



HAUL

SUSTAINABILITY
REPORT 2018



Yangzijiang Shipbuilding (Holdings) Ltd.
扬子江船业(控股)有限公司



Haul

Cranes are the world's tallest flying birds, just like Yangzijiang is one of the world's largest shipbuilders and with a soaring earnings trajectory. Seabirds are challenged by the change in their natural habitat just as shipbuilders are challenged by their operating environment.

Yangzijiang's 11,800-TEU containership on the horizon and a crane in the foreground is a reminder that a shipbuilder's activities impact the natural environment. The crane's prey in the beak reminds us that as we seek to profit from our commercial activities, we must also discharge our social obligations to stakeholders impacted by our industry value chain.

The design theme of our FY2018 Sustainability Report expresses our commitment to the shipbuilding industry for the long haul. Our vessels support intelligent bulk and container haulage solutions. Our large haul strategy is to provide ship owners with competitive vessel prices afforded by batch orders.

Photo 捕获 (Haul) by Zhuang Guibao, a student at a Yuanlin University for the Aged / Yuanlin Charity Foundation. Graphic design by Lisa Yu / SageStudio.



ASTUTE FINANCIAL RISK MANAGEMENT

Cash reserves of RMB 6.6 billion as at 31 December 2018.



GLOBAL LEADER FOR BULK CARRIERS

We build the world's largest dry bulk carriers.



INNOVATION FOR GREEN SHIPPING

R&D headcount accounts for 16% of our total staff strength.

The Board and the Group's management regularly review as well as oversee the management and monitoring of the material Environmental, Social and Governance factors of Yangzijiang Shipbuilding (Holdings) Ltd, and takes them into consideration in the determination of the Group's strategic direction and policies.

CONTENTS

03	CORPORATE PROFILE
04	VALUES & ETHICS
06	STATEMENT FROM SENIOR DECISION-MAKER
08	CHANGES IN GROUP STRUCTURE
09	STAKEHOLDER ENGAGEMENT
15	DEFINING REPORT CONTENT AND TOPIC BOUNDARIES
16	ECONOMIC CONTRIBUTION
16	Global Leader for Bulk Carriers and Containerships
16	Economic Contributions to Society
16	Tax Benefits for High/New Technology
17	Yuanlin Charity Foundation
17	Community Investments
18	GOVERNANCE & RISK MANAGEMENT
18	Risk Management
20	RAISING THE BAR FOR PRC SHIPBUILDING
20	R&D Investments
21	Talent Capital
26	ENVIRONMENTAL PROTECTION
28	WORKPLACE HEALTH & SAFETY
30	COMMUNITY DEVELOPMENT
32	GRI CONTENT INDEX

SUSTAINABILITY STRATEGY

Our sustainability strategy deals with the maritime industry's biggest challenges.



Yangzijiang's 11,800-TEU containership

CORPORATE PROFILE

Yangzijiang Shipbuilding Holdings Limited (or **'the Group'**) is incorporated in the Republic of Singapore. It has been publicly listed on the Mainboard of Singapore Exchange since 2007.

The Group is primarily engaged in the construction of commercial vessels including containerships, dry bulk carriers, and LNG carriers. Its customers are primarily ship owners in the United States, Canada, United Kingdom, Germany, France, Greece, Norway, Argentina, Turkey, Bulgaria, Poland, Australia, Japan, South Korea, Singapore, India, Thailand, Bangladesh, Mainland China, Hong Kong, Taiwan, etc. Its shipbuilding business is complemented by the management of its treasury portfolio of Held-to-Maturity investment products.

It also has the following businesses that support its core shipbuilding business:

- Fabrication of large scale steel structures
- Shipping logistics & vessel chartering
- Ship design
- Supply of marine equipment
- Trading in shipbuilding equipment and materials

The Group is headquartered in Jingjiang Industrial Park, Jiangyin City, Jiangsu Province, China, and has four shipyards in the vicinity. It has about 6,000 full-time employees.

The Group's revenue based on customer locations are as follows:

RMB '000	2017	2018
Net Sales	19,205,596	23,238,289
Total Assets	43,372,653	44,911,484
Total Debt	16,855,956	15,331,227
Shareholders' Equity	25,884,714	28,879,601
Vessels Delivered	33	46

RMB '000	2017	2018
PRC and Taiwan	3,327,219	14,128,345
Germany	1,362,512	94,079
Greece	-	2,326,538
Other European countries	2,860,310	2,330,443
Other Asian countries	11,242,124	3,581,192
Canada	413,431	101,434
The Bahamas	-	81,460
Norway	-	594,798
	19,205,596	23,238,289

VALUES & ETHICS

We are committed to building the best ships in the world. Our vision is to be the world's leading shipbuilding enterprise.

VISION

We are an integrated group of businesses that support our calling as a shipbuilder. We are committed to building a competitive public listed organization that fulfils the potential of our employees, delivers shareholder value, and contributes to the society.

MISSION

Loyalty | Dedication | Attention to details |
Efficiency | Constant learning & improvement.

VALUES

SIGNIFICANT AWARDS OF 2018

Recipient	Award	Awarded by
Jiangsu Yangzijiang Shipbuilding Holdings	Top 500 PRC Enterprises 2018	China Association of Enterprises
Jiangsu Yangzijiang Shipbuilding Holdings	Top 50 Tax-Paying Corporations	Jiangyin City Municipal Government
Yuanlin Charity Foundation	Most Impactful Philanthropy Project	Jiangsu Municipal Government
Ren Yuanlin	2018 Jiangsu Celebrity Entrepreneur	Jiangsu Province Association of Commercial Development
Ren Letian	Wuxi City Technopreneur	Organizational Department of the Communist Party of China Wuxi Municipal Committee



Photo by Alex / Yangzijiang

STATEMENT FROM SENIOR DECISION-MAKER



82,000 dwt bulk carrier commencement ceremony

Dear Stakeholders

Over 90% of all trade between countries is carried by ships. Activities that take place from the stage of steel cutting until a ship is demolished alter the marine environment. From the International Maritime Organization (IMO) and port authorities to ship owners and yards, stakeholders in our value chain face the challenge of managing threats posed by maritime commerce to natural habitats along busy shipping lanes and ports. These threats include accidental spills and operational discharges of oil and chemicals, transfer of alien species into seawater through ballast water, toxic chemicals used in anti-fouling paints, air pollution through the emission of sulphur dioxide, nitrogen oxides, and carbon dioxide to noise and wave disturbances.

From next January, the IMO will ban ships from using fuels with a sulphur content above 0.5%, compared with 3.5% now. Only ships fitted with sulphur-cleaning devices known as scrubbers will be allowed to continue burning high-sulphur fuel. Ship owners can also opt for other sources of cleaner fuel such as liquefied natural gas (LNG). Failure to comply with the global regulations will result in fines or vessels being detained, which could affect vital requirements such as insurance cover.

This move is intended to protect the environment in shipping lanes, since burning this high-sulphur fuel creates sulphur oxides, responsible for acid rain. Pollution from ships has been estimated to cause 130,000 premature deaths from respiratory illnesses worldwide each year.

A second important development is IMO's intention to bring forward the deadline for energy efficiency in vessels by 3 years to 2022. This covers gas carriers, general cargo ships

and LNG carriers. The revised Energy Efficiency Design Index (EEDI) requirement is 30% to 50% lower than what is currently allowed. Demand for LNG is likely to get a big boost both from the 2020 rules and from the move to reduce carbon dioxide.

New Standards in Environmentally Friendly Shipping

Yangzijiang Shipbuilding's sustainable development strategy is to address the challenges that our customers – the ship owners face. On 10 January 2019, Klaveness Combination Carriers (KCC) took delivery of the kamsarmax-size MV Baru from New Yangzi Shipyard in China. The MV Baru is the first of six contracted CLEANBU vessels that will be delivered from New Yangzi Shipyard over the next 2 years, up to October 2020. This next generation series of combination carriers is unique both in terms of vessel design, unprecedented environmental performance, operational and technical efficiency. The CLEANBUs have up to 40% lower CO₂ emissions per ton mile of transported cargo, and go a long way in meeting IMO's 2050 targets of a 50% reduction in CO₂ emissions from shipping. KCC has fixed-price options to contract a further four CLEANBUs for delivery in 2021.

Last year, we entered into joint ventures with Mistui E&S Shipbuilding and Mitsui & Co to build LNG vessels. We expect to benefit from learning Japanese technology through the collaboration and from our partners' privileged access to prospective Japanese ship owner customers.

In the year ahead, Yangzijiang's business strategy is to diversify its market concentration risk by seizing related opportunities in the oil & gas carrier market. We are focusing on developing our market for high tech and high value add cleantech fuel vessels as a core business product.



The Norwegian Minister of Foreign Affairs Ms. Ine Eriksen Søreide at a vessel naming ceremony for our next generation tanker-dry bulk combination vessel held at New Yangzi shipyard in October 2018.

Innovation Management

The Group actively engages its suppliers, PRC industry associations, banks, government bodies and academic institutions to improve the standards of shipbuilding in China. These include formal collaboration agreements, exchanges, site visits, and industry forums. It regularly submits its R&D findings to industry bodies for adoption.

The Group has a long time relationship with Jotun Coatings, the marine anti-fouling coating arm of a leading chemicals company based in Norway. In 2017, Yangzi Xinfu Yard's joint R&D findings with Jotun to reduce emissions from volatile organic compounds ("VOC") found in paints were published in the leading PRC academic journal, China Paint. We are applying this new coating method on the construction of our VLOC vessels. The breakthrough is so significant that we expect the new method to be adopted as industry protocol.

On 22 March 2018, we co-hosted a forum on intelligent ship design with Ship Design and Research Institute (China). In line with the Group's strategy to expand its vessel range of intelligent ships, we joined the PRC Alliance of Innovation for Intelligent Ships last year. We also entered into a 3-year collaboration agreement with Beijing Hailanxin Data Technology Co Ltd on 16 March 2018 to promote the development of intelligent ships.

Talent Retention

In April 2019, I donated 150 million of my personal Yangzijiang shares to a new irrevocable trust set up for the purpose of rewarding the Group's senior management. Based on Yangzijiang's dividend per share of 5 Singapore cents for FY2018, the donation amounts to about S\$7.5 million available for distribution annually as incentives for the Group's senior management. The first batch of the beneficiaries were long service divisional heads. My son Letian who is our Group CEO, and myself are precluded as potential beneficiaries.

Financial Assistance for over 20,000 Cataract Patients

Yuanlin Charity Foundation's charitable project to provide free surgery for cataract patients has received widespread commendation from civil society. The "Movement of Light Cataract Sight Restoration Project" initiated and implemented by Yuanlin Charity Foundation was recognized as "the most influential charity project" at the biennial Jiangsu Philanthropy Award held on 5 September 2018. Since the launch of the project in August 2014, the Foundation has donated more than RMB 50 million to fund surgeries for over 20,000 cataract patients in Jiangyin, Jingjiang and Taixing.



Jingjiang Yuanlin University for the Aged



Calligraphy class at Yuanlin University for the Aged

China's Aging Population

According to NDRC data and estimates by Zhongtai Securities, the dependency ratio of the elderly population in China from is expected to rise from 17% in 2018 to 30% in 2030.¹ (Elderly defined as those above 65 years old.) Dementia is the most common worldwide neurodegenerative disease of aging, and 20% of patients with dementia live in China, according to the American Academy of Neurology.²

In 2014, the Yuanlin Charity Foundation opened 3 charitable geriatric centres in the hope of stemming the social problems that the elderly face. Left untreated, depression, loneliness or social isolation and a sedentary lifestyle are factors that increase risk of contracting dementia. We now have capacity to enrich the lives of over 7,000 elders.

The Yuanlin Charity Foundation was founded with funding from the dividend payout of my personal Yangzijiang shareholdings. It is my hope that the continued success of the Group will have a direct bearing on the community where our employees, customers, suppliers and their families live and exist.

Ren Yuanlin

Executive Chairman
Yangzijiang Shipbuilding (Holdings)

¹ <http://news.163.com/19/0421/16/EDA5OTE20001875P.html>

² <https://n.neurology.org/content/81/12/1077>

CHANGES IN GROUP STRUCTURE

Oil & Gas Carriers

In the year ahead, the Group's business strategy is to diversify market concentration risk by seizing opportunities in the oil & gas carrier market.

In September 2018, we entered into a 51:49 joint venture to build LNG carriers with Mitsui E&S Shipbuilding and Mitsui & Co., Ltd. The collaboration involves building commercial vessels, especially liquefied natural gas (LNG) carriers, at our Taicang yard in Jiangsu. The registered share capital of the new joint venture will be up to USD 99.9 million, and total capital expected to be employed could amount to USD 299million.

In February 2019, we acquired 51% in Shanghai Econovo Marine Engineering Co., Ltd for RMB 11.2 million. Shanghai Econovo is recognized globally as a leading designer of bulk carriers, known especially for its Ultramax design. It has a wide product portfolio, ranging from gas carriers (LPG, LEG & LNG), tankers, bulk carriers, containerships, marine surveillance ships, and marine engineering ships to offshore service vessels and FPSOs.

Shipping Business

In September 2018, we entered a 50:50 joint venture with Mitsui to form a shipping company in Panama with a total capital of USD 13.2 million. The JV aims to provide chartering services with a fleet of top-notch quality and performance vessels.

In April 2018, the Group entered into an agreement to acquire 60% in Jiangsu Huayuan Logistics Co., Ltd. ("Jiangsu Huayuan") for RMB 180 million. The core businesses of Jiangsu Huayuan are those related to leasing and chartering of vessels. Jiangsu Huayuan wholly owns Shanghai Huayuan Shipping Co., Ltd, a company incorporated in Shanghai city, PRC whose principal activities are of domestic cargo transportation, cargo storage and offshore, aeronautical and highway international cargo transportation agency services. In August 2018, it acquired the remaining 40% in Jiangsu Huayuan for for RMB 119.3 million.

Materials & Accessories Trading

In March 2018, the Group's wholly-owned subsidiary, Jiangsu Yanghong Marine Import and Export Co., Ltd, subscribed for 60% in Jiangsu Yangzi Zhuoneng Industrial Co., Ltd. ("Zhuoneng"), a company incorporated in the People's Republic of China with a registered paid-up capital of RMB 200 million.

The core businesses of Zhuoneng are related to those of: (a) trading of metals, paper products, plastic products including raw materials and products; and (b) sales, research and development of mechanical equipment.

In May 2018, Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. disposed of its entire 100% equity interest in Taixing Yangzi Xinfu Ship Accessories Processing Co., Ltd., a ship accessories processing services provider for the shipyards of the Group. The sale consideration was RMB 1 million.

On 8 August, it incorporated a new subsidiary in Jiujiang city, Jiangxi province, PRC with a registered capital of RMB 100 million. The subsidiary is known as Jiujiang Ruiyang Marine Import and Export Co., Ltd and provides marine equipment procurement services as well as vessel broking services.

High-tech Venture Investment

In February 2018, the Group acquired 25% in the share capital of Jiangsu Sushang Joint Industry Investment Partnership (Limited Partnership) ("Sushang") registered in Suzhou city, People's Republic of China, for RMB 700 million. The core businesses of Sushang are related to those of equity fund and convertible bonds investments in industries such as new materials, electronic components, intelligent hardware, Internet, big data, artificial intelligence, financial technology and high-end manufacture, etc. The operating term of Sushang is 6 years.

STAKEHOLDER ENGAGEMENT



Over 50 contestants, including representatives of classification societies, shipowners and YZJ staff participated in our badminton games in November 2018.

EXTERNAL INITIATIVES

We qualified for certifications under the following external initiatives:

- Quality Management (ISO9001) certification by the China Classification Society
- Environmental Management (ISO 14001)
- Occupational Health & Safety Management (OHSAS 18001)
- Energy Management system (ISO 50001)
- CSQA certified
- Quality management system BV ISO 9002 and CCS ISO 2000
- Our vessels are classified by CCS, ABS, BV, NK, GL, LR, DNV, and RINA.



MEMBERSHIP IN ASSOCIATIONS

Yangzijiang is a member of the following associations:

- China Association of The National Shipbuilding Industry
- China Smart Shipbuilding Alliance
- Jiangsu Provincial Technical Innovation Association
- Jiangsu Shipbuilding Industry Association
- Jiangsu Su-Shang Development Association
- The Alliance of Ship Design System Application and Development
- Wuxi Overseas Investment Association



STAKEHOLDER ENGAGEMENT



EMPLOYEES

Key Topics

Economic Performance

- Dividend payout
- Improvement of product quality, technical as well as R&D capability such as offering smart vessels
- Reduction of variation costs arising from changes in vessel design
- Alignment of products and services to market demand
- Stable supply of manpower

Management

- Effective planning for the Group's long term development
- Greater adoption of delicacy management
- Management of production cost
- Continual enhancement of the Group's brand equity

Staff Welfare

- Economic distribution to rank and file workers
- Recognition of work contribution, performance incentives
- Training and development to ensure that employees have continual skills upgrade
- Greater attention to protecting the interests of frontline workers
- Strengthen implementation of workplace safety

Environmental Protection

- Strengthen implementation of environmental protection

Engagement

- Skills upgrade training and certification
- Technical skills competition
- Inter-department learning & sharing sessions with R&D team
- Team building activities
- Performance incentive holidays
- Work-life balance recreational activities
- Internal monthly newsletter
- Employee survey and feedback

Our KPIs require employees to demonstrate effort in effective energy consumption and be responsible citizens in preserving the environment. Employees of all levels are encouraged to contribute ideas on the saving of raw materials and other production costs.

	No. of suggestions/ innovative ideas	Energy consumption/ production cost saved (RMB million)
2018	6,496	336.0
2017	5,948	331.2
2016	5,595	293.7



CUSTOMERS

Key Topics

- The Group's financial strength
- Timely vessel delivery
- Customised solutions
- Environmentally and friendly fuel-efficient vessels
- Compliance with IMO regulations
- Good safety record

Engagement

- Project tender process
- Negotiation of vessel specifications, contract terms & conditions
- Project progress update meetings
- Project review
- Vessel launch ceremonies
- Client participation in judging panel of the Group's technical skills competition
- Client participation in the Group's recreational sporting competitions
- News updates on the Group's corporate website



BANKS

Key Topics

- Business Stability

Engagement

- Dialogue between leadership
- Yard inspection visits by leadership

May

Site Visit by China Export & Credit Insurance Corporation

The general manager of Jiangsu provincial branch of China Export & Credit Insurance Corporation ("Sinasure"), Mr. Pan Shuigen visited the Group on 22 May. Chairman Mr. Ren Yuanlin gave an update on the Group's operations and the business climate in the shipbuilding industry, and thanked Sinasure for their continued support. Mr. Pan discussed the financial policy environment in China, provided update on Sinasure's business strategy and competitive advantage, and expressed wishes to continue to work with Yangzjiang in a win-win partnership. Mr. Ren and guests also toured the construction site for the 400,000DWT containerships.



STAKEHOLDER ENGAGEMENT



PROFESSIONAL ASSOCIATIONS

Key Topics

- Environmental protection
- Vessel and workplace safety
- Collaboration in vessel design
- Strategic planning for protocols in professional certification

Engagement

- Strategic alliance agreements
- Organize national-level technical appraisal meetings
- Training and certification

January

China Classification Society

A delegation of over 10 people from China Classification Society visited Xinyangzi yard and conducted a 4-day inspection and review on the management system. The management system under review includes areas of quality control, environmental protection, occupational hazards and energy efficiency. The visiting team provided detailed feedback and suggestions for improvement. Overall the team found the management system at the New Yangzi yard has continued to improve in 2017, and renewed the certification for the yard at the end of the inspection.

January

China Association of The National Shipbuilding Industry

Senior officials of China Association of The National Shipbuilding Industry visited the Group and listened the management's overview on the business and operations in 2017, and the impact of the financial policies over the past few years on new order taking.

March

Members of the Chinese Smart Shipbuilding Innovation Association

Shanghai Merchant Ship Design and Research Institute (SDARI), Beijing Highlander Digital Technology Co. Ltd. and Yangzijiang, exchanged ideas on the existing situation and development trend and smart vessel solutions at a sharing session. As modern technologies, including sensors, big data, smart control, Internet of Things and cloud computing become increasing applied to the shipbuilding process, smart vessels will have enhanced features in safety, economy, efficiency, energy saving and emissions. Smart shipbuilding is a definite trend and is a key area in the Made in China 2025 program.





GOVERNMENTS AND REGULATORS

Key Topics

- Environmental protection
- Vessel and workplace safety
- Market leadership
- Innovation
- Compliance

Engagement

- Dialogue between leadership
- Yard inspection visits by leadership
- Training conducted for workers at our yards by government reps

February

Provincial-Level Economic Development and Maritime Authorities

In an inspection session organized by provincial-level economic development and maritime authorities on the Group's 261,000DWT VLOC and 11,800TEU containership, the delegation consisted of 7 senior professionals in the shipbuilding industry accredited the two vessel types that Yangzijiang constructed as internationally leading standard. This recognition affirmed Yangzijiang's contribution in the R&D and introduction of the two innovative, green vessel types.

March

Ministry of Industry and Information Technology

Officials from Ministry of Industry and Information Technology visited the yard to learn about the progress on the use of smart solutions in vessel outfitting. The Group's management updated visitors on Group's strategy, focus and vision on smart manufacturing for the next three years. Over the past few years, the Group has introduced the Yonyou ERP management system, YSS management system, PDM system and some 3D design software, and made significant progress on the integrated shipbuilding information system.

March

Taizhou Government and Maritime and Port Authorities

A group of government representatives, including the vice secretary of Taizhou municipal government office and senior officials of the maritime and port authorities and vice mayor of Taixing city, visited the Group and the yard. The visitors also boarded the 400,000 DWT VLOC that was ready for a trial voyage, all were very impressed by the quality and efficiency of the vessel. The Group's management also provided some update on the operational matters of the vessels to visitors.

STAKEHOLDER ENGAGEMENT



SHAREHOLDERS

Key Topics

Dividend payout

Engagement

- Investor & media briefings
- Conference calls
- Email communications
- One-on-one meetings



INDUSTRY PEERS

Key Topics

Management and operational efficiency

Engagement

Industry exchange facility visits



SUPPLIERS

Key Topics

Equipment and materials suppliers are concerned about:

- After-sales service quality and warranties
- The shipyard's financial strength, project stability, and its ability to collect its receivables.
- Payment terms, timely payment of credit dues
- Efficient collaboration with ship owners
- Brand equity of the shipyard
- Trustworthiness
- Regulatory Compliance
- Long term relationships with the shipyard
- Balance between price and quality
- Supplier product quality

Banks are concerned about the stability of the shipyard's profit and cash flow liquidity.

Engagement

- Yard visits
- Supplier provides technical training to the yard's employees
- Talks about industry issues
- Regular review meetings with ship repair services provider



LOCAL COMMUNITIES

Key Topics

Dividend payout

Engagement

- Philanthropic donations
- Community service

April

Sea Search and Rescue Exercise

The Group participated the sea search and rescue exercise organised by Jiangyin municipal city and relevant authorities. 21 vessels, 6 rescue vehicles, 3 drones and over 150 people participated. The Group sent a few vessels and 20 staff to the exercise.

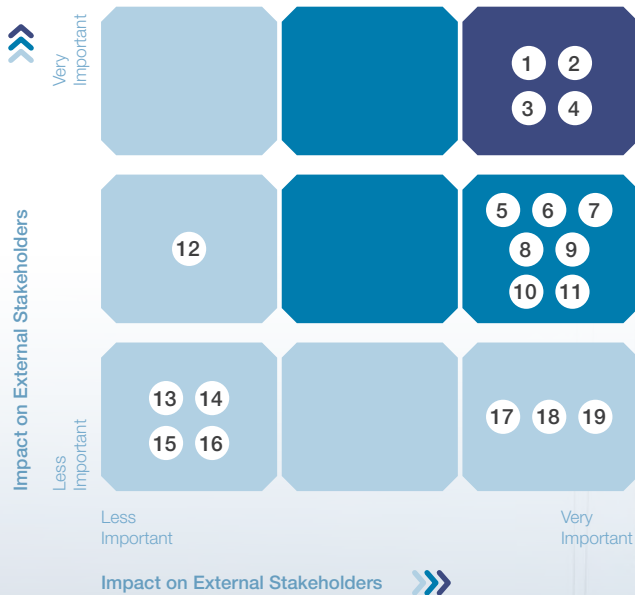


DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

The topics monitored and reported in this sustainability report were shortlisted in consideration of environmental, social, and governance risk factors relevant to the Group as follows:

- Benchmarking against global peers
- Impact on the Group’s ability as a business to address challenges in the industry
- Demand trends that arise from regulatory requirements
- Supplier Code of Conduct published by the Group’s existing and prospective customers.
- Survey of internal priorities

We seek to consider the opinion of all the stakeholder groups in our business value chain. Priority is given to stakeholders with a strong track record of sustainable development integration, the extensiveness of its best practices, as well as transparency and availability for dialogue. To enhance the Group’s competitive business advantage, we seek to align our sustainability policies with the requirements stipulated in supplier codes of conduct published by our target market.



- 1 Stable profits
- 2 Contribution to local economy
- 3 Compliance with environmental laws
- 4 Greenhouse gas & other emissions
- 5 Community investment & development
- 6 Dividends
- 7 Anti-corruption
- 8 Risk management
- 9 Workplace health & safety
- 10 Management of effluents
- 11 Energy consumption
- 12 Supplier assessment
- 13 Customer privacy
- 14 Equity opportunity
- 15 Forced / child labour
- 16 Freedom of association & collective bargaining
- 17 Employee training
- 18 Staff welfare
- 19 Efficient use of steel



Photo by Nicola / Yangzijiang

ECONOMIC CONTRIBUTION

GLOBAL LEADER FOR BULK CARRIERS AND CONTAINERSHIPS

The Group is one of the 50 largest enterprises in Jiangsu, the most developed and densely populated province in China. In FY2018, we secured 36 new vessel orders with total contract value amounting to US\$1.5 billion. As at 31 December 2018, the Group's outstanding order book for 113 vessels was the largest in China, and no. 5 globally.

For FY2018, the Group paid income taxes of RMB 941.2 million to the Wuxi municipal government. Wuxi has a population of about 6.5 million people. We were one of the 10 largest corporate contributors to its tax revenue.

Materials Used	2018	2017	2016	2015
Renewable materials				
Steel usage (thousand tons)	810	850	500	480

ECONOMIC CONTRIBUTIONS TO SOCIETY

2018	
Economic Value Generated	
Revenue	RMB 23.3 billion
Economic Value Distributed	
Operating Cost	RMB 19.8 billion
Employee Wages and Benefits	RMB 341.7 million
Employer's Contribution to Defined Contribution Plans	RMB 37.7 million
Payments to Providers of Capital	
Dividends Paid	RMB 857 million
Interest on Bank Borrowings	RMB 122.6 million
Payments to Government	
China (tax)	RMB 941.2 million
Community Investments	
Donation by Yuanlin Charity Foundation to universities and geriatric rehabilitation centres	RMB 3.38 million
Financial Assistance	
Effect of preferential tax rate	RMB 423.7 million

The employees of the Group who are employed in the PRC participate in a defined contribution plan administered by the relevant provincial government. For FY2018, the Group is required to make monthly defined contribution to these plans at approximately 45% to 47% of eligible employees' monthly salaries and wages as stipulated by local rules and regulations.

TAX BENEFITS FOR HIGH/NEW TECHNOLOGY

Two major yards of the Group, New Yangzi and Yangzi Xinfu, enjoy the status of High-and-New Technology Enterprise granted by the government. The status is granted based on the Group's consistent effort in enhancing its R&D capabilities, and gives the yards preferential tax rates. The status entitles these two key operating subsidiaries to qualify for a preferential tax rate of 15% instead of the standard tax rate of 25%.

In the first list of "Top 100 most innovative enterprises in Jiangsu" released by the Jiangsu Research Institute of Development Strategy in 2016, New Yangzi was ranked No.15.

The national High-and-New Technology Enterprises status is jointly awarded by the Ministry of Science and Technology, Ministry of Finance, and the State Administration of Taxation. Eligibility criteria include R&D capability, track record in the development of intellectual property rights, use of technological innovations and improvements, and the proportion of technological personnel in the organization.



Jiangyin Yuanlin University for the Aged



Jiangyin Eldercare School - Beijing Opera Class

YUANLIN CHARITY FOUNDATION

The Jiangsu Yuanlin Charity Foundation is funded by annual dividends from one billion publicly listed Yangzijiang shares owned by the Group's Executive Chairman, Mr Ren Yuanlin. The first dividend payout to the Foundation was RMB 270 million in 2011.

The Foundation is managed by an independent thirdparty management committee. Mr Liu Jianguo, a former secretary of the Jingjiang Municipal Party Committee, is the chairman of the Foundation's management committee. The committee has 4 other members comprising of administrative, investment, and civil engineering experts. Half of the Foundation's donor proceeds is allocated for charitable distribution and the other half is reinvested in low-risk projects for capital growth and income generation.

The Foundation primarily funds charitable work in elderly service facilities, disaster rescue, assistance of the financially needy, and technological innovation. The Foundation funds the Yuanlin Universities for the Aged in Jingjiang, Jiangyin and Taixing -- geriatric centres with a combined capacity for over 7,000 elders.

The Foundation has a long term roadmap to distribute one billion RMB for another eight to ten such universities in neighbouring cities and one to two geriatric rehabilitation centres. In 2018, the Foundation donated about RMB 3.4 million to universities and geriatric rehabilitation centres. Funding arising from dividends paid from the shares owned by our Executive Chairman, Mr Ren Yuanlin, ceased in 2018 because returns generated by the Foundation's investments were sufficient to meet its operating and disbursement needs.

COMMUNITY INVESTMENTS

Yuanlin Charity Foundation's Sight Restoration Project Helps Over 20,000 Cataract Patients

Yuanlin Charity Foundation's Movement of Light Cataract Sight Restoration project was recognized as the Most Influential Charity Project – Jiangsu Charity Award on 5 September 2018 at China's 3rd Zhonghua Charity Day organized by the Jiangsu Provincial Government. Since its inception in August 2014, the initiative has disbursed over RMB 50 million to finance cataract surgeries for 20,031 patients from Jiangyin, Jingjiang, Taixing. This is a high profile project that received widespread attention.

Awarded biennially, Jiangsu Charity Award is the most prestigious award for charity work awarded by the Jiangsu government.

October

Employee in Urgent Need

The Group donated RMB 11,000 to help out an employee in urgent need for money to pay for his surgery. In addition, our employees donated a total of RMB 88,326 to him.

GOVERNANCE & RISK MANAGEMENT



Photo by Nicola / Yangzijiang

Anti-Corruption Policy Statement

It is the policy of Yangzijiang Shipbuilding (Holdings) Ltd to comply with all applicable laws and regulations prohibiting corruption in our worldwide operations. We expect the same of our business partners. Yangzijiang Shipbuilding (Holdings) Ltd representatives at any level who fail to comply with this Policy, or to support guidelines and procedures or relevant legislation will be subject to internal disciplinary action, and possibly the termination of their employment contract.

Those who believe a violation of this Policy has occurred or is about to occur are expected to speak up, either internally to their manager or legal department, or anonymously through the following parties:

- Whistle blowers in Singapore may contact our Audit Committee Chairman.
- Whistle blowers in China may deposit a physical letter into the feedback box (photo) next to the stairway on level one of our main HQ building at 1 Lianyi Road, Jiangyi-Jingjiang Industry Zone, Jingjiang City, Jiangsu, People's Republic of China 214532, or via the Group's office automation system.

The Group adheres to the Singapore Code of Corporate Governance issued in August 2018.

We strictly adhere to integrity in business practice. We keep close checks on the cost structure to minimize cost in production, procurement, administration, sales and marketing. A detailed procedural guide containing meticulous rules to counter bribery and corruption is in place. It is intended to facilitate whistle blowing in relation to improper, unethical, or fraudulent conduct. All employees are informed of the policy. In 2018, there were no incidents of bribery or corruption within Yangzijiang.

RISK MANAGEMENT

The Group adopts conservative financial management and accounting policies. We make provisions for warranties on vessels delivered, as well as impairments for fleet, plant, property, and equipment to reflect market conditions. In FY2018, we made a provision of RMB 1.1 billion to manage the risk of volatility in raw material prices and currency.



Photo by Lu Runqing / Yangzijiang

Managing Operational Risk

- The Group's shipbuilding customer base is well diversified geographically, with sales contribution from Asia countries, Australia, European countries, as well as from Canada and USA.
- Vessel building contract terms and conditions are prudently negotiated to deter vessel cancellation.
- We proactively liaise with ship owners to understand the charter demand outlook and customer needs so as to pre-empt and work out solutions that lower the risk of vessel cancellation.
- We assist ship owners in obtaining ship financing.
- We renegotiate on delivery schedule and rework of vessel types.
- We provide temporary docking space in the event that a customer is unable to secure a charter contract by the time vessel delivery date arrives.

Managing Financial Risk

- We use derivative financial instruments to reduce risk.
- We have a stringent, multi-tier risk management system in financial investment.
- It is our policy not to extend credit to newly established real estate companies, or small medium enterprises that do not come with a strong cash flow projection.
- Our HTM financial assets are well-protected fixed income investments backed by collateral of shares, land, guarantees by institutions of high credit rating such as banks, insurers or governments.
- To manage currency risk, USD/RMB forward currency contracts are used as hedging instruments for our USD shipbuilding contracts.

June

Semi-annual Internal Inspection

The Group conducts thorough internal inspection every half year on quality control, environmental protection, occupational hazard and energy management system. Nine functional divisions and eight production units received the inspection in June 2018. Issues identified in the inspection are rectified within the stipulated time.



September

Data Security

Started using cloud-supported management system to safeguard data security and improve operational efficiency.

RAISING THE BAR FOR PRC SHIPBUILDING

R&D INVESTMENTS

R&D Expense	2018 (RMB)	2017 (RMB)
New Yangzi	238.14million	144.23 million
Xinfu Yard	189.04million	138.95 million
Old Yard	0	660,000
Total	427.18million	283.84 million

April

New Welding Technique

Started using a new type of welding machine to improve welding efficiency and to shorten the production cycle. After a period of trial test, the Group's welding and test centre engaged the DNV GL classification society for approval. It has also compiled an operation manual and conducted several training sessions for workers.



December

New Supply Chain Management System

Started using a new supply chain management system with enhanced features in procurement planning, testing and acceptance, distribution, inventory management and cost control. The new system incorporated a vast amount of data and analysis to improve the efficiency in production planning and cost management.

December

Shorter Welding Process

Started using a new technique in joining the steel plates since November 2018, firstly tested on the 82,000DWT dry bulkers. The new technique removed the use of a supporting plate, and saved some raw materials and the need for scrubbing. It also shortened the time needed for the plate joining.

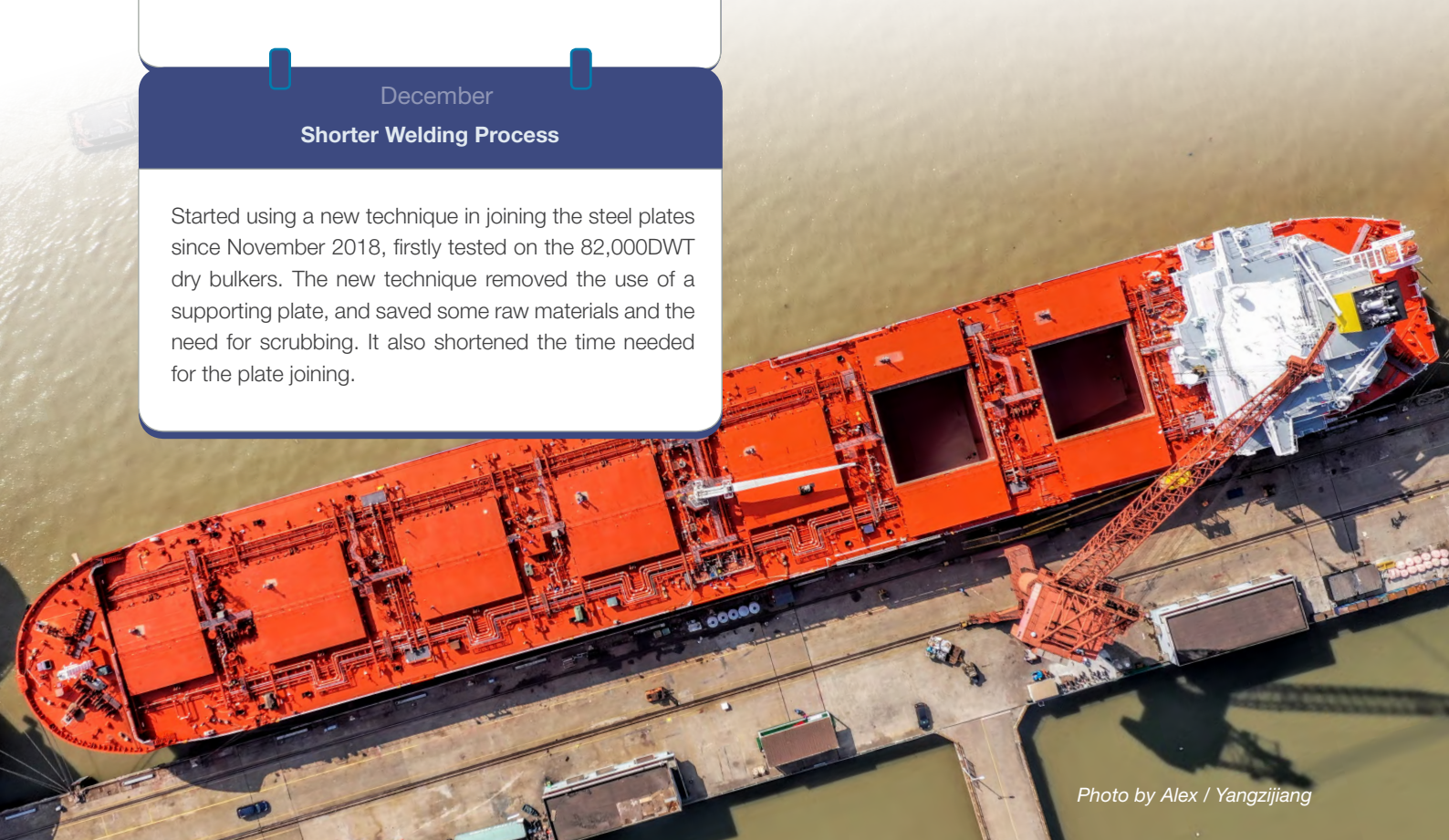


Photo by Alex / Yangzijiang

TALENT CAPITAL

All our employees are permanent full-time and covered by collective bargaining agreements.

Gender Diversity	2018		2017	
	Male	Female	Male	Female
Board of directors	4	0	4	0
Senior management	9	0	9	0
First-level management	1,123	176	1,079	155
Professionals	1,202	106	1,096	93
All other employees	2,416	1,157	2,207	1,264
Total number of employees	4,754	1,439	4,395	1,512

Age Diversity of Governance Bodies	2018			2017		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Board of directors	0	1	3	0	1	3
Senior management	0	5	4	0	5	4
First-level management	171	966	162	149	935	150
Professionals	467	774	67	427	711	51
All other employees	1,301	1,859	413	1,167	1,926	378
Total number of employees	1,939	3,605	649	1,743	3,578	586

New Hires and Turnover	2018		2017	
	Male	Female	Male	Female
New Employee Hires	314	43	555	116
Resignations	53	18	375	53
Total number of employees	367	61	4,395	1,512

New Hires and Turnover	2018			2017		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
New Employee Hires	281	76	0	372	299	0
Resignations	56	15	0	206	214	8

RAISING THE BAR FOR PRC SHIPBUILDING

Photo by Alex / Yangzijiang

Over the past few years, the Group has hired over 100 senior technology management experts, of whom 3 are recipients of State grants for technology development, 10 are college professor level engineers, and 38 are senior engineers. Yangzijiang also hired over 30 offshore engineers from Singapore. The total staff strength in R&D and design increased from less than 200 people to over 500 people in the past few years. Over 300 people are based in our R&D and research center in Shanghai.

Training Hours by Gender	2018		2017	
	Male	Female	Male	Female
Total no. of training hours	112,360	28,090	64,427	3,222
Total number of employees	4,867	1,326	4,642	1,265
Average training hours	23.1	21.2	13.9	2.5

Training hours by employee category	2018				2017			
	Total Training Hours	Headcount	Average Training Hours	Average Training Days	Total Training Hours	Headcount	Average Training Hours	Average Training Days
Board of directors	1,260	4	315	39	1,300	4	325	40.6
Senior management	2,560	8	320	40	1,339	9	149	18.6
First-level management	39,030	1,301	30	4	4,279	1,234	3	0.4
Professionals	27,980	1,399	20	3	28,849	1,189	24	3.0
All other employees	69,620	3,481	20	3	31,000	3,471	9	1.1
All employees	140,450	6,193	23	3	66,767	5,907	11	1.4



Photo by Alex / Yangzijiang

We retain employee loyalty through a comprehensive incentive/reward scheme. A clear incentive structure gives our employees better visibility for their career and compensation paths. This has led to a low staff turnover, reduced training costs, and improved production efficiency.

We also place a strategic focus on strengthening the educational profile of our employees that is in line with our target to enhance R&D capabilities. R&D headcount accounted for 16% of Yangzijiang's total staff strength as of May 2019.

PROJECT VOYAGE

Project Voyage is a training program that incorporates the Group's strategic needs with the management of the Group's R&D Centre. Its curriculum was designed through the engagement of an external training services provider worked and each department head.

The program comprises of 3 stages, taking a total of 6 days over 2 months.

Yangzijiang's achievements today is the result of the combined effort of all our employees. The Group has a comprehensive plan for human capital development, which extends from collaborative training programs with vocational schools, manpower recruitment through M&A to on-going training schemes for existing staff.

The Group's collaboration with vocational schools has effectively created a talent pool for us, especially for technical personnel. An incentive program is in place to encourage our staff to pursue technical certificates and improve English language skills through continuous learning. We also set up various teams focusing on the training and development of fitters, welders, and engineers, incorporating overseas placement and exchanges.

We organize regular training for employees of all departments, especially for work unit heads on production sites and quality assurance staff. We invite external speakers to conduct training on management procedures and organize various contests for technical staff to constantly improve their knowledge and skills.

RAISING THE BAR FOR PRC SHIPBUILDING

February

Measures to Improve Welding Quality and Reduce Scrubbing Work and Workers

- A manual for each of the over 4000 welders
- On key welding parts, the welder should sign off with their names, so as to take responsibility in quality checks
- Reward and punitive measures
- Periodical training and sharing sessions

August

Welding Quality

Conducted review training for 383 workers in 6 batches on welding, in order to ensure the welding quality when using a new type of wires.



August

Scrubbing Procedures

Conducted 3 rounds of training on scrubbing procedures, security, risk prevention and case study etc for all relevant workers.

August

Internal Trainer Program

The Group's internal trainer program has made further progress. 40 internal trainers received weeks of systematic training on 40 modules, covering knowledge and skills to conduct training on technology, production management, safety and environment, quality control and equipment management. These trainers will be conducting 12 group training sessions for the rest of the YZJ staff each year to facilitate constant learning and improving professional skills.

The internal trainer program is part of the Group's integrated training program that was designed in four categories, catering to new staff members / graduates, entry-level management and technicians, mid-level management and senior management.



August

Legal Knowledge

Invited an independent law firm to give talks to our employees in sales and marketing, procurement and technology departments training on relevant legal knowledge and practice. The content included documentation and terms and conditions in contracts etc.

September

Welding Training

Conducted training on welding quality control. A total of 850 workers received the training.



September

Fire Safety

As required by law, all workers dealing with open fire need to be qualified and licensed. In September, 180 licensed welders and workers on the assembly line received training conducted by a local security bureau. In addition, 200 workers received training in preparation for their qualification test.

November

Welding in Various Moist and Temperature Conditions

Conducted review training on welding in autumn – winter seasons and highlighting the safety procedures in various moist and temperature conditions in 316 worker sessions .

November

Qualification Test

34 technicians attended and passed the qualification test for highly-skilled technicians organized by municipal authority. The written and operational tests focused on the theory and skills in the operations of boilers and air machines.

May

Training for New Managers

Organized training for new managers of basic production units, 375 people in total on three topics: safety control, quality control and management skills in the first three weeks of May.

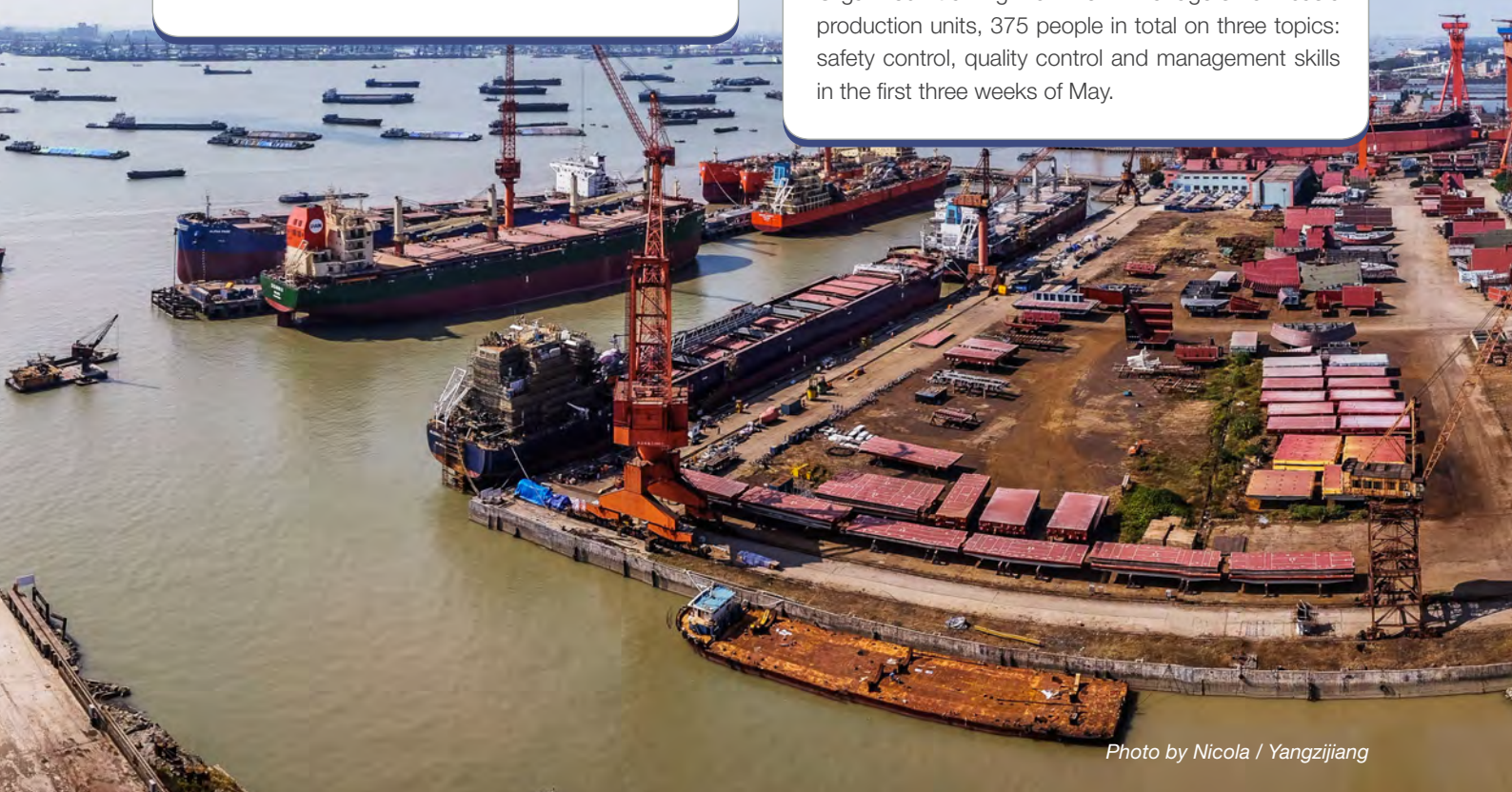


Photo by Nicola / Yangzijiang

ENVIRONMENTAL PROTECTION

R&D Breakthrough to Lower Paint VOCs

The Group participates in research initiatives by global leaders that supply its raw materials and equipment to eliminate hazards in the industry. In recent years, its effort to reduce workplace exposure to volatile organic compounds has borne fruit.

Paints are anti-corrosion agents in shipbuilding. Surface preparation, paint, and other protective coatings used in shipbuilding and ship repair pose a hazard to workers. Potentially harmful substances can enter the body through inhalation, ingestion, and contact with the eyes or skin. The Three-Year Action Plan for Winning the Blue Sky Defence War released by the PRC State Council in July 2018 creates an action plan to reduce 2015 VOC emissions by 10% by 2020.

The Group has a long time relationship with Jotun Coatings, the marine antifouling coating arm of a leading chemicals company based in Norway. The Group's R&D findings had the following contribution to the industry:

- Significantly decrease the production cycle time in coating work thereby decreasing worker exposure to VOC.
- Significantly decrease the VOC emission level in paints used at Yangzijiang.
- Reduce use of raw materials.
- Protect the environment.
- Reduce the Group's emission of pollutants.
- Reduce the cost of handling hazardous waste.

The practice to lower VOC is currently used for the Group's construction of 400,000 dwt bulk carriers (Valemax Very Large Ore Carriers). It is being rolled out for 208,000 dwt bulk carriers. The Group plans to roll out safe paints on its own fleet of vessels.

The findings in Yangzi Xinfu Yard's collaboration with Jotun were so significant that they were published in 2017 in leading PRC academic journal China Paint. This new coating method is expected to be adopted as the industry's protocol.

January

More on the 400,000DWT VLOC

Improved structure, lower energy consumption compared to the first generation and LNG ready. The ballast tank meets the IMO-PSPC requirement. The load system is also improved; 400,000DWT iron ore could be loaded in 20 hours, improving loading efficiency and saving port time for charters.



February

Valemax Safety Forum for Navigating Yangtze River

The Group has been contracted by ICBC Financial Leasing to construct six 400,000 dwt VLOCs (Valemax) worth a total of US\$510 million from 2017 to 2019. More than 40 experts assembled to discuss safe navigation of the Valemax in the Jiangsu section of the Yangtze River.

May

Self-made Air Pipes

In an effort to save cost and improve efficiency, the Group started using self-made air pipes made from used PVC fabrics (disposed materials from the outfitting unit). The PVC fabric air pipes not only save cost, but also superior to traditional plastic air pipes in terms of air intensity, wear resistance and fire prevention. They are also suitable for repeated, long-term use.



Accountability in Energy Consumption

The Group has a comprehensive appraisal system on equipment maintenance and energy saving. Every production worker is held responsible for proper upkeep of the equipment that he handles. Punitive action is also taken against the line manager, district manager and equipment manager if rules are breached.

Energy Consumption (GWH) ¹	2018	2017	2016	2015
Solar Power	9.6	11	10.3	5.2
Electricity	159.6	112.7	116.9	139.6
Total	169.2	123.7	127.2	144.8
Energy Intensity (watt hour/USD)	50.4	44.6	58.3	62.6
Carbon Footprint				
Greenhouse gas emissions (MT ² of CO ₂ ³ equivalent)	119,624	87,456	89,930	102,374

Method of calculation: US Environmental Protection Agency.

- ¹ gigawatt hour
² metric tons
³ carbon dioxide

The Group's stringent rules on utilities saving as well as technological breakthrough contributed to lower water, paper and electricity consumption. For example, nonproduction units, such as quality control, production management and cost management, are strictly only allowed to use electronic production charts.

The Group's utilities consumption patterns are also correlated to the level and the complexity of production and because of vessel types vary, the correlation might not be linear. We aim to contain the energy consumption to grow at a slower pace than the production growth.

Water Usage

Water is an important and scarce resource, especially in China where water pollution has affected 90% of the groundwater in our cities. The Group has the following procedures to protect our natural water resources:

- Responsible disposal of hazardous waste
- Conservation of water used for drinking and in toilets

Water Withdrawal	2018	2017
Produced Water (tons)	2,051,876	1,980,440
Municipal Water (tons)	245,120	179,737
Total Water Consumption (tons)	2,296,996	2,160,177

October

Delivery of the World's First 83,500DWT Multi-purpose Vessel

The Group delivered the first vessel designed to carry dry bulk, oil and chemical products in the world. The vessel has the highest specifications in energy efficiency and emission among all ocean liners deployed today.



WORKPLACE HEALTH & SAFETY

February

Water Search and Rescue Exercise

Yangzijiang Shipbuilding participated in a provincial water search and rescue exercise at Yangtze River for companies that use the Taicang City Port. Other participants included Party leaders and representatives from Jiangsu Maritime Authority, Taicang City Municipal Government, Water Search and Rescue Centres from Taicang City, Nantong City, Changshu City, Jiangsu Taicang Port Administration, Taicang City Work Safety Administration.

March

Safety Training Room

Yangzi Xinfu set up a designated safety training room, with the safety procedures on the wall. Safety aspects highlighted include basic safety procedures, permission and licenses, heavy lifting and transport, object smashing, use of electricity, flammable goods and emergency rescue.

July

Health Check-up

Complementary health check-up for 1,728 employees.



July

Raining Season

Various production units conducted emergency drills and machinery / equipment inspection, in preparation for the risk and accident prevention during the rainy season.



Photo by Wang Yao / Yangzijiang

July

Heat Stroke Prevention

The Group has a comprehensive heat stroke prevention program every summer to minimize accidents. The program includes:

1. Clearly stated accountability on each risk item;
2. Constant monitoring of temperature and flexible working schedules;
3. An emergency plan that is reviewed and refined regularly, which also specifies the reporting mechanism;
4. Frequent and regular talks and review on safety production in morning and weekly meetings;
5. Provide sufficient salted water and cooling medical supplements for workers;
6. Requires that at least two workers are working together (in each other's sight) at all times, counting staff every day after work, closely monitor the physical state of workers (no workers of inadequate working state are allowed on the production premise), requires all workers to have 10-15 minutes break for every one hour of work, etc.

In addition, cooling buckets and towels are placed in the engine rooms in the 400,000 DWT vessels for workers to use.



November

Fire Drills

The Group conducted fire drills at its two main yards. The fire drill included six procedures – alarm, evacuation, firefighting, security, medial rescue and performance review.

December

Dust Removal

To decrease debris from greater construction volumes and more cutting machineries at our production premises, the Group invested RMB 1 million to purchase more dust removal equipment. Visibility at the production workshop premise improved significantly and the processed emissions met the regulatory requirement once the dust removal system was in use.

Accident Frequency Rate ¹	2018	2017
Fatalities as a result of work-related injury	0	0.51
High-consequence work-related injuries ²	0	0.17
Recordable work-related Injuries ³	2.50	3.13

- 1 Based on million man hours worked for an estimated 38.5-hour work week for each employee.
- 2 Injuries (excluding deaths) that take more than 6 months to recover to pre-injury health.
- 3 Work-related injury or ill-health that leads to death, medical leave, restricted work, transfer to another job, medical treatment beyond first aid, loss of consciousness, or other significant injury or ill-health as diagnosed by a physician or a licensed healthcare professional.

COMMUNITY DEVELOPMENT

March

Free Tuition

The Group has a volunteer team comprising of young staff with university degrees to provide free tuition to the children of contracted workers. These volunteers are rewarded by the Group in various ways, including monetary and consideration for promotion at work when appropriate.

April

Internships

89 students from 4 universities arrived the yard to start their internships. The Group organized the orientation of 1 month before they started working. This was the third batch of the university student training since the program was established in November 2017.

April

Improving Jiangsu's Vocational Education for Engineers

The Group signed a collaboration agreement with Jiangsu Vocational Institute in April 2018 to provide practical training for high school students and develop research initiatives in the field of mechanical and electrical engineering. The collaboration aims to integrate production, formal academic education and R&D into one unified system. The initiative is expected to create for the marine industry a fresh cohort of talented mechanical and electrical engineers every year.

April

Collaboration with Jiangyin Vocational Institute

The Group collaborated with Jiangyin Vocational Institute on shipbuilding knowledge and skills programmes. Yangzijiang provides internship opportunities for students, participates in the design of the curriculum and gives lectures. Every year a group of qualified students join Yangzijiang to strengthen its skilled workforce.



October

Basketball Matches

Group-wide basketball matches finals.



July

2018 Graduate Program

173 university graduates joined the Group in its 2018 graduate program.

Most of these new staff members graduated from universities with a strong reputation in shipbuilding related majors. The Group offers a comprehensive orientation program every year, introducing Yangzijiang's Group culture, production and management procedures, safety procedures, cost and emission control, communication skills etc. through team building activities and classroom sessions. The training program continues as new staff members start their jobs in different business units.



October

Retired Workers

The Group organizes celebration events at Chung Yeung Festival every year, inviting retired workers in appreciation of their hard work for Yangzijiang.



GRI CONTENT INDEX

GRI 102-14	Statement from senior decision-maker	Page 6 to7
Organizational Profile		
GRI 102-1	Organization name	Yangzijiang Shipbuilding (Holdings) Ltd
GRI 102-2	Activities, brands, products, services	Page 3
GRI 102-3	Location of headquarters	1 Lianyi Road, Jiangyin-Jingjiang Industry Zone, JInggjiang City, Jiangsu, PRC 214532
GRI 102-4	Location of organization	Page 3
GRI 102-5	Ownership and legal structure	Please refer to page 173 to 174 of Yangzijiang Shipbuiding (Holdings) FY2018 annual report.
GRI 102-6	Markets served	Page 3
GRI 102-7	Organization scale	Page 3, 16
GRI 102-8	Workforce	Page 21
GRI 102-9	Supply chain	Page 3
GRI 102-10	Significant changes	Page 8
GRI 102-11	Precautionary principle	N.A.
GRI 102-12	External Initiatives	Page 9
GRI 102-13	Membership of Associations	Page 9
GRI 102-45	Entities included in the consolidated financial statements	Please refer to page 170 to 172 of the Group's annual report
Governance, Ethics and Integrity		
GRI 102-16	Core values	Page 4
GRI 102-18	Governance structure	The Group's governance structure and its responsibilities are documented in our annual report FY2018, page 26-52.
Stakeholder Engagement		
GRI 102-40	Stakeholder groups	Page 9 to 14
GRI 102-41	Collective bargaining agreements	Page 21
GRI 102-42	Stakeholder selection	Page 15
GRI 102-43	Stakeholder engagement	Page 15
GRI 102-44	Key concerns	Page 9 to 14

GRI CONTENT INDEX

About this Report		
GRI 102-46	Defining report content and topic boundaries	Page 15
GRI 102-47	List of material topics	Page 9 to 15
GRI 102-48	Restatements of Information	Page 27 - Energy Consumption / Carbon Footprint
GRI 102-49	Changes in reporting	N.A.
GRI 102-50	Reporting period	FY2018
GRI 102-51	Date of most recent report	31 December 2018
GRI 102-52	Reporting Cycle	1 January to 31 December
GRI 102-53	Contact point for questions regarding the report	Reyna Mei, reyna@financialpr.com.sg Sim Kih, simkih@financialpr.com.sg
GRI 102-54	Claims of reporting in accordance to the GRI Standards	This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2016), applied to “Core” extent.
GRI 102-55	GRI content index	Page 32 to 33
GRI 102-56	External assurance	The disclosures in this report are not externally assured.
Economic Impact		
GRI 201-1	Direct economic value generated and distributed	Page 16
GRI 201-3	Defined benefit obligations	Page 16
GRI 201-4	Financial assistance from government	Page 16
GRI 202	Community Investments	Page 17, 30, 31
GRI 205-2	Anti-Corruption	Page 18
Environmental Impact		
GRI 301-1	Efficient usage of steel	Page 16
GRI 302-1	Energy consumption	Page 27
GRI 302-3	Energy intensity	Page 27
GRI 303-3	Management of water & effluents	Page 27
GRI 305-2	Greenhouse gas and other emissions	Page 27
Environmental Impact		
GRI 403-2	Occupational health & safety	Page 28 to 29
GRI 404-1	Training & development	Page 30, 31
GRI 404-2	Programmes for upgrading employee skills	Page 23 to 26
GRI 413-1	Operations with local community engagement	Page 30



Yangzijiang Shipbuilding (Holdings) Ltd.
扬子江船业(控股)有限公司

16 RAFFLES QUAY
#41-02 HONG LEONG BUILDING
SINGAPORE 048581