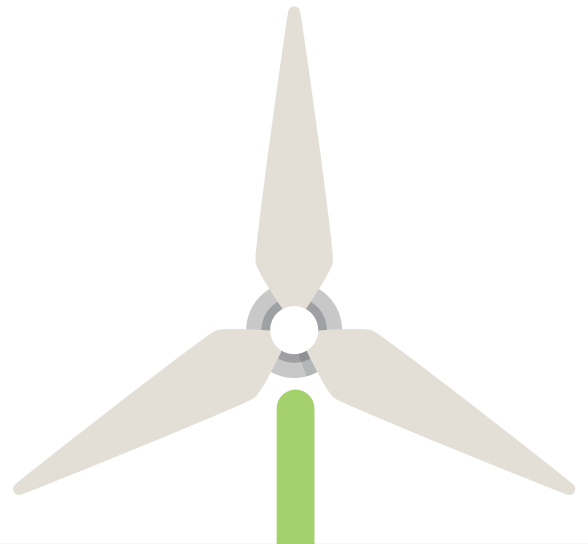




新天绿色能源股份有限公司
China Suntien Green Energy Corporation Limited

2015 Environmental, Social and Governance Report



About this Report

I. SCOPE OF THE REPORT

Organizational scope of report: This report covers China Suntien Green Energy Corporation Limited and organizations under its management.

Time frame of the report: 1 January 2015 to 31 December 2015. Certain items are beyond the above time frame.

Publication cycle of the report: This report is published on an annual basis along with the publication of annual report of the Company.

II. BASIS FOR PREPARATION OF THE REPORT

The report is prepared according to the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited. It refers to G4 Sustainability Reporting Guidelines issued by Global Strategic Alliances in selecting key disclosures and interested parties.

III. EXPLANATIONS ON DATA IN THE REPORT

Financial data in the report are extracted from the annual report for 2015. For other data, they are mostly extracted from the annual report for 2015 and part of them is from the data for previous years. Unless otherwise stated, Renminbi is used in this report as functional currency.

IV. PUBLICATION FORM OF THE REPORT

The report is issued in printed and electronic versions. You may visit the websites www.suntien.com or www.hkex.com.hk to download the report. Please call +86 0311-85278707 if you need a printed version.

VI. EXPLANATIONS ON SHORT NAMES

For convenience, expressions including “China Suntien Green Energy Corporation Limited”, “Suntien”, “the Company”, “the Group” or “we” are used in the report. For major subsidiaries of the Company, Hebei Natural Gas Limited is referred to as “Hebei Natural Gas” and HECIC New-energy Co., Ltd. is referred to as “HECIC New-energy”.

VI. CONTACTS

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Chairman's Statement



Dear readers,

For China's sustainable development progress, 2015 was a year worth remembering. The Eighteenth National Congress of the CPC raised the ecological protection to an unprecedented level. In June 2015, the Central Committee of the Chinese Communist Party and the State Council issued the *Opinions on Accelerating the Development of Ecological Civilization*; in September, the Chinese government issued the *U.S.-China Joint Presidential Statement on Climate Change*; in December 2015, China attended the United Nations Climate Change Conference held in Paris, announcing its goals of reducing greenhouse gas emissions per unit of GDP by 60-65% from the 2005 level by 2030 and the share of non-fossil energy consumption in primary energy consumption to approximately 20%. In line with the promulgation of policies, the requirements of laws relating to environmental protection will be increasingly strict in 2015 and beyond, and the introduction of carbon emission exchange mechanism will further raise the awareness of low carbon emission and environmental protection in the PRC. Compared with the past, Suntien's development has been more closely connected to sustainable development of the society.

In 2015, Suntien continued to boost its development of natural gas, wind power and photovoltaic power. It increased its wind power installed capacity of 396.8 MW during the year, achieved gross wind power generation of 3,161 million kWh, an increase of 15.36% from 2014. Its newly added agreed capacity from photovoltaic power generation projects amounted to 630 MW and newly added natural gas pipeline length was 259.9 kilometers. Growing business volume further consolidated Suntien's sustainable development capacity. More importantly, we have made positive contributions to the social sustainable development with the improvement in our clean energy supply capacity. We paid taxes and provided job opportunities through our business operation. However, in terms of our contributions to climate change mitigation in northern and even the entire China, the impact of clean energy on social progress is no doubt more significant.

In 2015, Suntien steadily improved its development of safety, environmental protection and occupational health to reduce the adverse impacts of our operation in the environment, employees and community, and increased its investment in staff development, customer satisfaction and supplier management. It strengthened the communication with stakeholders through questionnaires

and information disclosure to better understand and respond to the needs of all walks in the society with our actions to improve sustainable development management. As our business grows, we face more and more new topics. In December 2015, our wind farm in Ruoqiang, Xinjiang was connected to the grid for power generation. It has significant influence on the improvement of local infrastructure and supporting industries, which will further improve as we expand our business presence in southern Xinjiang in the future. We also started to explore the manners of action and policy support to advance the overall development of the regions in Yunnan and Xinjiang where we operate our wind power business.

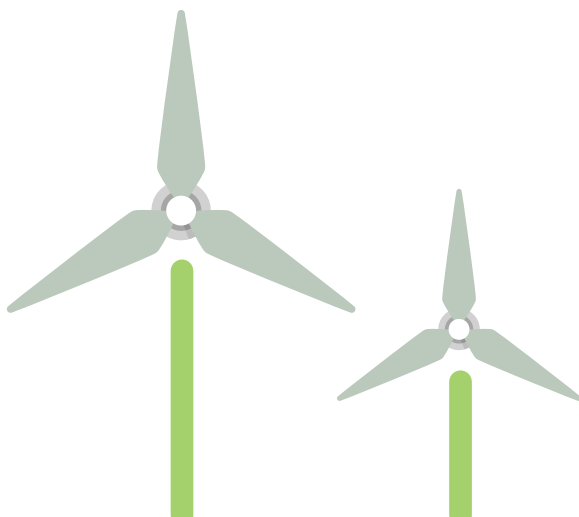
Looking forward to 2016, despite the uncertainties about wind curtailment and restricting power generation and change in natural gas price, we believe the government



will maintain its overall strategies of adhering to ecological civilization, developing clean energy and facilitating environmental protection. Suntien will also continue to facilitate our development of clean energy with an aim to protect the interests of employees, customers and community and realize win-win with our partners. We are also eager to hear voices of more stakeholders for suggestions on our development, environmental and social performance to enable us to play a more important role in the sustainable development of the society.



Cao Xin
Chairman
Shijiazhuang, PRC, April 2016



Corporate Profile

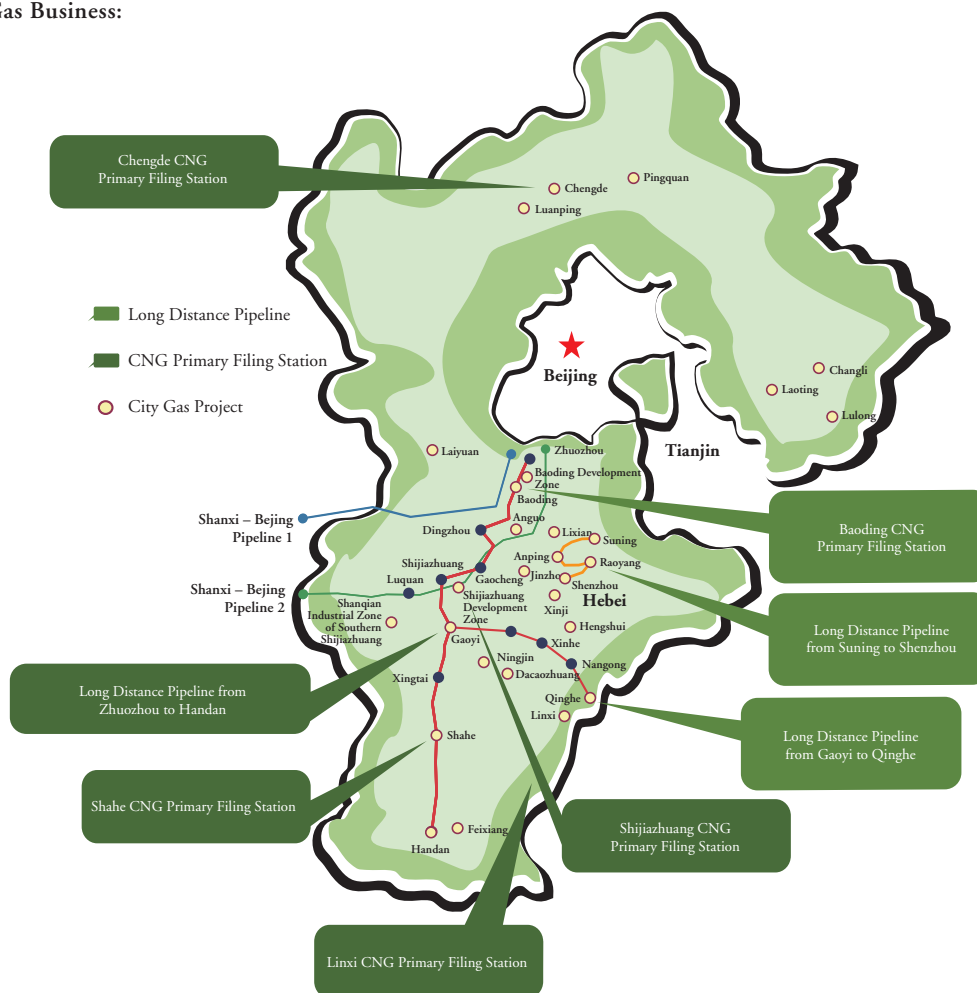
China Suntien Green Energy Corporation Limited was established on 9 February 2010 with contribution made by the promoter shareholders HECIC and HECIC Water. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 13 October 2010. The Group is a leading company in the development and utilization of clean energy in northern China. It is the largest natural gas distributor in Hebei Province as well as the largest wind power operator in the province.

The Group is primarily engaged in the exploration and utilization of clean energy and new resources with two major business segments: the natural gas business and the wind power business. The Group possesses natural gas transmission and ancillary facilities in Hebei Province, and sells natural gas through natural gas distribution channels. As at 31 December 2015, the Group owned 3 long-distance natural gas transmission pipelines, 8 high-

pressure branch pipelines, 27 urban gas projects, 14 distribution stations, 8 gate stations, 7 CNG refilling stations and 5 CNG primary filling stations. In 2015, the sales volume of natural gas of the Group was 1,127 million cubic meters.

Engaged in the planning, development and operation of wind farms as well as the sale of electricity, the Group owns wind power projects in the regions of Hebei, Shanxi, Xinjiang, Shandong, Yunnan and Inner Mongolia, etc. Based in Hebei, the Group has invested and developed wind power projects across the country, and actively seeks suitable investment projects overseas. As at 31 December 2015, the Group had a consolidated installed capacity of 2,093.6 MW as well as interests in installed capacity of 1,922 MW. In 2015, the gross wind power generation of the Group was 3,161 million kWh with 1,887 utilization hours.

Natural Gas Business:



Wind Power Business:



Stakeholders Engagement

Suntien's sustainable development is closely related to its stakeholders. As a member of the industry chain and the society, stakeholders can have direct impacts on us through their decision-making and actions and Suntien will effectively gain the continuous driving force for development by responding to the needs of stakeholders in a timely manner. On the other hand, Suntien also has had direct and indirect impacts on stakeholders through the products and services we provides and the projects constructed by us. During the course of operation, effective participation by stakeholders can help Suntien with correctly assessing the impacts or our decisions

and timely making adjustments to finally realize the sustainable development of Suntien and the stakeholders.

Through reviewing the types and natures of stakeholders affected by all links in Suntien's operation, we identified important stakeholders and their participation manners and made corresponding measures to meet their needs. In particular, effective communication with stakeholders can help us understand the needs of both parties for discussion of future cooperation measures, which has gradually become an important work area of our departments.

List of focus of and channels for communication with stakeholders

Type of stakeholders	Needs	Response Measures	Communication Channels
Shareholders	<ul style="list-style-type: none"> • Continuous stable investment returns • Timely information disclosure • Enterprise operation in compliance with laws and regulations 	<ul style="list-style-type: none"> • Improve business diversity • Establish a system for regular information disclosure • Improve internal compliance system 	<ul style="list-style-type: none"> • Annual reports and corporate announcements • Information dissemination channels including roadshows
Employees	<ul style="list-style-type: none"> • Decent working environment • Plenty of opportunities for career development • Competitive remuneration packages • Sound health and safety protection 	<ul style="list-style-type: none"> • Improve internal management systems such as staff recruitment and promotion • Enrich staff's daily life • Provide diversified employee welfare 	<ul style="list-style-type: none"> • Internal website • Internal corporate publication • Suntien WeChat public account
Suppliers	<ul style="list-style-type: none"> • Fair, just and open procurement process • Punctual performance of contractual obligations 	<ul style="list-style-type: none"> • Ensure transparency in procurement process and receive internal and external supervision • Reasonably manage and control of cash to ensure timely payment 	<ul style="list-style-type: none"> • Announcements and notices for procurement and tender on governmental websites • Corporate corruption reporting hotline

Type of stakeholders	Needs	Response Measures	Communication Channels
Customers	<ul style="list-style-type: none"> • Continuous reliable and safe supply of natural gas • Timely response to customers' demands • Improvement in service quality 	<ul style="list-style-type: none"> • Establish a comprehensive safety supervision system and a response system • Improve customer complaint handling process, establish a responsibility identification system for customer complaint • Formulate the standardized service manual 	<ul style="list-style-type: none"> • Regular community promotions for safe use of gas • Visiting complaining customers • Conducting customer satisfaction survey
Government	<ul style="list-style-type: none"> • Drive local and surrounding industry development • Enterprise operation in compliance with laws and regulations 	<ul style="list-style-type: none"> • Provide job opportunities and pay taxes at the location of operation • Cooperate with government's supervision and improve internal compliance monitoring system • Ensure compliance with laws and regulations regarding environment, safety and integrity 	<ul style="list-style-type: none"> • Participate in government meetings and regularly visit the government • Receive governmental supervision
Community	<ul style="list-style-type: none"> • Contribution to community development • Participation in community activities to maintain good communication 	<ul style="list-style-type: none"> • Improve local infrastructure construction in terms of road construction and power grids construction • Help rural development in terms of assistance provided to designated persons • Maintain good communication with local residents and herdsmen 	<ul style="list-style-type: none"> • Survey of community representatives • Visits in daily operation



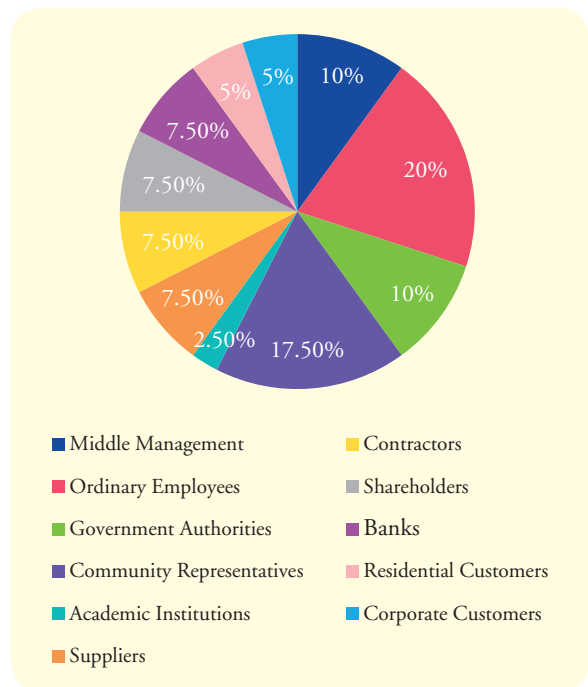
Stakeholders Engagement

Type of stakeholders	Needs	Response Measures	Communication Channels
Banks	<ul style="list-style-type: none"> • Good creditworthiness and strong ability to pay debts • Stable business development 	<ul style="list-style-type: none"> • Pay debts on time to keep good creditworthiness • Strengthen cooperation with domestic and foreign banks 	<ul style="list-style-type: none"> • Regular direct communication
Academic institutions	<ul style="list-style-type: none"> • Continuous investment in innovation • Strengthen the cooperation with academic institutions to improve the ability to apply research results 	<ul style="list-style-type: none"> • Increase internal R & D investment, and improve intellectual property and innovation management • Increase cooperation and exchanges with universities and colleges and other research institutes 	<ul style="list-style-type: none"> • Cooperation fairs

Apart from effective daily communication with stakeholders, in order to further understand the stakeholders' comments on Suntien's actions and make corresponding responses, we conducted "Suntien Questionnaire on Sustainable Development for Stakeholders" for the first time in 2015 to obtain feedbacks and opinions from a wider range of stakeholders as an important reference for the development of strategies for sustainable development in the future. We also believe that the questionnaire itself, as an effective stakeholder communication channels, can help us to further enhance communication and interaction with our stakeholders and to improve stakeholders' understanding of Suntien.

We adopted anonymous paper questionnaire survey by issuing a total of 120 copies within the Company and to external stakeholders. We collected 93 effective feedbacks. We analyzed the influence of stakeholders on business operation and set the number of respondents to objectively reflect the degree of influence of the Company's environmental, social and governance related impact on stakeholders during the year.

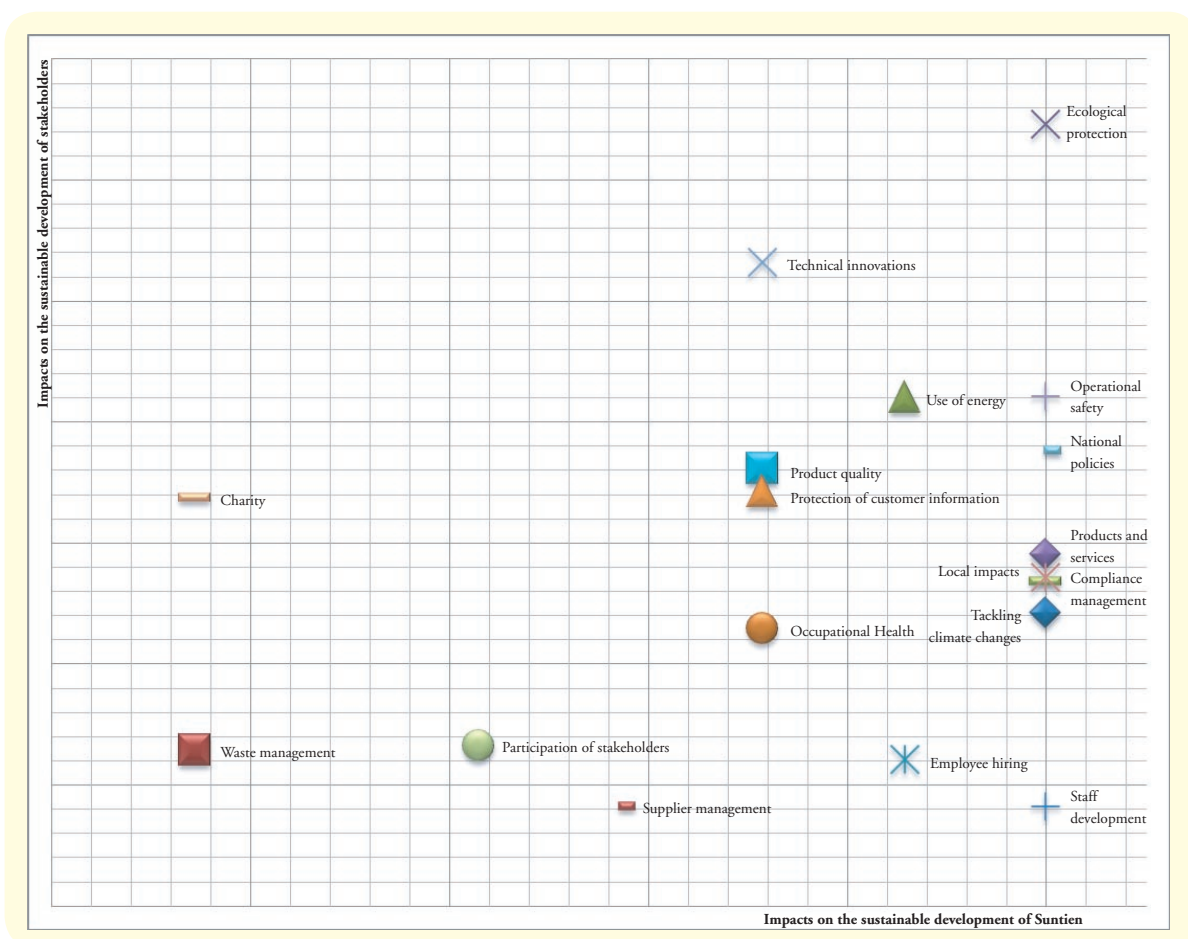
Percentage of Stakeholders in Suntien's Survey in 2015



In order to more clearly understand the judgment of the importance of all topics, we also issued questionnaires to senior management of the Company to understand the degree of impact of various environmental, social and governance topics on Suntien and obtain suggestions of senior management on decision-making, actions and information of Suntien regarding sustainable development.

The survey results directly reflected the importance of our actions in different areas of sustainable development in 2015. Issues on ecological protection, technological innovation, energy usage, safe operation, product quality, customer information protection are more important than other issues. These issues will be the focuses in this report.

Matrix of Major Issues of Suntien in 2015 including Environmental, Social and Governance



Through the survey, we have directly received the recommendations from stakeholders on sustainable development of Suntien. The topics cover information disclosure, policy support, operation management and market development. These recommendations will serve as a significant reference for Suntien to develop the relevant work plans and make corresponding responses in the future. We will also continue communicating

with stakeholders in various manners such as sending surveys, gradually enriching the forms and channels of communication, understanding the development trend of stakeholders' demand, making more comprehensive corporate development strategies and improving the internal sustainable development management system and structure, in order to eventually achieve a win-win development of both sides.

1. ENVIRONMENT

As China's economic and social development has entered a new normal, promoting green development, cyclic development and low-carbon development and achieving economic development and improvement in people's livelihood while protecting environment has become a new goal of China's development.

As a green energy company, Suntien, closely follows China's adjustment to energy strategies by developing natural gas, wind power and solar power to deliver clean energy to all industries. It has reduced the impacts of its products and services on the environment in addition to creating economic value. Meanwhile, Suntien also keep in mind the impacts of its construction and operation to the environment to further improve environmental performance. During the project construction phase, Suntien invested heavily in reducing the impacts of construction on the environment, including sewage treatment, waste oil collection, noise damping, dust reduction, ecological restoration and hazardous waste disposal; during the project operation phase, it also invested in energy-saving and technical upgrade to reduce the adverse impacts of project operation on the environment. During the reporting

period, Suntien's total investment in environmental protection amounted to RMB35,194,600.

1.1. Tackling Climate Changes

The Chinese government considers sustainable development as a fundamental strategy for economic and social development and has taken a series of major initiatives in order to achieve sustainable exploitation and economical use of natural resources, improve resource utilization model, adjust resource allocation structure and improve effectiveness of resource utilization, protecting the ecology and environment by different ways.

As a type of clean and renewable energy, wind energy can replace fossil fuels and correspondingly reduce carbon dioxide emissions. Suntien has a total consolidated installed capacity of 2,093.6 MW from operating wind farms owned in Hebei, Shanxi and Xinjiang. In 2015, the cumulative electricity generated by wind power is 3,161 million kWh in Suntien, which correspondingly reduced 2,526 thousand tons of carbon dioxide emissions, 1,410 tons sulfur dioxide emissions, 1,039 tons of nitrogen oxide emissions and 411 tons of dust emissions.

Suntien's Wind Power Business Performance from 2013 to 2015

	2013	2014	2015
Installed capacity (MW)	1,445.3	1,696.8	2,093.6
Electricity generation (10 ⁸ kWh)	29.27	27.40	31.61

Solar energy plays an important role in the long-term energy strategy since it is a type of clean and safe energy with unlimited supply. With the government's announcement of a series of policies in 2014 to support photovoltaic power generation projects, the Group closely followed the policies and actively developed photovoltaic power generation projects. In 2015, major breakthroughs were made in the Group's photovoltaic power generation projects, adding agreed capacity from photovoltaic power generation projects of 630 MW in Heilongjiang, Liaoning, Hebei, Shanxi, Shandong and Tibet, with total agreed capacity reaching 3,899 MW. Its newly approved capacity amounted to 80MW and the accumulative approved capacity was 160MW.

There is no residual waste or sewage produced from the combustion of natural gas, which has advantages

of safety, high calorific value and cleanness comparing to coal and oil. In 2015, the economy of Hebei Province continued to face enormous pressure on adjustment to industrial structure. Suntien was able to overcome the difficulties brought by slowed economic growth and decrease in alternative energy such as coal and maintained a strong momentum of development for its natural gas business. It accelerated the construction of filling station projects, actively expanded gas source projects, enhanced communication with other gas source entities in the province and introduced diversified gas source such as coalbed methane gas. It adopted a variety of ways to develop new markets and expand urban gas projects. It gave fully play to its preparation offices in Baoding, Cangzhou, Hengshui and Nangong and sought cooperation with gas companies and industrial parks in such areas.

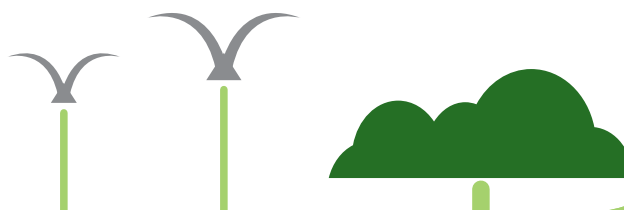
Suntien's Natural Gas Business Performance from 2013 to 2015

	2013	2014	2015
Natural gas sales volume (million cubic meters)	1,483.7	1,523.0	1,127.0

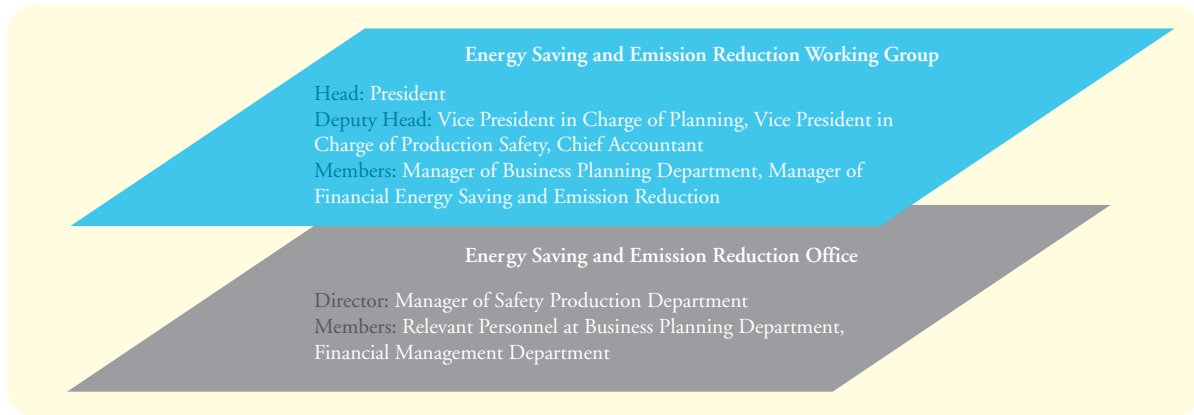
1.2 Energy Saving and Emission Reduction

In order to meet its goal to save energy and reduce emissions, reduce costs and improve performance and protect the environment, Suntien is committed to developing into a saving-oriented enterprise. It has formulated the Energy Saving and Emission Reduction Management Measures of China Suntien Green Energy Corporation Limited (Pilot),

established an energy saving and emission reduction working group headed by the President and an energy saving and emission reduction office at the production safety department with the manager of production safety department as the director of office to be responsible for energy saving and emission reduction, and set out the division and scope of responsibilities and work flow for its functional departments.



Management structure of Suntien for energy saving and emission reduction



On this basis, in line with Suntien's status quo and in order to meet the objectives of developing a saving-oriented society and to comply with relevant laws, regulations and policies, Suntien and its major subsidiaries have established the respective Energy Saving and Emission Reduction Management Measures to strengthen the management of and supervision over energy and water saving.

HECIC New-energy established an energy saving and emission reduction working group and an energy saving and emission reduction office at the subsidiary level, defined the energy saving and emission reduction workflow, and published its own *Energy Saving and Emission Reduction Management Measures*, which, in line with its own production situation, specifies the departments for management and collection of information on indicators such as power generation, power consumption rate, industrial output value and industrial value-added and requires its production technology department to integrate the concept of energy saving and emission reduction into project design and construction. Hebei Natural Gas formulated the Energy Management Measures and the Environmental Protection Management Measures. In this management measures, the Department of Operations and Security is designated as the main department responsible for energy management. Department of Investment and Development, Finance Management Department, Human Resources

Department, Engineering Technology Department, Administrative Management Department and Material Supply Department are designated as supporting departments. These departments conduct strict control over energy and resource consumption, promote new technology, new process, new equipment and new materials to achieve reasonable energy utilization, improve energy and resource utilization rate as well as economic benefits, laying a good basis for sustainable development. Hebei Natural Gas also developed the Energy Saving and Emission Reduction Management Measures, specifying the management of and information collection on relevant indicators (including water consumption, electricity consumption, oil consumption and self-consumption of natural gas). It sets requirements for sewage and solid wastes management. It also indicates that the energy saving and emission reduction designs for new, expanded and renovated projects shall be reviewed, and includes energy saving and emission reduction into performance assessment system. In addition, it requires the relevant departments to provide training on energy saving and emission reduction, to establish award funds for energy saving and emission reduction, to promote company-wide implementation of electricity and water saving, and to clarify the performance assessment system.

Case: Promotion of clean energy transport vehicles

In order to achieve the target of greenhouse gas emissions reduction, Hebei Natural Gas took advantages of its own production in the industry chain and has been gradually replacing diesel vehicles with natural gas vehicles. At the end of 2015, natural gas vehicles accounted for 80% of the transport fleet.

During the reporting period, total electricity consumption of Suntien was 10,441,939 kWh, representing a decrease of nearly 4.9 million kWh from 2014; the total greenhouse gas emission was 15,652.08 tons of CO₂e; 0.037 tons of carbon dioxide was emitted per RMB10,000 of output value; 0.0107 tons of standard coal was consumed per RMB10,000 of output value, which were all far below the average level of the society.

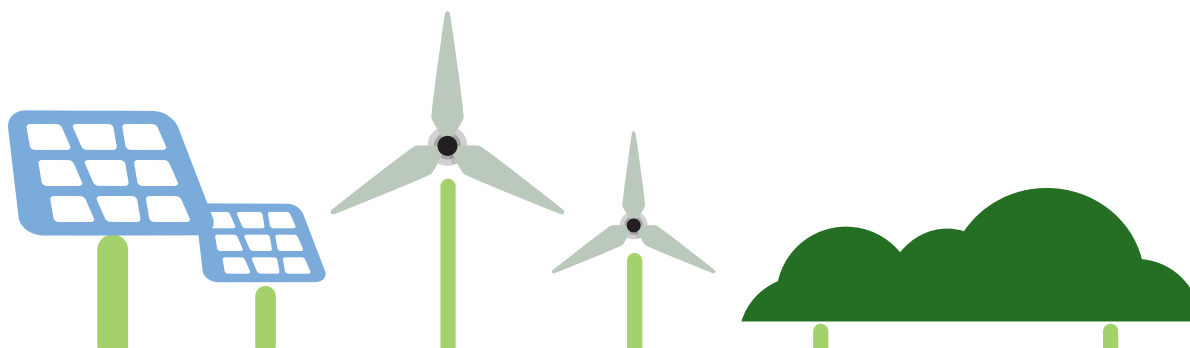
Suntien's greenhouse gas emissions from 2014 to 2015

	2014	2015
Total electricity consumption (kWh)	15,340,555	10,441,939
Gasoline (l)	1,164,091.48	1,852,869.59
Diesel (l)	64,437.9	174,739
Natural gas (m ³)	733,094.12	750,793.69
Liquefied petroleum gas (m ³)	24,027	38,084
Greenhouse gas emissions (tons of CO ₂ e)	20,301.18	15,652.08
Energy consumption per RMB10,000 of output value (tons of standard coal)	0.0081	0.0107
Carbon dioxide emissions per RMB10,000 of output value (ton)	0.039	0.037

1.3 Waste Management

Suntien is committed to providing customers with clean energy by attaching great importance to waste management in the construction and operation process, striving to reduce the waste production, recycling all recyclable wastes, safely disposing hazardous wastes and minimizing the impacts of waste on the environment.

Waste generated during the construction phase and operation phase includes broken bricks, sand, concrete, waste packaging materials and waste water generated in the construction process; as well as domestic garbage, waste components, waste oil and used batteries generated in the operation process. Except for a very small amount of smoke and waste water that might be generated during equipment maintenance process, Suntien does not generate any emissions in operation.

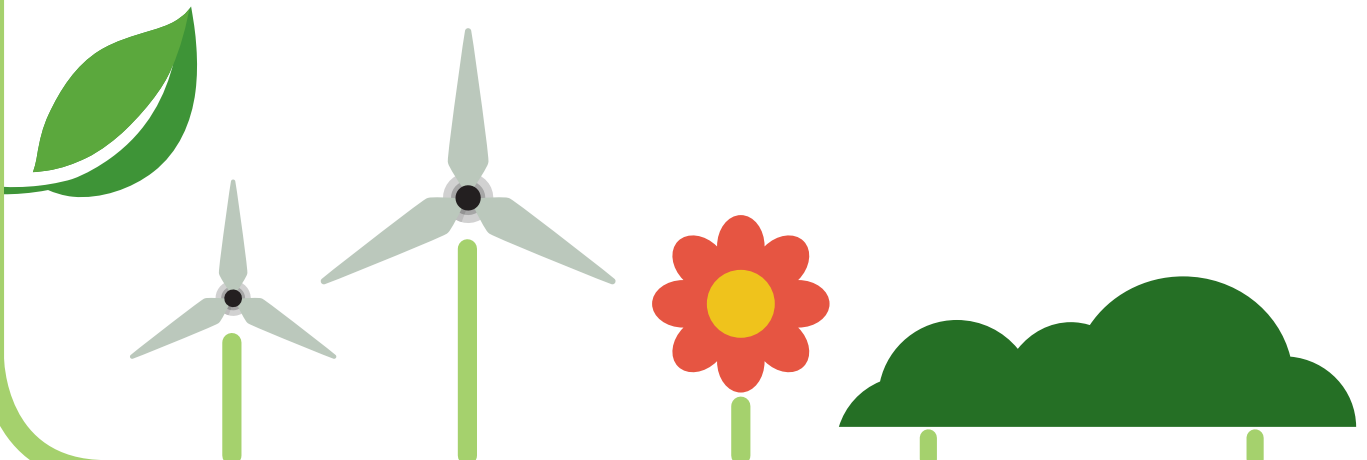


Types and treatment methods of wastes generated during the construction phase and operation phase of Suntien

Phase	Source	Treatment
Construction	Construction debris including broken bricks, sand and concrete	Collected and regularly treated by contractors
	Packaging materials (wood and plastic)	Recycled
Operation	Domestic garbage	Sent to waste disposal station
	Waste oil and waste liquid	Recycled by certified companies
	Obsolete batteries and equipment components	Managed by the Supply Department

Hebei Natural Gas established the Equipment Management Measures which sets out the definition, management and the disposal of retired equipment to ensure retired equipment to get proper treatment and generate no harm to the environment. In addition, the Environmental Protection Management Measures requires each department to build original records of environmental protection in accordance with the requirements, including: pollution emission records, running records of environmental protection equipment, pollutants records, recycle and reuse records of waste and pollution accident records.

In order to strengthen the management of waste generated in production processes, HECIC New-energy sets the Waste Materials Management Measures based on its own production and operation. It clearly sets out the definition and identification of waste, how to record information about waste, waste treatment process and responsible departments. It ensures that waste gets proper treatment and does not pollute the environment. In addition, HECIC New-energy actively promoted paperless working which reduced waste paper production and the impact of waste paper disposal on the environment.



Types and volume of waste generated in Suntien in 2015

Type		Volume (tons)	Treatment	Treated volume (tons)
Municipal waste	Packaging Materials			
	——Wood	0.096	Recycled	0.096
	——Plastic	0.012	Recycled	0.012
	Household waste	125.00	Regularly sorted by nearby villages and transported to nearby waste stations	125.00
Hazardous waste	Waste oil and waste liquid	10.93	Recycled by certified companies	10.93

1.4 Utilization of Resources and Ecological Protection

While providing the society with clean energy, Suntien also pays close attention to effective utilization of resources as well as ecological prevention during construction and operation, in order to reduce waste of resources and protect the environment.

The environmental impacts of wind farms mainly include land use, vegetation damage, noise and dust during the construction process. Suntien conducts specific, adequate and comprehensive preliminary investigation for each project. It adopts many measures to minimize the damages to the ecological environment during the construction and operation phase of the project. The impacts of Hebei Natural Gas during its construction and operation phase mainly consist of the damages to surface vegetation caused by digging trenches for natural gas pipelines. Suntien carefully selected site location to occupy less land and/or occupy land in poor condition, avoiding irreversible damage in the land. There were no rare plants, rare animals or rare birds in its projects' locations. Plenty of fences and covers are set up in the topsoil storage area and the surrounding area of

temporarily abandoned soil to avoid dust. Obsolete batteries and solar cells generated from photovoltaic power plants are all recycled and treated by harmless methods at certified waste recycling sites.

Case: Tree planting activity

In response to increasingly serious air pollution, especially urban smog, and in order to raise the employees' environmental awareness, Suntien initiated a tree planting activity and reclamation of dry land near Hute River, Shijiazhuang in March 2015. A total of 13 employees participated in the tree planting activity, and a total of 36 hours and RMB3,200 were spent in the activity. It not only enriched employees' personal life, but also enhanced their understanding environmental issues and raised their awareness of environmental protection.

Suntien consumes limited volume of water in transporting natural gas as well as the construction of wind power projects and photovoltaic power projects. Water consumption in its operation only relates to an extremely low volume of household water consumption, all of which is collected through urban drainage pipelines and sent to the sewage treatment plant.

Employment and Labor Practices

2. EMPLOYMENT AND LABOR PRACTICES

Employees are the foundation of Suntien's innovations and development, as well as the ones who provide services and maintains operation of Suntien. In order to practice the united and harmonious labor relationship, Suntien actively protects the employees' basic rights, pays attention to their demands, and promotes their joy, health and safety mentally and physically. It has also established reasonable promotion channels with a targeted training system to cultivate excellent talents and establish a specialized and effective team.

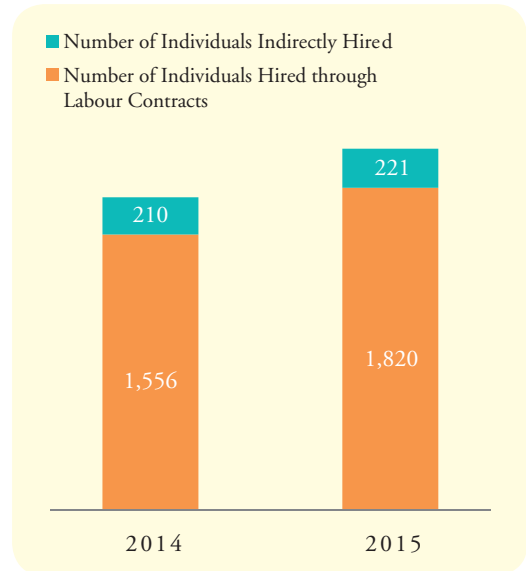
2.1. Employment and Labor Standards

In order to regulate employment and specify basic rights of employees, Suntien has established and strictly implemented the relevant management systems and rules in strict compliance with relevant national laws and regulations, including the Employee Management Measures (Revision), the Remuneration Management Measures (Revision), the Measures for Checking Work Attendance of Employee, and the Employee Leave Management Measures (Revision), which set out clear requirements for employee recruitment, employment and labor relationship and regulate the employment, social security management and code of conduct in order to protect the labor rights to the greatest degree.

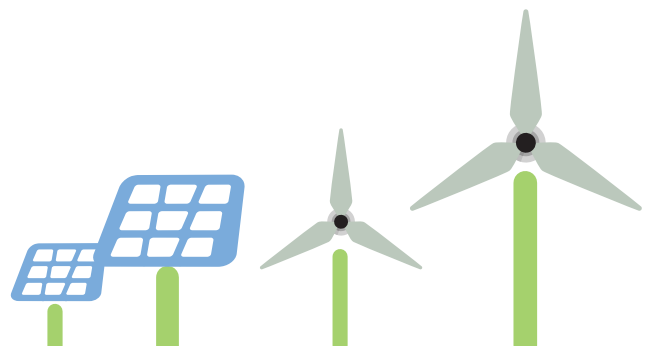
Suntien hires legitimate employees in public, and the candidates must submit photocopies of identity cards and present their originals for verification. If it is found that child labor has been hired, the Group would send personnel to escort him home and give him back to his custodians. During the reporting period, all the employees hired by the Group met the requirements of minimum working age specified in the related laws and regulations of China, and

no hiring or use of child labor and forced labor has occurred.

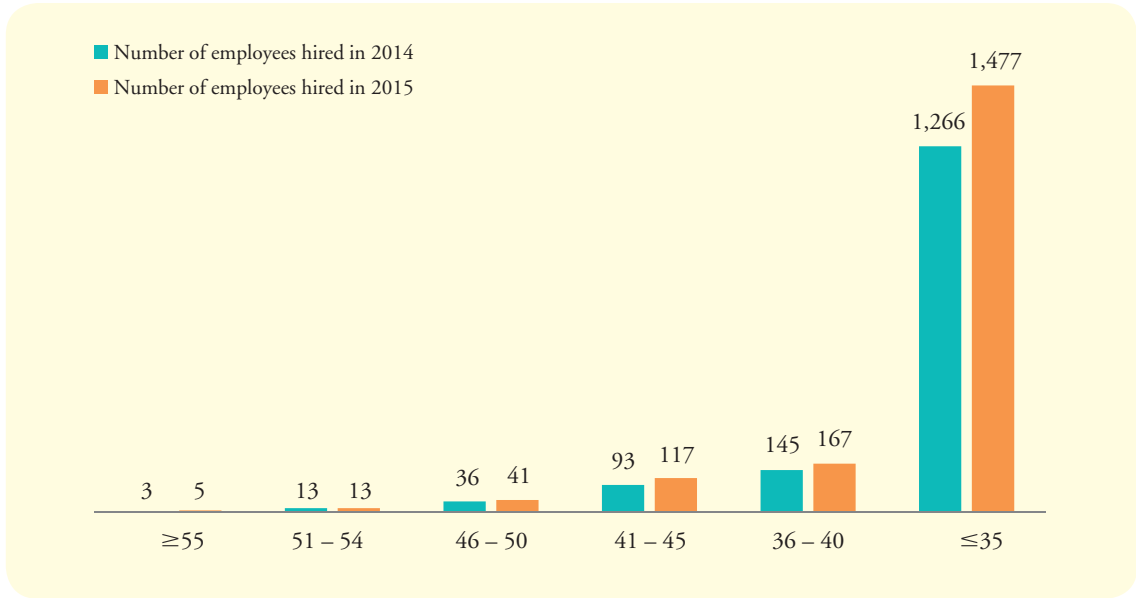
Distribution of types of employment from 2014 to 2015 (person)



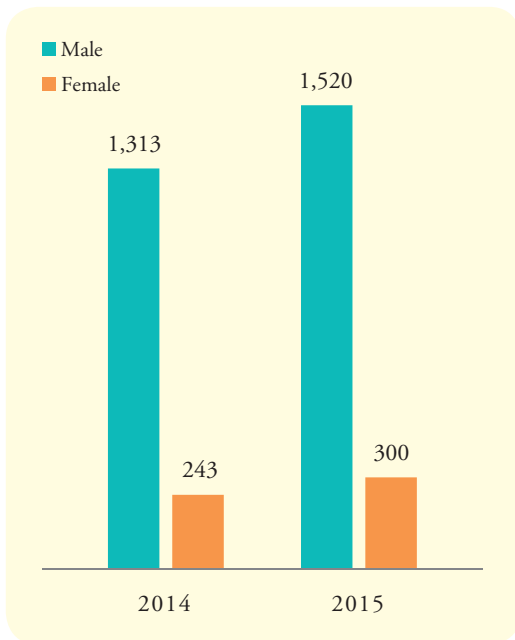
Note: Since the businesses of the Group are mainly operated within China (2 Hong Kong employees), the Group has not disclosed geographical distribution of employees.



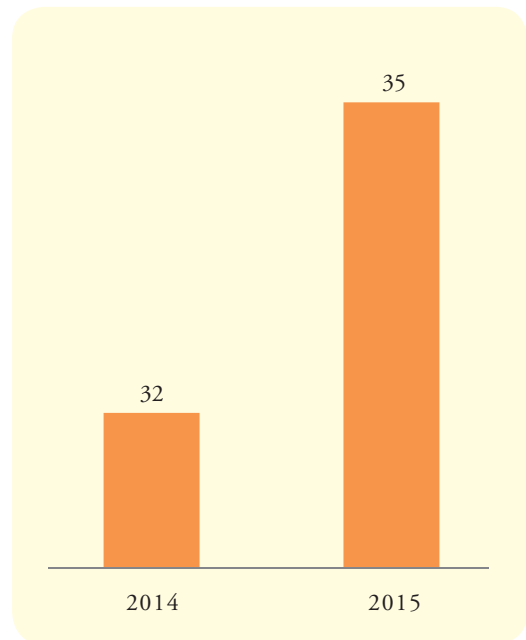
Distribution of employees by age structure from 2014 to 2015 (person)



Distribution of employees by gender from 2014 to 2015 (person)

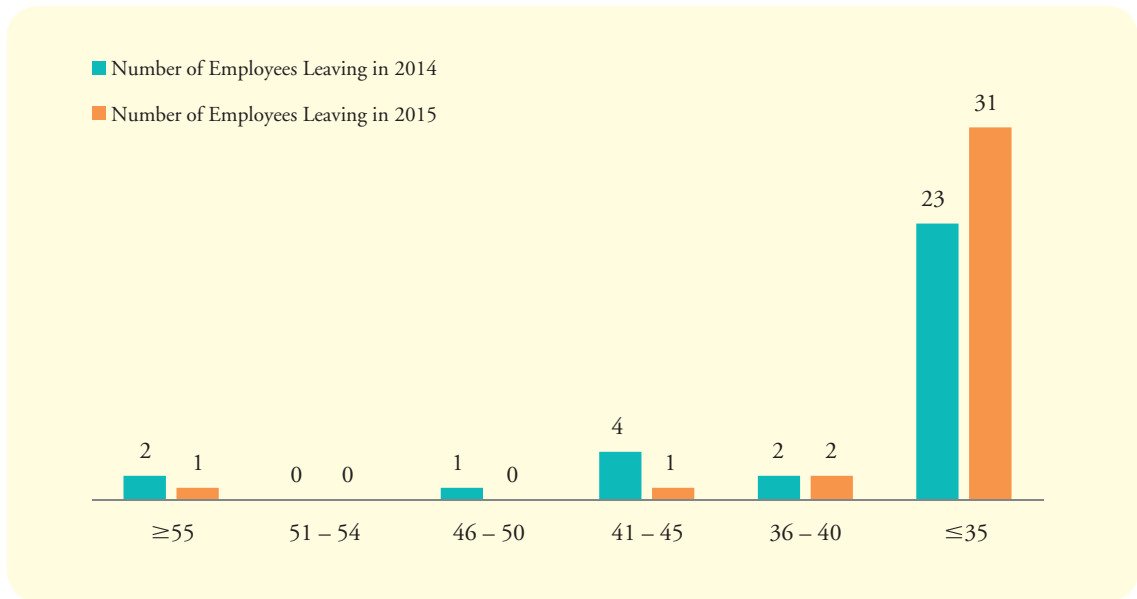


Total number of dismissal employees from 2014 to 2015 (person)

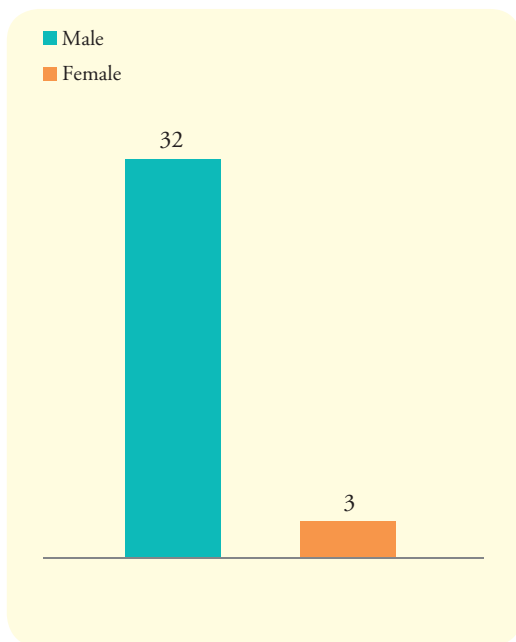


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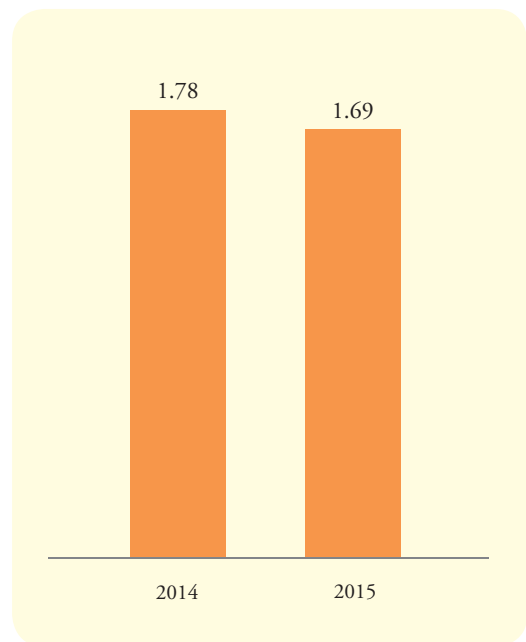
Distribution of dismissal employees by age structure from 2014 to 2015 (person)



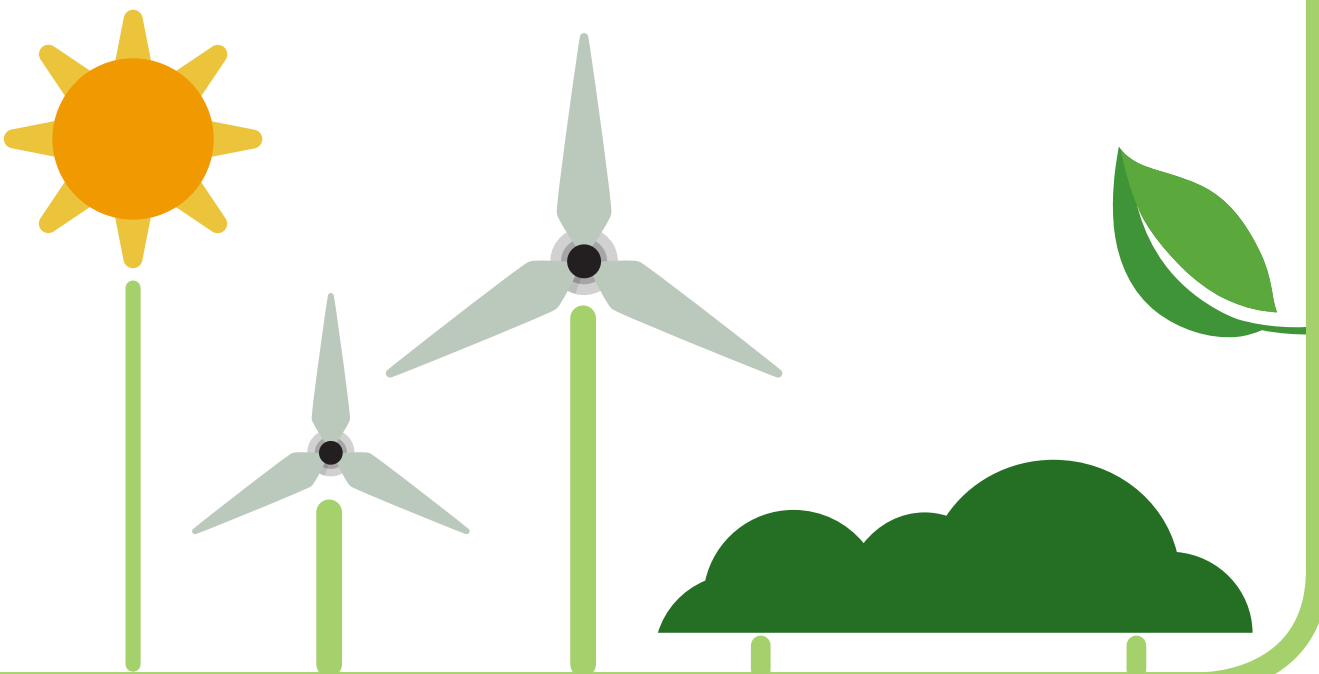
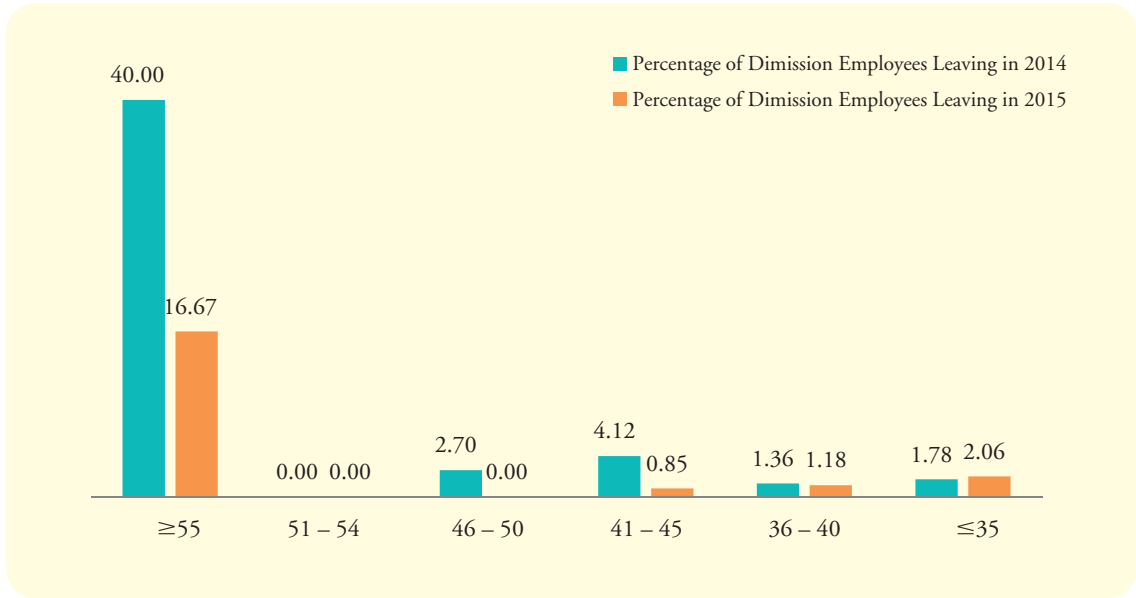
Distribution of dismissal employees by gender in 2015 (person)



Percentage of dismissal employees from 2014 to 2015 (%)

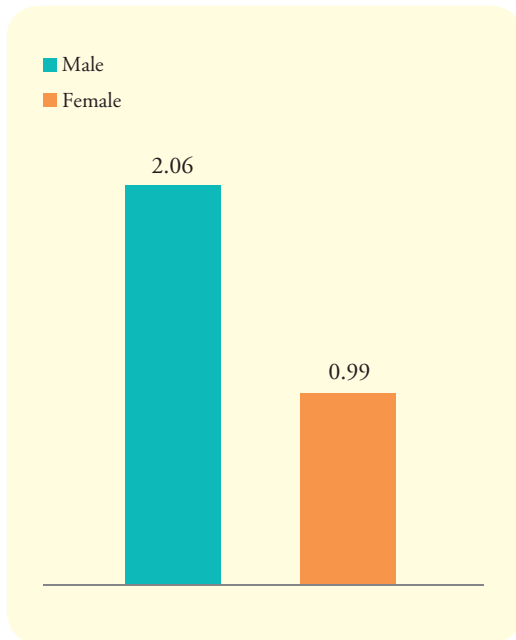


Percentage of dismissal employees by age structure from 2014 to 2015(%)



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Percentage of dismissal employees by gender in 2015 (%)

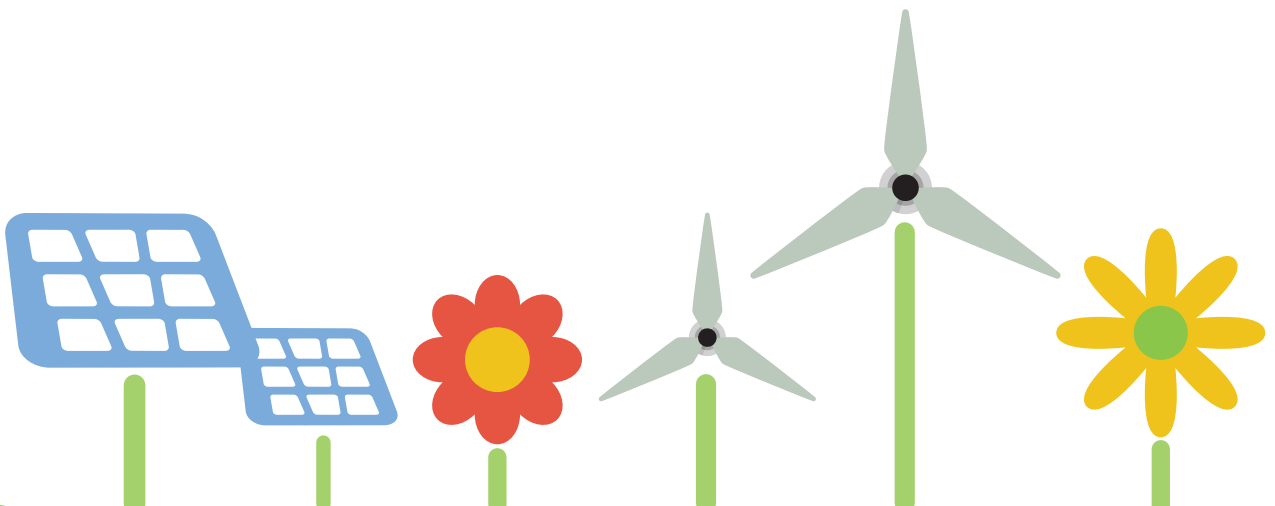


Suntien always attaches great importance to the establishment of a friendly and harmonious employment relationship with employees. By collecting suggestions from employees, Suntien timely reviews existing labor management and constantly improves the relevant management system and measures.

Case: HECIC New-energy convened its second staff representative meeting of third session to hear voices from staff representatives

At the second staff representative meeting of third session of HECIC New-energy held in 2015, as an important channel for communication, 37 attending staff representatives raised specific opinions and advices on the management, operation and cultural life of employees of Suntien. In addition, Mr. Zhao Lijing, chairman of labor union of HECIC New-energy, delivered the report titled “Combining efforts, creating harmony and striving for a first-class domestic specialized new energy enterprise”, setting out the general idea and major points of the work of labor union for 2015.

Suntien continues to pay attention to the basic needs of employees, carried out “heart-warming activities” for employees and provided employees with benefits, which enables employees to dedicate themselves to work and further promote its harmonious development. To help employees in financial difficulties, Suntien has prepared the Care Fund Management Measures and the Detailed Rules for Care Fund Management to ensure the provision of aids to employees in financial difficulties arising from critical illness or major accidents in a transparent, efficient and regulated manner.





Case: “Elegant life, Baking moment” activity was held for female employees to learn baking

On 6 March 2015, Suntien organized an activity themed “elegant life, baking moment” in order to welcome the Women’s Day and promote healthy diet and optimistic attitude towards life. More than 20 female employees participated, learning how to make rainbow cakes and raisins soufflés. In the baking class, they followed the guide, exchanged their knowledge, actively participated in the activity and experienced in turn. After the cakes were baked, they shared the handmade delicious food with continuing laughter.



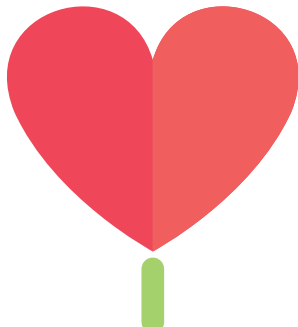
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Case: Jidong Branch of HECIC New-energy held a youth activity themed “Hi Nature”

To help employees get close to nature and adjust mood, Jidong Branch of HECIC New-energy held a youth activity themed “Hi nature! Love Jidong!” at Guluanhe Ecology Company in the northeastern part of Leting County, Tangshan in 2015.

All employees attended the activity, including a number of teamwork projects such as real man Counter Strike, tug of war and rope jumping, which has enhanced the understanding, trust and communication between each other and improved the overall quality and capability of team members.



Case: Hebei Natural Gas won “Shijiazhuang’s Top 10 of China Best Employer Award 2015” award again

The “China Best Employer Award 2015” was jointly held by Zhaopin.com and the Corporate Social Responsibility and Employer Branding Research Center of Peking University, with an aim to identify and recognize outstanding employers with a great employer reputation.

The 2015 Award launched in August 2015. Following a series of procedures including application, qualification review and online employee survey, Hebei Natural Gas was selected among a large number of participating enterprises. The subsequent selection was determined by experts and judges, focusing on six first level indicators reputation and image, brand strategy, remuneration and benefit, training and development, organizational management and working environment, and 18 sub-indicators. Since its participation in the selection in 2012, Hebei Natural Gas has been receiving such award for its popular brand and employer image, strong sense of social responsibility and sound management system each year.

2.2. Health and Safety

Protection of employees' health and safety has been a top priority of Suntien in its development and management. Suntien has prepared sound management systems in occupational health and safety production to lay the foundation of safety production.

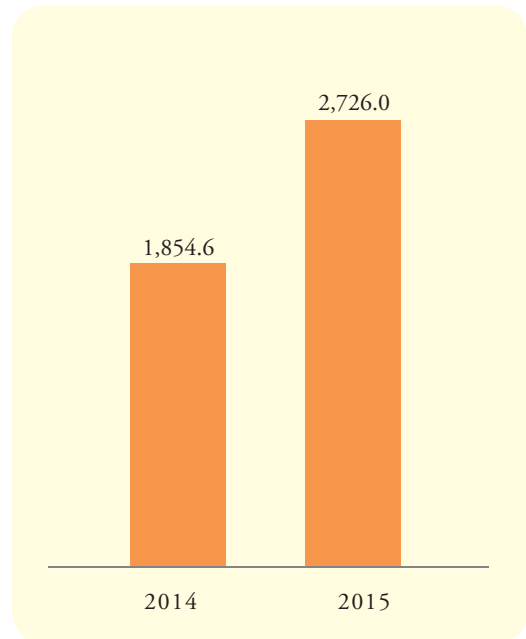
Area		Suntien	HECIC New-energy	Hebei Natural Gas
Occupational Health		Occupational Health Management Measures Measures for Safety Management at Sites of Production and Operation with Great Danger and Hazardous Factors Labor Protective Articles Supervision and Management Measures	Occupational Health Management Measures	Occupational Hygiene Management System System for Safety Management at Sites of Production and Operation with Great Danger and Hazardous Factors Labor Protective Articles Distribution and Management Rules
Safety production	Emergency response plan	Emergency Response Plan Management Measures Integrated Emergency Response Plan for Safety Production Incidents Special Fire Emergency Response Plan	Integrated Incident Emergency Response Plan Long-distance Natural Gas Pipeline Major Hazard Sources Incident Response Plan CNG (Compressed Natural Gas) Major Hazard Sources Incident Response Plan Urban Gas Major Hazard Sources Incident Response Plan	Incident and Emergency Response Plan Management Measures Integrated Emergency Response Plan Special Fire Emergency Response Plan Sudden Incident Emergency Evacuation Plan Sudden Traffic Accident Emergency Response Plan Sudden Network and Information Security Incident Emergency Response Plan
	Monitoring and inspection	Measures for Safety Production Inspection at Each Level and Removal, Inspection and Rectification of Incidents and Hidden Dangers Management Measures for Safety Inspection and Monitoring of Major Hazard Sources Fire Safety Management	Safety Inspection Management Measures Hidden Dangers Removal, Inspection and Treatment Measures Breaches of Safety Production Management Measures	Measures for Safety Production Inspection at Each Level and Removal, Inspection and Rectification of Incidents and Hidden Dangers Management Measures System for Safety Inspection and Monitoring of Major Hazard Sources
	Incident Treatment	Incident Reporting, Inspection and Treatment Measures	Production Incident Inspection Procedures	Safety Production Accident Incident Reporting, Inspection and Treatment Measures Safety Production Awarding Management Measures Safety Production Punishment Management Measures

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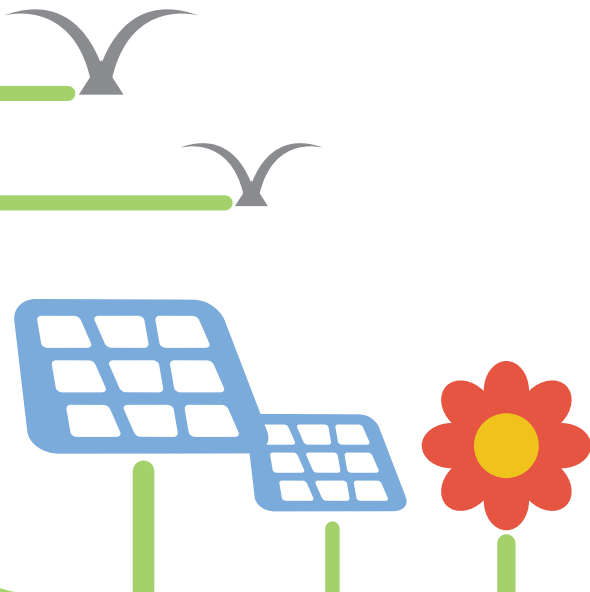
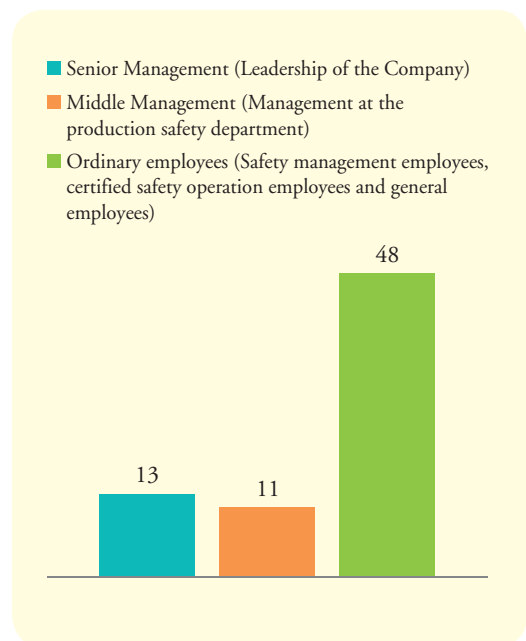
Based on these management measures, Suntien adhered to the principle of “prevention first, combining prevention with treatment” in respect of occupational health by implementing type-based management and comprehensive treatment in strict compliance with the relevant systems to prevent, control and eliminate the occupational diseases. With respect to safety production, Suntien invested necessary funds to ensure the management of fire safety, safety inspection and monitoring of major hazard sources, and removal, inspection and treatment of hidden dangers. On the other hand, it provided training varying according to level, specialization and function through face-to-face and video teaching, covering fire safety, safety inspection and monitoring of major hazard sources, and removal, inspection and treatment of hidden dangers, in order to raise employees’ awareness of safety and practice safety production. To ensure the implementation of the measures in place, safety production related indicators have been incorporated into performance indicators.

In 2015, Suntien occurred no safety incidents or personal casualties at work, and the number of working hours lost due to work injury was 999.84.

Investment in safety production from 2014 to 2015 (in ten thousands RMB)



Distribution of the average number of training hours per person by type of employees in 2015: (hours)





Case: Suntien organized a video training on safety production

In order to create an environment of “knowing, understanding and abiding by the law” and promote employees to keep hidden dangers and safety production in mind, Suntien organized a video training on safety production to enrich the forms of training on safety production on 23 June 2015. 35 employees from the departments at the headquarters of Suntien watched the video.

The training comprised three parts. First, the explanation on the new “Safety production Law” to help practitioners understand and master its key points; second, watched the “Face to Hidden Dangers” video, which explained the concept of hidden dangers and removal and inspection of danger and set out what and how each of the production and operation units shall do in identifying and eliminating dangers by easy to understand language and vivid pictures; third, watched the “One Life to Live” video. By precise analysis of origin and development of each accident, the practitioners were reminded that hidden dangers shall be treated as real accidents and extreme attention shall be paid to safety production risks.

Case: Hebei Natural Gas held “Safety Quiz”

In order to raise company-wide safety awareness and improve the mastery by operators of safety management system and operational procedures, Hebei Natural Gas held a “Final Safety Quiz” on 26 June 2015. The finalists were chosen based on a preliminary written test. The final contest comprised three stages: mandatory questions, quick questions and risk questions. Following intense completion, Shahe Branch won the contest.

The Safety Quiz encouraged employees to widely participate in the preliminaries, required better mastery of safety knowledge, promoted employees to acquire the safety management philosophy of “Safety is always ongoing”, spread knowledge on safety production, and strengthened the development and implementation of safety production system of the company.

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Case: HECIC New-energy held on-site hidden danger removal, inspection and treatment initiative

In order to spread safety knowledge, promote safety culture and promote safety culture development, HECIC New-energy disseminated the culture of rule by law by centering around “enhancing safety regulations and protecting safety production” and focusing on the promotion of the new “Safety Production Law” in June 2015, the Safety Production Month. It organized a variety of activities such as signing on safety commitments, safety accident warning education, emergency response plan exercise, safety skills contest and safety production writing contest.

The units within the company also conducted on-site hidden danger removal, inspection and treatment activity: Operating wind farms focused on inspections against on-site “three violations”; projects under construction conducted comprehensive inspections on issues including operational safety of construction units, environmental safety, flood control, temporary electricity supply. Dangers identified were recorded, archived and treated in accordance with the requirements of close-loop management.

Case: Emergency measures of HECIC New-energy for extremely icy and snowy weather disasters

In April and May 2015, certain wind farms experienced extremely icy and snowy weather disaster which lead to wind turbines broke down with ice covering the lines. First, the safety supervision department of HECIC New-energy strengthened the removal, inspection and treatment of potential incidents and hidden dangers of wind farm equipment and the guidance on emergency response plan training to ensure the management departments and front-line staff master the major points of treatment work. Second, it enhanced the guidance on wind farm operation and maintenance safety management, and paid great attention to inspection and examination of operation of wind turbines, safety devices and integrated circuit devices. Meanwhile, it reinforced the monitoring and inspection of daily management of emergency materials and production vehicles, as well as distribution, use and storage of PPE (Personal Protective Equipment) and emergency equipment maintenance.

In addition, branches and subsidiaries supplemented and improved the on-site natural disaster special emergency plans and organized regular exercises.

2.3. Development and Training

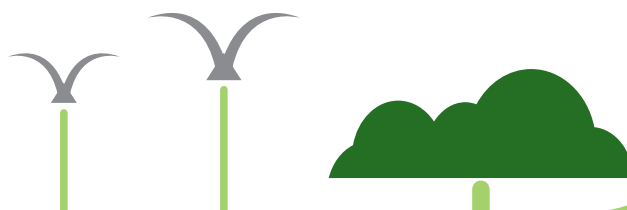
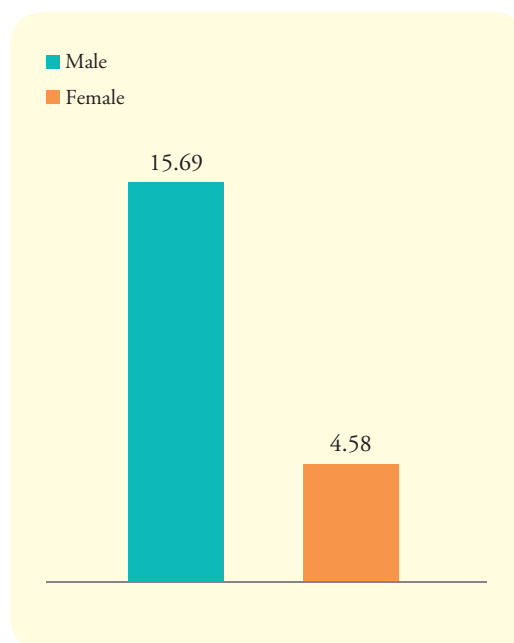
In order to attract and retained talents, Suntien strives to build a sound environment and broad space for career development and help its employees identify the connection between personal career development and the development of Suntien. Meanwhile, Suntien offers a series of practical trainings to help improve the Professionalism and skills of employees so as to promote its steady growth.

It has prepared sound management measures in respect of the growth and development of employees such as the “Management Measures for the Evaluation of Professional Managerial Skills (Revision)” and the “Interim Regulations on the Selection and Hiring of Middle Management Employees”, which set out the policies and management measures relating to career development of its employees such as secondment, promotion path and skill assessment and ensure that outstanding talents can be constantly promoted through a transparent, regulated and reasonable career development path.

Especially for young employees, the Company strives to benefit them through position experience and rotation. Position experience helped them to get to the front line to experience the work and life of grassroots employees and enhance their sense of belonging and identity. Position rotation not only brought freshness to young employees, but also promoted self-growth by enabling them to expand horizons, motivated potentials and got familiar of the operation and management of the Company more quickly.

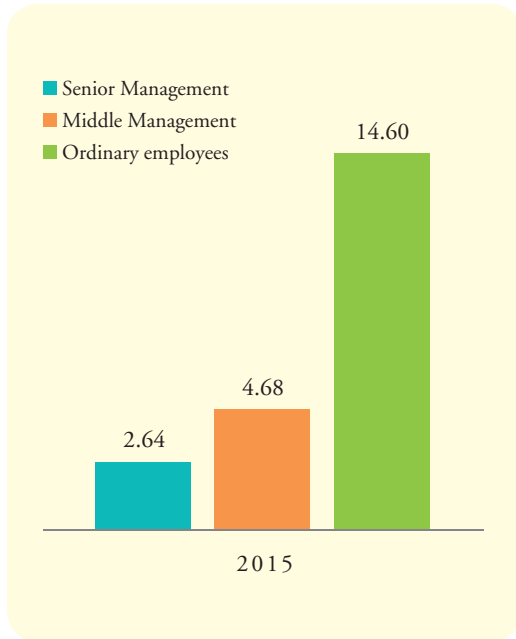
Through mechanisms such as seminars and coaching in daily work, Suntien provides regular career guidance so that its fresh and experienced employees could receive continuous guidance on career development and determine and adjust own development goals. In addition, the Company seeks feedbacks from employees on training needs each year, develops annual training plans based on the feedbacks and organizes the orderly implementation of such plans to provide various forms of external and internal career training including class, internet and technical workshops, so that employees can master necessary knowledge and professional skills.

Average Number of training sessions per person by gender in 2015 (times)

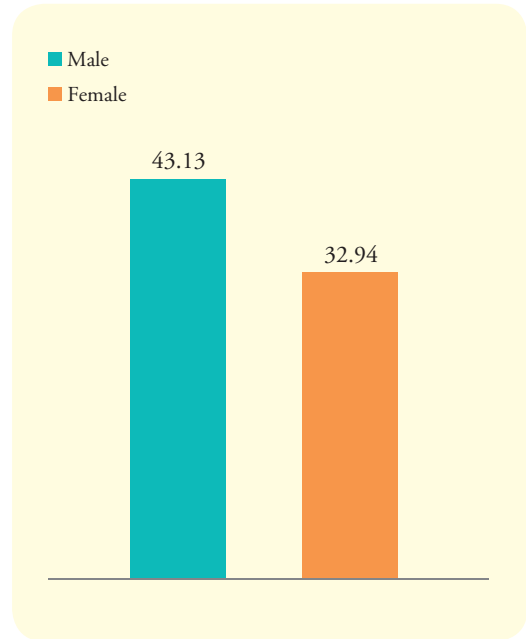


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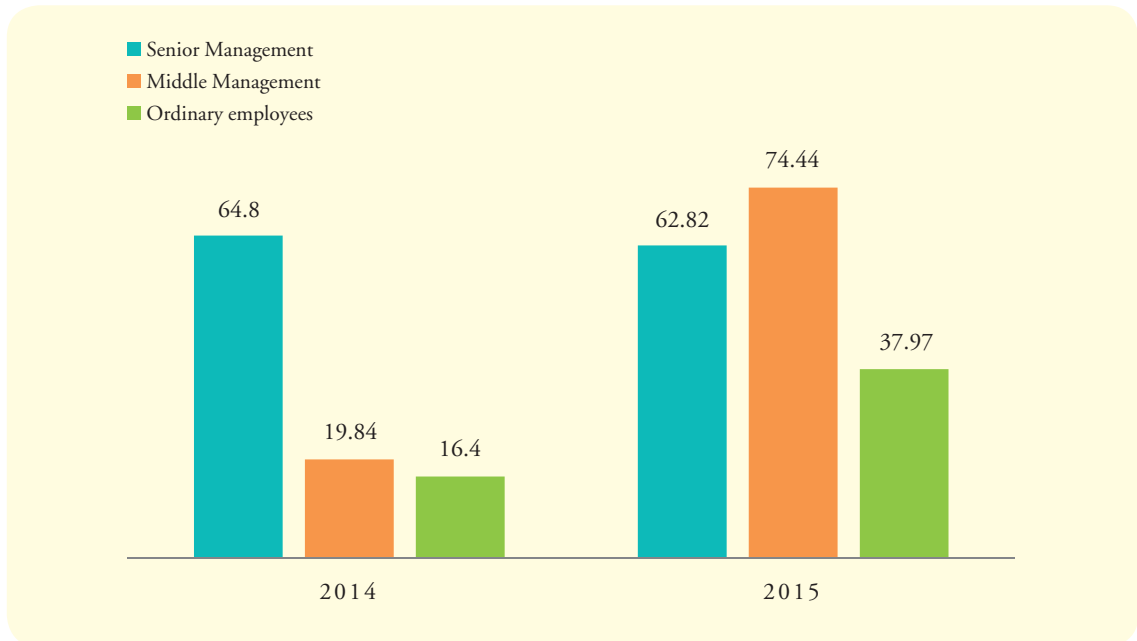
Average Number of training sessions per person by type of employees in 2015 (times)



Average Number of training hours per person by gender in 2015 (hours)



Average Number of training hours per person by type of employees in 2015 (hours)



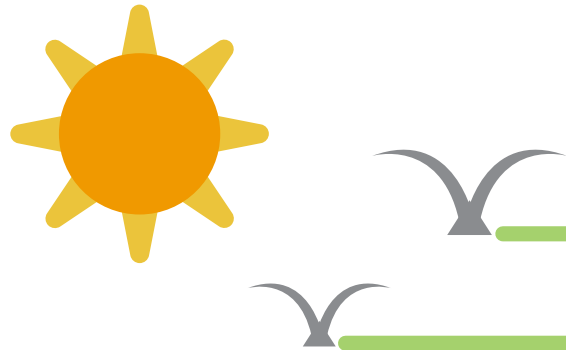
Note: The information and data regarding safe production and anti-corruption training are not included in the statistics of the above table and are set out in corresponding section in this report.



The Company conducted a series of targeted training covering different position levels and professions to build a team with first-class management capability and professional skills.

Case: Hebei Natural Gas held two sessions of new employee training camps

To help new employees better understand the enterprise and fit in the team, Hebei Natural Gas held two sessions of new employee training camps at Zhengding Militia Training Base on 12 and 23 October 2015, with a total of 117 participants.



On one hand, the training camp explained corporate culture, financial process, natural gas basics, human resource system and business writing, conducted in-depth discussion of career development planning, and shared useful knowledge. On the other hand, the training camp also conducted military training and outward training, and held knowledge “PK”, military reporting exhibition and talent show of team and personnel, which promoted the capability development of the team.



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The training camp adopted the self-management approach in 2015 for the first time, under which the teams will be by turns responsible for daily matters and activity arrangement for half a day, which had fully motivated the enthusiasm and capability of participants.

Case: Suntien Kechuang organized senior and middle management situational leadership and on-site wind farm outward training

With an aim to further improve the comprehensive capability of management, from 18 to 19 August 2015, Suntien Kechuang held a situational leadership experience training and on-site wind farm outward training at its operation and maintenance base at Zhangjiakou and Dongxinying Wind Farm for over 30 members of senior and middle management .

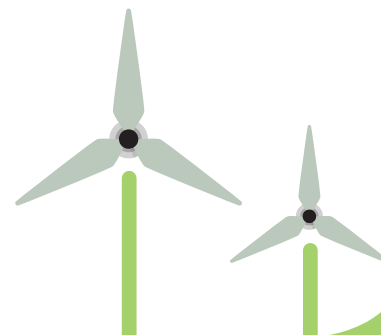
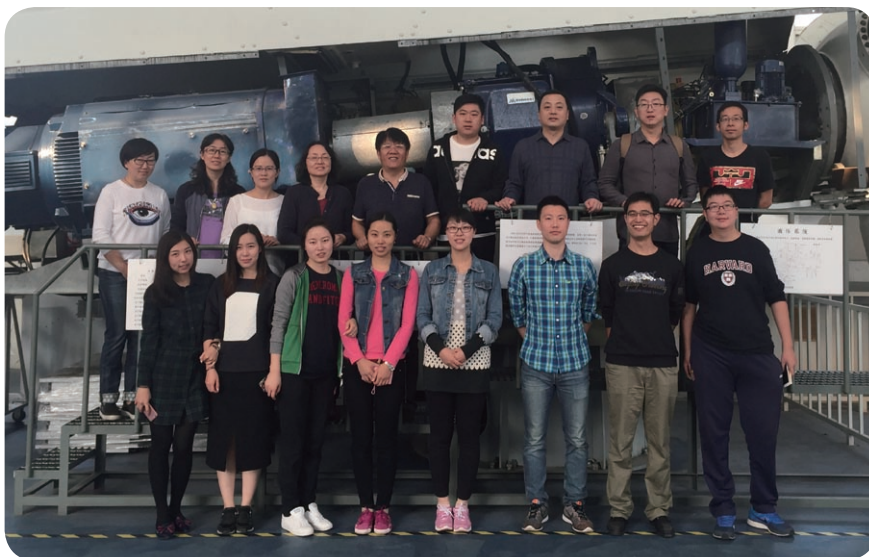
In particular, the situational leadership experience training guided the participants to more precisely master the skills of managing and leading

employees that at different stages through concept introduction, interaction and communication, games and video analysis and experience, team discussion and sharing and presentation. While the on-site outward training, through on-site visits, professional explanations by operating personnel and team insight sharing, improved non-technical managers' understanding of overall situation of booster stations and various equipment as well as management issues including leadership, execution ability and team cooperation.



Case: Suntien organized training on the basics of wind power

To help new employees better understand the basics of wind power to meet the position requirements, Suntien organized 17 new employees and non-wind power technologies professional employees to conduct a four-day wind power basics training at the Suzhou Longyuan Wind Power Vocational Training Center from 11 to 14 October 2015, during which lessons on the development history of wind power, principles of wind power technologies, introduction of wind farm and wind turbines, safety production at heights and emergency aids were comprehensively and systematically taught.



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3. OPERATING PRACTICES

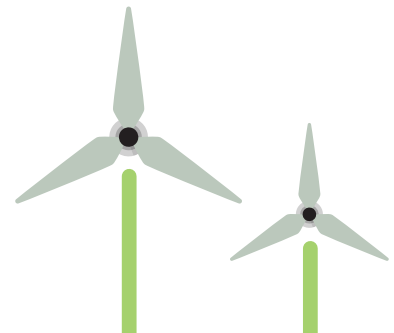
The management system establishment and management measures implementation for suppliers and customers represent Suntien's effective management of and control over the environmental impacts caused by corporate operation. Based on its sound internal compliance management, Suntien strives to eliminate all forms of corruption. It gradually improved its supply chain management to regulate the tender process and division of power and responsibilities. It also raised the coverage of supplier assessment. In addition, it strengthened the communication with downstream users, actively responded to customers' demands by raising service quality and effectiveness, and increased its investment in technological innovations to maximize its role in promoting sustainable development.

3.1. Supply Chain Management

Effective management of suppliers can ensure the smooth operation of an enterprise to ensure quality and safety of products and services. Based on the uniqueness of the products and Suntien's status quo, it developed management process catering to the suppliers of its products and services and in accordance with national and local regulations, in order to ensure that its procurement process

meets the laws and regulations and that the selected suppliers are highly efficient in quality, environmental and safety management.

As the Company is still in its growth phase, in 2015 and a long period beyond, the suppliers of construction and related constructive materials will be seen as important subjects of monitoring and control. Suntien has established management systems including the *Project Tendering Management Measures*, the *Project Construction Management Measures* and the *Project Quality Management Measures* to set out specific measures to manage and control suppliers in tender, supplier selection, on-site supervision and quality control for wind farms construction, natural gas pipeline laying and gas station construction. Furthermore, in order to ensure the effectiveness of on-site contractors' safety management and environmental management, Suntien has made *Civilized Construction Management Measures for Project Construction* setting specific requirements to suppliers about safety signs, waste collection and other perspectives. It also made *Construction Project Safety Management Measures*, defining the respective responsibilities of personnel, project supervisors and contractors for project safety management.



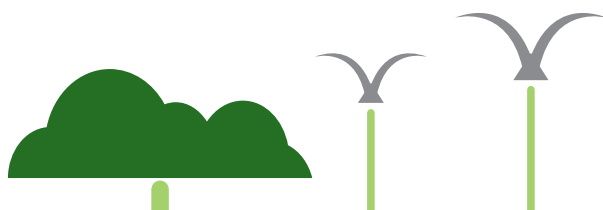
Another important subjects of procurement of Suntien are suppliers of operation related equipment, including wind power equipment such as turbines and transformers, natural gas transport equipment such as pipes and valves, and office equipment and logistics services. In particular, Suntien prepared a supplier list of important equipment and services. The Material Supply Department and the Procurement Department of its branches and subsidiaries, and representatives from the department using such materials, jointly established a supplier assessment commission, which conducts regular review of the supply performance of major suppliers on the list and comprehensive review of new suppliers including on-site assessment to determine the management and control efficiency of its suppliers, which will be used as important reference for its procurement decision-makings in

the future. The major suppliers on the supplier list, the entire procurement process and eventual results are published by Suntien at Hebei Provincial Bidding Website (<http://www.hebeibidding.com.cn/>) to ensure the openness and transparency of the entire procurement process.

In 2015, major suppliers of Suntien is shown in the following table. In particular, 20 suppliers were on-site reviewed by Suntien's headquarters, and 56 and 38 were reviewed by HECIC New-energy and Hebei Natural Gas respectively. For on-site review, Suntien will pay more and more attention to suppliers' ability of achieving sustainable development and place greater emphasis on environmental issues, occupational health and safety, legal employment and other issues.

Number of major suppliers of Suntien in 2015 by region

Region	HECIC New-energy	Hebei Natural Gas	Headquarters and other subsidiaries of Suntien
China	56	122	82
North America	0	0	1
Europe	0	0	3
Total	56	122	86



Case: Held a wind turbine seminar to increase communications with suppliers

As one of the most important procured materials for wind farms, wind turbine is directly related to the efficiency of power generation and corporate operation. In 2015, Suntien held a wind power technical exchange with domestic and overseas wind turbine manufacturers with leading turbine technology including Zhejiang Windey, Goldwin, Gamesa and Vistas, at which it systemically learned about the characteristics of all products, the wind power development trend and the development trend for wind farm operation and discussed topics including improvement in power generation efficiency and design of high-speed wind farms in order to promote the cooperation of the parties on the construction of wind farms and improve the energy efficiency in new energy industry.

3.2. Product Liability

As an important clean energy supplier, Suntien provides products that are somehow unique comparing to the traditional manufacturing and service industry. On one hand, all electricity generated during the operation of all wind farms and photovoltaic farms in Suntien, after the voltage being increased, is completely procured by local grids. No quality issues or complaints occurred while safety is ensured during operation and power generation. On the other hand, Suntien assumes the responsibility to supply gas to residential and industrial gas to residential users and industrial enterprises in Hebei Province, and Hebei Natural Gas had developed specific management measures to ensure steady supply of gas and improve customer services.

In order to further improve its gas supply capacity to customers, Hebei Natural Gas continued to push forward the construction of natural gas pipeline project in 2015. In line with the inter-province natural gas and coalbed methane gas pipelines laid by upstream suppliers, it has improved the construction of pipeline project in 10 counties including Jizhong within Hebei, which has ended

the period of no supply of pipeline natural gas in multiple areas including Shenzhou, Hebei Province; effectively reduce the pressure on consumption of industrial, automobile and public transport services along the pipeline. It also conducted scheduled inspection of encrypted lines within the network newly connected to the grid and checked the sealed components and connection components including the measurement and valves and connections to ensure steady operation of all pipelines. By the end of 2015, the total length of operating pipeline of Suntien reached 1,973.4 kilometers.

For customer services, Hebei Natural Gas followed the service philosophy of “Customer Supreme and Service First” and issued the *Standardized Management Measures for Customer Services* to set out detailed rules for hotline center, customer service center and door-to-door services, making standards for dressing, language and division of responsibility in order to formalize the services, improve service quality and raise customer satisfaction. In 2015, Hebei Natural Gas continued to promote its management philosophy of “ensuring customers’ safety is the basis and increasing service quality is the goal”, enhancing the comprehensive management of safety inspection, focusing on the ratio of door-to-door safety inspections and ensuring no omission in reporting existing dangers. It conducted the mutual inspection themed “Same Services in Different Cities” to carry out full examination of three major business segments (i.e. safety inspection maintenance, operation and hotline). It discussed the team management experience and method, actively conducted special training and exercises for civil emergency disasters and improved its emergency handling capability.

Case: Hebei Natural Gas won second prize of final national contest of Smiling Service Representatives

The service competition within the industry gave all services staff an opportunity to exchange for skills and demonstrating themselves. In the final national contest of the second Towngas Smiling Ambassadors for 2015, Han Si, a player from

Hebei Natural Gas, delivered strong performance in written test and position speech and received the second prize of the final national contest and was recognized as a “Smiling Service Representative”.

The contest of Smiling Service Representative lasted for nearly six months to select outstanding staff of Towngas Group holding customer service positions, spreading “warm service” culture and helping increase the service quality of the company.



For customer complaints, Hebei Natural Gas set up the *Client Complaint Handling Procedures* based on its OA system, standardizing the client complaint handling mechanism and the duties of the related positions. According to the problems identified by the customers, the Procedures set out a standard handling process from customer complaint application, treatment to interview, and ensured that all complaints are recorded and searchable. In addition, Hebei Natural Gas analyzed the complaints received during the whole year at the end of each year and makes it as an important reference for increasing the customer service management.

Number of complaints received by Hebei Natural Gas from 2014 to 2015

Type of Customers	Year of 2015	Year of 2014
Residential Customers	36	24
Non-residential Customers	4	0

Note: New customer complaints in 2015 were mainly on service attitude, business handling capability and delayed production and door-to-door services. In this regard, Suntien will strive to identify the deep-level reason for the unsound management or unsmooth internal process to improve management in an all-around manner.

Based on effective handling of customer complaints, Hebei Natural Gas actively enhances its communication with customers. Since 2012, it has conducted satisfaction survey with residential clients and non-residential clients, and formulated the *Client Satisfaction Survey Management Measures*. The survey involves door-to-door services such as safety

inspection and repair, as well as daily management such as scheduled inspection, safety inspection and safety promotion. Visits and random inspection must be conducted to cover all complaints from residential users. For non-residential users, annual visit must be paid to each major client and the percentage of random inspection for small businesses must not

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be lower than 20%. The survey results were used by Hebei Natural Gas to generate the monthly *Breakdown of Statistics on Resident Client Satisfaction*

Survey and Analysis Report on Resident Client Satisfaction Survey, based on which its branches and subsidiaries are assessed on a monthly basis.

Customer Satisfaction for Hebei Natural Gas from 2014 to 2015

Type of Customers	Year of 2015	Year of 2014
Residential Customers	99.1%	99.21%
Non-residential Customers	99.54%	100%

To ensure that personal information can be effectively protected, Hebei Natural Gas developed the Detailed Rules for Client Files Management defining the functions of the employees handling client files and requiring all employees to comply with confidentiality provisions and not to extend the scope of usage of client files without permitting or divulge the contents of client files and client information. It also developed the Detailed Rules for the Management of Removable Storage Media requiring that no employee of the Company may copy related confidential information to his/her removable storage media in order to prevent leakage of client information.

Case: Technology innovation

As the new energy industry matures, the role of technology innovation in improving operating efficiency has become increasingly apparent. Through enhanced investment in key production processes, Suntien strengthened its internal innovation management and external patent applications. It also encouraged all employees including front-line staff and technical managers to actively explore new technologies and obtain new innovation results, which has received recognition by the society.

In December 2015, Hebei Natural Gas received the utility model patent certificates in relation to “A wedge gripping tool” and “A new wedge” issued by the State Intellectual Property Office. Hebei Natural Gas established a special team to solve the

problems of poor structure, too small size, lacking of types and long trimming time of existing tools. As a result, we successfully made a set of wedge and gripping tools. This tool set has a wide range of types and is easy to operate. Its reliability, safety and success rate in handling leakage has been significantly improved. This is the first time Hebei Natural Gas obtained a stated-issued utility model patent certificate.

In 2015, Zhangjiakou Centralized Control Center Project of HECIC New-energy was included in the list of Technology Plan Projects of Hebei Province by Hebei Provincial Department of Science and Technology in 2015 and recommended as a candidate project at national level. It was also the only wind power technology project of Hebei Province in the year, achieving simultaneous remote monitoring, control and coordination of wind farms for the first time in China. The paper titled Realization of Resources Consolidation and Refined Management Based on Remote Centralized Wind Power Control Center System won the first prize of The 21st Corporate Management Modernization Innovation Achievements in Hebei Province; and the paper titled Research and Implementation of Wind Farm Centralized Control System Based on Electric System Network was included in the Wind Power Production and Operation Management in China 2014. This achievement made HECIC New-energy be recognized as a Model Corporate for Management Innovations in Hebei Province by the Industry and Information Technology Department of Hebei Province.

3.3. Anti-Corruption

Suntien attaches great importance to the construction of a clean administration. In line with its own situations, it strengthened systematic supervision and promote systematic anti-corruption activities. It enhanced the monitoring and management of key processes and people in key positions which are vulnerable to corruption, ensuring an anti-commercial bribery commitment system and any kind of corruption. It developed a series of policies and relevant management measures such as the Management Measures for the Prevention of Business Corruption (Trial Implementation), the Management Measures for the Work of Supervisors for Construction of construction of honest administration(Trial Implementation), the Tentative Measures for the Implementation of the Responsibility System for Construction of construction of honest administration, the Tentative Administrative Procedures for Power Monitoring Mechanism and the Implementation Measures for the Knowledge Examination of Disciplinary Regulations of Leaders of Companies to be Promoted, so as to enhance the prevention and treatment of corruption from the origins. It required people who are responsible for key processes and/or in key positions to sign the Commitment Letter of Prevention of Business Bribery with business partners to control their behaviors of both parties. It established a business bribery reporting box and published reporting hotlines. It also included the development of a clean and honest administration into its annual assessment system and categorized and assesses the level of risks, and established a mechanism for reminding, warning and educating about the risks.

In order to ensure that the letters, personal visits, reports, prosecutions and complaints of the public can be treated in a timely, accurate and proper manner, the Group formulated the *Management Measures for the Work of Handling Reporting by Petition (for Trial Implementation)*, and the *Procedures for Handling the Reporting Cases by Petition* based on the relevant requirements of the *Petition Regulation* of the State Council, the *Prosecution and Complaint Work Regulations of Chinese Communist Party Disciplinary Inspection Authority*, and the *Reporting Work Measures of Monitoring Authority* of the Monitoring Department, set up petition channels including telephone and mail box to facilitate the reporting and complaint of corruption and violation of disciplines and laws. The Group required Hebei Natural Gas and HECIC New-energy to formulate their respective management measures according to the requirements of the Group and with reference to the actual situation to implement the construction of construction of honest administration, as well as the work of anti-corruption at each level.

The Group enhanced the anti-corruption awareness of employees through various channels to maintain a healthy, fair and transparent business environment, including internal bribery reporting mail box, signing the *Commitment Letter of Prevention of Business Bribery*, and anti-corruption education. During the reporting period, there was no lawsuit about anti-corruption or bribery occurred in the Group.

Number of hours of anti-corruption training provided by Suntien to each person from 2014 to 2015

	Headquarters and other subsidiaries of Suntien	HECIC New-energy	Hebei Natural Gas
2014	8.74	3.09	6.38
2015	11.62	4.06	4.71

4. COMMUNITY

Like the soil enterprises are rooted in, the society provides enterprises with social and natural resources as well as fixed group of consumers. An enterprise cannot flourish without a prosperous society.

As a company engaged in the development of new energy and natural gas services, Suntien is well aware of the importance of social harmony: The development of new wind power and solar energy projects of Suntien is inseparable with the support of surrounding residents and local government, and the improvement in the service quality of its natural gas business cannot be achieved without the opinions and suggestions of residents. Suntien and its staff provide their care and actively go deep into the society. They understand practicable difficulties facing residents and strive to solve problems for local residents and contribute to social development.

4.1. Policy Support

The clean energy industry is featured by long investment cycle and large investment in equipment, and its early development mainly relies on the encouragement and support of national policies. The government's financial support for clean energy technology development, the preferential tax policies for clean energy enterprises and the guidance on financial institutions' credit support for clean energy projects, all have a profound impact on the development of clean energy companies.

As a member in the clean energy industry, Suntien's results of operation are also closely related to the policies, laws and regulations relating to clean energy issued by the national and local governments. In 2015, the National Development and Reform Commission issued the Circular on Rationalizing the Prices of Natural Gas Used for Non-residential Purposes and the Circular on Reducing the Gate Station Prices of Natural Gas Used for Non-residential Purpose and Further Accelerating the Market-oriented Price Reform, making a more complex and changing natural gas market and directly affecting the sales and operation of the Company.

While affected by the policy, Suntien responded to the government's call for innovations by cooperating with the government, regulatory authorities, academic institutions and industrial organizations to conduct various researches in order to provide recommendations to the decision-makers of the government and contribute to industrial development. The Company has been involved in the formulation of the "Guiding Opinions on Further Promoting the Healthy Development of the Photovoltaic Industry" issued by Hebei Provincial Government and the "Electricity Quota Measures for Renewable Energy" issued by the central government, the wind power equipment reliability assessment procedures of State Electricity Regulatory Commission and the "Two Detailed Rules" of the State Grid Corporation of China. By 2015, the Company has cooperated with local governments in the preparation of energy plans and

wind power plans for the 13th Five-Year Period for three times, made seven applications for technology support projects and innovation projects at national and provincial level, and made an application for model system management innovation enterprise of the Department of Industry and Information Technology.

Case: Suntien received special financial subsidies for scientific and research in Hebei Province

In 2015, the provincial science and technology support projects of the “Intelligent Monitoring and Management System for Renewables and Water Suppliers” and of the “Joint Research and Development of the Industry Load Absorption Distributed Renewable Energy in Yulai” jointly initiated by Suntien, Hebei University of Science & Technology and Hebei University of Technology were designated by the Science and Technology Department of Hebei Province as technological planning projects of Hebei for 2015 and obtained science research subsidies of RMB1.40 million from the finance division of the province. The two projects facilitated the university and industry cooperation, which lays down a sound foundation for the application of technological innovation.

4.2. Community Involvement

With the acceleration of marketization and globalization process, the business location of an enterprise is no longer restricted to a fixed city but expanded to different regions and countries, which inevitably has direct or indirect impacts on or connection with the residents, governments and other neighboring entities in the surrounding area of its operation. Cooperation and support from community and government is beneficial for safe operation and stable development of an enterprise, and the improvement in the enterprise’s economic performance will in turn drive up local economic growth and the increase in people’s living standards.

Suntien actively strives to integrate into the community and has been contributing to the development of local community since its inception by enhancing communication and interaction with local community. Suntien serves people’s livelihood using technology and creates job opportunities with its own technical capability and funds to support local economic growth and infrastructure development. Suntien’s wind farms are basically built in sparsely populated remote areas with low population density, some of which lack electricity supply to date. Suntien’s entry has brought local residents and enterprises with clean and steady electricity supply, solving the problem of electricity supply for local residents and boosting the development of other enterprises. The access roads built for the wind power business not only improved local transportation, but also provided convenience for the travel of local villagers.

On the other hand, Suntien maintains friendly relations with local community while developing business. Before construction works commence, Suntien carries out survey of and visits to the persons and entities in affected regions to listen to public opinions on project construction and interview them, and compensates the persons and entities whose land are occupied in accordance with national policies. During the construction process, the Company provided the communication channel of petition to facilitate the local residents to reflect their situation and to make proposals or requests by phone or mail so as to solve the problems. After the project is put into operation, Suntien lets the community public know Suntien through television and broadcast, conducts activities and participates in activities held by local community so that the community public can better learn about and understand Suntien. For example, Suntien held basketball games with other entities, donated books to schools and disseminated common knowledge on natural gas to local residents.

Helping and aiding Xinjiang is an important long-term project conducive to people's livelihood and maintaining the unity of peoples. Since its commencement of helping Xinjiang in 2011, Suntien has established 11 wind testing towers in Bazhou, a core area of the Silk Road Economic Belt with vast growing space. Moreover, Suntien actively communicated with the Bazhou government and the local development and reform commission of Bazhou and reached an agreement to conduct a wind resource survey jointly. Suntien invested over RMB 4 million in the preparation of the Project Plan for Windy Areas in Bazhou, and invested about RMB10 million to commission the Northwest Design Institute of HydroChina Corporation to prepare the Plan for Wind Farm Facility in Ruoqiang County.

On 23 October 2015, 25 wind turbines in phase two of Suntien's Luobuzhuang Wind Farm in Ruoqiang were all connected to grid and commenced power generation, which continuously brought green and clean energy to townships and villages in Bazhou and let reliable electricity further benefits of compatriots of all people. As one of the Xinjiang-aiding projects in Hebei Province, the phase 2 of Suntien's Luobuzhuang project in Ruoqiang not only filled a gap in wind power generation in Bazhou and Southern Xinjiang, but also represented an important result of its positive response to Bazhou's policies for developing new energy industries and promoting optimization and upgrading of industrial structure.

In addition to Ruoqiang wind power project and Hejing photovoltaic power generation project, Suntien also entered into a series of project investment and development agreements with the governments of Heshuo, Qiemo, Bohu, Mulei and Fuhai Counties with an aim to change its aid model from "blood infusion" to "blood building" and contribute to the development of people's livelihood in the Silk Road Economic Belt.

"The connection to grid and commencement of power generation by turbines at Suntien's Luobuzhuang Win Farm Project in Ruoqiang is a great thing for us. In the past few years, there were often blackouts caused by windy and rainy weather and the power voltage had been unstable. There was a time when electric appliances at our bureau were damaged by unstable power voltage. After the project is connected to grid, our problem of power shortage and unstable power voltage has been greatly relieved."

– An employee at Ruoqiang Weather Bureau

"Due to restraints on power supply, our development slowed down after entering Ruoqiang County. Now with the support of wind power connected to grid, the pace of our development may be 3 or 5 years faster, or even longer."

– Person in charge of Xinjiang Qiangdu Date Co., Ltd.

Natural gas is closely related to people's lives, and the use of natural gas is indispensable for people's lives and urban heat supply. Improper use may result in leakage of natural gas and other accidents, which may have an adverse impact on life and property safety of the residents. In view of this, while maintaining sufficient supply of high quality natural gas, Suntien also strengthened its tie with community residents and educated residents with knowledge on safe use of gas to reduce the number of gas accidents due to improper operation by participating in hotline radio programs, accepting interviews by television stations, sending SMS alerts and going into the community for education.

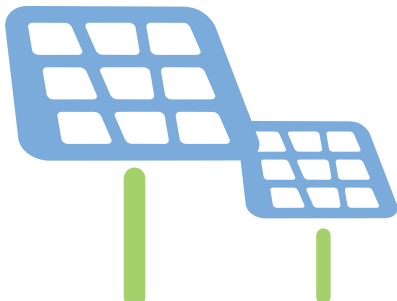
In 2015, Suntien invested RMB 36,226.95 in community, including RMB 4,515.95 spent in SMS safety alerts and RMB 31,711 in community services. The number of hours of its community activities amounted to 7,141 hours.



Case: Promotion of use of natural gas in Chengde

On 2 April 2015, Chengde Branch of Hebei Natural Gas attended the People Hotline program of Chengde Radio and TV Station, during which it advocated its service philosophy of “caring for people and responding to every demand” to Chengde citizens, explaining the general information, regional market and comprehensive advantages in utilizing natural gas of Chengde natural gas branch, and also addressed the audience’s urgent concerns about the timing of commencement of supply of gas, renovation of old communities and safe use of natural gas.

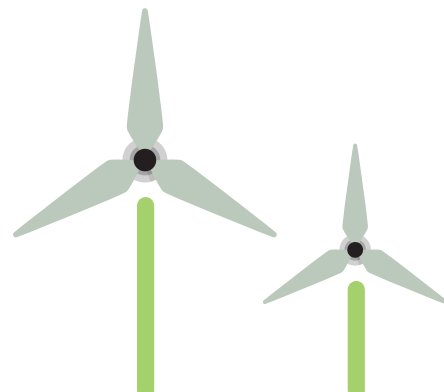
On 14 December 2015, Li Yingjie, the deputy general manager of Chengde branch was interviewed by the “Direct Connection to People” program of the News and Integrated Channel of Chengde TV Station and gave a detailed introduction to the development plan for the 13th Five-Year Period of Chengde. The “Direct Connection to People” program of Chengde TV Station is the program in Chengde with widest range of audience and highest rating. Through the interview, Chengde CIC Natural Gas Co., Ltd. established good connection with Chengde TV Station and developed a new channel for promotion among residents in Chengde.





Case: Safety propaganda of natural gas in community

On 20 May 2015, Chengde branch of Hebei Natural Gas held a community service activity themed "safety propaganda of natural gas in community" at the property building of Xinshun Home. The Suntien staff not only explained the announcements of natural gas connection, selection and purchase of gas appliances, distinction of rubber pipes and safe use of gas to property owners in the community, but also provided free indoors safety inspections to them.

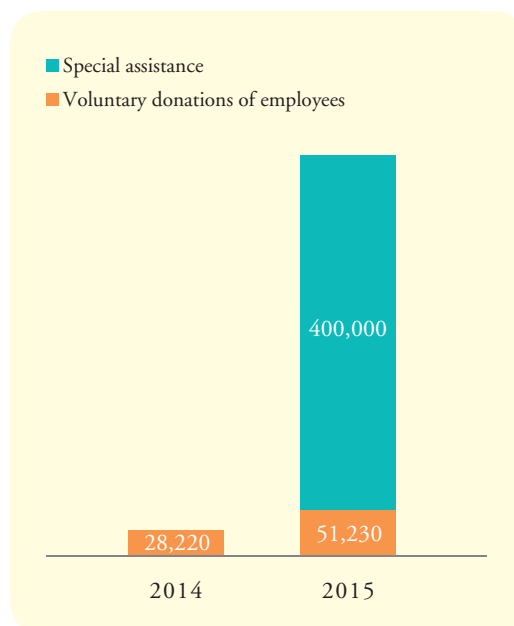


4.3. Charity

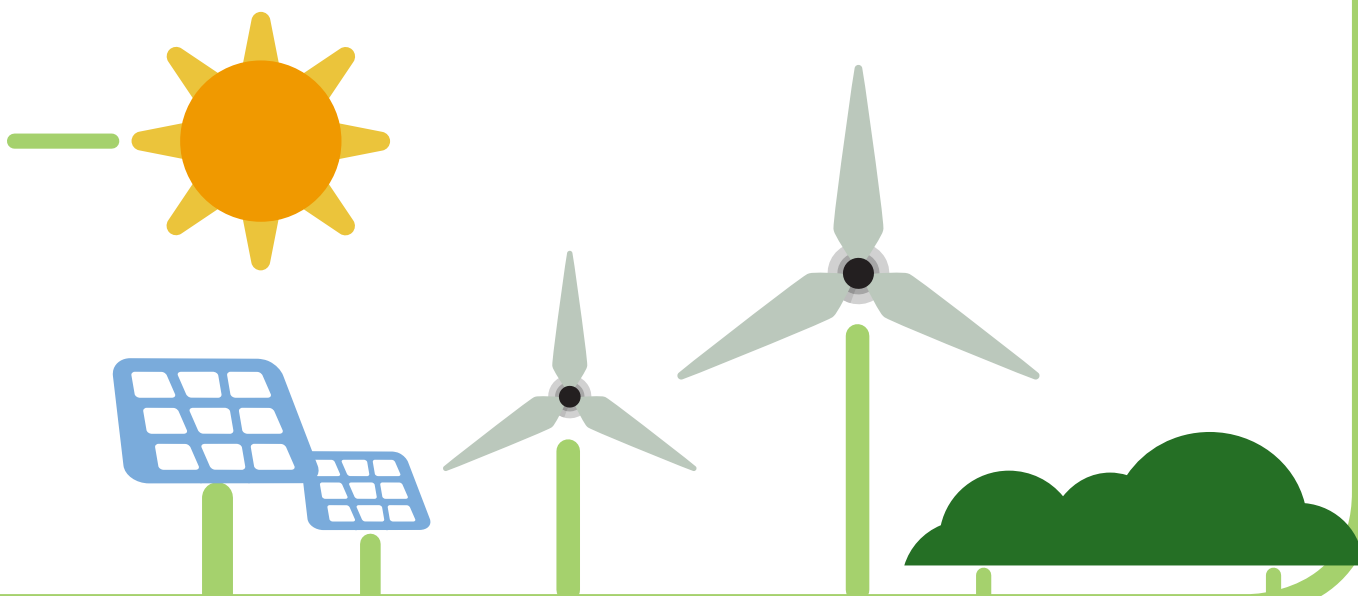
With great power comes great responsibility. As a listed company, Suntien never forgets to give returns to the society with its care while pursuing its own development. In Suntien's opinion, charity is not a simple donation of non-managed funds and materials. Only if we consider the needs of the receipts of aid and perform planned charity services can we provide them with greatest and most practicable help.

Before the launch of a charity project, Suntien identifies and determines the key areas and receipts of aid, conducts detailed early investigation and assessment, prepares work plans and action plans to provide aid in an orderly manner. Suntien has established the "Suntien Volunteer Team", formulated the "Prospectus of Suntien Volunteer Team", and provides guidance on and management of the charity activities conducted by its employees. To ensure the transparency of the use of employees' donation, Suntien has established a donation account that is managed by special personnel and supervised by the audit and finance departments.

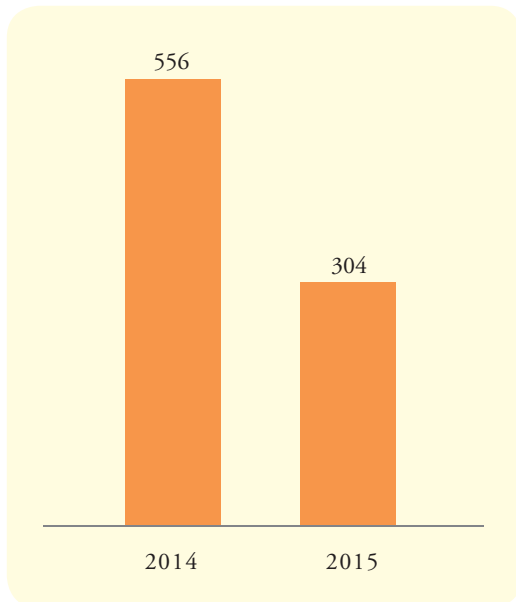
Charity Expenses of Suntien in 2014 and 2015



Note: The basis of figures for 2015 is different from that of charity expenses in 2014. In 2014, only voluntary donations from Suntien's employees were included without taking into account the funds made available out of its special charity account.



Number of Hours Spent by Suntien in Charity Activities in 2014 and 2015



Case: Designated assistance

Yangmu Zhazi Village, Fengning Man Autonomous County is located at the intersection of the eastern and western waterway, and bordered by Chicheng County, Zhangjiakou in the west and Beijing in the southeast. The primary source of income for the village is farming. Out of 1,035 persons in 318 households, a total of 670 persons in 195 households are in poverty. Since Yangmu Zhazi Village became Suntien’s target receipt of aid, Suntien has established an on-site working team at the village to conduct preliminary investigation to identify the difficulties Yangmu Zhazi Village facing and worked out the priority problems and corresponding solutions. Suntien has established the “Three-Year Plan for Assistance by On-site Working Team” to provide long-term and phased assistance in batches.

Based on the investigation of the on-site working team, the outer ring road of Yangmu Zhazi Village is the only way into and out of the village with a total length of 1.5 kilometers and width of 7.5 meters. Hardening work was completed by villagers for one kilometer road and the remaining 500 meter road is still a dirt road that is extremely difficult to pass in rainy and snowy weather. In addition, Yangmu Zhazi Village is surrounded by mountains and villagers face the threat of flood during the flood season each year. Due to poverty, 500 meter of a 900-meter village protection dam was still not constructed, imposing significant dangers to the production and lives of villagers. In view of this, Suntien focused its aid on the hardening of outer ring road and construction of village protection dam for Yangmu Zhazi Village in 2015. It invested RMB 400,000 to assist Yangmu Zhazi Village in finishing the hardening of the remaining 500-meter road in the eastern part of the ring road, making the road completely available for smooth passage. The remaining amount was invested in the construction of the village protection dam.

Case: Love at the Nanhaoting will last forever

Teenagers and children are the future and hope of our motherland, and the provision of assistance to children in impoverished mountainous areas has been a critical component of Suntien’s charity cause. Nanhaoting School in Shijiazhuang, Hebei Province is a primary school in impoverished mountainous areas with shanty education hardware, scanty culture and entertainment activities for students and relatively inaccessible information. Since 2014, Suntien has established a long-term relationship with the school. It donated equipment, organized members of its volunteer teams to conduct interaction with students at the school to enrich the mental and emotional world of students.

On 29 April 2015, Qiao Guojie, the deputy party secretary of Suntien and on behalf of all members of Suntien's management, led the Suntien Volunteer Team to go to Nanhaoting School and sent the children congratulations from all staff on their relocation to new school. In December 2014, Nanhaoting Primary School moved to the new campus, and changed its name to Nanhaoting School. All staff of Suntien voluntarily donated RMB 60,055.8 for equipping the multimedia class with electronic equipment and desks and chairs, in the hope of broadening the horizons of students.

On 10 October 2015, over 10 members of the Suntien Volunteer Team went to Nanhaoting School under the leadership of Wang Hongjun, party secretary of Suntien, and held an activity themed "love at Nanhaoting and enjoy the music and color" there. 13 October 2015 was the fifth anniversary of the listing of Suntien and it

organized a charity activity to commemorate such special day. All staff of Suntien made voluntary donations to purchase full sets of musical and arts teaching instruments for establishment of a music and arts multimedia classroom for the students at Jingxing Nanhaoting School. While making physical donations, Suntien also continued to bring pabulum to the children. Volunteers partnered with the children to establish three teams, namely calligraphy, painting and handicraft teams, to conduct activities.

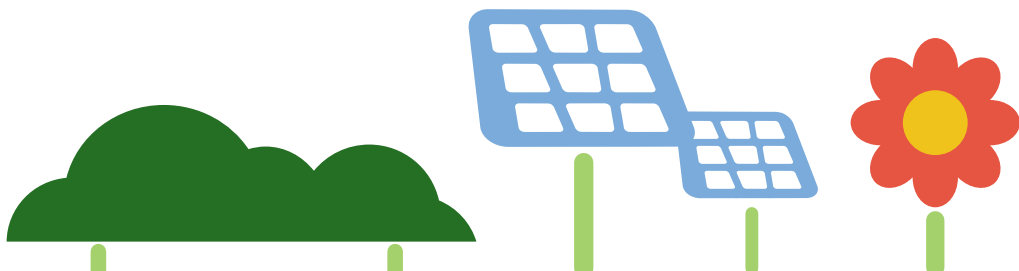
By 2015, Suntien has established the Suntien green hope house, multimedia classroom and music and arts multi-purpose classroom for Nanhaoting School through voluntary donations made by its employees, in order to create a better learning environment for children, nurture their spirituality, inspire their wisdom and let them have a happy childhood.





“As a village school, we never dared to think that one day we would have multimedia, music and arts teaching instruments. Great thanks to all staff of Suntien, now we have better teaching conditions and can attract more children in the surrounding area to study here, and make us now pay more attention to discover such kind of talents of children. “

– Principle of Nanhaoting School



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Information Feedback

Dear readers,

Thanks for reading the Environmental, Social and Governance Report of China Suntien Green Energy for 2015 during your busy time. We are eagerly looking forward to your opinions and advices on the report and our work. You can mail, e-mail after scanning or fax the completed questionnaire back to us, or directly call us to express your opinions. Thank you!

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Postal code: 050000

Email: esg@suntien.com

1. Which type of stakeholders of Suntien does your employer fall under:
 Shareholders Employees Supplier User Government Community Bank
 Academic institutions Other (please specify)
2. Have you ever read the Environmental, Social and Governance Report of China Suntien Green Energy (if your answer is no, please ignore items 3, 4 and 5):
 Yes No
3. If yes, did you read the paper version or the electronic version?
 Paper version Electronic version
4. Which version do you wish to read, the paper version or the electronic version?
 Paper version Electronic version
5. Your evaluation of the 2015 ESG Report:
 - Readability (easy to understand, beautifully designed, intriguing, and easy to locate the required information)
 3 points (good) 2 points (mediocre) 1 point (poor)
 - Credibility (whether the information in the report is true and reliable)
 3 points (good) 2 points (mediocre) 1 point (poor)
 - Information integrity (APP (China) taking into account both positive and negative aspects of performance, whether it meets your needs for information)
 3 points (good) 2 points (mediocre) 1 point (poor)

In addition to the disclosures already made in the report, what else do you want to read?

The drafting team of the Environmental, Social and Governance Report of China Suntien Green Energy for 2015

April 2016