



重慶鋼鐵股份有限公司

Chongqing Iron & Steel Company Limited

(H Share Stock Code: 1053) (A Share Stock Code: 601005)



2018

ENVIRONMENTAL AND
SOCIAL RESPONSIBILITIES REPORT



2018 Environmental And Social Responsibilities Report

In order to fully implement the scientific outlook on development, build a harmonious society and promote sustainable economic and social development, Chongqing Iron & Steel Company Limited (hereinafter referred to as “the Company”) shall follow the Guidelines for the Preparation of the Report on Performance of Corporate Social Responsibilities to prepare this report based on the specific performance of social responsibilities of the Company in accordance with the provisions of Company Law and Securities Law, and other laws and administrative regulations.

I. COMPANY PROFILE

Established in August 1997, the Company issued H shares (stock code: H1053) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in the same year. The Company issued A shares (stock code: A601005) on Shanghai Stock Exchange in 2007. It initiated judicial reorganization in July 2017 and successfully completed it in December in the same year. Meanwhile, it introduced an experienced professional manager team. The Company was changed into an enterprise with mixed ownership from a state-owned and controlled company.

The Company is mainly engaged in the production, processing and sale of steel plates, steel sections, wire rods, bar materials, billets and thin plates; as well as production and sale of coal chemical products and grain slag, etc. The Company has a production capacity of 8.40 million tonnes of steel per year, with the following production lines: 4,100mm wide and thick plate, 2,700mm medium plate, 1,780mm hot rolled sheet, high speed wire rods, bar materials and steel sections. The Company’s products are applied in various industries, such as machinery, architecture, engineering, automobile, motorbike, shipbuilding, offshore oil, gas cylinder, boiler as well as oil and gas pipelines.

In 2018, the Company produced 5,677,700 tonnes of iron, 6,381,500 tonnes of steel and 6,110,700 tonnes of steel products, representing an increase of 47.8%, 55.1% and 56.5% as compared with the same period of the previous year, respectively. The operating income for the year was RMB22.639 billion, representing a year-on-year growth of 71.03%

II. PERFORMANCE OF SOCIAL RESPONSIBILITIES BY THE COMPANY

(I) Protection of shareholders’ and creditors’ rights

The Company was actively in compliance with the Listing Rules and relevant regulatory rules of Shanghai Stock Exchange, while striving to build a management system for a modern enterprise and improve the corporate governance structure and internal management system to effectively prevent business risks, protect the safety of assets, ensure the authenticity, legality and integrity of accounting information and other data, promote standardized enterprise operation, and achieve sustainable development.

2018 Environmental And Social Responsibilities Report

1. *Standardized corporate governance with effective operation*

The Company has developed a sound corporate governance system, which includes the following rules and regulations in terms of corporate governance structure: Rules of Procedure for General Meetings, Rules of Procedure for the Board, Rules of Procedure of the Supervisory Committee, General Manager's Working Rules, Independent Director System, Investment Decision-Making Working Procedures, External Guarantee Decision-Making System, Detailed Rules for Related Party Transactions, Working Procedure for the Review of the Annual Financial Report of the Audit Committee, Professional Committee Regulations for Work, etc. The Company has also established a relatively mature checks and balances mechanism of "Three Boards and One Layer (i.e. shareholders' general meeting, the board of directors, the supervisory committee and the management). The Company strictly complied with all rules and regulations mentioned above during the implementation, provided revisions at appropriate time according to regulatory requirements, and effectively enhanced the Company's governance standard and effectiveness.

2. *Sound financial management system with effective implementation*

The Company has developed Financial Accounting System, Fund Management System and other normative systems according to the relevant laws and regulations of the state, and has a relatively comprehensive institutional system. The Company actively promoted information technology engineering, strengthened the financial management of the Company, improved the quality of accounting information and effectively prevented and resolved business risks. The Company continued to resolutely implement the idea of taking capital management as the central thought and to centralise the management and dynamic control of funds, and to keep capital balance and financing in an active manner. The Company has built the complete accounting system and stipulated specific accounting methods according to the uniform accounting system of the state to standardize the accounting behavior. Accounting personnel possessed relatively high professional quality. The principle of "separate duties but mutual restraints" for the accounting personnel and their posts ensured the effective implementation of each section, a true representation of the Company's complete financial accounting information as well as authentic and reliable regular report of data.

2018 Environmental And Social Responsibilities Report

3. *Strengthening information disclosure management and establishing good relationship with investors*

In order to enhance information disclosure management, ensure the proper performance of information disclosure obligations and protect the legitimate rights and interests of shareholders, creditors and other interested parties, the Company has developed Information Disclosure Management System as well as Investor Relations Management, defining the scope, contents, procedures, responsibilities and confidentiality measures of information disclosure and providing systematic guarantee for true, accurate, complete and timely disclosure of relevant information. The Company adopted a variety of ways to sufficiently disclose information: by print media (China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily in China), and by Internet media (the website of Shanghai Stock Exchange (<http://www.sse.com.cn>), the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company ()), sending shareholder circular regarding major events to H shareholders and striving to deliver relevant disclosed information to every investor.

In order to enhance the communication and contact with investors, the Company held on-site results briefings, online results briefings and online reception of investor groups and actively attended conferences on investment strategies. It communicated with investors through different channels and means on their concerned issues and achieved good results.

(II) **Supplier selection and related responsibility guarantee**

The Company abided by the bidding and purchasing system for raw materials to continuously improve and perfect the purchasing work. Under the principle of openness, fairness, impartiality and good faith and in terms of raw materials within the bidding scope, the Company performed annual bidding, half-yearly bidding, quarterly bidding, monthly bidding and bulk bidding.

To raise the procurement transparency, the Company released tender notice and inquiry announcement via various information media, expanded the coverage of bidding information, and insisted on releasing tender notices and inquiry announcements on websites such as Custeel, Mysteel, China Metallurgical Furnace Materials, Steelhome, The Association of China Refractories Industry, CNFEOL, OA of Chongqing Iron & Steel and Chongqing Iron & Steel Business Information in order to attract more potential suppliers to take part in competition and achieve the goal of open and fair competition.

2018 Environmental And Social Responsibilities Report

(III) Corporate governance

1. *Organizational structure*

The Company set up the general meeting, the board of directors, the supervisory committee and the management as the decision makers. For the operation and management, it set up 20 plants and departments under the leadership of the general manager. The management function is empowered on functional departments while production departments focus on the implementation of production with management functions removed. Meanwhile, the internal functional divisions of production departments conducted the integration of “one department with two offices” to break management barriers between different departments and clarify management responsibilities.

2. *Internal audit*

In 2018, the Company extensively conducted internal audit and completed scheduled audit, special audit, selective inspection and review on outsourcing contracts and other internal audit matters of the Company.

3. *Integrity education*

In order to further publicize the guiding principles of the 19th National Congress of the CPC and the work report of the CPC Central Commission for Discipline Inspection at the 19th National Congress of the CPC, the disciplinary committee carefully planned and summarized the key points in learning and publicity and carried out promotion and education through various means. The Party committees and disciplinary committees of all subsidiaries of the Company launched promotion and education through special symposiums and conducted integrity education through WeChat, QQ groups, meetings and other means and developed long-term mechanisms. It also launched lectures and education on integrity for employees at key positions in certain key departments.

4. *Efficiency supervision*

Focusing on production and operation centers and following the operation guidelines of “achieving full production and sales, low cost and high efficiency” on the establishment of efficiency supervision programs, the disciplinary committee/audit supervision department of the Company paid attention to the accuracy and target of programs and set up 26 supervision programs with 16 subsidiaries and department of the Company to steadily carry out efficiency supervision.

2018 Environmental And Social Responsibilities Report

III. STRENGTHENING PROFITABILITY AND PROMOTING SUSTAINABLE DEVELOPMENT

2018 is a year of struggle for evolution and advancement for the Company. In light of the complicated internal and external operation environment during the year, the Company united its staff, advanced reform, seized opportunities and actively implemented the strategies with “leading cost and manufacturing technology”. Firmly focusing on the operation principle of “achieving full production and sales, low cost and high efficiency”, it continued to promote various work of the Company to new levels. As a result, its profits exceeded expectations; the production and operation were in a virtuous cycle; and the operation results reached new high in history.

(I) Operation results

Major financial indicators:

Unit: RMB'00 million

Item	2018	2017	Note
I. Total operating income	226.39	132.37	
II. Total operating cost	207.87	149.73	
Including: operating cost	196.82	135.32	
Selling expenses	0.88	0.61	
Administrative expenses	7.95	5.75	
Financial expenses	1.83	5.12	
Impairment losses on assets	0.39	2.93	
III. Operating profit	17.46	-67.77	
IV. Net profit	17.88	3.20	

2018 Environmental And Social Responsibilities Report

(II) Improving manufacturing technologies

The Company strives to be the leader among mainland steel plants characterized by eco-friendly development and active transformation and upgrade, which is mainly reflected in the following aspects:

1. *Continuously making inputs in scientific research*

In 2018, the Company's R&D inputs reached RMB491 million with a R&D input ratio of 2.1%, which mainly represents the fees on the development and trial manufacturing of new characteristic products. The R&D inputs of the Company reached the average level in the country.

2. *Promoting the application of new technologies*

The Company focused on the development of significant technologies on the production field and the improvement of the product manufacturing ability. For example, it developed the technology on the production of ultra-low carbon steel and the prevention of carbon increase in steel liquid in steelmaking. It also developed the Q420qD on bridge steel for the first time meeting the new national standard, produced billets with low-carbon low-sulphur smelting technologies and reasonably utilized TMCP control technologies to achieve the stable production of high-strength bridge steel and facilitate the enhancement of the overall competitiveness of products.

3. *Conducting innovation activities*

Following the guidance of enhancing the manufacturing ability and achieving leading manufacturing technology and cost leadership and with the market as the orientation, the customer demand as the driver and the independent innovation of the enterprise as the subject, the Company actively conducted the establishment of the innovation system with the integration of production, academic and research institutes. Through fully benchmarking advanced enterprises in the industry, the Company organized the establishment of nearly 20 systems on technology management and developed a relatively complete technology innovation system.

The Company sped up in the innovation of energy-saving and environmental technologies and supported the construction of urban steel factories. Through the adoption of the proprietary vacuum desulfurization and decyanation technologies on potassium carbonate and the regenerative combustion technologies, it recycled physical heat from high-temperature smoke to the maximum extent, which significantly reduced the emission of CO₂.

In 2018, the Company applied for a total of 110 domestic patents (including 58 invention patents) and was granted 103 domestic patents (including 58 invention patents).

2018 Environmental And Social Responsibilities Report

(III) Strengthening quality responsibilities

1. *Quality management concept*

Quality is the fundamental and core for the survival and development of the Company. Following the quality management concept of “seeking survival with quality, promoting development with variety and building an enterprise with quality and efficiency” and under the guidance of “gold inheritance and quality priority”, the Company strengthened the establishment of the quality culture and improved the soft power to develop a quality culture with “people priority, strict practice, continuous improvement and pursuing excellence”. The concept of the quality culture has been deeply rooted in all departments of the Company and all processes including R&D, procurement, production and sales and played an important and restrictive role in quality improvement.

2. *Quality management*

The improvement of the ideological and technical quality of all employees at all levels in the quality management and organization system is essential. As a result, the Company attached equal importance to the ideological and technical quality and trained professional inspectors, internal auditors, junior, medium and senior technical staff every year and provided knowledge education on overall quality management for all employees. The Company also held various labor competitions and matches on individual skills. As a result, the quality management skills and technical quality of all employees have been significantly improved.

3. *Quality commitment*

The Company enhanced the quality supervision and control in the whole production process and recorded no significant quality accidents. It also implemented branded product strategy and the production ratio of branded steel products reached $\geq 70\%$. Centering on market demand and serving customers, the Company achieved a comprehensive satisfaction of ≥ 90 points over the product quality of the Company and the enterprise. The Company cherishes and strives to retain the quality awards (certifications) obtained and maintained 100% of them.

Based on the market conditions and development demand, the Company established a system on strategic and key customers and regularly visited and communicated with long-term customers. It selected benchmark enterprises in the industry to fully inquire potential demands and expectation of customers and sped up in promoting sales network and services to deal with customers' complaints on quality in a convenient, rapid and timely manner and carefully perform quality commitments.

2018 Environmental And Social Responsibilities Report

(IV) Integrity operation

1. *Keeping close customer relations and strengthening customer management*

The Company entered into cooperation agreements with all distributors and key end customers to specify the rights and obligations of both parties. It set quantitative indicators based on orders, selling prices and sales of goods and selected the best customer groups. In 2018, it entered into cooperation agreements on direct supply with Panhua Group, CSCEC Steel, China Railway Baoji Bridge Group and other companies and obtained stable orders on direct supply.

2. *Improving the product price system and standardizing the pricing mechanism*

Based on the market demand and with reference to the price system of peers in the industry, the Company reasonably modified the pricing mechanism on the variety, specifications, technical conditions and other aspects and strictly standardized the price implementation procedures to ensure honesty and trustworthiness to all customers.

(V) Supporting the construction of significant and key social projects

Leveraging on the development opportunities under China's western development strategy and the "Belt and Road" initiatives, the Company focused on key projects in southwest regions and the construction of key infrastructure to advance into the steel structure market. It provided guarantees to the supply of steel materials to Xi'an Silk and Road International Conference Center, Raffles City Chongqing, Rui'an Building, Chongqing Data Valley, Chengdu Tianfu International Airport, Tianfu Greenway, Hengfeng Guiyang Center, Xi'an Jinmao Center, the special bridge for the Yangtze rail for Nanjji Gate to Chongqing Rail Transit Line 10, Jiangjin-Gulin High-speed Expressway, Chishui River Bridge and other projects.

2018 Environmental And Social Responsibilities Report

IV. PROMOTING ENVIRONMENTAL AND ECOLOGICAL SUSTAINABLE DEVELOPMENT

(I) Environmental policies

The environmental management policies of the Company are: abiding by laws with integrity and all participation; focusing on prevention with publicity and supervision; saving energy and reducing emission to conduct clean production; protecting environment and creating harmony.

(II) Environmental management

The Company has been improving the environmental management system over the years. In December 2013, the Company passed the certification of the environmental management system of China Classification Society (CCS) and passed the review and examination on the change of the version in November 2017. In 2018, under the framework of the new version of the environmental management system of ISO14001 and the requirements of the management systems and standards and taking into account of the environmental factors which are controllable in the activities, products and services and which may be affected by the full life of products, the Company completed the supplementary identification, appraisal, judgment and implementation management plans on environmental factors, revised relevant professional management documents to ensure that relevant activities related to important environmental factors are under control.

The Company consistently enhanced the management on the environmental protection process through various projects, management and technical means to ensure that the emission of pollutants met the standards and was under control. The Company continued to improve the operation and maintenance of environmental facilities, strengthened the management and control on the production process to ensure the stable and efficient operation of environmental facilities. The Company developed the corresponding environmental equipment management documents and strictly implemented them. The Company also strictly implemented information disclosure and public participation systems. It disclosed relevant environmental protection data on the state-controlled platform for pollutants disclosure on monthly basis and the public can refer to the emission of pollutants by the Company.

2018 Environmental And Social Responsibilities Report

(III) Implementation of environmental protection

The Company carried out an overall inspection on the operation efficiency and effects of environmental protection facilities and the rectification and treatment of waste water, waste gas and reduction of dust and solid waste. The application of the coking wastewater system improved the waste water treatment efficiency, reduced the pollutants in recycled water and ensured that the water quality was better than the national emission standards. The wastewater after meeting the standards in the unpermitted emission system was used for self cycling. The central wastewater treatment system improved the emergency treatment ability to ensure that the water quality met the standards. In terms of waste gas treatment, it mainly aimed at controlling the unpermitted emission from factories and reducing the total dust and determined and implemented various treatment programs to effectively control the unpermitted emission of dust. As a result, the dust in factories reduced by 36.8%. The Company also initiated the upgrading and transformation of the desulfurization system for 2# and 3# sintering machines. The sintering smoke will meet the requirements on ultra-low emission after the upgraded equipment is put into operation.

(IV) Environmental protection performance

In 2018, the Company earnestly implemented the systems on the pollutants emission permits and discharged pollutants in accordance with laws. All pollutants were discharged after meeting relevant standards without any environmental pollution accidents, which met relevant applicable standards and the requirements of the laws and regulations.

In 2018, the discharge of major pollutants for each tone of steel is as follows: COD: 0.007kg/tonne of steel; ammonia nitrogen: 0.001 kg/tonne of steel; SO₂: 0.64 kg/tonne of steel; NO_x: 0.78kg/tonne of steel. The major pollution factors have met the standards for first class standard of cleanliness.

Supervisory Monitoring (Wastewater Monitoring) Data of Key Pollution Sources

Outlet	Monitoring Time	Production Load (%)	Monitoring Project	Monitoring Value	Standard Limit	Unit of Measurement	Reaching Standard or not	Times of Exceeding Standards	Note
Total wastewater outlet of Central Sewage Treatment Station	2018-09-19	48	Wastewater flow	10,800	5	Tonne/day			
			Chemical oxygen demand	26	0	mg/L	Yes		
			Ammonia nitrogen	3.38	5	mg/L	Yes		

2018 Environmental And Social Responsibilities Report

Supervisory Monitoring (Exhaust Gas Monitoring) Data of Key Pollution Sources

Outlet	Monitoring Time	Production Load (%)	Monitoring Project	Measured Value	Reduced Value	Standard Limit	Unit of Measurement	Reaching Standard or not	Times of Exceeding Standards	Note
5# and 6# Coal loaders	2018-04-25	81.5	Exhaust gas flow	66,300			m3/h			
			Particulate matter	22.8	22.8	50	mg/m3	Yes		
5# and 6# Coke pushers	2018-04-25	81.5	Exhaust gas flow	258,000			m3/h			
			Particulate matter	22	22	50	mg/m3	Yes		
5# and 6# Coke screening machines	2018-04-25	81.5	Exhaust gas flow	157,000			m3/h			
			Particulate matter	24.1	24.1	30	mg/m3	Yes		
1# and 2# Coke dry quenching	2018-04-25	81.5	Exhaust gas flow	127,000			m3/h			
			Particulate matter	33.3	33.3	50	mg/m3	Yes		
3# and 4# Coke dry quenching	2018-04-25	81.5	Exhaust gas flow	111,000			m3/h			
			Particulate matter	33.4	33.4	50	mg/m3	Yes		
5# and 6# Coke dry quenching	2018-04-25	81.5	Exhaust gas flow	78,900			m3/h			
			Particulate matter	22.4	22.4	50	mg/m3	Yes		
1# and 2# Coke furnaces	2018-04-18	59.4	Exhaust gas flow	351,000			m3/h			
			Particulate matter	23	23	30	mg/m3	Yes		
			Nitrogen oxide	133	133	500	mg/m3	Yes		
			Sulfur dioxide	43	43	50	mg/m3	Yes		
3# and 4# Coke furnaces	2018-01-17	67.8	Exhaust gas flow	212,000			m3/h			
			Particulate matter	9.56	9.56	30	mg/m3	Yes		
			Nitrogen oxide	123	123	500	mg/m3	Yes		
			Sulfur dioxide	44.7	44.7	50	mg/m3	Yes		

2018 Environmental And Social Responsibilities Report

Outlet	Monitoring Time	Production Load (%)	Monitoring Project	Measured Value	Reduced Value	Standard Limit	Unit of Measurement	Reaching Standard or not	Times of Exceeding Standards	Note
5# and 6# Coke furnaces	2018-12-11	86.0	Exhaust gas flow	312,000			m3/h			
			Particulate matter	22.4	22.4	30	mg/m3	Yes		
			Nitrogen oxide	105	105	500	mg/m3	Yes		
			Sulfur dioxide	42	42	50	mg/m3	Yes		
1# Sintering machine head desulfurization	2018-01-24	68.1	Exhaust gas flow	1,150,000			m3/h			
			Particulate matter	19.9	19.9	50	mg/m3	Yes		
			Nitrogen oxide	114	114	300	mg/m3	Yes		
			Sulfur dioxide	92	92	200	mg/m3	Yes		
2# Sintering machine head desulfurization	2018-01-24	68.1	Exhaust gas flow	2,930,000			m3/h			
			Particulate matter	20.7	20.7	50	mg/m3	Yes		
			Nitrogen oxide	154	154	300	mg/m3	Yes		
			Sulfur dioxide	69	69	200	mg/m3	Yes		
1# Hot blast stove	2018-04-18	59.4	Exhaust gas flow	347,000			m3/h			
			Particulate matter	<20	<20	20	mg/m3	Yes		
			Nitrogen oxide	52	52	300	mg/m3	Yes		
			Sulfur dioxide	52	52	100	mg/m3	Yes		
3# Hot blast stove	2018-04-18	59.4	Exhaust gas flow	343,000			m3/h			
			Particulate matter	<20	<20	20	mg/m3	Yes		
			Nitrogen oxide	156	156	300	mg/m3	Yes		
			Sulfur dioxide	34	34	100	mg/m3	Yes		

V. PROMOTING SUSTAINABLE DEVELOPMENT OF SOCIETY

(I) Care for staff

Upholding the core value of “All for the Benefits of the Enterprise and Staff”, the Company solidly promoted the care for staff and successively formulated and improved the Measures for Management of Staff’s Health Checkups, Trial Measures for Management of Mutual Fund for Critical Illness of Staff, Measures for Management of Care for Staff, Measures for Management of Assistance to Staff, Regulations on Subsidies for Staff’s Vacation Expenses, etc., to regulate the standards on benefits for staff. The Company has established a support mechanism for staff with difficulties and organized regular health checkups, gynecological examination, heatstroke prevention activities in high temperature season, and visit to staff with difficulties, Party members with difficulties, model workers and retired cadres. In addition, the Company launched a series of activities to show care for staff including the activity of “Helping Students in Autumn” and established the mutual fund for critical illness of staff.

(II) Staff development

The Company has set a good vision of “becoming the model for common development of employees and the enterprise”, proactively constructed a position system and career path system in line with business characteristics and culture, and provided a learning platform for staff to enhance the staff’s overall quality and promote the matching of staff’s capacity with position requirements.

1. Career path

The Company has built a diversified career path system by sequences and hierarchies after giving full consideration to staff’s own development. The staff can formulate and practise their personal career plans according to their own characteristics.

2. Staff training

According to the Company’s development and staff development needs, the Company extracted staff training funds according to the budget on demand and has re-established a staff training management system and scientifically developed staff training plan, to proactively enrich training forms. The annual training plan was implemented by means of centralized classes, technical lectures, online learning, engagement of external experts, dispatching of staff for learning, etc.

2018 Environmental And Social Responsibilities Report

3. *Labor competition*

The Company has proactively built a platform for self-presentation of staff and inspired staff's enthusiasm to participate in production and operation by way of competition instead of practice through the labor competition activities, creating an atmosphere of "comparison, learning, catching up, and surpassing", to promote staff's continuous improvement of their own ability and quality.

4. *Selection of models*

The Company conducted the appraisal of "Monthly Staff Star" every month to select and commend employees who had outstanding contributions or typical stories on dedication to work or discharge of duties, to recognize staff's value and stimulate staff to make more contributions in their ordinary positions, to jointly create a bright future for the Company and its staff.

(III) Safety in production

In 2018, the Company implemented the policy of "safety first, prevention foremost and comprehensive governance" in safety work. Under the guidance of "safety is for life, safety is the greatest human care for staff", the Company supplemented, amended and improved management standards and systems through sorting out the issues in relation to the safety responsibility system, institutional system and control system of the Company and provided introduction training for third-party staff, training on metallurgical safety certification and lectures on operation safety for personnel at factory department level, etc. with a view to "promoting system construction, strengthening on-site management and control, and improving safety capabilities". The Company refined the "daily, weekly and monthly" investigation and management of hidden dangers, intensified maintenance safety management, and reconstructed collaboration safety management. While promoting comprehensive improvement through special governance, the Company vigorously carried out retraining on safety and urged the implementation of safety responsibility system for all staff, to consolidate the vulnerable aspects of the basic foundation. As a result, the safety production was stable and the overall situation was under control.

(IV) Maintaining staff's occupational health

The Company has proactively established and improved an occupational health and safety management system in accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and implemented the "three simultaneous" acceptance and filing requirements for occupational health. It comprehensively completed the evaluation on the status quo of annual occupational disease hazard and improved the workplace environment so as to protect and promote employee health.

2018 Environmental And Social Responsibilities Report

(V) Strengthening industry exchanges and cooperation

The Company strengthened industry-university-research cooperation, and carried out scientific and technological cooperation with domestic famous universities and research institutes with strong research strength so as to effectively utilize social resources, aiming at improving competitiveness in terms of cost, quality and service to form new competitive advantages.

VI. SELF-ASSESSMENT ON PERFORMING SOCIAL RESPONSIBILITIES

In 2018, the Company regarded corporate social responsibility as an important part of business management and made great efforts in terms of corporate governance, employees' rights protection, environmental protection, safety production and maintenance of public relations, which were recognized by the society. In 2019, the Company will continuously improve the construction of corporate social responsibility management system, further deepen the concept of corporate social responsibilities, improve the implementation mechanism of corporate social responsibilities, actively repay shareholders and protect the legitimate rights and interests of employees. The Company shall also treat suppliers and customers with integrity, actively participate in social welfare undertakings and ecological environment protection, continue to enhance the image as a listed company and make due contributions to the sustainable development of the society.

Chongqing Iron & Steel Company Limited

28 March 2019