

Sustainability Updates

2015 National Enterprise Management Innovation Conference Held in Beijing



The 2015 National Enterprise Management Innovation Conference was convened by CEC. Its theme was "Enterprise Management Innovation in the Economic New Normal" and more than 400 people from SASAC, MIIT, and their provincial branches, small and medium sized enterprises and CEC, national associations and central government controlled enterprises and Top 500 Enterprises in China attended the conference. They launched discussions on how to enhance development quality

and efficiency under the new normal economy and promoted 186 awards, with 29 first prize and 157 second prize. CBCSD members such as SGCC, Sinopec, Baosteel and Zhenhai Refinary won the prices.

Wang Zhongyu, Vice Chairman of the CPPCC, former State Councilor and President of CEC

delivered a speech in which he said that enterprises should take the following aspects into consideration in order to realize transition, innovation and the healthy development: first, transition is the road must take for enterprises; second, reform is the inner momentum for enterprise's development; third, innovation is the soul of enterprise development and fourth, going global is the strategic choice for enterprise development.



CBCSD "CEO Seminar on Climate Change" was Held in Beijing

On March 10, the CEO Seminar on Climate Change was held in Beijing. Su Wei, Director of Climate Change Department and Directors from Domestic Policy and Performance Dept. and Strategic Planning Dept. of NDRC attended the meeting.

Su Wei introduced the 2015 national climate change and carbon market construction policies. The senior participants all agree that the green and low-carbon economy will enjoy a bright



prospect and become a mainstream. They also offered moderate suggestions to strategic transition, technological innovation and R&D, industrial synchronization platform building, product standard upgrading and international cooperation and big data usage.

The seminar was moderated by Mr. Wang Jiming, President of CBCSD, and more than 30 CEOs and CEO-equivalents from Sinopec, State Grid, Veolia, Schneider Electric, BP, SOHO China, Hanergy, and Accenture attended the meeting.

CBCSD Held "Integrated Report Seminar"

CBCSD Held "Integrated Report Seminar" with DeTao and PwC on March 18. CBCSD had invited Professor Robert Eccles from Harvard Business School. More than 20 leaders from 12 enterprises including Sinopec Economic Research Institute, China Mobile, National Development and Investment Company, ABB, Eaton and Novozymes participated in the conference.

Professor Eccles introduced integrated report and sustainable value matrix, with the focus on the importance of inner connection among financing, intellectual and technology etc. He believed that integrated report is a complementary to the sustainable development report or CSR report of enterprises instead of competing or substitution. On one hand, to launch the pilot Chinese enterprise project for integrated reporting, and localize the report in order to make it in line with the national condition of China; on the other hand, to start the pilot program with other foresighted enterprises. He also introduced the online reporting system of SASB and SAP.





He exchanged ideas with Sinopec Economic Research Institute,

China Mobile, DSM China on the requirements from Chinese government, actual challenges and future expectations.

Further Reading: <u>China's new stance on sustainable growth challenges its leadership to manage</u> resources better. Can integrated reporting help?

The 11th Conference on Latest Trends of Sustainable Development is About to Start

CBCSD is going to hold the 11th Conference on Latest Trends of Sustainable Development: Economic New Normal and Sustainable Development Pathway on April 16.

2015 is a key year tackling climate change, which has gained the world attention. Enterprises play a crucial role in mitigating and adapting to the climate change. With attentions paid to the negotiation stance of Chinese government and domestic economic development policy, enterprises could provide business solutions to low-carbon development and contribute to the realization of the transition targets. CBCSD's conference, within this context, centered on **Economic New Normal and Sustainable Development Pathway**, and will focus on issues as **CO₂ emission peak scheme, pathways for both total amount and emission increase control, air pollution prevention campaign, green and low-carbon development, and the corporate low-carbon development piloting and piloting of comprehensive city policies of energy saving and emission reduction**, the conference is to invite policy makers, corporate executives, renowned experts to jointly explore and discuss those issues, in order to promote thorough exchange of ideas between enterprises and government, thus to boost the "New Normal" economy and sustainable development.

More Details: Conference Website

CBCSD WeChat Platform Officially Launched

In order to better serve the council members, CBCSD's official WeChat platform (WeChat Account: cbcsd2015) was online after testing. Followers could find experts opinions on sustainable development, exchange ideas and solutions on energy and climate, GHG, new urbanization and CSR etc. The platform also exchanges policy suggestions and business practice and activities to share our ideas. We expect more followers and your participation!



您可以扫描以上二维码, 添加CBCSD微信公众 号,及时关注会议动态。

Climate Change and Sustainable Development: 2015 Hot Spot Issues

WRI and National Condition Research Center of Tsinghua University held the *Climate Change and Sustainable Development: 2015 Hot Spot Issues* in School of Public Policy and Management of Tsinghua University on March 3. Manishi Bapna, vice executive director of WRI, Professor Hu Angang from National Condition Research Center, Gao Feng, special commissioner on climate change of Ministry of Foreign Affairs, Prof. Zhuang Guiyang, Chinese Academy of Social Sciences and Prof. Qian Yi, Academy of CAE discussed issues about global warming, SDGs, green investment and urban development. They also had an in-depth discussion on COP21 and 2015 SGDs.

CBCSD Membership

CBCSD Board Members such as Sinopec Won the 2015 CSR Model Award

Top 500 CSR List was released in Beijing on March 27. Sinopec has entered the top ten and has won the "2015 CSR Model Award" and the "Top 500 CSR Management Cases". The list was jointly made by China Enterprise Evaluation Association and the School of Social Sciences of Tsinghua University. Huaxin cement was on the list, ranked no.85.

Huaofon Was Awarded as the "National Leading CSR Chemical Fiber Industry"

On March 18 to 19, the 10th session of the 5th enlarged executive meeting of CCFA was held in Shanghai, on which Huafon was awarded as the national leading CSR chemical fiber industry.

Sinopec Has Received its Billions of Private Capital, the Mixing Reformation is About to Start

On March 6, Sinopec had released an announcement that, according to the Capital Increase Agreement signed on September 12, 2014, 25 investors had submit their capital totaled 105. 044 billion yuan (including the US dollar equivalence) to Sinopec Sales Company, with 98.1% completed. Fu Chengyu, chairman of Sinopec, hopes to promote reformation in Car Internet, Material Internet Era and new sales company.

Baosteel Four Gases Products Won the National Evaluation for Standard Material and Became the Leading Gas Producer in the Country

In March, Baosteel Gases finished the last review of national primary standard for materials and its hexafluoroethane and other three products were evaluated as the national primary standard material. Baosteel Gases has become the leading enterprise in gas manufacturing.

SAIC Motor and Alibaba Established an Internet Automobile Fund to Jointly Foster an Ecological Circle that Facing the Future

On March 12, SAIC Motor and Alibaba announced to invest 1 billion yuan to establish an "International Automobile Fund". Both sides will take capital as the bond that connects the respective advantages to build "Car on the Internet" and lead the development of Internet cars. The fund will help to build a development and operation platform of "Internet Car" because the future is an open capital platform which will draw many internet car participants.

BASF Raised the Building Energy Efficiency Solution

On March 24, BASF raised the WALLTITE solutions of gastight and thermal system which can provide high-quality, safe and energy efficient solutions to different types of buildings. BASF also showed a series of innovative solutions to help China face the increasing challenges of improved living –standard.

SGCC Participated in the Clean Energy Investment Seminar and Delivered Speech

On March 17, the clean energy investment seminar, held by the CCIEE and the Paulson Institute was held in Beijing. Wang Min, vice president and Party board member of SGCC introduced the development notion, construction idea and prospect of international energy internet; as well as the practices and results made in EHV and clean energy by SGCC.

Schneider Electric Won the "World's Most Business Ethics Award" in Five Consecutive Years

On March 26, Schneider Electric won the world's most business ethics award by the Ethisphere Institute, which showcased the results made in inner ethics building and transparent corporate culture. It also showed that Schneider Electric has become the model enterprise in CSR fulfillment and sustainable development.

Veolia and the MSF Formed a Development and Innovation Cooperation on Humanitarian Aid

Recently, Veolia Fund and the MSF have forged an alliance in energy, waste, sanitary facility and drinking water purification. The MSF project was being improved through using the solar power from

the on-site facilities and besides capital support, the Veolia fund also provide technical support to MSF through Veolia Power.

COSCO Keeps Benefiting from Restructuring

On March 27, the COSCO announced that, the parent enterprise has received 363 million yuan with an increase of 54%. COSCO faced severe challenges in 2014 and it adopted active policies to save spending, and reduced the cost of major operations and improved the capital flow.

Eaton Power Industry Day Was Officially Launched, with the Focus on Power System Optimization and Infrastructure Building

Recently, Eaton officially started its tour activities on power industry in Nanchang, Jiangxi Province. The tour will focus on the optimization of power system and provide an overall picture of power distribution system and service, circuit protection and control, products and solutions of power transmission. At the same time, seminars are being held to facilitate discussions with clients and partners on hot topic in electricity sector. The tour activity will last for three weeks.

2015 Evonik and Science China Seminar: Industrial Biotechnology

From March 22 to 23, "Evonik and Science" Seminar was held in Beijing with the theme of "Industrial Biotechnology". Hundreds of renowned experts and professors from biotechnology institutions and universities attended the seminar. Biotechnology is an important strategy plan for Evonik to seek growth; the biotechnology platform has covered the whole industrial chain.

Accenture Released the 2015 Technological Prospect Report: "Digital Ecology" Rebuilding the Market, "Partner Economy" is Still Ascending

Recently, Accenture released the 2015 Technological Prospect Report, which showed that the enterprise has not only started the transformation to a digital economy, but also tried to integrate the industrial specialties with digital technology to rebuild the market. Operating in a ecological way is much more efficient than working alone, which provide huge space for improving the differentiated competitiveness and profitability and boost the "We Economy".

Topic Focus•Boao Forum for Asia Annual Conference 2015



Boao Forum for Asia Annual Conference was held on March 26 to 29 in Boao, Hainan province. The conference theme was Towards a Community of Common Destiny and a New Future for Asia and set 77 sessions of formal discussion, covering from macro economy, regional cooperation, industrial transformation, technological innovation, political security and civil society. Regional cooperation

remains as the hot spot issue in every conference, this year was no exception. Topics such as AIIB, One Belt and One Road, ASEAN and East Asia Economic Community were being discussed.

President Xi Jinping attended the conference and made a keynote speech with the theme "Towards a Community of Common Destiny and a New Future for Asia". Now, the Chinese economy has entered a state of new normal. It is shifting gear from high speed to medium-to-high speed growth, from an extensive model that



emphasized scale and speed to a more intensive one emphasizing quality and efficiency, and from being driven by investment in production factors to being driven by innovation. The "Belt and Road" initiative, meeting the development needs of China, countries along the routes and the region at large, will serve the common interests of relevant parties and answer the call of our time for regional and global cooperation. Currently, more than 60 countries along the routes and international organizations have shown interest in taking part in the development of the Belt and the Road. The "Belt and Road" and the AIIB are both open initiatives. We welcome all countries along the routes and in Asia, as well as our friends and partners around the world, to take an active part in these endeavors. Further Reading: Boao Forum for Asia Annual Conference 2015

Urbanization and Ecological Civilization Construction

REPORT ON THE WORK OF THE GOVERNMENT—New Urbanization Construction

- We will work to achieve breakthroughs in promoting a new type of urbanization.
- Urbanization is a fundamental way to narrow the gap between urban and rural areas arid provides the largest source of domestic demand. We will make urbanization people-oriented, focus on the three tasks, and folly leverage the role of urbanization in underpinning modernization.
- We will draw on reform to solve tough issues in urbanization. We need to promptly implement reforms to the household registration system and relax controls over the transfer of household registration. People originally from rural areas who live and work in urban areas but have yet to gain urban residency will be able to access basic public services on the basis of their residence certificates, and we will get rid of fees related to residence certification. We will link the transfer payments of cities to their performance in granting urban residency to eligible migrant workers and find suitable ways to share the cost of ensuring migrant workers can become urban citizens. We will establish well-regulated, diversified, and sustainable mechanisms for financing urban development. We will continue to use land economically and intensively, establish a sound unified market for urban and rural land that may be used for construction purposes, and improve and expand pilot projects to link the amount of urban and rural land granted for these purposes to that of land returned to cultivation. We will increase funding and policy support for expanding trials in the new type of urbanization.
- We will improve the planning and construction of cities and towns. We need to formulate and implement plans for building city clusters, and work systematically to develop integrated infrastructure and basic public services within clusters. Standards for designating municipalities will be improved, trial programs will be launched to expand the powers of very large towns and increase their overall carrying capacity, and efforts will be made to bring population growth in mega cities under control. We will also raise the industry and population carrying capacity of prefectural cities, county towns, and hub towns to make it easier for people from rural areas nearby to gain urban residency.
- We will develop smart cities and protect historical and local culture, ensuring it is passed on from generation to generation. We will strengthen urban facilities for water, gas, and electricity supplies, public transport, and flood prevention and rainwater control. We will ensure the effective governance of urban maladies such as pollution and traffic congestion to make transportation more convenient and improve the environment for urban living.
 Future Reading: 2015 REPORT ON THE WORK OF THE GOVERNMENT

16 Pilot Sponge City were Subsidized by the Central Government

The Ministry of Finance, MOHURD and MWR finished their evaluation on 2015 sponge cities in April; the official list of pilot cities was released. Qian'an, Baicheng, Zhenjiang and Jiaxing were included. The sponge cities will display their roles of absorbing, infiltration and releasing as the green land, road and water system in order to release waterlogging, reduce the pollution load and save water resources, protection and improve the urban ecological environment.



The Ministry of Finance released the Work Plan on Pilot Sponge Cities Construction Supported by Central Government and started the work on December 31, 2014. The MOHURD printed and issued

the Technical Guidance on Sponge City Construction -- Low Impact Rain Sewage System (Pilot), which provided the basic principles, technical framework, requirement and methods and cases.

Coordinated Development of Beijing, Tianjin and Hebei Will Be Launched in Three Steps Which Aims to Build a World City Cluster

The Development Plan for Beijing, Tianjin and Hebei will be issued by the end of April. Besides making the requirements for the regional and separate cities, it also said the short-term, middle-term and long-term targets -- by 2017, non-capital functions of Beijing should be dispersed; transportation integration, ecological protection and industrial matching and coordination should make first breakthroughs.

Yangtze River Delta City Cluster: Let Integration Push New Urbanization Development

The 15th Mayor Joint Meeting of Yangtze River Delta Economic Coordination was held in Anhui on March 27. Zou Yong, Vice Director of Department of Regional Economy of NDRC said that the Yangtze River Delta was included in the national urban planning. Efforts should be made in enhancing the new urbanization level, strengthening regional innovation impetus and actively participating in the "One Belt and One Road" Initiative and build it into the world level city cluster.

Low-carbon Development, Energy and Climate Change

REPORT ON THE WORK OF THE GOVERNMENT—Energy revolution, energy conservation and emission reduction, low-carbon development

We will fight to win the battle of conserving energy, reducing emissions, and improving the environment.

Environmental pollution is blight on people's quality of life and a trouble that weighs on their hearts. We must fight it with all our might. This year, we will cut the intensity of carbon dioxide by at least 3.1 %, reduce both chemical oxygen demand and ammonia nitrogen emissions by around 2%, and reduce emissions of sulfur dioxide and nitrogen oxides by around 3% and 5% respectively. We will fully implement the action plan for preventing and controlling air pollution; carry out coordinated inter-regional prevention and control efforts; upgrade coal-burning power plants to achieve ultra-low emissions; and strive for zero-growth in the consumption of coal in key areas of the country;

We will promote the use of new-energy vehicles, reduce vehicle exhaust emissions, raise the national production standards for and improve the quality of fuel, and provide motor gasoline and diesel fuel that meets National-V standards to all key cities in key areas. We will remove from the roads all high-emission commercial vehicles registered before the end of 2005.

Revolution in energy generation and consumption is vital to any country's development and to the well-being of its people. In China, we will put great weight behind the development of wind power, photovoltaic power, and biomass energy, work actively to develop hydropower, stress safety in developing nuclear power, and exploit and utilize shale gas and coal seam gas.

We will set a ceiling on total energy consumption and strengthen energy conservation in key areas such as manufacturing, transportation, and construction. We will work hard to develop a circular economy and promote the recovery of resources from industrial and household waste. There is enormous potential in China's market for energy conservation and environmental protection; we will develop the energy conservation and environmental protection industry into a new pillar of the economy. **Further Reading: 2015 REPORT ON THE WORK OF THE GOVERNMENT**

Ministry of Environmental Protection Released the Pollution Sources of Nine Cities

Wu Xiaoqing, Vice Minister of the Ministry of Environmental Protection said at the national environmental supervision meeting on April 1 that they have finished the analysis of pollution sources in Beijing, Tianjin, Shijiazhuang and other nine cities in China. The result showed that automobile, industrial production, coal-firing and dusts remain as the pollution sources in major cities, which accounted for 85%-90%.



The First Renewable Energy Quota Released

Recently, the Guidance on *Establishing Renewable Energy Long-term Purchase Assurance Mechanism* was released by the Inner Mongolia Government, in which it clarified that the renewable energy should accounted for 15% in the regional energy usage, and 20% in 2020. Wind power and photovoltaic is to be reaching 15% and 6%.

"Low-carbon China" 2015 was Officially Launched

With the guidance and support from the Department of Environmental Protection in NDRC, the National Information Center and Clean Air, China Low-carbon Alliance and Shenzhen government released the "Low-carbon China" 2015 activity plans. "Low-carbon China" is about to held several events including "low-carbon model", "low-carbon academician trips", "low-carbon dialogue" and "COP21 low-carbon China session".



MIIT Published the Industrial Green Development Plan

MIIT published the 2015 Action Plan for Industrial Green Development on March 4. The Action Plan offered the working targets of the projects: reduce coal consumption by over 4 million tons by the end of 2015; guide the technical reformation in Beijing, Tianjin and Hebei and their neighboring areas; and other key industrial sectors in Yangtze Delta. It is expected that the consumption of SO₂, NO_x, industrial dust and volatile organic compounds (VOC) will reach 70 thousand tons, 60 thousand tons, 40 thousand tons and 20 thousand tons respectively.

2015 Earth Hour Calls for Immediate Public Action against Climate Change

March 28 was the Earth Hour Day. With the theme of "Switch Off, Blue On", the day advocates energy transformation and usage of renewable energy. At the same time, it advocates the public to start low-carbon life. Beijing, Shanghai, Xi'an, Shenzhen, Chengdu and Xining conducted art exposition, bicycling and evening run. The event covered 170 countries and regions and showcased its strong impact.

Corporate Social Responsibility

The First Report on Green Bond Market Officially Released

On March 24, the releasing ceremony of the Report on Green Bond Market, jointly conducted by the Chongyang Financial Research Institution and Ecological Financial Research Center of Renmin University of China, and IISD, was held in Renmin University of China. Developing the Green Bond Market, as the first green bond market research report, aims to explore on green bond with China as its center, and provide practical and feasible suggestions to policy makers on how to develop the green bond market.

2014 Charity Transparency List of Civil Society Released

2014 Charity Transparency List of Civil Society was released in Shenzhen on March 15. The transparency index project was launched by "USDO Self-Discipline" with the support of One Foundation and Dunhe Foundation; the index system was completed by the school of public policy and management of Tsinghua University. The list showed that, the transparency of civil society's charity was increasing but within a relatively low level; the exposure willingness from the civil charity

organizations was strong but lack of honesty. Transparency is still the inner requirement and important impetus for sustainable development of charity in civil society.

UNEP Released the Greening China's Financial System Synthesis Report

<u>Greening China's Financial System Synthesis Report</u> was released in Beijing on March 24. This report was jointly conducted by the DRC of NDRC and IISD. Green financing means the financial institutions to take environment and social factors in the policy making process while conducting the investment, credit and loan and other financial services.

Peking University Released "Charity Blue Book: Development Report of China's Charity (2014)"

Recently, the "Charity Blue Book: Development Report of China's Charity (2014)", compiled b the CPPSS, was released by Peking University. It showed that the number and scale of charity foundation keep expanding, and they are getting more and more attention from the public as an important social force. However they also face with the public credibility crisis since the public has higher requirements towards their specialization, information and transparency.

Updated Lists for Sustainable Development Reports of CBCSD Members and Other Corporations :

3M 2014 Sustainability Report

- Mitsuichem CSR Report 2014
- Bridgestone Group 2013 CSR Report
- Daimler Sustainability Report 2014
- AGC Report 2014
- BP Sustainability Report 2014

Henkel Sustainability Report 2014



International Cooperation and Global Updates

China Development Forum 2015 Annual Meeting Held in Beijing



The 16th China Development Forum annual meeting was held in Diaoyutai on March 21 to 23 by Development Research Center of the State Council. With the theme of "China's Economy in the 'New Normal'", more than thousands of government officials, world business leaders, international organization leaders and intellectuals from home and abroad participated in the conference and discussed topics such as development and

reform under the new normal; free trade featuring justice and inclusive, the rule of law, "Industry 4.0: new advanced manufacturing model", green financing system, SOE reformation and enterprises governance.

Zhang Gaoli, Vice Premier of the State Council, member of the Standing Committee of Political Bureau of the CPC Central Committee attended the opening ceremony and delivered a keynote speech. He said, development remains as the fundamental and core issue in China in the new normal stage. We must stick to development and take it as the priority. Opening up policy is still an important engine for the constant prosperity of Chinese economy and the requirement for China and the world to share development opportunity. China advocates the silk road economic belt and the 21st Century Maritime Silk Road initiatives and rose to establish AIIB and Silk Road fund, which was actively responded by many countries. We welcome investors from the world to participate in the one belt and one road initiative and conduct mutual beneficial and win-win cooperation and create a beautiful future together.

"Enterprise Alliance for One Belt and One Road Traders" Founded in Shanghai

On March 27, the Chinese Manufacturers' Association of Hong Kong, Chamber of Commerce and Industry of Kyrgyzstan and TUCSIAD as well as other 92 foreign associations and enterprises formed the "Enterprise Alliance for One Belt and One Road Traders", which aims to build a platform for trade

and business exchange and cooperation and facilitate a smooth trade.

Ms. Lynn Tian, Chairman of Sinowind, which is CBCSD's council member, addressed that, trade has always been the catalyst of development. The One Belt and One Road initiative could benefit partners and help the neighboring countries' business and trade growth. She said that the initiative should not only conduct in the



business and trade area, but also should be expanded to the cultural level and deepens the mutual understanding.

U.S.-China Framework for the Ten Year Cooperation on Energy and Environment, Tenth Joint Working Group Meeting Held in Beijing



On March 19-20, the 10th joint working group meeting of U.S.-China Framework for the Ten Year Cooperation on Energy and Environment was held in Beijing. Both sides reflected the progress made in six priority areas including water, air, power, transportation, natural reserves and wetland, and energy efficiency; and also green partnership. They summarized helpful lessons and discussed how the industrial sector could participate

in the future cooperation. They also had a foresight discussion on energy, water and food of urban development and prepared for the 7th US-China Strategic and Economic Dialogue.



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