company. Currently taking on the role of Head of Planning and Optimization in the Supply Chain Department.

I joined the GDP program in 2014-2015, when I was a graduated student who loved the field of “Supply Chain Management”. Fate brought me to INSEE when I found information about the GDP/JET program on a recruitment website. The company has opened many positions suitable for my desired profession.

Along with the accumulated knowledge and skills, I confidently proved my ability through each round of competition with many heavy-weight competitors. Perhaps the managers had seen the efforts and the suitability in my ability, thereby giving me the opportunity to participate in the program. What impressed me the most in the GDP journey was the experience of rotating work across departments through the completion of small projects to gain experiences. For mysleft, this is a very valuable learning opportunity, which is fully supported by the heads of other departments (such as Sales, MBI, Production, Finance, etc.). This experience helps me understand the close connection between departments in a organization, building supportive relationships, and at the same time, the acquired knowledge helps me have a more holistic view when evaluating and solving problems in the future.

The 7-year journey with INSEE has changed alot in the people and working environment, which continuously creates new challenges for me to strive and develop more every day with the Company. That process has period that I need to be fully active in task managment, and support the team as wel to increase work

efficiency. I thanked the managers for their timely support, building cohesion and trust between me and the Company, along with creating opportunities for me to develop myself through professional training programs like SDP, LDP, CTC.



Ms. Ma Thi Kim Ngan – Planning & Optimization Manager of Supply Chain (alumni of GDP program)

I also have few words to say to the next GDP/JET generations:

“In your work, there are always changes and challenges. I hope you always keep your confidence and optimism, turning difficulties into opportunities for yourself to learn faster. Remember, by your side, you will always have the companionship of the Company, of your colleagues, and the Department of Human Resources is willing to support and help you throughout the working process.”



## Performance recognition and development

Each employee is guided to explore his/her strengths, areas for improvement, and ambitions. While individual KPIs set a target for operational purpose, Individual Development Plans (IDP) provide our people with a set of powerful tools that helps them take charge of their own career development and receive guidance and mentoring from their leaders. They are given a full spectrum of learning modalities, such as participation in cross-functional projects, real-work experiences, and an opportunity to lead in important meetings. The goals in the IDP are created in alignment with our business strategy. Mid-year, year-end performance reviews and development assessments are a chance for people to chart and plan their progress in the workplace.

### INSEE Awards - Honor and Recognition

At INSEE, each employee's contribution and innovation is recognized and honored. Every year, the Company has many awards and ceremonies to recognize the best individuals at work as well as ideas that contribute to the outstanding development for the business. First held in 2017, the "INSEE Awards - a place to honor and nurture creativity" has honored the great efforts and dedication of employees for their contributions to the development of INSEE.

In 2020, we continue to bring attractive contest categories such as: Award for Excellent Salesperson to recognize the contribution of the sales force, Innovation Award with the goal of honoring the



innovative ideas and efforts of employees, the Safety & Environment Award encourages all factories and production sites to maintain high standards in environmental and safety management. In addition, we also have an INSEE Ambassador Award category for individuals who show their spirit and actively participate in the company's social activities. This is considered a recognition as well as motivation for employees to make more efforts in their contributions to the development of INSEE.

## Employment engagement

Along with HRBP model, we are elevating employee engagement activities to the next level, to better understand the need of employees and how they can be engaged towards building an even greater INSEE.

In 2020, we have organized many programs to connect the employees in the Company such as "Health Challenge", making lanterns on the occasion of Mid-Autumn Festival, guiding together to make paintings with dried flowers on Vietnamese Women's Day.



### Engagement activities at department levels

To encourage a positive work environment at head office and sites, our HRBPs team has initiated various activities to address different concerns at all levels. We have staff KPI evaluation sessions through direct dialogue with employees in each department, through which we can comment on the effectiveness of each individual at work. In addition, in 2020, the Human Resources Department also has a survey on the level of employee engagement with departments. We recognize everyone's contributions, collaborate across departments, communicate regularly and transparently at all levels.

### Oustanding initiatives in 2020

To help the company's employees have time to relieve stress after tiring working hours as well as create opportunities to interact with each other, the Human Resources Department organized the program "Destressed Hour" with fun and excited minigames . From fun quizzes with a variety of topics to fun dance activities receiving enthusiastic participation from all departmets.

### Engagement with the Jardines family

As a member of the Jardines Group, we play an active role in the Group and participate in events connected like a year-end party. Through this activity, we build partnerships and cooperation stronger, as well as open up new opportunities within the Jardines Corporation.

## Goals for 2021

In 2021, INSEE aims to continue to maintain a strong position in the industry by building a cohesive and effective staff. To achieve this goal, the Company will focus on 4 main orientations: finding talent, providing a balanced working environment, recognizing employees' efforts, and continuously implementing activities which contribute to the development of society. Moreover, INSEE will continuously organize exchange sessions (EVP) to be able to reach out target media groups such as employees, students, college students and skilled workers as well as develop IDP fast check towards HIPO, promote personnel rotation in INSEE group and Jardines Group. INSEE also aims to build a competency framework and assessment kit for each key department, as well as focus on developing HRBP services to departments and improving employees' self-study through online learning platforms such as Linkedin E-learning, etc. As for the Human Resources team, INSEE will put in the Mentoring Program to develop staff capacity, especially the skills of the HRBP team. Furthermore, INSEE will promote the development and categorization of HR management systems such as talent search and talent development platform (LMS).



Together for community

Community development

As part of the People pillar, the INSEE Care Program is designed to improve the quality of life for communities. The initiative encompasses a range of activities aiming to sustainably building the quality of life for the areas in which we operate, to build a relationship of trust with the local community. INSEE is known for its corporate social responsibility strategies that focus on three objectives: supporting education, community development and jointly improving infrastructure. Specifically, in 2020, the company has invested VND 6,300,000,000 in 29 projects with more than 51,000 beneficiaries.

We care about many aspects of social life through community support programs such as annual health checks for the elderly and disadvantaged families,

health insurance program for students,taking care of children around the areas where INSEE factory operates on the Mid-Autumn Festival and support poor citizen on Tet, etc.

We also connect these social responsibility activities with the Company’s volunteer programs to create opportunities for our employees to contribute their energies to the development of society. In recent years, these activities have received more engagement support from management team, employees, and stakeholders through the implementation of 8,500 volunteer hours in the strategic INSEE Bank Program.



Besides, INSEE has invested in the project to build Kien Binh 2 school in Kien Binh commune, Kien Luong district, Kien Giang province. This is a substantially meaningful project for the locality to create conditions for 700 students from poor and ethnic minority households can go to school, providing a teaching and learning environment with modern and comfortable facilities for local teachers and childrens.

The Kien Binh 2 school project is a complex construction including a bridge, a connected transport system and school categories including 24 classrooms fully equipped with learning and teaching facilities, a school building, sanitation facilities, multi-purpose building block, administrative block – office, etc. The project was implemented with the companionship of Kien Luong District People’s Committee, Technical Center for Standards, Metrology and Quality 3 (QUATEST 3), BASF Vietnam, GREENVIET-Green Building Consulting Company and the Vietnam Green Building Council (VGBC). This project is designed according to green building criteria and has been certified by VGBC Gold Grade LOTUS Green Building



Also In 2020, INSEE Cement cooperated with University of Technology - Vietnam National University Ho Chi Minh City, Can Tho University and Ho Chi Minh City University of Technology and Education to construct a range of rural road projects in Dong Thap and Can Tho. These projects are a part of the Green Summer student volunteer campaign. Accordingly, INSEE Vietnam provides 450 tons of cement to jointly build 15km of rural roads and a park with an area of more than 1000m². This is the 20th consecutive year that INSEE is proud to accompany universities to implement this activity.



Overcome the pandemic together



In 2020, Vietnam and the worldwide must suffer the terrible spread of the COVID-19 pandemic. This has caused the stagnation for business activities and production of enterprises, the unemployment rate has increased, severely affecting the economic situation of our country and the stability of society. In addition, the complicated and unpredictable epidemic has put extreme pressure on the frontline medical staffs to fight the epidemic, including the area where INSEE Hon Chong cement plant in Kien Luong District, Kien Giang province operates. One of the main reasons for the complicated situation of the epidemic is the serious shortage of medical supplies - weapons of doctors and nurses in the fight against the SARS CoV-2 virus. In order to alleviated the difficulties of frontline force against



the pandemic as well as helping them feel secure to perform their assigned tasks, INSEE Vietnam quickly presented a donation package of VND 100,000,000 including 4,000 medical masks and 500 bottles of hand sanitizer to the delegations at the Hon Chong Cement plant area. This support is to join hands to help the medical staffs here in combatting the COVID-19 epidemic and partly reduce the risk of infection for them when dealing with the pandemic.

With the brand philosophy: "Build for Life", INSEE Vietnam always strives to support the community in the goal of overcoming the COVID-19 pandemic, hence stabilizing social life soon and continuing to develop the economy.

Join hands for the beloved Central region

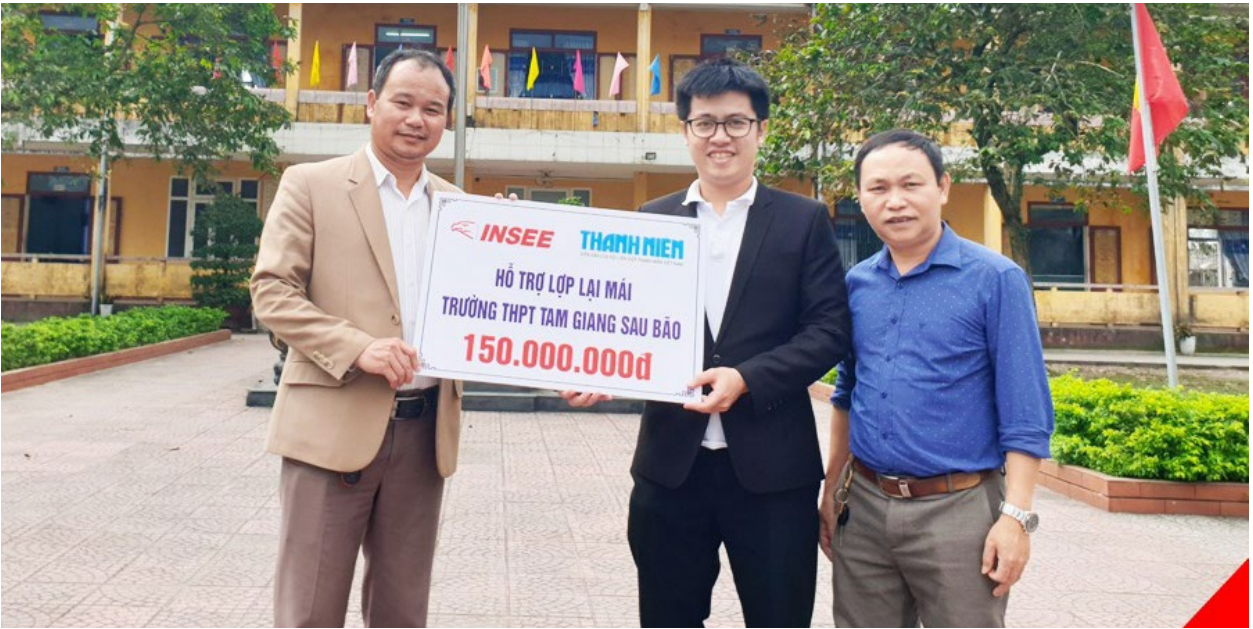
At the end of 2020, when storm No. 13 swept through Thua Thien - Hue province and brought with it high winds of level 7, level 8, level 9, level 10, it left a lot of severe consequences for the communities and schools in this area.

After the storm No. 13 landed, Tam Giang High School in Phong Dien district, Thua Thien - Hue province suffered a lot of damage. The roof of main classrooms was blown off, creating many difficulties in the teaching and learning of teachers and students after the storm.

Together with the whole country towards the Central region, after acknowledging the information, with

the desire to share some difficulties with the people in the Central region here, INSEE Vietnam and its employees through Thanh Nien Newspaper quickly supported 150,000,000 VND to help re-roof the Tam Giang High School - one of the schools facing many difficulties according to the report from Thanh Nien Newspaper after being swept away by the storm No. 13 in November 2020.

Also, during this period, the Company was called by Thanh Nien Newspaper to help sponsor 10 million VND to support an individual in extremely difficult circumstances to fix the roof that was also swept away in the intense storm.





# The journey to overcome the salinity with the Mekong Delta

## Sponsor the people in the affected area

The scarcity of fresh water has brought many consequences to people in most provinces in the Mekong Delta. Agricultural products and crops suffered heavy damage; animal husbandry activities are stalled; people’s lives are seriously affected; the outbreak risk of many diseases is complicated by lack of clean water, etc are the consequences that people here must endure during the recent drought and salinity.

Facing the complicated situation of salinization, INSEE Vietnam has made the decision to organize and accompany the program “ Water for salt drought ” launched by with Tuoi Tre Newspaper, to minimize the damage in the affected areas. According to Mr. Philippe Richart (General Director of INSEE Vietnam) said: “The problem of salt drought in the Mekong Delta, I think it is a super challenge in the long term and we want everyone to pay attention to this challenge and join hands in solving this challenge” Within the scope of the program, INSEE Vietnam has cooperated with Tuoi Tre Newspaper to donate many 500-liter water tanks to people in the Mekong Delta to support them had a close access to freshwater resources and water reserves during historical saline intrusion.

Specifically, INSEE and Long An Provincial Youth Union and Tuoi Tre Newspaper donated more than 100 water tanks to households in Tan Tap and Phuoc Vinh Dong communes, Can Giuoc district, Long An Province.



In the area of Quoi Thien and Thanh Binh communes, Vung Liem district, Vinh Long province, INSEE Vietnam accompanies with Vinh Long Provincial Youth Union and Tuoi Tre Newspaper to give 100 water tanks to citizens in saline intrusion areas. Although Vinh Long is a landlocked province, up to 6 out of 8 districts are affected by salinization, which is not enough fresh water for irrigation and daily life.



## Infrastructure development



Sharing with the difficulties in accessing domestic water sources that people in Ba Nui hamlet, Binh An commune, Kien Luong district, Kien Giang province have to face, INSEE Vietnam has implemented a project to install the main water pipeline from the station to residential areas with a total length of 1,6km. After that, An Binh water supply station supported the installation of water meters and pipes from the main pipeline to the house of each household.

This project has special significance for the locality to improve the health and quality of life for 250 households living around Son Tra mountain, and at the same time contribute to the development of infrastructure here. In particular, the project also contributes to creating conditions for more than 100 children currently living in this area to have the opportunity to develop comprehensively in a sustainable environment.



Furthermore, INSEE cooperated with BRIDGESTONE Vietnam and other sponsors to build 2 bridges named “Kenh Thay Ba Vi” and “Cai Tre” for the people of Hamlet 2, Binh Tan Commune, Dong Thap Province. This project is one of the pillars for social responsibilities of INSEE with the desire to improve the infrastructure for the community and the locality, contributing to building the “new countryside” through. Company’s certified green label products. In the program to help people overcome salinization, INSEE Vietnam has also sponsored the construction of many roads in Long An, Ca Mau and Ben Tre.

**All these programs contribute to the sustainable development of the local community, while creating a close relationship between INSEE and stakeholders, creating a positive environment for business to develop.**



INSEE Prize - Accompanying the young generation

The INSEE Prize is a playground to create a foundation for students interested in sustainable construction through applying learned knowledge in practice and meeting the urgent needs of the community. While participating in the program, students not only have the opportunity to experience and interact with advanced construction trends, but also receive training in necessary soft skills such as presentation,

teamwork, time management, project management, etc. The winning group will cooperate with INSEE to implement their project. After 12 years of organizing the INSEE Prize, INSEE has directly invested more than 3,200,000,000 VND and mobilized 10,100,000,000 VND from partners for the implementation phase, with more than 5,000 beneficiaries nationwide.



Year	Project	University
2009	Collecting pesticides package	Can Tho University
2010	Floating toilet	University of Architecture HCMC
2011	Sea water purifier	Can Tho University
2012	Watering with solar energy	University of Technology - Vietnam National University HCMC
2013	Biological waste bin	University of Architecture HCMC
2014	Pump VA machine	Hanoi University of Architecture
2015	Rice paper dryer with waste heat energy	The University of Da Nang - University of Science and Technology
2016	Highland School	Hanoi University of Architecture
2017	Green Library	HCMC University of Natural Resources and Environment
2018	Seen House	Can Tho University
2019	Guarding checkpoint	University of Technology - Vietnam National University HCMC
2020	Ceramic	Hanoi University of Architecture

Increase environmental awareness

Since 2013, INSEE has implemented an Environmental Awareness Program to help students recognize the importance of environmental protection activities. Each year, different topics are selected to educate students with practical activities. This program reaches over 7,000 pupils annually. Under the scope of this program, INSEE also organized specialized training sessions

for the teachers and guide them to include environment protection campaign into their school curriculum. INSEE also held many volunteer events for employees to support teachers to implement their environmental projects at school. The total investment for the Community Environmental Awareness Program is designated at 400-600 million VND annually.





# PLANET

Our approach to the planet focuses on minimizing negative environmental impacts and where possible, strengthening positive impacts while also improving performance.

Under the circular economy concept, INSEE continuously researches and challenges conventional thinking to implement the circular economy concept in all our manufacturing process.

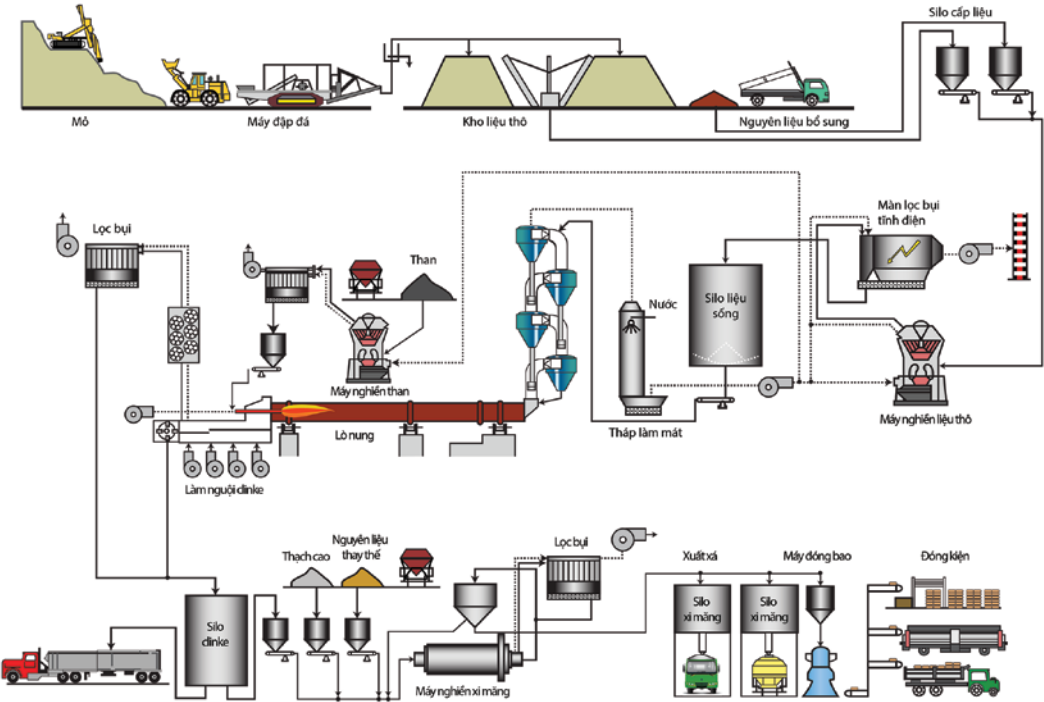


Prioritizing the environment has become imperative for today’s business strategy. As scientists and politicians debate the facts surrounding climate change, global warming and dwindling natural resources, environmentally sound practices not only enjoy favorable public sentiment and increasingly more supportive government policies, but the benefits of a lower carbon footprint result in cost savings and increased profitability as well.

**As a pioneer in the production of construction material and waste management in south Vietnam, INSEE Vietnam has always taken our environmental impact into account when designing our operating procedures with the goal of making these processes environmentally sound.**

**Cement manufacturing process**

Cement is produced from raw materials such as limestone, clay, and sand. These raw materials are quarried, crushed, nely ground, and blended to the correct chemical composition. Small quantities of iron ore, alumina, and other minerals may be added to adjust the raw material composition. Typically, the fine raw material is fed into a large rotary kiln (cylindrical furnace) where it is heated to about 1800°C. The high temperature causes the raw materials to react and form a hard-nodular material called “clinker.” The clinker is then cooled and ground with gypsum and other additives to produce cement.



**State-of-the-art technologies with environment initiatives**

INSEE Vietnam has earned its a reputation for delivering commercially superior solutions for our customers through installing state-of-the-art equipment and implementing processes which ensure the most efficient and green environmentally sound manufacturing, with the utmost attention being paid to environmental protection.

**Vertical Roller Mills (VRM) reduce energy consumption**

After the kiln, cement grinding mills are the second highest energy consumer at the plant. At INSEE, we are proud to operate Vertical Roller Mills (VRM), which require higher competent maintenance from mill operators, from material preparation to quality control. According to collected data from INSEE Vietnam’s Hon Chong Cement Plant and Thi Vai Grinding Terminal, VRM grinding consumes about 20% less energy than grinding with a roller press and ball mill. We have invested 20 years in mastering and continually upgrading the VRM operation through trials and error. Many generations of engineers and operators at our plant have diligently worked to optimize the system.

**Bag filters to reduce dust emissions**

Hon Chong – Kien Giang, where we have installed one of the most modern cement manufacturing lines. According to the needs of production and business, we continue to invest in upgrading this line, especially the electrostatic precipitator system - dust removal for furnace flue gas - has been replaced with a mor sustainable solution: dust bag filters system. This investment is a recognition of our sustainability efforts. The bag filters system was successfully implemented in March 2013, a step forward in the development of Hon Chong Factory towards the goal of improving Environmental Indicators. Dust emission at the main chimney of the clinker kiln of Hon Chong Plant is less than 10mg/ Nm3; well below the limit required by Vietnamese law of 100mg/Nm<sup>3</sup> (QCVN 41:2011).





All legal requests for CEMs data are linked to the Department of Natural Resources and Environment for 5 INSEE factories

Comply with Circular 24/2017/TT-BTNMT of the Ministry of Natural Resources and Environment and Decree 40/2019/ND-CP of the Government; Since 2017, INSEE Vietnam Cement has installed Continuous Emission Monitoring systems (CEMs). This is a system installed to monitor emission parameters such as SO<sub>2</sub>,

NO<sub>2</sub> and CO, etc., according to current regulations on environmental protection. The CEMs system can directly measure the emission parameters of the plant and transmit the data to the Department of Natural Resources and Environment 24/7. This helps INSEE to actively control emission parameters and adjust the production process to avoid polluting the environment and affecting the surrounding community where the INSEE factory operates. This move of the Company contributes to effective environmental protection and compliance with Vietnam’s legal regulations on environmental protection.

Emissions

CO<sub>2</sub> emissions

	2019	2020	Legal Limit QCVN 23:2009 QCVN 41:2011
Total CO <sub>2</sub> emissions gross (thousand tonnes)	1,271	1,372	N/A
Total CO <sub>2</sub> emissions net (thousand tonnes)	1,271	1,298	N/A
CO <sub>2</sub> emissions per ton of cement (kg/tonne cement)	391	416	N/A
Net CO <sub>2</sub> emissions per tonne of cement produced (kg/ tonne cement)	375	394	N/A

NO<sub>x</sub> & CO emission – At the kiln

	2019	2020	Legal Limit QCVN 23:2009 QCVN 41:2011
Emissions per ton of cement produced (grams/ton cement)	719	488	N/A
Total emissions (tonne/year)	2,323	2,717	N/A
No <sub>x</sub> emitssion at the Kiln (mg/Nm <sup>3</sup> )	706,3	760,3	1000
CO emission at the Kiln (mg/Nm <sup>3</sup> )	137,2	137,2	500



Ms. Van Vo Thi: Former Deputy Director, Department of Natural Resources and Environment of Kien Giang Province.

“I am particularly impressed with the environmental performance of INSEE Hon Chong Plant in Kien Giang province. Not only does the company comply with all Vietnamese environmental standards, but their efforts in enhancing environmental protection and biodiversity conservation are also greatly appreciated in Kien Giang. Finally, through their activity, waste management initiative, all the waste inside is fully recycled, reused or treated, and even spread about this good practice to the community around their factories.”

SO<sub>2</sub> emission – At the kiln

	2019	2020	Legal Limit QCVN 23:2009 QCVN 41:2011
Emissions per ton of cement produced (grams/ton cement)	24	4	N/A
Total emissions (tonne/year)	91	22	N/A
SO <sub>2</sub> emission at the Kiln (mg/Nm <sup>3</sup> )	22,77	6,1	500

Dust emission – At the kiln

	2019	2020	Legal Limit QCVN 23:2009 QCVN 41:2011
Emissions per ton of cement produced (grams/tonne cement)	6	2	N/A
Total emissions (tonne/year)	20	14	N/A
Average dust emission of machines (mg/Nm <sup>3</sup> )	19,4	23,4	100
Dust emission at the Kiln (mg/ Nm <sup>3</sup> )	6,1	4,1	100



Quarry rehabilitation and biodiversity conservation

The exploitation of raw materials from nature to produce cement has an impact on the surrounding natural and social environment. Specifically, the removal of limestone changes the topography of the area, potentially affecting local ecosystems.

INSEE Vietnam recognizes that it’s our responsibility to effectively manage and rehabilitate the species living in quarries we operate. Hon Chong cement plant is located on the coast of Kien Giang province. The plant is located on a total area of 5.6 km² ha, including a cement plant, a seaport, a river port, three limestone quarries and one clay pit. INSEE strives to address our industry’s challenges and opportunities of for environmental sustainability, including ecosystems conservation. Thus, quarry rehabilitation is firmly part of our environmental targets. Since 2008, INSEE has partnered with external local partners and as well as the International Union for the Conservation of Nature (IUCN) in order to provide the necessary expertise to develop tools and instrumentssystem for good management planning with full support from Kien Giang province’s Department of Natural Resources and the Environment. INSEE’s integrated objectives are two-fold:

- Rehabilitation and compensation project, contributing to biodiversity conservation with the enhancement of the local landscape
- Raising awareness of the importance of biodiversity and the positive impacts extractive industry can have on its environment.

To further strategize the relationship between the two organizations, at the end of 2018, INSEE Group and IUCN signed a Memorandum of Understanding (MoU); to jointly implement robust sustainable environmental development standards for biodiversity conservation within the premises under management of INSEE Group. This three-year partnership also aims to protect the limestone



Mr. Jake Brunner:  
Head of IUCN Indoburma Group

“ The relationship between IUCN and INSEE in Vietnam is a good example of the importance of collaboration for effective Biodiversity Action Plan (BAP) implementation. The relationship between IUCN and INSEE Vietnam was established in 2008 as part of a global agreement to strengthen biodiversity conservation at the plant, country and corporate levels. We appreciate the opportunity to partner with the company on the preparation of a BAP for its plant in Hon Chong, a site of global biodiversity importance and look forward to cooperating with INSEE Vietnam, NGOs, scienticfic institutions and the provincial government to implement the plan”

mountains in the areas where INSEE operates. INSEE Group is the first enterprise in the Thai cement industry to sign an MOU with IUCN. In 2019 and 2020, INSEE and IUCN completed the biodiversity map and set of illustrations of Limestone in the Mekong Delta including Hon Chong (Vietnam) and Touk Meas (Cambodia). At the end of 2020, INSEE also worked with IUCN to plan the signing of a new agreement to implement the goal of biodiversity conservation until 2030, such as conserving Phu My Wetland Nature Reserve and establishing the Kien Luong Karst Nature Reserve in Kien Luong district, Kien Giang province, etc.

Circular Economy

Natural resources are consumed 50% faster than they can be replaced. The term circular economy has become the ultimate goal of all big corporation in recent years. Under the circular economy concept, resources are redeployed and reused, and waste flows are turned into inputs for further production. Truly embedded with that ambition, INSEE continuously researches and challenges conventional thinking to implement the circular economy concept in all our manufacturing process.

Waste-heat recovery power plant

State-of-the-art new suspension process (NSP) kilns include multi-stage pre-heaters and pre-calciners to pre-process raw materials before they enter the kiln, and an air-quench system to cool the clinker product. Kiln exhaust streams, from the clinker cooler and the kiln pre-heater system, contain useful thermal energy that can be converted into power. Typically, the clinker coolers release large amounts of heated air at 250 to 340°C directly into the atmosphere. At the kiln charging side, the 300 to 400°C kiln gas coming off– the pre-heaters are used to dry material in the raw mill and/or the coal mill and then sent to bag lter houses to remove dust before finally being vented to the atmosphere.

If the raw mill is down, the exhaust gas will be cooled by water spray or by wind before entering the dust collector. Optimizing furnace technology performance is important for efficient plant operation, utilizing exhaust heat from the preheater tower and clinker cooling system to generate electrical energy to partially compensate for electrical energy. must be purchased from the national grid. Waste heat

recovery power plants bring great benefits to the economy, society and environment, meeting 25% of the power demand of the plant, equivalent to the amount of electricity for 18,000 households in 1 year. The power plant with a capacity of 6 MW reduces the burden on the national grid and helps INSEE indirectly save about 25,000 tons of carbon emissions in a year, equivalent to 9,300 tons of coal.



Energy Consumption

	2019	2020
Total power consumption (MWH)	272,681	260,928
Electricity consumption (KWH/ Tons of cement)	80,55	77,17
Fuel Consumption (ml/ Tons of clinker)	3533	3393
Rate of alternative fuel (%)	20,14	27,4





Using alternative materials to reduce the amount of clinker in cement

Clinker is one of the main components that cannot be totally replaced in cement composition. Clinker is condensed from natural resources which requires the efforts and collaboration of many teams and functions. As a result, we never use it wastefully. At INSEE, we understand that every tonne of clinker saved could lead to many benefits, not only saving costs for our business but also for the environment. For many years, the clinker factor (CF) has been controlled closely. Every cement solution, which we deliver to end users, is optimized to ensure it is fit for purpose and suitable for its dedicated application.

By using fly ash and steel slag to substitute clinker in cement production, INSEE in Vietnam has significantly controlled its clinker factor. This reduction in CF has been carried out without compromising either industrial performance or product quality, but even improving it.

In addition, the use of high-quality mineral components (MICs), such as pozzolana, or treated industrial waste, results in more efficient use of non-renewable raw materials (limestone) and reduced CO<sub>2</sub> emissions of at least 24% (2019) and increase by 26.4% (2020) with each ton of cement produced, while increasing qualities such as durability and corrosion resistance.

Materials

	2019	2020
Limestone (Ton)	708,697	701,225
Pozzolana (Ton)	186,403	166,272
Alternative Material (Ton)	658,191	574,900



## Efficient water use and management

Water is an indispensable basic element in maintaining life and all human activities on Earth. Meeting the demand for clean water is a major challenge in sustainable development worldwide, especially in developing countries.

Efficient water management and using is one of the sustainable development goals that INSEE Vietnam always pursues. At INSEE, as a pioneer in applying sustainable development initiatives to business strategies, we consider Water as a resource that needs to be shared with the community. At Cat Lai, Thi Vai, Hiep Phuoc and Nhon Trach grinding terminals, clean water is provided from the local water supply company. Mostly, this amount of clean water is used in daily life for employees, the factory uses wastewater after treatment to maintain green space and clean areas at the factory. In Hon Chong factory, besides water supplied from the local water supply system, we also use a volume of surface water of nearly 60% for the process of generating electricity, and cooling the waste heat recovery system. The process of treating contaminated surface water always meets the quality of supply water for cooling activities, after this process, the amount of steam will be recovered and put into the gas turbine to drive it in order to generate electricity. Hence it can form a circulating closed cycle during operation.

With the brand philosophy “Build for Life”, we always apply strict standards of wastewater quality to the entire



production process at the company. All wastewater discharged at Cat Lai, Hiep Phuoc, Thi Vai and Nhon Trach terminals always meet the standards of the Vietnam’s law, the Industrial areas and QCVN 40:2011 /Ministry of natural resources and environment (Production wastewater) & QCVN 14:2008/Ministry of natural resources and environment (Domestic wastewater) before discharge. The legal regulations on water use permits as well as discharge standards are respected by the Company and set as a guideline throughout the operation of our plants.

INSEE Vietnam has always set a goal of sustainable development in Vietnam and helps improve the quality of life for the communities where INSEE factories operates in particular and Vietnam in general. With a clear sustainable development roadmap, we carry out water reuse activities in potential areas and look for other alternative water resources, such as rainwater, surface water. In addition, every year, INSEE holds a conference with stakeholders once a year to discuss environmental issues and water use in localities.

## Disclosures on the process of water withdrawal and discharge

Water withdrawal		
		All areas
Water withdrawal by source (million liters)	Surface water (total)	375,44
	Freshwater	100%
	Produced water (total)	712,02
	Freshwater	100%
	Third-party water (total)	380,48
Total water withdrawal (million liters)	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	755,92

Water discharge		
		All areas
Total water discharge (million liters)	Surface water + groundwater + seawater + third-party water (total)	255,73

Water consumption		
		All areas
Water consumption (million liters)	Total water consumption	500.19



INSEE Ecocycle – Because tomorrow matters

Poor waste management is a major issue facing both developing countries and countries in transition. After over thirty years of openness and economic renovation, Vietnam is now facing the same issues. We often read. There have been many reports about waste that is illegally dumped at unsuitable locations or is taken to landfills failing to meet requirements of the environmentally final disposal of waste. This can cause contamination of soil, water resources, and the atmosphere, leading to the sustained deterioration of the living conditions and health of nearby populations. Toxic substances and persistent compounds escape into the environment, are spread through the air over large areas, and can even enter the food chain, affecting both human and animal health.

There is a general agreement that it is an urgent need to improve waste management, hence different solutions are being discussed. Waste avoidance, cleaner production, producer responsibility, supply chain management or sustainable use of natural resources are only a few of the strategies being promoted. Despite technological progress and an increasing social and political awareness, the problem of growing waste streams persists.

Different types of waste have been successfully co-processed as alternative fuels and raw materials (AFR) in cement kilns in Europe, Japan, USA, Canada, and Australia since the beginning of the 1970s. The use of AFR can decrease the environmental impacts of waste, safely disposing of hazardous waste, reduce greenhouse gas emissions, save waste handling costs.

The Technology

A cement kiln is a very environmentally sustainable place to dispose treated waste. Inside the kiln, flame temperatures can reach up to 2000°C, high enough to completely destroy any organic compounds and safely recycle inorganic compounds, such as solvents or sludge from waste plants, or solid waste, such as plastics or rubber. This process, known as co-processing, is the perfectan ideal solution for disposing of waste safely and thoroughly. Over many years, co-processing has been developed as a highly efficient, environmental friendly sound process which helps to save on non-renewable fuels, reduces carbon emissions from cement plants and means there is less demand for landfills.



The Investment

In October 2004, Ecocycle, previously known as Geocycle, a waste management brand of INSEE Vietnam, strengthened its operation through a significant technology upgrade in Hon Chong Cement Plant. With a total capital investment of approximately USD 12 million, this is the largest investment towards green manufacturing. The co-processing project included the

upgrade of the pre-calciner, and a waste storage unit incorporating an automatic crane system for storage management, as well as the installation of two feeding and dosing systems to take waste up to level 5 of the preheater tower using a closed belt conveyor. In terms of the environment, co-processing helps to reduce traditional fuel consumption and thus reduce CO<sub>2</sub> emissions. In the year 2019 - 2020, Ecocycle continues to invest in new equipment for Ecocycle laboratory including water content analyzer, cutting mill, bomb calorimeter and a new hazardous waste cutter at Hon Chong factory. These investments once again re-affirm INSEE Vietnam’s commitment towards its sustainable development strategy, which emphasizes the need to balance economic growth with social responsibility while constantly striving to minimize its impact on the environment.

Ecocycle Laboratory

The only waste testing laboratory accredited by VILAS in Vietnam.

Ecocycle testing laboratory has more than 10 years of experience in testing for calorific value, humidity, heavy metal content, chlorine concentration, sulfur content, flash point, pH concentration, etc.

With a Modern chemistry laboratory system and ISO/IEC 17025:2017 certified by the Ministry of Science and Technology, the laboratory has sufficient functions and facilities to serve related activities. With a team of specialized and highly experienced personnel, Ecocycle laboratory has been and will carry out activities to control waste collection and treatment processes appropriately and safely.



VILAS is the system of accreditation of testing and calibration laboratories in Vietnam. This is one of the accreditation programs of the Vietnam Quality Accreditation Office.

According to the decision 1962/QĐ-TCCBKH signed by the Minister of Science, Technology and Environment on April 10, 1995, VILAS is significant in unifying accreditation activities throughout the country, contributing to access and dissemination ISO/IEC 17025:2005 standard, thereby improving the capacity of many laboratories in Vietnam, facilitating the export inspection of Vietnamese enterprises more easily.



Joining the project to treat non-recyclabe plastic waste with TONTOTON

Ocean plastic waste has always been seen as a major challenge to the world. As a waste management solution with Co-processing in cement kilns, INSEE Ecocycle is proud to contribute to the treatment of this problem by converting plastic waste into energy.

Specifically, in 2020, INSEE Ecocycle Vietnam has officially accompanied TONTOTON in the project “Non-recyclable plastic waste treatment” – The plastic neutralization program that offer a sustainable and environmental friendly solution to reduce ocean plastic.

Accompanying the program “Together with farmers to protect the environment”

INSEE Ecocycle has continued to accompany the program “Together with farmers to protect the environment” phase 2 (2019 - 2020) organized by the Plant Protection Department and the Southern Plant Protection Center. INSEE Ecocycle has received and collected more than 25 tons of pesticide packaging in 22 provinces in the Mekong Delta. After collection, the packages are transported to INSEE Hon Chong factory and thoroughly treated according to the Co-processing technology in a cement kilns. This is a meaningful activity to support Vietnamese farmers to raise their awareness of environmental protection, contributing to building a sustainable agricultural product value chain. Through this activity, INSEE Ecocycle in particular and INSEE in general affirm their active contribution to the community and environment.

INSEE Ecocycle accompanies the program “ Dong Nai Green Week”

At environment week and World Environment Day, INSEE Ecocycle joined with other businesses in Dong Nai province to participate and sponsor the program “Green Dong Nai Week” organized by the Provincial Department of Natural Resources and Environment Dong Nai. The program is held to enhance the communication effectiveness of environmental protection activities, creating pervasiveness in the community, contributing to raising awareness and promoting the implementation of environmental protection movements in Dong Nai province. With the meaning of “Giving Gifts, Receiving Love”, INSEE Ecocycle has sent many gifts to customers participating in recycling and collecting hazardous waste activities.



INSEE Ecocycle cooperates with adidas in the project “ZERO LANDFILL”

As one of the major customers of INSEE Ecocycle, adidas and INSEE Ecocycle have worked together with the common goal of reducing waste and emissions for many years. Especially, in the past two years, the project “ZERO LANDFILL” has been established and is an outstanding example of this cooperation. Following the successes of the “ZERO LANDFILL” project for leather shoe factories since 2018 with a total of 14,911 tons of waste, INSEE Ecocycle has collected and thoroughly treated with Co-treatment technology. In March 2020, adidas expanded this project for their apparel (APPAREL) and accessory (A&G) factories, bringing the total number of participants to 26

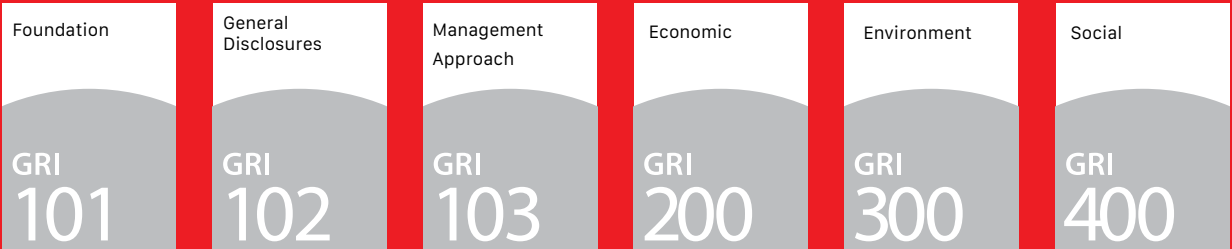


factories. After more than 3 months of implementation, adidas has surveyed and analyzed samples as well as exchanged and signed contracts with partners within the scope of the project. The very first waste batches from apparel and accessory factories were collected by INSEE Ecocycle in order to be treated safely and thoroughly by its co-processing technology in cement kilns in July 2020. As a company having trust from brands and customers, INSEE has always supported and accompanied with partners in the goal of protecting environment and contributing on the journey of sustainable development.

**Creating a better work environment – Environmental Scoring and Site Green Day**  
Environmental Scoring (EOT) and Site Green Day (SGD) are two of many environmental initiatives implemented by the Company, within the scope of the INSEE Green Program, towards the goal of sustainable development, especially the environmental aspect. EOT is implemented at all facilities to raise environmental awareness of employees and contractors, manage the hygiene and landscaping of the Site, and ensure the Company’s compliance with ISO 14000 and environmental regulations of Vietnam. At the same time, SGD projects are built to create green corners for the cement factory area, which can be considered a harsh working environment, such as planting trees, creating landscapes, painting dividers, dredging sewers, etc. with a total of 50,000 recorded volunteer hours.



# GRI STANDARDS





## INSEE Sustainable Development Report 2020: GRI standards used

Disclosure	GRI Standard: General Disclosures (Core)	KPI to disclose	Disclosure Title	References and Remarks
GRI 102	Organizational Profile	102-1	Name of the organization	Message from the CEO
		102-2	Activities, brands, products, and services	List of products and services
		102-3	Location of headquarters	About INSEE Vietnam
		102-4	Location of operations	About INSEE Vietnam
		102-5	Ownership and legal representative	About INSEE Vietnam
		102-6	Markets served	About INSEE Vietnam
		102-7	Scale of the organization	About INSEE Vietnam
		102-8	Information about labor, other employees	Empowering our Employees
		102-10	Significant changes to the organization and its supply chain	Message from the CEO
		102-11	Methods or principles of prevention	About Our Report
		102-13	Membership of associations	Message from the CEO
	Strategy	102-14	Statement from senior decision-maker	Message from the CEO Message from Chairman of SCCC Group
	Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Message from the CEO
	Governance	102-18	Governance structure	About INSEE Vietnam
	Stakeholder Engagement	102-40	List of stakeholders	Reporting overview about Reporting Practices
	Reporting Practices	102-45	Entities included in the report	About INSEE Vietnam
		102-46	Defining report content and topic boundaries	About Our Report
		102-47	List of important topics	About Our Report
		102-50	Reporting period	About Our Report
		102-52	Reporting cycle	About Our Report
		102-53	Contact point for questions regarding the report	About Our Report
		102-54	Claims of reporting in accordance with the GRI Standards	About Our Report
		102-55	GRI content index	
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investment and support services	Together for Community
		203-2	Signicant indirect economic impacts	Together for Community
GRI 301	Material	301-2	Reusable materials as input materials	Circular Economy
GRI 302	Energy	302-1	Energy consumption within the organization	Circular Economy
		302-3	Energy intensity	Circular Economy
		302-4	Reduction of energy consumption	Circular Economy
GRI 303	Water	303-1	Using water as a shared resource	Efficient water usage and management
		303-2	Managing impacts related to water discharge	Efficient water usage and management
		303-3	Information about water withdrawal	Efficient water usage and management



Disclosure	GRI Standard: General Disclosures (Core)	KPI to disclose	Disclosure Title	References and Remarks
		303-4	Information about discharge	Efficient water usage and management
		303-5	Consumption/Usage of water	Efficient water usage and management
		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Quarry rehabilitation and biodiversity conservation
		304-2	Significant impacts of activities, products, and services on biodiversity	Quarry rehabilitation and biodiversity conservation
<b>GRI 305</b>	Emissions	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions
<b>GRI 306</b>	Effluents and Waste	306-2	Total weight of waste by type and disposal method	Circular Economy
<b>GRI 307</b>	Environmental Compliance	307-1	Failure to comply with environmental laws and regulations	There were no incidence of noncompliance during the reporting period
<b>GRI 401</b>	Employment	401-1	Number of new hires and turnover rate	Empowering our Employees
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering our Employees
		401-3	Maternity leave divided by gender, age	Empowering our Employees
<b>GRI 403</b>	Occupational Health and Safety	403-1	Representation of workers in official occupational health and safety intercommittees between management and workers	Always Put safety First
		403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	Empowering our Employees
		403-3	Workers with high incidence or high risk of diseases related to their occupation	Always Put safety First
		403-4	Health and safety topics covered in formal union agreements	Always Put safety First
		403-5	Worker training on occupational health and safety	Always Put safety First
		403-6	Promotion of worker health	Always Put safety First
		403-8	Workers covered by an occupational health and safety management system	Always Put safety First
<b>GRI 404</b>	Training and Education	404-1	Average hours of training per year per employee	Empowering our Employees
		404-2	Programs for skills enhancement and transitional support	Empowering our Employees
		404-3	Percentage of employees receiving regular performance and career development reviews	Empowering our Employees
<b>GRI 413</b>	Local Communities	413-1	Operations with implemented local community engagement, impact assessments, and development programs	Together for Community
<b>GRI 419</b>	Socioeconomic Compliance	419-1	Failure to comply with laws and regulations in the economic and social sphere	There were no incidence of noncompliance during the reporting period



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