

**SPECIAL REPORT 2012** 

**COMMUNICATION ON PROGRESS** 





### **AMBITION**

Great River moves in bounty water flow,
To nurture land and fields in passion glow,
With plans to spread sustainability
And actions yielding long prosperity.

#### **Notes:**

Great River Corporation has incorporated into its mission and strategies the concept of sustainability to bring about long-term prosperity.

This 4-line verse of two couplets in iambic pentameter draws an analogy with the Great River to convey the company's ambition:





#### CHAIRMAN'S STATEMENT

2012 was a year of many challenges, triumphs and defeats for all, BUT not the end of the world as some may have predicted. So let's review 2012 and make 2013 a successful and prosperous year!

Being committed to the Ten Principles, we faced a big dilemma last year. In one of our oil and gas projects in Northwest China, we were sorry to find that the some of the top senior management personnel and local partners have not strictly agreed to Principle 10. There have been divergent views on this among the shareholders and the board of directors. Finally, we are determined to adhere to our commitment to the Ten Principles. However the cost of our unswerving belief is huge, with an estimated loss of USD 560 million.

The above has allowed our company to evolve in creating a new shareholder structure, new board, new management, new lines of business and overall undergoing a new group restructure. Shortly after we returned from Rio +20, we have strategized our new business with the SDGs.

Sadly, our Chairman passed away. He will be remembered as a revered forerunner of our company. His wisdom will remain an inspiring and guiding light for a better future for our company. So this statement is written in dedication to him and in loving memory of his achievements.



We have accepted the past tribulation, and have taken this onboard as an invaluable lesson, which we can use to learn and create a sustainable group in the future. Therefore, we have repositioned to focus on education for the next generation, aiming at a durable and long lasting future for the company Hong Kong, China and the world.

This is the end of the Year of Dragon. As predicted by the fortune tellers, this year saw great changes, where the Yin would be strengthened more than the Yang. After having coped with the difficulties of the year, we are better prepared now with renewed energy to take on new challenges of the Year of Snake. Looking forward, we envisage 2013 to be good and conducive to our readiness and responsiveness to complicated situations.



Dr Carlye Tsui BBS MBE JP
DProf BA FHKIOD FHKMA FHKIE FBCS CITP





#### PRINCIPLE 10

During the UN Corporate Sustainability Form in Rio, Dr Tsui delivered a speech discussing the economic crisis and the urgency for a better governance introducing ESG reporting and the requirement to irradiate corruption through tools such as mandatory training and corporate culture. Locally, during the Directors Symposium held at the Bankers' Club in Central Hong Kong in September 2012, Dr Tsui also shared the same discussion with more than 200 directors and senior officers of diverse enterprises.

The subject of corruption is not a new one. For as long as there has been conflicts of interest an element of bribery has often been used to obtain an advantage over one's adversary.

Corruption is a global phenomenon. It means that unfortunately some people were taught to seek unfair advantages in the short term rather than the greater common good in the long term. However, values of a clean society and clean practice have been in existence longer. Preachers like Confucius have for a long time in history promulgated such values in law and in culture.

High-profile frauds or mismanagement of entrusted funds are no longer shrugged off as a cost of doing business. People realise that rapid and decisive punishment for corrupt behaviour is needed to re-establish faith in financial markets.



Building a culture where corruption is not acceptable is the key for all companies, whether public or private. Anti-corruption risk assessment is a crucial part of risk management. Raising awareness of the possibility of corruption is key. This can be done through training programs and annual tests ensuring employee competencies and confidence when confronted with a "whistle blowing" situation.

Corporate culture is set from the top down. Establishing a compulsory 'code and conduct', combined with effective communication and training is essential. At the same time, rigorous monitoring systems for areas of identified risk must take place. Risk management is an integral part of corporate governance, which falls to the board and audit committee of each company to implicate.

The way forward is to set global standards based upon existing proved systems. Significant steps have already been taken to establish a starting point for minimum acceptable behaviour. For example, recent legislation in western countries has had a significant effect on cross-border business dealings, raising the issue to an international level. The US Foreign Corrupt Practices Act (FCPA) and the newly implemented UK Bribery Act are prime examples. The problem is that this type of legislation only impacts business that has some connection with the US or UK.

We endorse the efforts of the UN Global Compact to go further to aim for setting a global standard, which is the most efficient way given the global nature of corruption.



At the same time, individual nations are encouraged to set national standards in line with their specific cultural norms.

The trend at present is clear: with globalisation comes the need for international co-operation of authorities to address concerns of improper conduct, particularly acts committed across borders. What businesses need is an established, clear set of rules that are equally and fairly applied globally, to ensure a level playing field and avoid unfair advantages to some players, over others.

Transparency is key to stamp out corruption. Especially in the areas of public-private cooperation, it is imperative to establish guidelines for the tender process and the award of contracts. Both for the public authority and the private company winning the tender, reporting the process should be obligatory.

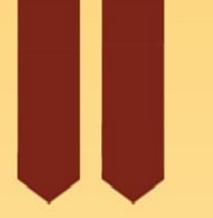
Clear definitions are important. For example, there does not seem to be any single definition for "high-risk" areas. These areas may refer to places experiencing high levels of armed violence, or where political and social instability prevails, or where a number of factors are present to make a future outbreak of violence likely, or places experiencing economic recessions, or where there are serious concerns about abuses of human rights and political and civil liberties. Countries may be labeled high-risk or low-risk according to the rating of perception indices by organisations. A country may be rated high-risk at a certain point in time and may not necessarily remain high-risk forever.



In reality, the risk is global, for what we see are reports of corruption cases, versus actual acts which do not get reported. In other words, this is the iceberg effect. Corruption may have taken place, but the culture is to keep it low-profile to avoid ruining of image. Economies in different stages of development may find corruption in different ways of existence. In the less developed economies, corruption may be manifested in basic and low level of operation. In the more developed economies, the misconduct may be crafted in a sophisticated manner, so much so that it is difficult and takes a long time to detect. Therefore, regardless of where business is conducted, one should be alert to the risk of corruption.

Take a holistic approach in addressing corruption. The holistic approach includes acceptance that there is corruption around, educating people to recognise the value of clean society and clean practice with its far-reaching impact on sustainability, measures to assess and mitigate risks and controls to detect corruption.

Finally, let us remember that the board is the pivotal group to create and motivate an anti-corruption corporate culture, mandate corruption risk assessment throughout the company, and install the necessary internal control for the prevention and detection of corruption. Proper behaviour by all brings about integrity and prosperity of the company and paves the way for the company's sustained growth. Actions of the individual companies bear impact on today's and tomorrow's society and the world at large.





### 中国西部开发战略

中国西部地区国土面积685 万平方公里,占全国的71.4%; 总人口约3.56亿人,占全国总 人口的28.6%,其中少数民族 人口约占全国少数民族人口的 75%。

十年前,西部的生产总值 仅占全国的17.1%,人均GDP仅 相当于东部沿海地区的30%左右, 农村贫困人口超过5700万。

经过十年西部开发战略的 实施,西部地区生产总值GDP从 最初的16655亿元增加到58257 亿元,年均增长11.7%。

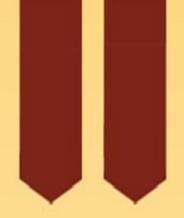
中国西部大开发战略实施 极大地推动中国经济整体发展 的进程。

Strategy for the Development of Western China

#### **Demographics:**

- An area of 6.85M sq m, 71.4% of total area of China
- A population of 356M, 28.6% of total population of China,
- Minority tribes at 75% of total population of minority tribes in China.
- 10 years ago, production value of 17.1% of total production value of China, GDP per capita at 30% of total of eastern coastal region of China, population of 57M in rural poverty.
- After 10 years of strategic development, GDP increased 11.7% from RMB1,665,500M to RMB5,825,700M.

The strategy of developing Western China has become an accelerator in the pushing forward of the overall economic development of China.





#### Gansu Province, China

### 中国-甘肃

甘肃作为中国西部大开发的重要组成部分。甘肃地处黄河上游,它东接陕西,南控巴蜀青海,西倚新疆,北扼内蒙、宁夏,是古丝绸之路的必经之路。它地处中国中部的黄土高原、青藏高原和内蒙古高原上,东西蜿蜒1600多公里,纵横45.37万平方公里,占全国总面积的4.72%。

2011年数据显示,实施西部大开 发战略十年以来,全省完成生产总值 5020亿元,增长12.5%;固定资产投 资完成4200亿元,增长40%;城镇居 民人均可支配收入达到14988.7元, 增长13.6%;农民人均纯收入3909.4 元,增长14.2%。

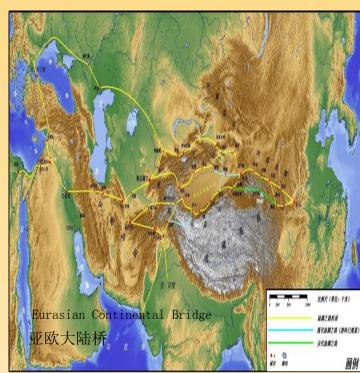
- A major constituent of the opening up of Western China.
- Located upstream of the Yellow River, with connectivity to neighbouring provinces - east: Shaanxi, south: Sichuan Province and Qinghai Province, west: Xinjiang, north: Inner Mongolia, Ningxia - a strategic point on the Silk Road.
- Covering the yellow-earth plateau of Central China, the Qinghai and Tibet Plateau and the Inner Mongolia Plateau, spanning east and west of 1,600 m with an area of 453,700 sq m, 4.72% of the total area of China.
- According to 2011 statistics, since the implementation of the strategy in opening up the west, for 10 years the Province has achieved:-
  - ✓ production of RMB5,020,000M, at an increase of 12.5%,
  - ✓ investment into fixed assets of RMB4,200,000M at an increase of 40%,
  - ✓ per capita disposable income of urban population reaching RMB14,988.70 at an increase of 13.6%,
  - ✓ per capita net income of rural population at RMB3,909.40
    at an increase of 14.2%.

## Rich Resources in Gansu Source of Chinese Civilization

甘肃具有丰富的自然资源, 她是中国华夏文明的发祥地



Dunhuang art: Flying Fairy 敦煌艺术: 飞天







# ENVIRONMENT



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Commenced in 2012, the implementation of the strategy in opening up resources has in a reasonable manner utilized the resources of the glacier mineral springs to produce and market a series of commodities including drinking water, healthcare and skincare products. The company has made use of glacier mineral springs to build a business group that combines an industry and a culture. This facilitates the socio-economic development of a backward region in the west of China. The development of the glacier mineral springs not only satisfies the needs of modern-day living but also facilities the development of local economy and society, in line with the United Nations' requirement of sustainable development. This is indeed a good project that benefits nations and people.

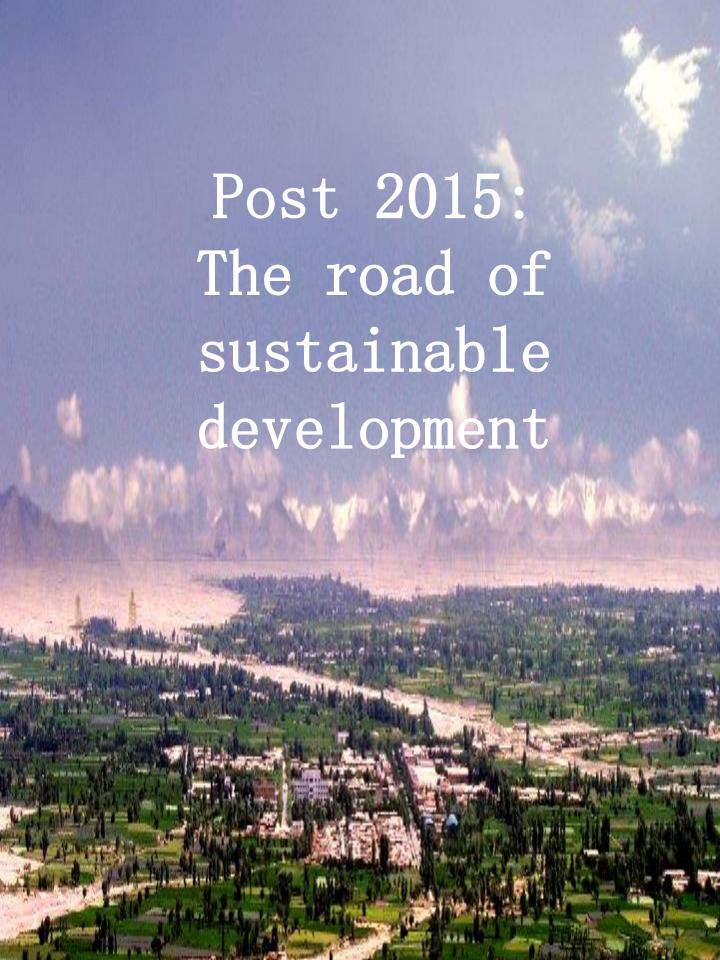


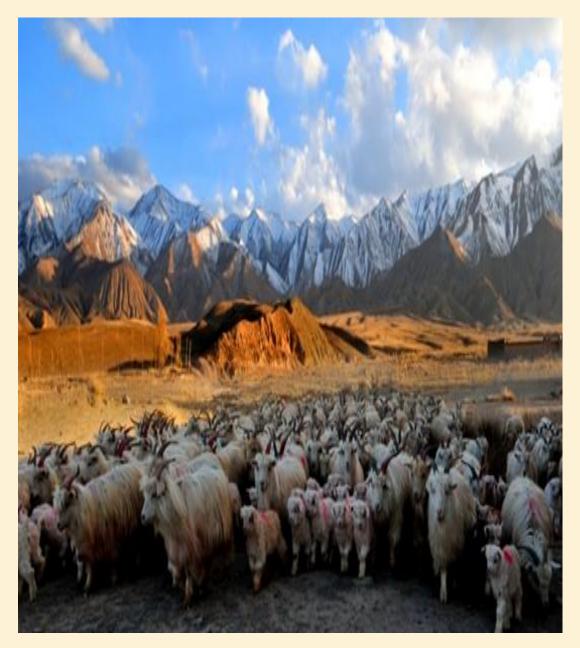
# Measures in Sustainable Development of the Project

- 1. To strengthen the awareness of environmental protection among staff through training.
- In the overall system planning of the industrial districts, to adopt effective measures not to produce cross-contamination and not to produce pollution through guaranteed structural design.
- To establish systems for monitoring, assessing and controlling the management of the water sources, transporting and emission of polluted water and air.
- 4. To adopt the design of work processes in environmental protection, energy saving and low carbon.
- 5. To utilize in the best way clean energy such as solar power and wind power.



- 6. To work with facilities suppliers jointly to establish standards in environmental protection, energy saving and low carbon.
- 7. To work with materials suppliers jointly to develop production and packaging materials that comply with environmental protection, safety and hygiene, to lower cost of production and satisfy consumers' needs of physical and mental health and safety.
- 8. To work with food research organisations in China and internationally in jointly developing new products to satisfy consumers' needs.
- To build innovative systems that comply with environmental protection in order to cope with the challenges of changes in the environment.
- 10. To establish an information-based traceable system for products from water source to customers.





When completed, the project will create an approximate income of RMB400,000M, generate a local tax of approximately RMB30,000M, provide employment for over 10,000 people, result in the development of over 10 industries, establish an international brand with Gansu characteristics, contribute towards the opening up of Western China and advance the socio-economic development of a backward region in the north west.

项目建成将创造约400亿元人民币的收入,增加地方税收约30亿元人民币,提供上万人的就业机会,带动相关十几个产业发展,并创立具有甘肃特色的国际化品牌,为中国西部大开发战略和促进西北落后地区的社会与经济发展作出贡献。

## Lanzhou Institute of Science, State Key Laboratory of Cryosphere

Chinese Academy of Sciences in 1958, the use of mountain snow formed a research team from the west to China for mountain glaciers and permafrost study, later renamed the Chinese Academy of Sciences, Lanzhou Institute of Glaciology and Geocryology. Lanzhou Institute of Glaciology and Geocryology, Chinese Academy of Sciences is the only Chinese in the mountains, highlands and the northern cold regions glaciers, snow and permafrost as the main object of scientific research institutions.

Glacier, the Lanzhou Branch of scientists and experts in the former Soviet Union Glacier 1 July 1958 discovered and named the first plateau glaciers.

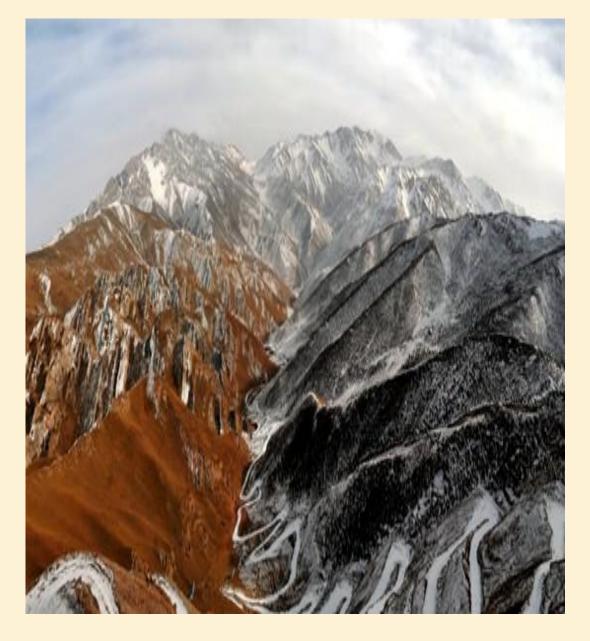






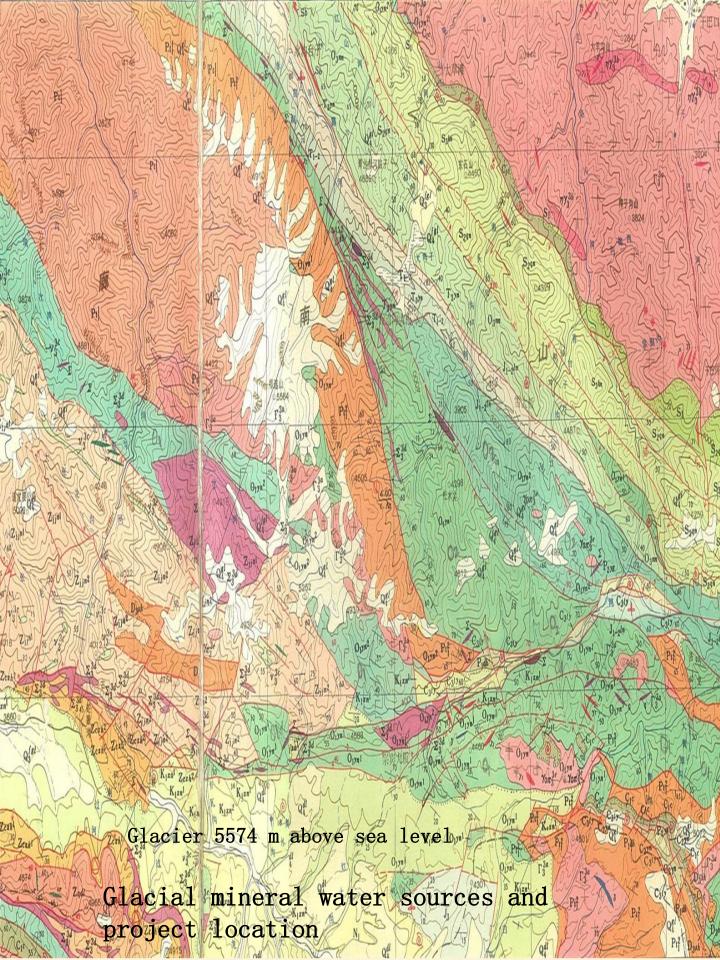


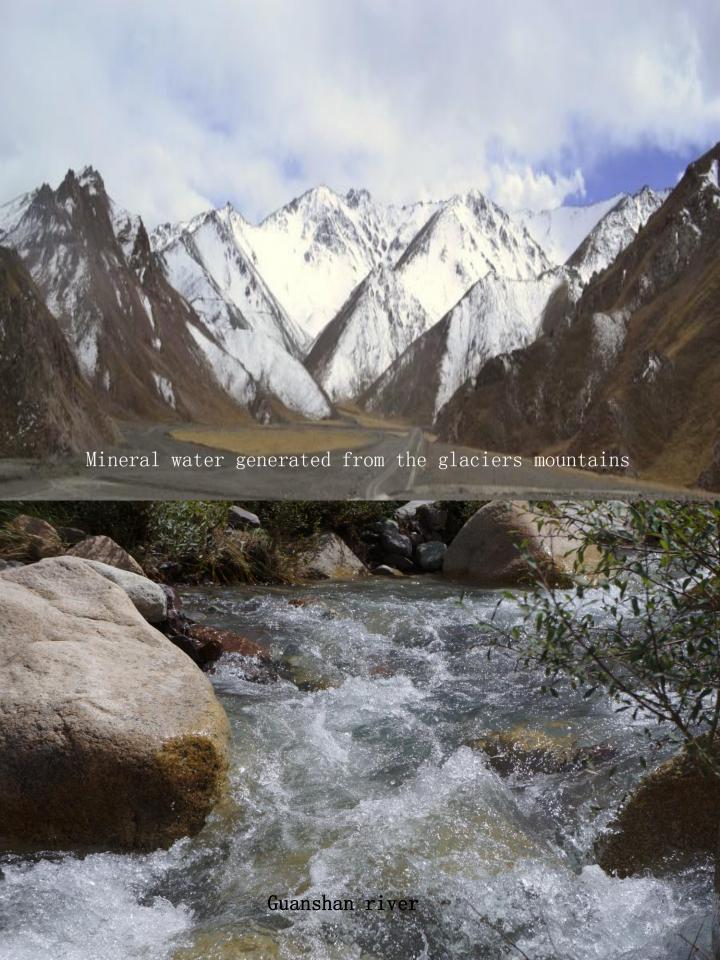
去业意见 《持续发格报告》基本上较全面的反应3 冰川矿泉水的特征、环境条件、及开发利用的前半。因而其这件社和细节规划较为可行。 若被据以执行、坚持方案否则,将做达到节键、 环保、与持续发展的标准。

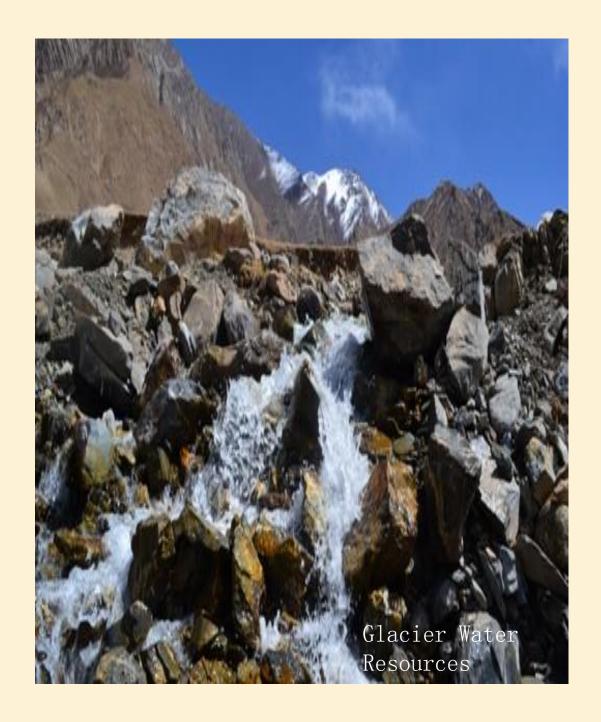


Glacier mineral water source region, located in 3200 meters, the glacier melt water through rock mountain nearly tens of thousands of years, the purification, mineralization, and the activation of infiltration of natural, it eventually formed a typical glacier mineral water resources.







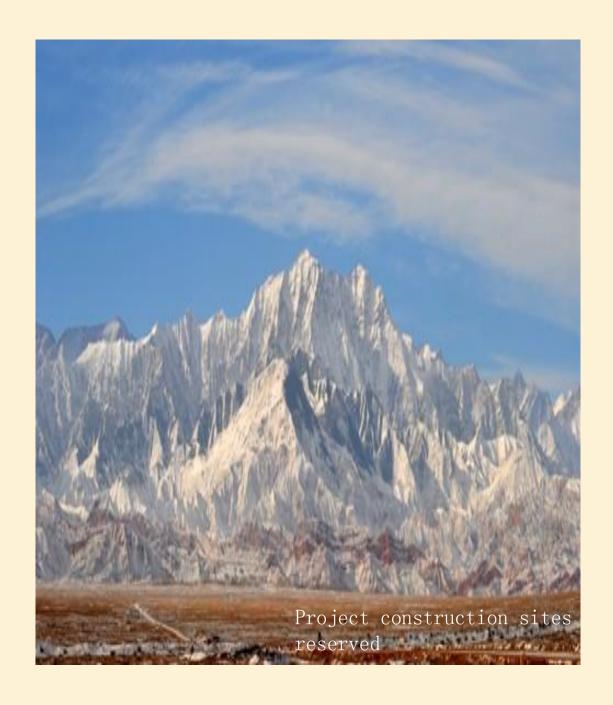


According to the test results of the examination from Chinese geological science, the mineralization of the glacier water contains a variety of potassium, sodium, calcium, magnesium, iron and other minerals and trace elements beneficial to human body, deuterium content is low.



The townspeople have for generations drunk the glacier mineral spring water. They are all fit and healthy and mostly command longevity. The head office of the glacier mineral water springs business is located here.

镇上的村民祖祖辈辈饮用冰川矿泉水,当地村民均拥有健康的体魄,生活着众多的长寿居民。冰川矿泉产业基地将建在这里。



The good ecological environment is a big challege for the project construction so it will put forward the construction of project higher ecological environment protection requirement.



Because of the great challenge of protecting ecological and environment the Company Leaders have established the project must walk the path of sustainable development direction.

冰川矿泉资源开发利用的项目,面临生态 和环境变化的巨大挑战。公司决策层确立了项 目开发必须走可持续发展道路







Water Resource professor, nutrition experts, geological scientists, design institute, engineering company and company executives have demonstrated how to develop and utilize the mountains glacier mineral resource scientificly. Through the analysis of the resources and the environment for the project, puts forward the solution to environmental protection and ecological balance.

水资源教授、营养学专家、地质科学家、设计院、工程技术公司与公司高管对冰川矿泉资源利用,进行了科学论证。通过对项目的资源和环境分析,提出环境保护和生态平衡的解决方案



In line with the ideals of sustainable development, this is a joint project utilizing the resources from the glacier mineral springs, in order to advance the sustainable development of the local economy and society.

坚持可持续发展的理念, 共同合作开发利用冰川矿泉资源, 促进当地经济和社会的持续发展。



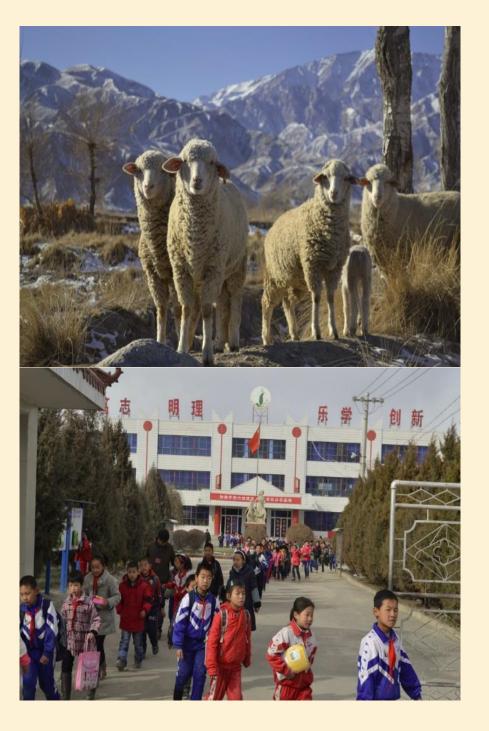


Government providing enterprises with support.

Consensus between government and enterprises in projects of sustainable development.

政府给与企业政策扶持,政府与企业就关于项目可持续发展达成共识





Objectives and principles of project development: environmental protection, low carbon and energy saving, following the path of sustainable development – "We must not be sinners in history."

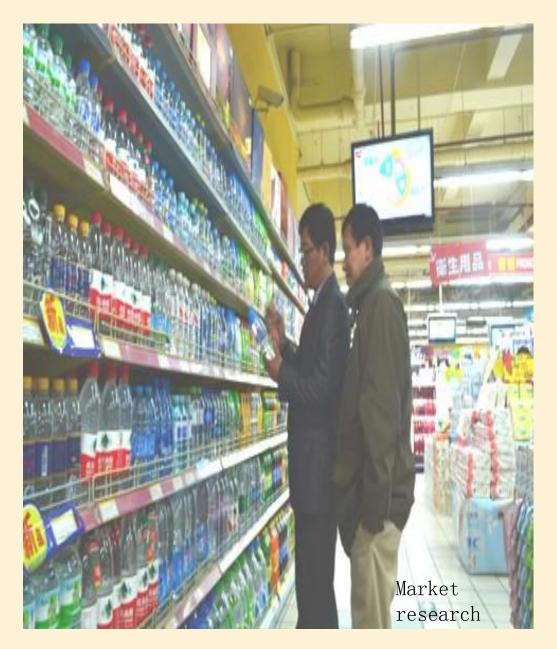
项目开发的宗旨和信念是,生态环保,低碳节能,走可持续发展的道路。我们不能成为历史的罪人。





Project leaders take into consideration of the ecological environmental protection from the system and structure design.





The company's social responsibility is to be accountable to consumers, to create clean products with no pollution, to provide consumers with safe and reliable products through the management and control of the entire product chain and supply chain.

公司的社会责任是对消费者负责,创造没有污染和洁净的生产环境,通过对全产业链和供应链系统的管理和控制,为消费者提供安全可靠的产品。

## **Human Rights**

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

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





In the past year, we were operating in the Western China. From our local experience, human rights policy adjustment is not by force of the Western pressure. The effect of external pressure is not as impactful as the West thought. The causes of changes and policy are mainly internal factors. Since resuming the lawful seat in the UN in 1971, China has been officially involved in the international human rights regime.

In the past few months, the Company organised a couple of mock debates for the middle and senior management about U.S. intervention in Syria without UN Security Council resolution. Through these exercises, the Board hoped to help the management to gain a deeper understanding of The Universal Declaration of Human Rights.

Transformation of human rights understanding is one of the main causes of our human rights policy adjustments. External causes are mainly on the government side, including outcome of reform and open-door policy and legally confirmed status of human rights.



Our policies emphasize complexity & diversity of human rights in provinces with different cultural & history background and different levels of economic development in various locations of operations. The Western part of China is quite different from Beijing, Shanghai and Guangdong. Right to development is the first priority. Through the Global Compact, we hope to strengthen our cooperation with members all over the world in the realm of human rights on basis of mutual respect, equal dialogue, and seek common ground while reserving differences. We have the impetus to adjust our human rights policy since we joined the Global Compact.

Historically, in 1978 People's Daily published an article "All citizens are equal in law" where conception of citizens replaced wording of class. In 1985, when commenting Hu Na Incident (the tennis player), Deng Xiao Ping said "What are human rights? Are they minorities' human rights or majorities'? Or the human rights of the whole countries' people? Human rights in the West talks about are totally different from those we talk about".



Following reform & open-door policy and increase in people's standard of living, the people improved understanding of human rights and ability to protect own rights & interests. Depending on domestic reform made concern for human rights an important factor in maintaining political stability & continuing reform. Protecting and improving human rights is necessary to guarantee stability & unity. Promoting and protecting human rights is necessary for further deepening reform. Against this background, the Company has gradually built the policies of human rights "with Chinese characteristics".

Direction of reform and open-door policy and human rights promotion is consistent.

Reform and open-door policy initiated a new phase of human rights development in China. When we are implementing the human rights policies in our operations in the Western China, we are particularly aware of the macro developments.



We have undergone a long process of change, for a long time, no correct understanding on human rights concept. In the beginning, we tried to adopt the views from theorists but they mainly explained the human rights from the view of international law, and did not form confrontation of ideas. "In a socialist country like China, using human rights concept is helpful to construction of social democracy and legal system, and to the development of the socialist cause."

In 1997, 15<sup>th</sup> CCP Congress wrote human rights into the theme report. In 2002, "respect and guarantee human rights" was established as important principle of CCP governing country and new aim of new century. In March 2004, new amendment of constitution contained "respect and guarantee of human rights". In October 2007, written into constitution in 17<sup>th</sup> CCP congress. In April 2009 National Human Rights Action Plan of China (09-10) adopted. In June 2012, plan 12-15 adopted. Recently, in November 2012, written into constitution at 18<sup>th</sup> CCP Congress. Therefore, "respect and guarantee human rights" is of course adopted as the cornerstone of the Company's human rights policies.

### Labour

### **Principle Three**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

### **Principle Four**

the elimination of all forms of forced and compulsory labour;

Principle Five the effective abolition of child labour; and

### **Principle Six**

eliminate discrimination in respect of employment and occupation.

#### Assessment, policy and goals

员工的切身利益与企业利益密切相关,员 工是否具备主人翁精神,是否热情投入直 接影响着企业的文化建设及经济发展,因 此,保障员工的各项利益至关重要。首先 在劳工招聘时,我们就严格依法用工,绝 不非法使用童工,坚决反对性别歧视及慢 性传染病歧视。在生产管理方面,绝不强 迫或变相强迫员工超负荷劳动, 不得违法 加班。其次, 员工的薪水待遇除严格遵守 国家关于工资支付的规定外,力争比同行 业其他企业优厚,同时,设计了按工作表 现、综合业绩考核等指标的奖励制度,充 分发挥员工的工作热忱。而且, 保持了工 资收入每年较高的上调幅度。此外, 员工 还能享受到各项津贴及补贴等福利。公司 的员工全部都享有带薪年假,休假时间比 国家规定标准更高。

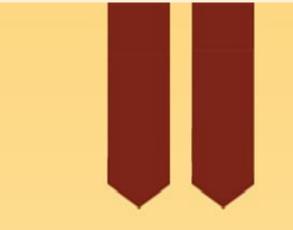


#### **Implementation**

我们特别关注员工的健康和安全,每年都会定期免费安排员工常规及专项体检。比如为女性职工提供相关的妇科检查,针对不同车间员工的噪音体检、焊锡铅烟等专项体检等等。另外,公司还会订阅健康方面的杂志等书籍供员工业余时间学习,组织员工开展文艺活动,开展心理健康的咨询及讲座。

#### Measurement of outcomes

人事管理方面,我们倡导科学管理,依法管理, 借鉴世界科学有效的管理方法,包括香港董事 学会指引,由人力资源管理专员建立翔实的人 事档案,对信息分类,多层次管理。在人性化 管理的同时,按制度依法管理,公司严格按照 国家劳动法律与每位员工签订合同,同时,按 照国家规定为员工缴纳各类保险金。公司高级 管理人员能随时掌握相关情况。





# TAKING ACTIONS TO SUPPORT BROADER UN GOALS AND ISSUES

# Sustainable development to the challenge of environmental change



#### 1. Measures to deal with environmental challenges

As a new project, facing to the fragile ecological environment, in oreder to minimize the impact to the ecoligical environment, company took varieties of measures from technology, management and rules to prevent at the very beginning of the project. To cope with the challenge of environmental change, the company will implement to protect the interests of the consumers as the core of the ecological environment protection of system engineering. Systems engineering design including disasters, environmental impact factors, risk factors identification and evaluation management system; Based on consumer and market environment of large data decision-making, rapid response and risk control system; On the basis of ERP and CRM management of supply chain management and decision-making system; The supplier selection and assessment of the materials and equipment procurement mechanism; Ecological environmental protection new technology application, and to establish technical innovation system; Environmental protection and risk management staff training system; Economic evaluation mechanism of ecological environmental impact and performance management of the system operation. According to the characteristics of the project, the company will use the key point of system control method to develop a standard system, containing the process and technology, water source and water treatment systems, packaging material quality, filling equipment, packaging equipment, transportation, customer service and other key points of the systems and adopt the advanced control technology on the system implementation of continuous monitoring and control. The performance of the system is to establish the index system, the project operation process to evaluate scientific environment protection system, the problems on the system operation process measures in a timely manner.

#### Equipment suppliers meeting

设备选型充分考虑了设备在今后 的生产运行过程中可以降低能耗, 不产生污染,为消费者提供安全 卫生的产品。

# 2. Why deal with the challenges of climate change measures on the company's continued development of great significance

The company's philosophy is that now all efforts are aimed at consumers and the company's future, to ensure the interests of consumers, while companies can be developed. Direct and indirect environmental impacts will affect the fundamental interests of consumers and the impact of the company's long-term development. In the company in which the ecological environment, enterprise operation caused damage to the ecological environment, it will increase the company's cost of environmental governance, thereby increasing the company's operating costs, the impact of the company but also seriously affect the economic benefits the company's public image. Because of its material supplier management is not strict, resulting in the production of materials on the environment and human health hazards to consumers resulting threat of physical, mental and social environment, the company will bear the market risk but also bear the risk of corporate reputation. Therefore, the project start-up phase in the company, from the beginning of the project planning and design planning and design of a complete environmental risk control system, and work out measures to cope with the challenges of climate change, sustainable development of the company has very important significance.

# 3. Implementation of environmental protection measures steps

The first company established ecological and environmental protection management system, the company runs the risk of environmental impact control; companies with IBM and other international IT companies to establish the core interests of consumers, based on changes in the market environment of large data systems and rapid response mechanisms to achieve the company's customer service from the market to the overall operation of the dynamic management; Company pursuant to the actual situation of development and utilization of ERP and CRM information management system to ensure the operation of the supply chain process and product quality, reduce manufacturing costs and improve operational efficiency; company and suppliers to develop environmentally friendly, low-carbon, health and safety of packaging materials and production materials to ensure consumer health and food safety; companies and equipment suppliers, continue to adopt new technologies and new processes to ensure that production processes do not cause environmental pollution; company with domestic and foreign scientific and technological research institutions, research and development and production of environmentally safe new products to meet consumer health and safety requirements. The establishment of mechanisms through training, strengthen internal environmental awareness training, reduce human environmental broken ring and damage the interests of consumers.







与物料供应商共同开发生态环保、 安全卫生的生产和包装材料,确保 消费者身心健康和安全,降低物料 消耗。

通过对设备供应商考察、审计和评价, 确保项目使用的设备符合生态环保, 低碳节能的要求



The responsibility of environmental protection



# Environmental responsibility to implement the steps

- ●The company's vision is to: establish an environmentally friendly, ecoenvironmental development, and create a harmonious society, industry clusters, stimulating local economic and social development, to become a model of economic development in western China. The company's philosophy is eco-friendly, low-carbon energy, sustainable development path. Therefore, the ecological and environmental protection has become a sacred duty of the company.
- •The company's sustainable development objectives are: project overall system zero pollution, creating parks revenue 40 billion yuan, local taxes 3,000,000,000 yuan, driven more than a dozen related industries, and create tens of thousands of jobs created with China in Gansu characteristics of the international brand.
- •Operation of the system to achieve the company's overall performance management, elimination of environmental factors on consumers and businesses continuing development.
- •Company and material suppliers to jointly develop environmentally friendly, safe and hygienic production of raw materials to ensure to provide consumers with products that are safe and reliable.
- •Companies with equipment suppliers, and continuously improve the existing equipment, the use of advanced technologies and processes to ensure the production process does not produce operational environmental pollution and product quality issues.
- •Through staff training, establish a communication mechanism, the formation of the company environmental awareness, to safeguard the interests of consumers and companies achieve the objective of sustainable development, environmental protection to take positive action.
- •Companies with IT companies to develop environmental monitoring and control information platform for environmental monitoring, environmental quality assessment and environmental management and control.

# Technological innovation to promote the sustainable development



### 1. An ecological and environmental protection technology innovation development strategy

Establishment of environmental technology innovation mechanism, and constantly adopting new technologies and new techniques to solve business and operational changes affecting the environment problems.

Sustainable development of companies established evaluation system and rapid response mechanisms, focusing on updating the company continued to develop strategies and tactics.

Companies and government cooperation, the development of environmental standards, develop appropriate compliance measures, the use of new environmental technologies.

Companies with suppliers to develop ecological environment evaluation criteria, the establishment of the environmental impact of materials used in production of the evaluation mechanism and rapid response mechanisms, through technical innovation and improvement, providing companies comply with environmental and consumer safety and health requirements for materials used in production.



#### 2. Ecological and environmental protection technology

The overall project planning and design requirements of environmental protection, the project to have a systematic means of control, functional division and coordination of structural design, to ensure the project does not produce cross-contamination, pollution per unit system can not be formed.

Planning and design coordination, project construction to maintain the ecological environment system from damage, the project blend with the natural environment.

After the world's most competitive supplier of inspection equipment, the company chose with low power consumption, no pollution, high efficiency characteristics of production equipment.

Introducing world-class technology from a leading French company, designed to meet the environmental protection, to ensure consumer safety and healthy water treatment processes and technologies.

Companies to take advantage of wind and solar Qilian new energy, reduce carbon emissions, on the Qilian no impact on the surrounding environment.

Company and the Chinese Academy of Sciences, Institute of Cold and Draught, and the Chinese Academy of Geological Sciences Institute of Environmental Protection jointly develop environmental monitoring information systems, environmental evaluation system



# 3. Environmental technology innovation and the benefits of the company's sustainable development

Reduce environmental pollution, reduce carbon emissions and help build a harmonious social environment and enhance the company's public good image.

To provide consumers with safe and healthy products, the establishment of the company's brand position in the consumer mind, enhance the company's competitiveness in the market, to maintain a stable market share.

Reduce the consumption of materials produced, saving production costs and improve the company's profitability.

与国内外科研机构合作建立生态环保的 技术创新体系,应对环境变化的挑战 Collaboration with institutes to set up innovative system to cope with the challenges of climate change 每年公司将拿出销售收入的2-3%作为研发 经费,与国内外食品饮料研究机构共同研 究开发新产品,满足消费者需求

2-3% of annual turnover for research and development





# STRATEGIC SOCIAL INVESTMENT AND PHILANTHROPHY

Our new focus in 2013 is education. With the guidance by the Ministry of Civil Affairs of the People's Public of China, we will be launching a nationwide education campaign for children in poverty, educating this generation to educate the next and continued generations.



We have learned this lesson from history, education is key and key for long-lasting future, and not only for this year's objectives. We have evolved as a group, embracing these challenges which will include a new governance culture, educating from the top down for a sustainable future.

