

The Implementation of Communication on Progress (COP) by Jiangsu LOPAL Petrochemical Co.,Ltd

Oct 2011—Oct 2012

Declaration of LOPAL

for continuously supporting UN Global Compact

Since Oct. 2008, when LOPAL were officially approved by UN Global Compact and become one of the participants of Global Compact, we have always strictly abide by and actively implement the ten principles of the UN Global Compact about the four aspects of human rights, labor, environment and anti-corruption, and we have also established the comprehensive system on labor, environment, anti-corruption, etc. taking the spirit of “Protect Environment, Serve Society, Create Technology and Repay Customers” as the responsibility that we should keep firmly in mind during the company’s integrated development process to effectively promote the implementation of the Global Compact and the sustainable development of business, economic, environment and society in the global vision.

As one of active members of UN global compact organization, we LOPAL abided the ten principles, carried out our responsibilities and obligations to fulfill the commitments to society. LOPAL have got some significant achievements in development of specialty products. In Nov.2011, Lopal was awarded “High-tech enterprises in Jiangsu province”; In Jan.2012, “Antileak Motor Oil” and the other two products was awarded “Independent innovation products in Nanjing”; In Mar.2012, Lopal fully launched “3E CARE” car maintenance products; In May, Lopal launched “Gangdun” construction machinery lubricant; In Jun. and Sep. We launched “Jienuo” and “Weishijie” series of second-generation specialty lubricant which suit for gas taxi and gas passenger, heavy-duty trucks.

As one of the leading companies in China’s lubricant industry, we have the responsibility to set a good example for the management and implementation of CSR (Corporate Social Responsibility) in the industry. We will continuously firmly support UN Global Compact, and at the same time, we also hope our support can stimulate more domestic enterprises, to contribute more for emphasizing Corporate Social Responsibility and promoting the sustainable development of the society.

2011, LOPAL carried out as follows for the implementation of ten principles of the Global Compact

1. Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

▲ The declaration and other relative international standards on protecting human rights

Since it was founded, we LOPAL have always strictly observed the "Universal Declaration of Human Rights" and other relative international standards on protecting human rights, and we also identify as well as strictly abide by the human rights principle of the Global Compact.

▲ The efforts and achievements made by LOPAL on human rights

1. Improve and perfect the labor social welfare. According to the "Company Law", "Labor Law" and other regulations, LOPAL regard improving and perfecting the labor social welfare as key jobs of adjustment of labor relations and safeguard the legitimate rights. Until now, The company employee Social Security tax rate has reached 100%, has more than 50% of the pay rate of the housing accumulation fund.

2. Actively carry out relevant activities to help employees who has difficulties. In 2012, the company's internal staff the individual encounter unexpected events conducted spontaneous fund-raising campaign, more than 70% of the internal staff participation in donations amounted to tens of thousands of dollars, and fully reflects the fraternity of mutual help the Longpan this collective internal spirit.

▲ The future prospect of LOPAL on abiding by human rights principle

We LOPAL will continuously abide by the human rights principle of the Global Compact, enhance the consciousness of protecting human rights among the overall employees and as always support as well as respect the human rights recognized by the world.

▲ Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labor

Principle 5: The effective abolition of child labor

Principle6: The elimination of discrimination in respect of employment and occupation

▲ The worldwide standard of International Labor Organization

We LOPAL take the worldwide standard formulated by International Labor Organization as an important part in the internal quality management system of our company, establish and improve a series of rules and regulations to protect the interests of enterprise employees, and build a complete enterprise management system to protect workers rights.

Over the past year, we have made efforts in improving labor standards:

1. Continue to follow the promotion system for outstanding employees a raise. In the past year, we have carried out two promotion competitions, 95% of employees have been improved salary.

2. Perfect overtime system, control of overtime. Lopal Ten staff does not recommend the specific circumstances of the overtime, fully guaranteed employees with reasonable rest time defined through the revision and improvement of the company's employees overtime system.

3. Improve staff accommodation, free apartment for single employees.

This year,Lopal provided a better environment&facilities for nearly 100 single staff accommodation in the factory ,improved the residing condition and the satisfaction of the staff.

4. Actively held a variety of training for employees and customers

In 2012 internal Lopal carried out the first phase of Lopal Business School training, to enhance the company's internal sales staff and distributors around the customer's overall quality and ability. Lopal also cooperated with Communication University of China, as well as vocational training company, arranged part of the management staff to attend short-term training in the field, and invited Lubrizol, Infineum additives, as well as from the United States, Italy, Japan and other the number of national scientific research experts to carry out technical exchanges.

▲ The future prospect of LOPAL on abiding by labor principle

We LOPAL always take the staff's treatment and the company's development as equally important. We will as always execute firmly the core conventions and other international conventions on labor principle of International Labor Organization in the future, strictly observe the labor principle of Global Compact and formulate the more reasonable labor principle in according to internal and our company's own situation.

Three. Environment

Principle7: Businesses should support a precautionary approach to environmental challenges

Principle8: Undertake initiatives to promote greater environmental responsibility

Principle9: Encourage the development and diffusion of environmentally friendly technologies.

▲The aim and promises of LOPAL about environment protection

We clearly recognize that as one of the part of the energy line, the lubricant industry has great society responsibility in promoting environmental protection, saving energy and reducing emission.

The achievements made by LOPAL on environmental protection in the last year:

1、 Actively carry out special studies for PM2.5 pollution control, the introduction of new products

China is one of the most polluted country by PM2.5 in the world. This year,the Protection Department wholly enhance the monitoring efforts in PM2.5,many enterprises including Lopal pay great attention to this. In June, Lopal launched 3E CARE fuel performance enhancer which has the function of reducing PM2.5.

2、 Providing high-quality AdBlue products, to ensure that the fourth stage of the Chinese national vehicle emission standards (National Standard)

China will fulfill the National IV standard of commercial vehicles in 1st Jul.2013.All the heavy-trucks will be equipped with SCR system from 1st Jul. 2013.KLS-subsidiary of Lopal,specialize in producing Adblue and Adblue Filling Equipment which are the necessary products to make the normal operation of the motors of SCR trucks. Now, KLS has become the biggest Adblue manufacture in Asia. Besides,KLS also provide glycerine-based coolant for the car enterprises.

3、 Launched oil products for cold region, to solve the environmental pollution and safety hazards northern commercial vehicle drivers in winter "bake car brought

The commercial vehicles&construction machinery of northern areas are all have the problem of hard-starting in winter.In order to solve this problem, the drivers all use the mothod of "bake car",this behavior not only polluting the environment, but also easily causing fire.The "special oil for cold region" which was developed by Lopal this year,can ensure the cars starting smoothly even under -50℃.It solve the problem forever,avoid the environmental pollution and safe hazard.

4、 Keep up with the trend of the development of new energy vehicles, the introduction of "clean promise" and "weishijie"engine oil

The proportion of natural gas in China's energy consumption pattern is widening,
 , as a cleaning energy whose burning efficiency is higher,it is used in the car industry is also widely. According to the latest trend that more and more

taxies/heavy-trucks/big-trucks and construction machinery starting use the natural gas as power source, in order to ensure more effective lubricant protection of gas engine, Lopal launched "jienuo" series which suitable for gas taxies and "weishijie" series engine oil which suitable for LNG, CNG buses, trucks and construction machinery. The two new products will provide better performance protection for the more and more gas cars.

The future prospect of LOPAL on environmental protection

We LOPAL will strictly abide by the environmental protection principle of Global Compact and actively respond to the relative policies and appeals of both United Nations and Chinese government, so as to try our best to contribute to the promotion of the sustainable development of global economy and society.

Four. Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

▲ The international standard of commercial integrity and anti-corruption

Integrity has always been an important part in our internal quality management system. Since it's found up, we LOPAL have always strictly observed the international standard on commercial integrity and constantly conveyed our values and integrity principles to the employees, suppliers and customers.

The efforts made by LOPAL on anti-corruption principle

We LOPAL have formulated the comprehensive rules and regulations about anti-corruption and commercial integrity, and make commitment on the anti-corruption: insist on the guideline of address both the symptoms and root cause, comprehensive control, punishment within prevention, paying attention to prevention; establish the punishment within prevention system; and increase strength of cure prevention to prevent various types of crimes and offenses against the interests of the company and build clean and healthy internal environment for the company sustained, rapid and healthy development. And we also hold the training meeting regularly, enhancing the anti-corruption and integrity consciousness of all employees.

▲ The future prospect of LOPAL on anti-corruption

We LOPAL will firmly observe and perform the anti-corruption principle of Global Compact and try our best to prevent the commercial bribe.

Epilogue

According to the rapid development of the enterprise and the more closely communication with all the fields of the society, Lopal is rapidly growing the enterprise citizen with society responsibility. As the biggest Joint public organization in the world, United Nations Global Compact member 's ID promoted the enterprise society responsibility for Lopal. Look into the future, we will join in the activities of UN Global Compact more actively, and try our best to be an outstanding "Corporate Citizen" in the family of international oil industry at the same time of implementing the enterprises' global development strategy, make our own contribution to human civilization, the progress of the society and the sustainable development of environment.