

Going Green Investing Green



CECEP
**Corporate Social
Responsibility Report**









中国节能环保集团公司
CHINA ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION GROUP

Focus • Green

2015

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ABOUT THE REPORT

Reporting Period

The Report covers our activities from January 1, 2015 to December 31, 2015, and may use the data of previous years.

Release Cycle

CSR reports of CECEP are regularly released in the form of annual reports, and the Report is the 6th annual CSR report of CECEP.

Report Coverage

The Report covers the China Energy Conservation and Environmental Protection Group, including all subsidiaries.

Data Sources

All data in the Report are based on the Group's calculation and analysis. The operating data mainly come from the audited *2015 Report on CECEP's Financial Accounts, 2015 Annual Report of CECEP, etc.* The industrial statistics mainly come from the National Bureau of Statistics, the Ministry of Housing and Urban-Rural Development, the Ministry of Environmental Protection (MOE) of the People's Republic of China, Solar Power Europe and other organizations.

Report References

The Report is aligned with the *Strategic Outline of Harmonious Development for Central State-owned Enterprises in the 12th Five-Year Plan* and the *Guidelines to Central State-owned Enterprises on Fulfilling Social Responsibilities* (GZWFYJ [2008], No.1) issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC); *Social Responsibilities Report Preparation Guide* (GB/T 36001-2015); *Chinese Corporate Social Responsibility Report Preparation Guide 3.0* (CASS-CSR 3.0) published by the Chinese Academy of Social Sciences (CASS); *G4 Sustainability Reporting Guidelines* by the Global Reporting Initiative (GRI); *ISO 26000:2010 Guidance on Social Responsibility; etc.*

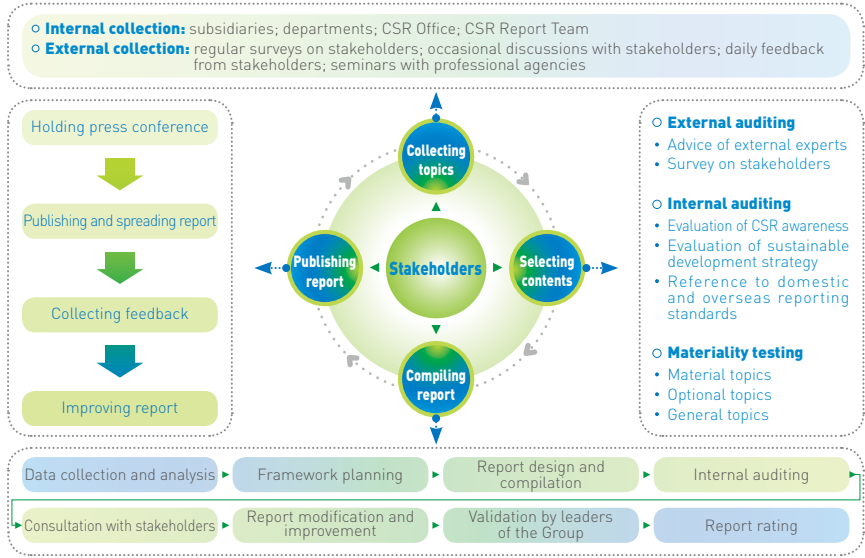
Report Versions

The Report is available in both Chinese and English, including printed version and PDF version. For PDF version, please visit the Group's official website [http://www.cecep.cn/]; for printed version, please contact us: (86) 010-62245671.

Appellations

In the Report, the "China Energy Conservation and Environmental Protection Group" is also referred to as "CECEP", "the Group" and "we".

Reporting Procedures



Declaration

The 2015 CECEP CSR Report lays emphasis on the process management, as well as completeness, materiality, balance, comparability and readability of the Report. The Report makes a thorough introduction to the Group's CSR philosophy, practices, performance and commitment. We hereby ensure the reliability, authenticity, objectivity and timeliness of the Report and by publishing the Report, we are looking forward to enhancing our communication and cooperation with all stakeholders, developing together and sharing achievements with them to promote the sustainable development of China's economy, society and environment.

During China's Two Sessions in 2015, Wang Xiaokang, President of CECEP, attended the "Dialogue with New SOEs, Guide to New Normal" online interview supervised by Cyberspace Administration of China and held by the Publicity Bureau and the News Center of SASAC. In the interview, President Wang shared his opinions on protecting the environment with "integrated methods" to "turn lucid waters and lush mountains into invaluable assets".



Wang Xiaokang, President of CECEP, is a member of the twelfth National Committee of CPPCC and a member of the Committee of Population, Resources and Environment. He is also one of the experts leading the *Third National Assessment Report on Climate Change*, a member of the Advisory Committee of National Manufacturing Power Building Strategy and one of the "Top 10 Models in Corporate Culture Building during the 12th Five-Year Plan".

Our Greetings

As time passes by, we have gone through another extraordinary year.

In 2015, under the leadership of SASAC, we carried out our work firmly with the aim of "making sponsors be relieved, winning stakeholders' trust, earning society's praise and ensuring employees' happiness". To maintain economic growth of the Group, we constantly put our major business, management, and innovation in the first place. As a result, major indexes of the Group, such as total assets, business income and total profit, have all witnessed a stable increase. Compared with 2014, the Group managed to maintain economic growth with our total assets up by **15.4%**, business income, **4.2%**, total profit, **12.1%**, net profit, **10.9%**, and the net profit attributable to parent company, **22.9%**.

In 2015, we firmly stuck to our "dual" technology-and-talents-driven strategy and were continuously exploring innovative business models, which greatly promoted the healthy development of the whole industrial chain of energy conservation and environmental protection. In terms of either scale or strength, we are taking the lead in industrial energy conservation, building energy conservation, solid waste treatment, exhaust gas and heavy metal pollution treatment, soil remediation, water treatment, photovoltaic power generation, wind power generation, energy-saving and environmentally friendly new materials, etc. In 2015, we produced **9.85** billion kWh of green power, saved **3.13** million tons of coal equivalent, reduced CO₂ emission by **7.81** million tons, disposed of **6.736** million tons of solid waste and **602** million tons of waste water, and reduced chemical oxygen demand by **125,800** tons. The "High Efficiency GaN-on-Silicon Blue LED Technology", which our subsidiary CECEP Lattice Lighting Co., Ltd. participated in, won the first prize of the State Technological Invention Award.

In 2015, we were continuously building our corporate culture in line with the core socialist values in hope of creating a spiritual home of CECEP. Our efforts have earned approval from the Publicity Department of the CPC Central Committee, the General Office of the Central Commission for Guiding Cultural and Ethical Progress, SASAC and our employees, creating an image of "a responsible central SOE". Hereby, we were awarded the "**Advanced Collective for Targeted Poverty Relief among Central and State Organs in Henan Province**", the "**Five-star Enterprise in the Second Industry for Social Responsibility Performance**", "**2015 Innovation Prize for Informationized Management in Energy Enterprises in China**" and the "**Charity Star of Haidian District**". Our 2014 CSR Report was rated "Five-star" by the China CSR Report Rating Expert Committee. To face future challenges, we shoulder heavy responsibilities but also possess confidence. We will follow the instructions of the Eighteenth National Congress of the CPC, and the Third, Fourth, and Fifth Plenary Sessions of the Eighteenth CPC Central Committee, act in line with the "**innovative, coordinated, green, open and shared**" development strategy, stick to the strategic positioning of "**creating a world-class technology- and service-oriented energy conservation enterprise**", and focus on three major tasks: "**transformation and upgrading**", "**management improvement**" and "**work style building**". Besides, we will pay special attention to the innovative development while striving to improve quality and efficiency and to accelerate the process of marketization, specialization, standardization, informatization and internationalization in order to achieve a good start of the "13th Five Year Plan". With great sincerity, we expect to join hands with all walks of life to promote the ecological progress and build a beautiful China.

Overview



Respect for Nature

Practice Energy Conservation and Environmental Protection

Based on the “4+1” business layout, we aim to create an entire industrial chain of energy conservation and environmental protection.

- CECEP Industrial Energy Conservation Co., Ltd. is now running and building **21** large industrial energy conservation projects in total.
- CECEP took the lead to establish China’s first smart environmental industry alliance.
- **Gold Standard CER** was the only Chinese program that won the bid in UN in 2015.
- CECEP produced **9.85** billion kWh of green power, saved **3.13** million tons of coal equivalent, and reduced CO₂ emission by **7.81** million tons.



Emphasis on Innovation

Promote Economic Development

We support technical innovation by management innovation and mechanism innovation to realize CECEP’s great development.

- We won **88** technical awards at and above the provincial level in 2015 with a total of **420** awards.
- We were licensed to **230** patents, **52** of which are inventive patents.
- We took the charge of preparing **45** related standards.
- The “High Efficiency GaN-on-Silicon Blue LED Technology”, which CECEP Lattice Lighting Co., Ltd. participated in, won the first prize of the State Technological Invention Award.



Assurance of Safety

Protect Life and Health

We give priority to safety, attach major importance to precaution and conduct comprehensive treatment to build an enterprise with inherent safety.

- We newly formulated and revised **10** production safety standardization systems to improve our production safety and occupational health and safety management systems at all levels.
- We organized **4,683** safety training activities at all levels to build our production safety culture.
- We carried out safety activities such as Production Safety Month and 100 Days of Safe Production.
- We organized our employees to watch and learn from emergency drills at elevated heights, which earned the praise of SASAC.
- We adopted a serious attitude to handle and analyze accidents in order to raise our safety awareness.



Expansion of Channels

Conduct Communication and Cooperation

We are devoted to mutual development with our partners and to sharing our achievements.

- We organized more than **119** domestic cooperation and communication activities.
- We signed **7** strategic cooperation agreements with local governments and enterprises.
- We established cooperative relations with **11** countries and regions, such as Germany and France.



Cultivation of Talents

Achieve Inclusive Development

We regard employees as our most valuable resources and strive to increase their capability of creating values.

- We protect our employees’ rights and interests and attach importance to democratic staff management.
- We improve our multi-level training mechanism to increase the comprehensive quality of our employees.
- We held the “Listen to Me Today –The Most Excellent Exemplars of CECEP Speech Competition” to create our cultural brand.
- Wang Xiaokang, President of CECEP, was awarded the “Top 10 Models in Corporate Culture Building during the 12th Five-Year Plan”.

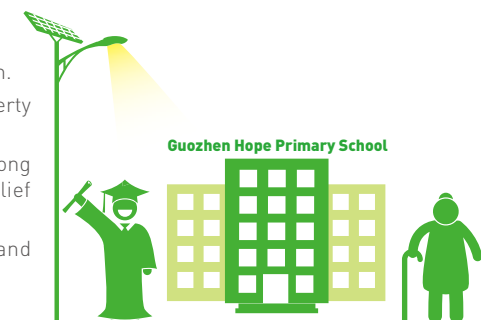


Dedication of Love

Repay the Society with Sincerity

It is CECEP’s commitment and eternal mission to repay the society.

- We have donated money and materials worth more than RMB **4.3251** million.
- We have organized several public welfare activities, including targeted poverty relief, college scholarship, used material donation, etc.
- We were awarded the “Advanced Collective for Targeted Poverty Relief among Central and State Organs in Henan Province” by the Henan Poverty Relief Leadership Team.
- We invested RMB **1.46** billion in **11** clean energy projects in Xinjiang and Qinghai, which have produced **360** million kWh of green power.



About CECEP

CECEP is the only central state-owned enterprise that takes the energy conservation and environmental protection as its major business. We have 493 subsidiaries and 29 second-tier subsidiaries, of which 7 companies have gone public. Our business covers over 30 provinces and cities in China and over 40 countries and regions. In recent years, CECEP has successfully developed and transformed from a state policy investment company into a specialized conglomerate. We take the energy conservation, environmental protection, clean energy and resource recycling as our major businesses and have established a "4+1" business layout strongly supported by our comprehensive service of energy conservation and environmental protection. CECEP has become a technology- and service-oriented conglomerate with the strongest comprehensive capability and the largest scale in the field of energy conservation and environmental protection in China. In this field, we are the leading enterprise with a huge influence.

CECEP, Always Be Around



We Protect Your Beautiful Home



Water Treatment



Solid Waste Treatment



Green Building



Soil Remediation and Heavy Metal Pollution Treatment

We Save Your Precious Energy



Energy-saving and Environmentally-friendly New Material



Organic Waste Recycling

Building Energy Conservation

We Create Your Green Life



Health Industry

We Plan Your Green Future



Equipment Manufacturing

We Develop Your Clean Power



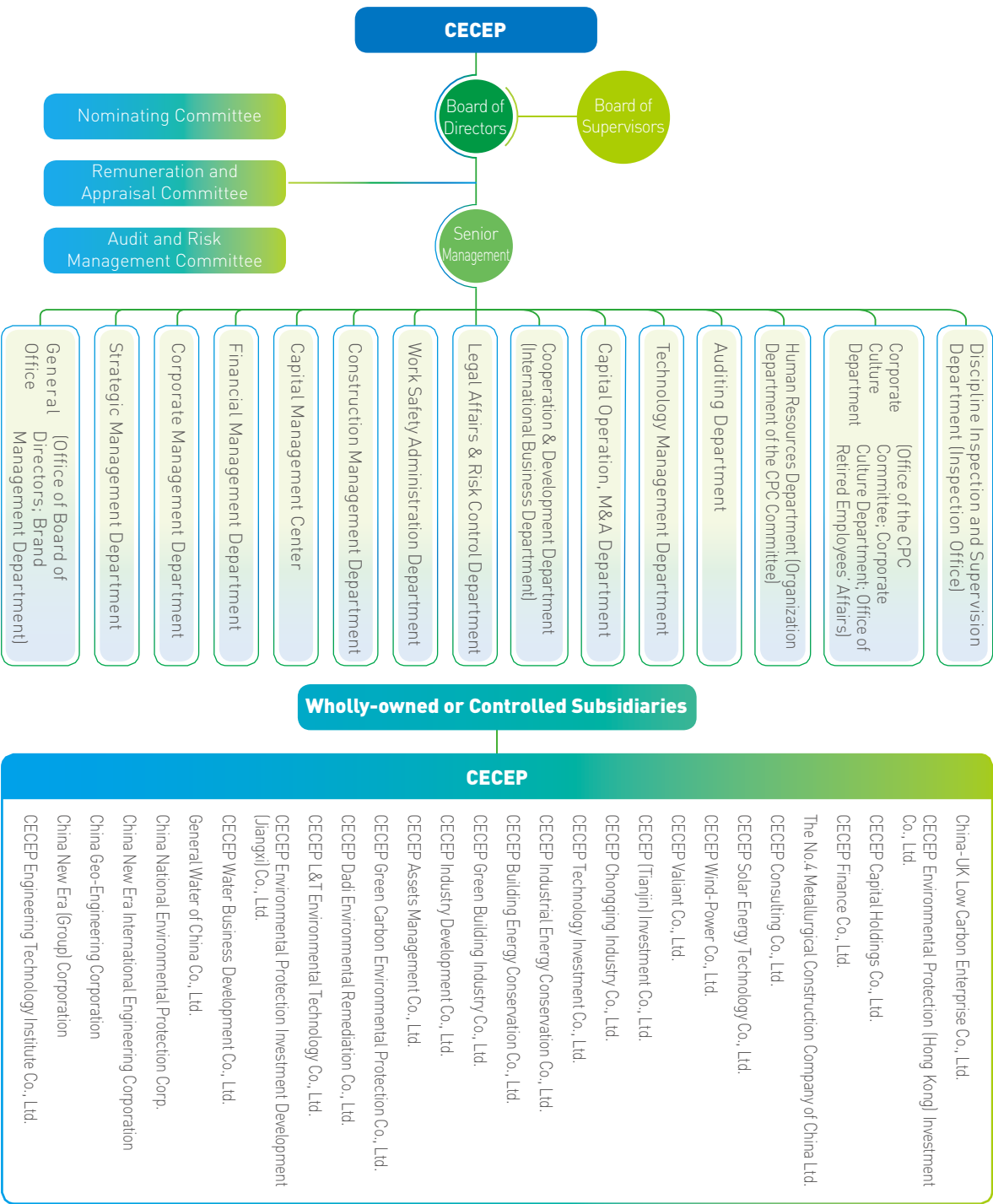
Planning Consultation



Project Construction And General Contracting

Survey and Design Service

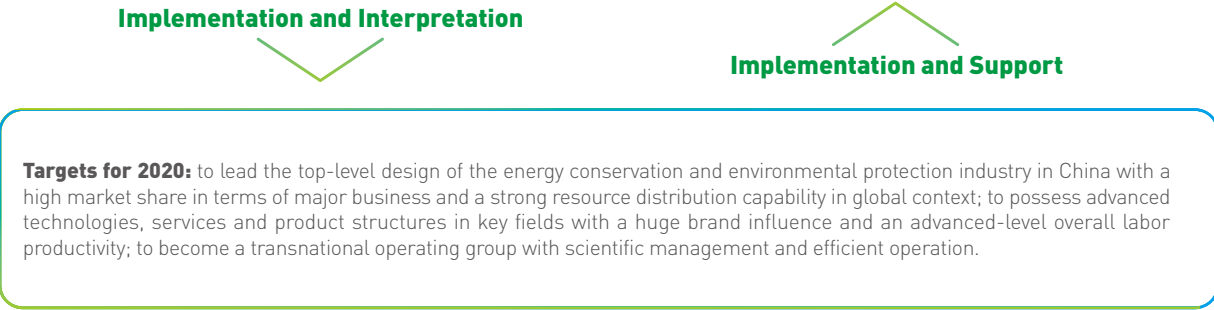
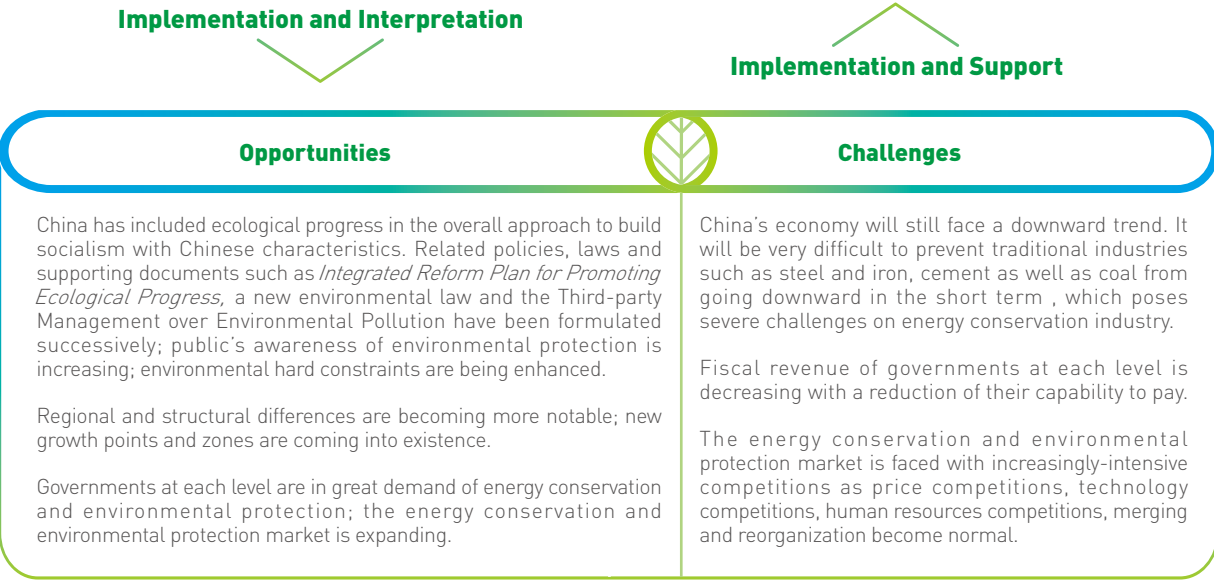
Organization



Strategy and Governance

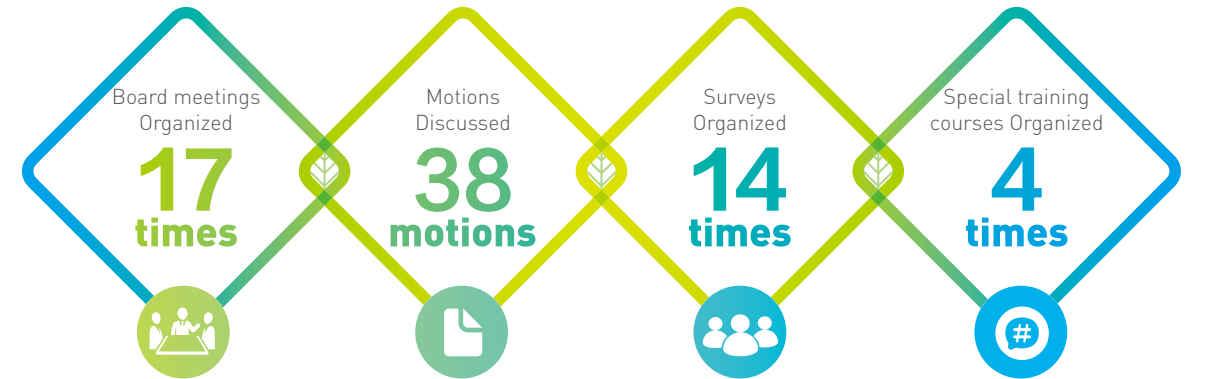
In line with strategy-led sustainable development, CECEP always adopts transparent and moral measures for effective management over the influence that decision making and operation have on economy, society and environment, so as to maximize the integrated financial, social and environmental values, and to promote the sustainable development of stakeholders and itself. Our target is to become a transnational operating group with scientific management and efficient operation.

Development Strategy



Corporate Governance

As a pilot enterprise, in strict accordance with laws, regulations and SASAC's requirements, CECEP has established a standardized Board of Directors. The Group also opens information systems to the Board of Supervisors to ensure that the Board of Supervisors has a timely and full access to the company's information. According to the *Company Law*, we disclose information to investors through fiscal statements and annual reports. To protect the rights and interests of minority shareholders, listed subsidiaries bring shareholders up to speed in line with the *Administrative Measures for the Disclosure of Information of Listed Companies*. The *State-owned Assets Report* published by SASAC has given overall coverage of our establishment of Board of Directors, in which it spoke highly of the achievements that the six pilot function and power reforms had made.



Compliance

As a globalized enterprise engaged in energy conservation and environmental protection, CECEP requires all members to abide by local and international laws and regulations so as to ensure business integrity and compliance. Through regular courses, group discussions, online training, etc., we spread legal knowledge to our employees and have included compliance-based behavior into our employee evaluation system. We strictly examine all contracts and have managed to ensure 100% compliance. In 2015, we developed and amended 60 regulations in total, put forward 42 suggestions for system development and amendment, and organized 261 active rules and regulations.

We strive to nip operating risks in the bud for healthy development of the Group. In 2015, we actively promoted the establishment of a law-abiding central state-owned enterprise. We revised our legal risk control function planning, standardized legal affairs management, enhanced compliance management and strengthened overseas legal risk management. In the meantime, we actively organized publicity activities for the popularization of law, took measures to protect intellectual property rights and performed major legal disputes management. We also carried out our annual systematic risk assessment, built a risk management database, enhanced the risk assessment and examination on investment projects, promoted pre-event risk management, and rectified 183 defects in the design and conduct of internal risk control.

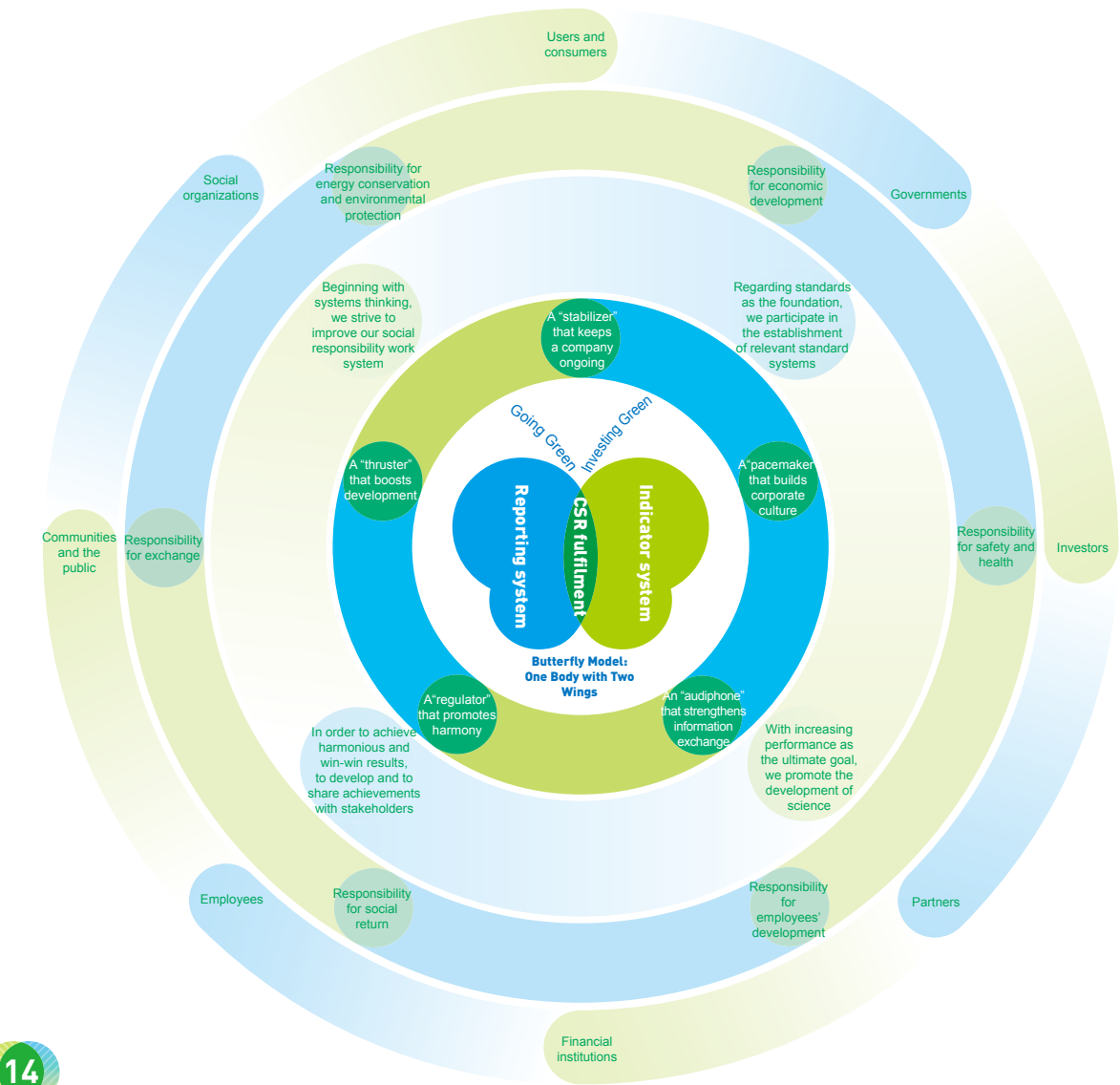
We deepen anti-corruption by establishing a corruption prevention system with CECEP's characteristics. In 2015, we earnestly carried out the "Three Stricts and Three Steadies" special activity and played an active role in supporting the special inspection conducted by the third inspection team of SASAC. We also executed the Letter of Responsibility on Business Integrity with entities, established a responsibility fulfilment mechanism, enhanced special projects as well as daily supervision for anti-corruption and promoted our anti-corruption education activities so as to promote the establishment of a clean enterprise.

CSR Fulfilment

CECEP regards the performance of social responsibility as the internal driving force of development. Hence, we constantly deepen our social responsibility management and gradually integrate the philosophy of social responsibility into all links of the Group's business and daily operation through CSR governance, planning, integration and practice.

CSR Model

Social responsibility functions as a “stabilizer” that keeps a company ongoing, a “pacemaker” that builds corporate culture, an “audiphone” that strengthens information exchange, a “regulator” that promotes harmony and a “thruster” that boosts development. In order to give full play to the functions of social responsibility, CECEP has created an innovative and unique “butterfly model” with “one body and two wings” to actively perform the six basic responsibilities. Beginning with systematic thinking, we strive to improve our social responsibility work system; regarding standards as the foundation, we participate in the establishment of relevant standard systems; with increasing performance as the ultimate goal, we promote the development of science; in order to achieve harmonious and win-win results, to develop and to share achievements with stakeholders, we conduct social responsibility management, practice and communication in an orderly manner.



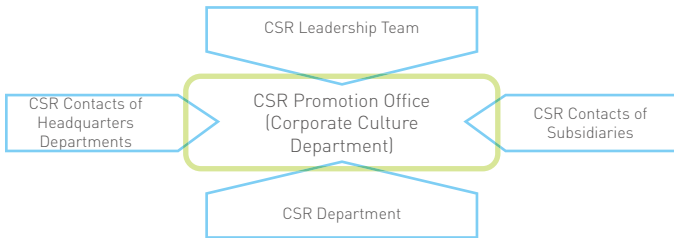
CSR Philosophy

Against the background of sustainable development, CECEP strives to create the integrated financial, social and environmental values under the philosophy of “Going Green, Investing Green” based on the features of the industry and of its strategies, management and operation.



CSR Governance

CECEP strives to enhance the construction of a social responsibility governance mechanism to clarify responsibilities and make units at each level fulfill their responsibilities, so as to fully improve the social responsibility management system.



Main Functions of CSR Leadership Team	Main Functions of CSR Promotion Office
<ul style="list-style-type: none">• Work out CECEP CSR strategies and overall objectives for the Group• Make CSR-related decisions and work arrangement• Lead the Group in CSR management system building• Review and approve CSR work plans• Review and approve CSR reports• Review and approve major CSR events	<ul style="list-style-type: none">• Implement CSR decisions and arrangements made by the Group• Coordinate the Group's efforts in building and implementing CSR management system• Work out Groups CSR programs and plans• Formulate and implement CSR training programs• Carry out research over major CSR topics• Develop the Group's CSR management tools• Compile the Group's CSR reports• Take part in national and global CSR communications

CSR Integration

CECEP puts its social responsibility plans into effect with steady steps and targets the connection between social responsibility work and its current business to enhance the overall integration between social responsibility and management, operation and business of the Group.

CSR Planning

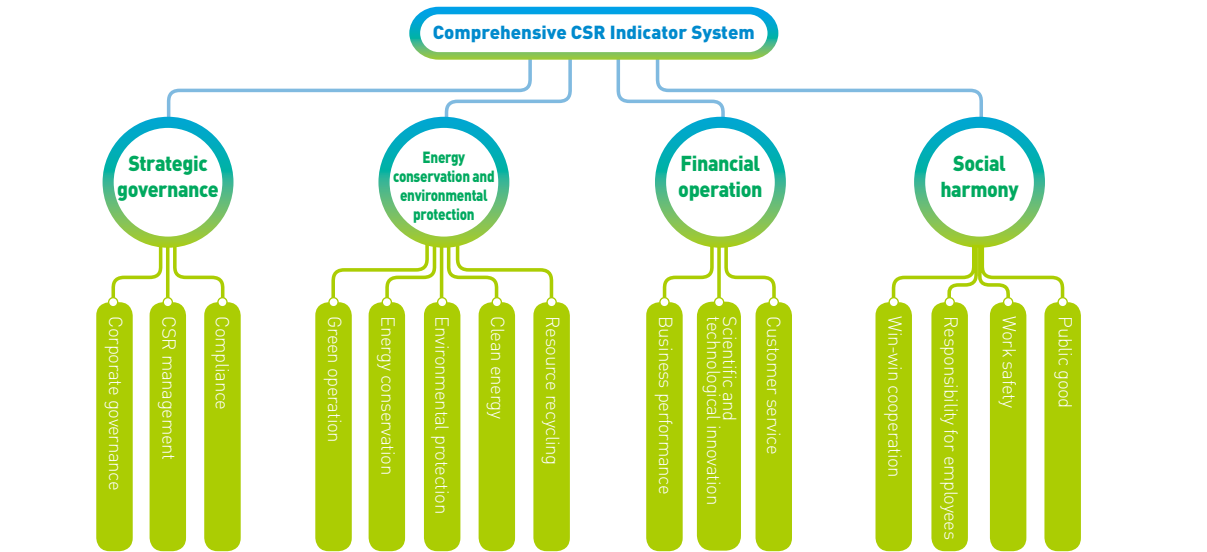
CECEP observes SASAC's requirements of promoting social responsibility management, practice and communication in central state-owned enterprises, and divides social responsibility work into three stages, namely the philosophy introduction, system improvement and overall integration. The Group conducts research on social responsibility management on the basis of philosophy introduction, further establishes and improves its social responsibility organizational and institutional structures, and strives to incorporate social responsibility into the Group's management, operation and working positions.

Implementation Phase Implementation Plan	2014 - 2015 Philosophy Introduction	2016 - 2017 System Improvement	2018 - 2020 Overall Integration
To further improve CSR organizational structure	Set up CSR Leadership Team and Promotion Office, and identify CSR contacts and part-time personnel of each departments	Improve the CSR organizational system which features vertical synergy and covers all departments and subsidiaries	Promote the overall integration of social responsibility and the operation and management of the Group , embedding social responsibility into daily operation of all business sectors
To further improve CSR indicator system	Improve CSR indicator system in line with the requirements of SASAC	Align current institutional systems and documents with <i>Guidance on Social Responsibility Reporting</i> (GB/T 36001-2015), <i>ISO 26000:2010 Guidance on Social Responsibility</i> and other relevant standards	Incorporate the philosophy and requirements of CSR from related standards into current institutional documents
To enhance CSR capability building	Offer CSR training courses at regular intervals to disseminate related knowledge	Guide and organize subsidiaries for CSR training courses	Make CSRs a part of work duties for employees at the subsidiary level
To constantly conduct stakeholder management	Identify CECEP stakeholders in all business sectors	Carry out research and investigations to understand the expectations and requirements of stakeholders	Work out communication strategies for different stakeholders

Performance Management

CECEP constantly strives to improve its performance management capability. In the *Comprehensive CSR Indicator System of CECEP* made jointly by CECEP and Research Center for Corporate Social Responsibility of Chinese Academy of Social Sciences, there are 114 indicators in 4 major categories, namely the strategic governance, energy conservation and environmental protection, financial operation and social harmony. It filled in the gap in energy conservation and environmental protection industry.

Comprehensive CSR Indicator System of CECEP



CECEP Was Awarded the “Five-star CSR Fulfilment Enterprise in China’s Industrial Sector”

In the 2015 China Industrial Economic Industry CSR Report Releasing Conference • the Second China Industrial Enterprises CSR Fulfilment Rating List Releasing Conference, CECEP was awarded the “Five-star CSR Fulfilment Enterprise in China’s Industrial Sector”. Li Wenke, Vice-president of CECEP and Secretary of the CPC Committee of CECEP, as the only representative from central state-owned enterprises, made a keynote speech called “Fulfill Social Responsibility and Build a Beautiful China”.

Promote Subsidiaries’ Fulfilment of CSR

CECEP actively promote subsidiaries’ fulfilment of social responsibility. We conduct CSR training courses and select excellent CSR fulfilment examples to improve subsidiaries’ awareness of social responsibility and their practical capability. We also aim to encourage subsidiaries to conduct CSR management, practice and communication according to actual situations, so as to improve their capability to perform social responsibilities.

Company	Practice
China New Era (Group) Corporation	CSR governance Work out a <i>Handbook of CSR</i> ; enhance the publicity of the CSR philosophy, as well as the leading role of values; improve CSR philosophy system; promote the implementation of CSR philosophy.
	CSR communication Huang Yonggang, General Manager of the New Era Health Industry (Group) Co., Ltd., a subsidiary of China New Era (Group) Corporation, participated in the “2014 China Direct Selling Industry CSR Report Releasing Conference” held by the Research Center for Direct Selling of Peking University; The <i>CSR Report 2013-2015</i> showed the company’s conducts and achievements of operation, management, product research and development, market development, brand and culture construction, as well as social welfare. It is also a great opportunity for direct sellers, consumers and all walks of life to get to know the company. The Report is rated as A-Class by Global Reporting Initiative.
	CSR performance management Carry out CSR benchmarking management to further improve CSR indicator system. New Era Health Industry (Group) Co., Ltd. managed to meet 112 CSR indicators.
China Geo-Engineering Corporation	CSR communication Participate in the Second Sharing CSR Annual Meeting - “One Belt and One Road” and CSR for Overseas Enterprises · China CSR Report Summit 2016.
General Water of China Co., Ltd.	CSR communication Participate in the seventh “Sharing CSR – China CSR Public Lecture” to enhance communications.
	CSR performance management Participate in the symposium held by CECEP for the compilation of the CSR indicator system to support the Group’s work.
CECEP Valiant Co., Ltd.	CSR governance According to actual situations, work out CSR action plan to improve CSR organizational system. Awarded the first prize for excellent CSR performance enterprises in 2014 by the Administrative Committee of Yantai Economic and Technological Development Zone.
	CSR communication The <i>CSR Report 2014</i> elaborated the company’s contribution and efforts in many areas, such as management, economy, environmental protection, employee and society.

CSR Communication

CECEP sticks to transparent operation and encourages stakeholders to take part in the operation and management, so as to ensure their rights to be informed, to participate in and to supervise. We rely on a harmonious relationship with stakeholders for sustainable development. In December 2015, CECEP became a member of China Association of Circular Economy to further promote exchange of experience in the industry.



Identification of Material Issues

CECEP identifies and sorts major stakeholders and issues to strengthen the pertinency of CSR practice and the materiality of CSR reports.



Analysis of standards and guidelines Understand the requirements for information disclosure based on GRI G4, ISO 26000 and other national or international standards.

Industry benchmarking Identify topics highly relevant to the energy conservation and environmental protection industry by analyzing CSR information disclosed by fellow enterprises at home and abroad.

Analysis of public opinions Identify topics that have attracted the most attention of the public by interpreting national policies on the energy conservation and environmental protection industry and analyze the news about the Group in 2015.

Dialogue & communication Identify issues of great concern by conducting questionnaire and daily communication with stakeholders and hearing opinions from internal and external experts.

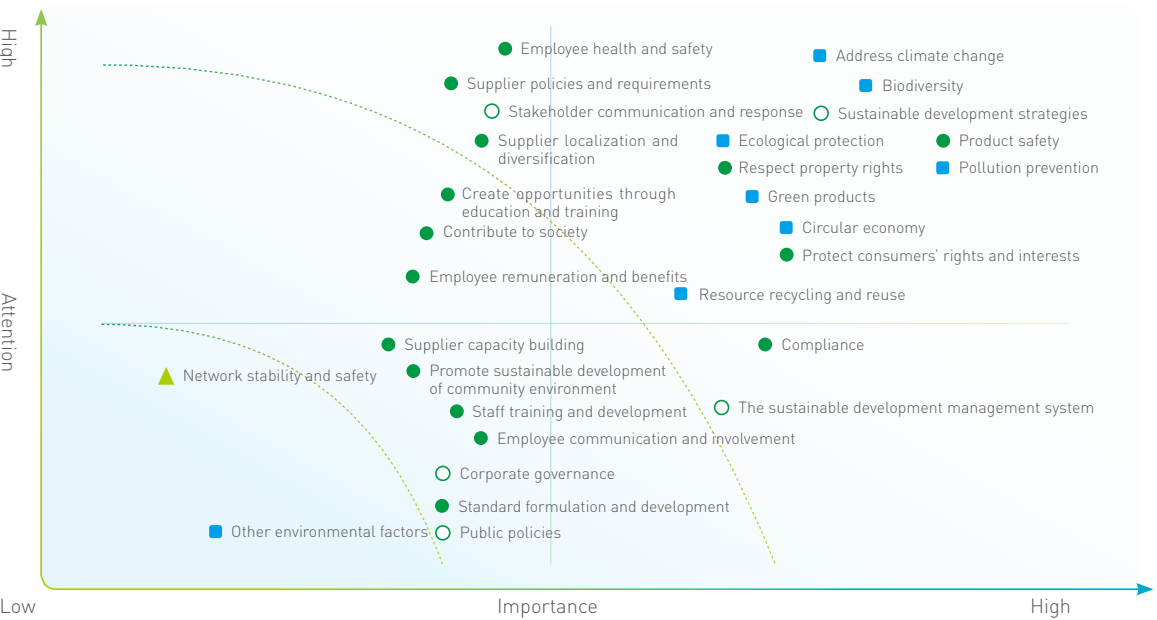
Influence on CECEP Analyze the influences that topics have on the strategy, operation and management of the Group.

Influence on stakeholders Analyze the importance of topics to stakeholders.

Preliminary identification The CSR report compilation team preliminarily identifies core topics.

Review The CSR Promotion Office reviews the topics.

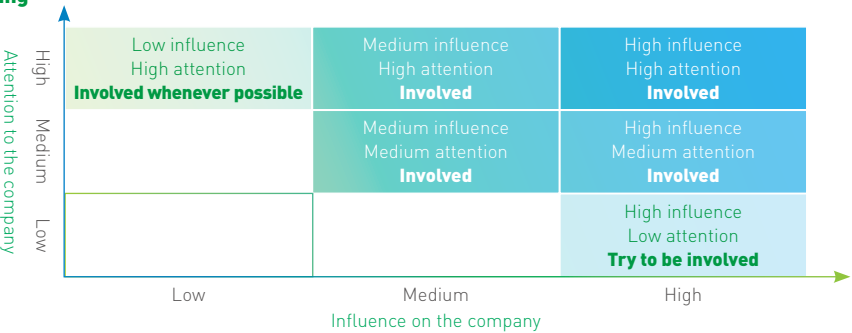
Final identification The Group's senior management approves and determines the topics to be disclosed.







Stakeholder Involvement





CECEP attaches great importance to identify the expectations and appeals of stakeholders and actively gives response, truly taking stakeholders' appeals into consideration during our decision making, operation and management.

Principle of Stakeholder Screening



Stakeholder Communication Table

Stakeholders	Scope	Expectations	Responses	Practices
 Government Agencies	NDRC, SASAC, MEP, Ministry of Industry and Information Technology, MOFCOM, MOHURD, Ministry of Health, Ministry of Finance, State Administration of Taxation, State Administration of Work Safety, local governments, related national and regional agencies	Observation of laws and disciplines Value maintenance and appreciation Environmental protection Job creation Technological innovation Work safety	Accepting supervision and examination Enhancing cooperation in the environmental protection industry, etc.	On August 25, Wang Xiaokang, President of CECEP, participated in the founding conference of the Advisory Committee of National Manufacturing Power Building Strategy and was employed as a committee member. On September 3, Wang Xiaokang, President of CECEP, was invited to the parade for the 70 th anniversary of the victory of the War of Resistance against Japanese Aggression and the World's Anti-Fascism War.
 Investors	SASAC, other shareholders of subsidiaries at all levels of CECEP	Standardized operation Scientific management Controllable risks Value maintenance and appreciation Gains on investments	Anti-corruption Support inspections Improve governance mechanisms Reduce costs and increase efficiency to strengthen profitability	On April 24, Wang Wenbin, Vice-chairman of SASAC, paid a visit to CECEP. He spoke highly of CECEP's achievements in recent years and expressed his expectation that CECEP, as a flagship enterprise in energy conservation and environmental protection, could play a leading role as a model, continue consolidating the foundation of development, and make contributions to the development of China's energy conservation and environmental protection industry.
 Partners	Suppliers Service providers Distributors ...	Keeping promise Business integrity Openness and fairness Mutual benefit and win-win result	Jointly build a industry association Deepen strategic cooperation with domestic and foreign companies Supplier review	From October 20 to 30, Liu Taishi and Liu Maoxun, two external directors of the Group led a delegation to Australia and New Zealand to inspect the wind power development project, building energy conservation technology development project, biological sewage treatment technology development project and professional personnel exchange and introduction project.
 Financial Institutions	China Construction Bank, China Development Bank, the Export-Import Bank of China, Industrial and Commercial Bank of China, Bank of Communications, China Guangfa Bank, non-bank financial institutions, and international financial institutions	Steady operation In-time loan repayment Business reputation Risk management and control	Deepen strategic cooperation with banks	On August 27, Wang Xiaokang, President of CECEP, had an in-depth communication with Nicolas Dufourcq, CEO of Bpifrance, about financial and technological cooperation in energy conservation and environmental protection field.

Stakeholders	Scope	Expectations	Responses	Practices
 Employees	All staff	Remuneration and benefits Career development Rights and interests protection Health and safety	"Three Stricts and Three Steadies" special topic education Team construction Internal publications, OA WeChat official account training	Carry out "Listen to Me Today - the Most Excellent Exemplars of CECEP Speech Competition" to further enrich employees' spiritual life.
 Communities and the Public	Communities where CECEP headquarters and all subsidiaries are located; regions where CECEP operates and assists in poverty-relief efforts	Environmental protection Harmonious community Work safety Poverty relief Employment Stability	Community surveys Daily communication with communities Community activities for the public good	CECEP has organized leaders of SASAC and the Group, as well as relevant personnel, to pay visits to Songxian County for 6 times with 32 visitors in total. They conducted overall research on the poverty in the old revolutionary area of Songxian County, which laid a foundation for the central government's targeted poverty relief work. CECEP selected two employees as the second-term temporary vice county executive and the first-term first secretary of village committee, so as to meet the requirements of the State Council Leading Group Office of Poverty Alleviation and Development.
 Social Organizations	All kinds of public-welfare and industrial associations and community organizations	Supporting involvement Abiding by rules Performing duties Common development	Take part in charity activities and environmental protection activities held by NGOs Compile national and industrial standards Participate in industrial communication	On November 10, Wang Xiaokang, President of CECEP, participated in the 2015 annual meeting of the China Council for International Cooperation on Environment and Development. He gave a keynote speech called "Green Development Ideas under the 'One Belt and One Road' initiative" in the Green "One Belt and One Road" Forum.
 Users and Consumers	Domestic and overseas customers and consumers of CECEP products and services	Quality assurance In-time service Health and environmental protection	Responsible marketing Protect information and privacy of customers	In July, CECEP Wind-Power Co., Ltd. completed the world's first transformation from remaining CER to VCS account within the first commitment period of the Kyoto Protocol. Thus, it became the world's first successful example of withdrawing the issued CDM emission reduction volume to VCS account for VER selling.

Walking into New SOEs • Green Life in China

CECEP and China Metallurgical Group Corporation together organized SASAC's "Walking into New SOEs • Green Life in China" mainstream media activity. Many experts and over 20 media paid a visit to the CECEP Refuse Incineration Plant in Hefei, the photovoltaic modules production base in Zhenjiang, the Green Building Museum in Hangzhou, etc. They showed CECEP's new philosophy and new technologies related to energy conservation, emission reduction and environmental protection, and also represented CECEP's image of a "green central SOE" and its great contributions to building a beautiful China.



CECEP CSR Report 2014 Achieve a New Height in Terms of Quality

On June 1, 2015, CECEP received the *Rating Report*, issued by the Chinese Expert Committee on *CSR Report Rating*, on our *CSR Report 2014*. It said that "according to the rating group, *CECEP CSR Report 2014* is rated as a five-star report and it is an extraordinary CSR report". This is the first time that CECEP's CSR report has been rated as a five-star report, representing that our CSR report has entered the first class in China.

"Focusing on 'Going Green, Investing Green', the Report shows CECEP's rich practice and excellent achievements of its performance of social responsibilities in 2014. It covers all industrial issues and has a prominent topic with high readability and reliability."

Cheng Duosheng
Director, Enterprise Management Modernization Office, China Enterprise Confederation

"The Report is clear, fluent and complete. It is a great summary of CECEP's entire business."

Deng Xianghui
Director, Consulting and Research Department, China Industrial Energy Conservation and Clean Production Association

"The Report has rich contents and examples. Its design is also brilliant. I have had a further understanding of what CECEP does and its social significance after reading the Report. And I want to express my great admiration for the energy conservation and environmental protection industry for their great social benefits."

Gao Shemin
CPC Secretary and Director, Poverty Alleviation and Development Office of Songxian County, the CECEP's poverty relief target, in Luoyang City, Henan Province

"Everything is well-summarized in the Report. It has clear logic and gives prominence to major issues, so it is very exciting. I suggest that CECEP should enhance their instructions to local communities to increase residents' awareness of energy conservation, to create an energy conservation and environmental protection culture innovation base in the North Taipingzhuang area, and to make contributions to building a beautiful, harmonious and new North Taipingzhuang."

Guo Miao
Secretary, Street Working Committee of North Taipingzhuang, where CECEP's headquarters is located, in Haidian District, Beijing

"The Report has detailed contents and a reasonable structure. It also shows CECEP's in-depth understanding of CSR performance as a central SOE. Therefore, the Report truly reflects the fact that CECEP has attached great importance to social responsibility while also showing its achievements. It helps to build a positive image for CECEP"

Zhang Hongfang
Vice-General Manager, Strategic Development Department, China National Travel Service (Hong Kong) Group Corporation, a strategic partner of CECEP



CECEP CSR Report System
For more CSR information, please visit: <http://www.cecep.cn/g1256.aspx>

RESPECT FOR NATURE



Practice Energy Conservation and Environmental Protection

Our Philosophy

We are committed to green development, circular economy and low carbon to lead technology improvement, promote eco-civilization and build a beautiful China.

Our Actions

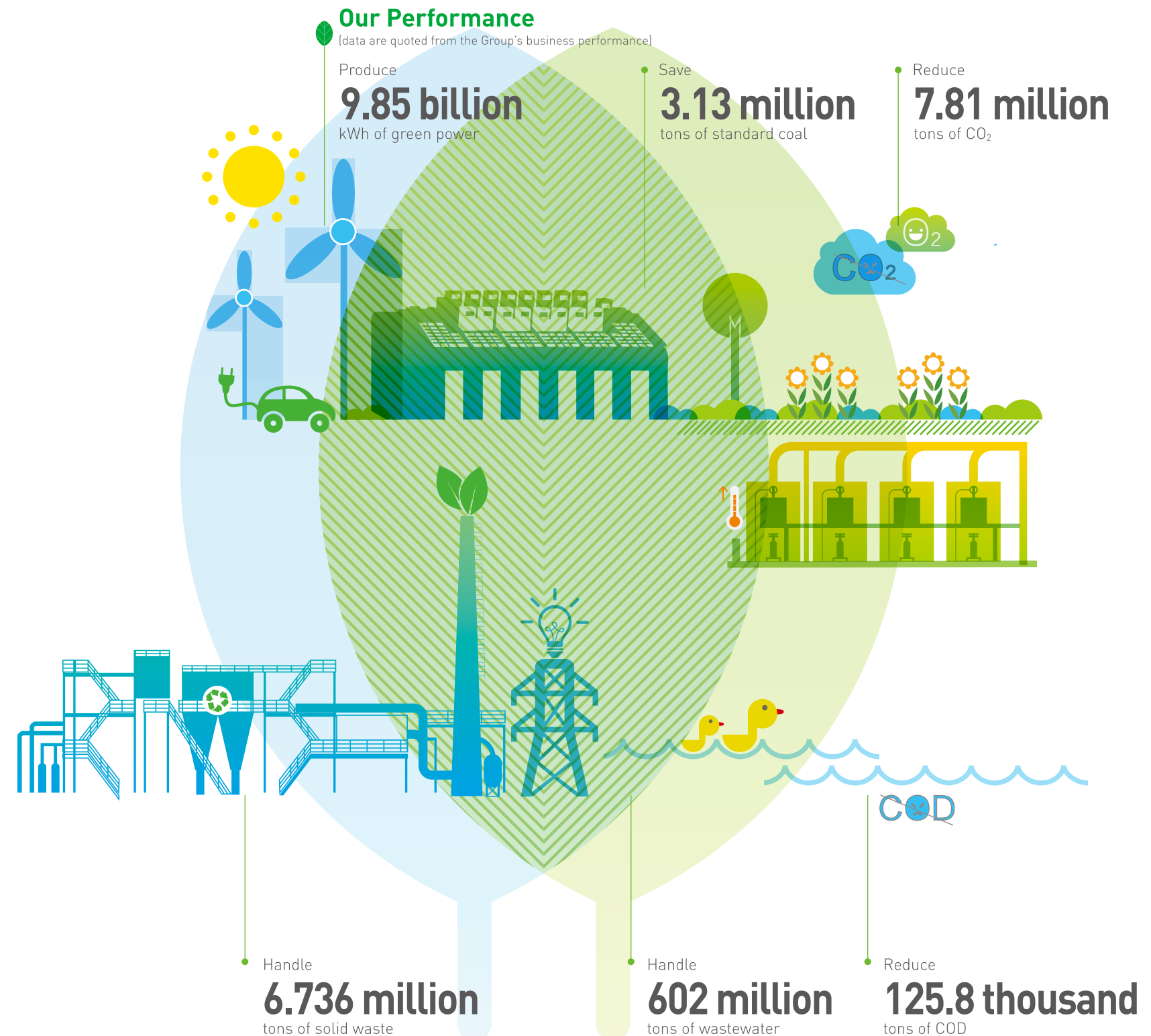
Adhering to the "4+1" business layout, we are engaged in energy conservation and environmental protection, development and utilization of clean energy, resource recycling, comprehensive services, with the aim to establish an "integrated industrial chain".

Our Honors

The most influential enterprise of China in 2015.
CECEP Industrial Energy Conservation Co., Ltd. has won the first prize of "National Energy Conservation Company" for three years.
Zhangbei Danjinghe 200 MW wind power charted right program of CECEP Wind Power Co., Ltd, Yumen Dam South and North 96 MW wind farm demonstration program in Gansu, and second batch of 49.5 MW wind power program of 200 MW wind farm project in Urumqi of CECEP were awarded "National High Quality Investment Project".

Our Performance

(data are quoted from the Group's business performance)



Energy Conservation

China keeps promoting revolution in energy consumption and energy technology, and an energy-conserving and environmentally-friendly industrial model has become an inevitable choice for sustainable development. By utilizing its advanced service capacity and technologies, CECEP has greatly promoted industrial restructuring and upgrading, bringing out bigger efficiency and better performance.

Industrial Energy Conservation

Through integration of sophisticated energy conservation and environmental protection technologies at home and abroad, CECEP provides conservation projects and large energy-consuming enterprises specializing in metallurgy, construction materials, petroleum, power, chemical engineering and coal with comprehensive solutions including the energy efficiency diagnosis & evaluation, financing & retrofitting as well as operation & management. In 2015, there were 21 large projects run or under construction by CECEP Industrial Energy Conservation Co., Ltd., reducing 1,109,300 tons of CO₂ and saving 423,400 tons of standard coal. The Company has won the first prize of “Top 100 National Energy Conservation Companies” for three consecutive years.



Glass Furnace Waste Heat Generating Program of Taiwan Glass Group

CECEP Industrial Energy Conservation Co., Ltd. provides Taiwan Glass Group, one of the world’s top 10 glass production companies, with glass furnace waste heat generating services, so that the float glass furnace waste heat can be used to generate power. It has established 4 programs in Chengdu of Sichuan Province, Fengyang of Anhui Province, Xianyang of Shaanxi Province, and Kunshan of Jiangsu Province with a total installed capacity of 24 MW, an annual generating capacity of 126.75 million kWh, and an annual power supply of 112.5004 million kWh. This program can save around 34,000 tons of standard coal and reduce around 91,000 tons of CO₂ every year. Fengyang, Kunshan and Xianyang programs were put into production and commercial operation in 2015.



Thermoelectric Power System Transformation Program of Fuhua Tong-da Agro-chemical Technology Co., Ltd.

In Fuhua Tong-da Agro-chemical Technology Co., Ltd. in Leshan City, Sichuan Province, CECEP Technology Investment Co., Ltd. successfully completed the expansion and reform program of thermoelectric power system of salt phosphorus chemical recycling industry in 2015. The construction scale of the program includes 3 × 280 ton/h high-temperature and high-pressure fluidized-bed boilers and 2 × 50 MW high-temperature and high-pressure back-pressure units. Through improvement of energy conservation technology, the coal consumption by heat supply and electricity supply has been largely reduced, saving 131,019.31 tons of standard coal annually.

Building Energy Conservation and Green Building

Taking combined energy as a guiding principle and based on energy, project and territorial characteristics, CECEP has realized multi-source heating/cooling by integrating traditional energy, renewable energy and industrial excess heat. With specialized operation and management, CECEP has realized the graded use of energy, and promoted low-carbon and green operation in buildings.



Geothermal Energy-a New Standard for Green Building

China Ground Source Energy Industry Group Limited is a share-holding company of CECEP Environmental Protection (Hong Kong) Investment Co., Ltd. Its Geothermal Energy Collection Technology for single well is able to effectively collect and stably use low-ground geothermal energy under all geological conditions, thus not only using it as an alternative energy to heat supply, but also avoiding the wasting or pollution of groundwater. In 2015, the Company signed agreements with 10 cities including Hangzhou, Nanjing, Xinyi, etc. to establish integrated ground energy industry park for the heating/cooling through geothermal energy.



The Use of Low-ground Energy - the Central Liquid Heating/Cooling Source in the National Center for the Performing Arts (the Landscape Pond)

CECEP is dedicated to becoming the leader in the demonstration areas of energy conservation and environmental protection. In 2015, the Group vigorously promoted the construction of key building energy-efficiency demonstration programs, and continued to make contribution to the balanced and sustainable development of social economic environment.

Key Building Energy Conservation Demonstration Programs

The energy monitoring platform for buildings of National Government Offices Administration	➤	Listed as “Demonstration Project of Energy-saving Offices of National Government Offices Administration”
The energy management platform program for MIIT	➤	Listed as “Demonstration Project of Energy-saving Scientific Research Institution of MOHURD”
Energy conservation for Capital Normal University	➤	Listed as “Demonstration Project of Energy-saving School”
Cool supply (heat supply) energy station and matching piping system program for Area A of Yanghuyuan, Changsha	➤	Received financial support by demonstration city of energy conservation strategy from Changsha government
Cool supply (heat supply) energy station and matching piping system program for Area B of Binjiang New City, Changsha	➤	Awarded the Eighth Batch of Renewable Energy Application Demonstration Project

In 2015, the smart regulation system for distributed energy supply and the energy consumption on-line monitoring device of CECEP Valeen Green (Beijing) Building Technology Co., Ltd. was selected into the *Catalogue of Recommended Energy Conservation and Low Carbon Products of Beijing 2015*; and the “smart power efficiency system platform” was selected into *Reference Catalogue of Energy Conservation and Water Saving Technology of Public Institutions 2015*, greatly promoting the wide application of energy-saving technologies in buildings.



Energy Conservation Technology Helps Build a Beautiful Qingdao

CECEP Building Energy Conservation Co., Ltd. undertook the Tangdao Bay Program in Huangdao District, Qingdao. Wastewater from sewage treatment plant has been used as heating and cooling sources to achieve the energy transformation with a small amount of electricity. The heat pump room was located underground, thus avoiding large space occupation and site selection difficulty for traditional boilers, and reducing pollution due to coal transportation, storage and combustion. After being put into implementation, the Program can save 52.8 million kWh power and 19,400 tons of standard coal annually, reduce 50,828 tons of CO₂, 165 tons of SO₂ and 144 tons of NO_x every year. The Program has successfully promoted the balanced development of Qingdao in aspects of economy and environment.



Energy Supply Area by Tangdao Bay Energy Center in Qingdao

Environmental Protection

Protecting natural environment and promoting ecological progress is the base for sustainable development, and the mission of CECEP. CECEP has actively explored the new way and model for the development of smart environmental industry and strived to be the pillar of environmental protection.

The first National Smart Environment Industry Alliance led by CECEP was founded in Beijing in 2015. The Alliance established a management platform for intelligent environment industry. Through integrating competitive resources, it joined the construction of national environmental quality monitoring management information system, pollution source monitoring management information system and ecological protection management information system. Based on big data, through real-time environment monitoring and big data analysis, the information system will achieve functions such as real-time environmental monitoring, real-time data analysis, real-time environmental supervision, scheduling, decision-making and provision of services, and will promote the development of intelligent environment industry.

Air Quality Improvement

Given the severely worsening air quality and the brooding haze in recent years, air pollution has become a major issue of public concern. CECEP makes great use of its technology and management advantages and helps bring back the blue sky.

CECEP has been developing CER, and three wind power projects have been authorized as golden standard program, which are important demonstrations in the field. Moreover, 20,915 tons of golden standard CER in Zhangbei Manjing Wind Farm of CECEP Wind-Power Co., Ltd. (phase-III) have become the volunteer of low carbon of UNFPA, and it is the only Chinese program that won the bid in UN in 2015. The carbon reduced would be mainly used to neutralize those produced by traveling, refrigerant, transportation and other consumption of UNFPA in 2014.



The World's Biggest Agglomeration Desulfurization System of Sintering Machine Launched

In 2015, the Program of “2 × 500 sqm Agglomeration Gas Desulfurization System of Sintering Machine of Baogang Group”, contracted by CECEP L&T Environmental Technology Co., Ltd., was launched and successfully accepted by the standard. This is the world's biggest agglomeration desulfurization program of sintering machine of steel industry, as well as the biggest one with the single absorption tower being the largest treatment ability around our country. The amount of flue gas treated by each absorption tower can reach 312 × 10⁴ CBM/h. The success of the Program was crucial to promote our agglomeration desulfurization industry to advanced level around the world.



Agglomeration Gas Desulphurization Program of Baogang Group



“Conversion of Coal to Gas” Returns Blue Sky to Beijing

Compared with coal-fired heating, gas-fired boilers can effectively reduce greenhouse gases, dusts, SO₂ and other pollutants produced during burning. It is helpful for the improvement of air quality, energy conservation and consumption reduction; gives play to ecological benefits. In 2015, CECEP L&T Environmental Technology Co., Ltd. responded to the call of “Conversion of Coal to Gas” strategy in Beijing, and put the first program into practice in Xiangtang Cultural New Village of Changping District, Beijing. The Program retrofitted more than 500,000 m² heat supply area and saved 13,000 tons of standard coal annually.



“Conversion of Coal to Gas” Program in Xiangtang Cultural New Villiage of Changping District, Beijing

Water Environment Improvement

CECEP is committed to providing sewage treatment and water supply service for more than 10 provinces and cities. The industrial sewage treatment technology and general treatment ability rank the front nationwide. The Group's capacity of providing or supplying water is 4.83 million tons per day, and 4.445 million tons per day is officially put in operation. Sewage treatment capacity is 6.9009 million tons per day, and 5.67 million tons per day is officially put into operation. The Group invested and built two reservoirs, and the total storage is 182.32 million tons.

In 2015, cooperated with other 7 enterprises, CECEP founded the Capital Water Environment Improvement Alliance. The Alliance is Beijing-centered and orients to Tianjin and Hebei Province. It carried out industrial and technological cooperation in sewage treatment, water recycling, water environment treatment and other aspects, and tried to relieve Beijing-Tianjin-Hebei cluster of water shortage and environmental degradation. Meanwhile, it will promote all-round cooperation with local state-owned enterprises within the Alliance, and build water system for state-owned enterprises.



Integrate Water Resource and Promote Regional Development

The water supply ability of water factory in Wolong Town, Xiangyang, Hubei Province was insufficient. This had severe bad influence on local residents' health, since they always drank underground water without guaranteed quality. General Water of (Xiangyang) Co., Ltd., subordinate of General Water of China Co., Ltd., made an agreement with local government and purchased the factory for technical transformation. It finally made the water supply capacity up to nearly 1 million tons per day, and nearly 0.5 million tons per day during peak time in summer. The improvement of water supply ability solved the local water problem and supported local economy development.



Xinchengwan Water Factory of Xiangyang

Ecological Restoration

CECEP innovates world-leading devices for monitoring heavy metals in water and bioremediation technology. Its ground restoration and other business scale rank the front in the field, and it stands out among domestic peers in ecological restoration rate. The State Environmental Protection Engineering Center for Industrial Contaminated Site and Groundwater Remediation of MEP, applied last year, has become China's first national engineering center for soil remediation.

CECEP Dadi Environmental Remediation Co., Ltd. has actively established a sustainable model for the restoration of polluted areas and the model of circular economy. Taking restoration of soil hospital establishment, polluted areas development, comprehensive environment consultation and national demonstration projects as its own responsibilities, the Company has been dedicated to the restoration of soil and groundwater. In December 2015, in the 9th Solid Waste Strategic Forum held by E20 Environmental Platform and China Construction Technology Consulting Co., Ltd., CECEP Dadi Environmental Remediation Co., Ltd. was awarded the honorable title of "Model Enterprise in Soil Restoration".



Solid Waste Treatment

Based on the greatest capacity for disposing domestic waste as well as agricultural and forestry residues, CECEP cooperates with governments and enterprises at different levels to make use of solid waste and promote balanced development in aspects of economy and environment.

In 2015, the total installed capacity for company waste, biomass and waste heat power was 1,568,400 kW, and the installed capacity being put into operation is 990,000 kW, which was a 12.12% increase year-on-year. The ability of waste treatment of daily waste, biomass, dust, kitchen waste and so on has reached 46,500 tons per day, and 29,200 tons per day have been put into operation, which was a 22.71% increase year-on-year.



Defuse "The World's Most Poisoned Area"

Guiyu, located in Shantou in Guangdong Province, was once the biggest distributing center for electronic waste treatment both domestically and abroad, and was called "the most poisoned area worldwide" by foreign media. CECEP Engineering Technology Institute Co., Ltd. laid stress on inventing waste electronic devices recycling technology and developed bath melting fire technology to deal with waste printed circuit board (PCB). The Company set the first program in Guiyu. The construction scale reached 20,000 tons of old PCB per year. Copper recovery was 98.5%, and annul production of copper anode plate (copper content 99%) was 3,382.83 tons and those of sodium bromide was 700 tons. The Project not only brought considerable economic benefits, but also effectively reduced the pollution produced by traditional ways of circuit board treatment including open burning or chemical pickling. It even promoted local economic and social development from the factor-driven to innovation-driven way.



Bath Melting Fire Technology to Deal with Waste PCB Program in Guiyu

Recycling

CECEP has been developing resource-recycling industry. Turning technical advantages and innovation capacity into driving power, CECEP has constantly promoted the fundamental changes in resource utilization mode, thus contributing to a resource-intensive and environment-friendly society.

Waste Recycling

CECEP has established a National Green Filtering Material Development Base certified by the China Textiles Development Center. The Base turns waste into filtering materials for dust collection at high temperature, and offers 100-odd patent-based green wellness products by means of self-developed technology and forest residues.

New Materials for Energy Conservation and Environmental Protection

CECEP actively explores new mode of circular economy and tries to build an integrated new materials industrial chain from technical innovation, materials production to technology export, machine integration and standard development.

- TFT products occupy the largest portion in domestic market.
- The first domestic company produces v-1 catalyst support material, which stands for the highest level of tail gas purification of diesel engine cars around the world.
- The only domestic company which provided cathode material for lithium batteries for 4 of the 7 biggest lithium batteries manufacturers in the world simultaneously. The sales volumes of main business rank top 3 in the world.
- The production scale of building materials for energy conservation and environmental protection ranked No.1 in Asia and No.2 worldwide.



Make Contribution to the “One Belt and One Road” Initiative

In 2015, CECEP Shuangyashan Oriental Material Group was invited to be the chief representative for the “One Belt and One Road” Initiative in building materials & equipment field. It has 67 kinds and 208 standards of products, and has 45 patents. It engaged in working out 58 items of national standards, building material industrial standards and enterprises standards. For better construction of the “One Belt and One Road” Initiative, the Company successively sent 3 groups to 7 countries in South Africa and South East Asia for deep research. During the research, the Group wrote 3 marketing research reports of Mozambique, 3 of South Africa countries and 3 of ASEAN countries, and chose Mozambique, Zimbabwe, Zambia, Bengal and Indonesia as target countries along “the One Belt and One Road Initiative” to promote green development.

Clean Energy

Since resource and environment problems become more and more serious these days, clean energy has become the common choice of all countries for sustainable development. CECEP, according to the national energy strategy, lays stress on clean energy industry and provides green power for permanent development of a beautiful China.

Wind Power

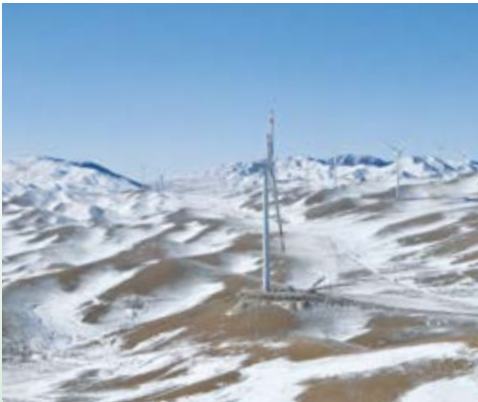
CECEP possesses premium wind resources of over 20 million kW, and stands out among domestic peers in wind-power project investment and operation. In 2015, we continued to open up more wind power and made “green power” better serve the public. Zhangbei Danjinghe 200 MW Chartered Right Program, Yumen Dam South and North 96 MW Wind Farm Demonstration Program and the Second Batch 49.5 MW Wind Power Program of 200 MW Wind Farm Program in Urumqi of CECEP, all invested and constructed by CECEP Wind Power Co., Ltd. won “National High Quality Investment Program” awards, and became the Company with the most honors during 2014-2015.



Grid-connected Power Generation of the Yingpan Wind Farm

The total installed capacity of the Yingpan Wind Farm Program, built by CECEP, is 50 MW. It was equipped with 25 wind power units with 2,000 kW capacity each, and built a 110 kV booster station and 53 km lines for export. It successfully developed wind power in Tibetan areas and promoted local energy infrastructure construction, supporting the development of peripheral industries.

The Program established mountainous wind farm, plateau wind farm and Tibetan areas wind farm for the first time. The export project was confronted with crossing railways and highways, compensating for young crops and other problems. The whole program had limited time to complete and had a lot of difficulties to solve. In order to fully implement the “12.31” project goal, CECEP Wind Power Co., Ltd. strengthened monitoring and strictly controlled the rate of the progress, and took only eight and half months to achieve grid-connected power in Yingpan Wind Farm.



Yingpan Wind Farm

Solar Power

CECEP Solar Energy Technology Co., Ltd. has quite a few talents and scientific management systems. It is one of the biggest operation businesses that focus on solar PV power generation. The Company actively expands overseas business and makes contribution to new energy development. In 2015, PV power stations were built in 18 provinces and cities including Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia, Shanghai, Jiangsu, etc. The total installed capacity of the station reached 2.3 GW.



PV Plus Agriculture, Receives 1+1 > 2 Benefits

CECEP Modern PV Agricultural Technology Demonstration Park Project, locates in Xintai, Shandong Province, combined greenhouse agriculture with PV power generation. The Project put solar-cell panel on the top of greenhouse and planted organic products with rich Se, which become a new comprehensive land use mode. The Project effectively made use of land, space and sunlight, and received both agricultural and power generated benefits. Through agriculture experience, education and other activities, meanwhile, the Project developed tourism and achieve integrated development of primary industry, second industry and tertiary industry. The combination of agriculture and PV power reached the 1+1 > 2 effect. The first batch of the Project completed large-scale steel-structure PV intelligent display greenhouse and PV intelligent seeding greenhouse, 5,000 m² in each. It installed 80,000 solar-cell panels and reached power generation ability of 20 MW. The Project’s annual income is RMB 106 million and it created RMB 7 million tax revenue. The average annual income of famers increased more than RMB 10,000.



CECEP Modern PV Agricultural Technology Demonstration Park Project in Xintai, Shandong

EMPHASIS ON INNOVATION

Promote Economic Development



Our Philosophy

Adhering to the "conscientious, harmonious and win-win" corporate values, CECEP always prioritizes customer values, deepens structural reform, and insists on innovation-driven growth and pragmatic approaches.

Our Actions

Taking customer perception as the top priority, CECEP is devoted to enhancing quality management to improve product and service quality. On the one hand, CECEP is dedicated to promoting comprehensive management innovation, perfecting management system, and optimizing management process to improve operation efficiency, economic benefit and economic efficiency. On the other hand, CECEP commits itself to improving the innovation system and respecting intellectual property rights by enhancing intellectual property management, and constantly extends and improves its energy conservation and environmental protection industrial chain and value chain, in order to lay a solid foundation for its sustainable development.

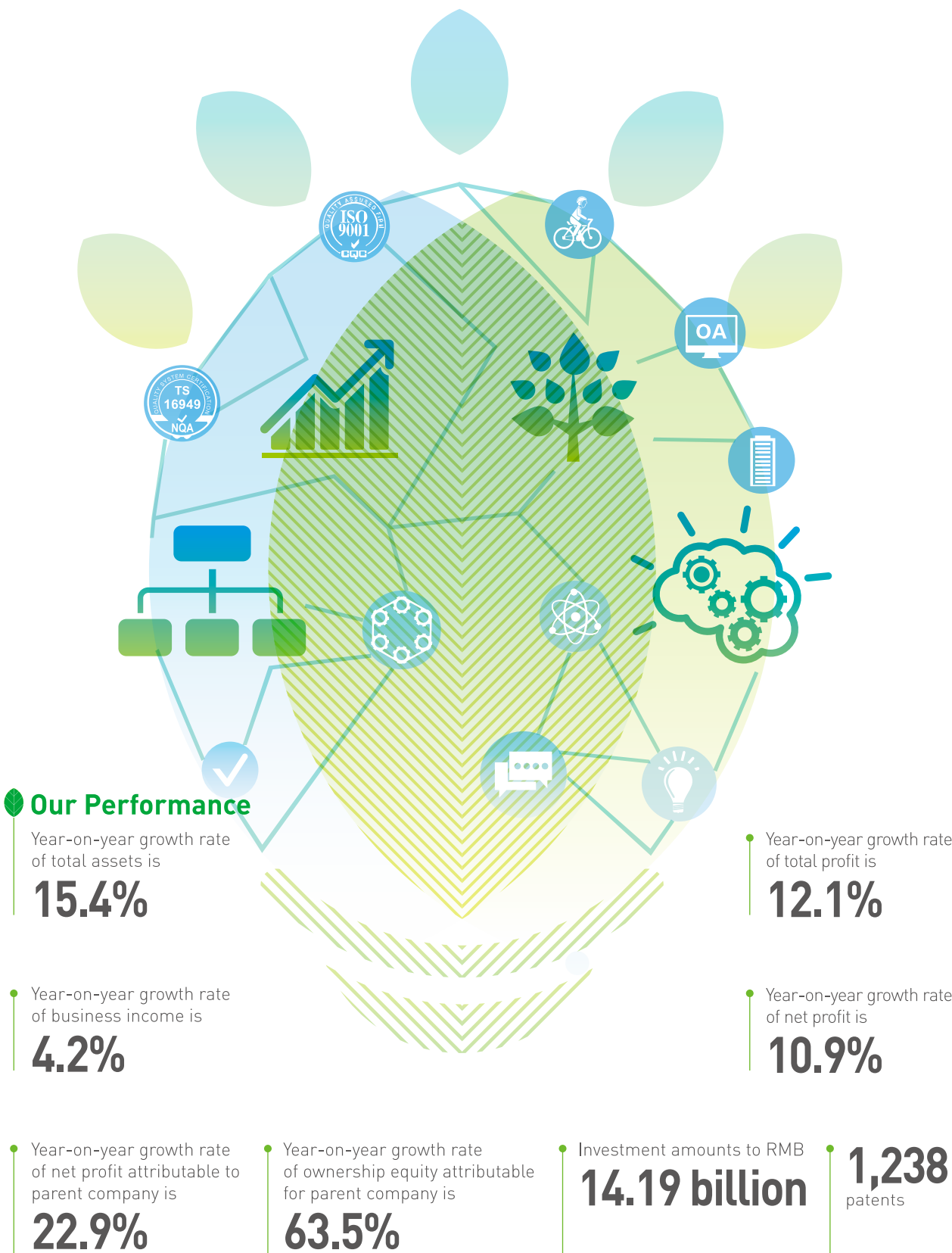
Our Honors

The "High Efficiency GaN-on-Silicon Blue LED Technology", which CECEP Lattice Lighting Co., Ltd. participated in, won the first prize of the State Technological Invention Award.

The "Efficient Energy Conversion of Urban Living Garbage & Clean Technology and Its Engineering Application" Project developed by China National Environmental Protection Group wins the second prize of Science and Technology Progress Award approved by the MOE.

Valiant Co., Ltd. is awarded the "China National Model Enterprise on Technological Innovation".

CECEP Valeen Green Building Technology Co., Ltd. is awarded "Gazelle Enterprise in 2015" in Zhongguancun National Independent Innovation Demonstration Zone.

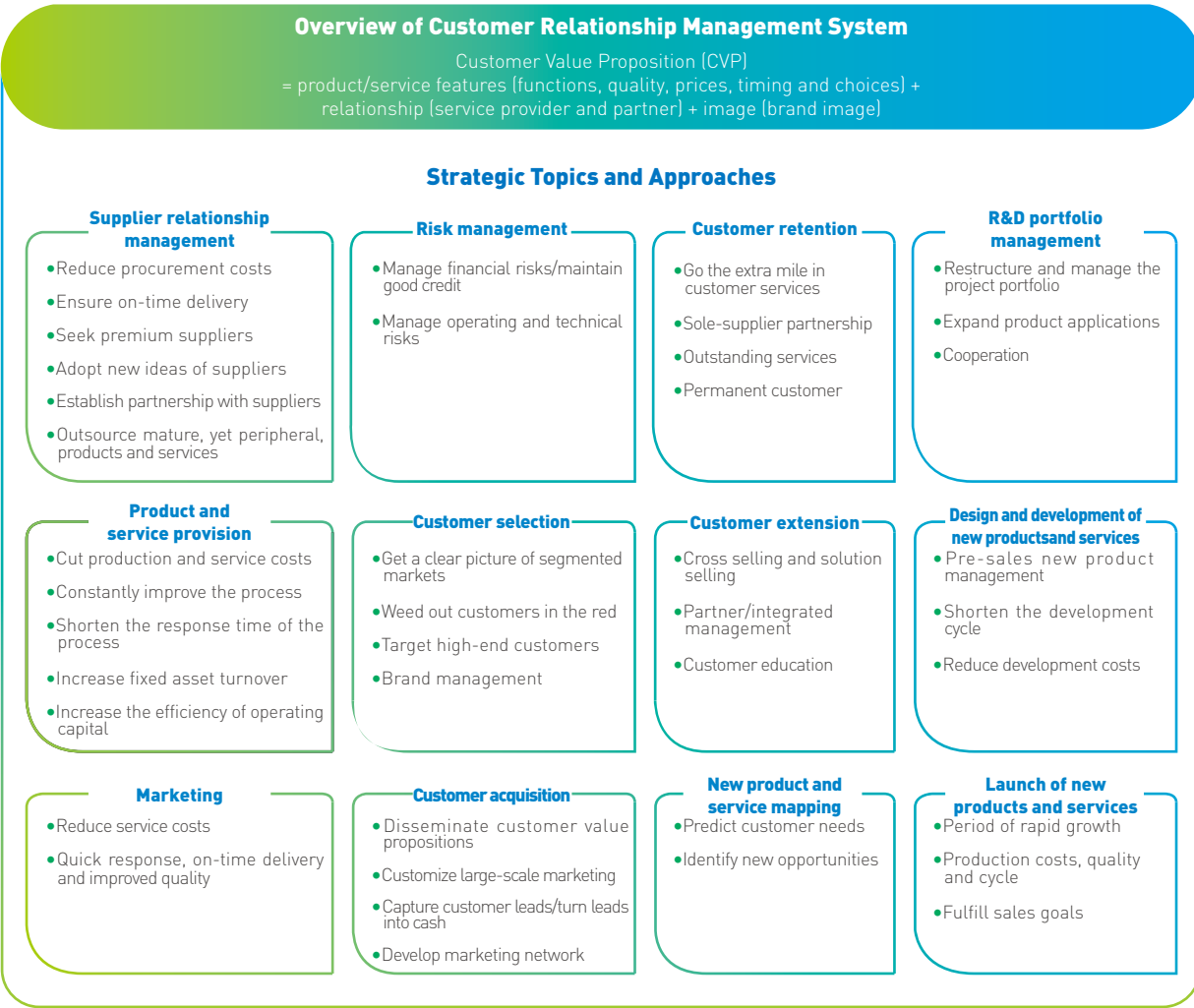


Service Innovation

To provide high-quality services and products for customers is an unremitting goal of CECEP. In 2015, CECEP continues to improve our service level and strictly controls quality management so as to protect customers' interests. The same year, China New Era (Group) Corporation provides marketing consultation for 4.8 million customers. Moreover, its customer service satisfaction reaches 96% and all customer complaints are solved.

Customer Management

Adhering to its service philosophy of "making best effort to provide high-quality services for customers", CECEP gives top priority to customer demands and pays high attention to changes in customer demands. Moreover, CECEP formulates customer service plans, spreads product knowledge to customers, and keeps customers' personal information secret by means of timely communication to identify customers' expectations.



Develop Network Management Software Platform, Increase the Speed of Responsiveness to Customer Service

In order to improve customer satisfaction, Weifang Huawei Thermal Power Co., Ltd. has introduced fuel heating network management system and material management software platform to build a set of customer-oriented databases covering marketing, sales, service and support information. The Company has also optimized front-end business processes to enhance the relationship between suppliers, partners and customers to increase the speed of responsiveness to customer service, thus having realized the industrial chain management from suppliers to customers and contributing to the Company's competitive advantage in E-commerce era.

Quality Management

CECEP continues to improve its management system of production operation and operation procedures and strictly controls production quality, contributing to 100% coverage of quality management system and the production of energy-saving and environmental products for customers' satisfaction. According to incomplete statistics in 2015, the annual product pass rate of CECEP's three subsidiaries including CECEP Industrial Energy Conservation Co., Ltd., CECEP Technology Investment Co., Ltd. and CECEP Wind-Power Co., Ltd. all reached 100%.



Insist on Quality Control throughout the Whole Process; Produce "Spaceflight Quality" Healthy Products

New Era Health Industry (Group) Co., Ltd. insists on making efforts to implement strict control on quality of products, perfect quality management by quantifying and standardizing quality elements, and establish a quality control system of the whole process covering standard formulation, raw material control, development control, production control and inspection control with the purpose to produce health products, nutritional food, and cosmetics featuring space flight quality, health attributes and brand identity. Many of its products are awarded "Special Health Food for China Aerospace" and "Top Ten Famous Brand in the Asia-Pacific Region", among which Guozhen Pine Pollen has been selected as "designated products" on China's Food Safety Annual Conference for 12 consecutive years.



Enhance Product Supervision and Focus on Product Quality

CECEP Valiant Co., Ltd. enhances the supervision mechanism on the quality of application system. The Company conducts internal audit and the third party supervision and audit on quality system in a regular period, holds TS16949 quality meeting once a month and ISO 9001 quality meeting once a quarter, and implements quality supervision by customers nine times a quarter with the purpose to analyze non-conformity once found in audit as well as to develop corrective and preventive measures for real-time tracking of the implementation results and the stable improvement of quality of the products.

Operational Innovation

CECEP is committed to integrating environmental protection concept into its business activities, insisting on the sustainable development road featured by advanced technology content, low energy consumption and low pollution in order to live up to the commitment to environmental protection. The Group considers environmental impact and environmental risk assessment as key factors in designing key projects and making major decisions, and ensures that risk assessment of new project is conducted on 100%. The Group also conducts effective communication with the communities involved in major projects, and develops improvement measures, warning mechanism and emergency plans based on their feedback. Moreover, the Group gives a full analysis on the natural environment and biodiversity in areas covered by the Project, and make due protection and restoration with professional technologies.


Energy Conservation and Consumption Reduction

CECEP continues to optimize environmental management system, strengthen energy conservation and emissions reduction performance assessment, and strive for harmonious development of society and environment. The Group insists on enhancing the management level of energy conservation and attaches great importance to green operation by reducing emission of major pollutants in production and promoting green and low-carbon development with technical innovation. In 2015, the energy consumption of CECEP amounted to 1.4449 million tons of standard coal, with a year-on-year decrease of 0.8%; comprehensive energy consumption (comparable price) is 0.4339 tons of standard coal/RMB 0'000, with a year-on-year decrease of 18%.



Implement Energy Conservation and Emissions Reduction to Increase Green Performance


The CECEP Assets Management Co., Ltd. is responsible for the operation and management of CECEP's noncore assets and the cultivation of new technology in energy conservation and environmental protection. By the combination of assets management and capital operation, the Company is on the way of sustainable development. In 2015, the Company implemented energy conservation and emissions reduction by taking measures actively on energy conservation and consumption reduction to promote green performance and investing RMB 360,000 on environmental protection, of which RMB 36,000 was input for environmental protection training of 250 person-times.



Public Transport Card

"Public Transport Card" has been introduced for business trips and energy conservation. The semi-annual fees saved in gas consumption, tolls and parking totals nearly


RMB 4,000



Upgrading Lighting Equipment


The lighting equipment in the park was upgraded to LED lights, which can increase brightness and reduce energy consumption by **70%**

The experimental energy conservation upgrading for lighting equipment in tennis courts reduced energy consumption by **50%**, saving **RMB 3,000**



Improving Heating Equipment

We controlled heating equipment by adjusting return water temperature according to the outside temperature, saving **RMB 940,000** on energy costs



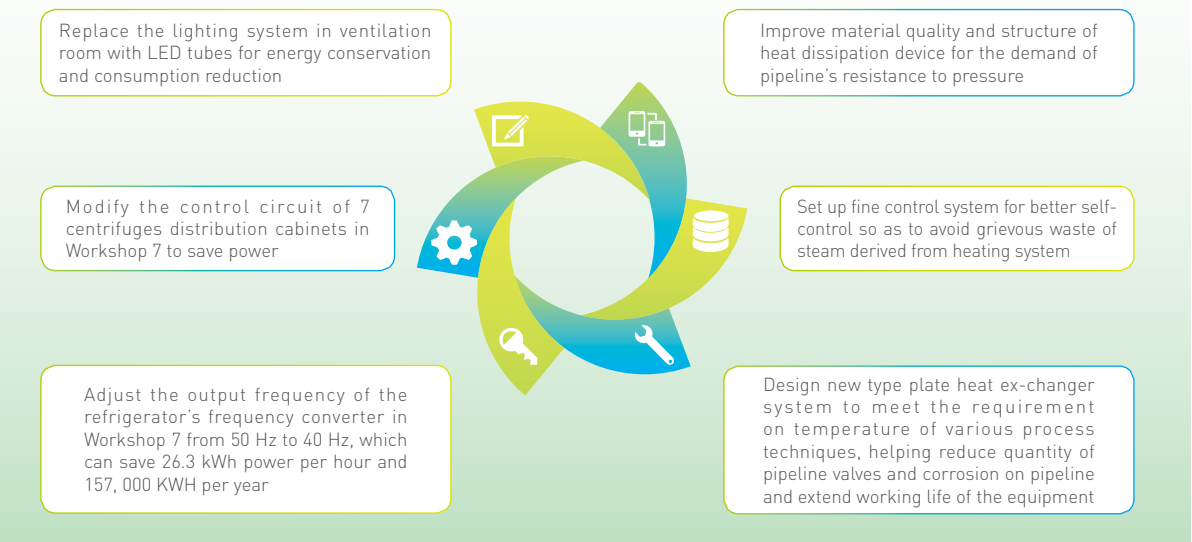
Saving Water

We took an active part in the competition for energy saving unit and were awarded the title of "Water-saving Unit" authorized by the Beijing Water Bureau, as well as a subsidy of **RMB 25,000**




Implement Environmental Protection and Conduct Energy Conservation Upgrading

The CECEP Valiant Co., Ltd. takes a series of measures to improve energy conservation so as to realize the goal of energy conservation and consumption reduction.




Green Office


CECEP actively advocates green and low-carbon office and develops diversified environmental protection propaganda and training of environmental knowledge for improving employees' environmental protection awareness and calling on them to enjoy a green and low-carbon life.




Air conditioning temperature cannot be lower than 26 degrees in summer and not higher than 20 degrees in winter. Air conditioning shall be turned off half an hour before coming off duty



Use energy-saving lamps and turn off lights when leaving. Cut off power when going for lunch or coming off work



Advocate paperless office by applying OA system to send files; encourage double-sided printing and recycled paper



Simplify business trip by holding video meeting; encourage employees to take public transportation or ride bikes to work



Pursue "Green Office" and Advocating Low-carbon Life

CECEP takes initiative to reduce energy consumption of energy-saving buildings. In summer and winter when there is a huge temperature difference indoors and outdoors, the air outdoors can go indoors if the door of the underground garage stays open, leading to an increased temperature in buildings and air-conditioner's energy consumption. Therefore, CECEP sets up electric rolling doors in underground garage, the rapid opening speed and low failure rate of which lead to thermal insulation, encapsulation and wind-proof effect, thus reducing energy consumption.



Take Acts of Green to Create Prospects for the Healthy Life

China New Era (Group) Corporation responds actively to the Earth Hour Campaign for advocating low-carbon life by energy saving and protection of green ecological environment. The Company calls on headquarters, production bases, all branches and Guozhen Healthy Life Store to participate in the Earth Hour. By taking the Earth Hour Campaign as an opportunity, the Company organizes a public welfare activity with the theme of "taking acts of green to create prospects for the healthy life" and calls on the New Agers to organize practical activities of various themes including paperless office, using reusable shopping bag, using renewable energy, turning trash to treasure, sorting trash properly, and planting a tree aiming to exceed the Earth Hour with actions.



Public Welfare Activity with the Theme of "Taking Acts of Green to Create Prospects for the Healthy Life"

Management Innovation

The Group continues to improve strategic management, management performance and management system to promote the management informatization and standardized construction, contributing to the improvement of internal management level.

Industrial Restructuring

CECEP develops integrated solutions and collaboration platforms for marketing to promote the collaborations between the upstream and downstream of industry chain as well as collaborations between different industry chains. The Group also promotes standard operations of its internal and external resources as well as the resources of its subsidiaries and exercises market-oriented methods to conduct multi-channel, multi-level and multi-field cooperation. After the reorganization, CECEP's industry chain expands from bottom operations to upstream operations such as planning, consultation, survey, design, construction, equipment supply, making it ready for whole industry chain operation. In 2015, the listing of CECEP Solar Energy Technology Co., Ltd. further improved its research on and development of photo voltaic technology and its manufacturing capacity of products.

Informatization

CECEP promotes comprehensive development of informatization by adhering to its working philosophy of "perfecting system, strengthening foundation, valuing application and making achievements". In 2015, to solve the problem of communication and information sharing within the Group, CECEP constructed 10 application systems for HD video conference and master data.



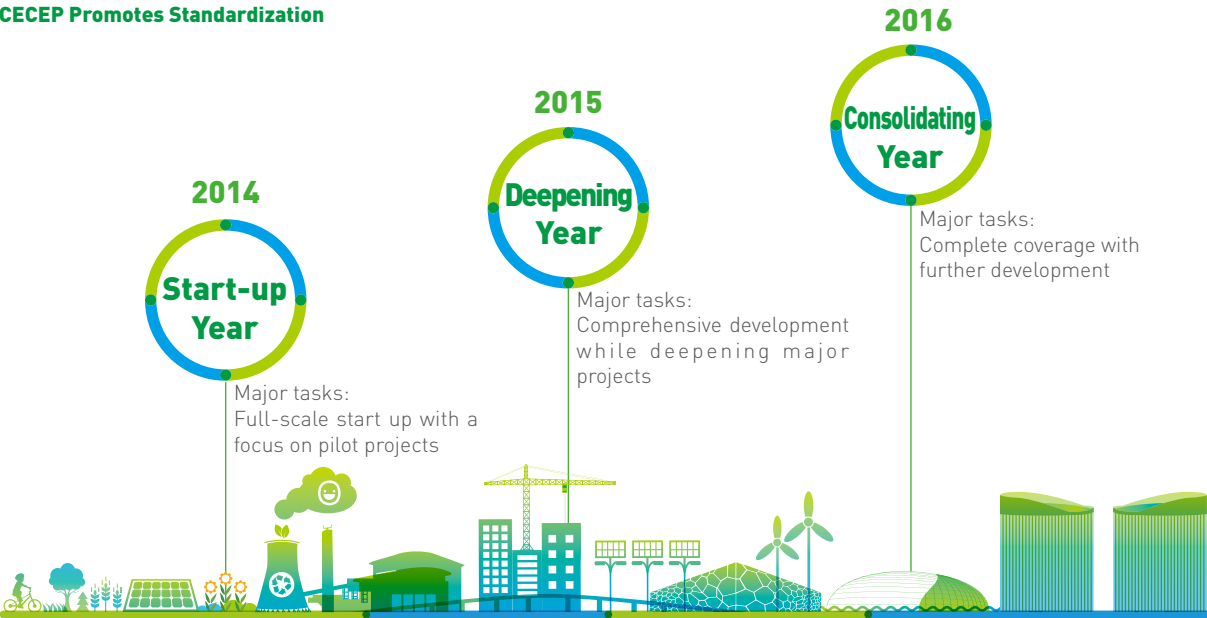
CECEP's Informatization Project Wins Innovation Award on Informatization Management for Energy Enterprise in China

CECEP attended the "Fifth Meeting of China's Energy Informatization" held by China Information Industry Association (CIIA) and presented the Project of Innovation and Implementation of the Concept of "Full Demand & Streamlined Process" in Data Warehouse Building, during which its informatization management model and level was universally praised by review experts of CIIA, and was awarded the Innovation Prize for Informatization Management of Energy Enterprise in China.

Standardization

CECEP takes an active part in standardized construction and 12 special projects are making progress. Key enterprises including China National Environmental Protection Group, General Water of China Co., Ltd., CECEP Building Energy Conservation Co., Ltd., CECEP Industrial Energy Conservation Co., Ltd., CECEP Wind Power Co., Ltd. and CECEP Solar Energy Technology Co., Ltd. have deployed standardized business module and organized 9 large activities such as the standardization training camp with more than 2,000 participants.

CECEP Promotes Standardization



Training Camps Promote the Development of Standardization

In 2015, CECEP organized a second-term standardization training camp and an operation management standardization training camp. The second-term training camp learned from the achievements of last year's standardization work and organized in-depth training on management view analysis which divided the task into groups according to brand, safety, labor, finance, and production operation, thus breaking boundaries between different hierarchies and departments, upgrading professional capacity of standardized employees, and accelerating the development of standardized management. The operation management standardization training camp continued to develop the management principle of "strategic planning - annual goal - annual plans - annual budget - performance evaluation" on the basis of existing operation results of standardized operation management and secondary companies' operation appraisal and management methods. By means of comprehensive budget analysis and the guideline of "teaching-learning-practicing-examining", CECEP has taken great efforts to prepare operation projects and further implemented the work of operation budget + investment budget + capital budget + financial budget so as to increase employees' engagement and to help them have a better understanding of standardized operation management and realize the goal of training.

Technical Innovation

CECEP always takes scientific and technological innovation as one of the themes of development strategy by attaching great importance to cultivate and develop capacity for independent innovation, continue to deepen and expand innovation system construction and develop industry-leading technologies and self-built brands.

CECEP gives the first priority to scientific and technological innovation ability construction by constructing science and technology enterprises, expanding the construction of research and development platform, and deepening collaborative innovation among firms, universities and research institutes. Aiming at transforming scientific and technological achievements into the market, CECEP promotes research, integration and application of key technology based on market demand and project requirements. By means of stimulating employees' passion for innovation, CECEP gives reward to employees with major scientific and technological achievements, capacity building achievements and technological innovation achievements. In 2015, CECEP's transferring rate of science and technology achievements reached 80% and it had 2,561 science and technology workers, accounting for 8% of the total workforce.



Enhancing Management

CECEP enhances evaluation and research on key technologies, perfects evaluation mechanism of scientific and technological innovation, and organizes the first selection of scientific and technological achievements. In 2015, 74 awards including innovation ability award, innovation achievement award, scientific and technological progress award, and technological innovation award are selected and more than RMB 6.5 million bonuses were distributed. Moreover, CECEP initiated to undertake the utilization of waste materials project, a key research and development project proposed in the 13th Five Year Plan with 14 relevant state-owned enterprises involved.

Platforms Construction

CECEP takes an active part in the construction of scientific research platform at various levels and the scientific exchanges between subsidiaries. CECEP cooperates with Zhongguancun Tech Park Administrative Committee to build a platform for science and technology exchanges between CECEP L&T Environmental Technology Co., Ltd., CECEP DADI Environmental Remediation Co., Ltd., and Zhongguancun Tech Park Administrative Committee for getting projects. Moreover, CECEP enhances its communication with Beijing Scientific Association to promote CECEP Dadi Environmental Remediation Co., Ltd. to apply for key technology projects to Beijing Scientific Association.

Innovation Talent Cultivation

CECEP implements structural reform and institutional innovation on talent development by giving priority to talent development and major projects for talent development, optimizing market-oriented mechanism to select and appoint talents for introducing high-quality talents, and developing badly-needed strategic talents and top-notch professionals in the area of research, operation management and technology. Moreover, CECEP values the construction of professional rank and promotion channels for specialties striving to build an excellent research and development team and technological management team.

Product Innovation

CECEP encourages its subsidiaries to develop innovative products and establish product/service innovation system for providing better products/service for customers and guiding industrial development. In 2015, CECEP's sales of new products totaled RMB 3.13097 billion.

Innovative Products of Subsidiaries		
Subsidiaries	Innovative Products	Significance
China National Environmental Protection Corp.	Efficient Energy Conversion of Urban Living Garbage & Clean Technology and Its Engineering Application	Improve waste conversion rate as well as energy conservation and consumption reduction
CECEP L&T Environmental Technology Co., Ltd.	The Synchronous Desulfurization and Denitration Technology by Sintering Flue Gas Oxidization Method	Provide beneficial reference for the research of atmospheric pollution control technology
Tianjin B&M Science and Technology Joint-Stock Co., Ltd.	Research on high-performance lithium titanate cathode materials	Improve battery life to save energy and reduce consumption
Xi'an Qiyuan Mechanical and Electrical Equipment Co., Ltd.	XDJ[D24]- 5030 paramagnetic electric reactor production line Automatic diverting mechanism and needle-stacking trolley with width of sheet not more than 400 mm for cut-to-length line	Become the first domestic professional manufacturer to produce paramagnetic electric reactor, which filled in domestic technical blank in the industry



CECEP Lattice Lighting Co., Ltd. Won the First Prize of the State Technological Invention Award

The “High Efficiency GaN-on-Silicon Blue LED Technology” developed jointly by CECEP Lattice Lighting Co., Ltd., Nanchang University and Lattice Power (Jiangxi) Co., Ltd. won the first prize of the State Technological Invention Award on the 2015 State Science and Technology Awards Assembly, which is a successful practice for CECEP to promote the national independent innovation by means of collaborative innovation among firms, universities and research institutes.

Europe and U.S. have long been taking the lead in LED industry and monopolizing intellectual properties of sapphire substrate LED and sic substrate LED respectively, which later on evolves into monopoly of high-end products, forcing LED enterprises in China to operate only in lower priced markets. The tough situation haunts China’s LED enterprises, universities and research institutes, resulting in increasing appeal for “China creation”. Therefore, this invention enables China to be a world-leading company in the field of LED semiconductor lighting.

CECEP Lattice Lighting Co., Ltd. mainly undertakes the application and development of silicon substrate LED, as well as related testing and feed-backing in the project. Silicon substrate LED, on the strength of its high thermal conductivity, has greatly increased its reliability and has advantages in terms of its high power and directional light. Based on characteristics and advantages of silicon substrate LED, the Company has successfully developed a series of products such as street lamps, tunnel lamps and auto lamps, and has extended its products to every corner of the world.



Dr. Wang Min, One of the Developers in Charge of the Project



Production Base of CECEP Lattice Lighting Co., Ltd.



CECEP Solar Energy Technology Co., Ltd. Independently Built the First Cleaning Robot Made of PV Modules in China

In 2015, CECEP Solar Energy Technology Co., Ltd. independently built the first cleaning robot made of PV modules in China. According to the test, the current in the DC side of photovoltaic array increased by 20% after being cleaned by the cleaning robot, thus reducing the consumption of 52 tons of coals per MW photovoltaic produced by power station and reducing emission of nearly 150 tons of CO₂, SO₂ and NO_x.

Develop New Business Modules

CECEP proposes the construction of a comprehensive business model to provide comprehensive services for provincial, regional, and corporate energy conservation and environmental protection businesses by taking advantage of its various market segments in energy conservation and environmental protection industry concerning its business modules and complete industry chain.



Pioneers a New Path for Energy-saving and Environment-friendly Industries in China

CECEP launched the Tiandi Integrated Big Data Project which combined mobile Internet, cloud computing, big data and regional environmental monitoring management together for the development of intelligence environmental engineering. The Project is the first Internet + Environmental Governance Project in China, pioneering a new path for energy-saving and environment-friendly industries in China.



Business Module Innovation Assists the Sewage Treatment Project in Jiangxi

The Project on Centralized Processing of Industrial Waste Water from Industrial Parks in Jiangxi Province is the first innovative business model for energy-saving and environment-friendly industries in China. CECEP signed a strategic cooperation agreement with Jiangxi provincial government, which explicitly stipulated that the Jiangxi provincial government entrusted CECEP to process industrial waste water from 102 industrial parks in Jiangxi Province for the sake of the most advanced technology and lowest processing cost offered by CECEP.

The implementation of the profit model has granted CECEP Environmental Protection Investment Development (Jiangxi) Co., Ltd. to effectively reduce sewage processing cost, contributing to standardized emission of sewage for industrial parks.

ASSURANCE OF SAFETY

Protecte Life and Health

Our Philosophy

Adhering to the "safety first" philosophy and the safety production policy of "respecting everyone's life and continuing to improve safety precautions as first priority", CECEP is on the way for comprehensive construction of safety-based enterprise.

Our Actions

Taking safety as its efficiency and competitiveness, CECEP implements safety production from top to bottom by improving the safe production management system and safe production rules and regulations, improving employees' consciousness of safe production, and strengthening the emergency management ability.

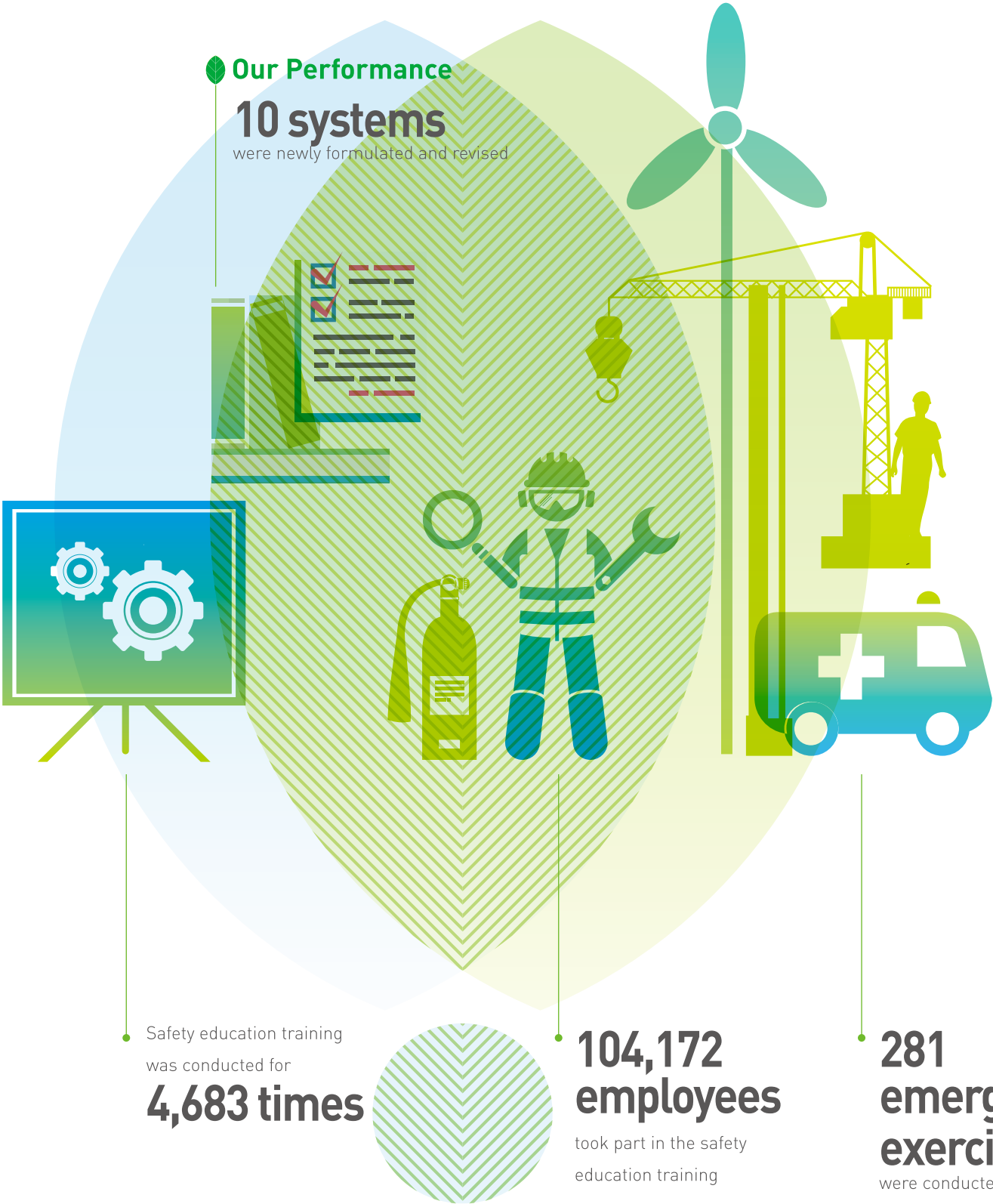
Our Honors

M1C team in component workshop of CECEP Solar Energy Technology (Zhenjiang) Co., Ltd. was awarded the "National Safety Production Youth Demonstration".

Our Performance

10 systems

were newly formulated and revised



Safety Management

Safety is the core value and first priority of CECEP as well as an important part of CECEP's enterprise culture. Adhering to the concept of safety development, CECEP draws lessons from international occupational safety management system to focus on the construction of safety production standardization management system based on its actual situation. Moreover, CECEP makes efforts to improve safety production inspection and management ability so as to lay a solid foundation for stable development.



Safety Culture

CECEP values the construction of safety culture, not only providing a safe working environment for employees, but also bringing staff safety indicators into the safety performance management system. We insist on constructing the safety culture of "respecting life", making safety a part of every employee's responsibility and life. Moreover, we actively conduct various forms of safety production educations, propaganda and drillings for building good atmosphere characterized with "safety in work & safety in mind".



By taking the opportunity of various kinds of safety production activities, CECEP promotes the development of key safety work and increases propagandas of safety production for promoting the implementation of safety production philosophy. CECEP organized and implemented activities including "safe production month" and "safe production for 100 days" large-scaled activities, posting chart, watching theme movies and educational movies, learning and knowledge quiz of *Safety Production Law*, taking photos of potential safety risks, watching emergency drilling video, establishing CECEP's youth safety surveillance post, and asking full-time and part-time safety officers to wear armbands. These activities help employees develop an awareness of work safety.



Emergency Response

CECEP continues to improve the emergency response system by revising its emergency contingency plan on safety production accidents and formulating new emergency contingency plan for public health and natural disasters. CECEP actively organizes employees to watch emergency drilling videos. Moreover, 281 emergency drillings are conducted in second-tier subsidiaries including 17 comprehensive drillings and 264 special drillings, which enhanced employees' emergency response capacity.



Conducting Escape Drilling from High-Rise Buildings to Improve Overall Emergency Response Capacity

CECEP organized the first comprehensive escape drilling from high-rise buildings in the Zhangbei Manjing wind power station of CECEP Wind-Power Co., Ltd. for more than 120 employees. The escape drilling showed 16 people's emergency response was in accordance with emergency response standardization procedure including escape from high-rise buildings, blower extinguishment, and self-rescue, which was highly praised by leaders of safety department of SASAC and experts at present and was published and publicized in the 63rd edition of *SASAC Work Exchange*, contributing to driving the special drillings of second-tier subsidiaries and relevant industry enterprises.



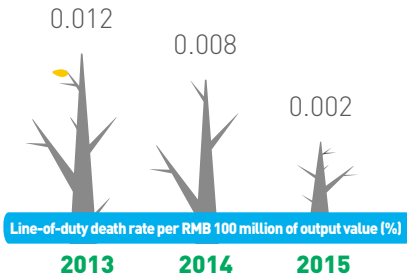
Escape Drilling from High-rise Buildings



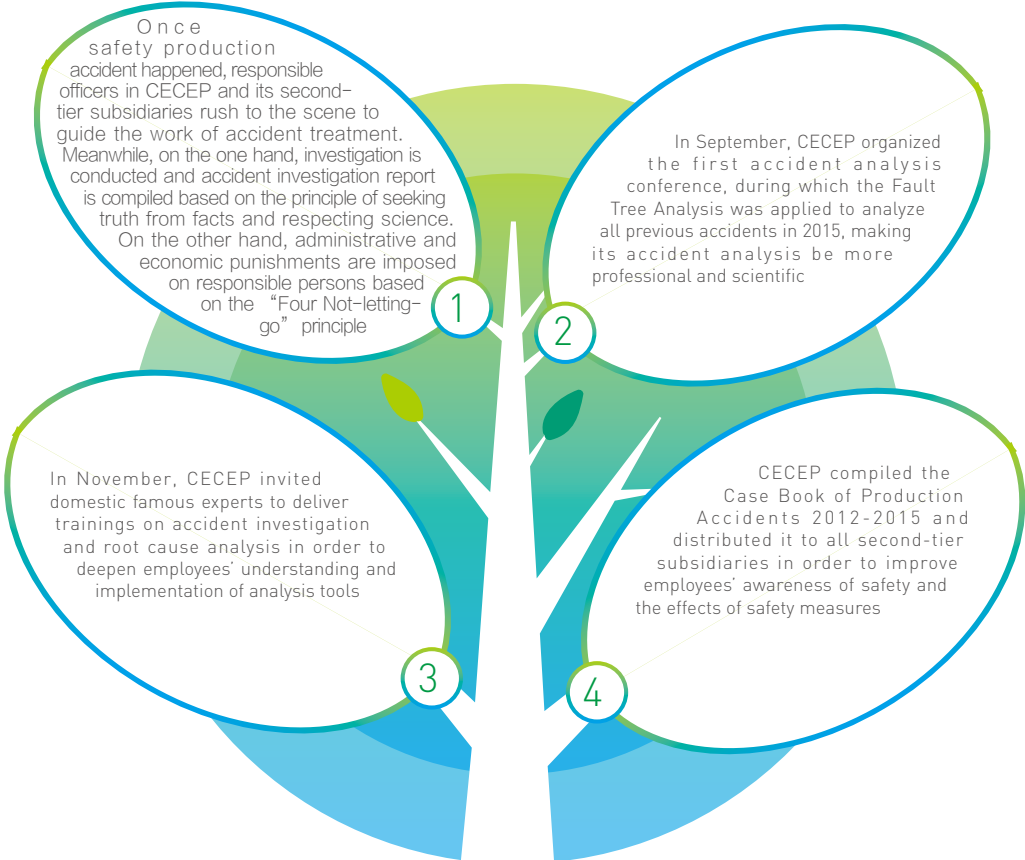
Emergency Response Drilling

Safety Alarm

In 2015, CECEP continued its stable safety production situation, but failed to put an end to safety accidents, so safety production remains a challenge. Accidents ring the safety alarm for us. We will take safety production as the first priority and focus on the improvement of safety management system by undertaking responsibility to improve the safety management system, enhancing supervisions on operations against regulations and potential safety risks, and improving propaganda and education and engineering outsourcing management so as to comprehensively improve safety production management.



Accident Management



EXPANSION OF CHANNELS

Conduct Communication and Cooperation



Our Philosophy

CECEP adheres to the principle of win-win cooperation, committing to building a responsible supply chain and promoting green and healthy development of the chain with partners. We have enhanced the communication with industries and peers, leading the progress of the whole industry.

Our Actions

We continue to strengthen strategic cooperation with the government, research institutes and suppliers and established cooperation platforms, promoting the development of local energy conservation and environmental protection industry and providing comprehensive services for energy-saving and emission-reduction and environmental management.

Our Honors

Cooperating with the U.S., CECEP Industry Development Co., Ltd. developed "the Software Monitoring Program for Waste of the Chemical Industrial Park in Dafeng, Zhejiang Province" which was selected as a part of the 2015 China-U.S. EcoPartnerships Program of the National Development and Reform Commission of China and the US State Department.



Our Performance

9 international strategic agreements were signed
21 domestic strategic agreements were signed

Over
40 projects
developed by subsidiaries

119
domestic cooperation and communication activities

Win-win Cooperation

CECEP promotes strategic cooperation and shares resources and achievements with partners. In 2015, we organized 119 domestic cooperation and exchange activities, including 63 receptions and 56 visits and signed 7 strategic cooperation agreements with local governments and enterprises.

The CECEP international cooperation model transformed from mere technology introduction to a package including introduction of business model, technology, capital and competent professionals at the same time. In 2015, we set up a leading group for the "One Belt and One Road" Initiative, and held working seminars for the "One Belt and One Road" Initiative and international operation. We connected and cooperated with Germany, France and other 11 countries and regions. CECEP Wind-power Co., Ltd. jointly undertook the international cooperation project of WBCSD named - *Increasing the Share of Renewable Energy*, enriching the resources for international cooperation, uplifting the research strength of soft science and gathering information about forward-looking policy.



Conduct Comprehensive Green Finance Cooperation

CECEP launched, planned and promoted the establishment of the *Sino-France (Europe) open energy conservation and environmental protection fund platform* with ECCU, *French Demeter Fund* and *Swiss Emerald Fund*. We also facilitated the signing of "the *Strategic Cooperation Agreement on Sino-France (Europe) Open Energy Conservation and Environmental Protection Fund Platform*" which became the first cooperation fund between China and France in the field of energy conservation and environmental protection during Premier Li Keqiang's visit to France. The signing will help solve the problems involving climate change, promoting the development of global green industry.



The Official Release of the *Directory of Projects Supported by Green Bonds (2015 Version)*

In order to facilitate and regulate the healthy development of green bonds market, entrusted by the Green Finance Committee of China Society for Finance & Banking, CECEP Consulting Co., Ltd. took the lead in compiling the *Directory of Projects Supported by Green Bonds (2015 Version)*. The Directory was published as the appendix of the 39th announcement of the People's Bank of China on December 22, 2015. This is the first industrial standard in the field of green finance in China which connects Chinese green finance and international finance market, attracting foreign investors and laying foundation for the investment of Chinese green bonds market.



Build Engineering Technology Platform for Industrial Water Treatment

CECEP Engineering Technology Institute Co., Ltd. targeted at industrial waste water treatment, conducted industry-university-research cooperation and built engineering technology platform for industrial water treatment. We focused on treating brewing waste water, coal-chemical engineering waste water and paper-making waste water, cooperating with relevant enterprises to implement demonstration projects and contributing to solve the waste water treatment problems for large state-owned enterprises including Wuliangye Group, Moutai Group and Datang International Hexigten Company and protect the local environment.



The Green Bonds Project of KfW that Promotes the Development of Renewable Energy

CECEP Consulting Co., Ltd. started international cooperation with German GFA Consulting Group, providing technology consulting services for green bonds program, assisting and facilitating the green bonds services and capability building of China CITIC Bank and Shaanxi Chang'an Bank. The Project ended in January 2015. During the two and a half years, the Chinese and German Consulting companies cooperated closely, holding more than 10 training activities for China CITIC Bank and Shaanxi Chang'an Bank, selecting more than 400 alternative projects, conducting more than 10 investigations in Hebei, Jilin, Hunan, Shaanxi, etc., and completing the techno-financial assessment reports of nearly 20 loan projects. These projects involved new energy vehicles, green building, building energy conservation, municipal solid waste, hydro-electric power and other field of energy conservation and renewable energy.

Responsible Procurement

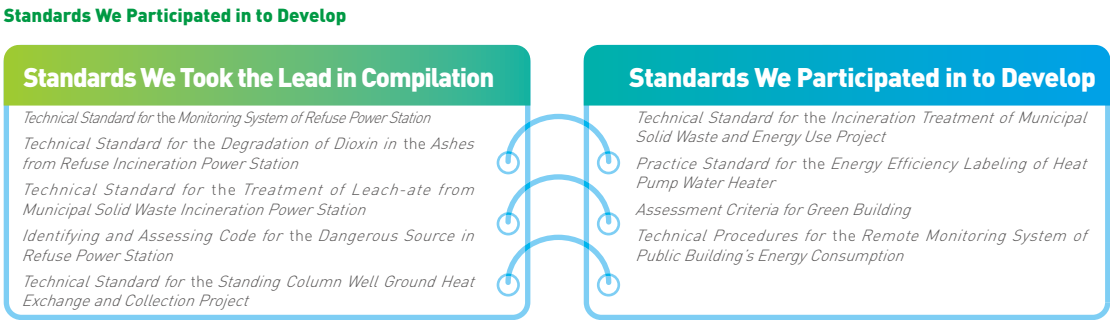
CECEP requires the Group and subsidiaries to regard the implementation of social responsibility as an important criterion when choosing partners in the progress of procurement, marketing, business and technology cooperation, reaching out to cooperate with relevant organizations and enterprises and creating a market environment with standardized operation and fair competition.

CECEP adopted 16 target indexes from 6 categories: procurement management system, procurement management mechanism, centralized procurement, standardized tender management, supplier management and the element task of procurement management, establishing the supplier management system for infrastructure projects, generating unified supplier base and building e-commerce platform for procurement. Suppliers of CECEP (Tianjin) Investment Group which have been certified by our quality, environment and occupational health and safety system account for 100%. The rate of contract compliance is 100% with no supplier receiving economic, social or environmental punishment.



Industrial Exchange

CECEP has advocated honest operation and fair competition, participated in industrial exchanges, and shared our experience in energy conservation and environmental protection. We have led and participated in the preparation of national and industrial standards, thus regulating and driving industrial development. In 2015, we took the lead in developing 45 standards and participated in the preparation of 6 standards.



Forge Ahead, Innovate and Participate in Combining Different Types of Plans into a Single Spatial Plan

CECEP Consulting Co., Ltd. undertook the preparation of “*the Spatial Plan*” in Yudu county, Jiangxi Province, which was highly praised by professionals in the industry.

We successfully passed the joint review of China’s Ministry of Development and MOE. Combining different types of plans into a single spatial plan is an important task for the central government to deepen reform. Both the “13th Five Year Plan” and the *Integrated Reform Plan for Promoting Ecological Progress* proposed to support cities and counties in combining different types of plans into a single spatial plan during the period of the “13th Five Year Plan”. CECEP Consulting Co., Ltd. took the lead in probing the compilation ideas and methods, laying a solid foundation for the undertaking of compilation in the future.

Assist the Pollution Prevention Industry and Enhance Environmental Protection

CECEP Consulting Co., Ltd. was invited to participate in the academic annual conference of Chinese Society for Environmental Planning, CSES and made the speech themed the *Supporting Capability Assessment of the Vocs Pollution Prevention Industry under the Strategic Transformation of Environmental Management*. The Company shared the research results of the outsourcing projects it accepted from Chinese Academy for Environmental Protection in 2014, starting from the Vocs pollution prevention demands and the current situation of industrial development, building assessment framework for the supporting capability of the industry, assessing the policy environment for industrial development and the supporting capability of the industry, and proposing relevant policy suggestions. The results were highly recognized by the professionals in the industry. It also provided reference, helping the authority make policies about the Vocs pollution prevention in the “13th Five Year Plan”.

CULTIVATION OF TALENTS

Achieve Inclusive Development



Our Philosophy

We follow the principle of "equally emphasizing on virtues and abilities, putting virtues first and stressing actual performance", and endeavor to build an environment featured by orderly competition, vitality, efficiency, harmony and win-win development for talents. We advocate positive energy in enterprise development and build a happy family with our employees together.

Our Actions

We safeguard the basic rights and benefits of our employees, improve the training system, give full play to the leading role of model workers and help our employees develop. We care for our employees and build a strong team with the enterprise culture.

Our Honors

Wang Xiaokang, President of CECEP, was awarded one of the "Top 10 Models in Corporate Culture Building during the 12th Five Year Plan".

CECEP became a vice-chairman member of China Research Institute of Enterprise Culture.

The "Looking for the Most Excellent Exemplars of CECEP" won the 2nd prize in the scientific research achievements of China Research Institute of Enterprise Culture.

Our monthly publication *CECEP* won the "2015 Excellent Internal Publication of Energy Enterprises in China" prize.



Our Performance

5,093
job created

RMB

13.2167 million
training funds spent

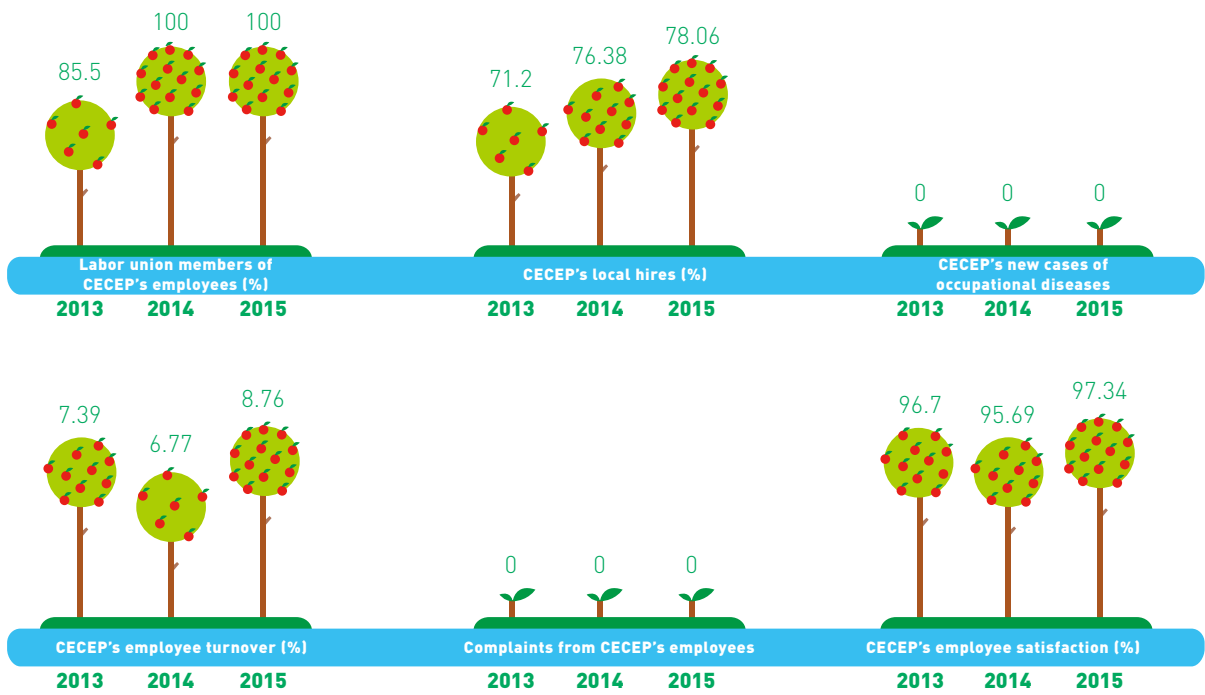
Paid leave per capita
has reached
11 days

Safeguard Employees' Rights and Interests

CECEP respects the work of our employees, keeps providing more competitive salaries and benefits and safeguards their democratic rights. By the end of 2015, the labor contract rate reached 100%, collective labor contract conclusion rate has reached 100%, social insurance coverage rate has reached 98.1%, physical examination and health record coverage rate has reached 100%, and the labor union building rate of secondary enterprises in CECEP has also reached 100%.

Respect Employees

In strict observance of the domestic and international labor laws and regulations, CECEP adheres to fair recruitment, stands against discrimination, forced labor and child labor, protects employee privacy, offers overtime compensation, establishes a multi-level system for employees to enjoy social security and annual leaves and maintains a harmonious and stable labor relationship. In 2015, the ratio of the minimum wage of staff in CECEP Chongqing Industry Co., Ltd. and local minimum wage reached 202.67%.



Employees' Involvement in Domestic Management

CECEP strengthens democratic management and promotes transparency of enterprise affairs. Multi-tiered channels for effective communication have been opened up to mobilize staff initiatives and increase their sense of identity within CECEP. In 2015, CECEP strengthened the building of the primary-level labor unions, among which, the labor union of China National Environmental Protection Group and China Energy Conservation and Renewable Energy Co., Ltd. in Kaifeng were awarded "Advanced Labor Unions of 2015" by CECEP.



Occupational Health

CECEP cares for the occupational health of our employees and manages to establish an effective and healthy psychological counseling mechanism, optimizes occupational disease and injury prevention system, holds regular physical examination and provides equal health and safety protection for part-time employees and contract employees. Psychological health lectures and psychological counsels have been organized for relieving stress for employees.

Organizing Lectures on Health Knowledge and Caring for the Physical and Psychological Health of Our Employees

To raise the awareness of self-health care and to care for the health of employees, CECEP Technology Investment Co., Ltd. held a special lecture named "Learn the Health Concept and Enjoy a Healthy Life", and invited experts from health management organizations to explain to employees the knowledge relating to symptoms, hazards, prevention and treatment of common diseases, with the aim to guide them away from unhealthy habits and misunderstandings, so that they can have a more positive attitude towards life and work and achieve harmonious, healthy and comprehensive development in work and life.

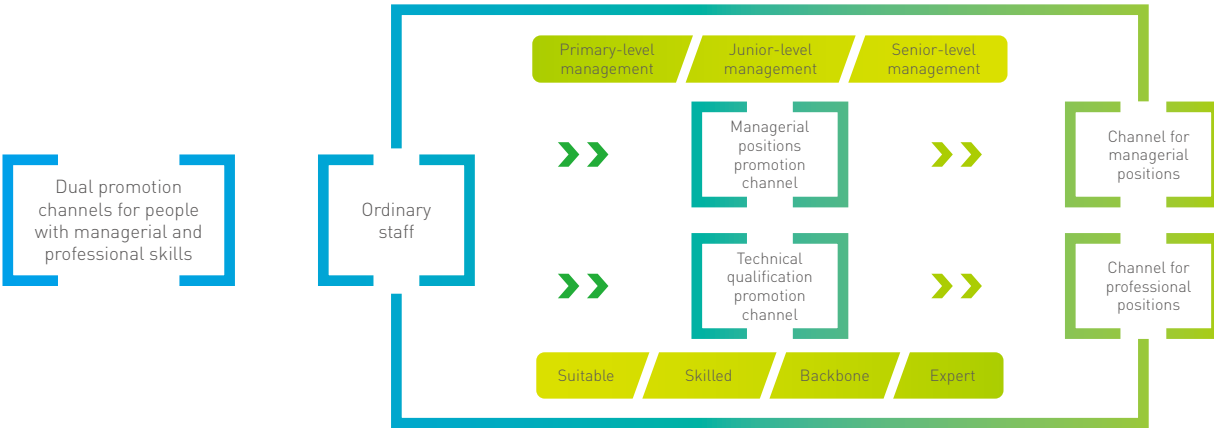
Special Lecture on Health Knowledge

Stimulate Vitality

CECEP spares no efforts to implement the strategy of making the enterprise being stronger through talent. It keeps widening employee development channels, optimizing training system and enriching talent incentive mechanism to motivate enthusiasm, initiative and creativity of our employees and enhance their sense of pride and achievement.

Career Ladder

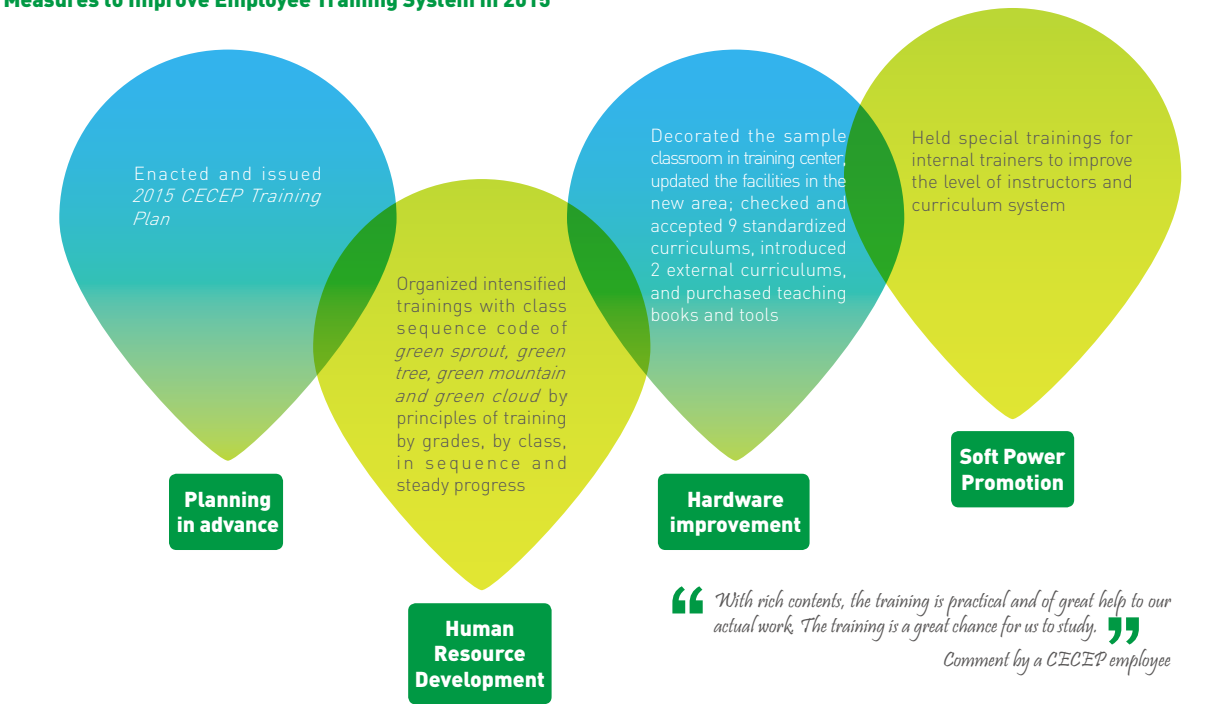
Guided by marketization, scientific development, specialization and standardization, CECEP regards the promotion of the satisfaction of selecting people as an important focus, and establishes career advancement system and widens career development paths for employees to motivate their passion.



Trainings and Exchanges

CECEP sticks to the basic strategic path of “talent first” and has built a sound training system and innovative management mode to help employees develop better, promoting optimized and efficient allocation of human resources for the Company. In 2015, the Group invested RMB 13.2167 million in trainings for 27,963 person-times, with a training coverage of over 88%.

Measures to Improve Employee Training System in 2015



Giving Full Play to the Model Workers' Leading Role in the Innovation and Development of an Enterprise

CECEP carried out an activity of selecting CECEP Model Workers which lasted for two months. After selections and recommendations from bottom to top, eight “CECEP Model Workers” were chosen. Eight winners came from different business segments. With hard work, innovation and dedication, they came out as outstanding representatives from more than 40,000 CECEP employees, playing leading and exemplary roles in the innovative development of CECEP. The activity vigorously carried forward the spirit of model workers and enterprise culture, boosted the morale of employees and created a strong atmosphere of “sublime knowledge, precious talents, glorious work and great innovation”.



CECEP Held the 4th Team Building Meeting & CECEP Model Worker Awarding Ceremony

Create a Blessed workplace

Stressing on humanistic care, CECEP actively fosters a bright, healthy, harmonious and enjoyable work environment for our employees. To address employees' different needs, personalized care is provided to increase their sense of happiness.

Care for Employees

CECEP always cares for our employees' needs and thoughts, and shows delicate care and concerns to them. In 2015, CECEP held 276 recreational and sports activities which were participated in by 26,074 person-times. We organized young employees for a visit to the New Culture Movement Memorial of Beijing, and the retirees for an educational program to “visit and learn from the primary-level”. CECEP (Hong Kong) Investment Co., Ltd. of China Ground Source Energy Industry Group Limited has created a “Mummy House” to satisfy special needs of working mothers in lactation period.



- 01 | 02 | 03 | 04
- 05
- 06 | 07 | 08 | 09

- 01 The Painting and Calligraphy Club
- 02 The Yoga Club
- 03 The Singing Club
- 04 The Football Club
- 05 The 3rd CECEP Sports Meeting
- 06 The 1st Badminton Competition
- 07 The 3rd CECEP “Friendship Cup” Football Match
- 08 Senior Educational Experts Invited by CECEP to the Lecture on “Middle School Entrance”
- 09 The Lecture on “Make-up and Dressing for Professional Women”

Home for the Mind

CECEP regards the enterprise culture as a cohesive force, builds culture platform, organizes cultural activities, creates culture brand to foster “the most beautiful” culture of “CECEP Home for the Mind”. In 2015, China National Environment Protection Group, CECEP Wind-power Corporation Co., Ltd. and CECEP Solar Energy Technology Co., Ltd. were awarded “12th Five-Year Excellent Units in Enterprise Culture Development” by China Research Institute of Enterprise Culture. New Era Health Industry (Group) Co., Ltd. and Ever Source Science & Technology Development Group Co., Ltd. were awarded “Civilized Enterprise in Beijing” by the Cultural & Ethical Progress Promotion Committee in Beijing.



The “Listen to Me Today - the Most Excellent Exemplars of CECEP Speech Competition”

CECEP always regards building a home of the mind as the mainline in the enterprise culture construction, and keeps infusing new contents and trying new forms. In 2015, CECEP held the “Listen to Me Today - the Most Excellent Exemplars of CECEP Speech Competition” and nearly 2000 employees took part in the competition in the CECEP main venue as well as 145 video parallel sessions. The speech competition was organized in a casual way. And with the aim of spreading the spirit of the Most Excellent Exemplars of CECEP, finding out the grass-root heroes and spreading enterprise culture, the competition passed on the most positive energy, carried forward the enterprise culture and built the home of the mind of CECEP through the power of speeches.

“From the seven speakers, I can feel the realness of their endeavor to be the Most Excellent Exemplars of CECEP put forward by President Wang Xiaokang. I can feel that the deployment from Party Committee of Central Government and State-owned Assets Supervision and Administration Commission has taken root and blossom in CECEP. I can also feel that the socialist core values, ecological civilization and Chinese dream are fully demonstrated in CECEP. Congratulations to CECEP! Go for it!”

Han Tian, Deputy Director General of Publicity Department, Chairman of Cultural and Ethical Progress Promotion Office of SASAC

“I am proud of the achievement my employees have made and the home for the mind they have created. Their speeches today are ordinary but great, just as the words say: we are great because we create a green world.”

Wang Xiaokang, President of CECEP

“When we regard our work as a pursuit in life, we will cherish our work much more. And with an attitude of contentment and hardworking, we can finish our work perfectly and win others’ respect.”

Wang Dayong, Instructor, New Era Health Industry (Group) Co., Ltd.

“For the green industry and our homeland for survival, it is not just a job but a heavy social responsibility.”

*Jia Haoran,
Employee, CECEP Clean Tech Development Co., Ltd.*



The Awarding Ceremony of “Listen to Me Today - the Most Excellent Exemplars of CECEP Speech Competition”

DEDICATION OF LOVE



Repay the Society with Sincerity

Our Philosophy

Adhering to the principle of "gathering love and care to make endless wonders", CECEP has enhanced communities' understanding and support to the Group, promoted the economic, social and environmental development of communities. In developing with the communities, we have created shared values and contributed to the development of a harmonious society.

Our Actions

In virtue of our advantages on business, CECEP has offered industrial poverty alleviation and technical assistance to promote regional economic development, cultural, educational and health development of communities, pushing forward localized operation, normalizing public services and building harmonious communities.

Our Honors

CECEP was awarded the "Charity Star of Haidian District" for Excellent Organization by Beijing Hai Dian Charity Association(BHCA) and Civil Affairs Bureau of Haidian District, Beijing.

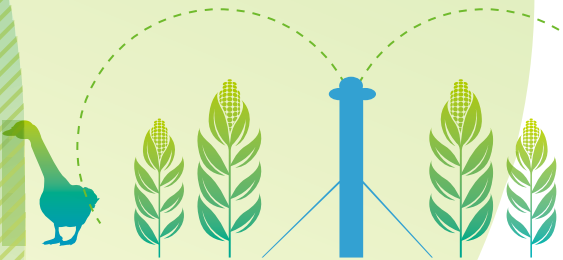
CECEP was appraised as the "Advanced Collective for Targeted Poverty Relief Among Central and State Organs in Henan Province" by Henan Poverty Relief Leadership Team.

General Water of China Co., Ltd. was awarded "Top Ten Influential Enterprises of Water Sectors" for the twelfth consecutive years and "2014 - Award for the Best CSR Enterprise" in Charity Festival.

Our Performance

RMB
650,000

donated to impoverished students for them to proceed university study



Guozhen Hope Primary School



RMB
2.03 million

donated for targeted poverty relief



RMB
520,000

donated to Guozhen Hope Primary School and for earthquake relief

RMB
1.4436 million

donated to the elderly, the physically challenged, the under-privileged and patients

Spur Community Development

By means of specialized industrial support policies, CECEP promotes regional industrial development to boost the progression of regional economy. It promotes local infrastructures of science, education, culture, public health and transportation and solids the self-development foundation of communities. Playing a model role of fulfilling civic responsibilities of an international company, CECEP insists on local purchase and operation. In 2015, the proportion of local employment reached 78.06%, with over half of senior executives being local people. Since CECEP encourages affiliated enterprises to provide jobs for people with disabilities, General Water of China Co., Ltd. has employed 21 physically challenged people.



Spread Love Abroad

- China Geo-Engineering Corporation Fulfills Social Responsibilities

China Geo-Engineering Corporation holds the business philosophy that what is taken from local people should be used in the interests of local people. It fulfills social responsibilities by localized management, environmental protection, infrastructure promotion, emergency rescue and relief, health maintenance and disease prevention and charitable donations. China Geo-Engineering Corporation speeds up "the strategy of localized management". Actively creating more job opportunities, it makes efforts to increase the employment rate of local staff and provide welfare package conforming to local regulations for indigenous employees based on the principle of equal pay for equal work and treating each other as equals. In 2015, China Geo-Engineering Corporation Ghana Branch reached over 93% in local staff employment rate in Kumar West Bridge Project, Aka Customs Project and Central Land Provincial Hospitals Project.

Support Modernization of Agriculture in Central African Country of Rwanda

China Geo-Engineering Corporation East-Central Africa Branch has contracted to build the largest irrigation system project in Rwanda, including 3 pump stations, 3 water intaking stations, 75 kilometers of pipelines and 35 kilometers of roads, which will irritate 580 hectares of land after being constructed. Besides, China Geo-Engineering Corporation has also contracted to build a water supply system project for stock farms in Nyagatare, Eastern Province, including 47 reservoirs and 690 water troughs, to offer local farming households convenient watering places for their livestock.

"The irrigation system for farmland and the water supply project for stock farms have provided practical and sustainable solutions for the modernization development of agriculture in Rwanda, contributing to the government's realization of feasible commercial agriculture, promoting the well-being of rural areas, and assisting the implementation of capital projects of Rwandan government." "China Geo-Engineering Corporation employs about 2,000 local people every year, including permanent workers and part-time workers, which has greatly solved the employment problem here. Besides, they will impart knowledge and provide technical training in the construction of projects, which also has made tremendous contribution to the technological development of Rwanda."

Tony Nsanzimana, Minister of Ministry of Agriculture



The Irrigation System in Rwanda Irrigating the Farmland

Pave Roads to Improve Local Community Life

In 2015, the rainfall of rainy season in Guinea was exceedingly high, making the roads sloppy and obstructing normal transportation of vehicles and pedestrians on a road 60 kilometers away from the second base camp of China Geo-Engineering Corporation Guinea-Mali Branch and a small town named Tuba 26 kilometers away from the second road project camp. Guinea-Mali Branch spent about RMB 52,000 on them, dispatching construction equipment, mining stones and delivering them to local spots. After urgent repairing, we smoothed the two roads, winning appreciations from the local government and residents, and were rewarded a certificate of gratitude by the Province's governor. Between the gate and the main road of our new base in the capital of Guinea, there was a 200-meter-long dirt road with altitude difference about 5 meters. Having been washed by rain all the year round, the road lost its red soil and revealed rugged iron rubble, affecting the travel of nearby residents and students. To solve the problem, Guinea-Mali Branch built at its own expense a concrete road of 5 meters wide and 213 meters long, and drains of 200 meters in length. Meanwhile, it unblocked and rebuilt an open canal linking up with the sea to ensure the discharge of rain in rainy seasons, preventing community residents from being obstructed.



Road before Construction



Road after Construction



Road and Drainage Ditch before Construction



Road and Drainage Ditch after Construction

Protect Environment, Observe Laws and Fulfill Responsibilities

The Project Department of China Geo-Engineering Corporation Cote d'Ivoire Branch has adjusted construction methods to achieve less land occupation and less disafforestation, such as grooving by excavator before laying the pipelines and backfilling afterwards without repeatedly grinding the vegetation beside them to occupy less farmland, crops, acreage and houses around, avoiding constructing in rainy seasons to minimize landslide's damage to natural environment, planting grass and building drainage ditches to prevent and control soil and water erosion, promptly recycling and reusing pipe building garbage and so on. In the process of tender, admission and implementation of projects, China Geo-Engineering Corporation Philippines Branch kept active communication with the local government and environmental protection department, legitimately submitted environmental impact assessment document on the construction program, including application for Environmental Complying Certificate for macadam stations and concrete batching stations, and production management was only carried out after the document was censored by the Environmental Protection Department. Never directly discharged, the waste water and the waste gas produced in the program were exhausted to non-potable water areas after precipitation, filtering and other purification stages, while the waste oil was locked away in specialized containers. The powdery dust in construction was settled by watering and isolation surrounds. To control the noise, it kept its camps and large equipment away from local residential areas, winning the respect and appreciation of the local government.

Prevent HIV in Everyday Life

In Zambia, Southern Africa Engineering Co., Ltd. of China Geo-Engineering Corporation usually locates its construction sites in remote rural areas where villagers have poor awareness of HIV/ADIS prevention. To maximize the efficiency of HIV/ADIS prevention publicity, the Company invites medical workers in community public health administrative departments or local hospitals and clinics at the end of every month to give free trainings on ADIS testing and prevention at construction sites. Every time before the activity, elaborate plans are formulated with all villagers invited and individual privacy protected to the utmost.



The Project Department of Zambia MUNGU Inviting the Medical Workers of ILUTE COMMUNITY CLININC to Disseminate Knowledge of HIV/ADIS at the Construction Site



The Project Department of Zambia MUNGU Inviting LUNGU, the Doctor of MIGANGO Military Hospital, to Provide HIV/ADIS Education in the Department

Conduct Public Diplomacy to Build Good Relationships

China Geo-Engineering Corporation East Africa Branch endeavors to set up and maintain the positive image of Chinese people by communicating with local governments and other stakeholders. Measures include to take the initiative to alleviate poverty and donate for rehabilitation in the project areas to maintain good relations with local governments, upholding the integrity of management, guaranteeing work quality to convince people, promoting the communication and understanding between each others, learning Swahili especially when coming into contact with locals in project to avoid misunderstandings. It respects the customs of the locals and other foreigners, doing as the Romans do, and spreads Chinese language and national customs to local residents, meeting their requirement of learning Chinese. It convinces people by reasoning and virtue and solving problems by communication when facing conflicts and contradictions due to distinctive cultures.



Assist the Construction of Lushan Epicenter Memorial to Promote Cultural Prosperity

CECEP, the heart of which was affected by the earthquake in Luzhou, lost no time in sending emergency working group for rescue and investigation, and subsidized the construction of Lushan Epicenter Memorial for the "4.20" earthquake with over RMB 3,380,000. The memorial was designed on the concept of "Restore Hope", with multiple functions such as commemoration and leisure. After construction, it is used as the main hall of the Lushan folk festival themed "Flowers of Rape & Champions of County", contributing to local cultural prosperity.



The Monument of Gratitude in Lushan Epicenter Memorial



The Landscape of Lushan Epicenter Memorial

Promote Energy Conservation and Environmental Protection

By means of radio, television, traditional media and new media, CECEP is disseminating knowledge of energy conservation and environmental protection to the public and widely publicizing the experience and achievements acquired in the demonstration projects to strengthen community ties. In 2015, CECEP participated in the “Walking into New SOEs • Green Life in China” activity, organized a large-scale publicity campaign themed “President Wang Xiaokang Participating in Governmental Affairs during the Two Sessions”, and cooperated with regional medias in Beijing, Tianjin and Hebei, becoming the long-term strategic partner of “Scientific Environmental Protection, Questions and Answers”, a serial public welfare activity named. In June 2015, CECEP Building Energy Conservation Co., Ltd. publicized The Initial Written *Proposal on Green Travel* to arouse public awareness of environmental protection.



Establish Environment Education Base to Advocate Energy Conservation and Environmental Protection

To popularize the knowledge of solid waste management and disseminate the idea of environmental protection, China National Environmental Protection Group attaches great importance to the publicity outcomes of environmental protection culture and knowledge. It considerably underpins all subsidiary companies to establish environmental education bases and participate in publicity and educational programs on environmental protection.



By the end of 2015, China National Environmental Protection Group had undertaken over 1,000 various publicity and educational activities of environmental protection, and had received more than 30,000 community members and students in groups, making outstanding contributions to the publicity and promotion of environmental protection.



The Media and Some Little Reporters Visiting the Training Base of Little Reporters



Students of College of Environment and Planning, Henan University, Visiting the Environmental Educational Base



Learning in the “Low-carbon House” Game

CECEP actively participates in the construction of demonstration project of the “Low-carbon House” in Nanguan Park, Dongcheng District, Beijing. It popularizes the knowledge of environmental protection by exhibiting the project models of kitchen waste and sewage treatment system and practicing interactive games. After it was built, it has been used for the publicity and promotion of environmental protection as an important environmental educational base in Dongcheng District and Beijing.



Care for the Public Good

Love is a symbol of civilization and goodwill for a country, a nationality, a society and a unit. CECEP perseveres in producing its advantages to aid the development of border areas, conduct targeted poverty alleviation, organize voluntary activities, improve public good and dedicate love and warmth for the society.

Aid Border Areas

In response to the call of the country, CECEP invests and provides support in Xinjiang, Tibet, Qinghai and other poverty-stricken areas, contributing to the local economic development, life standard improvement and national solidarity.



Aid Xinjiang, Qinghai and Tibet by Industrial Development

Aid for Xinjiang, Qinghai and Tibet is a significant strategic decision of the Party Central Committee and the State Council to provide strong support for a great leap forward and the lasting stability of these areas. CECEP exercises national policy by pushing on the aid for these areas, and accelerates the all-round development of regional economy and society by scientific poverty alleviation, industrial development and other internal-driven ways of aid.

Industry Support

To scheme industry layout, in 2015, CECEP invested 11 clean energy programs worth RMB **1.4582364** billion, generating **0.36398** billion kw-hr green electric power

In 2015, CECEP Solar Energy Co., Ltd. took initiative to concern about the electric power consumption of over 200 families without electricity in Changji Hui Autonomous Prefecture and Hami Prefecture in Xinjiang. It used its fortes to provide free technical services for families installing domestic photovoltaic system

Technical Service

Local Employment

To introduce local employees, keep a high proportion of localization and expand local employment, the localization rate of staff in Xinjiang was up to **80.66%** in 2015, and CECEP introduced **36** local people of all kinds in Qinghai, including **6** minorities

CECEP raises money for student support, the physically challenged, disease treatment and other people in need. In 2015, it offered financial aid of RMB **6,000** to 3 underprivileged college students in Gahai Town, and donated RMB **30,000** to children with congenital heart disease in the “a New Start of Heart” activity in Haixi

Public Good

Targeted Poverty Relief

Practically carrying on targeted poverty alleviation, CECEP devotes itself permanently to the social and economic development of poverty-stricken areas. In 2015, it implemented the requirements of “Going to Counties and Villages” activity held by the State Council, extensively researching into the condition of old revolutionary base villages in Songxian County and Fuchuan County to launch targeted poverty relief.



Targeted Poverty Alleviation in Songxian County

Songxian County in Luoyang City, Henan Province is a key county in national contiguous destitute areas. There are 95 key destitute villages with 15,600 households and 51,200 people whose annual per capita net incomes are below RMB 2,800. To lift Songxian County out of poverty, CECEP adheres to integrating measures with multiple points, aspects and types to ensure that Songxian County will usher in the well-off society with the whole nation in 2020.



The Energy-saving Street Lamps Installed in Longwang Village, Checun Town, Songxian County, Henan

Actions in Targeted Poverty Alleviation in Songxian County in 2015



Voluntary Service

Being enthusiastic about public good, CECEP has organized a variety of voluntary activities and pushed forward the normalization and long lasting of "GuoMingyi Caring Team", to provide assistance as much as possible for the vulnerable groups. By the end of 2015, through Guozhen Foundation, China New Era (Group) Corporation had donated more than RMB 30 million to Wenchuan, Yushu, Zhouqu, Ya'an, Ludian and other disaster-stricken areas.

Main Activities of Guo Mingyi Caring Team in 2015



Members in "Dream Group" of CECEP L&T Environmental Technology Co., Ltd. Teaching in Qingshan Green Hope Primary School in Zunyi County, Guizhou

Education Assistance

- CECEP Water Business Development Co., Ltd. expressed sympathy for autistic children
- CECEP L&T Environmental Technology Co., Ltd. and CECEP Green Carbon Environmental Protection Co., Ltd. aided poverty-stricken students and donated books



CECEP Helped 110 Low-income Families in Shichang Village, Songxian County to Survive the Winter

Disaster Relief and Rescue

- China Geo-Engineering Corporation actively donated money and did disaster relief in countries where its projects were implemented, and dispatched a large number of technicians for the locals, so it ranked the **15th** in the list of "the **100** Chinese Companies Worthiest Recommended to Africa"



CECEP's "Lei Feng Volunteer Service Station" Showing Caring Love

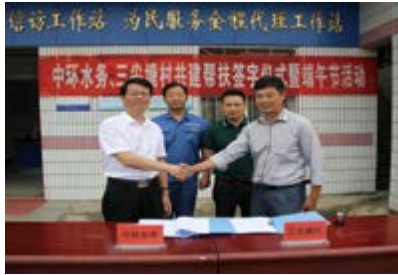
CECEP Social Responsibility Volunteer Service Station has been designated as "Lei Feng Volunteer Service Station" by SASAC Civilization Office. By carrying out various volunteer programs and organizing "Old Thing is Love" donation activities throughout the year, it has donated in all more than 1,600 used clothing, books, schoolbags and stationery. It launched a program to periodically revamp and donate old computers, having offered 73 computers in all. It also participated in the multi-media classroom assistance program in Fujian, in which it raised over RMB 400,000 and built 4 multi-media classrooms, showing caring love and harvesting moving experiences.



The Donation Ceremony of CECEP's Poverty Alleviation in Songxian County

Charitable Donations

- CECEP Dadi Environmental Remediation Co., Ltd. took part in "Love Warms Shichang" donation activity launched by CECEP
- CECEP Industry Development Co., Ltd. has consecutively taken part in the "Spring Breeze Action" charitable donation in Gaoxin District, Hangzhou for more than **10** years, with a donation of RMB **100,000** every year
- CECEP (Tianjin) Investment Group donated drawing and writing appliances to Tianjin SOS Orphanage



General Water of China Co., Ltd. Alleviating Poverty in Sanjiantang Village

Poverty Alleviation

- China New Era (Group) Corporation offered targeted poverty alleviation in Fuchuan County, Guangxi
- CECEP Green Building Industry Co., Ltd. supported Yan Village, Youfang
- China energy-saving COSTIN Materials Group Co., Ltd. with which CECEP Chongqing Industry Co., Ltd. is affiliated and Billion Industrial Holdings, Ltd. founded the "Four O'clock" School



New Era Health Industry (Group) Co., Ltd. Carrying out Environmental Protection and Public Welfare Activities Themed "Guozhen Volunteers are Taking Action"

Energy Conservation and Environmental Protection

- China National Environmental Protection Group took part in modern automobile environmental protection activities, organized a lecture themed "Approach CECEP and Explore the Waste Power Generation" in "the First Xingtian Cultural Festival of North Taiping Village in 2015" and built environmental protection publicity and education bases in subsidiaries at all levels
- Qinghai Kangpu Biological Polytron Technologies Inc with which CECEP Assets Management Co., Ltd. is affiliated remedied wastelands, planted sea-buckthorns and matrimony vines, bringing wealth to local peasants

CSR Fulfilment Performance

Market Performance

No.	Name of Indicator	Unit	2013	2014	2015
1	Year-on-year growth rate of total assets	%	24.96	17.34	15.4
2	Year-on-year growth rate of business income	%	24.44	19.53	4.2
3	Year-on-year growth rate of total profit	%	35.50	16.10	12.1
4	Year-on-year growth rate of net profit attributable to parent company	%	11.48	84.37	22.9
5	Year-on-year growth rate of EVA	%	18.49	39.36	-6.08
6	Year-on-year growth rate of the profit earned from major businesses	%	0.36	0.67	0.28
7	Year-on-year growth rate of ROE	%	0.18	0.23	-0.63
8	Number of major scientific research platforms	/	49	81	98
9	Number of all levels of technological innovation projects	/	111	112	232
10	Number of national or provincial scientific technology projects CECEP has participated in or led	/	42	31	24
11	Number of provincial or ministry-level technological achievements	/	18	27	3
12	Number of new products developed by CECEP	/	206	384	464
13	Total new product sales revenue	RMB 0'000	866,193	992,575	313,097
14	R&D input	RMB 0'000	60,144	73,200	77,131
15	Proportion of R&D input in total business income	%	1.46	1.49	2.3
16	Number of patents CECEP has applied	/	347	309	436
17	Number of patents CECEP has licensed	/	261	230	323
18	Number of national, industrial or local standards, the compiling of which has been participated in or led by CECEP	/	24	27	15
19	Number of newly launched projects	/	50	40	36
20	Number of newly launched projects of energy conservation	/	5	14	5
21	Number of newly launched projects of environmental protection	/	11	9	8
22	Number of newly launched projects of clean energy	/	29	15	19
23	Number of newly launched projects of comprehensive use of resources	/	5	2	4
24	Number of projects completed	/	34	34	48
25	Number of projects of energy conservation completed	/	6	3	16
26	Number of projects of environmental protection completed	/	4	12	10
27	Number of projects of clean energy completed	/	20	17	19
28	Number of projects of the comprehensive use of resources completed	/	4	2	3
29	Proportion of infrastructure projects with public tender inviting among all related projects	%	82.1	97.8	99.7

Environmental Performance^①

No.	Name of Indicator	Unit	2013	2014	2015
1	Domestic drinking water production (water output)	0'000 tons	61,340	73,480.18	75,870
2	Domestic and industrial sewage disposal amount (sewage treatment amount)	0'000 tons	47,809	54,939.4677	60,218
3	Solid waste disposal amount	0'000 tons	627.7147	748.6591	673.57
4	Hazardous waste disposal amount	0'000 tons	1.8531	1.888	1.6181
5	Smoke and gas disposal amount	0'000 cubic meters	31,648	50,603	74,880
6	Reduced amount of chemical oxygen demand	0'000 tons	10.88	12.6	12.58
7	Reduced amount of exhaust gas emission	0'000 tons	99.96	162.3	173.5
8	Electricity generated through wind power	0'000 kWh	258,700	264,802	321,229
9	Electricity generated through solar power	0'000 kWh	53,220	118,282	161,759
10	Power generated through biomasses (waste, straw, etc.)	0'000 kWh	141,962	196,962	213,823
11	Power generated through excessive energy (excessive gas or heat)	0'000 kWh	216,235	212,637	130,501
12	Power generated through water power	0'000 kWh	112,082	132,760	100,199
13	Power generated through green energy	100 million kWh	68.65	92.30	98.50

Social Performance

No.	Name of Indicator	Unit	2013	2014	2015
1	Total employee population	/	24,457	34,364	31,769
2	Employees with doctoral degree	/	32	24	79
3	Employees with master degree	/	206	288	832
4	Employees with senior professional posts	/	211	282	1096
5	Scientific and technological employees	/	1,988	2,479	2,561
6	Signing rate of labor contract	%	99.8	100	100
7	Proportion of female employees	%	33.0	20.59	43.71 ^②
8	Proportion of female managers	%	16.98	31.02	31.02
9	Proportion of employees from minority ethnic groups	%	3.96	3.96	4
10	Average paid leave per capita	Day	8.01	8.01	11
11	Number of employees absorbed each year	/	3,883	5,372	5,093
12	Coverage of staff training	%	100	100	100
13	Total amount of social charitable donation	RMB 0'000	1,537.4	828.0909	432.51

① Group business performance ② Statistics come from the 2015 data of the headquarters

Future Path

In 2016, CECEP will further the leading role of strategies in energy conservation and accelerate the development of marketization, specialization, standardization, informatization and globalization in order to grasp precious opportunities to guarantee a good start for the “13th Five Year Plan”.

Business Development Plan

We will act in line with the “innovative, coordinated, green, open and shared” development strategy, stick to the strategic positioning of “creating a world-class technology- and service-oriented energy conservation enterprise”, and focus on three major tasks: “transformation and upgrading”, “management improvement” and “work style building”. Besides, we will pay special attention to innovative development while striving to improve quality and efficiency and to accelerate the process of marketization, specialization, standardization, informatization and internationalization in order to realize the leapfrog development during the “13th Five Year Plan”.

2 Cores

Quality and efficiency improvement/innovative development

3 Missions

Transformation and upgrading/management improvement/working style construction

5 Development

Marketization/specialization/standardization/informatization/globalization

6 Assignments

Strengthen strategic position and push forward strategy implementation
Expand market operation and accelerate the overall development of the main business
Improve quality and efficiency constantly
Deepen standardization and keep improving management
Promote reform and innovation, and improve systems and mechanisms
Strengthen Party self-discipline and continuously enhance working style construction

2016 CSR Plan

By following the social responsibility requirement, CECEP will summarize and refine the essence of corporate culture to build up core values for the Group, develop comprehensive training projects around *Comprehensive CSR Indicator System*, and carry out social responsibility practices such as targeted poverty alleviation projects, public welfare activities and voluntary services in order to better compile social responsibility reports and create a brand image for CECEP social responsibility.

1 Set of Systems

Theoretical system/indicator system/working system

2 Tasks

Consolidate the foundation/promote development

3 Phases

2014: focus on pilot projects and promote development
2015: focus on the general guideline and establish relevant standards
2016: focus on standards and establish brand image

4 Paths

Beginning with systematic thinking, we strive to improve our social responsibility work system; regarding standards as the foundation, we participate in the establishment of relevant standard systems; with increasing performance as the ultimate goal, we promote the development of science; in order to achieve harmonious and win-win results, to develop and to share achievements with stakeholders

5 Functions

Stabilizer
Pacemaker
Audiphone
Regulator
Thruster

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Rating Report



Rating Report on 2015 CECEP CSR Report

Upon the request of China Energy Conservation and Environmental Protection Group (hereinafter "CECEP"), the Research Center for Corporate Social Responsibility of Chinese Academy of Social Sciences (hereinafter "the Center") invited experts from Chinese Expert Committee on CSR Report Rating to form a Rating Team. The Rating Team rated 2015 CECEP CSR Report (hereinafter "the Report") as follows:

1. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0) and Rating Standards of China Corporate Social Responsibility Report (2014)

2. Rating Process

- (1) The Process Evaluation Panel interviewed major members on the Compilation Team of the Report, and on-site reviewed relevant materials regarding the compilation process;
- (2) The Rating Team evaluated the compilation process, disclosed information of the Report, and drafted the Rating Report;
- (3) The Rating Report was submitted to the Vice chairman of the Chinese Expert Committee on CSR Report Rating and the Leader of the Rating Team for their co-execution.

3. Rating Results

Process management (★★★★☆)

The Corporate Culture Dept. took the lead in establishing the report compilation team, the General Manager Assistant controlled the key nodes in report compilation, and the Chairman and Secretary of CPC Committee finally examined and approved the Report. The compilation team solicited advice of stakeholders via opinion soliciting sessions, seminars, questionnaires, and public opinion monitoring; it identified material issues according to corporate major events, relevant national policies, and stakeholder investigations; it has also made a plan for report release during the National Energy Conservation Publicity Week and the CSR Report Releasing Conference of China Industry 2016, and the Report will be available in electronic version, presswork and H5 edition. The Report has excellent process management.

Materiality (★★★★★)

The Report discloses key industrial issues such as product quality management, product service innovation, work safety guarantee, R&D and application of environment-friendly technologies and devices, conservation of energy and resources, and reduction in discharge of three wastes. The Report provides full details and has excellent materiality.

Completeness (★★★★★)

From such perspectives of "Practicing Energy Conservation and Environmental Protection", "Promoting Economic Development", "Safeguarding Life and Health", "Conducting Communication and Cooperation", "Achieving Inclusive Development", "Repaying Society with Sincerity", the Report discloses 92.0% of core industrial indicators, and is of excellent completeness.

Balance (★★★★★)

The Report discloses negative information on "employee turnover in the Group", "annual vocational disease cases added in the Group", "line-of-duty casualties", and "line-of-duty death per RMB 100 million of output value". Besides, it sets features on the current condition of enterprise work safety accidents and corresponding handling processes and improvement measures. The Report has excellent balance.

Comparability (★★★★★)

The Report discloses performance information for more than three consecutive years regarding 63 key indicators such as "Year-on-Year Growth of Operation Revenue", "R&D Input", "Energy Output of Hydropower", "Total Emission Reduction of Exhaust Gas", and "Total Amount of Social Charity Donation". It also compares CECEP with CECEP's domestic and international peers in indicators of "Production Scale of Environmental Construction Materials for Energy Conservation", and "Improvement Rate of Ecological Restoration". The Report has excellent comparability.

Readability (★★★★☆)

The Report has a clear structure and logic, and uses rich cases to illustrate CSR concepts and practices. It is exquisitely and carefully designed with the green as the keynote color to manifest the characteristics of the industry. Each chapter starts with "Our Philosophy, Our Practices, Our Honors" to outline the emphasis and responsibility fulfillment highlights of the chapter. The Report has leading readability.

Creativity (★★★★★)

The Report sets the section of "Digest of the Report" at the beginning with extracts of each chapter's main content, allowing the readers to easily get an overall understanding of the Report from the concise and straightforward demonstration. It also sets the "CECEP around You" section, vividly displaying the business structure and responsibility philosophy via an ingenious utilization of the company logo. The Report increases its credibility by embedding numerous stakeholder opinions and has leading creativity.

Overall Rating (★★★★★)

Through evaluation and deliberation, the Rating Team agreed to rate the 2015 CECEP CSR Report as excellent by giving 5-star rating to it.

4. Suggested Improvement

To refine certain words and design to further improve the readability of the Report.

Rating Team

Leader:

Cheng Duosheng, Director of Enterprise Management Modernization Office of China Enterprise Confederation

Members:

Wei Xiuli, Associate Professor at School of Economics and Management of North China University of Technology

Fang Xiaojing and Wang Zhimin, Members of the Process Evaluation Panel

Vice Chairman of the Chinese
Expert Committee on CSR
Report Rating

Date: June 1, 2016

Leader of the Rating Team



We Are Listening

Dear reader,
Hello!
Thanks for reading the Report.
We are looking forward to your comments and suggestions to help us improve work performance and adapt our next CSR report to your expectations.

1. Are you satisfied with the Report?

☐ Very

☐ Relatively

☐ Acceptably
2. Does the Report include all your concerns?

☐ Very

☐ Relatively

☐ Acceptably
3. Do you think the Report truthfully reflects CECEP's CSR-related work and impacts on stakeholders?

☐ Very

☐ Relatively

☐ Acceptably
4. Can you easily find the information you need in the Report?

☐ Very

☐ Relatively

☐ Acceptably
5. Is the layout satisfying to you?

☐ Very

☐ Relatively

☐ Acceptably
6. What are your comments and suggestions for CECEP's CSR-related tasks, report preparation and publishing?

You are kindly requested to enter your personal information. Such information will be kept strictly confidential by us.

Name:

Company/Occupation:





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