

6- Social Performance

❖ Employee

Employees are the most valuable wealth for enterprises. Being people-oriented is one of Gold East Paper's core values. The mill cares much about staff development and maintains their rights. We make great efforts to realize values shared by employees and company to promote common development.

■ Employee Employment

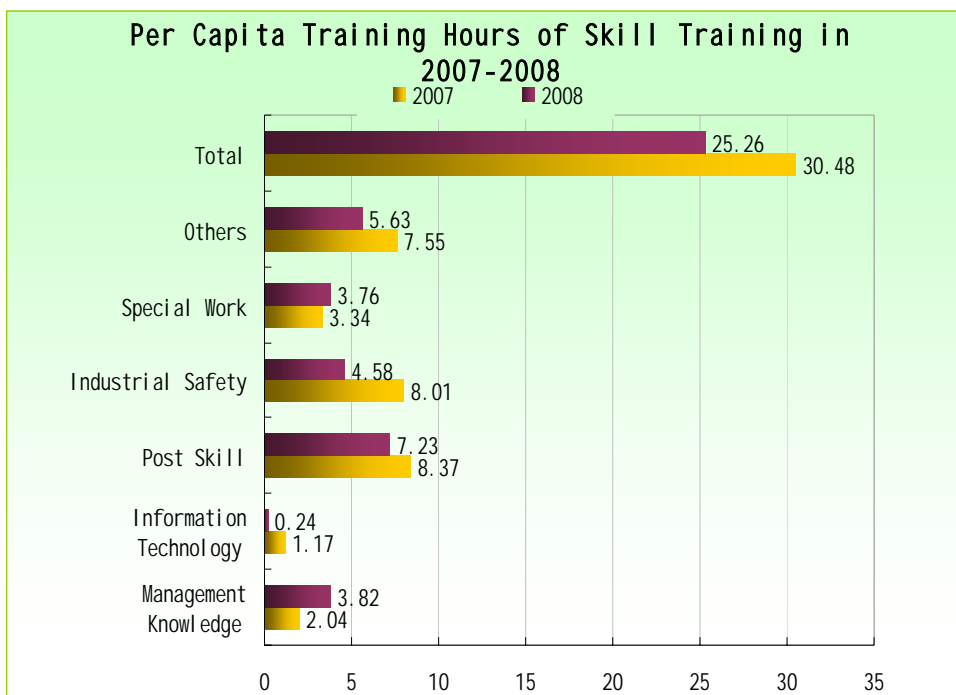
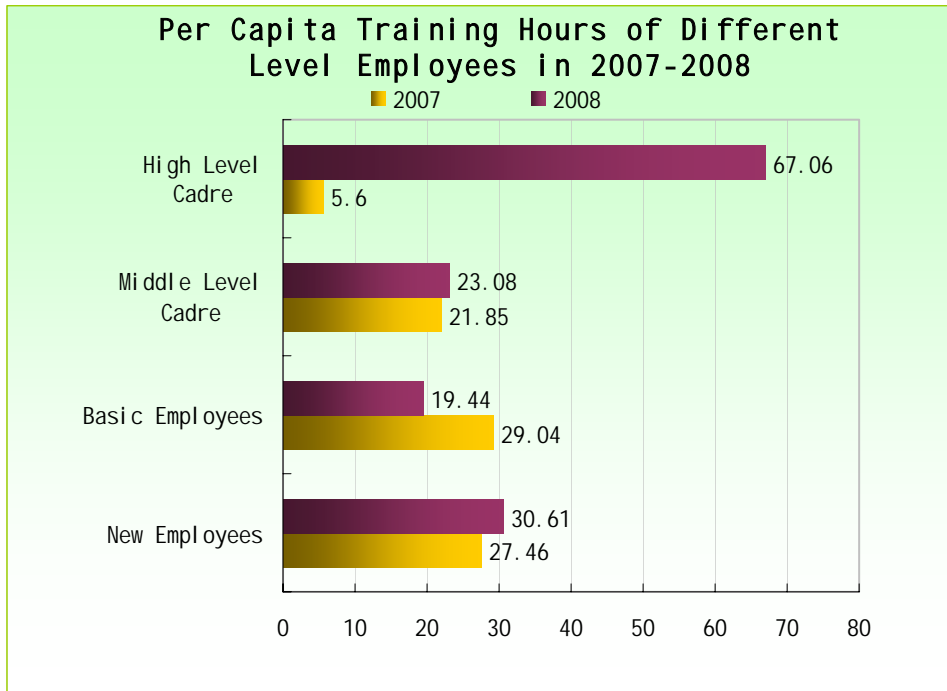
Up to the end of 2008, the total number of staff was 5,384 people, 4,573 of whom among the total number were local workers, which accounted for 84.94% in total number. The labor agreement signed between the company and employees reached 100% coverage, 5,293 staff members with a labor contract, 4 employees with a special labor contract. Also, the company has signed agreements with four labor companies, employing 898 laboring workers.

■ Training for Employee Development

The company makes employees ability model as a foundation and further perfects the scientific training system to help employees develop their career with the company, as well as career path planning scheme.

The company opened an business administration class with Tsinghua University for Managerial Level Personnel to broaden their management perspective and enhance the management accomplishment.

The mill opened the second phase MBA class with Jiangsu University for training high level managerial talents.



■ Diversification

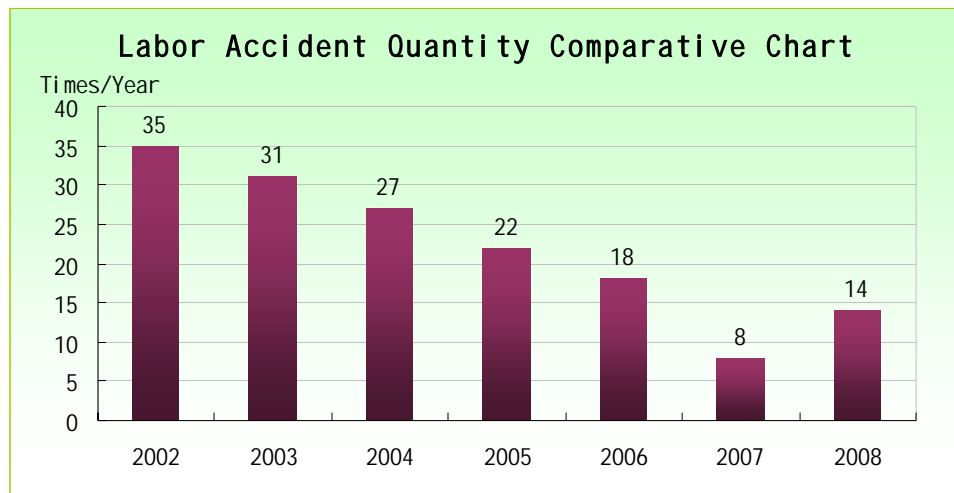
The company employed 1262 female staff employees, which accounted for 23.43% in total number, the minority staff were 33 people, with the proportion of total number of staff for 0.61%. The average age of staff is 30 years old, employees below the age of 35 accounted for the ratio of the total number of 85.80% .

In accordance with the law, where the male and female workers doing the same

work, they enjoy the same payment for labor rights; Every 3 years, the company will sign the special protection agreement with female workers and implement protection of women during "four periods.

❖ Health and Safety

Gold East Paper attaches much more importance to establish a proper set of occupational health and safety system, the company's safety production management has been continuously strengthened. In 2008, the mill organized married female employees to take part in gynecological examination and found no occupational illness.



■ Human Rights

The company pays more attention to visitors' human rights guarantee and requires the public security personnel to perform in accordance with public security responsibilities. Prohibiting the illegal detention and other forms of unlawful deprivation or restriction of personal freedom of others and forbidding the unlawful search of another person's body and as the standards for training.

❖ Supply Chain Management

■ Green Procurement

All the pulp used in making paper in Gold East Paper possess a high quality and is 80% ECF (Elemental Chlorine Free) and TCF (Totally Chlorine Free). The origins of the pulp are mainly in Hainan, Southeast Asia, Brazil and North America. The company passed PEFC (Programme for the Endorsement of Forest Certification schemes) certification in November, 2007 to actualize the monitoring from pulp production to the whole finished paper process. For realize the corporate social responsibility and reducing the CO2 emission, in 2008, the company has made carbon footprint of data statistics for the main raw and auxiliary materials-pulp, chemicals, packaging materials.

1. When purchasing raw material according to national regulations, the mill clearly insists that all supplies provide relative accredited data.

2. Any procurement of toxic chemicals should obtain the approval from the public security system.

3. Carry through VOCs investigation containing in chemical raw materials according to customer's requirements.

■ Suppliers Management

All the pulp, chemicals supplies have provided MSDS (Material Safety Data Sheet), all supplies' management, production and transportation of dangerous chemical raw material have passed the National certification- "Hazardous Chemicals business license", "hazardous chemicals production license" and "hazardous chemicals transportation license". Dangerous wastes contractors are required to have treatment qualification which recognized by National Environmental Protection Bureau.

In addition, the company's main raw materials suppliers are required to be familiar with Gold East Paper's environmental guidelines, and sign commitments to provide products with no-containing environmental protection controlling substances

❖ Product Service & Safety

In order to ensure customers' safety and health in the process of making use of products, the mill takes into fully concern about product safety from the papermaking material. In the entire process, the mill implements strictly different measures of product safety management from examination, inspection design and production, finished products till delivery to customers for using.

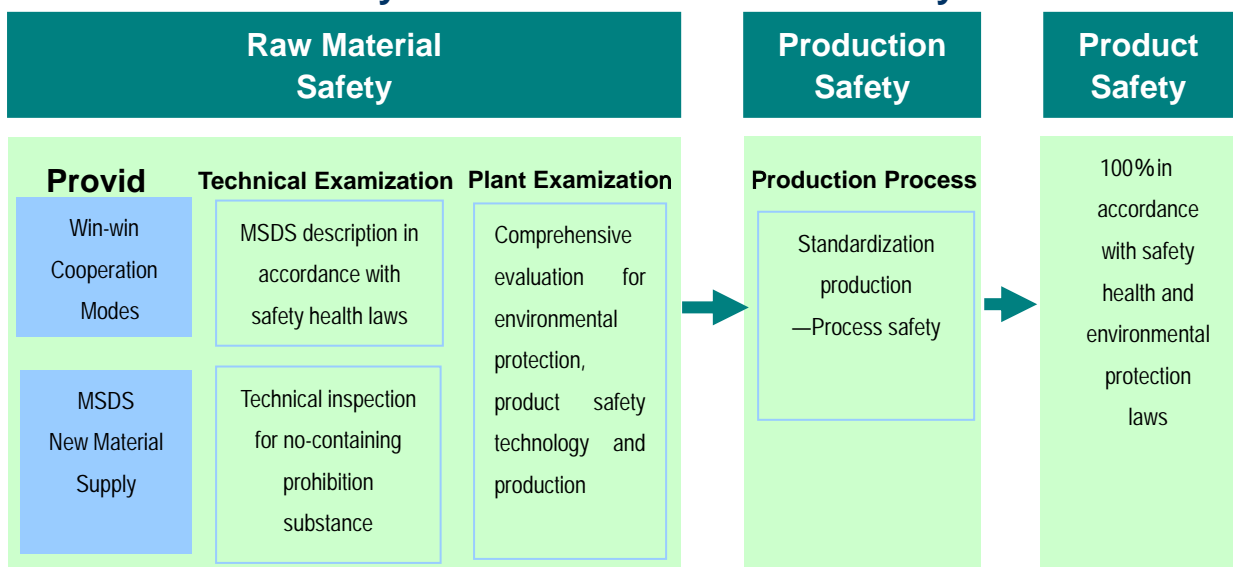
At present, the art paper production capacity of Gold East Paper is over 2 million MT and is currently the single largest-scale Art-Paper-Mill in the world. The company takes middle and high-grade art paper as the main target markets, and has developed "Space Shuttle, East Sail, long Crane, and Holy Shield" the four major brands successively to suit different customer requirements.

Gold East Paper has set up perfect quality control system to ensure that products meet customer needs.

As our core company value, we totally commit to provide our customers with the best quality in products and services, assuring by a well established Total Quality Control System.

International managerial recognition was obtained since SGS granted Gold East Paper the ISO9001 Certification on December 28, 1999. DCS(Distributed Control System), QCS(Quality Control System), SPC(Statistical Process Control) and Six Sigma are applied in quality control.

Raw Material Safety and Product Production Safety



With great concern about environmental protection and safety by the society, from customers' points of view, on the basis of safety control of raw material and production process, the mill inspects finished paper product safety of prohibition substances instructed in RoHS, VOCs, no-containing halogen element and no-containing radioactivity substances by SGS according to international and domestic product safety standards. The company also provides to customers who requires product safety inspection certificates. The company's raw material safety and product safety inspection are all 100% in accordance with specified standards.

❖ Social Charities

Gold East Paper actively supports the projects of education and public affairs. In 2008, it donated RMB 31 million to social charities, schools and institutional organizations.

1. Donated to Douyun city primary school in Guizhou province for the improvement of school buildings, the order of school uniforms, the donation of sports facilities and the release of scholarships and etc.

2. Donated to earthquake disaster area Mianyang in Sichuan Province.

In addition, from January 2008, the mill set in motion a Volunteer Management System for Employees to advocate employees to actively attend the volunteer activities. According to statistics, a total of 2078 employees took part in volunteer activities and 15,671 hours of dedication in 2008.