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Chairman's Message

It is my great pleasure to share with you Asia Symbol Sustainability Report 2015-2017. This is our third sustainability report.

The past three years were quite extraordinary for us. We were confronted with many challenges including sluggish market and over-capacity, supply side reforms, stricter environmental regulations, higher demands and expectations from non-governmental organizations and communities, and severe drought.

The past three years witnessed our quest for continuous improvement. Guided by the company's purpose to improve lives by leading sustainable development, we have made remarkable achievements in three key aspects: value creation, environmental protection and care for people.

» Value Creation

Asia Symbol Shandong overcame the negative impact of the severe drought in 2015. We completed the modification and upgrading of our facilities to achieve pulp diversification, bringing greater value to our customers. In 2017, Asia Symbol Guangdong commenced Phase 2 expansion for 450,000 tons of premium fine paper. The annual capacity of Asia Symbol is now over 3 million tons of wood pulp, paperboard and fine paper. From 2015 to 2017, we paid RMB 4.55 billion in taxes and fees and directly employed 3,176 people.

» Energy Saving and Environmental Protection

We have made great progress in raw material procurement. 47% of the wood chips and wood pulp we purchased were PEFC/CFCC certified. With verification by the third party, all the sources of our wood chips and wood pulp are traceable. We have also done well in our commitment to save energy and reduce emission. The water consumption per ton of production is lower than that of the world's advanced standards, and the energy consumption per ton of production is less than the national advanced standards. The biomass energy (black liquor and wood fines) we use accounts for 76% of the total direct energy consumption, which contributes to the reduction of 3 million tons of CO₂ annually. Our total investment in environmental protection has reached RMB 4.7 billion, of which environmental investment of Asia Symbol Shandong accounts for 22.6% of its total investment. This underscores our efforts and commitment to environmental protection.

» People Care

We firmly protect the rights and interests of our employees. We ensure that the salary and benefits of our employees are maintained at the mid to high percentile of the industry. Over the past three years, we have achieved a safety target of zero casualty. There were no incidents of damage to our customers' health or safety caused by our products and services. In the area of community development, we sought to understand and respond to the appeals from stakeholders. In the past three years, we invested RMB 35.34 million on community development projects and our employee volunteer service time totaled 14,477 hours. We are glad that these efforts have been recognized by the community.

» Sustainability Management

Our approach to sustainable development now goes beyond 'Community', 'Country' and 'Company' to include 'Climate' and 'Customer', i.e. whatever we do must be good for the Community, good for the Country, good for the Climate, good for the Customer – only then will it be good for the Company". This '5Cs' concept of creating value for the 'Community', 'Country', 'Climate', 'Customer' and 'Company' is central to our business conduct and embraces the need for social, economic and environmental considerations in all our decision making. We upgraded Asia Symbol Wood and Pulp Sourcing Policy, and issued the Asia Symbol Sustainability Policy and the Asia Symbol Human Rights Policy to further cement our sustainability commitments.

» Looking ahead

We expect the environmental standards to be more stringent for the pulp and paper industry overall. Non-governmental organizations and communities have also raised their expectations. The rise in prices of upstream raw materials will impact our business, alongside market pressure and demand to maintain high quality products.

Despite challenges, we will keep our focus on the company's purpose and vision. We remain committed to continuous improvement to enhance value creation, environmental protection and care for people. Moving forward, the United Nation's Sustainable Development Goals provide an excellent platform for us to align our activities and targets, share the achievements with our stakeholders and make our contribution for improving people's lives.



Head of Asia Symbol Management Committee
June, 2018



Key Data 2015 — 2017



Economy

- » Total output of wood pulp, paper board and fine paper in 2017 is **3,190,000 tons**.
- » 2015-2017 total tax payment is **RMB 4.55 billion**.
- » Direct employment of **3,176 persons**, local employees comprise **77%**.
- » Local procurement is **RMB 2.82 billion**.
- » Market share of medium and premium printing paper is over **30%**, the **highest** in the market.
- » Market share of domestic high grade commercial wood pulp is **15%**, the **highest** in the market for single brand.



Environment

- » Total environmental investment since the establishment of Asia Symbol is **RMB 4.7 billion**.
- » **44%** of wood chips and **52%** of wood pulp Asia Symbol purchased is PEFC/CFCC certified.
- » **100%** traceability for source of wood chips and wood pulp.
- » **76%** biomass energy use.



Society

- » **0** casualty
- » Community projects investment is **RMB 35.34 million**.
- » Total employee volunteer service is **14,477 hours**.



1 Corporate Management

The Asia Symbol Management Committee is responsible for key decision making on matters relating to the company's strategy, business development, safety & environmental protection, social investment, budget, human resources, as well as the management of the company's economic, social and environmental performance based on the company's development strategies.

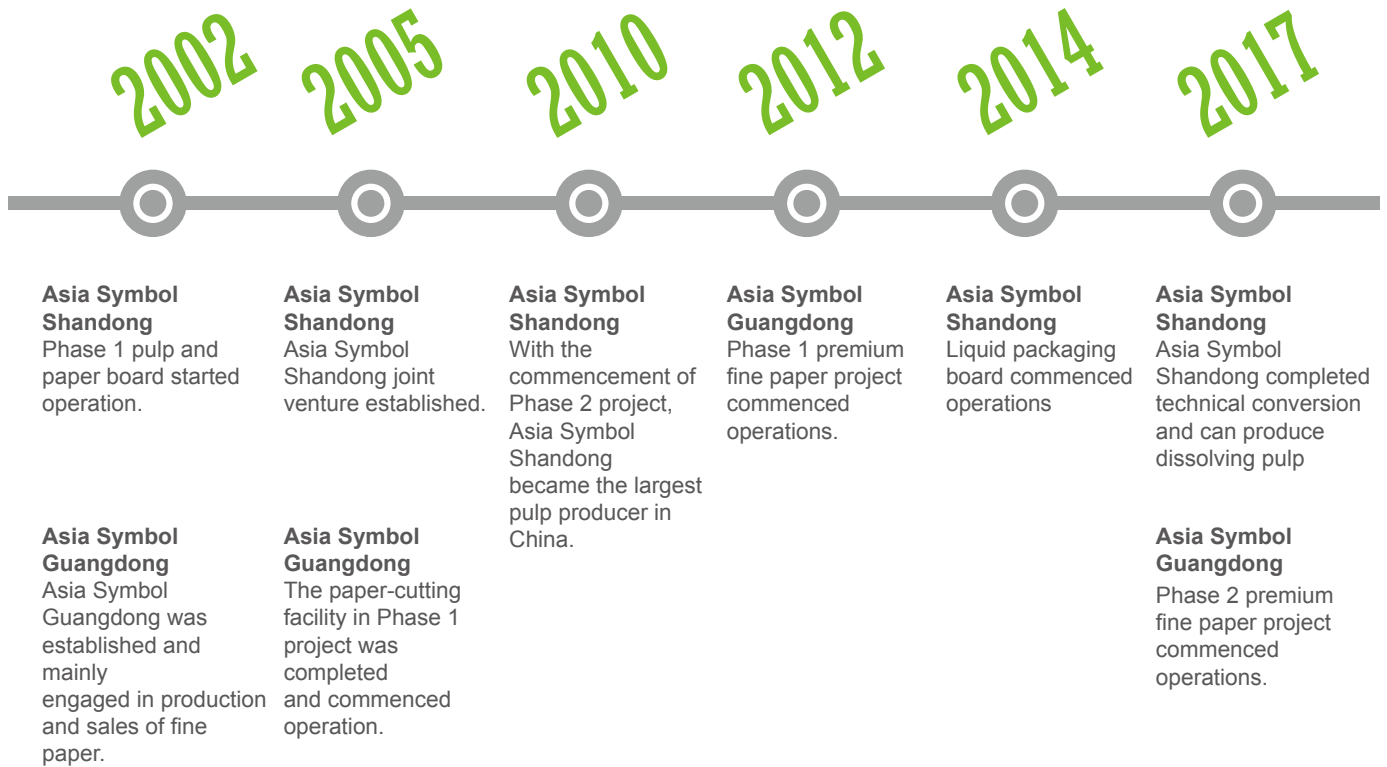
» 1.1 Corporate Profile

Asia Symbol, part of the RGE Pte Ltd's group of companies, is headquartered in Nanjing, Jiangsu province. It has two affiliated companies: Asia Symbol (Shandong) Pulp and Paper Co., Ltd. and Asia Symbol (Guangdong) Paper Co., Ltd.

Asia Symbol Shandong is located in Rizhao Economic Development Zone. It is one of the world's leading pulp and paper companies and the largest foreign investment company in Shandong Province. It operates state-of-the-art pulp production technology. Asia Symbol Guangdong is located in Xinhui Yinzhou Lake Paper Industry Base, Guangdong province. It is one of the largest uncoated premium fine paper producers in China. Asia Symbol has an annual output of more than 3 million tons of wood pulp, paperboard and fine paper, and its products are sold world-wide.

| Company Name | Asia Symbol (Shandong) Pulp and Paper Co., Ltd. | Asia Symbol (Guangdong) Paper Co., Ltd. |
|-------------------------------------|---|---|
| Date of establishment | August 17, 2005 | November 21, 2002 |
| Ownership nature | Sino-foreign joint venture | Sino-foreign joint venture |
| Investment proportion | 90% foreign investment | 87.6% foreign investment |
| Headquarters | Rizhao Economic Development Zone, Shandong Province | Xinhui District, Jiangmen City, Guangdong Province |
| Number of employees | 2061 persons | 1115 persons |
| Number of male and female employees | Number of male employees: 1639 Number of female employees: 422 | Number of male employees:902 Number of female employees:213 |
| Operating revenue | RMB 9.59 billion | RMB 4.22 billion |
| Total assets | RMB 17.38 billion | RMB 7.96 billion |
| Products | Bleached hardwood kraft pulp, dissolved pulp, premium ivory paperboard and liquid packaging board | Premium fine paper |
| Output | 1.761million tons of commercial pulp and 491,000 tons of paper boards | 938,000 tons |
| Market | Wood pulp is mainly sold in China. Paperboards are mainly sold in China, Southeast Asia, Middle East, Europe, etc. | Sold in over 20 countries and regions including China, the Middle East, the Asian-Pacific region, America, Africa, etc. |
| Precautionary principle | Before any project is carried out, the enterprise should adopt the "precautionary principle" to consider the environmental impact, carry out environmental impact assessment, and try to minimize negative impact on the environment. | |
| Business Address | No.369, Beijing Road, Rizhao Economic Development Zone, Shandong Province | No.1 Ruifeng Industry Zone, Shalu Village, Shuangshui Town, Xinhui District, Jiangmen City, Guangdong Province |
| Important Changes | In 2017, through technical conversion, Asia Symbol Shandong can produce dissolving pulp. | In 2017, a new production line with a capacity of 450,000 tons of premium fine paper commenced. |

Corporate Milestones of Asia Symbol



Asia Symbol Shandong
Phase 1 pulp and paper board started operation.

Asia Symbol Shandong
Asia Symbol Shandong joint venture established.

Asia Symbol Shandong
With the commencement of Phase 2 project, Asia Symbol Shandong became the largest pulp producer in China.

Asia Symbol Guangdong
Phase 1 premium fine paper project commenced operations.

Asia Symbol Shandong
Liquid packaging board commenced operations

Asia Symbol Shandong
Asia Symbol Shandong completed technical conversion and can produce dissolving pulp

Asia Symbol Guangdong
Asia Symbol Guangdong was established and mainly engaged in production and sales of fine paper.

Asia Symbol Guangdong
The paper-cutting facility in Phase 1 project was completed and commenced operation.

Asia Symbol Guangdong
Phase 2 premium fine paper project commenced operations.

Products of Asia Symbol Shandong



Bleached hardwood kraft pulp and dissolving pulp



Premium ivory paper board and liquid packaging paper board

Products of Asia Symbol Guangdong



Offset paper



Printing paper

Pulp and paper board brands of Asia Symbol Shandong



Printing Paper brands of Asia Symbol Guangdong



PaperOne printing paper is PEFC/CFCC forest certified



Golden Color Classic and Golden Color All Purpose printing paper are PEFC/CFCC forest certified



Ace Print Classic and Ace Print Digital Paper are PEFC/CFCC forest certified



Other printing paper brands

» 1.2 Corporate Governance

Management Committee

Asia Symbol Group manages and supervises the affiliated companies via Asia Symbol Management Committee and management teams in each company. The Asia Symbol Management Committee comprises a head and four members. Asia Symbol is not an incorporated company and Asia Symbol Management Committee is entrusted by its investors to manage the companies.



Lee Jianshao

Head of Asia Symbol Management Committee, Board Chairman of Asia Symbol Shandong and Asia Symbol Guangdong



Wang Bo

Member of Asia Symbol Management Committee, Managing Director of Asia Symbol Shandong



Hung Ching Lung

Member of Asia Symbol Management Committee, Managing Director of Asia Symbol Guangdong



Wang Weiguo

Member of Asia Symbol Management Committee, Deputy Managing Director of Asia Symbol Shandong



Wanyan Shaohua

Member of Asia Symbol Management Committee, Marketing Head of Asia Symbol

The management committee convenes adhoc meetings to discuss special issues. The management committee is responsible for making decisions on major issues, such as company strategy, business development, safety & environmental protection, social investment, budget and human resource. The committee also supervises and manages Asia Symbol's economic, social and environmental performance in accordance with the company's annual strategy and plan.

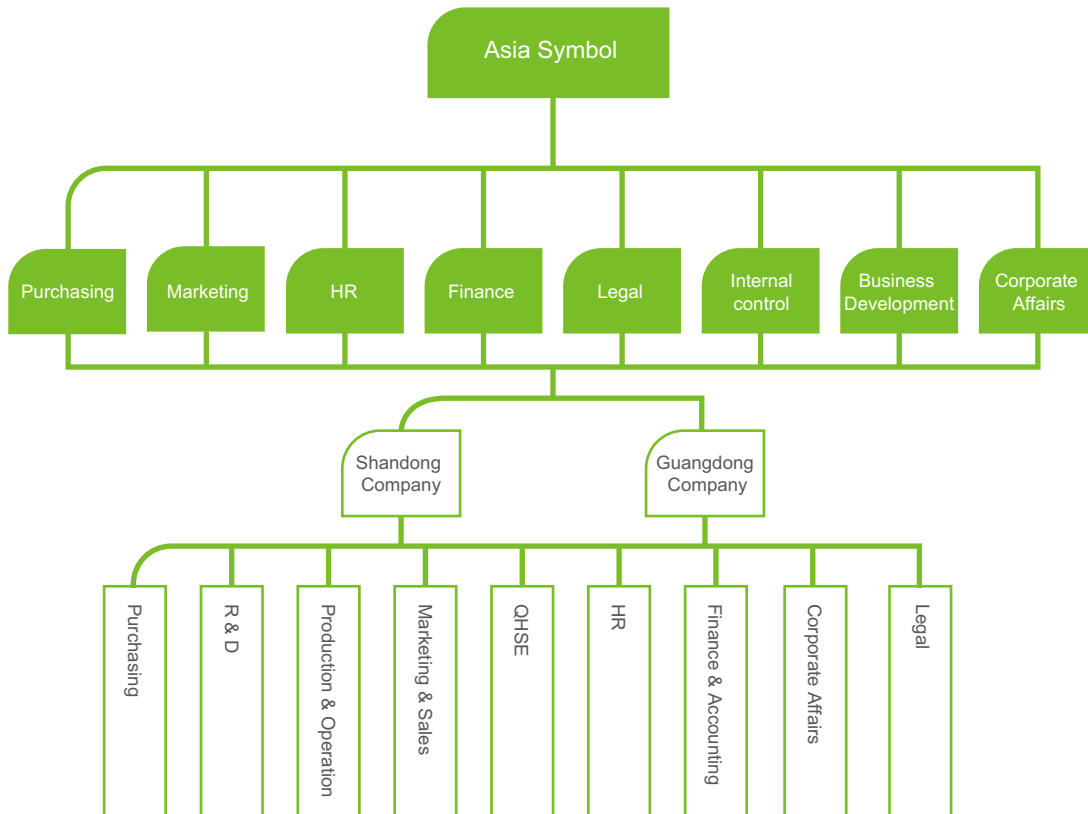
The Asia Symbol Management Committee has members specializing in economic, environmental protection and social issues who approve the sustainability report.

Asia Symbol Shandong and Asia Symbol Guangdong are independent companies with their own Board of Directors and Board of Supervisors. The Board of Directors makes decisions about company issues in accordance with the company's constitution. Under the leadership of the Board of Directors, Managing Director is responsible for managing the company's daily operations.

Asia Symbol staff attends the annual Labor Union Congress to discuss matters such as company operations and staff benefits. They are also able to make suggestions during the "Managing Director Reception Day" held quarterly. Every year, the Asia Symbol Management Committee addresses at the annual meeting about important issues such as the company's business

performance, business challenges, employee salaries and benefits.

Recruitment of managerial personnel is determined by the Board of Directors, in line with Chinese regulations and best practices of foreign-funded enterprises in China. All personnel work as per their annual individual performance contracts which cover specific economic, environmental and social targets and indicators. All employees participate in a performance appraisal scheme held during the middle and end of the year. This scheme includes an Individual Performance Review, meant to aid in career planning. Employee salary and benefits are dependent on the individual's fulfilment of the economic, social and environmental targets set, as well as the company's performance.



Organizational Chart of Asia Symbol

In order to strengthen the understanding of management committee and management from Asia Symbol Shandong & Asia Symbol Guangdong on the economic, environmental and social issues, Asia Symbol organized sustainable development workshops for many times. Seminars on sustainable development were organized for the management of Asia Symbol Shandong and Asia Symbol Guangdong on March 13 and 19, 2015. On December 7th, 2016, Asia Symbol Guangdong organized sustainable development framework workshop.

» 1.3 Our Commitments

Asia Symbol is committed to following the 10 Principles of the United Nations Global Compact.

1.3.1 Strict adherence to the 10 Principles of the United Nations Global Compact

Human Rights

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

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

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: Eliminate all forms of forced and compulsory labor;

Principle 5: Effectively abolish child labor;

Principle 6: Eliminate discrimination in respect of employment and occupation.

Environment

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

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and promotion of environmentally friendly technology.

Anti-Corruption

Principle 10: Businesses should work against corruption in all forms, including extortion and bribery.

1.3.2 Asia Symbol was among the first batch of companies to initiate China's Sustainable Forest Development Initiative.

On March 16, 2016, during the 2016 China International Pulp Forum held in Shanghai, eight companies including Asia Symbol actively responded to the initiatives launched by the China Forest Certification Committee (CFCC), promising to jointly promote China's sustainable forest development.



Lee Jianshao, Asia Symbol Board Chairman, and other business representatives in attendance at the initiatives launching ceremony

In order to accelerate the construction of ecological civilization, implement the green development concept, effectively protect the ecological environment, make use of forest resources scientifically, play the role of forest certification in promoting sustainable forest management, highlight the social and environmental responsibility of pulp and paper companies and support sustainable development of the pulp and paper industry, the CFCC and pulp and paper companies jointly proposed various initiatives at the forum:

1. Consciously comply with relevant national laws and regulations.
2. Develop responsible wood sourcing policies and purchase raw materials with forest certification.
3. Actively apply for CFCC/PEFC forest management certification and supervised production chain certification.
4. Drive suppliers and sellers to apply for CFCC/PEFC forest management certification and supervised production chain certification.

Asia Symbol hopes that other companies will respond positively to the initiatives. We are willing to accept supervision of the whole society and to work hand-in-hand with our partners to promote sustainable development of the industry.

As of the end of 2017, Asia Symbol Shandong is a member of the following associations:

| Association | Post |
|---|--------------------|
| China Paper Association | Vice Chairman |
| China National Household Paper Industry Association | Member |
| China Technical Association of Paper Industry | Vice Chairman |
| CTAPT Coating and Processing Paper Committee | Member |
| China Paper Industry Chamber of Commerce | Vice President |
| National Association of Paper Industry Press | Executive Director |
| Shandong Paper Association | Vice Chairman |
| Shandong Paper Society | Vice Chairman |
| Shandong Overseas Chinese Association | Vice Chairman |

As of the end of 2017, Asia Symbol Guangdong is a member of the following associations:

| Association | Post |
|--|-------------------------|
| Guangdong Paper Industry Association | Vice Chairman |
| Guangdong Manufacturers Association | Director |
| Guangdong Paper Society | Executive Director |
| Guangdong Overseas Chinese Association | Executive Vice Chairman |

Asia Symbol did not provide financial assistance to the industry associations listed above.



Asia Symbol Received the "Outstanding Corporate Citizen of China 2016" Award

On December 10, 2016, the 12th Outstanding Corporate Citizens of China Annual Conference was held in Beijing. Asia Symbol was awarded the "Outstanding Corporate Citizen of China 2016" in recognition of its courageous commitment and social responsibility achievements. Lee Jianshao, Asia Symbol Board Chairman, was invited to share Asia Symbol's innovative CSR practices at the conference.





2 Sustainability Management

To achieve sustainable development, Asia Symbol actively engages with our stakeholders and responds to their demands, so that we can achieve a balance between economic development, environmental responsibilities, and social responsibilities.

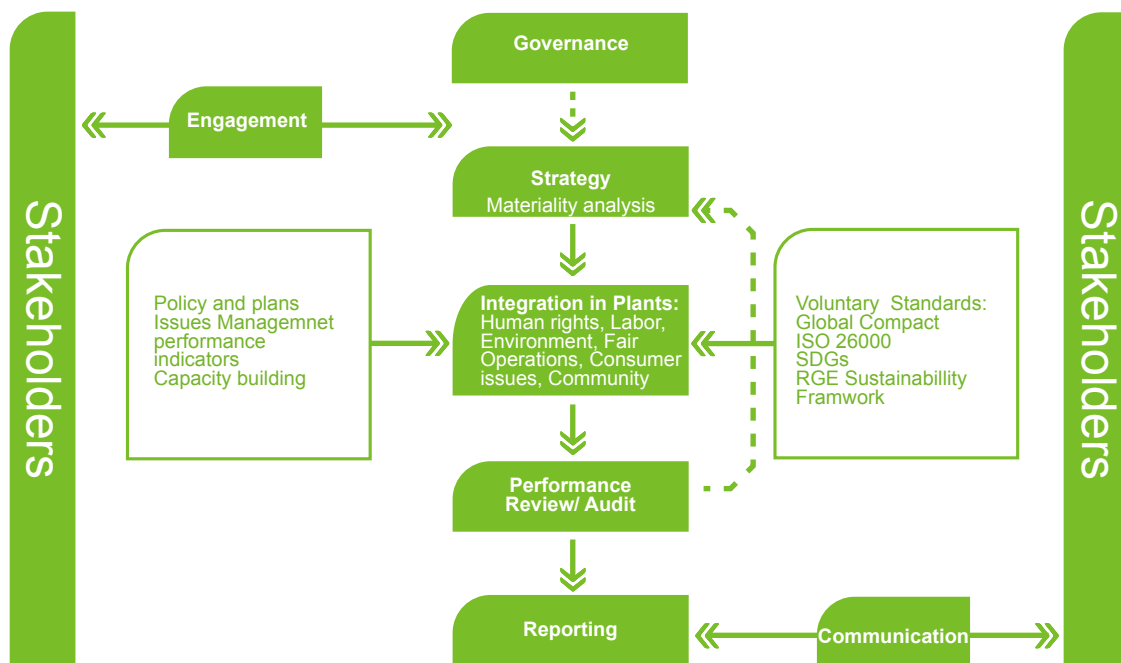
Our understanding of sustainability is to meet the needs of the present without compromising the ability of future generations to meet their needs. Asia Symbol’s business and sustainable development philosophy is in line with RGE 5Cs of doing business - which is to create value for the Community, Country, Climate, Customer and Company.

Our business philosophy is rooted in the “Triple Bottom Line” sustainable development principle as well as the principle of stakeholder engagement. The “Triple Bottom Line” principle means that enterprises should define their business objectives from three perspectives: economy, environment, and society, and companies should strive to balance the interests of all three. Stakeholder engagement means that companies should communicate with its stakeholders, identify and respond to their concerns and requests.

To achieve sustainable development, we actively engage with our stakeholders and respond to their demands, so that we can achieve a balance between economic development, environmental responsibilities, and social responsibilities.

» 2.1 Sustainability Management System

In order to embed our sustainable development philosophy into every aspect of our business operations and the work practices of every Asia Symbol employee, we have developed a sustainable development management system, its framework can be found below:



Framework of Sustainability Management System

Based on the Sustainability Management System, we established a Sustainability Committee, and under the committee’s guidance, we communicated with relevant parties to develop sustainable development strategies. In implementing the strategies, we referred to the Global Compact, the ISO26000 Social Responsibility Guidelines, the United Nations’ 2030 Sustainable Development Goals, and the RGE Sustainable Development Framework to formulate policies and performance indicators. In terms of reporting, we refer to GRI Sustainable Development Reporting Standards.

» 2.2 Core Values

In 2017, RGE launched its Core Values, and our employees take RGE's Core Values as a code of conduct to guide their daily sustainable development work:

**Core Values
(T.O.P.I.C.C.)**



TComplementary
eam

We are aligned by our common purpose and work together as a complementary team



Ownership

We take ownership to achieve outstanding results and seek value at all times



People

We develop our people to grow with us



Integrity

We act with integrity at all times



Customer

We understand our customers and deliver best value to them



Continuous
Improvement

We act with zero complacency and always strive for continuous improvement

In order to help staff to deeply understand the Core Values, Asia Symbol organized a variety of promotional activities in 2017, such as Core Value workshops and roadshows. These activities helped to enable employees to fully grasp the core values and effectively use them in guiding business practices.



Core Values Workshop held in Asia Symbol Shandong



Core Values Workshop held in Asia Symbol Guangdong

» 2.3 Analysis on Material Issues

Asia Symbol actively communicates with all stakeholders to identify and respond to their concerns and needs.

To understand stakeholders' concerns and needs, we must first identify "material issues". "Material issues" refer to the major economic, environmental and social issues of the reporting organization; or issues that have substantial impacts on the evaluation and decisions of stakeholders¹. We identify, assess and screen such issues through the following four steps¹.

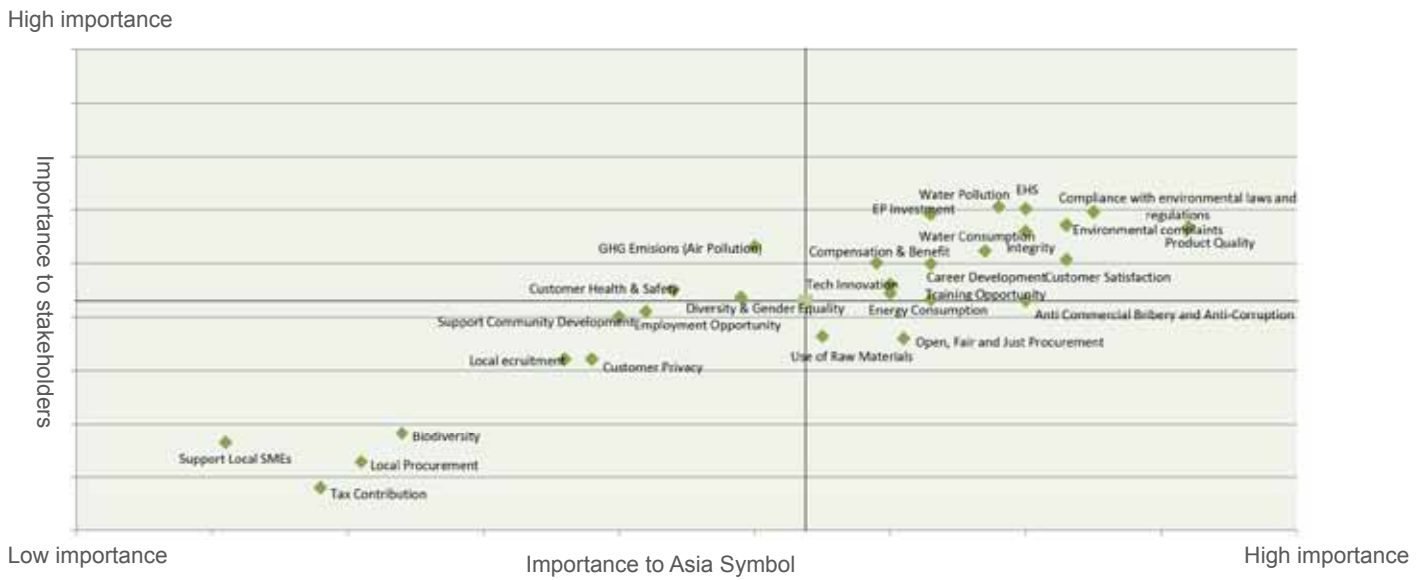
Step1: Based on the international accepted standards for sustainable development reporting (GRI standards, ISO26000, etc.), stakeholder communication, and peer reporting practices, 29 sustainable development issues within three categories were identified as follows:

| Triple Bottom Line | Material Issues |
|----------------------|---|
| Economic issues | Product quality, customer satisfaction, tax contribution and technological innovation, local procurement, localized recruitment, support the local SMEs |
| Environmental Issues | Utilization of raw materials, energy consumption, water consumption, biodiversity, greenhouse gas emissions, waste water and solid waste treatment, abide by environmental laws, environmental investment and environmental complaints |
| Social Issues | Employment opportunities, pay & benefits, occupational health and safety, training opportunities, career development, diversity and equality of opportunity, commercial ethics, anti-commercial bribery and anti-corruption open and fair procurement, support community development, customer privacy, customer health and safety, training on human rights and non discrimination |

Step2: We send out online questionnaires to stakeholders, inviting stakeholders from different areas to give feedback about the importance of different issues to them in the form of a scoring system;

Step3: We analyze the feedback in the two perspectives of "importance to the business" and "importance to the stakeholders", after which we present the results on a matrix map. The right upper quadrant of the substantive analysis matrix reflects the issues that the company and stakeholders consider to be the material issues of sustainable development for Asia Symbol.

Matrix Map of Asia Symbol Material Issues



Step4: We also sorted the issues of concerns for each type of stakeholder and incorporated the top five issues into the disclosure scope of our report.

The following table is a list of Asia Symbol’s stakeholders and material issues.

| Stakeholders | Material Issues | Communication Channels | Report Response |
|-------------------------|---|--|-----------------|
| Management and employee | Pay & benefits | Employee handbook, employee assemblies | |
| | Training opportunities and career development | Internal information system | |
| | Product quality | Manager Open Day | 5.1 |
| | Anti-commercial bribery and anti-corruption | GM mailbox | 5.3 |
| | Occupational health and safety | Company’s WeChat public account | 3.2 |
| Downstream Customers | Product quality | Company magazine and bulletin board | 3.6 |
| | Use of the raw materials | Employee satisfaction survey | 5.2 |
| | Greenhouse gas emissions | Mill visits | |
| | Customer satisfaction | Industry trade show | 3.2 |
| | Customer privacy | Customer exchange meeting | 4.2 |
| End users | Health and safety of the customers | Customer complaint mechanism | 4.5 |
| | Product quality | Customer satisfaction survey | 3.2 |
| | Customer satisfaction | Product identification | 5.5 |
| | Technical innovation | Needs survey | 3.2 |
| | Environmental protection investment | Online shopping platform | 3.2 |
| | | Company’s WeChat public account | 4.4 |



| Stakeholders | Material Issues | Communication Channels | Report Response |
|----------------------|--|--|-----------------|
| Supplier/Contractor | Open and fair procurement | Supplier daily visits | 3.5 |
| | Business ethics | Contract and agreement | 3.6 |
| | Local procurement | Tender notice | 3.5 |
| | Support local SMEs | Management promotion | 3.5 |
| | Environmental investment | training | 4.4 |
| Government | Energy consumption | Environmental supervision and management | 4.3 |
| | Greenhouse gas emissions | Pollutant discharge data disclosure | 4.5 |
| | Tax contribution | Written work report | 3.1 |
| | Local recruitment | Statistical report | 3.4 |
| | Environmental Complaint | | |
| Community / public | Greenhouse gas emissions | Community information sharing | 4.5 |
| | Treatment of waste water and solid waste | Mill Open Day | 4.4 |
| | Support the community development | Community development program | 5.6 |
| | Environmental investment | Volunteer activities | 4.4 |
| | Local recruitment | | 3.4 |
| Media | Treatment of waste water and solid waste | Active contribution | 4.4 |
| | Water resource consumption | Written and telephone interviews | 4.3 |
| | Product quality | Field investigation and visits | 3.2 |
| | Environmental investment | Media briefing | 4.4 |
| | Compliance with environmental law | Company's WeChat public account | 4 |
| NGO | Use of raw materials | | 4.2 |
| | Human rights training, non- discrimination | Daily communication | 5.4 |
| | Greenhouse gas emissions | Field investigation | 4.5 |
| | Treatment of waste water and solid waste | Industry conference | 4.4 |
| | Support the community development | | 5.6 |
| Industry Association | Product quality | Industry seminar | 3.2 |
| | Technical innovation | Industry journal/ website | 4 |
| | Compliance with environmental law | | 3.6 |
| | Environmental investment | | 4.4 |
| Business ethics | Employment opportunities | Campus recruitment | 3.4 |
| | Technical innovation | Professional practice | 4.5 |
| | Greenhouse gas emissions | Field visits and investigation | 4.4 |
| | Treatment of waste water and solid waste | Cooperative research | 4.4 |
| Investigation report | | | |

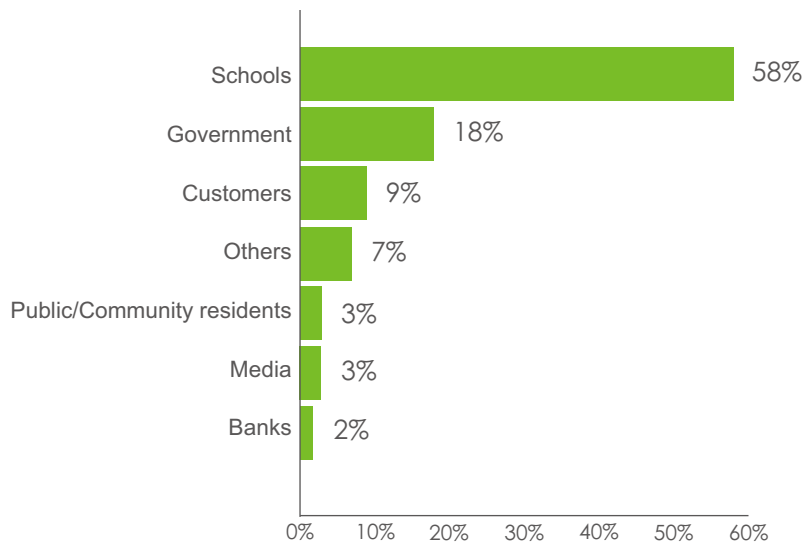
2.4 Stakeholder Engagement

There are various ways for Asia Symbol to communicate with stakeholders, including field visits and investigation, company open days, community communications, employee forums, internal publications, WeChat public accounts and public media communications, etc.

Company Open Day

Since 2006, Asia Symbol Shandong has organized company open days and invited various stakeholders to visit our mill. From 2015 to 2017, a total of 21,664 people in 1,204 batches visited our mill.

Number of Visitors to Asia Symbol Shandong from 2015 to 2017



On June 7, 2017, Linghu An, member of the Standing Committee of the National People's Congress and Vice Chairman of the overseas Chinese Committee of the National People's Congress, inspected the urban sewage recycling plant at Asia Symbol Shandong.



On June 25, 2017, Wang Ande, Director of Environmental Protection Department of Shandong Province, visited Asia Symbol Shandong.



On September 15, 2017, "New development of new kinetic energy - 'Opening up Shandong'" full media interview team visited Asia Symbol Shandong.



On April 12, 2016, Suning.com representatives visited Asia Symbol's product laboratory.



On April 26, 2016, 78 teachers and students from South China University of Technology visited Asia Symbol Guangdong.



On September 8, 2016, Lin Yingwu, Party Secretary from Jiangmen visited Asia Symbol Guangdong.



On December 15, 2017, members of ICBC's Guangdong branch visited Asia Symbol Guangdong.



On December 14, 2017, Pan You, Deputy Director of Guangdong Provincial Safety Supervision Bureau, visited Asia Symbol Guangdong for a safety inspection.

Asia Symbol Monthly Magazine

Asia Symbol Shandong and Asia Symbol Guangdong respectively issued internal journals such as *Asia Symbol Information* and *Paper Road*. *Asia Symbol Information* received the Top 10 Periodicals of the National Paper Industry 2015-2016 Award.



Asia Symbol Information of Asia Symbol Shandong

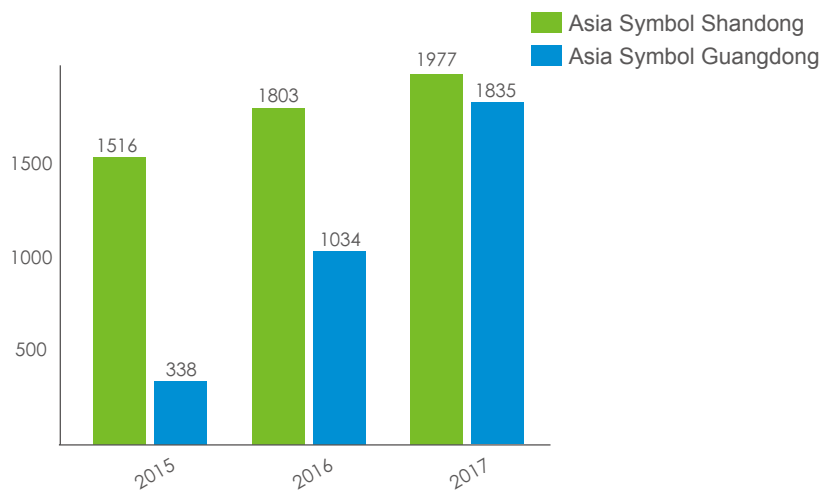


Internal Journal Paper Road of Asia Symbol Guangdong

In 2014, both Asia Symbol Shandong and Asia Symbol Guangdong opened their own WeChat public accounts "Asia Symbol (Shandong) Pulp & Paper" and "Asia Symbol (Guangdong) Paper", enabling real-time communications with stakeholders.

Media Reports

From 2015 to 2017, there were 5,296 counts of media coverage on Asia Symbol Shandong, and 3,207 counts on Asia Symbol Guangdong. The company's Urban Sewage Reuse Project received the Best CSR Communication Award in 2015.



Media coverage of Asia Symbol 2015-2017

Stakeholder complaint mechanism:

Stakeholders can give their opinions and suggestions through mailbox asiasymbol_feedback@asiasymbol.com and our process of handling feedback and complaints is as follows:

- Record complaint
- Take measures to verify the complaint
- Correct the problem after verifying
- Reply to the concerned parties and inform them about ongoing corrective actions

» 2.5 Sustainability Strategy

Over the next three to five years, we will continue to face many economic, environmental and social challenges. Economic challenges include the diversification and upgrading of pulp and paper products, and the increase in value-added products. In terms of the environment, the government, NGOs, customers and the community have all put forward their higher expectations of us. In terms of society, we are facing how to better protect the rights and interests of our employees, consumers and the community.

Sustainability strategy

Our Mission: Leading Sustainable Development for a Better Life

Our Vision: To be a leader in sustainable development and a responsible member of the community.

Based on the principles of Triple Bottom Line, we have developed our sustainability strategy:



The core of this strategy is our business philosophy of creating value for the Community, Country, Climate, Customer and Company. Based on the principles of sustainable development, this business philosophy is embedded in the culture of Asia Symbol as well as Asia Symbol's economic, environmental and social decision-making processes.

Sustainability Policy

In April 2016, we updated the *Asia Symbol Sustainability Policy*², and clarified our commitment to economic development, environmental protection and community care:

Value Creation for Better Life

Asia Symbol is focused on long-term shared value creation for our stakeholders, including customers, employees, and local communities through business growth, innovation, quality and efficiency, while meeting customer needs.

Energy Saving and Environmental Protection for a Sustainable World

Asia Symbol adheres to the operation principles of efficient production with excellent quality, energy saving and emission reduction, in harmony with the environment. We make products using renewable fibers as raw materials. Asia Symbol will fulfill its environmental responsibilities through forward-looking environmental protection facilities, technological innovation, responsible wood pulp procurement, cleanliness and safety production.

Asia Symbol will encourage its suppliers to prohibit deforestation, support natural conservation solutions and responsible peatland management.

People Care for a Harmonious Society

Asia Symbol respects human rights, and the rights of the community to have "Free, Prior and Informed Consent". We implement responsible practices in the workplace, and promote the personal development of employees. In the area of community development, Asia Symbol is committed to the full participation of stakeholders and contributes to improve their welfare.

Strategic Focus on Sustainable Development

In the next three to five years, Asia Symbol's strategic focus on sustainable development management, with consideration of economic, environmental and social aspects, will be as follows:

In terms of sustainable development management, we will actively identify and respond to the concerns and needs of our stakeholders, and integrate our stakeholder concerns into our business and sustainability strategies. Concurrently, we will raise employee awareness about sustainable development and implement the *Asia Symbol Sustainable Development Policy* to translate our sustainability philosophy into practical actions which are reflected in our daily work.

In terms of economy, we will focus on continuous improvement of product quality, maintain stable and efficient production and reduce operating costs. Carry out pulp and paper product diversification and upgrading, produce high value-added products, and create value for customers. While developing our business, we will drive and promote prosperity of the local economy, creating long-term shared value for stakeholders such as employees and local communities;

In terms of environment, we will actively implement national policies of energy conservation, emission reduction and low-carbon environmental protection. Through forward-looking investment in environmental protection, green pulp, environmental friendly paper-making and practicing a recycling economy, we will continue to improve environmental protection indicators, maintain benchmarks within the pulp and paper industry, and actively promote the development of biomass energy.

In terms of society, we will focus on caring for our employees, actively contributing to community development and promoting harmonious development of the society. We will actively implement the *Asia Symbol Human Rights Policy*. We value employee welfare training, development and occupational health and safety significantly. In the area of community development, we actively carry out volunteer activities and help solve social problems, contributing to welfare development and improvement in the quality of life of our communities.



3 Value Creation for a Better Life

Asia Symbol adheres to principles of lean management and continuous improvement, continuously improving quality and efficiency, producing high value-added products, and creating value for our customers. At the same time, we drive and promote local social economic prosperity, as well as creating long-term shared values for employees, communities, suppliers, partners, and other stakeholders to create a better and more prosperous life.

Each day, Asia Symbol's high-quality products complement consumers' daily life and help to create better life experiences for them.

Touching Lives Everywhere, Every Day



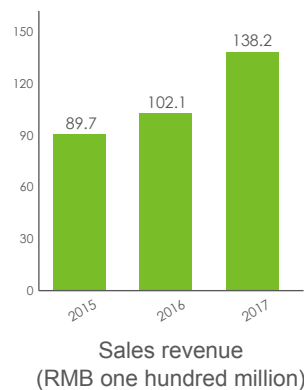
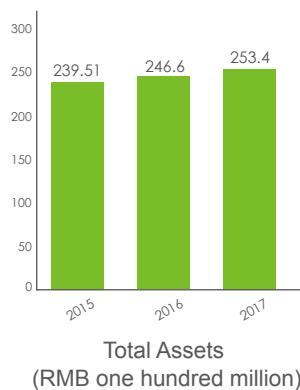
The application of Asia Symbol's products includes liquid and solid food packaging, cigarette packaging, fine paper, tissues, toilet paper, drug packaging, electronic product packaging, plastic packaging, shopping bags, magazines, books and high-grade garments.

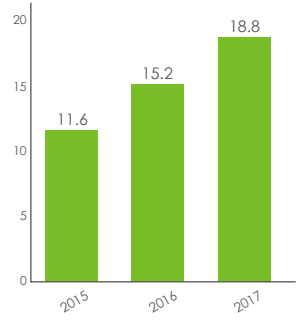
» 3.1 Shared Value Creation

In our operations, we adhere to principles of lean management and continuous improvement, continuously improving quality and efficiency, producing high value-added products, and creating value for our customers. At the same time, we drive and promote local social economic prosperity, as well as creating long-term shared values for employees, communities, suppliers, partners, and other stakeholders to create a better and more prosperous life.

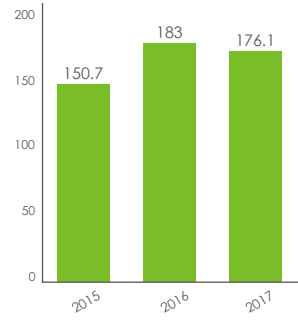
In 2017, Asia Symbol Shandong completed its technological transformation, enabling it to produce dissolving pulp and refine the company's product structure. In January 2017, the second phase of 450,000 tons of high-end fine paper project in Asia Symbol Guangdong, was completed and put into production. The high-end fine paper production capacity is 900,000 tons annually, making it one of the largest high-end fine paper manufacturers in the country.

Here is the economic data of Asia Symbol for the past three years:

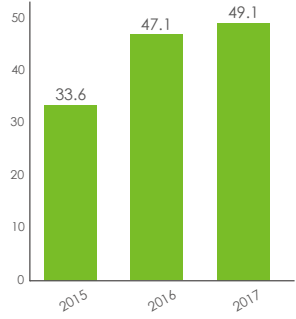




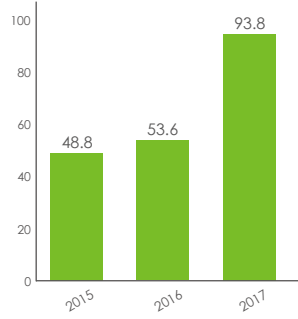
Total taxes paid
(RMB one hundred million)



Market pulp output
(ten thousand tons)



Paperboard output
(ten thousand tons)



Fine paper output
(ten thousand tons)



Asia Symbol Guangdong is on the Guangdong Economic Ranking List 2017

With more than 10 years of continuously improving our operational efficiency and delivering on our sustainability commitments, Asia Symbol Guangdong has been awarded the "Top 10 Favorable Company of the 2017 Guangdong Economic Ranking List".



3.2 Product Quality and Responsibility

3.2.1 Product Quality

Product Quality and Product Safety Policy

Asia Symbol regards the delivery of quality products via safe and efficient manufacturing processes as a serious obligation to our customers. Through stable supply, stable quality and stable technical services, we will maximize customer satisfaction and ensure a win-win situation for everyone.

Quality Control System

Asia Symbol Shandong and Asia Symbol Guangdong have passed the following quality control system accreditations and have been given the following permits:

| Category | Scope of Accreditation/Permit | Certificate/Permit Standard |
|---------------------------------------|--|--|
| Quality control system accreditation | Design, development and production of high-quality white cardboard and bleached Kraft pulp | ISO 9001:2015 <i>Quality Management System Requirements</i> |
| Quality control system accreditation | Design and production of fine paper | |
| National industrial production permit | Food Board (ordinary board, liquid packaging board, paper cup base paper) | <i>Regulations of People's Republic of China on Administration of Production Licensing of Industrial Products</i> <i>Implementation Methods of Regulations of People's Republic of China on Administration of Production Licensing of Industrial Products</i> <i>Detailed Implementation Regulations of Food Paper Package and Container Production Permit</i> |

Adhering to the work idea of "supporting documents, appropriate supervision and systematic control", so as to deliver safe products with the best quality, Asia Symbol Shandong has adopted the following measures:

Before Production: Ensure that the system is cleaned according to the operational procedures, and ensure that the environmental health standards are met; test raw materials according to established VOC (volatile organic compound) content standards and ensure that suppliers meet the health and safety requirements in their supply of raw materials;

During the Production Process: Process inspection control; ensure availability of required personnel and test instruments and that they are used effectively;

After Production: Product samples are sent to SGS or other neutral laboratories with national authoritative certification for testing at least ten times per year; ensure that the products are managed and controlled efficiently based on the test results.

Asia Symbol Guangdong implements comprehensive quality management measures including "all employees, the whole process, and the entire scope", strictly controls the quality management from raw material procurement, semi-finished products to finished products; to ensure quality objectives, the following measures were taken:

Before Production: We have a stable raw material supply chain, first-rate manufacturing equipment, quality standards better than national standards, and a customer needs orientation, to ensure a win-win situation for the company and its customers; We compare with industry peers regularly to ensure the high cost performance of our products;

During the Production Process: The adoption of advanced quality control system (QCS), online paper disease detection system, and advanced laboratory testing equipment, together with setting up special inspection items, such as: brush iodine, 5 orders, CPM color map, PI online curve, etc. aims to ensure that each paper used by customers meets quality standards through inspection and monitoring at various sections;

After Production: Our products will be sent to authoritative laboratories such as the Bureau of Quality and Technical Supervision or SGS every year for testing related indicators; the products are effectively controlled and managed according to the results.

Product Quality Goals and Performance

From 2015 to 2017, the rate of Premium A pulp, paper board and fine paper products are as follows:

| Category | 2015 | 2016 | 2017 | Goal in 2018 |
|-------------|-------|-------|--------|--------------|
| Pulp | 95.6% | 97.4% | 96.9% | 98% |
| Paper Board | 95.2% | 96.0% | 96% | 98% |
| Fine Paper | 99.8% | 99.7% | 96.6%* | 98% |

*Including the Premium A rate collected from the three-month trial operation period of Asia Symbol Guangdong's new production line.



Quality inspector of Asia Symbol Guangdong is using automatic inspection line to test quality indicators

Our quality goals for 2018 are:

Ensure that the Premium A rates for pulp, paperboard, and fine paper are all 98%;

We continue to improve quality management and strive to be the customer's first choice;

We regularly survey customer satisfaction to improve service standards;

We regularly conduct comparative tests with the industry to ensure that our products are competitively-priced.



The Unique High Density Printing (HDPrint) Technology of Asia Symbol

The premium quality printing papers of Asia Symbol – PaperOne, Golden and AcePrint Classic printing paper adopt the unique High Density Printing Technology to help customers print high-quality documents on inkjet devices. This makes color printing brighter, black and white printing more striking, ink drying faster, and also helps save ink and extends the life of printing equipment.



3.2.2 Product Marketing

Asia Symbol has an effective marketing strategy and price mechanism, strict contract approval process and tracking procedures for contract implementation to effectively prevent illegal sales activities. During the reporting period, Asia Symbol has not violated any laws and regulations and voluntary guidelines with respect to its marketing and sales promotion activities.

With regards to sales, Asia Symbol adheres to the following principles:

Honesty and Trustworthiness: We honor our commitment to customers and provide stable supply, stable quality and stable technical services to our customers.

Value for money: We carry out customized production based on analysis of customer requirements, combining cost optimization and quality to provide the most cost-effective products.

Rapid Response: Our geographical proximity to customers helps them reduce logistics costs such as inventory storage costs.

Professional Service: We engage professional technical sales teams and local service personnel to provide personalized service to help customers resolve technical issues.

Environmental protection: We adhere to the operating principle of “high-quality, high-efficiency, energy-saving and emission-reducing, and environmental harmony”, green pulping, and environmental-friendly papermaking to promote recycling economy together with customers, and jointly develop low-carbon life.

Asia Symbol assigns dedicated employees to be in-charge of contracts and consumers' information, and protects clients and consumers' commercial information through stringent IT policy. This prevents any breach of customers' privacy or loss of customers' data during the reporting period.

In addition to traditional sales channels, Asia Symbol's official flagship stores and PaperOne™ flagship stores are located in Jingdong Mall, Suning Express and Tmall respectively, and are well received by end users. At present, Asia Symbol accounts for 30% of China's medium-to-high end copy paper market, and has the highest market share among its peers.



Asia Symbol and Jingdong Sign Strategic Cooperation Agreement

On April 10, 2018, Asia Symbol and JD.com signed a strategic cooperation agreement at the headquarter of JD.com, and the two parties will carry out in-depth cooperation in the supply chain, channels, logistics, big data and public welfare and other areas to jointly solve the difficulties in the copy paper industry, so as to reconfigure the e-commerce market for the copy paper industry.





Asia Symbol Paper Academy

On August 21 2017, “Asia Symbol Paper Academy” was launched in Xinhui, Guangdong Province. The first batch of 40 offset paper employees from all over the country voluntarily signed up for the 4-day training. Spearheaded by Asia Symbol Guangdong, the “Asia Symbol Paper Academy” aimed to cultivate professional talents in pulp and paper sales, focusing on paper and printing. The trainees all expressed that they benefited a lot from this training which was both professional and practical.



3.2.3 Customer Satisfaction

Customer orientation

Asia Symbol commits to customer satisfaction, and pursues continuous upgrading of customer satisfaction through its professional services.

In the area of pulp sales, Asia Symbol Shandong, as the largest hardwood pulp supplier in China, makes every effort to satisfy our customers' needs by offering customized production, just-in-time delivery and zero-defect services.

For printing paper business, Asia Symbol focuses on brand differentiation based on customers' needs—as the famous office paper brands, PaperOne and Golden Color, have achieved leading status in the premium copying paper market, and the market shares of many other brands such as AcePrint, Print, Enjoy Premium, Aria, Crystal, AllPass Premium, Aria, PK King Kong, Copier Color, ZAP, and RuiYin are launched to increase customer choice and value. Regarding product quality and after-sales service, Asia Symbol provides customers with good paper as well as giving customers more care in service. In terms of service, we started a 24-hour online service since 2015; and in response to customers' urgent request, we gradually provided the 24-hour delivery service within the Pearl River Delta region. Since the end of 2017, through the cooperation with JD Logistics, the delivery cycle of offset paper has been shortened from 60 days to 15 days, enhancing logistics efficiency and creating more value for customers.

As for the business of offset paper, apart from being selected and recognized by many domestic printers, Asia Symbol's products also have been exported to Hong Kong, Japan, Korea and many countries and regions in Europe and America.



PaperOne Printing paper was designated as recommended printing paper by Epson

On September 6, 2016, as the only printing paper manufacturer, Asia Symbol participated in the China Office Equipment Industry Annual Conference held in Guangzhou. After rounds of screening and rigorously tests, Paper One stood out from 27 printing paper brands and has been designated by Epson as the recommended printing paper brand for its ink cartridge printers.



"Products sold on the e-commerce platform can exploit the common needs of end consumers through big data cloud computing, and guide enterprises to develop products that better meet the needs of consumers and further increase customer satisfaction."

—GUO Tiezhu, Sales Director, Asia Symbol Guangdong



"Asia Symbol's products are very popular in the domestic high-end printing paper market, and its market share in Hainan reaches 66%. That's to say, if Hainan CBD has 100 office buildings, 100,000 offices are using high-quality printing paper, then there are nearly 66,000 offices are using high-end products from Asia Symbol."

—FAN Binchang, First Level Agent of Asia Symbol, GM of Hainan Yuxin

Customer Satisfaction Survey

Asia Symbol focuses on customer needs and feedback. Through customer satisfaction surveys, we understand customer needs and solve problems encountered by customers. Meanwhile, we identify gaps between Asia Symbol and the best supplier as rated by our customers, continuously improve our work, and strive to make Asia Symbol the most popular supplier.

Asia Symbol Shandong conducts a customer satisfaction survey twice a year for our pulp customers. Our customers rate our products and services, as well as ranking us against other suppliers. The questionnaire is designed to have a full score of 120 points. The survey results are shown in the table below.

| | 2015 | 2016 | 2017 |
|---|-------|-------|-------|
| Asia Symbol Shandong (Pulp) | 105.6 | 101.6 | 105.0 |
| Scoring of the Best Supplier, as Rated by Our Customers | 116.6 | 114.2 | 114.5 |

Asia Symbol Guangdong collects customer feedback through independent third-party questionnaire survey, and invites customers to score product quality, service, and communications between Asia Symbol and its major competitors (the full score is 5). The results for 2017 show that customers' satisfaction with Asia Symbol ranks first, with specific data as follows:

| | 2015 | 2016 | 2017 |
|-------------|------|------|------|
| Asia Symbol | 4.6 | 4.4 | 4.6 |

» 3.3 Lean Management

Since 2013, we have fully implemented lean management. After five years of hard work, the company's full participation has gradually established a systematic operation improvement system.

In the past three years, we have widely applied lean concepts and tools to aspects such as production, safety, environmental protection, cost, and procurement. The number and quality of improvements have been increasing year by year, and the atmosphere for improvement has been unprecedentedly promoted. Safety and environmental protection indicators, production indicators, energy saving & consumption reduction targets and revenue-reduction expenditure indicators continue to improve.

To organize daily share of company-level "Lean Management Tips", to guide all staff change their minds by using cases at work; and to make 5S, Total Productive Maintenance (TPM), and team building daily activities;

To conduct weekly guidance and inspections for execution and implementation of the seven major tasks of the workshop, 5S finishing day activities on Thursdays, and assessment of continuous improvement project progress;

To carry out company-level and regional-level lean activity week on a monthly basis; to supervise the implementation of seven major tasks of each workshop;

Each year, lean annual celebration activities are held and the "Excellent Star for Improvement", "Excellent Team", and "Advanced Units of Continuous Improvement" are selected and awarded. Summarize the past through these evaluation activities, identify shortcomings, formulate improvement measures, and achieve a cyclical spiral upgrading.

The performance of lean management in 2015-2017 is as follows:

| | | 2015 | 2016 | 2017 |
|---|-----------------------|--------|--------|--------|
| Quantity of completed business improvement suggestions | Asia Symbol Shandong | 20,299 | 16,855 | 15,040 |
| | Asia Symbol Guangdong | 1,222 | 1,713 | 2,941 |
| | Total | 21,521 | 18,568 | 17,981 |
| Quantity of completed projects for continuous improvement | Asia Symbol Shandong | 200 | 289 | 321 |
| | Asia Symbol Guangdong | 47 | 32 | 43 |
| | Total | 247 | 325 | 364 |
| Value created by improvement projects (RMB ten thousand) | Asia Symbol Shandong | 4,300 | 4,260 | 13,330 |
| | Asia Symbol Guangdong | 16,847 | 5,160 | 4,032 |
| | Total | 21,147 | 9,428 | 17,362 |

The essence of lean is continuous improvement. In 2018, both Asia Symbol Shandong and Asia Symbol Guangdong have set goals for lean management, namely to create RMB 386 million and RMB 50 million respectively.



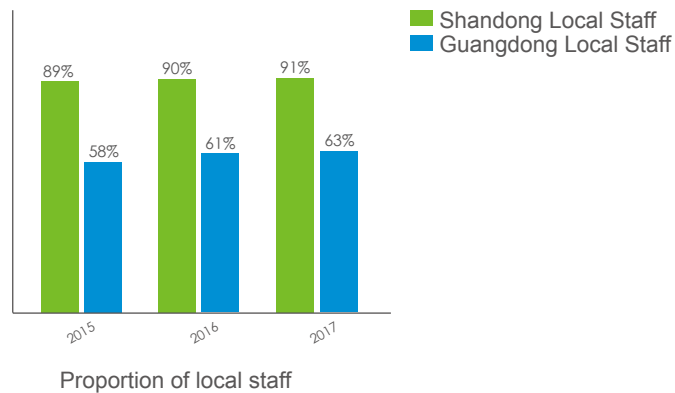
Asia Symbol Shandong AEE Award Ceremony



Asia Symbol Guangdong Lean Summary Meeting

» 3.4 Localized Recruitment

Asia Symbol emphasizes localized³ recruitment strategy. Under the same condition, priority should be given to recruiting and training local employees, reducing local unemployment and enabling the community to grow with the company. At the end of 2017, the total number of employees of Asia Symbol Shandong and Asia Symbol Guangdong is 3,176, of which 2,571 are local employees from Shandong and Guangdong. Shandong local employees accounts for 91%, and Guangdong local employees accounts for 63%.



» 3.5 Localized Procurement

Asia Symbol vigorously promotes a localized procurement strategy to contribute to the development of the local economy. During the reporting period, Asia Symbol Shandong purchased a total of RMB 1.69 billion in Shandong Province, and Asia Symbol Guangdong purchased more than RMB 1.1 billion in Guangdong Province.

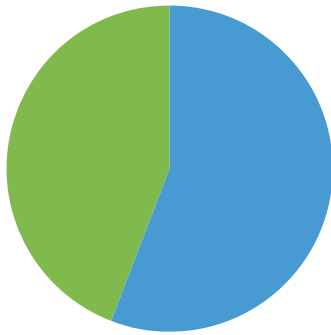
3.5.1 Local Procurement Approach to Promote Local Economic Development

We abide by the honest, trustworthy, fair and equitable principles of cooperation with suppliers and contractors. Contract compliance with suppliers and contractors and timely payment rate is above 99%.

3. "Local" refers to Shandong Province and Guangdong Province in which Asia Symbol operates.

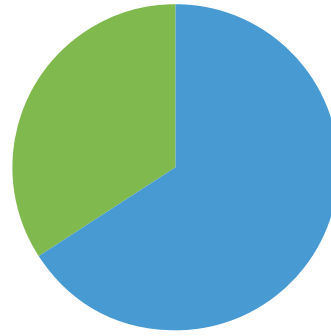


Local Procurement Data in Asia Symbol Shandong 2015-2017:



Suppliers in Shandong Province: 44%
Suppliers in other areas: 56%

Proportion of Suppliers



Suppliers in Shandong Province: 34%
Suppliers in other areas: 66%

Proportion of Purchase Amount

2015

| Type of Suppliers | Quantity of Suppliers | % | Purchase Amount (RMB 100 million Yuan) | % |
|----------------------------|-----------------------|------|--|------|
| Shandong suppliers | 375 | 45% | 4.75 | 33% |
| Suppliers from other areas | 462 | 55% | 9.74 | 67% |
| Total | 837 | 100% | 14.49 | 100% |

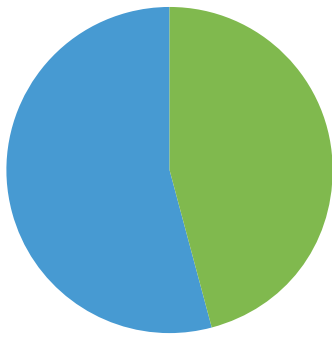
2016

| Type of Suppliers | Quantity of Suppliers | % | Purchase Amount (RMB 100 million Yuan) | % |
|----------------------------|-----------------------|------|--|------|
| Shandong suppliers | 398 | 44% | 5.89 | 39% |
| Suppliers from other areas | 515 | 56% | 9.35 | 61% |
| Total | 913 | 100% | 15.24 | 100% |

2017

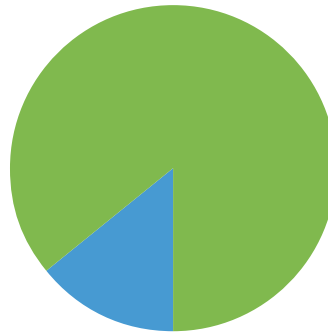
| Type of Suppliers | Quantity of Suppliers | % | Purchase Amount (RMB 100 million Yuan) | % |
|----------------------------|-----------------------|------|--|------|
| Shandong suppliers | 416 | 43% | 6.26 | 31% |
| Suppliers from other areas | 553 | 57% | 14.16 | 69% |
| Total | 969 | 100% | 20.42 | 100% |

Local Procurement Data in Asia Symbol Guangdong 2015-2017:



Suppliers in Guangdong Province: 54%
Suppliers in other areas: 46%

Proportion of Suppliers



Suppliers in Guangdong Province: 14%
Suppliers in other areas: 86%

Proportion of Purchase Amount

2015

| Type of Suppliers | Quantity of Suppliers | % | Purchase Amount (RMB 100 million Yuan) | % |
|----------------------------|-----------------------|------|--|------|
| Guangdong suppliers | 234 | 54% | 2.02 | 12% |
| Suppliers from other areas | 203 | 46% | 14.94 | 88% |
| Total | 437 | 100% | 16.96 | 100% |

2016

| Type of Suppliers | Quantity of Suppliers | % | Purchase Amount (RMB 100 million Yuan) | % |
|----------------------------|-----------------------|------|--|------|
| Guangdong suppliers | 247 | 55% | 2.84 | 12% |
| Suppliers from other areas | 206 | 45% | 20.29 | 88% |
| Total | 453 | 100% | 23.13 | 100% |

2017

| Type of Suppliers | Quantity of Suppliers | % | Purchase Amount (RMB 100 million Yuan) | % |
|----------------------------|-----------------------|------|--|------|
| Guangdong suppliers | 271 | 53% | 6.39 | 18% |
| Suppliers from other areas | 238 | 47% | 29.07 | 82% |
| Total | 509 | 100% | 35.46 | 100% |

3.5.2 Upskilling and Supporting Local Small and Medium Enterprises

Asia Symbol encourages small and medium enterprises' participation in the company's upstream and downstream industry chain, so as to provide support for these companies and develop together with us. The businesses that Asia Symbol Shandong supported include wood fines transportation & processing, paper core tube processing, wood pallet processing, pulp residue disposal, paper transportation & handling, coal ash transportation & processing, engineering construction, equipment and machinery leasing, green mud transportation and maintenance & cleaning services. Asia Symbol Guangdong procures from the surrounding local communities as much as possible, including service outsourcing, pallet and packaging materials supply and small scale maintenance.

In addition to upgrading the capabilities of small and medium enterprises through the procurement of products and services, Asia Symbol enhances their management capabilities through various types of trainings, such as sharing best practices in procurement, safety and environmental management of the international company. The small and medium enterprises of Rizhao and Xinhui increase their competitiveness during the cooperation with Asia Symbol. In our interviews held in summer of 2017, representatives from these small and medium enterprises stated that the cooperation with Asia Symbol is an important catalyst for their rapid development.



Rizhao Xiangsheng Construction Co., Ltd.

"In 2007, our company had just started. We took on the equipment loading and unloading operations for the second phase expansion project of Asia Symbol Shandong. After two years of operation without accidents, our company was rewarded and praised by Asia Symbol. For the past decade, Asia Symbol has always been an important partner for us. Their training and strict requirements in procurement compliance, construction safety management, etc. have strengthened our management capabilities and enhanced our competitiveness. This also helps us stand out in subsequent biddings, enabling us to successfully get orders from other important customers such as China Railway No.23 Engineering Group, Rizhao Steel Plant and Rizhao Power Plant. After ten years of development, we grew from a contractor of a dozen of people into three construction companies. Our business covers building construction, construction machinery leasing and concrete production with an annual turnover of more than RMB 30 million. In 2017, the three companies employed nearly 300 people, among which 80 were from Donghaiyu Village near Asia Symbol Shandong."



—FENG Yanyan, Finance Deputy GM,
Rizhao Xiangsheng Construction Co., Ltd.

» 3.6 Anti-Bribery and Anti-Corruption Policy

Asia Symbol's anti-corruption policy requires everyone to observe laws and regulations, to operate with integrity and abide by industrial practices and ethical business guidelines, and to create a fair business environment. Our anti-corruption principles are fairness, openness and transparency, based on internal control and a corruption prevention approach. Asia Symbol has not been penalized with legal offences during the reporting period.

In the area of organizational building, RGE established an independent internal audit department in China. And the internal audit is carried out according to the *International Professional Practice Framework* issued by the Institute of Internal Auditors (IIA), as well as the RGE's internal regulations and rules. The internal audit department works independently and reports directly to the Management Committee of Asia Symbol. It does not participate in the business operations of affiliated the companies. Both *Asia Symbol Employee Manual* and *RGE Code of Conduct* specify clauses on "avoidance of conflict of interests". In addition, *Asia Symbol's Code of Professional Ethics (COPE) for Procurement* details our commitment towards business integrity, fair competition and anti-corruption.

To strengthen the capacity for fraud investigation, three sessions of anti-corruption training, which covers the interview and

forensic skills, etc., were conducted for the internal audit department from 2015 to 2017. On April 12, 2017, at the China Procurement Seminar, the RGE internal audit department shared the “main audit findings of the internal audit department in project and operation procurement process in China”, which included the sharing of some corruption cases. The head of Asia Symbol and the head of the procurement department attended the training. In 2017, RGE organized trainings on antitrust and intellectual property for Asia Symbol.

Code of Professional Ethics (COPE) for Asia Symbol Procurement Employees

Asia Symbol promises to maintain integrity, honesty, fairness with all suppliers and potential and expect these suppliers and potential suppliers do the same to us. Asia Symbol regularly updates the Code of Professional Ethics (COPE) for procurement employees, and our procurement department has conveyed our anti-corruption policy to all suppliers, requiring all suppliers to re-sign it. During communication with our business partners in the fraud investigation, we will also convey to them the company's zero tolerance for corruption.

Asia Symbol seeks to establish a fair and just procurement process and promote a win-win business environment with suppliers. The following are the key points in the COPE:

Business Integrity: Asia Symbol requires uncompromising honesty, integrity and fairness in all aspects of business transactions with our suppliers. Any direct or indirect offer, payment, soliciting and/or acceptance of bribes in any form are unacceptable. We will eliminate all forms of corrupt practices and take a serious view of suppliers and Asia Symbol's employees who engage in this behavior.

Fair Competition: Asia Symbol promotes fair competition in procuring goods and services from our suppliers. We will provide our suppliers with the same information so that no supplier has an unfair advantage over the others. We will maintain confidentiality with regards to each of our suppliers' pricing and proprietary information.

Open Communications: Asia Symbol encourages open communications.

Conflicts of Interest: Our procurement employees must sign a Code of Procurement Ethics (COPE).

Gifts and Entertainment: Asia Symbol employees will not accept gifts and/or entertainment from suppliers. Our procurement employees are only allowed to take souvenirs of nominal value (i.e. no commercial value or its value is no more than USD 30).

Relative Relationships or Former Employees of Asia Symbol: To avoid conflict of interest, if a supplier to Asia Symbol has a family member or close relatives who work in Asia Symbol, we will ask the supplier's representative to sign the disclosure statement.

Compliance with International Trade Conventions and Policies: Asia Symbol expects all suppliers to comply with all international trade conventions and policies.

Reciprocity: Asia Symbol expects all suppliers to respect its principles and unequivocal intentions listed above.

The internal audit department will evaluate the control risks of the various departments in accordance with the audit results of that year, the number frequency of audit in the past three years, the number of complaints received and the results of the survey.

Asia Symbol has provided mailboxes and hotlines at conspicuously visible locations in Asia Symbol Shandong and Asia Symbol Guangdong, enabling employees to submit their complaints to the Internal Audit Department. The Internal Audit Department has assigned a special officer to register the complaints, which will be subject to internal evaluation and review. The issues involving fraud malpractices will be classified according to the functional departments and types, and the identity of staff submitting the report will remain strictly confidential.



If you know of any improper conduct of our employees we want to hear from you. . .

137-3918-3310
 auditcn@fpg.biz
 RGE China Internal Audit Dept.
 9F, Greenland Plaza International Business Center, No. 88 Gulou Street, Nanjing, Jiang Su, China 210008

(Information will be kept in strict confidence)





From 2015 to 2017, a total of 57 complaints were received. Among which, 51 were investigated internally and 11 were confirmed as corruption.

| Year | Complaint Received | Corruption or Improper Operation Verified | Internal Investigation | | |
|--------------|--------------------|---|-------------------------------------|--|--------------------------|
| | | | Highly Suspicious or partially true | No Substantial Evidence or No Corruption | No Need for Verification |
| 2015 | 15 | 3 | 1 | 10 | 1 |
| 2016 | 23 | 3 | 4 | 14 | 2 |
| 2017 | 19 | 5 | 1 | 10 | 3 |
| Total | 57 | 11 | 6 | 34 | 6 |

For the issues involving fraud malpractices, the treatment measures include:

1. For the relevant responsible persons who had committed the fraud, we will carry out appropriate relevant punishments according to the nature and severity of the facts discovered, and based on the Employee Manual, and articles of incorporation, etc.
2. For the control weaknesses vulnerabilities found during the investigation, we will propose the corresponding corrective measures, and follow up with the implementation of the rectification measures;
3. For typical fraud malpractices, we will recommend the management to use the case to conduct warning education for the staff / business partners, so as to avoid it in the future.



4 Energy Saving and Environment Protection for a Sustainable World

To be the leader of sustainable development, Asia Symbol actively supports the state's policy of "energy saving, emission reduction, low carbon and environment protection", follows the operation principle of "efficient production with excellent quality, energy saving, emission reduction and harmonious environment", and insists that environment protection is prioritized. As a recognized leader in the pulp and paper industry, we will help steer the industry toward green manufacturing.

4.1 Environment Certification and Labels

Our commitment to continuous improvement on our environmental management system has allowed us to obtain the following certifications:

| Category | Boundary | Scope | Standard |
|---|-----------------------|---|--------------------------------|
| Environmental Management System | Asia Symbol Shandong | Pulp, paperboard | ISO14001:2004 |
| | Asia Symbol Guangdong | Fine paper | ISO14001:2015 |
| CFCC/PEFC CoC | Asia Symbol Shandong | Woodchip, pulp, paperboard | GB/T 28952-2012 |
| | Asia Symbol Guangdong | Fine paper | |
| China Environmental Label Product Certification | Asia Symbol Guangdong | Multifunctional environment-friendly copy paper | GB/T24024:2001 (ISO14024:1999) |

The China Forest Certification Council (CFCC) received the endorsement by Program for the Endorsement of Forest Certification Schemes (PEFC) in 2015. Thus, all the CFCC-COC and PEFC-COC certificates Asia Symbol obtained are using CFCC/PEFC combined logo from then on. Moreover, 3 new scopes were added to our certifications, including sales of CFCC/PEFC controlled pulp and packaging paper, sales of CFCC/PEFC certified and controlled woodchips, and manufacturing and sales of dissolving pulp.



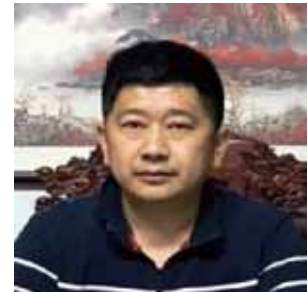
CFCC-PEFC CoC Certificates obtained by Asia Symbol

Given its excellent quality, Golden Color became the only copy paper brand that passed the Communist Party of China (CPC) Central Committee's Q2 procurement bid in April 2016. In 2017, Golden Color again prevailed in the bidding for CPC Central Committee's departments as well as those under the National People's Congress.



Thanks to the continuous winning of bidding of the procurement for Departments directly under the CPC Central Committee, State Council and the National People's Congress from 2015 to 2017, PaperOne and Golder Color were able to enter the mainstream of the marketing channels. The recognition of PaperOne and Golden Color has been expanded from printing shops to high-end users, and they quickly became first line brands, winning the Most Influential Brand Award in 2017. CFCC/PEFC certification helps Asia Symbol to build good image among high-end clients, and gradually strengthen their brand loyalty.

—JIAN Zucheng, General Manager, Beijing Jiejian Tianxing Business & Trade Co., Ltd.



» 4.2 Responsible Sourcing

We apply responsible sourcing practices and ensure strict legal compliance. Morality, labor, safety, environment and other sustainability factors are included in our suppliers' assessment. We try to influence our suppliers to fulfill their environmental and social responsibility by our sourcing practices. Woodchips and pulp are our main raw materials, which are of crucial importance in our responsible sourcing practices.

Asia Symbol Woodchip and Pulp Sourcing Policy⁴ was issued on December 8, 2015 and updated on September 28 2017. We not only implement the policy ourselves but also require our suppliers to comply with it.

4. Full text of Asia Symbol Woodchip and Pulp Procurement Policy can be found at Asia Symbol's official website www.asiasymbol.com.



4.2.1 Asia Symbol Woodchip and Pulp Sourcing Policy

We commit that Asia Symbol actively contributes to responsible forest management and strives to move the global supply chain of wood and pulp towards sustainability, protecting ancient and endangered forests by working together with suppliers and other relevant stakeholders.

We avoid using wood chips and pulp that are:

- Illegally harvested or traded.
- From forests of high conservation value (HCV, high carbon stock (HCS).
- From ancient and endangered forest or from the habitats of endangered species.
- From natural forests.
- From genetically modified trees.
- Obtained in violation of the rights of indigenous peoples and communities to give or withhold their *Free, Prior and Informed Consent (FPIC)* to operate on lands where they hold legal, communal or customary rights.
- Obtained in violation of workers' rights or any of the *ILO's Declaration on Fundamental Principles and Rights at Work*.

Asia Symbol will implement a supply chain tracing system to track the origin of the wood chips and pulp, and require our suppliers as follows:

Asia Symbol encourages our wood chip and pulp suppliers to obtain Chain of Custody certifications.

Asia Symbol requests that our suppliers respect the *Universal Declaration of Human Rights* and acknowledge indigenous and rural communities' legal, customary or user rights to their territories, land and resources.

Asia Symbol will re-evaluate and/or terminate the relationship with a supplier who cannot or will not meet the goals of our *Wood and Pulp Sourcing Policy*.

4.2.2 Risk Assessment on Woodchip Suppliers

To ensure that the *Woodchip and Pulp Sourcing Policy* is fully implemented, we also set up a strict risk assessment system for the qualification of woodchip suppliers:

Do not select high-risk suppliers, select from low-risk suppliers. Select some medium-risk suppliers only if low-risk suppliers cannot meet our sourcing needs.

We conduct surveillance audit on woodchip suppliers periodically or irregularly, in order to ensure that our suppliers comply with the *Woodchip and Pulp Sourcing Policy*.



On-site check on Australian Woodchip suppliers in September, 2017

4.2.3 Third Party Audit on Traceability of Woodchips

In May 2016, The Forest Trust (TFT) conducted the on-site audit, and confirmed that the traceability information of materials was available in the management system and that the woodchips we used could be traced from the suppliers. The audit conclusion is as shown on the right:

| Category | Supplier |
|--------------------|-------------------------------------|
| Untraceable | <input type="checkbox"/> |
| Traceable with gap | <input type="checkbox"/> |
| Traceable | <input checked="" type="checkbox"/> |

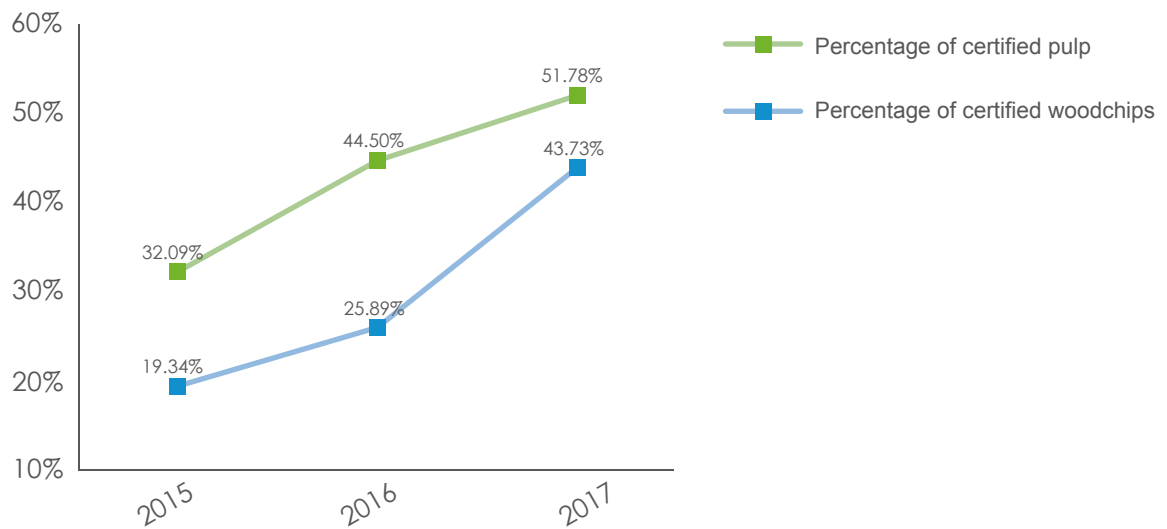
4.2.4 Increasing percentage of certified woodchip and pulp

The woodchips Asia Symbol Shandong purchased (mainly from acacia, eucalyptus, and a few from coniferous forest) are imported from Brazil, Australia, Chile, USA, Vietnam, Thailand etc. Asia Symbol Guangdong mainly purchases pulp from Canada, Indonesia and China.



Woodchip yard in Asia Symbol Shandong

The percentage of certified woodchips and pulp has been increasing year by year.

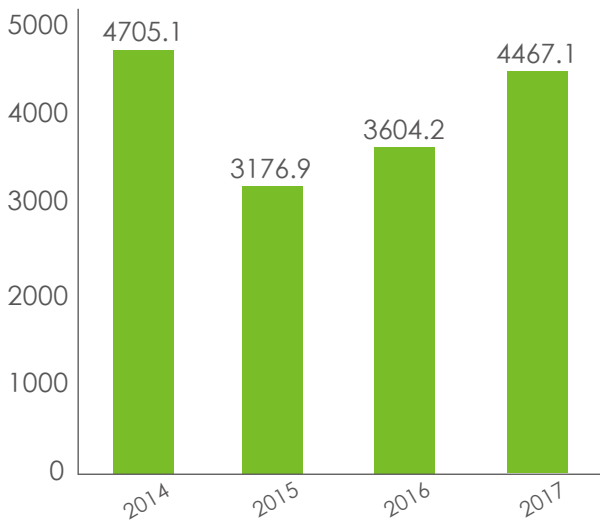


4.3 Usage of Resources and Energy

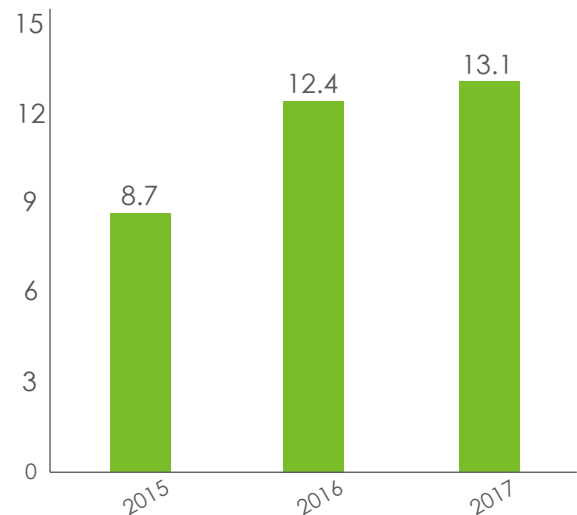
Our principle and goal for resources and energy utilization is to recycle as much as possible, reduce consumption levels and eventually realize sustainable usage of resources and energy.

4.3.1 Water Consumption

Water consumed in production is mainly from nearby rivers, lakes and reservoirs, and partly from the reused discharged water from Rizhao Municipal Wastewater Treatment Plants. Asia Symbol's water intake has not negatively impacted the local water supply. Although the production volume of paperboard and fine paper has doubled since 2014, the quantity of water intake in 2017 decreased 5% compared to that in 2014.



Production water intake (ten thousand cubic meters)



Daily living water intake (ten thousand cubic meters)

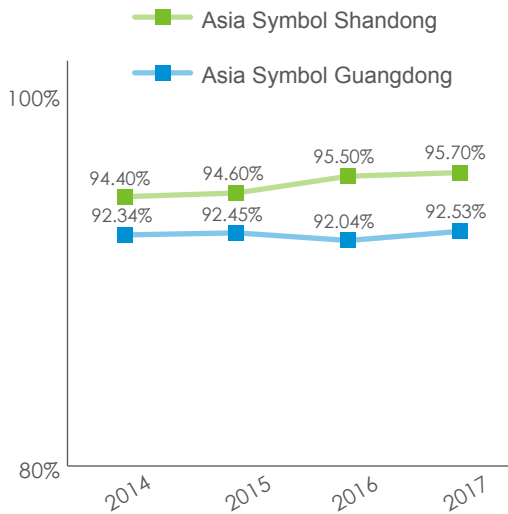
There are some large reservoirs in Asia Symbol Guangdong which are used for water catchment during high tides and water storage during the dry seasons, ensuring that we have no negative impact on local water supply.



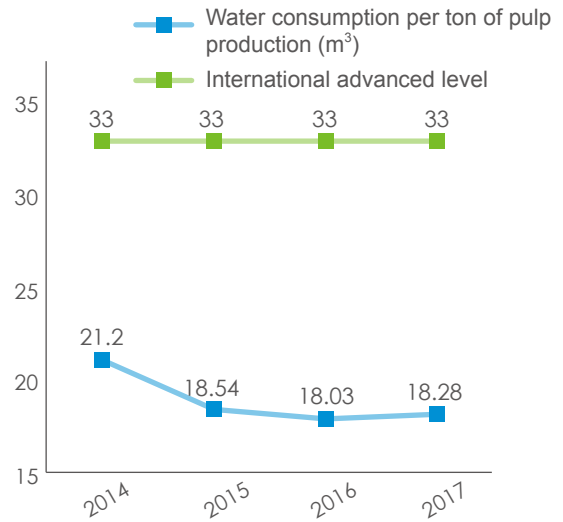
Water reservoir in Asia Symbol Guangdong

Water Consumption Performance

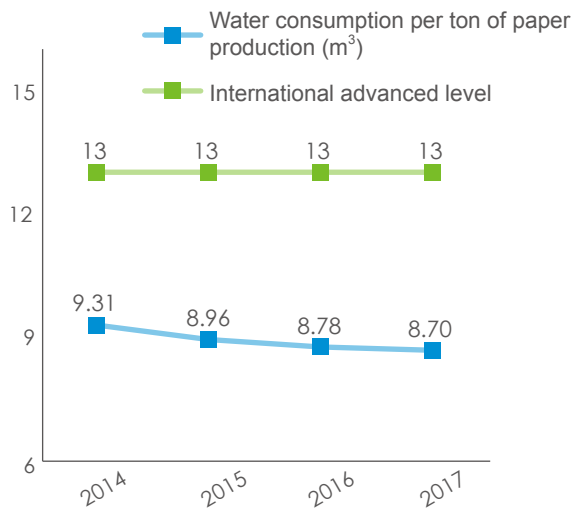
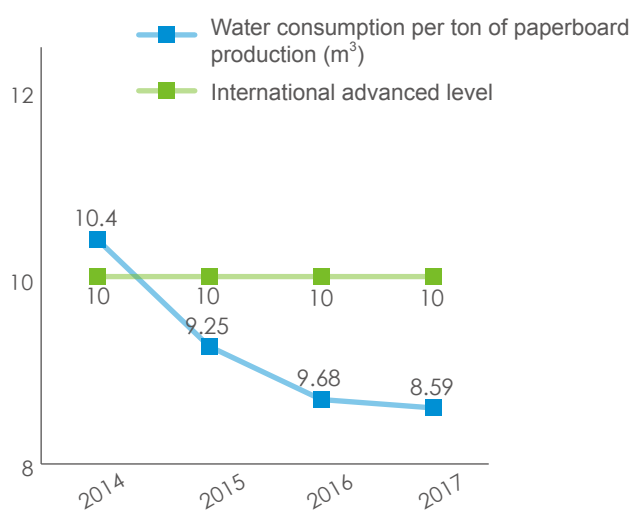
Water recycling rate⁵ is increasing year by year.



Asia Symbol's water consumption rate per ton of pulp production is better than the International advanced level⁶.



Asia Symbol's water consumption rates per ton of paperboard production and paper production are better than the International advanced level.



Note: The new paperboard machine was unstable when it was put in use in 2014.

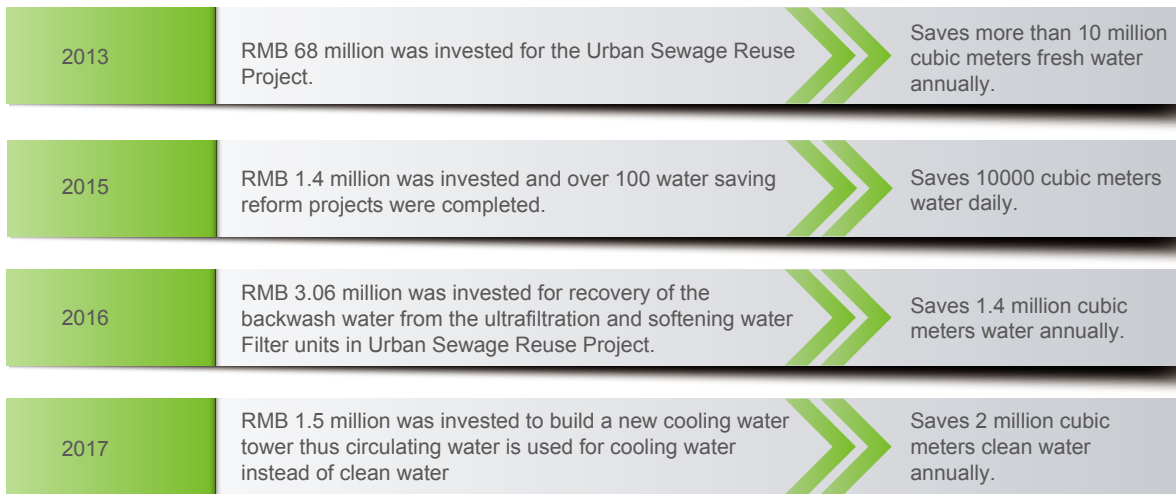
5. Water recycling rate = quantity of recycling water / (quantity of recycling water + quantity of freshwater) * 100%

6. International advanced level is taken from Level I Baseline Value of the Assessment Indicator System of Cleaner Production in Pulp and Paper Industry, which is superior to EU standards.

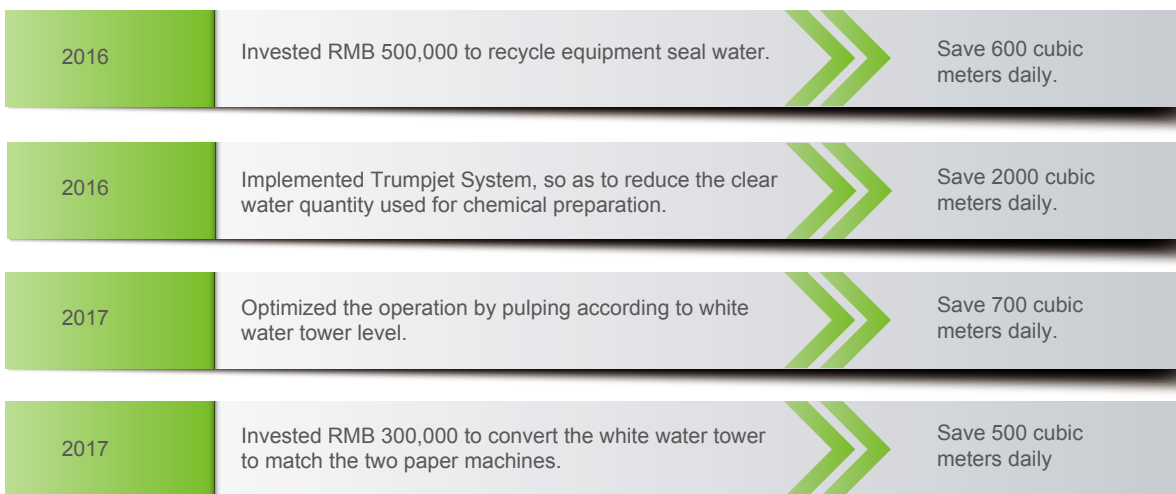
Water Conservation Measures

Water conservation is part of our principles of production. By upgrading our water conservation technologies and equipment, we are able to conserve more water every year.

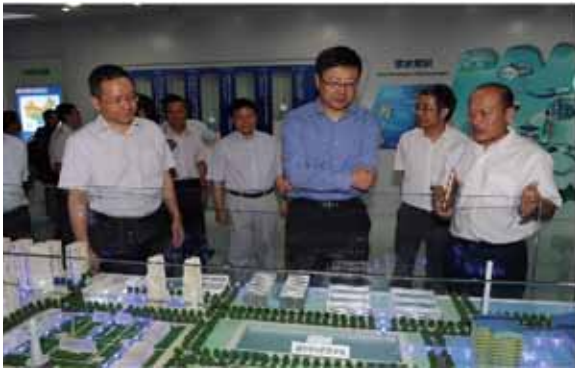
Since 2013, Asia Symbol Shandong has invested more than RMB 75 million on water conservation projects with more than 15 million cubic meters of fresh water saved annually. Part of water conservation measures adopted in Asia Symbol Shandong can be found below:



Since 2015, over 1.83 million cubic meters of fresh water has been saved in Asia Symbol Guangdong annually. Part of water conservation measures adopted in Asia Symbol Guangdong can be found below:



Rizhao (location of Asia Symbol Shandong) had a bad drought in June 2015, affecting the water supply of residents. Facing the water shortages, Asia Symbol Shandong actively responded to the municipal government's water limit requirements and adopted various measures to reduce water consumption such as limiting production, staggering water use, and re-allocating resources. Though Asia Symbol Shandong had to bear a loss of several hundreds of millions RMB, we were glad to see that our proactive water saving measures helped minimize the impact of drought on Rizhao and its residents.



On Sep.8 2015, Mr. CHEN Jining, then Minister of the Ministry of Environmental Protection visited the Urban Sewage Reuse Project



The treated wastewater is drinkable

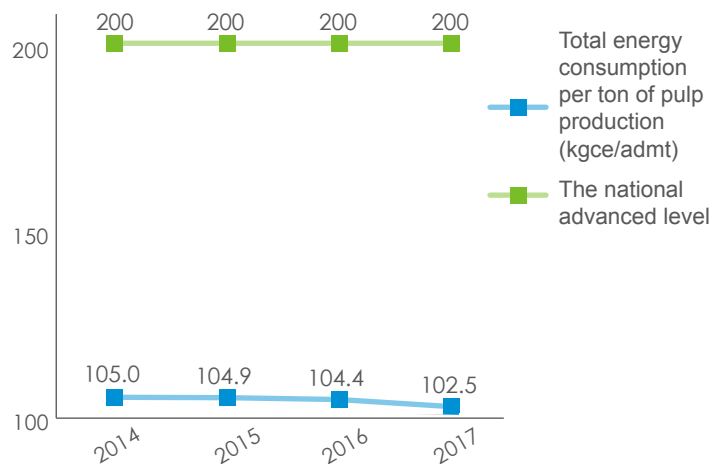
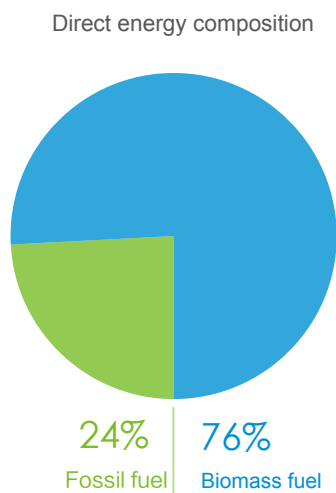
4.3.2 Energy Use

With the increase of business and production volumes, the total energy consumption has also gone up.

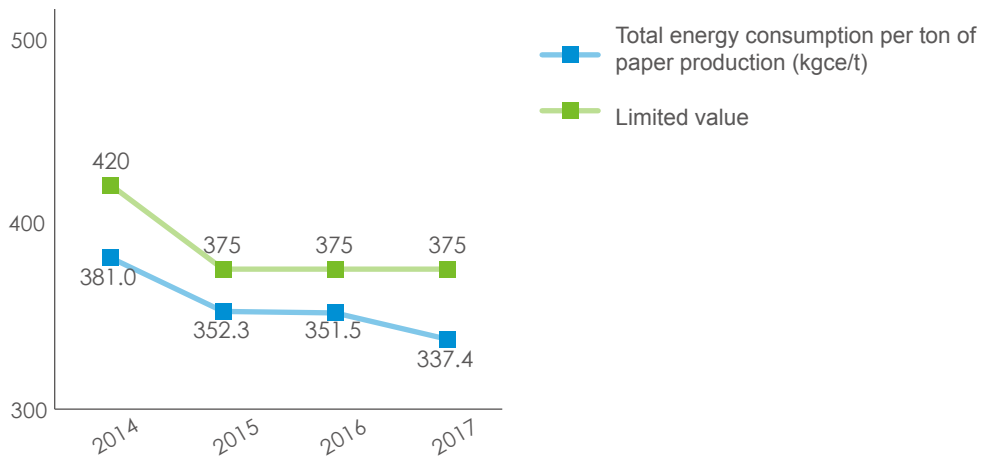
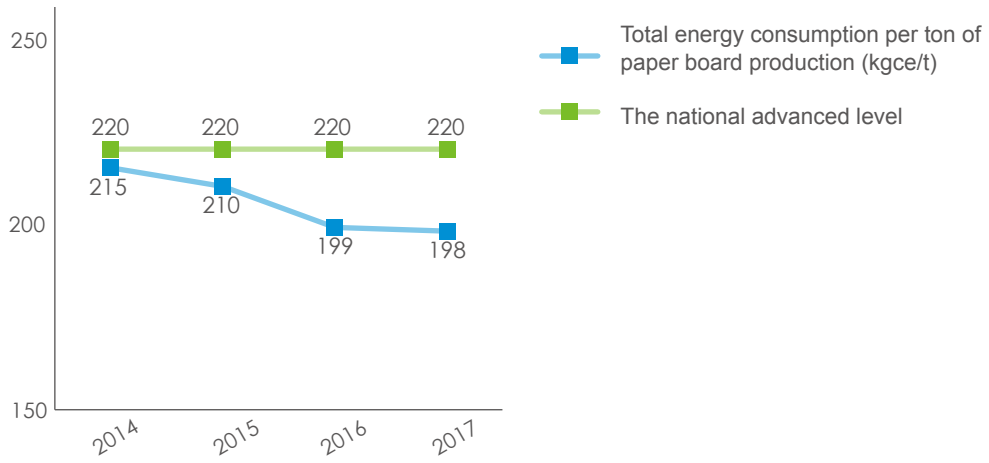
| Unit: GJ | Direct energy | | Indirect energy | | Total energy consumption |
|----------|---------------|----------------|----------------------|--------------------------------|--------------------------|
| | Fossil energy | Biomass energy | Electricity imported | Electricity and steam exported | |
| 2015 | 11,542,252 | 39,539,943 | 153,796 | -207,212 | 51,028,779 |
| 2016 | 13,295,378 | 48,350,011 | 217,620 | -102,337 | 61,760,673 |
| 2017 | 17,370,018 | 48,561,397 | 287,674 | -695,70 | 66,149,519 |

However, biomass energy (black liquor and wood fines) accounted for 76% of Asia Symbol's direct energy composition in 2015-2017.

Energy efficiency in Asia Symbol has been improving continuously. During the reporting period, the total energy consumption per ton of pulp and paper board production is superior to the national advanced level ⁷.



7. The national advanced level is taken from *The Unit Product Energy Consumption Limit for Pulping and Papermaking Enterprises (GB31825-2015)*



In order to reduce the standard coal consumption of the power plant, we set up a project team. We analyzed and verified the factors influencing coal consumption one by one, and used various measures to achieve more reasonable coal blending so as to reduce plant electricity consumption and save compressed air consumption by modifying the balance of steam and electricity, improving the operation cycle of the boiler and adjusting boiler coal combustion. By doing so, standard coal consumption of power supply went down 5% and standard coal consumption of steam supply went down over 10%, and 3400 tons of standard coal is therefore saved annually.

—HE Shunsheng, Relay Protection Engineer, Public Facilities Department in Asia Symbol Guangdong



The wood pulp production line produces a large number of high temperature acidic and alkaline wastewater every day. Because of higher temperatures, acid and alkali waste water are more prone to react, resulting in fouling and blockage of downstream heat exchangers. In order to reduce the scaling rate, the pulp line waste heat recovery project reduces its temperature before mixing the acid and alkali waste water and recovers and reuses part of heat in this wastewater. The heat exchangers were added in the pulping workshop and the recovered heat was used for heating boiler water and process water. More than 16,000 tons of standard coal was saved annually. The pulp line waste heat recovery technology entered the list of the third batch of Technological Innovation Project Plan of Shandong Province in 2017.

—SONG Tao, Engineer, Pulp Technology Department in Asia Symbol Shandong



4.4 Pollutant Discharge and Treatment Measures

“If we cannot eliminate pollution, pollution will eliminate us”, this is our attitude towards pollution. Our pollutant emissions are below discharge standard; moreover, the emission of main pollutants has been reduced continuously. The total environmental protection investment of Asia Symbol Shandong reaches RMB 4.3 billion. Asia Symbol Guangdong has invested RMB 0.4 billion for environmental protection facilities and gained “Green Card” for 4 consecutive years in Guangdong Provincial Environmental Protection Company Appraisal.



Tips

- The Evaluation of Enterprise Environment Credit is conducted by the Provincial Environmental Protection Department, the result of the evaluation consists of four grades, environment protection credit enterprise, good enterprise, warned enterprise and unqualified enterprise, represented by Green, Blue, Yellow and Red Cards respectively.

4.4.1 Water Pollutants Discharge and Disposal

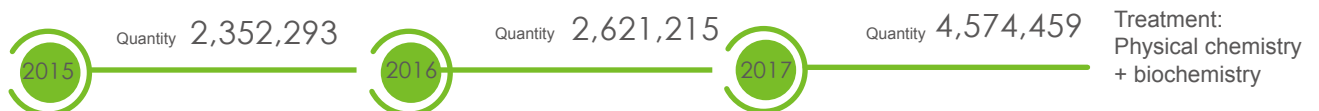
Water Pollutants Emissions

The quantity of sewage discharge in the past three years is as below (Unit: cubic meter)

Asia Symbol Shandong

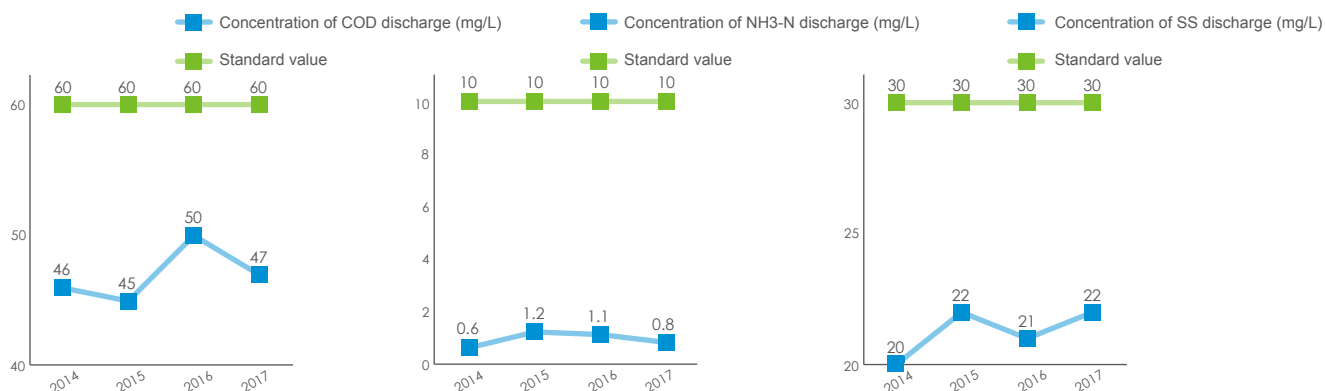


Asia Symbol Guangdong

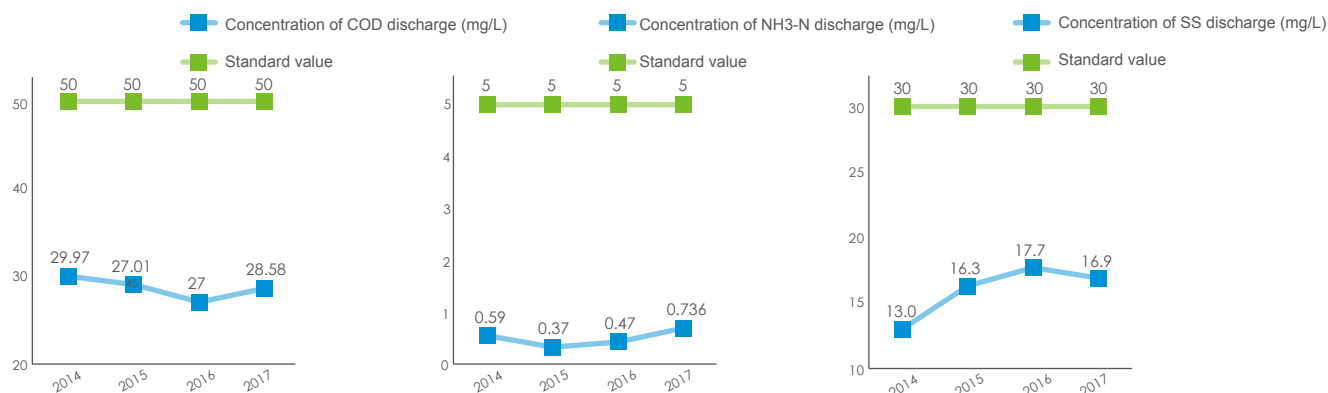


In the past three years, all the water pollutants emissions were below the discharged standard. The concentrations of pollutants emissions are stable with a slight decline and far below the relative discharge standards.

Annual average concentrations of the main pollutants emissions in Asia Symbol Shandong are as follows:



Annual average concentrations of the main pollutants emissions in Asia Symbol Guangdong are as follows:



Waste Water Disposal

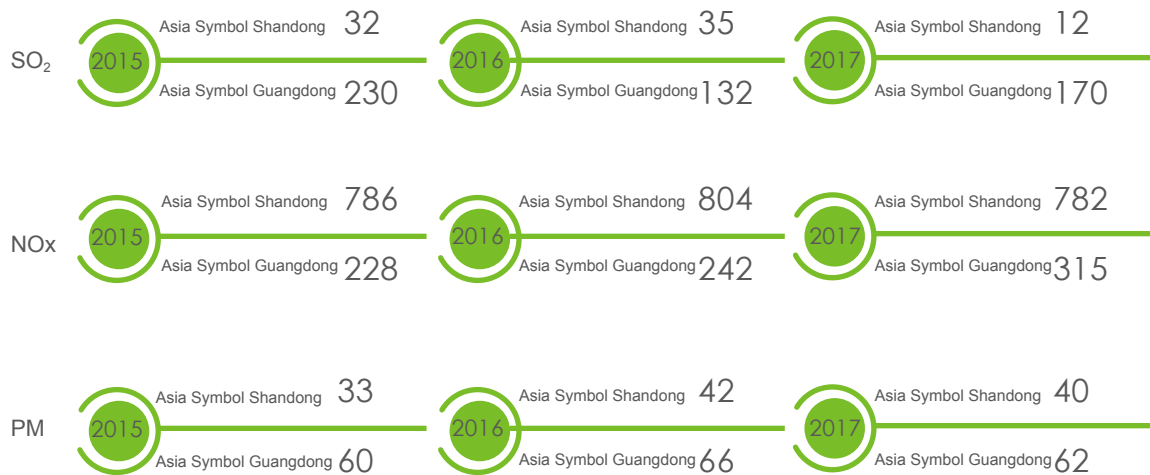
Asia Symbol Shandong reduces COD emissions from the source of production, adopting advanced production process such as high efficiency lye extraction, reverse flow washing & closed screening, oxygen delignification, element chlorine free (ECF) bleaching, high efficiency evaporation and secondary condensate water recovery system. Primary physical treatment, secondary biological treatment, tertiary deep oxidation and air flotation treatment are adopted as end treatment at effluent treatment plant. By strict process control, we ensure that the COD emissions are maintained at the lowest amount.

In Asia Symbol Guangdong, advanced treatment process of papermaking waste water was adopted for the waste water management system. The high-quality equipment for the process was imported from overseas and followed the complete automation model. Moreover, integration, automation and stabilization of waste water treatment system can ensure the safety and efficiency of the waste water treatment process and guarantee that waste water treatment operation reaches the set targets.

4.4.2 Atmospheric Pollutants Discharge and Disposal

Atmospheric Pollutants Emissions (Unit:g/t)

SO₂ emissions per unit product in Asia Symbol Shandong and Asia Symbol Guangdong declined constantly in recent years⁸.



Exhaust Gas Treatment

The exhaust gas in Asia Symbol Shandong is mainly sourced from power boiler, chemical recovery, pulping, bleaching and ClO₂ making workshop. The most advanced exhaust gas treatment equipment in the world has been imported and used, and all the exhaust gas outlets are under fully-closed operation. Meanwhile, Asia Symbol Shandong built a 208-meter high chimney (the highest chimney in the global pulping and paper industry), which helps to minimize the impact of the exhaust gas emission on the surrounding environment.

Multistage exhaust gas combustion system and several backup burning points have been adopted for odor treatment, which ensures the level of the exhaust gas emissions is better than national standard of environment protection. Other measures for odor treatment adopted are as follows:

Establishing the emergency backup system:The existing exhaust gas burning system has been upgraded, and the backup systems of power, water, gas and steam for emergency have been built and adopted. In this case, even if the whole plant suddenly cut off power, the compressed air, steam, cooling water, and power required by the system will be supplied continuously thus exhaust gas won't leak during the emergency of power off. By doing so, we minimize the impact on the environment due to equipment failure.

Increasing the collection and processing devices:The odor collection and processing devices have been equipped at initial sink, neutralization pool, inflow channel, aeration tank, emergency lagoon (south) and unbleached pagoda of pulp production line. The VOC purification devices have been installed at heavy oil depot and waste oil temporary storage, so as to minimize the fugitive emissions' impact on our community.

Installing odor monitoring devices:More than 100 odor monitoring devices were installed around workshops and factories boundaries, which enable us to realize the close monitoring on the abnormal odor from the factory.

The past three years witnessed the decline of the complaints caused by odor from the surrounding community.



The cover constructed above the sewage treatment plant in Asia Symbol Shandong is to reduce the odor emissions



The water used in the gold fish pond in Asia Symbol Shandong is from the treated sewage.



I live near Asia Symbol Shandong. We could smell a little odor from this enterprise sometimes several years ago. We paid close attention to the odor problem as citizens. I visited Asia Symbol as citizen representative, and my visit convinced me that Asia Symbol has done a lot to upgrade its environmental protection standards. To our delight, the odor problem doesn't bother us anymore.

—WANG Shujie, resident of Rizhao Port 2nd living area



In order to improve the efficiency of removing SO₂ and NO_x in the boiler and reduce the total emission of flue gas pollutants, ultra-low emission transformation of the boiler was constructed in Asia Symbol Shandong, including NO_x reduction of SNCR method in furnace (25% ammonia water was used as a reductant) plus ozone oxidation process outside furnace, wet sodium alkali desulphurization in furnace and wet electrostatic precipitator based on existing SO₂ and dusts removal. After the transformation, the emissions of dusts and SO₂ pollutants were reduced drastically.

4.4.3 Solid Waste Disposal

Asia Symbol believes that there's no real 'waste'. Recycling and utilization are our approaches to deal with solid waste. Our solid waste are mainly generated from pulping and papermaking process, washing process, alkali recovery process, power boiler process, sewage treatment process, etc. Most of the solid waste has been utilized. The solid waste that cannot be recycled now, such as green mud, digested lime slag and gravel, are sent to landfills for centralized landfill disposal according to the requirement of relative laws and standards.

The comprehensive utilization of solid waste in Asia Symbol Shandong is as follows:

| Solid Waste | 2015 ton/year | 2016 ton/year | 2017 ton/year | Composition | Treatment Method | Utilization Rate |
|--------------------------------------|---------------|---------------|---------------|--|---|------------------|
| Recycled fibre | 6,633 | 10,620 | 8,892 | Fiber | Sold for making paperboard | 100% |
| Wood fines | 105,482 | 144,260 | 143,730 | Wood fines | Burning in boiler | 100% |
| Sifting slag | 11,613 | 13,592 | 12,430 | Fiber | Production of low grade paper for small paper mills | 100% |
| Green mud, digested lime slag gravel | 16,600 | 19,512 | 16,689 | CaCO ₃ , CaSiO ₃ , Organic compound, a little alkali, digested lime, Unburned CaCO ₃ , and impurities | Sent to landfills centralized landfill disposal | 0 |
| Coal ash dregs | 40,897 | 56,078 | 54,147 | Coal ash dregs | Sold for cement production | 100% |
| Sludge | 34,394 | 36,682 | 41,760 | Fiber/Organic compound | Comprehensive utilization combustion | 100% |

The comprehensive utilization of solid waste in Asia Symbol Guangdong is as follows:

| Solid Waste | 2015 ton/year | 2016 ton/year | 2017 ton/year | Composition | Treatment Method | Utilization Rate |
|---|---------------|---------------|---------------|----------------------------|---|------------------|
| Pulp Slag | 2,369 | 1,620 | 5,227 | Fiber | Comprehensive utilization to make low-grade paper | 100% |
| Fly ash | 49,705 | 46,256 | 52,787 | Coal dust | To manufacture building materials | 100% |
| Slag | 10,932 | 11,012 | 10,932 | Slag | To manufacture building materials | 100% |
| Desulphurized gypsum | 3,725 | 1,936 | 8,945 | Gypsum | To manufacture building materials | 100% |
| Sludge | 3,502 | 3,348 | 9,753 | Fiber/organics | Comprehensive utilization combustion | 100% |
| Scrap iron, waste wood blocks and waste plastic | 2,101 | 2,677 | 10,680 | Iron and wood blocks, etc. | Utilize them as raw materials for other items. | 100% |



Tips

After extracting and drying, the sludge in the waste water can be sent to boiler for burning, power generation and heat supply. By doing so, we treat the sludge environmentally as well as using the residual cellulose in the sludge as fuel, and this is considered as the most environmental friendly disposal method of sludge. All of the sludge from Asia Symbol Shandong and Asia Symbol Guangdong is used for combustion power generation.



Through our longtime observation, we found that there are a certain proportion of tailings in the waste water from paperboard production, and it enters the effluent treatment plant together with waste water. The main composition of tailings is fiber, though we can't use it within our company, it is valuable raw materials in the market. Thus we modified the equipment and enabled to collect 2.7 tons of tailings daily, which can be sold for benefit; more importantly, we can save and reuse resources.

— ZHOU Hua, Director of Paperboard Plant, Asia Symbol Shandong



4.5 Greenhouse Gas

4.5.1 GHG Emissions

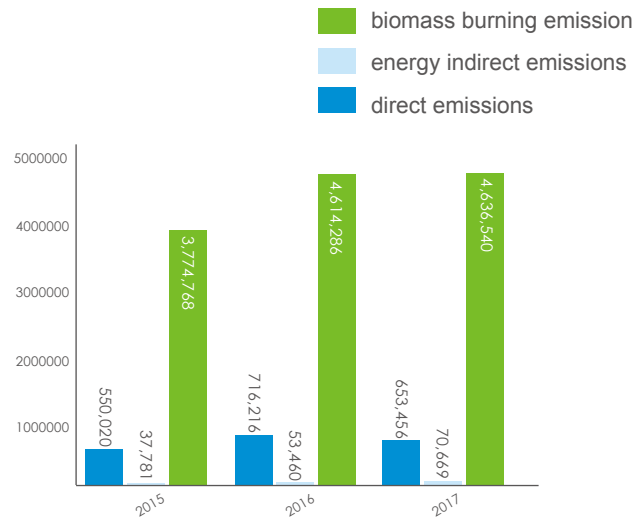
Asia Symbol has 100% operational control of Asia Symbol Shandong and Asia Symbol Guangdong. All the GHG emissions in these two companies have been included in the GHG emission list.

We calculate the GHG emissions according to ISO14064-1: 2006 *Greenhouse gases — Part 1: Specification with Guidance at*

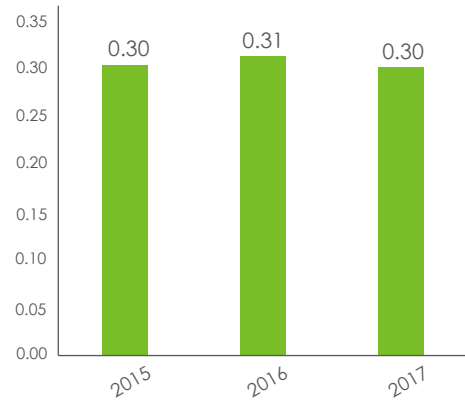


the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. We have disclosed scope 1 (direct emissions), scope 2 (energy indirect emissions), and disclosed the bio-fuel emissions separately based on the requirement of the standard.

GHG emissions in Asia Symbol Shandong (tCO₂)

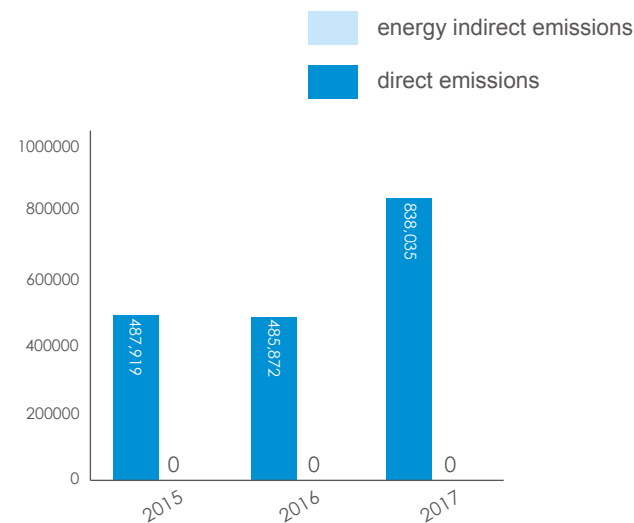


GHG emissions per ton production⁹ of Asia Symbol Shandong (tCO₂/t)

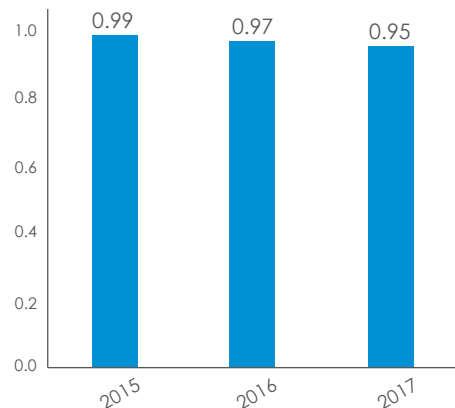


GHG emissions of Asia Symbol Guangdong are shown as below. Because the second production line has been put into operation and the production volume is doubled, the GHG emissions in 2017 increased. However, the GHG emissions per ton production have been reduced constantly.

GHG emissions of Asia Symbol Guangdong (tCO₂)



GHG emissions per ton production of Asia Symbol Guangdong (tCO₂/t)



4.5.2 GHG Emission Reductions

We have been committing to GHG emission reduction. Biomass energy (black liquor and wood fines) accounts for more than 75% of the annual direct energy consumption. Compared to the baseline of fossil energy, more than 3 million tons of CO₂ emission is reduced annually, which is equal to the annual emissions of a large coal-fired power station.

Asia Symbol Shandong not only strives to reduce energy consumption, but also uses clean energy to replace fossil energy. Since 2013, Asia Symbol Shandong started to use natural gas instead of heavy oil, and the percentage of natural gas we used becomes higher and higher. The emission reductions between 2015 and 2017 amounted to 170,000 tons of CO₂. Moreover, Asia Symbol Shandong plans end the use of heavy oil in 2018, which will yield 30,000 to 40,000 tons of CO₂ emission reduction per year.



A large number of heavy oil and natural gas is burning in lime kiln of alkali recovery system, and hydrogen is a by-product of the chemical plant. Through technical reform, we partly replace the fuel with Hydrogen, which reduces fossil consumption and realizes the emission reduction. The annual CO₂ emission reduction is over 15,000 tons.

—FANG Kehang, Engineer of Alkali Recovery System, Asia Symbol Shandong



Overall view of alkali recovery system in Asia Symbol Shandong

In 2017, the national policy of carbon emissions trading has been actively implemented in Asia Symbol. Asia Symbol Shandong's 2013-2015 carbon emissions verification was conducted by a third party assigned by Shandong Development and Reform Commission. Asia Symbol Guangdong's carbon emissions verification was completed and the company was included in 2017 Guangdong's Carbon Emissions Trading Control Company List and took part in the pilot carbon emissions trading. In 2017, the actual emissions of Asia Symbol Guangdong were 20% lower than the controlled emission index.



5 People Care for a Harmonious Society

Asia Symbol attaches great importance to employees' welfare, training, development and occupational health & safety. In terms of community development, relying on our employee volunteers, we actively promote public welfare projects on environmental communication, community capacity building, community care and sports & cultural activities, so as to improve welfare and quality of life for community residents.

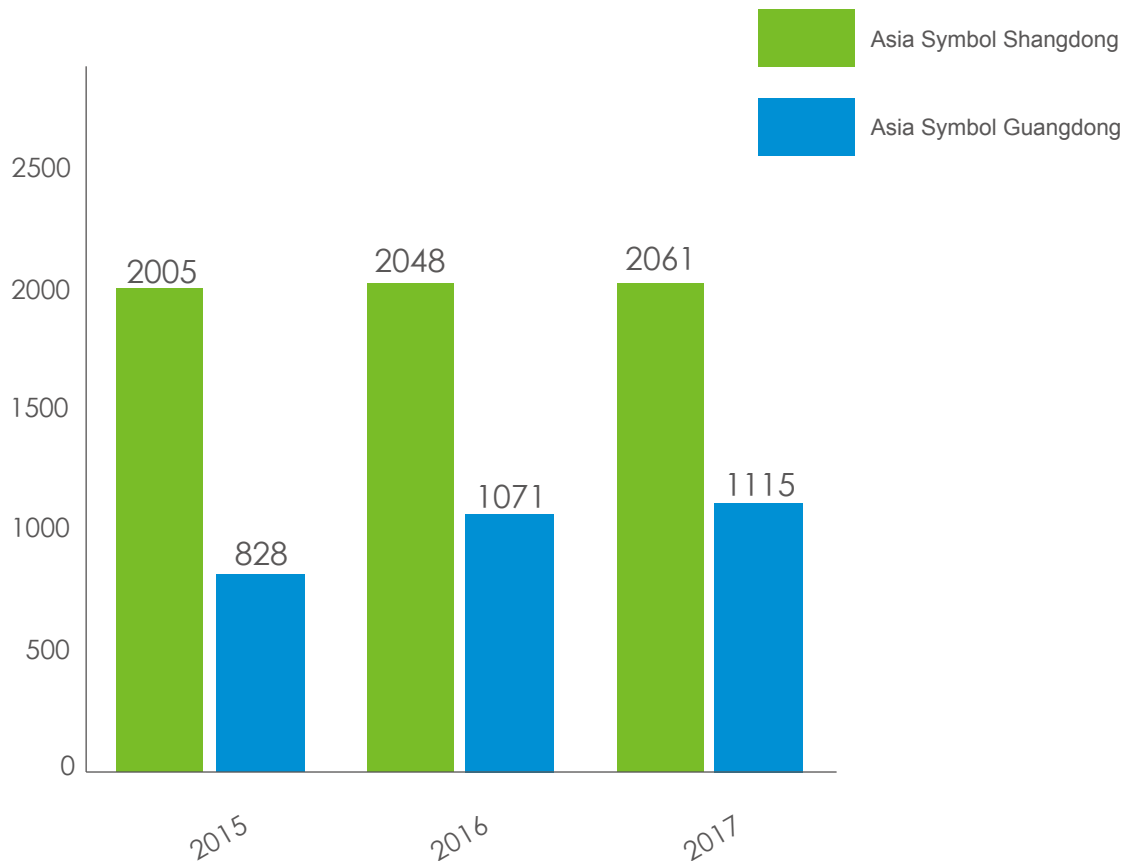
5.1 Employees' Rights and Benefits

Asia Symbol provides competitive salaries and benefits to employees. Trade Union Constitution and Employee Involvement Regulations have been formulated and the communication mechanism between employees and the management has been established.

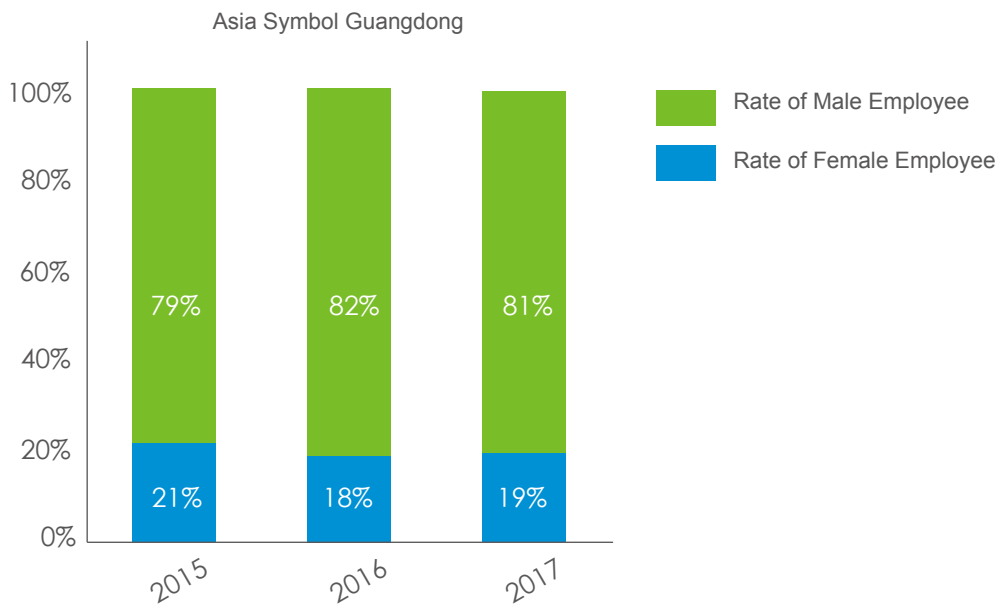
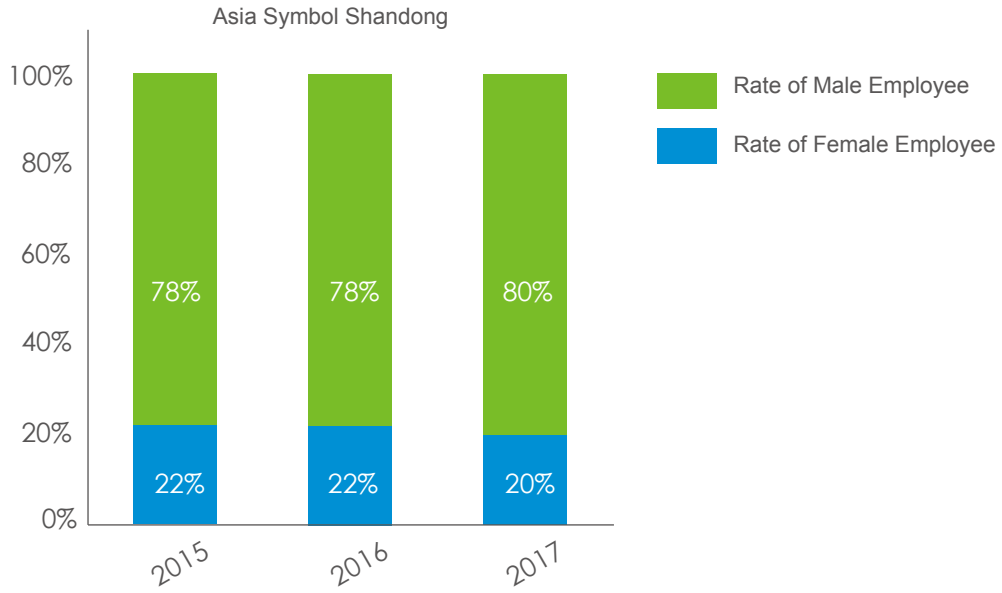
5.1.1 Employment Policy and Employee Profile

Legitimate Employment: Asia Symbol complies with labor laws and other related regulations in carrying out recruitment and labor relations, and handling training, promotions, compensations, benefits and resignations. This safeguards employees' legal rights and interests. The company signs written labor contracts with individual employees upon their employment starting dates.

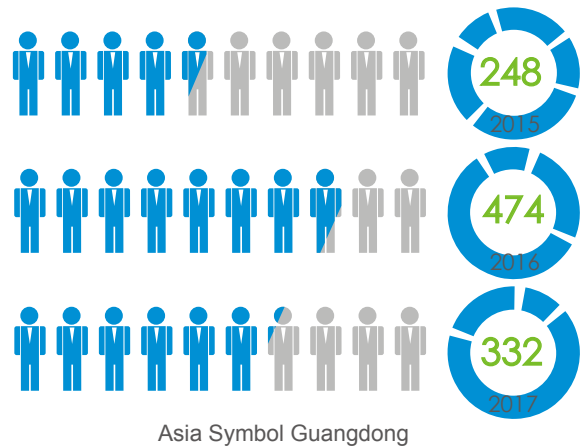
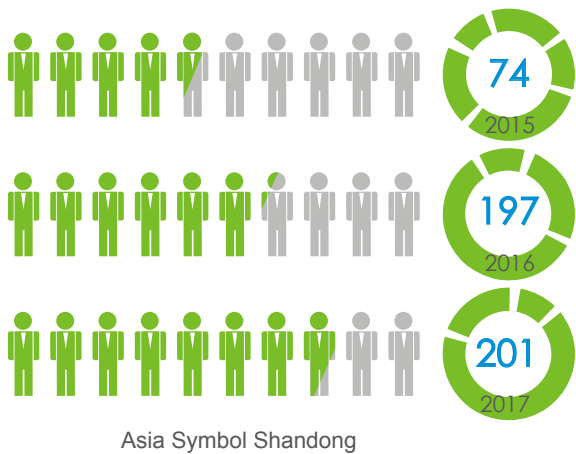
By the end of 2017, Asia Symbol had 3,176 employees, of which 2,061 were in Shandong and 1,115 were in Guangdong, there were 128 dispatched workers, among which 111 were male and 17 were female.



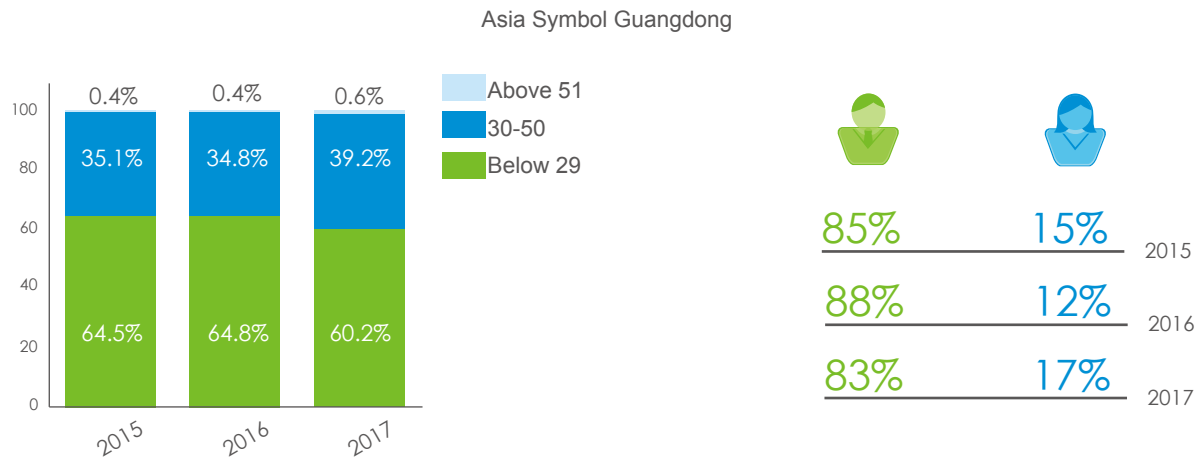
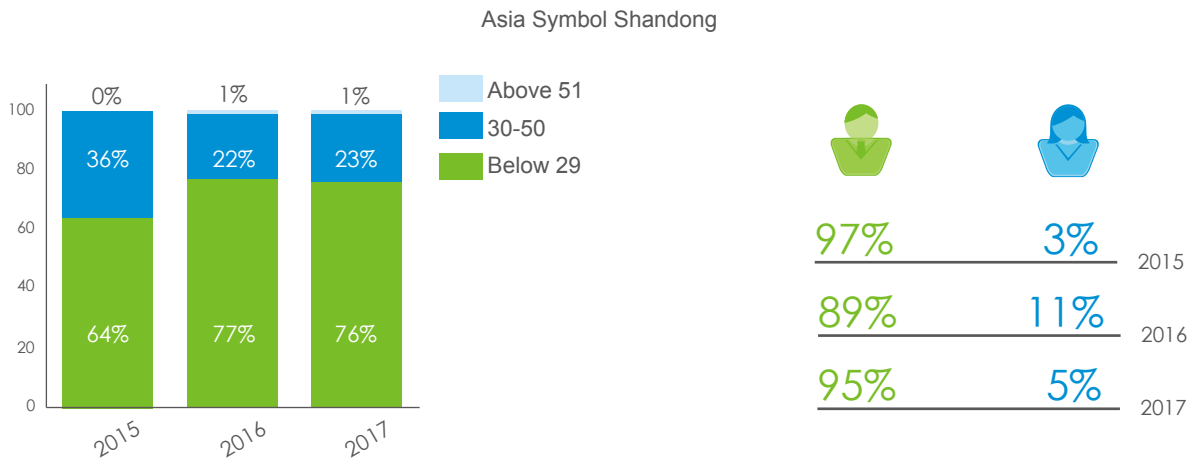
Gender structure of employees from 2015 to 2017:



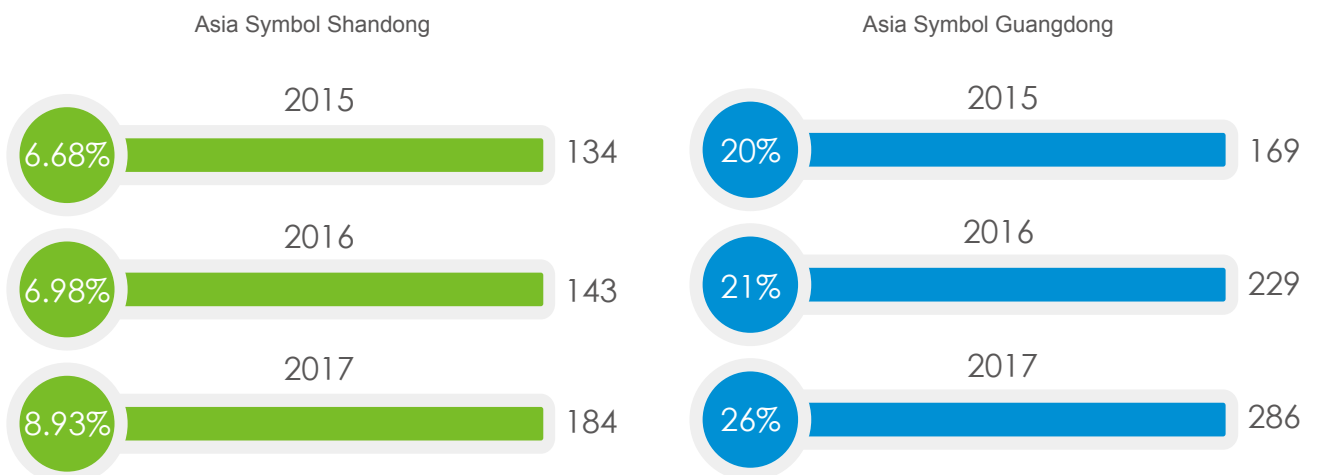
New employees number from 2015 to 2017:



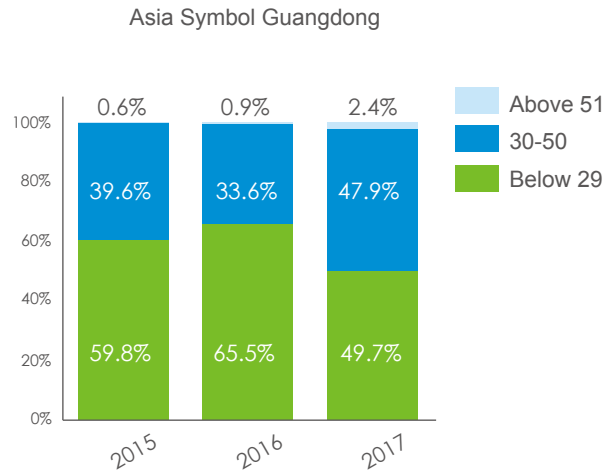
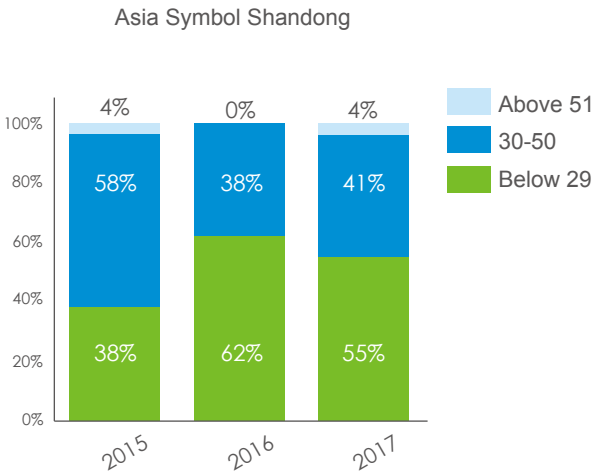
Age and gender of new employees in 2017:



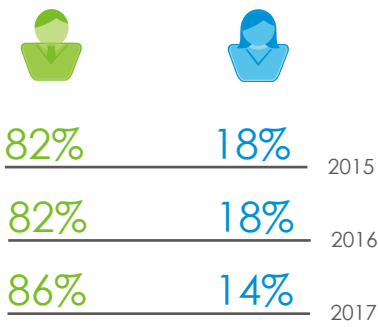
Employees Resignation from 2015 to 2017
Number of resigned employees and turnover rate:



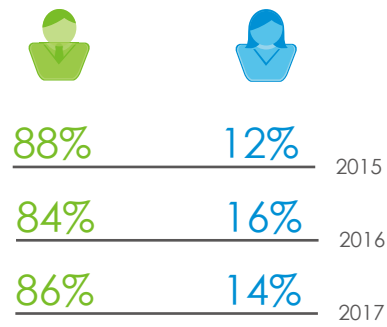
Age structure of resigned employees:



Gender structure of resigned employees:

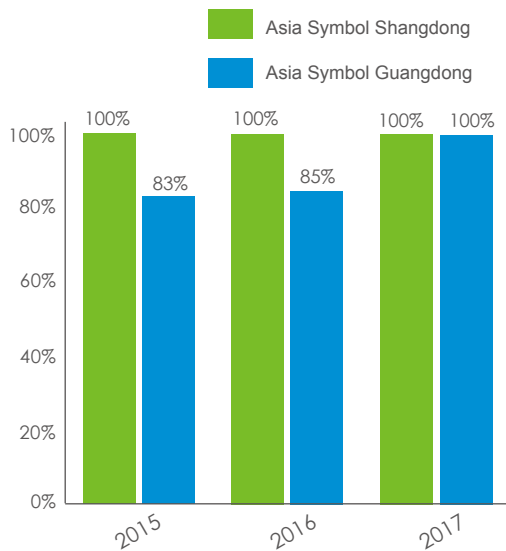


Asia Symbol Shandong

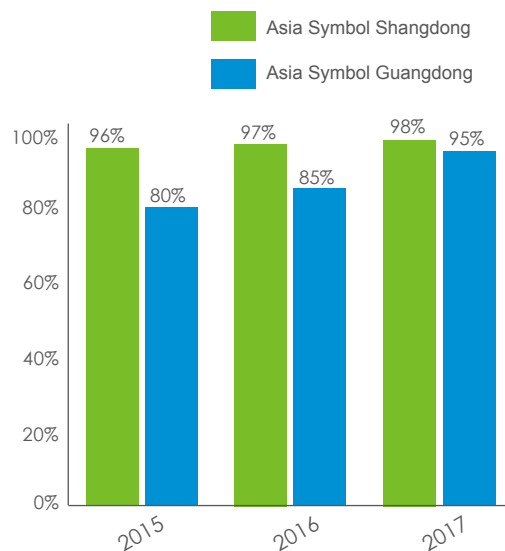


Asia Symbol Guangdong

Postpartum rework rate:



Retention rate after parental leave:



5.1.2 Compensation and Benefits

We provide equal pay for equal work, irrespective of gender. We guarantee that our employees' salaries are above the minimum wage level set by the local government. We regularly participate in market salary surveys to keep our employee salaries at a medium to high level within the industry. Full time employees of Asia Symbol enjoy the following compensation and benefits:

- Provide employees with 13-month salary and performance bonus;
- Paid housing fund program and social security program, including pension, medical, work injury, maternity and unemployment insurance for employees;
- Employees enjoy statutory national holidays, paid annual leave, compassionate leave, sick leave, marriage leave, maternity leave, funeral leave and work-related injury leave;
- Provide employees with Employer's Liability Insurance or Group Accident Insurance;
- Provide attendance employees with food allowances and employees on shift duty with additional allowances;
- Provide holiday gifts for employees;
- Provide marriage, birth and condolences cash gift for employees;
- Provide free shuttle bus services for employees;
- Provide employees with heating allowance for winter and high temperature allowance for summer;
- Provide non-local employees with house rental allowances;
- Provide employees with uniforms (winter, summer and spring & autumn uniforms);
- Organize health examinations for employees every two years;
- Organize various recreational and sport activities for employees.

In addition, Asia Symbol holds awards to motivate employees, such as Safe Production Award, Environmental Protection Award, Continuous Improvement Award, Excellent Team /Employee Award, Headquarters Award and On-duty Invention Award. Moreover, the first phase of employees' dormitories at Asia Symbol Shandong has been completed and put into use.

Labor Union

Asia Symbol encourages its employees to join the Labor Union and participate in its management. 98% of Asia Symbol employees are union members. As representative of employees' rights and interests, the Labor Union organizes events for its members to participate in the company's democratic decision-making, management and supervision of the company, and makes efforts to safeguard the legitimate rights and interests of employees. Employees can participate in the discussion of major company matters during the Annual Labor Union Congress, or present their opinions and suggestions on *General Manager's Communication Day* as well as during the Employees Representative Symposium. Asia Symbol signs a *Collective Contract* and *Collective Wage Agreement* with all employees, which illustrate employee rights, welfare, vacation, female employee protection, professional training and education. According to the *Collective Contract*, if the company has to lay off employees because of operational difficulties, it must give 30 days' advanced notice to all members of the Labor Union, and should also put forward a compensation plan in consultation with the Labor Union and local government.

Care for Female Employees

Asia Symbol Labor Union signed a *Special Collective Contract for the Protection of Special Rights and Interests of Female Employees* with the company, which elaborates on the protection and respect for female employees in terms of labor protection, career development and democratic participation. Female employees enjoy labor protection during the "Three Phases", i.e. pregnancy, childbirth and lactation. Female employees are included in the maternity insurance and enjoy maternity allowance and childbearing wages. Moreover, female employees have the right to receive training, pursue further education as well as enjoy International Women's Day holiday on March 8.

Care for Special Employees

Asia Symbol Shandong and the Labor Union joint established a Special Aid Fund for employees experiencing financial hardships. Employees will receive aid if they/their spouses or children are suffering from critical diseases or accidents. RMB 649,000 has been spent to help 24 employees since 2011.

Actively Organize Various Activities to Enrich Employees' Spare-time Life

To enrich employees' lives, the Labor Union organizes regular recreational and sports activities, such as collective birthday parties for employees, sports meetings, family days, singing competitions, spring festival galas, chess competitions, card games and ball game competitions.



Asia Symbol Shandong's Spring Festival Gala 2017



In October, 2017, Asia Symbol Shandong held an Employee Sports Meeting



On May 26, 2017, the final session of the "Asia Symbol Good Voice" competition was held in Asia Symbol Guangdong



On Nov 21, 2015, over 200 Asia Symbol Guangdong employees attended the Walking Marathon in Jiangmen

» 5.2 Occupational Health and Safety

We comply with applicable laws and regulations, create a safe working environment, and focus on enhancing workers' awareness of health and safety, so as to create a harmonious working atmosphere.

5.2.1 Occupational Health and Safety Management System

Both Asia Symbol Shandong and Guangdong have obtained the Occupational Health and Safety Management System Certification.

| Boundary | Category | Certification Scope | Certificate Standard |
|-----------------------|--|---------------------|--------------------------------|
| Asia Symbol Shandong | Occupational Health and Safety Management System | Pulp and Paperboard | GB/T28001-2011/OHSAS18001-2007 |
| Asia Symbol Guangdong | | Fine Paper | |

5.2.2 Safety Performance

From 2015 to 2017, we have achieved the safety target of zero casualty. In 2015 and 2016, Asia Symbol Guangdong achieved the target of zero lost time incurred from accidents, zero lost time per one million work hours and zero lost time injury frequency. Meanwhile, Asia Symbol Shandong obtained the titles of “Level 2 Safety Production Standardization Enterprise” and “Benchmarking Enterprise of Safety Classification Management and Hidden Trouble Investigation and Control” in Shandong Province.

| | | 2015 | 2016 | 2017 |
|--|-----------------------|------|------|-------|
| Number of Fatalities from Safety Accidents | Asia Symbol Shandong | 0 | 0 | 0 |
| | Asia Symbol Guangdong | 0 | 0 | 0 |
| Number of Accidents Incurring Lost Time | Asia Symbol Shandong | 2 | 2 | 2 |
| | Asia Symbol Guangdong | 0 | 0 | 2 |
| Lost Time per one Million Work Hours | Asia Symbol Shandong | 475 | 384 | 456 |
| | Asia Symbol Guangdong | 0 | 0 | 86.39 |
| Lost Time Injury Frequency (LTIF) | Asia Symbol Shandong | 0.4 | 0.35 | 0.31 |
| | Asia Symbol Guangdong | 0 | 0 | 0.6 |

5.2.3 Safety Management

Safety Production Management Committee

Both Asia Symbol Shandong and Asia Symbol Guangdong established the Safety Production Management Committee as the supreme policy-making body for managing the company’s safety production. General Manager is the person in charge for safety production and bears overall responsibility. Other managerial staffs are also responsible for safety production within their respective duties. A safety management committee meeting is held every month.

Under the Safety Production Management Committee, Asia Symbol established sub-committees (including the fire control, electrical equipment, transportation, special equipment, public facility and hazardous substance sub-committees), so as to encourage professionals to become part of the sub-committees and participate in safety production management in a more professional and authoritative way.

Safety Training

Asia Symbol attaches great importance to employees’ safety training, we prepare annual safety training plans and establishing safety training records for each employee.

Entry Training: Each new employee receives three levels of safety education (company, workshop, team & group) on their first day; and they can start work only after passing an assessment. Untrained personnel are prohibited from starting work.

Monthly Training: Each department organizes safety training at least once a month to ensure that every employee receives safety training every month.

Morning Meeting Safety Guidance: Each team must carry out safety advocacy during the morning meeting, so as to strengthen employee awareness of safety production.

Practical Training: In order to improve employee operation and emergency skills, we carry out regular training on safety skills, such as emergency rescue skills, operation of fire fighting equipment and safety operation training of lifting equipment.



First aid training in Asia Symbol Guangdong

Safety Production Month

Every year, in response to the call of the National Safety Production Month, we initiate and organize a variety of "Safety Production Month" activities within the company, including speech contests, safety knowledge contests, and "Gold Point" safety hazard investigations, etc.. We also organize various publicity and educational activities to highlight the importance of safety knowledge learning and to encourage the participation of all members in safety production management.



On June 21 2016, Asia Symbol Shandong organized a Safety Knowledge Contest



On June 26 2017, Asia Symbol Guangdong organized a Safety Knowledge Contest

Safety Management Procedures for the Contractors

Conduct strict reviews of contractor qualifications and regular assessments on their safety performance.

Provide all contractor personnel with safety briefings before entering the mill, mill entrance permits are only available after achieving training certificates.

Sign safety agreements with contractors to make clear the safety management responsibilities of both parties.

Conduct detailed technical clarifications on safety procedures with contractors and introduce work risks and control measures.

Each department of the company conducts site supervision and management of contractors within its region.

Ensure that contractors have the relevant hazardous work permit before commencement of any work; for dangerous operations, specialized persons will be assigned to supervise them.

Urge the contractors to fulfill main safety responsibilities and require contracts to have one full-time safety management person for every 30 personnel.



In March 2018, Asia Symbol Shandong held safety training for community contractors



Sharing joint safety growth with contractors

Many of our contractors are from nearby communities. In order to promote the safe and orderly development of their business, we put forward the goal of "Joint Safety Growth" and formulated a detailed implementation plan.

Go out and achieve active understanding of the current status of community suppliers' safety management. Invite the contractor's leader and safety management personnel to the company to conduct on-site knowledge exchange. Regularly communicate with management personnel about safety management experience. Conduct strict inspections on key issues, paying detailed attention to management and implementation. Carry out professional safety knowledge trainings. Normalize the plan. We also carry out a comprehensive safety inspection on the company once a month, and make a safety training plan for key management staff and security personnel every six months.



—— WEN Chao, Safety Engineer,
Asia Symbol Shandong

Company Fire Brigade

Both Asia Symbol Shandong and Guangdong have built company fire stations with their own fire-fighting vehicles and full-time firefighters. Under the professional guidance of fire engineers, they constantly improve their emergency rescue, fire prevention and control abilities.



Fire Fighting Skills Contest in Asia Symbol Guangdong



On July 25, 2016, a big fire broke out in the Longyong Spice Company and Yangrong Rolling Mill in Shuangshui Town, Xinhui District. Under the request of Shuangshui Town Government, Asia Symbol Guangdong dispatched a fire engine and 8 firemen to assist. During more than six hours of rescue, the Asia Symbol Fire Brigade fought bravely and played a vital role in preventing the spread of the fire. The timely help was fully affirmed by leaders of the Shuangshui Town Government and praised by the local community.



Representatives from Shuangshui Town Government presented a banner to Asia Symbol Guangdong

5.2.4 Occupational Health and Safety Management

We greatly value employee health and safety management. We established occupational health and safety regulations and employee occupational health management files. Moreover, we conduct regular EHS training and provide employees with Personal Protection Equipment that complies with national standards.

For jobs with occupational hazards, the company strictly complies with requirements of laws and regulations, carries out occupational health training for employees when signing contracts, and informs them of occupational risks and hazards to safeguard employees' health. Meanwhile, occupational health examinations of the employees are carried out before, during and after leaving the job. Every year, 100% of employees who are in contact with occupational hazards receive occupational health physical checks. There were zero occupational diseases or suspected cases detected from 2015 to 2017. The company employs qualified testing organizations to carry out workplace occupational hazards testing every year and incorporates occupational disease protection facilities into the maintenance and repair plans to ensure that the working environment meets health and safety requirements.

5.2.5 Occupational Health and Safety Goals

Asia Symbol Shandong and Asia Symbol Guangdong's occupational health and safety goals are as follows:

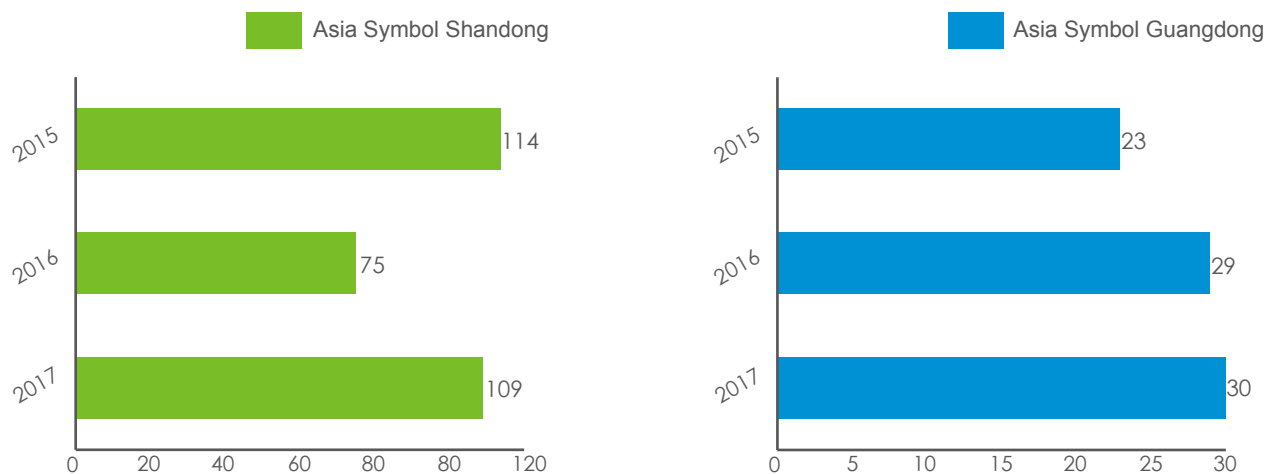
| Goals of Asia Symbol Shandong | Goals of Asia Symbol Guangdong |
|--|--|
| 1. No fatal injury (FI =0) | 1. No death of major injuries |
| 2. LTIF per 1,000,000 hours worked ≤0.75 | 2. No accident which results in minor wounds |
| 3. No occupational disease | 3. No occupational disease |
| 4. No fire and explosion accident | 4. No fire, chemical leakage and explosion accident |
| | 5. No special equipment accident & vehicle injury accident |

» 5.3 Training and Development for Employees

Asia Symbol provides training and development opportunities to all employees, to fully explore their professional potential, and to provide strong human resource support for the sustainable development of the company's business.

5.3.1 Employees Training

Training hours of Asia Symbol employees from 2015 to 2017:



Asia Symbol has established a comprehensive training system which includes two modules: Technical Training and Management Training.

Technical Training includes tailored knowledge and skills for each job. At present, there are 43 multi-skill compulsory module courses, 127 professional module courses, and 4 logistics service module courses. In addition, the company has built simulated training rooms and municipal technician workstations, which allows for hands-on training and enhancement of employee skills.

Management Training includes new employee orientation, basic management and general skills courses, leadership development courses, lean management courses and safety training. The company runs a "Graduate Training Program" for new graduates every year.

5.3.2 Career Development Planning for Employees

Asia Symbol places great emphasis on employees' career development and formulates individual employee development plans according to the Management Development Review procedures. The company conducts Current Estimated Potential (CEP) assessments and updates Individual Development Plan (IDP) for employees. Managers can improve their employees' abilities through training and rotation projects, and carrying out short or long term career planning sessions to help them maximize their business potential and achieve their promotion and development aspirations. There are special training programs for employees with high potential to accelerate their pace of promotion.

All Asia Symbol employees undergo performance appraisals and career development assessments.



Middle Management's "Be Steeled through Repeated Exercises" Training Program of Asia Symbol Guangdong

From June to November 2017, 18 middle managers participated in a 10-day "Be Steeled through Repeated Exercises" training session. The training defined the role of their managerial work and thinking methods, and improved their leadership and communication skills in order to equip them with good people management abilities as well as knowledge on how best to cultivate, motivate, develop and retain people.



In June, 2017, "Be Steeled through Repeated Exercises" was launched in Xinhui



Asia Symbol selects managers to participate in Management Development Program

Asia Symbol selects some managerial employees to participate in the Management Development Program (MDP) organized by the RGE group every year, to update their management concepts and improve their strategic decision-making and implementation abilities. The one-week training is run in collaboration with the School of Management of Fudan University. Three batches of 32 Asia Symbol managers participated in the training from 2015 to 2017.



2017 MDP was held in School of Management, Fudan University



A successful case of talent development

Asia Symbol places great significance on the internal training of talents. The combination of internal training, MDP and EDP has led to the emergence of a number of professional managers who are dedicated and well-acquainted with the industry. Wang Weiguo, Deputy Managing Director of Asia Symbol Shandong, who participated in the MDP training in 2007 and 2008, is an exemplary case of internal cultivation. In the past years, he has been promoted from manager to senior manager and then to general manager level. In 2014, he was promoted to Deputy Managing Director of the company.



Wang Weiguo, Deputy Managing Director of Asia Symbol Shandong addressed at the seminar on RGE Core Values.

5.4 Human Rights

Asia Symbol promises to respect the internationally recognized human rights established by *the United Nations International Charter of Human Rights*, and to respect the labor rights stated in *the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization*, as well as the provisions of *the United Nations Guiding Principles on Business and Human Rights*.

Asia Symbol released its *Human Rights Policy* in July 2017. In implementing the human rights policy, Asia Symbol promises to:

- Respect *the International Labor Organization Declaration on Fundamental Principles and Rights at Work*.
- Adopt the best practices in talent recruitment and meet all legal and cultural convention requirements.
- Respect the right to freedom of association.
- Respect diversity of employees.
- Provide accommodation to hired employees, which is safe and hygienic.
- Protect the health and safety of workers. The company and its suppliers/contractors shall provide employees with proper equipment to ensure that they are free of occupational health and safety hazards.
- No tolerance of child labor, forced labor and debt-paying labor.
- No tolerance of discrimination, harassment or abuse of any form.

This is in line with the RGE Global Code of Conduct, which clearly establishes that we respect human rights and do not tolerate any form of intimidation, harassment and violence in the workplace.

5.5 Customer Health and Safety

One of Asia Symbol's visions is to create value for customers. The premise is to ensure that our products and services have no negative impact on customers' health and safety. Through an excellent management system and product certification, we ensure that the raw materials for our products come from certified sustainable forests, a world-class production process is adopted during the production stage, and quality control of the whole course is strictly implemented.

| Category | Certification Scope | Certificate Standard |
|--|---|---|
| Food Safety Management Certification FSSC22000 Certificate | Food Packaging Board Production Category: M | ISO 22000:2005, ISO/TS 22002-4:2013 and Additional Requirements of FSSC2200 |

The liquid packaging paperboard produced by Asia Symbol Shandong is the highest level of food grade packaging paper. No fluorescent bleacher is added to the product and it meets the requirements for liquid food packaging cardboard (direct contact category) issued by China, the FDA and the BfR, and the company has obtained food safety management system certification.

During the production process, both Asia Symbol Shandong and Guangdong adhere to the requirements under the National Water Pollution Prevention and Control Action Plan, and has completed in advance the transformation of pulp production without elemental chlorine bleaching. By doing so, we make sure our entire product range is made from non-elemental chlorine bleached wood pulp, contributing to safeguarding public health.

There were no health and safety violations involving Asia Symbol products and services from 2015 to 2017.

» 5.6 Community Development

Our production activities may have some negative impact on the community and environment around us, however we firmly believe that we are able to minimize these impacts and contribute to community development as well as environmental protection through our efforts.

5.6.1 Understand Community Needs

In order to understand the needs of the community, we established a community visiting system to strengthen our communication with surrounding communities. We also gain an understanding of community needs through communicating with various stakeholders and design community development projects based on their needs.



Asia Symbol Shandong understands needs from communities

On Jan 13, 2017, a Party Member Representatives Meeting of Donghaiyu Village, Rizhao Economic-Technological Development Zone was held at Asia Symbol Shandong. Party members listened to Asia Symbol's work report and spoke highly of the company's improvement in environmental protection and social responsibility. Staff from the Asia Symbol Community Development Department communicated with the party member representatives at the meeting.



Party Member Representatives Meeting of Donghaiyu Village was held in Asia Symbol Shandong



Asia Symbol Guangdong understands needs from communities

In February 2015, staff from the community development department and employee volunteers of Asia Symbol Guangdong were invited to participate in the representatives meeting in Shalu Village, Shuangshui Town, Xinhui District. At the meeting, village representatives expressed their full support for the company's production and operation activities, and voiced their community development concerns at the same time.



Meeting between Asia Symbol Guangdong representatives and Shalu villagers

5.6.2 Community Development Projects

Based on the integration of community needs and company advantages, Asia Symbol designed four categories of community projects, which aim to contribute to the development of surrounding communities and improve the welfare and quality of life in these areas. The project categories include environmental communication, community capacity building, community care, and sports and cultural activities.

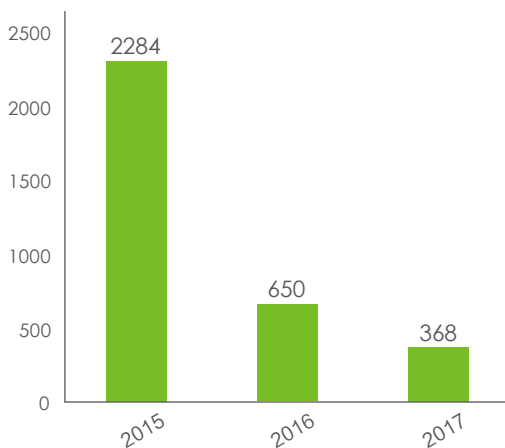
Four Categories of Community Development (CD) Projects

| CD Projects | Target Groups | Target | Typical Activities |
|--------------------------------------|--|---|---|
| Environmental Communication Projects | Students, community residents | To improve their environmental protection awareness & change their environmental protection behaviors to jointly build up beautiful China | I am a little paper maker Environmental Protection Drawing Competition Visit Asia Symbol Visitor Center Environmental Cycling |
| Community Capacity Building Projects | Small and medium-sized enterprises in the community Community School Teachers | To enhance the management and competitiveness of SMEs in the community To improve teaching levels at community schools | Support community school teachers to go out for high-end training Invite educational experts to carry out teacher training in community schools |
| Community Care Projects | Vulnerable groups in nearby communities, students | Provide student grant to needy students in the community. To improve welfare of community residents | Convey greetings to underprivileged families, Care for children left behind in the community PaperOne Summer Camp Care Library |
| Happy Sports and Cultural Activities | Community residents | To propose the living style of “I do sports, I am healthy and I am happy”, and improve the quality of life of the community | Support cultural and sports activities, such as football, basketball, table tennis and marathon, school sports meeting, poetry, composition and reading festivals, science and technology festivals, etc. |

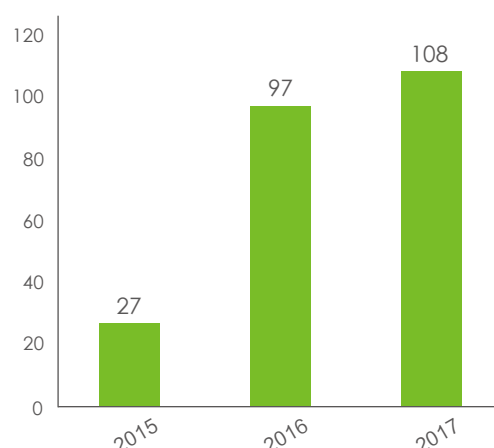
Investment in Community Development and Philanthropic Activities

From 2015 to 2017, Asia Symbol Shandong and Asia Symbol Guangdong invested RMB 33.02 million and RMB 2.32 million respectively in such activities.

CD input by Asia Symbol Shandong
(Unit: ten thousand RMB)



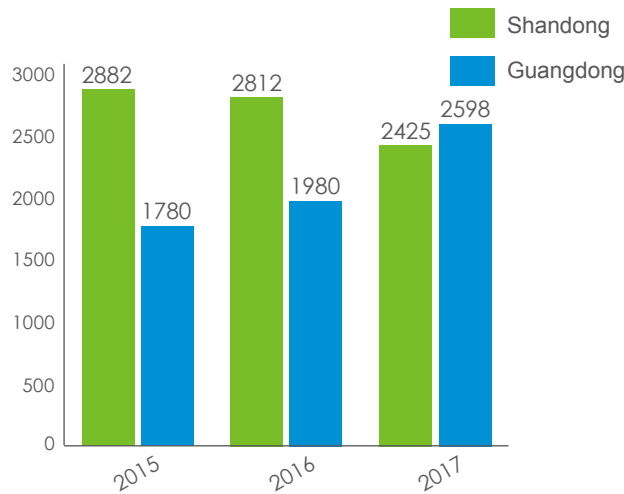
CD input by Asia Symbol Guangdong
(Unit: ten thousand RMB)



5.6.3 Employee Volunteer Service

The Employee Volunteer Associations of Asia Symbol Shandong and Asia Symbol Guangdong were founded in 2013 and 2014 respectively. By the end of 2017, the total number of employee volunteers in Shandong and Guangdong were 375 and 220 respectively. Employee volunteers undertake Asia Symbol's community development projects. They actively volunteer to implement community development projects outside of working hours. Asia Symbol employee volunteers contributed 14,477 hours of volunteer service from 2015 to 2017.

Employee volunteer service hours 2015-2017



Awards for Employee Volunteer Service:



Asia Symbol Shandong Volunteers Association received the "Rizhao Advanced Volunteer Service Organization" Award



Asia Symbol Guangdong's "Handwritten Newspaper Competition" Project was named "Best Enterprise Volunteer Service Project" in Guangzhou



11 volunteers of Asia Symbol Shandong were selected as Rizhao Excellent Environmental Protection Volunteers



Li Zonglian, a data analyst of Asia Symbol Shandong's Finance Department, was named "Rizhao Most Beautiful Volunteer 2017"

5.6.4 Cases of Community Development and Volunteer Service



Environmental Communication Projects

“I am a Little Paper Maker”: From 2015 to 2017, Asia Symbol Shandong and Asia Symbol Guangdong volunteers organized the activity for 96 times in more than 20 schools, and nearly 5000 students participated in the magic paper-making activity. In 2015, the project was featured in *the 2015 Outstanding Casebook of Chinese Foreign Invested Enterprises to Fulfill Social Responsibility*. In 2016, the project won the Silver Award during the second session of Shandong Youth Volunteer Service Competition. In 2017, the project was recognized with “Rizhao Best Volunteer Service Project” award.



Community Capacity Building Projects

“Education Promoting” Project: Since 2014, Asia Symbol Shandong has supported local schools to carry out "Teacher Training", "Cultural and Sports Activities", "Scholarship and Teacher's Award" and other projects. More than 30 schools and 48,866 people in Rizhao directly benefited from the project. Asia Symbol Shandong has become the most supportive enterprise relevant to Rizhao education, with the largest number of beneficiaries. The Education Bureau of Rizhao Economic-Technological Development Zone honored Asia Symbol Shandong with the “Advanced Unit for Education Support” title.



Community Care Projects

Community Summer Party: On August 12, 2017, in order to celebrate RGE's 50th Year in business, Asia Symbol Guangdong organized a community summer party in Xinhui, Jiangmen. The summer party consisted of colorful activities such as fun fair, free clinic, free haircut, scholarship award ceremony and visits to vulnerable families, and nearly 500 community residents participated in the party.



“Yuanmeng Program”- Free College Education plus Employment after Graduation: In April 2011, Asia Symbol launched the “Yuanmeng Program”, a vocational education program targeting students from disadvantaged families. As of the end of 2017, 7 sessions of the Yuanmeng Program has been successfully carried out with 309 students receiving sponsorship. Under the project, the students receive free university education as well as a job opportunity after they graduate. Asia Symbol has invested more than a total of RMB 10 million in the “Yuanmeng Program”. In 2016, the “Yuanmeng Program” was recognized with the "CSR China Education Award - Social Responsibility Practice Excellence Award", and the project was also selected as a case of *the Excellent CSR Case Selection of China Education Award 2016*.



"As part of the first batch of the Yuanmeng Program, I am particularly grateful to Asia Symbol for providing me such a good opportunity for learning and employment when I was so helpless. Joining the Yuanmeng Program relieved my family's burden and illuminated my future. After joining Asia Symbol, I try my best to do my job well and actively participate in the company's volunteer activities. In the past few years, I have organized and participated in dozens of volunteer activities and I was named "Excellent Volunteer of Asia Symbol" for four years, and in 2017, I was awarded "Rizhao Most Beautiful Volunteer". I have always been grateful, with the hope of passing on love and care to others through hard work and volunteer service, as a way of repaying my company and society.

—LI Zonglian, Data Analyst, Finance Department,
Asia Symbol Shandong



"Love is Around" Community Visit

In September, 2017, supported by Bangmin Social Workers Center in Xinhui, Asia Symbol Guangdong Employee Volunteer Association launched "Love is Around", their brand volunteer service program. This program aims to care for people from nearby communities, and provide targeted service for people in need. In 2017, with the help from Bangmin social workers, "Love is Around" team visited 15 vulnerable families and nursing home, so as to investigate the situation of these recipients and carry out help plan for them. Through community visits, Asia Symbol understands community better, and our employee volunteers got chance to be closer to community residents.



Happy Sports and Cultural Activities



- On May 20, 2017, the "Asia Symbol Cup" National Fitness Games were held in the Rizhao Economic-Technological Development Zone



- In May, 2018, the "Asia Symbol Cup" Government & Enterprise Alliance Football Game was held in Xinhui

» 5.7 Responsibility Honors and Awards

Asia Symbol Shandong:

| Year | Awards | Awarding institutions |
|------|--|--|
| 2015 | Golden Bee Award Growth Enterprise | China Foreign Investment Enterprise Association China WTO Tribune |
| | Environmental Education Demonstration Base in Rizhao | Rizhao Environmental Protection Bureau |
| | Science Education Demonstration Base in Shandong Province | Shandong Association for Science & Technology |
| | Golden Bee Excellent CSR Report 2015 • Foreign and Hong Kong, Macao and Taiwan Enterprises | China WTO Tribune |
| | Best CSR case in China Foreign-Invested Enterprises 2015 | China Association of Enterprises with Foreign Investment (CAEFI) |
| | Advanced Unit of Safety Production in the Light Industry of Shandong Province | Shandong Light Industry Safety Production Committee Shandong Light Industry Safety Production Management Association |
| | Meritorious Enterprise for Financial and Tax Contribution 2015 | Rizhao Economic-Technological Development Zone Work Committee Rizhao Economic-Technological Development Zone Management Committee |
| 2016 | Outstanding China Corporate Citizens 2016 | China Federation of Social Work |
| | Silver Award of the Second Session of "Shandong Youth Volunteer Service Competition" (I am a Little Paper Maker) | Shandong Communist Youth League Shandong Civilization Office Department of Civil Affairs of Shandong Province Water Resources Department of Shandong Province Shandong Disabled Persons' Federation Shandong Youth Volunteers Association |
| | CSR China Education Award - Social Responsibility Practice Excellence Award (Yuanmeng Program) | China CSR Education Alliance |
| 2017 | Outstanding Member of Shandong Circular Economy Promotion Association | Shandong Circular Economy Promotion Association |
| | Meritorious Enterprise for Financial and Tax Contribution 2016 | Rizhao Economic-Technological Development Zone Work Committee Rizhao Economic-Technological Development Zone Management Committee |
| | Youth Civilization Unit 2015 | China Communist Youth League Shandong Committee |
| | Rizhao Advanced Volunteer Service Organization | China Communist Youth League Rizhao Committee |
| | National Worker Pioneer (City Sewage Reuse Team) | All-China Federation of Trade Unions |
| | Outstanding China Responsibility Brand Enterprise 2017 | China Organizational Committee of the Chinese Enterprise Responsibility Brand Conference Civil activities Office of China Enterprises |
| | Hi-Tech Enterprise | Department of Science & Technology of Shandong Province Department of Finance of Shandong Province Shandong Provincial Tax Service, State Administration of Taxation Shandong Local Taxation Bureau |

Asia Symbol Guangdong:

| Year | Awards | Awarding institutions |
|------|---|--|
| 2015 | Guangdong Provincial Enterprise Technology Center | The Economic and Information Commission of Guangdong Province and other 4 departments |
| | Integrity Member of Guangdong Paper Association | Guangdong Paper Association |
| | Hi-Tech Enterprise | Department of Science and Technology of Guangdong Province Department of Finance of Guangdong Province Guangdong Provincial Tax Service, State Administration of Taxation Guangdong Local Taxation Bureau |
| | Meritorious Enterprise of Guangdong Manufacturing Industry | Guangdong Manufacturers Association |
| | Charity Award Economic Contribution Award 2015 | Guangdong Overseas Chinese Enterprises Association |
| | Guangdong Green Card Enterprise of Environmental Credit Evaluation 2015 | Department of Environmental Protection of Guangdong Province |
| 2016 | Outstanding China Corporate Citizens 2016 | China Federation of Social Work |
| | Best Enterprise Volunteer Service Project ("Handwritten Newspaper Competition" Project) | Guangzhou Federation of Social Organizations Guangzhou Volunteers Union |
| | Guangdong Green Card Enterprise of Environmental Credit Evaluation 2016 | Department of Environmental Protection of Guangdong Province |
| 2017 | Advanced Unit of Respecting Teachers and Teaching | People's Government of Shuangshui Town, Xinhui District, Jiangmen City, Guangdong Province |
| | Outstanding Brand Image Award | China Finance Summit |
| | Best Public Welfare Enterprise 2017 | Guangzhou Federation of Social Organizations Guangzhou Volunteers Union |
| | Enterprise of the Year 2017 | Annual Economic Trend Organizing Committee of Guangdong Province |

» 6 Appendix

Third Party Assurance



ASSURANCE STATEMENT

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASIA SYMBOL'S CORPORATE SUSTAINABILITY REPORT FOR 2015-2017

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereafter as "SGS") was commissioned by Asia Symbol (Shandong) Pulp And Paper Co., Ltd and Asia Symbol (Guangdong) Paper Co., Ltd (hereafter as "ASIA SYMBOL") to conduct an independent assurance of the Asia Symbol 2015-2017 Sustainability Report (hereafter as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and the 2015-2017 data in accompanying tables, contained in the Report which reported by Asia Symbol (Shandong) Pulp and Paper Co., Ltd. (located at No.369, Beijing Road, Rizhao Economic Development Zone, Shandong Province, P.R., China), and Asia Symbol (Guangdong) Paper Co., Ltd (located at No.1, Ruifeng Industrial Park, Shalu village, Shuangshui Town, Xinhui District, Jiangmen City, Guangdong Province, P.R., China). The others were not included in this assurance process.

The information in the Report and its presentation are the responsibility of the directors and the management of ASIA SYMBOL, SGS has not been involved in the preparation of any material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all ASIA SYMBOL's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the GRI STANDARDS for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The Report has been assured at a moderate level of scrutiny using our protocols for,

- evaluation of content veracity;
- evaluation of the report against the GRI Standards.

The assurance comprised a combination of pre-assurance research, document review, and interviews with relevant employees of Asia Symbol (Shandong) Pulp and Paper Co., Ltd and Asia Symbol (Guangdong) Paper Co., Ltd.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm to our independence from ASIA SYMBOL, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with Sustainability Reporting Auditor, CCAA ISO 14001 Lead Auditor, CCAA OHSAS 18001 Lead Auditor.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied with the information and data contained within the Report are accurate and reliable.

The assurance team is of the opinion that the Report can be used by the ASIA SYMBOL's Stakeholders.

We believe that the organization has chosen an appropriate accordance option with GRI STANDARDS for this stage in their reporting.

GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, the Report is presented in accordance with the core option of GRI STANDARDS and fulfills all the required content and quality criteria.

Principles

Stakeholder Inclusiveness

Asia Symbol identifies its stakeholders relevant to its activities, establishes channels and platforms for Stakeholder inclusiveness and takes various ways to communicate and exchange with stakeholders.

Sustainability Context

ASIA SYMBOL shows its effort to the sustainable development in economic, environment and social aspects. It combines the performance of the past 3 years with the challenge for the company in the past three years and the future development trend in the industry to show the background of sustainability development.

Materiality

Based on the topics concerned by the stakeholders, according to the two dimensions, "the importance to the company" and "the importance to stakeholders", ASIA SYMBOL determines the material topics and reasonably discloses important topics and disclosures.

Completeness

The Report covers the identified material aspects and their boundaries and completely reflects the significant impact on economy, environment and society, so that the stakeholders can assess the performance of Asia Symbol in the reporting period.

Accuracy

The qualitative and quantitative information that disclosed in the Report that is accurate. SGS recommended that the organization improve its data collection approach to insure the accuracy.

Balance

The Report discloses the negative information and complies with the balance principle.

Clarity

ASIA SYMBOL's report has presented different ways with words, charts, graphics and pictures, also described with actual cases as well to ensure the stakeholders understanding easily.



Comparability

The Report covers the identified material aspects and their boundaries and completely reflects the significant impact on economy, environment and society, so that the stakeholders can assess the performance of Asia Symbol in the reporting period.

Reliability

The disclosed information and data in the Report is relatively reliable under Asia Symbol's management and control of data collecting, recording and analyzing.

Timeliness

The Report of ASIA SYMBOL shows sustainability performance of 2015-2017. But the report was issued biennially before.

SGS recommends that the sustainability report be released regularly.

Management Approach

The Report discloses the management approach of general disclosure and the material topics according core option of GRI STANDARDS., there are also improvement chances in procurement risk management.

General Disclosures

The general disclosures are disclosed according to GRI STANDARDS by core option.

Topic-Specific Disclosures

ASIA SYMBOL discloses all topic-specific disclosures of its material topics in economic, environmental, and social areas.

Findings and suggestion

Detail report of the good practices, findings, improvement chances and suggestions are described in our internal management report which will be submit to ASIA SYMBOL separately.

Signed:

For and on behalf of of SGS-CSTC Standards Technical Services Co., Ltd.

Ben Tsang

Senior Director, China and Hong Kong
Certification and Business Enhancement

25 May 2018

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