

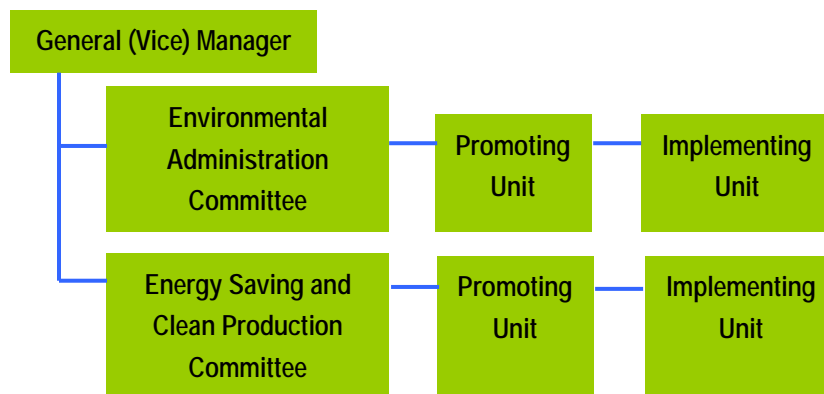
5- Environmental Performance

❖ Environmental Management

■ Environmental Guideline

- Maintain natural environment
- Comply with requirements of laws, regulations and standards
- Reduce waste and recycle resources
- Save energy and reduce consumption by effectively using resources
- Continually make improvements towards preventing and ultimately eliminating pollution
- Periodically audit the suitability of environmental system

■ Environmental Management Organizations



■ System Certification

Gold East Paper passed the ISO14001 environmental management system certification in December 2000. The company has constructed and implemented environmental management system according to ISO14001 International Standards and National Environmental Management Requirements. Gold East Paper organizes auditor to audit the system periodically to insure the continuous improvement of environmental management system. The company has implemented complete environmental management for the entire product lifestyle,

such as product design, raw material procurement, production control and waste disposal.

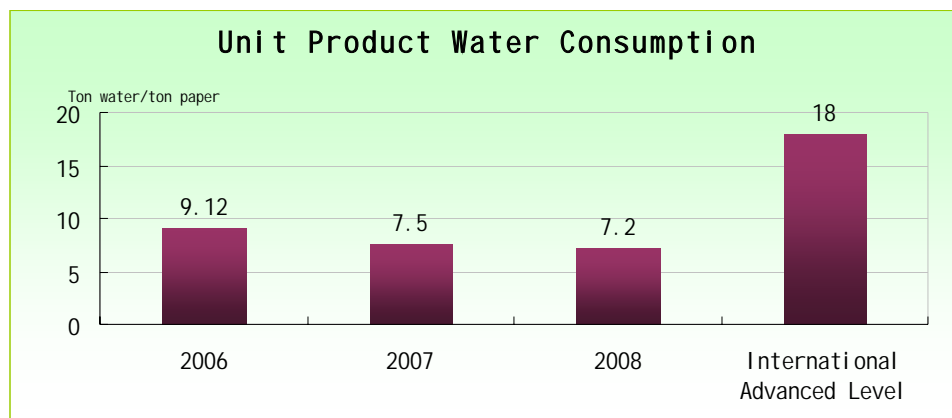


■ Certification System List

Certification System	Certification Unit	Obtainment Time
Measurement Management System Certification (ISO10012)	Zhongqi Measurement System Certification	August,2008
Certificate for Measurement Assurance	Jiangsu Quality and Technology Supervision Bureau	August,2007
PEFC Certification	SGS	November , 2007
Occupational Health and Safety Management System Certification (OHSAS18001:1999)	National Quality Certification Center	December , 2004
Environmental Management System Certification (ISO14001:2004)	National Quality Certification Center	February , 2001
Quality Control System Certification (ISO9001)	SGS	February , 2000

❖ Process Control

China's national policy of "The Eleventh Five-Year Plan", which puts forth the following targets for environmental protection to be achieved in "The Eleventh Five-Year" phase, the ratio of energy sources consumption to total unit domestic production will be reduced by 20%, the total amount of pollutant discharge will be reduced by 10%, the total amount of COD discharge will be reduced by 10%.



Faced with the increasing prominent position of the short of resources and environmental problem, the company innovates the development mode according to scientific development view and sustainable economy principle, take "water conservation, energy saving, consumption reduction, carbon decrease, pollution lessening and efficiency increase" as main targets, make effective and recycle use of resources by implementing clean production and technology progress. At present, Gold East Paper's indexes such as energy consumption, water consumption for producing 1MT of paper and pollutant discharge all keep ahead the international benchmark.

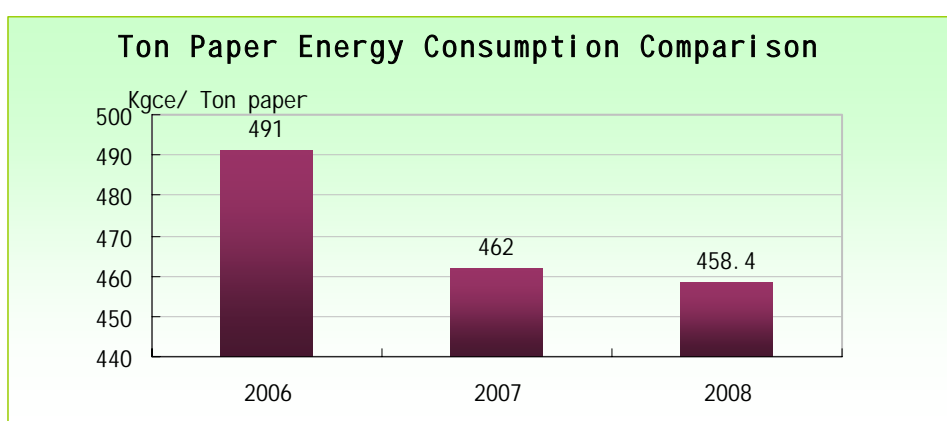
■ Water Resources Consumption Reduction

At present, the level of water consumption of the international benchmark is 12~18m³ in producing one ton of coated art paper, the average level of that of domestic is about 30m³. Gold East Paper has always made great efforts to develop water recycling, emission reduction and cleaner production activities. These mainly include water conservation and waste saving practices. In 2008, water consumption in producing one ton of mill's coated art paper average was 7.2 m³.

The company made the effluent which be disposed by papermaking waste water as the disposal object and combined film technology with industry water disposal technology, so a new and applicable arts and crafts - film integration craftwork has been exploited. The effluent was returned to use treated by this processing craftwork, then the returned water replaced clean water to manufacture boiler super pure water, which improved the comprehensive utility of discharge water and recyclable water so as to achieve the target of further declining the discharge of water consumption in producing one ton of paper and pollutant discharge and retaining fetch water and waste discharge capacity and surplus for company's continuous development.

■ Pursuing High Efficiency and Low Energy Consumption

As one of the “One Thousand Enterprises” of China's key energy consumption enterprise, Gold East Paper consolidated management and put related contents of 《Energy Saving》 which became effective on 1st April, 2008 in practice. The company carried through energy saving and reconstruction to papermaking working procedure and associated with scientific research unit to analyze systematically, fully excavated the potential of energy saving.



In the face of adverse impact brought by financial crisis in the second half year in 2008, Gold East Paper adjusted production pattern in time, optimized operation

and overcame the infection of the short of production capacity. In 2008, the comprehensive energy consumption of ton paper was reduced from 462kgce in 2007 to 458.4kgce, fell 1.15% with the same ratio, Standard coal equivalent in energy conservation was 12,000 tons, million in output value of energy consumption was 0.74tce, fell 5%.

At the same time, in order to reduce the adverse effects of greenhouse gases on the Earth's climate which generated by burning fossil energy, in September 2008, Gold East Paper invited third party agency to assess corporate carbon footprint. After treating clout and other internal waste of enterprise, delivering into thermal power station boiler combustion, the company carried through the feasibility of biomass energy alternative to the trial assessment. Because of coal accounting for about 70% in National energy constitution proportion and due to intense energy in 2008, the market price and quality for coal declined. Company's coal consumption added 9.2% than that of in 2007, resulting in CO2 emissions than the increase in 2007. Gold East Paper's continuous energy conservation and alternative energy use are also the important approach to reduce the discharge of greenhouse gas.

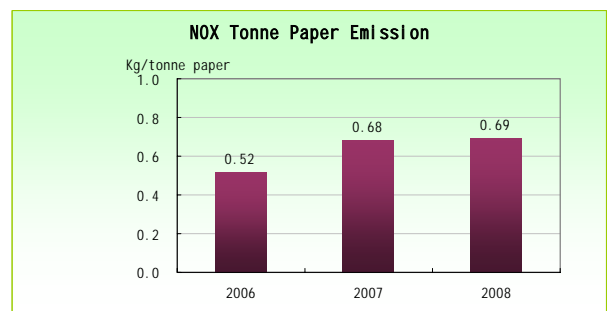
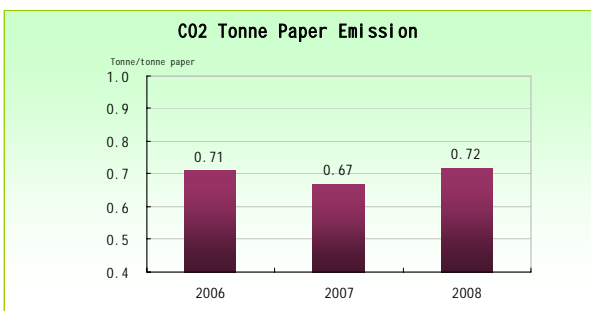
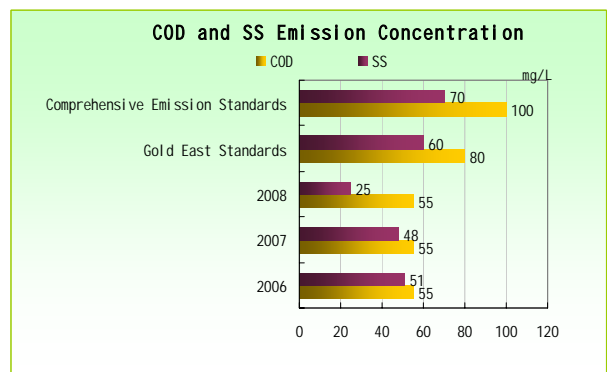
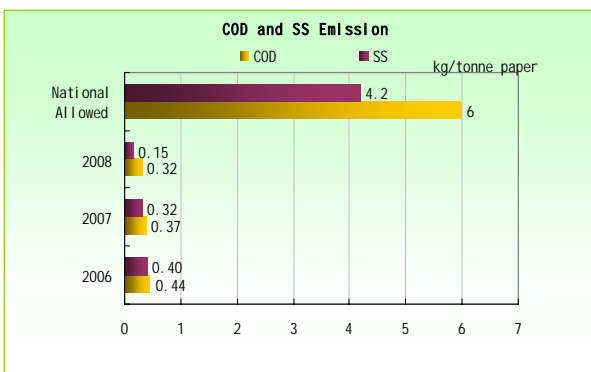
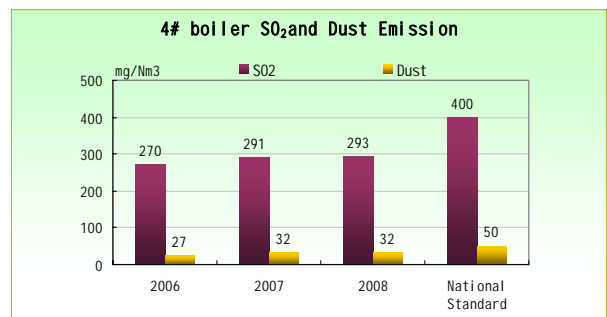
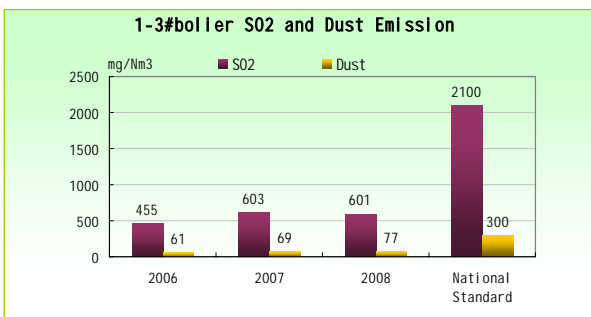
Energy and Resources Data List

Energy Sources Title	Unit	Consumption in 2008
Coal	Ton	1,300,728
Natural Gas	10,000 cubic meters	5,395
Gas	Ton	150
Diesel Oil	Ton	4,181
LPG	Ton	7,432
Heat Power	GJ	8,009,572
Electric Power	KWH	146,915

■ Environment Monitoring , Emission Standards

The company implemented three-tier monitoring management to pollutant discharge. Firstly, the company installed on-line data and screen monitoring system and with the government environmental protection agency network monitoring, a 24-hour real-time monitoring of wastewater and exhaust gas emissions. The

company has full-time environmental protection agencies responsible for waste water and exhaust gas testing. The test items including dust, NO_x, SO₂, wastewater SS, BOD₅, pH, COD_{Cr} and so on. Keep track of wastewater generation, treatment, emission and exhaust gas emissions. Regular supervision and monitoring to company's wastewater and exhaust gas discharge by Municipal Environmental Monitoring Station, and at the same time, the company made the biological detection method of discharge water to foster fish to verify water quality of sewage treatment to ensure the emission reached the national standards.



❖ Recycle

■ Re-use of Smoke and Dust, Reduce Exhaust Gas Emission

Since establishment, Gold East Paper has introduced environmentally friendly equipment and craftwork in calcium carbonate plant , using CO₂ -smoke and different air emission produced in the manufacturing process, which is recycled to produce calcium carbonate raw material. In 2008, the mill reduced the smoke and dust emission more than 0.58 billion cubic meters, and the reduction amounts of SO₂ and CO₂ were over 300 tons and 88,000 tons respectively.

■ The Comprehensive Use of Marble Residue

The company puts marble residue which generated by the production of heavy calcium carbonate into power plant boiler for desulfurization, which not only reducing the purchasing of limestone cost, but also greatly reducing the environmental pollution caused by solid waste.

■ The Comprehensive Use of Fly Ash

In 2008, the boiler of the power plant generated as much as 234,200tons of fly ash, through which Zhenjiang Shenghua Fly Ash Application Corporation to use as main raw material to produce blocks, the product has passed provincial-level expert assessment and been ranked as key recommended products by Zhenjiang wall materials reform office. The quality and price can completely replace loess bricklayer burning.

■ The Recyclable Use of Sewage Blocks

Part of sewage blocks in wastewater treatment field are directly delivered to circulating fluidized bed boiler (CFB) for burning by conveyor belt, making the best use of CaCO₃ containing in sewage blocks for desulphurization to reduce the addition of the CaCO₃ raw material. In 2008, the amount of self-owned comprehensive utilization was about 20,000 tons, and the rest were sold to downstream manufactures, and then be processed as industrial products so as to reduce the total generation of the solid waste.

■ Various Types of Waste Package Materials Entrusted

Outside for Comprehensive Use

The company puts chemical packaging, waste pulp board, scattered broken pulp debris, waste cable and etc for public tender and entrusted to qualified solid waster handling contractor for comprehensive treatment. In 2008, the amount of comprehensive utility was 13,000 tons.

❖ Plant Green

Gold East Paper designs and optimizes the artificial plant communities, making full use of effluents for irrigation green space to create a good ecological environment of the factory. At present, the plant green coverage reaches 63 percent, plants more than 50 varieties and over 500,000 flowers and trees; Plant greening effectively creates a comfortable micro-climate, and at the same time plays an important role in removing dust, reducing noise and radiant heat and etc. As industrial tourism demonstration sites, the company's environmental protection park breeds various animals for direct contact with visitors, such as spotted deer, peafowl, pheasant, mandarin duck, Sheldrake, hare and goat.



❖ Environmental invest

In recent years, the company invested for environmental protection has become increasingly large. At present, Gold East Paper has reached 1.15 billion investments in environmental protection, accounting for 5% in total investment. In 2008, the accumulative total environmental protection devotion was about 0.12 billion, which played a positive promoting role in improving corporate social image and maintaining eco-efficiency.

Environmental Devotion List in 2008

Category	Contents	Devotion (RMB Thousand)
Waster Conservation& Waste Reduction	Effluent contradictory penetration technology	1,580
Energy Saving& Consumption Reduction	Second power plant boiler high voltage blower motor frequency transformation	113,860
	Speed-up and energy saving modification of paper machine and coater	
Total		115,440