



中國技術進出口總公司
CHINA NATIONAL TECHNICAL IMP. & EXP. CORP.



2015 Corporate Social Responsibility Report

China National Technical Import and Export Corporation

About the Report

This is the second Corporate Social Responsibility Report (hereinafter referred to as "the Report") officially released by China National Technical Import and Export Corporation (CNTIC).

Period of the Report

The Report mainly covers the period between January 1, 2014 and December 31, 2015, and may include information relevant to previous years.

Compilation References

The Report is compiled in accordance with the *Guideline on Performing Social Responsibility by Central Enterprises* released by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, the *Guideline on Sustainability Report (G4)* by the Global Reporting Initiative (GRI), *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0)* and *ISO 26000: Guidance on Social Responsibility (2010)* by International Organization for Standardization.

References to CNTIC

For the convenience of presentation and reading, China National Technical Import and Export Corporation is hereinafter referred to as "CNTIC", "the Company" or "we/us" in the Report.

Scope of the Report

The Report covers CNTIC, including its branches, subsidiaries and offices directly under it.

Sources of Data

Data used in the Report come from CNTIC's annual reports, other official documents and statistical reports.

Reliability Assurance

Information offered in the Report is timely, authentic and reliable. It is a comprehensive response to our stakeholders' concern and reflects the Company's social responsibility performance objectively.

Access to the Report

The Report is compiled in Chinese and English language and available in both printed and electronic versions. Should you require a printed version, please contact us via E-mail: lijingyu@cntic.genertec.com.cn or by phone: 86-10 63349252. For electronic version, please visit www.cntic.com.cn for downloading.



Contents

About the Report

02

Illustrating the "Twelfth Five-Year Plan" Period of CNTIC

14

Co-Promotion

34

Co-Promoting Ecological Progresses 36
Co-Promoting Safety Models 40

Prospects

60

President Q&A

04

Sustainable Development

18

Social Responsibility Management 20
Material Issues 22
Communication with Stakeholders 23

Sharing

44

Sharing Harmonious Communities 46
Sharing Development Achievements 50

Expert Comment

61

About Us

06

Company Profile 06
Company Governance 11

Co-Creation

24

Co-Creating Quality Projects 26
Co-Creating Win-Win Values 32

Report Index

58

President Q & A

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President of China National Technical
Import and Export Corporation



Outline for the Implementation of Harmonious Development Strategy of Central State-Owned Enterprises During the "Twelfth Five-Year Plan" Period provides a guideline for central state-owned enterprises to carry out social responsibility works. Under its guidance, what progress has CNTIC made in terms of its capability to perform its responsibility?

As a key and major state-owned enterprise, CNTIC always puts people in the first place and seeks for scientific development. We regard contributing to China's economic development as our duty, take the initiative to assume social responsibilities while pursuing economic benefit and development, and gradually integrate social responsibilities into our corporate strategy, decision making, operation and management hence realizing the coordination and unification among our development, the society and the environment. Given that our business involves many fields in many countries and regions, the Company focuses on seeking truth from facts and adjusting measures to local conditions. Based on our own advantages and resource features, we adopt targeted, practical and flexible methods in accordance with project characteristics, local demands, as well as economic and social development level to explore a practical way to perform social responsibilities for an international enterprise with distinct CNTIC characteristics.

We vigorously promote the construction of honesty and faithfulness, administrate the enterprise in accordance with laws and operate with integrity to realize a win-win development with our partners. We won the honorary title of "2011-2015 Legal Publicity and Education Advanced Unit of Central SOEs" awarded by the State-Owned Assets Supervision and Administration Commission of the State Council. Besides, we attach great importance to work safety and environmental protection, strictly follow the standards of environment protection and occupational health and safety systems to promote green construction and safety production of projects. We are also committed to sharing our achievements with employees and communities to promote employees' all-round development and the construction of harmonious communities. In 2015, we not only won the title of "Leading Enterprise" awarded by China International Contractors Association for our social responsibility performance again, but also shared our experience of overseas responsibility fulfillment in the 10th China Corporate Social Responsibility International Forum. Our capability to perform responsibilities has been further approved by the society.

What progress has CNTIC made in 2015, the last year in the "Twelfth Five-Year Plan" period? What will CNTIC do to create a good start for the "Thirteenth Five-Year Plan" period?

In the past five years, the Company has always regarded transformation and innovation as the internal driving forces for our development and made new progress in operation benefits, market development and project execution. Our business income and net profit have been growing for five consecutive years, with an average annual growth rate of 8.19% and 9.53% respectively. In addition to our bidding service, major technical equipment and complete plant import and export as well as overseas project contracting business, we have also developed new business types, such as business consulting and domestic project construction. Meanwhile, our professional capabilities have been strengthened in terms of market channel exploration, public relation maintenance, resource integration, etc. Executive teams of key projects at home and abroad are also improving their abilities of overall control, process control, business operation, technical economics and so on. Project execution remains generally smooth and well-organized.

During the "Thirteenth Five-Year Plan" period, we will continue to follow national policies, optimize business structure, strengthen our capabilities, adopt innovative business models, improve our management system, enhance our employee structure, increase the quality of our development and gradually complete the transformation to a "professional international project contractor" and a "professional project and program management company" to achieve sustainable, stable and healthy development of the Company.



As China has implemented the "Belt and Road" initiative, the upgrading and transformation of export trade and project-contracting business is welcoming new challenges as well as opportunities. What does CNTIC do to cope with challenges, seize opportunities and make steady progress in the "Belt and Road" initiative?



We regard fulfilling corporate social responsibility in foreign countries as an important measure to reduce contradictions, deal with challenges, improve our brand image and enhance our competitiveness in the international market. We have cultivated a team of outstanding employees that can adapt to the Company's globalization development. Additionally, we pay close attention to adjusting measures to local conditions. We hire local employees and conduct research to form a better understanding of the laws, policies, government systems, cultures and customs of target markets for localized operation. As for the projects, for the purpose of ensuring project quality, safety, and protecting our clients' rights and interests, we focus on supply chain management and environment protection and participate in supporting the development of local communities, which enables us to achieve joint development with business owners, suppliers, subcontractors and local residents.

The Company is making constant breakthroughs in our overseas business with more and more new models and measures. Altogether 59 major overseas projects and complete equipment export programs have been completed or are under construction. Our overseas project contracting business covers many countries and regions, including Indonesia, India, Sri Lanka, Burma, Uzbekistan, the Philippines, Algeria, etc. At present, we are working on 46 large overseas projects and complete equipment export programs, which shows our increasing development momentum.



About Us

Company Profile

Established in September, 1952, China National Technical Import and Export Corporation (CNTIC) is a large state-owned enterprise. Our major business includes import and export of technology and complete plants, overseas project contracting, project management and consulting, as well as bidding service. In 1998, the Company became a wholly-owned subsidiary of China General Technology (Group) Holding Ltd., which is under direct supervision of the central government, with its headquarters in Beijing. After over 60 years of development, CNTIC has established a business mode mainly covering technology trade, project contracting, as well as project management and integration service and extended its business to over 100 countries and regions all over the world. Our business includes many fields including energy, transportation, telecommunication, petro chemistry, metallurgy, construction materials, machinery, electronics, medicines, agriculture and forestry, education and so on. At all significant stages of the national economic construction, CNTIC has always functioned as a major channel for the introduction of major technical equipment and the import and export of complete plant. We have completed over 7,000 projects related to major technical equipment introduction, overseas project contracting, as well as complete plant and technology export, worth over 110 billion dollars.

In recent years, CNTIC has been striving to become a world-famous enterprise of technology trade, project contracting, as well as project management and integration service. To accelerate our transformation and upgrading process, we give full play to our advantages of specialized, intensified operation and technology trade, prioritize overseas project contracting and complete plant export business, consolidate the innovative development of domestic and foreign trade as well as large technical equipment introduction, and actively develop project management and integration service to improve the quality of our development. As a result, the Company has ranked among the top 250 global contractors rated by Engineering News Record (ENR) for many consecutive years. The Company now has 74 projects under construction or waiting to go into effect. They are distributed in Southeast Asia, South Asia, Central Asia, South America and Africa, reaching a contract value of about 12.5 billion dollars.

In 2015, the turnover of the Company's international programs reached 647,670,000 dollars and the value of newly signed contracts reached 714,620,000 dollars, ranking 44th and 56th among the 2015 top 100 domestic enterprises contracting foreign projects, according to the Ministry of Commerce.

	2013	2014	2015
Total asset (ten thousand/ yuan)	804,094	839,651	803,408
Business revenue (ten thousand/ yuan)	751,591	806,132	768,342
Value of contracts (ten thousand/ dollars)	450,910	560,036	797,598
Total profit (ten thousand/ yuan)	38,681	37,181	65,859
Total tax amount (ten thousand/ yuan)	12,944	8,239	10,887
Total number of staff	716	715	690
Total number of staff in the headquarters	376	386	373

Business Types

Import and Export of Major Technical Equipment and Complete Equipment Plants

- Introduction and export of technologies and complete equipment in electric power project, infrastructure, metallurgy and construction materials, petro chemicals, light and textile industry and so on.
- Export of equipment and materials for overseas project contracting and overseas enterprises.

Investment and Financing

- Through close cooperative relations with governments, financial institutions and business associations both in China and local countries, CNTIC has established multiple investment as well as financing channels, which enables us to provide high-quality investment and financing service.

Business Technologies Consultation

- Foreign economy and trade consultation service, exhibition, technology exchange and technology service.
- The design, production and releasing of advertisements.

Project Contracting and Program Management at Home and Abroad

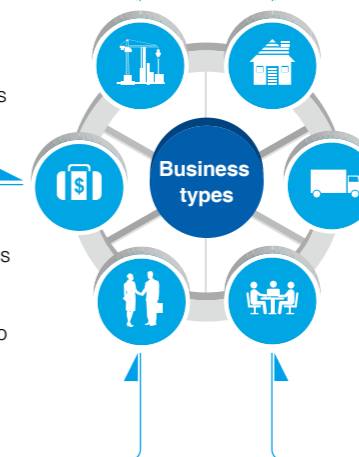
- Undertaking various kinds of projects and programs abroad and domestic international bidding projects.
- Providing domestic and international project contracting service and program management service.

Domestic and International Trade

- Selling iron ore fines, powdered iron, iron ore, steel, chemical fertilizer, petroleum and petrochemical products (dangerous chemicals excluded), lead plate and electrolysis facilities, construction materials, textiles, light industrial products, wood and wooden products.

Bidding Service

- Engaging in equipment leasing and bidding business at home and abroad.



Domestic and Foreign Project Contracting and Project Management

Relying on advanced project design technologies and professional project construction management teams, the Company further explores international project contracting market, contracts a variety of projects abroad, creates quality projects for clients and promotes global economic development.



Suralaya 1x625MW Coal-fired Power Plant Project in Indonesia



Sumatera Barat 2x112MW Coal-fired Power Plant Project in Indonesia



Adipala 1x660MW Supercritical Coal-fired Power Plant Project in Indonesia

Import and Export of Major Technical Equipment and Complete Equipment

Based on China's business advantage in the introduction of major technical equipment and import and export of complete equipment, the Company has introduced advanced foreign technical equipment for the construction of major national projects. Meanwhile, we actively adopt the "going global" strategy and export complete equipment to promote national economic development and international trade cooperation.



Electric freight locomotive exported to Uzbekistan

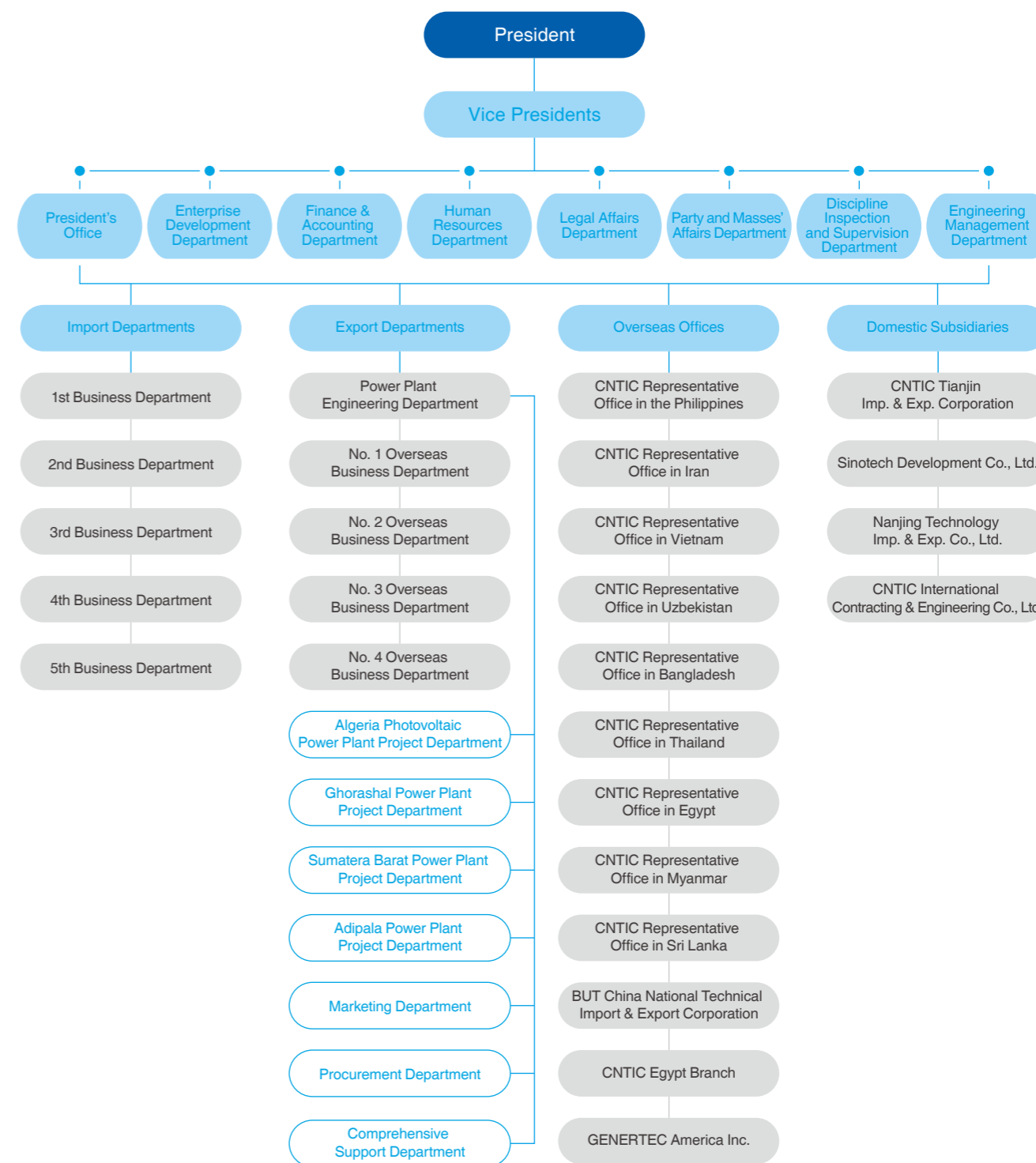
Bidding

Relying on good enterprise reputation and outstanding brand image, the Company offers equipment leasing and bidding businesses, provides domestic and foreign enterprises with quality services, and promotes mutual benefit and win-win results of both sides.



Calling for bids for construction site soil investigation, elevators and electric devices of the National Stadium.

Organizational Structure



Corporate Culture

Culture is the soul of an enterprise and the core competitiveness for its development. During our over 60 years' development, CNTIC has gradually formed its distinctive and profound corporate culture. The Company regards sustainable development as its guiding principle and continuously promotes corporate culture construction. To meet the challenges in the international markets as well as the needs of China, we set international targets, establish the philosophy of responsibility culture, adopt an employee-oriented approach and strive to meet the demand of all stakeholders to create an atmosphere of people-oriented corporate culture. We also stimulate employees' potentials, continuously strengthen internal coherence and external competitiveness and promote our brand image to push our development forward.



Corporate Vision

To become a world-renowned integrated service provider of technology trading, engineering contracting and project management.

Upholding the scientific outlook on development and guided by the Group's overall development strategy, we will enhance market development, accelerate competence building, focus on core business areas, innovate business models, consolidate and innovate technology trading and prioritize international contracting business. We will also cultivate integrated project management service to become a world-renowned integrated service provider of technology trading, engineering contracting and project management for sustained, healthy and stable growth.

Corporate Spirit



Integrity

It is the very nature of the Company's values. We adhere to integrity, operate in compliance with laws, treat people with honesty, deliver on our commitments and remain true in word and resolute in deed. In addition, we remain loyal to the Company, dedicated to our work and sincere to customers.



Responsibility

It is a solid foundation underpinning the Company's execution. We are brave to take on heavy responsibilities. We keep building up our strength and taking a holistic approach. In addition, we remain accountable to the country, to the Company, to clients and to ourselves.



Innovation

It constitutes an inexhaustible power that drives the Company forward. We emancipate our minds, advance with the time and strive to adopt new mindsets, mechanisms, managerial expertise and technologies. In addition, we keep enhancing our core competence through continuous innovation for better development and benefits.



Harmony

It perfectly presents the Company's cultural philosophy. Internally, we advocate harmony, inclusiveness, resourcing sharing, teamwork and common growth. Externally, we adhere to harmonious development, friendly cooperation and mutual complementation for mutual benefits and win-win results.

Corporate Missions

Creating Wealth for Our Country, Value for Our Clients,
Happiness for Our Employees.

Company Governance

The governance of state-owned enterprises concerns not only their own business performance, but also the national economic construction and national benefits. CNTIC, as a major state-owned enterprise, abides by the *Company Law* and implements a president responsibility system. We set President's Office as our highest operation, management, decision-making organization, and integrate the concept of sustainable development into our daily operation and management to constantly improve our management system and promote our overall benefits.

Legal and Regulatory Compliance

CNTIC follows close to the line of the laws and regulations in China and the countries where our projects are located. We also follow international practices and our in-house rules and make our operation more transparent to accept both government and public supervision. We vigorously push forward the standardization of compliance management by preparing model contracts and other normative documents to promote management standardization and guarantee our normal operation.

The Company continuously promotes legal construction, create a legal service pattern that covers all business fields and organizes all functional departments, business departments and overseas project departments to conduct compliance assessment according to the environment and occupational health and safety system standards and requirements of the QHSE procedure document to minimize legal risks for corporate operation. Meanwhile, the Company combines legal publicity with business management. We conduct in-depth legal publicity education, innovate legal training modes and advocates legal concepts to construct our compliance culture. In December 2015, CNTIC received the honorary title of "2011-2015 Legal Publicity and Education Advanced Unit of Central Enterprises" from State-Owned Assets Supervision and Administration Commission of the State Council.



New employees attending the court trail of the People's Court



Refined management to prevent legal risks

To improve the Company's model contract system and promote standard management with text norms, in 2015, we conducted comprehensive clean-up work to our contract system. After discussion, research and special conferences, the Company deliberated every contract document and then formulated corresponding templates. Besides, we also reorganized, regulated and upgraded existing contract documents, making them more unified in format, more standardized in form and more adaptable in contents. Our efforts reduced arguments over contracts and prevented business risk to the Company.

Internal Control

CNTIC continuously strengthens the construction of internal control system and helps our employees to acknowledge and master the knowledge of internal control by editing our *Internal Control Manual* and organizing specific trainings, which helps to improve our internal control capability.

The Company constantly promotes inspections over our internal control system for its improvement and enhances the management efficiency. In 2015, the Company completed self-evaluation for the internal control work and provided timely remedies for the flaws and problems in our internal control. Meanwhile, we revised *Internal Control Assessment and Management Method* under the guidance standard of internal control defect quantification, offering effective system guarantee for scientific and regulated evaluation of the internal control system.

Risk Management

CNTIC continuously improves its comprehensive risk management system, establishes complete risk management system and pushes forward the education of risk prevention and control. Also, we boost the construction of our risk appraisal system and procedures to enhance the risk prevention and control capability and ensure our healthy development.

The Company combines risk management with internal audit supervision, actively promotes audit supervision targeted at its businesses and practically prevents operational risks. Meanwhile, aiming at the financial management risks of overseas offices, the Company focuses on system construction and financial inspection to strengthen financial management of overseas institutions. In 2015, the Company conducted financial inspections in 5 overseas offices, offered practical remedies for existing problems and promoted their ability of financial risk control and prevention.



Conducting risk prevention and control inspections to guarantee project construction

To improve the risk management of overseas projects and programs, the Company organized risk prevention and control inspection work in the Adipala Power Plant Project in Indonesia. The Company's risk prevention and control inspection group carefully examined the project's general situation in the aspects of quality, safety, cost, main subcontractor management, influence on local environment and other potential risks and its corresponding measures and then offered relevant suggestions, which helped the project department to improve the risk management and ensure the project's normal operation.



Risk control and prevention inspections

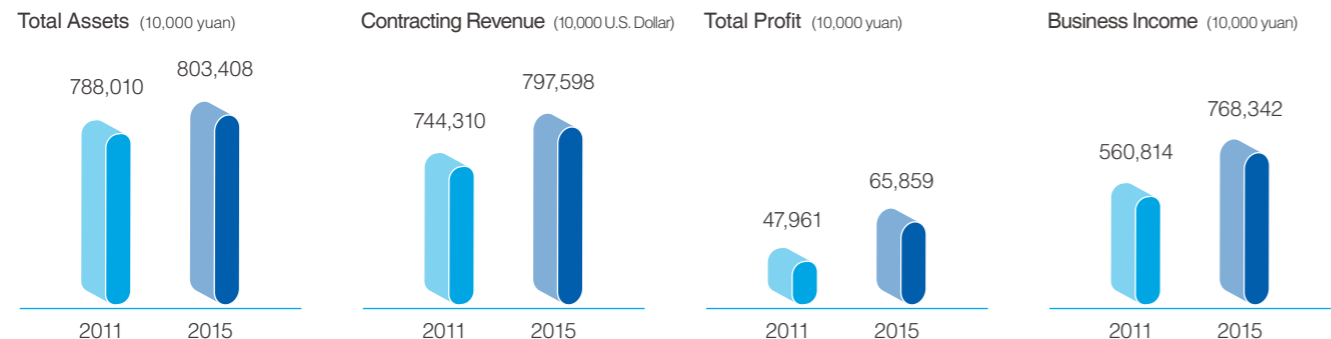


Illustrating the "Twelfth Five-Year Plan" Period of CNTIC

During the "Twelfth Five-Year Plan" period, especially since the 18th CPC National Congress, great progress has been made in comprehensive reforms. Economy has been developing in complicated contexts and international market competitions have become increasingly fierce. Facing complex market environment at home and abroad, CNTIC regarded "focusing on transactions, sorting out relations and enhancing executive power" as its basis, "improving scale, level, management and contribution" as its main line and "transforming to a professional and international project contractor and program management company" as its goal. We deepened our reform and pushed forward scientific and technological innovation, hence have achieved continuous economic growth and made positive contributions to the rapid development of national economy.

Promoting Business Expansion to Significantly Improve Economic Benefits

During the "Twelfth Five-Year Plan" period, facing the negative influence brought by three phases (shifting phase of growth rate, agonizing phase of structure adjustment and digestion phase of earlier stimulating policies) of domestic economy and increasingly fierce international market, CNTIC has constantly overcome all kinds of difficulties and managed to maintain stable development and to realize the growth of profits.



Focusing on Transformation and Upgrading to Make Great Achievement in Market Development

In response to the state's strategic deployment of transformation and upgrading to improve the core competitiveness of industries, CNTIC has accelerated its transformation and upgrading. We constantly optimize our business structure, extend the industrial chain and upgrade our service. In addition to bidding service, our business has extended to many other fields such as project business consulting and domestic project contracting, which represents the development of our core competitiveness.



Following the "Belt and Road" Initiative to Enhance Corporate International Influence

In line with China's economic cooperation strategy with foreign countries, CNTIC is looking for opportunities in strategies including the "Belt and Road" initiative and the "Interconnection" strategy. We proactively participates in China's key "Going Global" programs, key regional economic construction programs and international high-end electronic consumable distribution programs, pays close attention to key infrastructure construction interconnectivity programs and give full play to our business advantages in power station constructions to strengthen our communication and coordination with clients to improve our program executive capability. In the past five years, the Company has made a series of major achievements in foreign markets and improved its reputation and influence in international markets.



- Structural Establishment** The Company established 12 overseas institutions in Southeast Asia, South Asia, the Middle East, North Africa and other countries and regions.
- Management Guarantee** In order to ensure the healthy, stable and orderly development of overseas institutions, the Company formulated the financial management, rules and regulations, local procurement, personnel management, safety and environmental protection systems targeted at these institutions.
- Talent Development** To provide a broad platform for the development of international talents, we set up a youthful and strong team full of vitality and courage to shoulder responsibilities. The overseas institutions had a total of 22 permanent workers, and the team is growing from strength to strength.



Assuming Social Responsibilities to Constantly Promote Communities' Development

After conducting active and effective communications with communities and understanding the most urgent local needs, the Company made full use of its main business advantages to organize corporate responsibility practices, took initiative to improve local education, medical treatment, recreational and sports facilities, hence greatly enhanced local infrastructure facilities and shared its development achievements with communities.



The Company actively helps to improve the local transportation, medical, recreational and other infrastructure facilities, and shares its development fruits with the communities.



CNTIC fully respects the customs and religious culture of the local communities where our projects are operated, organizes and takes part in local culture and sport activities, and participates in community culture development.



With a caring heart for social benefit, we actively participate in various volunteer activities, carry out donations and disaster relief, which have highlighted our feelings.

The tax we paid amounted to **567.32** million yuan.

The donations we provided totaled **670.9** thousand yuan

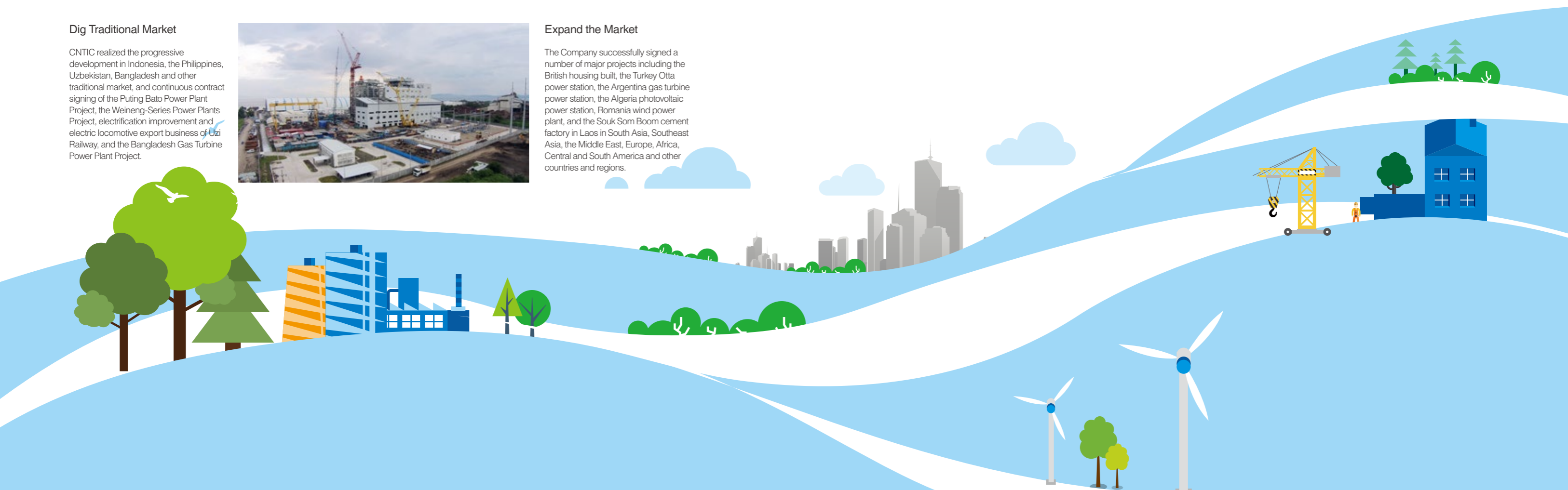
Dig Traditional Market

CNTIC realized the progressive development in Indonesia, the Philippines, Uzbekistan, Bangladesh and other traditional market, and continuous contract signing of the Puting Bato Power Plant Project, the Weineng-Series Power Plants Project, electrification improvement and electric locomotive export business of Uzi Railway, and the Bangladesh Gas Turbine Power Plant Project.



Expand the Market

The Company successfully signed a number of major projects including the British housing built, the Turkey Otta power station, the Argentina gas turbine power station, the Algeria photovoltaic power station, Romania wind power plant, and the Souk Som Boom cement factory in Laos in South Asia, Southeast Asia, the Middle East, Europe, Africa, Central and South America and other countries and regions.



Sustainable Development

Upholding its inherent sense of responsibility, CNTIC regards developing the country through science and technology as its own duty, actively forges ahead, and blazes new trails in a pioneering spirit. The Company adheres to the strategic view of sustainable development and integrates the concept of social responsibility into its decision-making and executions. In the meantime, we strive to coordinate economic construction with environmental protection and pay close attention to stakeholders' requirements as well as focus on the construction of our core capabilities, constantly pushing forward the development of both national economy and trade business and making positive contributions to China's modernization process.

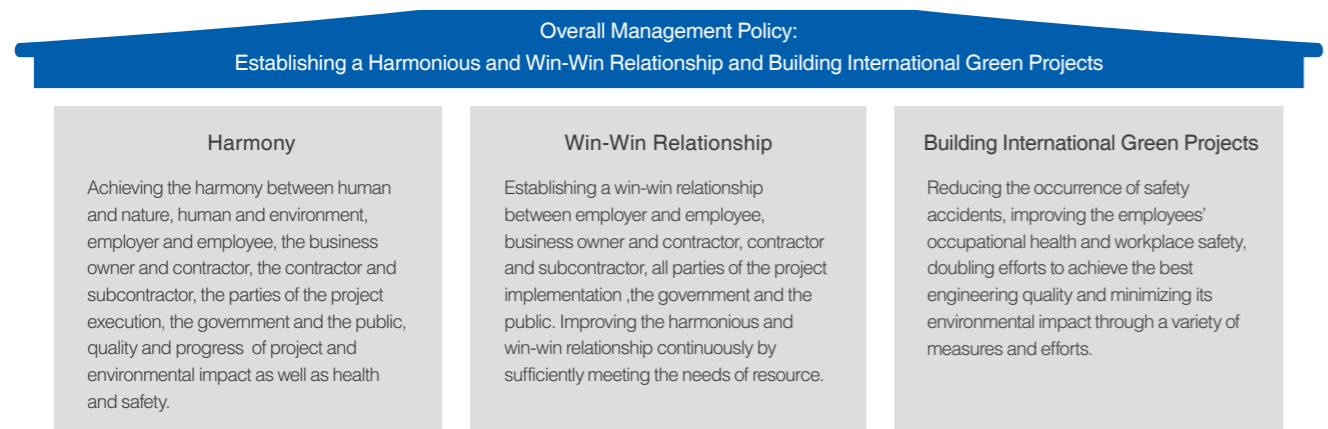


Social Responsibility Management

CNTIC insists on integrating social responsibility into the Company's strategic deployment and further promotes social responsibility works. As a result, we have gradually formed a social responsibility management system with social responsibility management policy, organizational system and ability building as its main components during our performance of social responsibilities.

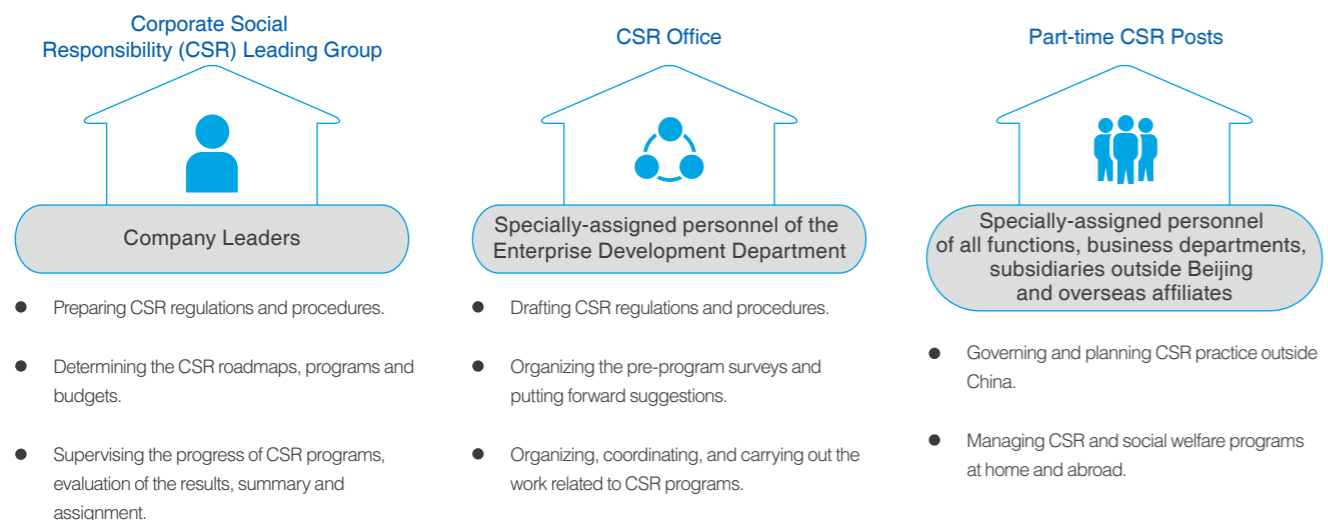
Management Principle

CNTIC strives to create a harmonious and win-win relation and implements the social responsibility management principle of building international green projects. With clarified requirements of social responsibility management, we integrate social responsibility management into all links of the Company's development to maximize economic, social and environmental benefits.



Organizational System

CNTIC has established an organizational system of social responsibilities under the leadership of the Company's social responsibility working group. It is also managed by the social responsibility office and supported by all departments of the Company. This system provides a strong organizational guarantee for improving social responsibility works.



Capability Cultivation

By constantly optimizing and improving social responsibility training system, CNTIC aims to strengthen the employees' awareness of social responsibility, to cultivate the corporate social responsibility value and to improve the capability to perform social responsibilities. Meanwhile, the Company actively participates in the communication and cooperation with industry associations, peer enterprises and professional institutions to improve its social responsibility management, enhance ability of organizational construction and lay a strong foundation for its development.

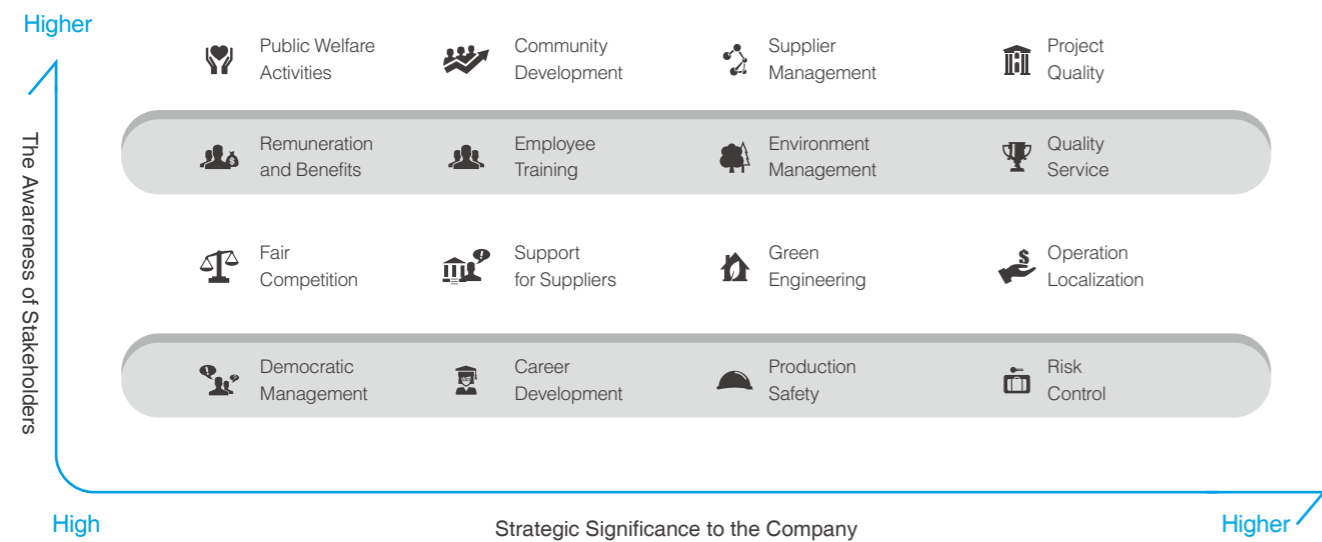
- Participated in China International Contractors Association's activity of "2015 China International Contractors Social Responsibility Performance Evaluation" and won the highest honor of "Leading Enterprise" again. *Training Owner's Engineer and Maximizing Clients' Rights and Interests* was awarded the Best Social Responsibility Case.
- Attended the 10th Golden Bee International Forum on Chinese Corporate Social Responsibility to share the experience we obtained and the challenged we faced in our "Going Global" practice and explore how enterprises fulfill their overseas corporate social responsibilities.



Speaking at the Forum

Material Issues

With the comprehensive understanding of stakeholders' requirements and the international social responsibility standards, CNTIC combines its long-term development strategy with operation management and identifies material issues in a dynamic way to provide basis for its sustainable development.



Communication with Stakeholders

Communication with stakeholders and their involvement is the basis for CNTIC's sustainable development. Through various communication channels, we have acknowledged our stakeholders' expectations, shared the Company's development and operation situation with them and established a harmonious mutual relationship, which can help to promote the improvement of CNTIC's social responsibility management.

Stakeholders	Expectations and Requirements	Communication and Response
Government	Abiding by laws and regulations. Paying taxes according to laws. Keeping the value of state owned assets and offering steady returns.	Adopting compliance management. Taking the initiative to pay taxes. Implementing state policies. Accepting supervisions and examination. Offering work report and listening to opinions. Improving administrative structure and strengthening daily management.
Clients	Honoring commitments. Quality products and service. Production Safety. Technical guidance.	Business communication. Contract fulfillment. Communication and feedback. Improving product quality and service level. Strengthening production safety management.
Environment	Energy conservation and emission reduction. Saving resources. Combating climate change. Ecological protection.	Strengthening environmental management. Disclosing environment information. Assessment of influence on environment. Innovating environmental protection technologies. Green project. Green office.
Employees	Remuneration and welfare guarantee. Employee health and safety. Fair promotion and development. Employee care.	Legitimate recruitment. Democratic management. Remuneration and welfare. Occupational training. Promotion channels. Cultural activities. Employee Assistance Program (EAP). Humanistic care.
Partners	Honoring commitment. Transparency and openness. Cooperation and win-win results. Industry development.	Disclosure of bidding information. Fair procurement. Negotiation and communication. Project cooperation. Supply chain management. Strategic cooperation. High-level exchange.
Society and General Public	Community public services and facilities development. Helping the poor and vulnerable. Promoting employment. Community exchange and communication.	Community education and publicity. Employing local labor forces. Holding community communication conference. Localized operation. Public welfare activities. Volunteer activities.



Co-Creation

In an era of increasingly rapid globalization process and numerous scientific and technological innovations, the Company relies on its experience in national major technology and equipment introduction, as the main channel of complete equipment import and export, and in business operations in over 100 countries and regions to speed up transformation, upgrade service level and focus on international project contracting and complete equipment export. We adhere to the requirement of regarding project quality as our lifeline, constantly enhance quality control and management and actively explore ideal cooperation patterns with partners to accelerate the industry's development with our own growth.



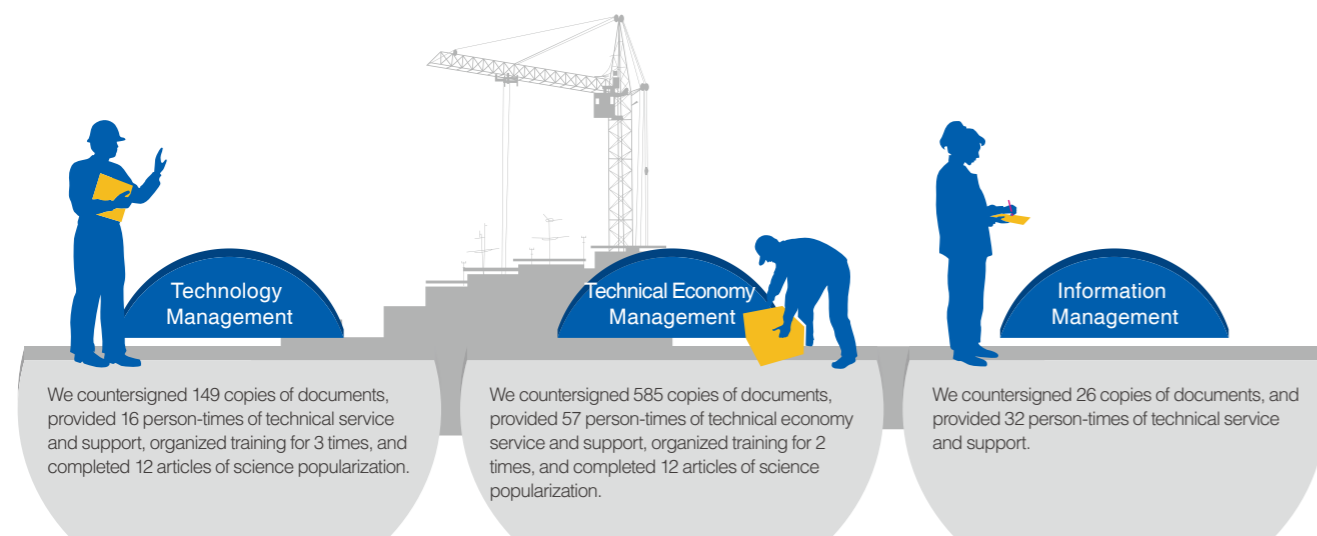
Co-Creating Quality Projects

CNTIC attaches great importance not only to quality control and management for the purpose of improving the durability, reliability and applicability of projects, but also to the construction of functional quality. Through creative management measures, innovative technological methods and upgraded service level, the Company strives to meet clients' needs in a comprehensive manner to create quality projects with joint efforts. During the project execution process, the Company has formulated a corresponding project quality management system and set up specific project quality management institutions to assume the responsibility of quality management in the whole process.

Deepening Project Management

Management mechanism is the inner impetus for a company's sustained development. CNTIC constantly deepens its project management, promotes technical supervision, enhances technical economic summarization and improves information service, effectively pushing project schedule to ensure the smooth implementation of all works and successfully driving the Company's transformation to a "professional international project contractor" and "professional project and program management company".

In 2015, due to our good performance and credit, we were awarded as the "AAA-Rated Company" in both the review and the second-round review of the "Corporate Credibility Assessment" organized by CCCME and CHINCA.



Project Management of 2015



The Uzbekistan Railway Electrification Project



Being innovative, achieving rolling development of projects

Facing complex and changing external business environment, CNTIC actively explores operation modes suitable for itself and constantly improves its professional competence by utilizing its advantages in professional technologies and ability of industry resource integration to promote hydraulic business, develop professional business modes and expand its business scale in this field.

Mode Innovation

- Understanding the needs of the government and the project owners, and promoting the self-value realization and improvement through project consultation and planning.
- Strengthening the relationship with government, state-owned enterprises and private enterprises in an all-round way so as to get more opportunities and bigger space for cooperation.

Flexible Implementation

- Responding promptly, conducting dynamic adjustment and getting close to the market so as to solve practical problems in project implementation.
- Controlling risks of project management strictly.
- Integrating resources by cross-border thinking to solve the problems occurred in project development, implementation and promotion with super toughness and perseverance.

While obtaining and executing the Panjin Soft Foundation Treatment Project, CNTIC has also realized rolling development in Panjin Project Phase II, Yingkou Infrastructure Construction Project and Zhaoyuan Artificial Island Project, hence laying a strong foundation for itself in the field of domestic project contracting in hydraulic industry and ensuring the projects' sustainable development and business innovation.



Plastic drain boards under construction



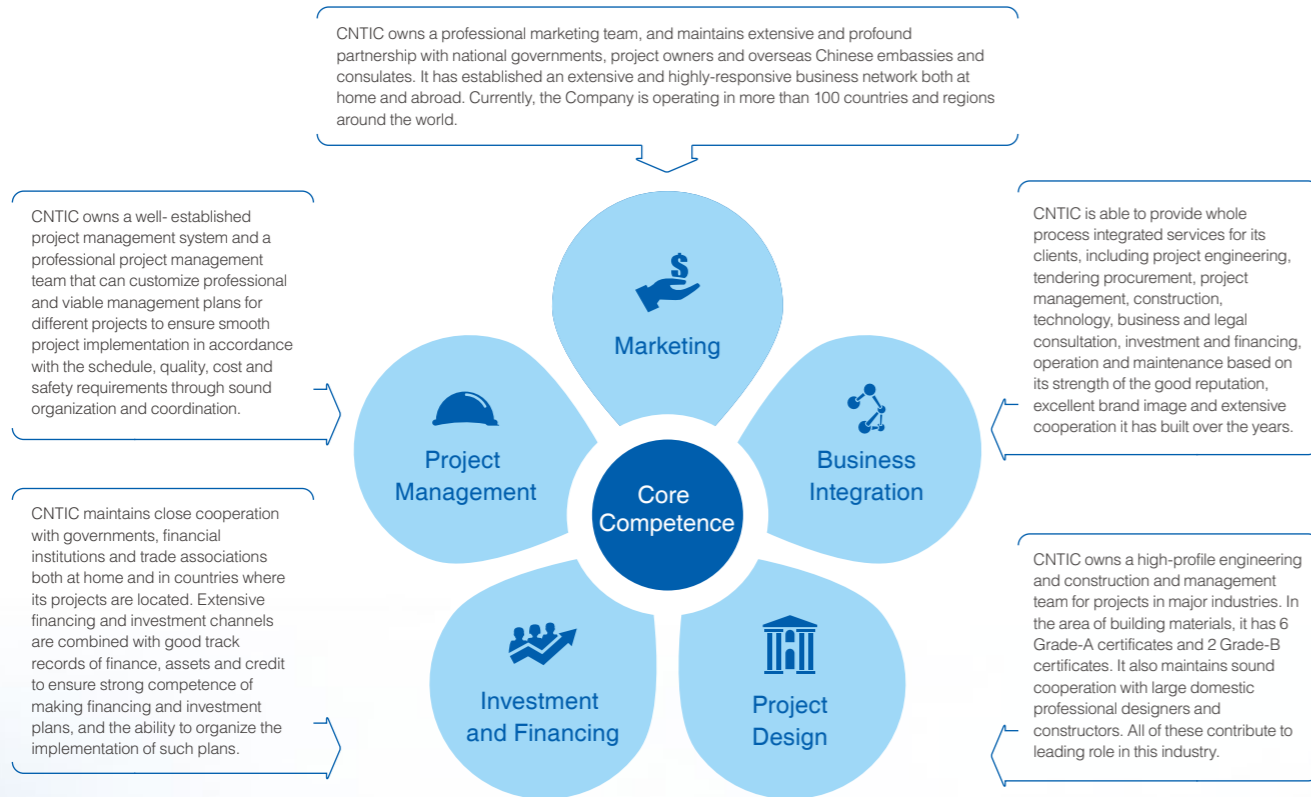
Strictly conducting quality supervision

Strictly following the "three important and one major" decision-making policy, CNTIC attaches great importance to project quality and carries out supervision in the whole process of project construction. Relevant supervision process are also formulated to ensure the project quality and completion on schedule.

In 2015, the Company strictly controlled and regulated the supervision work of overseas projects under construction and summarized the experience of execution budgetary estimation in the past three years with the *Project Execution Budgetary Estimation Compiling Method* revised and the pricing basis standardized. We have also designed a professional budgetary estimation form that could be automatically linked to calculations, improved coal-fired power plants' bidding quotation module procedures, and completed the compilation of execution (adjustment) budgetary estimation of 6 major engineering contracting projects. Besides, the Company has newly established a pricing database for mechanical and electrical products, completed the construction and relocation work of a business information database virtual server, and promulgated the *CNTIC Project Schedule Management Guideline*, which has summarized the pilot adoption of P6 process management software in experimental units. *Schedule Report of Major Export Projects in Construction* was issued monthly to present schedule indexes of major export projects in construction to the Company in time.

Cultivating Core Abilities

Facing the industry's development trends of larger scale, comprehensive contracting and more complicated technologies, CNTIC, based on its own situation, is constantly striving to improve its core competitiveness centered on marketing, business integration, project design, investment and financing and project management, devoting itself to providing clients with excellent projects and high quality service, hence creating a reliable brand in the fierce market competition.



Creating high quality projects

CNTIC always regards "constructing first-class project, developing excellent team and accumulating precious experience" as its goal and adheres to creating high quality projects. During the construction of power plants in Indonesia, the Company won trust and praise from project owners and the contractor with actions and achievements.

- During the construction of the Sumatera Barat Power Plant Project, the project team overcame the difficulties brought by short project schedule, huge budgetary pressure and unfavorable site conditions to achieve the Commercial Operation Declaration and taking-over of the two units in 2014, greatly alleviating the severe electricity shortage in Sumatera island.
- During the execution of Adipala Power Plant, by careful preparation, thorough plan, detailed organization and strict supervision, and supported by complete and standardized regulation system, CNTIC has witnessed great progress of the project.
- During the construction of the Suralaya Power Plant Project, the Company formulated the *Operation Management Procedure on Site Safety, Health and Environmental Protection for Indonesia SURALAYA Power Plant Unit 8* and effectively controlled the important environmental factors in the project site and mitigated major hazardous factors.



Adipala Power Plant Project



Suralaya Power Plant Project



FAC Certificate of Suralaya Power Plant



Taking-over Certificates of the Two Units of Sumatera Barat Power Plant



Panorama of Sumatera Barat Power Plant



High quality training helping the owner in problem solving

Suffering from weak power plant O & M capability due to lacking of local staff with rich experience in the Philippines, the owner of Philippines Puting Bato Power Plant Project met with great challenge on the project commercial operation in the future. To ensure the successful completion of the project construction, the Company provided theoretical and practical training on power plant operation and maintenance for the owner's staff.

CNTIC set up specific training courses, compiled training books and conducted comprehensive guidance and quality control for the training to ensure its smooth progress. The Company provided 4 months' formal field training for 28 owner's trainees, helping them to familiarize with operation rules of main equipment, power plant system and structures, power plant equipment start up, halt, operation supervision and adjustment under DCS situation and basic skills in dealing with typical accidents. Our efforts ensured their competence fully meet the owner's requirements, laying a strong foundation for project field construction.



Training at the project site



PTOC and FTOC Certificates for the Philippines Puting Bato Power Plant Project Phase I

Creating Model Project

Honoring the commitment of quality project and excellent service, CNTIC adheres to the concept of creating high quality project to regulate its operation and constantly improves project construction ability. We strictly control projects' quality and rely on scheme improvement, technology innovation, quality enhancement and service upgradation to provide the owners with outstanding project quality and perfect project service according to their requirements and the construction environment.

Continuing to introduce, digest and absorb foreign advanced technology, improving the professional and technical capabilities of its employees and enhancing the Company's ability to innovate technology.



Technology Innovation



Quality Promotion



Service Improvement



Interests and Rights Protection



Improving service system to meet customers' needs and create values beyond their expectations in a highly responsible manner.

Supervising and inspecting the quality of the major projects under construction at 7 key milestones so as to correct the quality defects timely, avoid the quality risk and retain reliable "documents of traceability".



Communicating with customers timely and fully respecting their opinions and suggestions. At the same time, formulating a list of risk events and establishing a confidential system to safeguard the interests and rights of customers.



First adoption of SMW construction method in Indonesia symbolizes China's technical strength

The circulation water pump house and water intake box culvert are important structures of Adipala Power Plants Project. The bottom elevation of the pump house is -12.40 meters and that of the water intake box culvert is -8.95 meters. Besides, most of the water intake box culvert is in the sea water, which adds great difficulties to the project construction.

CNTIC organized all involving parties for a number of joint field inspection, geographical survey and scheme comparisons to finally decide to adopt SMW construction method as the core of deep foundation excavation maintenance plan. The SMW (Soil Mixing Wall) construction method is also known as new cement mixing pile wall method, which uses special multi-axis agitators to cut the soil while injecting the cement slurry into the soil through the auger's end. After mixing the soil and cement, overlapping construction among all construction sub-units was conducted and putting H steel or other shape materials into the mixing pile before the cement soil mixture coagulated, creating complete and jointless underground diaphragm walls with certain strength and stiffness.

In June 2013, the SMW construction of circulating pump house and water intake box culvert of Adipala Power Plant Project was completed ahead of time. At present, they function well in water proofing and structure protecting, providing strong guarantee for subsequent excavation and underground structure constructions and ensuring the project's quality and timely completion.



SMW Construction of water intake box culvert



Overcoming difficulties to guarantee project construction



The Uzbekistan Railway Electrification Project site

The Uzbekistan B021 Railway Electrification Improvement Project extended about 110 kilometers with scattered construction sites and poor construction conditions. As the supporting party to the project department and its partner, China Railway Electrification Bureau Corporate Co. Ltd. in the project execution, the Company's representatives in Uzbekistan frequently travelled between the construction site and Tashkent City, communicated with various railway transportation departments of Uzbekistan, providing support to the smooth implementation of the project. In the B021 project, CNTIC overcame the disturbances of poor construction conditions and multi-department coordination and successfully put the railway line into operation on August 22, 2015, almost 5 months ahead of schedule.

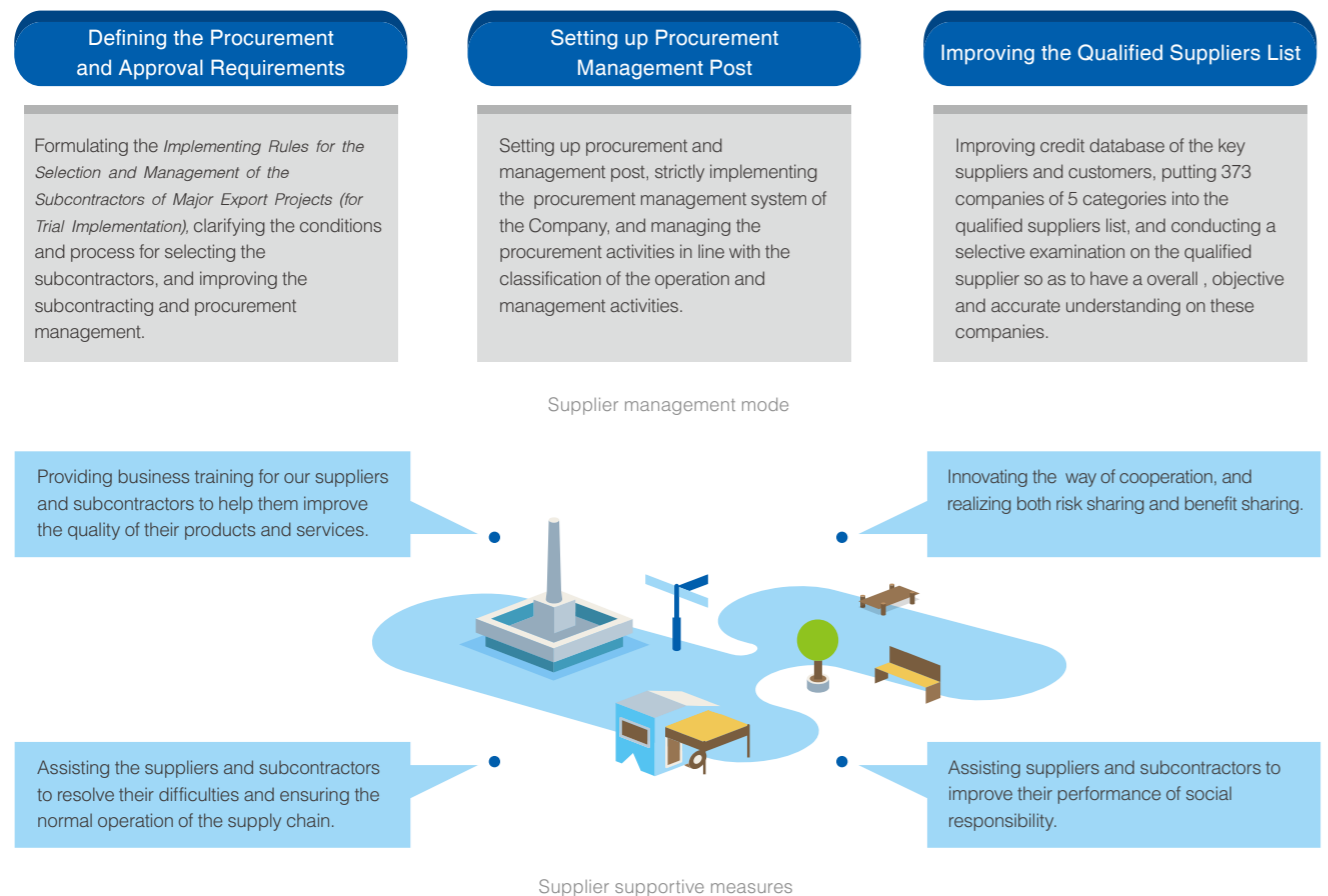
Co-Creating Win-Win Values

Upholding the concept of harmony, CNTIC pays close attention to the requirements of stakeholders while seeking its own development. In order to establish a sustainable and responsible value chain and improve the general level of the whole industry, we strengthen our cooperation with suppliers and subcontractors and deepen communications with other enterprises to achieve win-win results with our partners.

Achieving Win-Win Results with Partners

CNTIC adheres to the supplier management concept of "win-win cooperation", regards suppliers as an important link in the value chain and conducts strict management. We follow the supplier management procedure of qualification examination, bidding invitation, contract regulation, supervision and inspection, choose suppliers and subcontractors with outstanding social responsibility performance and sign contracts according to laws and regulations.

The Company actively protects the legitimate rights and interests of suppliers and provides funding and technical support to them to promote win-win results. In 2015, the Company conducted 86 trainings for suppliers with 1,480 participants.



Upgrading business platform and strengthening supplier management

Tender procurement is essential to project construction. To meet the requirements of tender procurement business, in 2015, the Company has upgraded its project information management platform into a smarter system, integrating various project data and implementation procedures. Based on these data, it developed 13 management modules for tendering and bidding, contracts, payment, fabrication supervision, file data, logistics, defect elimination, site representatives, etc. With the help of the system, all links of tender procurement, from plan and approval to practical operation, become more programmatic and standardized, enhancing the Company's supplier selection and management.

Promoting Industry Progress

Following industry orders and business ethics, CNTIC actively participates in the formulation of industry standards and regulations to lead and uphold the industry's benign development. The Company also attends industry exhibitions and exchange conferences to communicate and share experience with other enterprises for common progress.

In 2015, the Company actively participates in many important bilateral and multi-lateral economic and trade activities, including China-Indonesia Economic Cooperation Forum, China-Kazakhstan Economic Cooperation Forum, China-India Economic and Trade Forum, China-Turkey Economic and Trade Forum, Fourth CICA Business Forum and CICA Industrialist Association Inaugural Meeting and so on.

The Company greatly supports and participates in meetings and activities organized by China International Contractors Association (CHINCA) and China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME). We have also assisted the two organizations to conduct special research on "Belt and Road" projects in aspects of quality, operation, maintenance, financing, etc., as well as market research on Indonesia, India and the five countries in central Asia. Our efforts have promoted the international development of the industry.



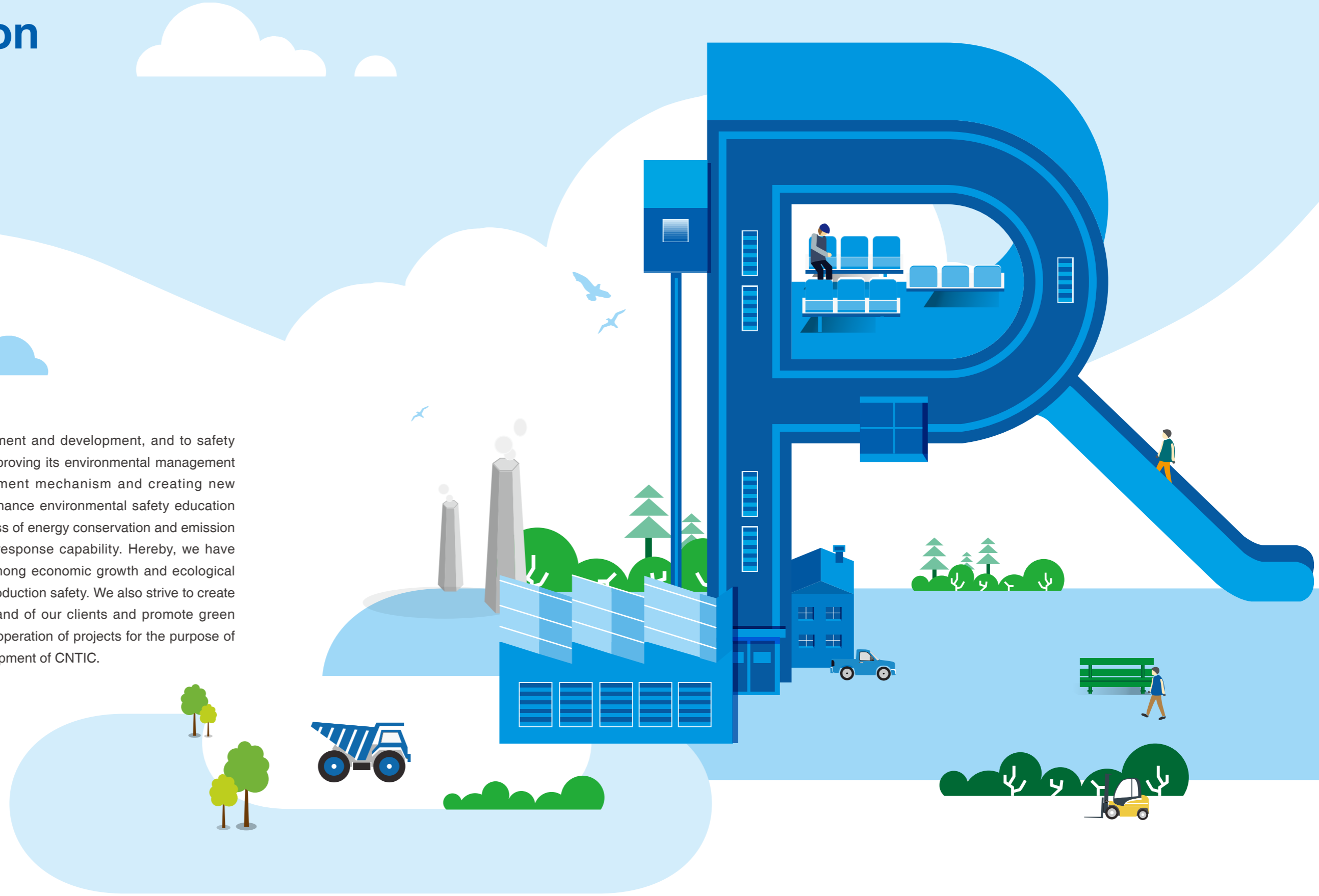
Expanding communication channels and promoting industry progress

While working as the general secretary of Indonesian China Business Council and the director of the electric power branch, CNTIC Representative Office in Indonesia actively participated in a variety of folk diplomacy activities and kept in touch with the Indonesian Government, Indonesian business circle, other China-invested enterprises, foreign business councils and enterprises to constantly promote communication and exchange in the industry. The past three years has witnessed continuous improvement of the business council's influence as its member increased from 75 to 161. Now, it has become one of the most important foreign business council in Indonesia.

- During three years' work as the general secretary of the business council, CNTIC Representative Office in Indonesia centered around the business council's four major functions of "communication and exchange, service promotion, organization coordination, appealing and rights protection" to organize many activities, lectures and trainings, providing member enterprises with quality services.
- CNTIC Representative Office in Indonesia completed works of logo selection, official registration, website building, WeChat platform creation and so on for the council, offering broad platforms for communications and exchanges to its members.
- CNTIC Representative Office in Indonesia established the first overseas China-funded Enterprises Service Center to continuously promote communications and exchanges between enterprises.

Co-Promotion

While paying equal attention to environment and development, and to safety and construction, CNTIC is constantly improving its environmental management system, optimizing its safety management mechanism and creating new management approaches. We further enhance environmental safety education for all employees, strengthen the awareness of energy conservation and emission reduction, and improve our emergency response capability. Hereby, we have realized the coordinated development among economic growth and ecological progress, engineering construction and production safety. We also strive to create high-quality projects that meet the demand of our clients and promote green construction and production safety in the operation of projects for the purpose of the healthy, stable and harmonious development of CNTIC.

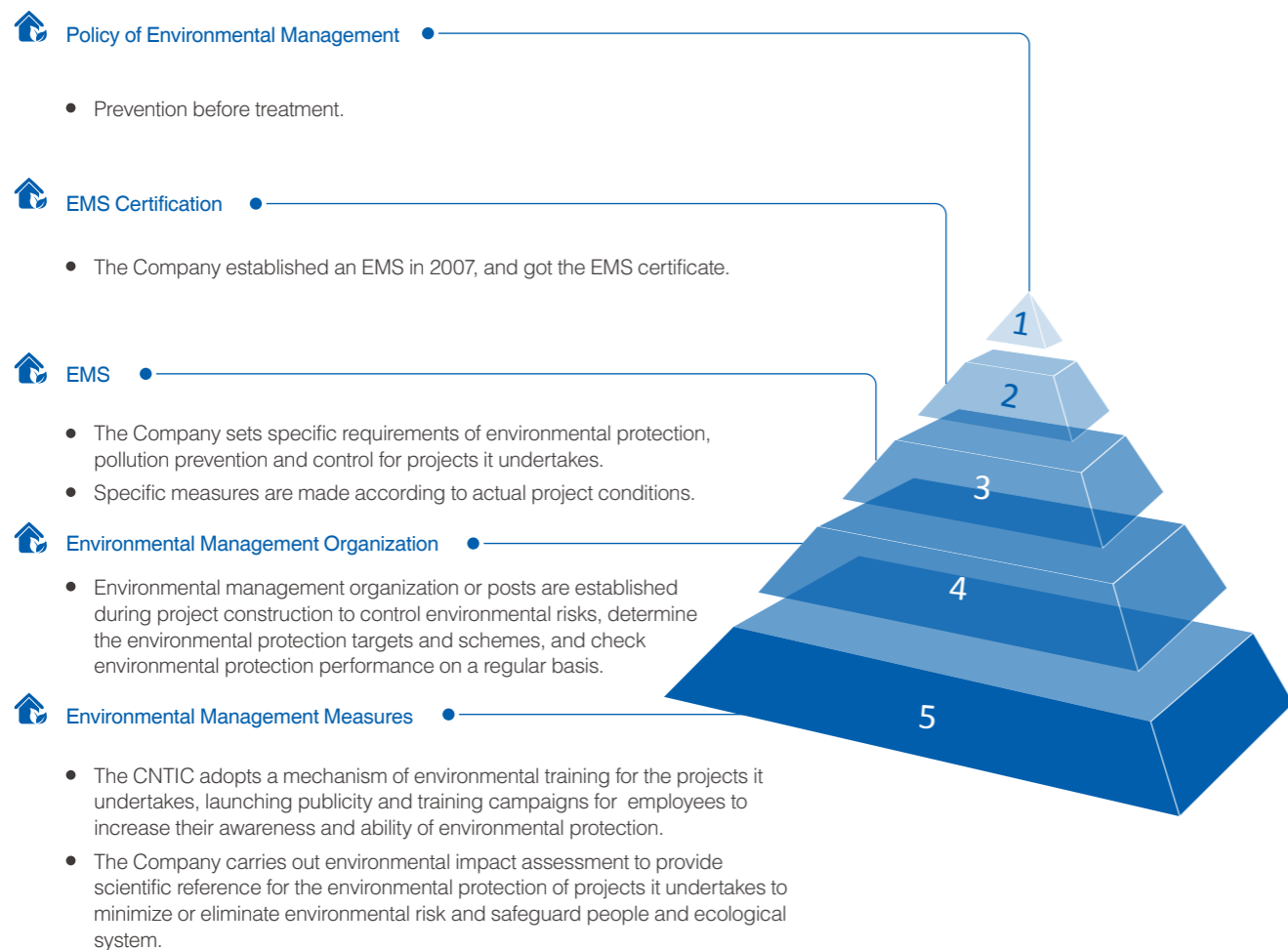


Co-Promoting Ecological Progresses

In line with the principle of "prevention first, integration of prevention and cure, assuming heavy responsibilities", CNTIC enhances its monitoring over green projects from the source and gives priority to energy-saving and environmentally friendly materials. We also strengthen our environmental management in the construction and make use of resources such as energy, raw materials, lands and water responsibly. Through technological innovation, we have managed to reduce energy consumption and constantly increase our resource recycling rate, which helps protect bio-diversity and ecological balance and promote ecological progresses.

Environmental Management

In line with the philosophy of "environmental protection and harmonious development" and with observance of laws and regulations, such as the *Environmental Protection Law*, CNTIC strives to promote transformation on industrial upgradation and green development. We proactively optimize our product structure by closing down backward production facilities, and from the perspective of strategic management, we also enhance our source control by imposing strict restrictions on high-energy-consumption and high-emission projects and related investments. Hereby, we are able to reduce energy consumption and pollutant emission to the largest degree and to build the "green defense line" fundamentally. Throughout 2015, no major environmental violation has occurred in CNTIC.



Laying a strong foundation for environmental management

CNTIC regards environmental protection and governance as its own mission, so we are constantly improving our environmental management capability to increase our energy conservation management capability. We also make proactive response to the environmental problems emerged in the construction of projects and innovate our construction schemes and techniques to promote the ecological progresses in our project construction.

- We set up posts related to quality, occupational health, safety and environment (QHSE) in accordance with related laws and regulations in China and our clients' countries.
- In accordance with the requirements of overseas engineering, procurement and construction (EPC) contracts, the execution work of environmental protection is realized respectively by construction contractor, equipment supplier and engineering party. All related partners are supervised by CNTIC.
- Overseas project department provides environmental management training for workers in accordance with the requirements of the International Federation of Consulting Engineers (FIDIC) contracts.
- CNTIC strengthens and refines energy conservation and environmental protection works. We organize multi-channel and multi-form energy conservation publicity and education activities and provide consultations over energy conservation information to enhance employees' awareness of energy conservation and to cultivate their good energy saving habits.



Environmental Management System Certificate

Green Construction

In order to protect the ecological environment and save energy, CNTIC strives to optimize construction schemes and techniques and improve management ideas. We promote energy conservation, land conservation, water conservation, material conservation and environmental protection, and we have effectively controlled the dust pollution, noise pollution and pollutants produced in the construction and reduced construction consumptions, which protect the environment to the largest degree.

Meanwhile, CNTIC attaches importance to bio-diversity protection in the construction for eco-environmental balance, and we have integrated this philosophy into our corporate strategy and project implementation. We adopt appropriate approaches to deal with domestic garbage and construction waste, conduct land expropriation, formation and clearance in strict accordance with design documents, and establish corresponding systems for rewards and penalties. For ecological restoration, we also organize tree planting activities.

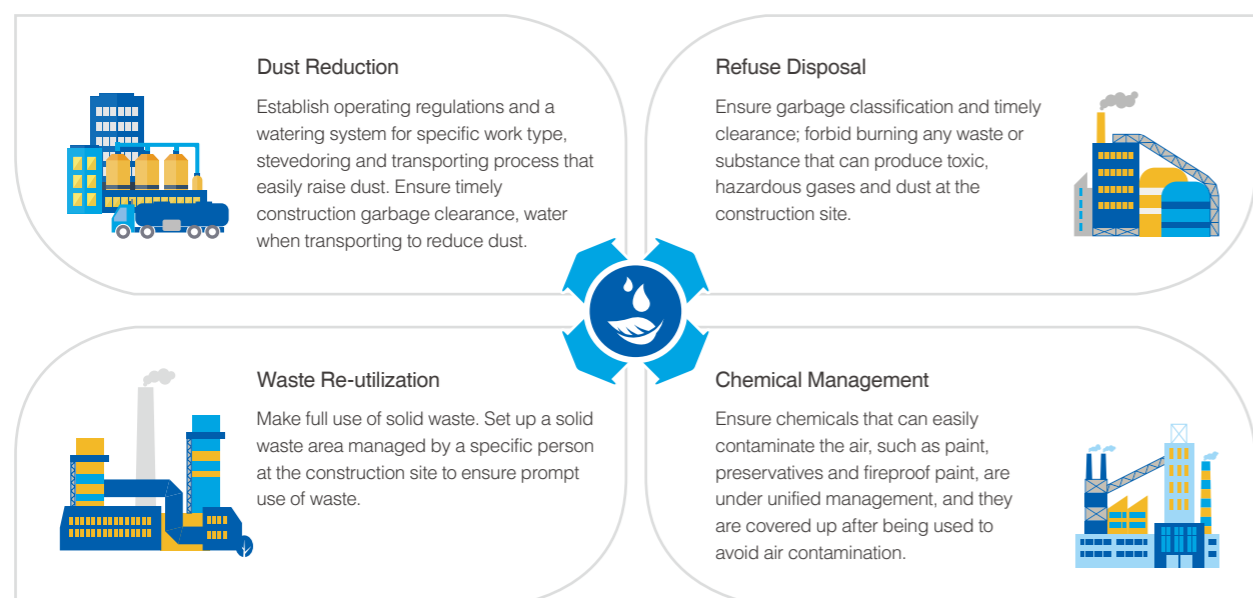
Environmental Evaluation	Energy Control System	Pollution and Emission Reduction
<ul style="list-style-type: none"> Evaluate local environment impact at the planning stage and regard the evaluation as a significant factor for proper site selection to basically avoid harming the environment due to improper construction planning. Forecast the coverage, degree and tendency of the influence of projects on the environment and propose corresponding protective measures. 	<ul style="list-style-type: none"> Establish a scientific resource and energy utilization and control system at the design stage of contracted projects to increase resource utilization rate. Proactively develop and utilize alternative energy and enhance waste re-utilization to develop circular economy. 	<ul style="list-style-type: none"> Formulate pollution and emission reduction systems to ensure that the emission of pollutants, chemicals and other hazardous substance meets the standard and that the treatment and destruction procedure and standard meet or exceed the requirements of related laws and regulations. Use environmentally friendly construction techniques and materials and reduce construction waste. Establish an emergency mechanism and activate it for timely report and treatment when emergent and serious environmental pollution accidents occur.



Providing green energy and protecting the eco-environment

Algeria is located in the north of Africa with sufficient sunshine and rich solar power resources. In 2014, a joint venture created by CNTIC and Yingli Solar successfully contracted for the construction of photovoltaic power station in Algeria with a total capacity of 25 MW.

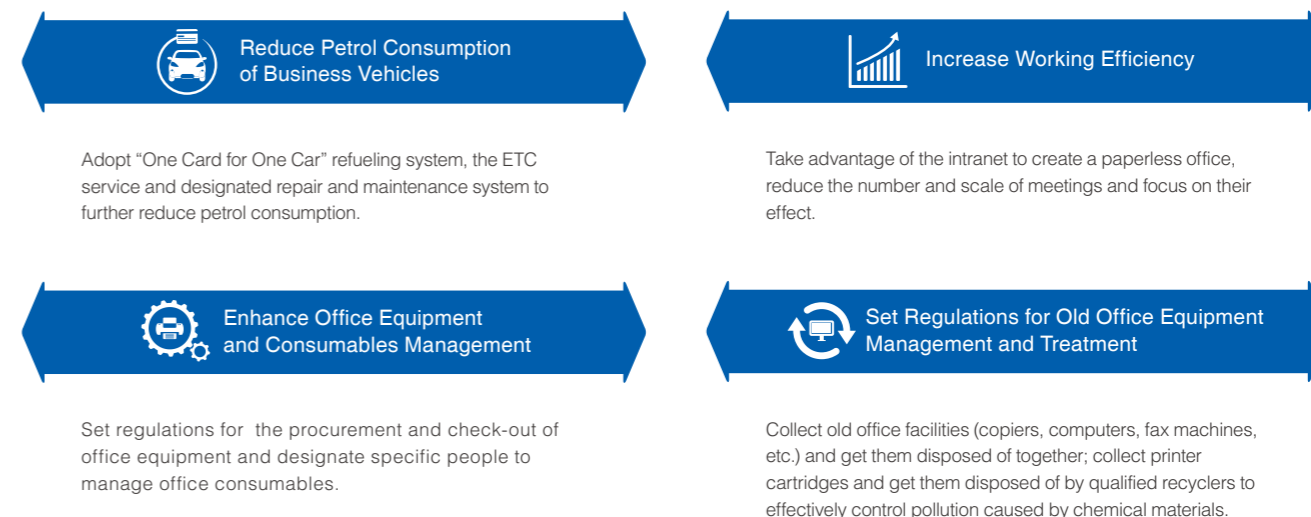
Facing with the drought, rough condition and complicated topography in Sahara desert area, CNTIC showed its respect for nature and established a management mechanism according to the basic environmental protection policy, the environmental management regulations and the actual situation. Particularly, we formulated ecological protection measures, and we managed to conduct "green production" based on our sufficient knowledge about the environmental factors that could possibly emerge during the construction. The power station project provides clean and green energy to local residents and industries, and it reduced the CO2 emission of diesel power plants nearby by 34, 491.7 tons. In the meantime, the surface of desert becomes cooler because it is shadowed by our photovoltaic components, and as a result, the warm updraft becomes weaker and it leads to more rainfall. This is beneficial to the growth of vegetation in the desert and effectively improves the local eco-environment.



A bird's-eye view of the Algeria Photovoltaic Power Plant

Green Office

CNTIC carries out various energy conservation and consumption reduction activities and acts up to the energy conservation awareness: "saving costs bit by bit, increasing profits every minute". During our daily work and the operation of projects, we call for resources saving and say no to waste for the purpose of maximal utilization efficiency of energy and resources.

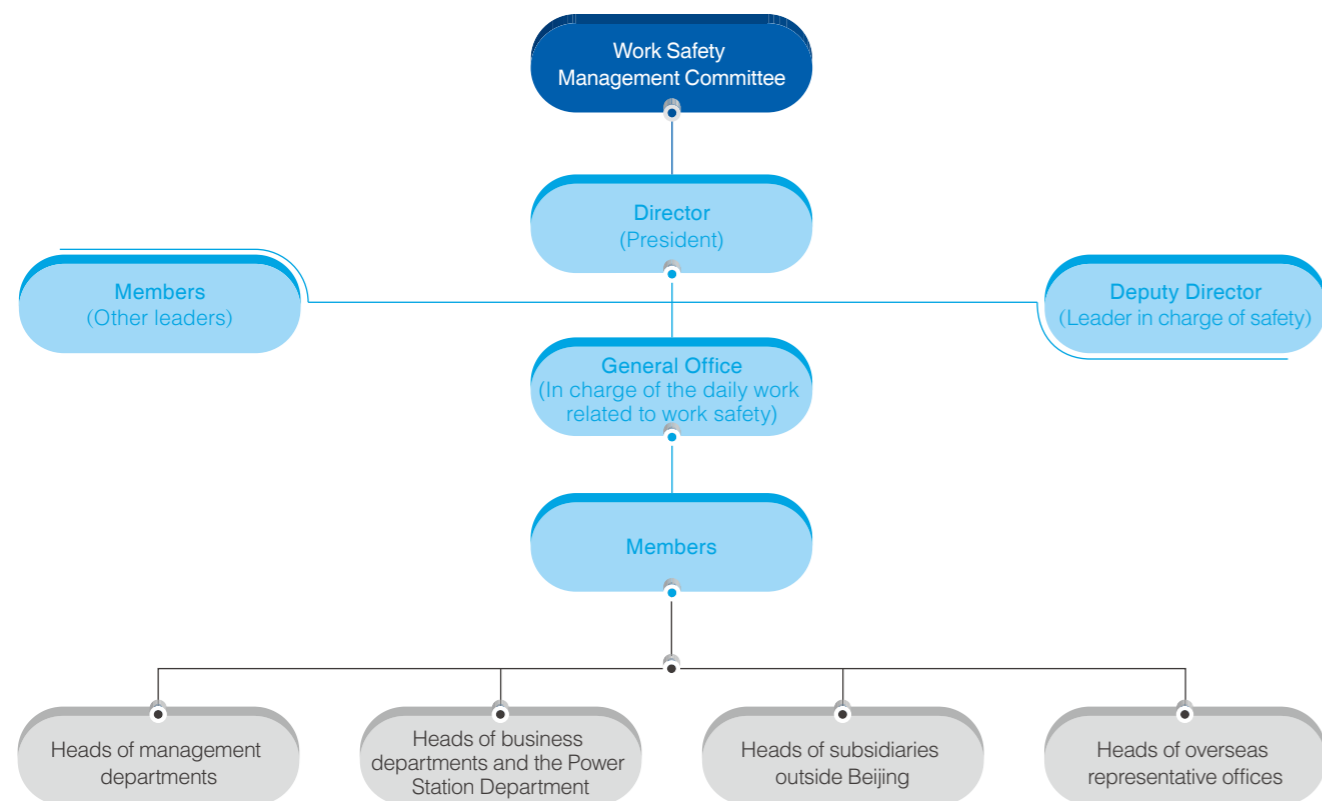


Co-Promoting Safety Models

In line with the philosophy of "precaution first and safe development", CNTIC gives full play to our work safety management committee and constantly promotes the construction of our work safety culture. We strive to improve our construction equipment, techniques and schemes, to enhance work safety management, to follow our work safety responsibility system and to increase the emergency response capability of our employees. The value of work safety is integrated into the construction of our projects to prevent work safety accidents, and we aim to join hands with our employees to set work safety models.

Safety Management

Strictly abiding by the *Work Safety Law*, CNTIC is constantly improving its safety management system. We have formulated a letter of responsibility for work safety to specify the responsibility, and we also promote safety checks and establish an emergency response mechanism to enhance the safety management for projects, offices and employees' trips. All these efforts have protected the stable and steady development of the Company. In 2015, CNTIC established a trip safety management system for our employees in the headquarters, subsidiaries outside Beijing and overseas offices. The system managed to cover all employees to furtherly improve our employee safety management.



Enhance Safety Management

Perfect System Construction	Increase Resource Input for Safety	Enhance Team Building	Intensify Inspection
We have formulated one work safety classified supervision and assessment system, revised, optimized and formulated twelve pages of various tables, compiled one comprehensive emergency response level reference document for CNTIC and Genertec Group, and made one emergency response plan for elevator accidents and one for bromatoxism.	Each floor of the office area and all departments are equipped with first-aid kits. First-aid medicines and equipment are supplemented and upgraded in time. 176 fire escape hoods are replaced and 60 fire extinguishers are examined and maintained annually.	We organized eight group training activities with 1,075 participants involved in, which further enhanced staff's safety awareness and improved their knowledge as well as skills of work safety and their emergency response, self-rescue and mutual help capabilities.	We have organized four rounds of safety inspections before holidays, four on subsidiaries outside Beijing, four on overseas departments and three rounds of the special legality elimination and potential risk checking activity. Our efforts prevented none major accidents from happening.



The safety inspection team is checking the situation of a project site

Safe Construction

CNTIC has a strong awareness on production safety, and, in 2015, we invested special funds of 1,024,000 yuan to make sure that production and construction are safe and sound. We constantly improve our safety equipment while working out effective safety precautions, readjusting construction schemes and solving technical problems in accordance with actual conditions. Work safety is the prime principle of our own development and we also strive to ensure the safety of our employees and projects.



Multiple measures to ensure work safety



Emergency Access for the chimney construction at the Adipala Power Plant Project

The site of Adipala Power Plant in Indonesia faces directly to the turbulent Indian Ocean. The severe sea conditions not only doubled the difficulty of coal jetty construction but also made constructors exposed to more safety risks.

To deal with this special site condition, CNTIC formulated interim safety management regulations and spared no efforts in preparing safety precautions. We also arranged safety training and practical activities for our employees and provided them with protective equipments. Meanwhile, given the high waves and strong wind, the project team formulated a set of marine safety management regulations for marine construction, forbidding employees to go to the marine construction site during the off-work period. The marine construction team was required to submit the safety measures they had taken in time in the daily, weekly and monthly report. Multiple measures were taken to minimize the harm of accidents and to ensure safety during the construction.



CNTIC regards protecting the safety of subcontractors as its own duty

In EPC projects, subcontractors' safety management and safety measures are essential to maintain the quality and safety of the whole project. CNTIC has formulated specific safety management regulations for subcontractors according to the feature of projects. Subcontractors are required to have specific safety officers and necessary safety equipments and to proactively carry out safety training. CNTIC signs a letter of responsibility for work safety with all subcontractors to specify the requirements for work safety and the scope of responsibility in order to ensure each safety measure is well implemented. In 2015, CNTIC completed the *Guideline on Work Safety Measure Fee Management in Project Construction*, which created a new mechanism to manage subcontractors' safe and civilized construction by fee management.



CNTIC is signing a letter of responsibility for work safety with subcontractors

Safety Training

CNTIC attaches importance to cultivating our employees' awareness of safety. We constantly improve our safety education and training system and organize safety training, the work safety month activity and other activities to strengthen our employees' awareness of safety and their emergency response capability. Meanwhile, we encourage our employees to take the Certified Safety Engineer examination in order to improve their own professional management capability in safe production and enhance the Company's soft power of production safety.



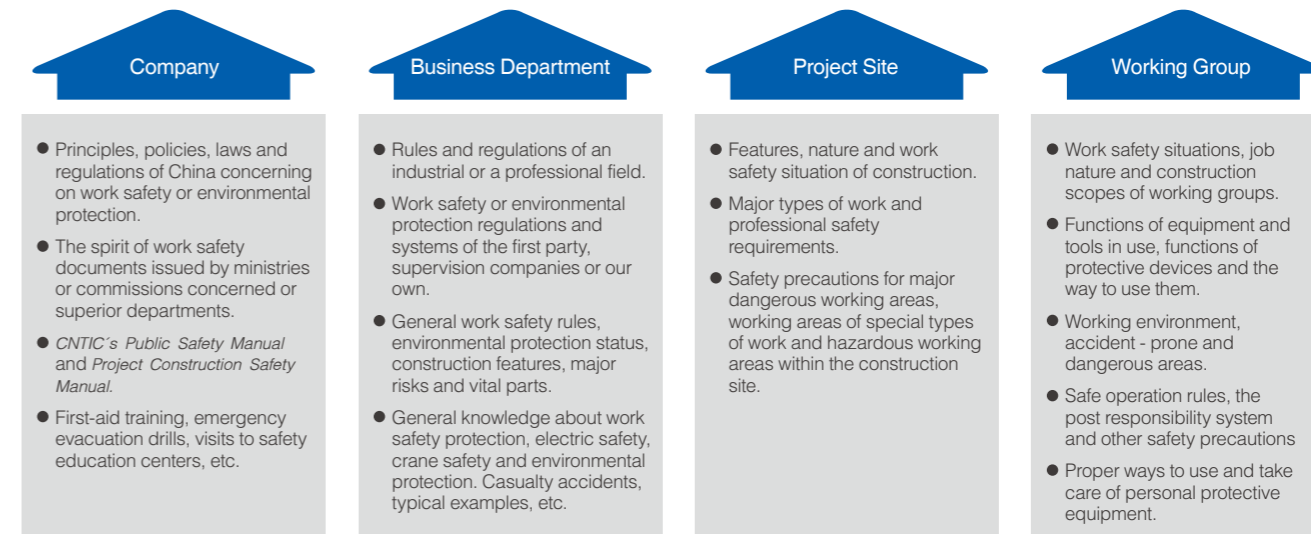
CNTIC publishes the *Project Construction Safety Manual* and the *Public Safety Manual* to promote the publicity of the responsibility for safety



CNTIC organizes employees to watch safety education videos to enhance each department's awareness of the responsibility for safety



CNTIC carries out first-aid training to teach employees how to treat wounds, perform CPR and deal with common acute diseases



The four-level safety education and training model of CNTIC

Sharing

While carrying out the “Belt and Road” Initiative and accelerating the exploration of overseas markets, CNTIC also plays an active role in performing social responsibilities such as promoting social development and improving people’s livelihood. We care about communities, support the development of communities and share our development achievements with communities. We also care about our employees and strive to expand their development opportunities for the mutual development of CNTIC and our employees.



Sharing Harmonious Communities

CNTIC has always attached importance to the development of communities. We regard ourselves as a member of the community and are eager to know the demand of local residents. We make contributions to communities, promote their continuous development and create harmonious communities.

Localized Operation

Up to 2015, CNTIC has hired 682 foreign employees with a localization rate of

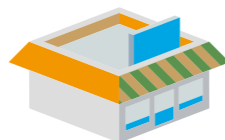
71 %

CNTIC sets up local institutions to provide more employment opportunities for local residents and conducts local procurement to further promote its localized operation, which benefits local communities with actual economic returns. Up to 2015, CNTIC has hired 682 foreign employees with a localization rate of 71%.



Localized Institutions

We set up local branches and project departments in accordance with company development and project need.



Localized Employment

We proactively recruit local residents and strive to create employment opportunities and improve their professional skills and abilities.



Localized Procurement

Under the condition that raw materials are safe and have high quality, we maximize localized procurement to boost local economic development.



Recruiting local workers to create employment opportunities

In the construction of the Adipala Power Plant project in Indonesia, in order to benefit the local community, CNTIC took charge of building the access roads to the construction site and leveling the ground, purchased materials and hired workers from local labor organizations on the premise of not violating the contract with subcontractors. At peak time, we hired over 2,000 Indonesian workers, accounting for nearly 25% of the total project employees. In this way, we created jobs, increased local workers' income, reduced our costs and received a high praise from local residents.

Community Development

CNTIC always abides by local laws and regulations and shows respect for local customs and religions. We proactively communicate with communities and listen to local people's needs. We help them overcome difficulties and strive to improve local living conditions, and hereby have managed to establish a good relationship with local communities. CNTIC gives full play to our own advantages to support the construction of local communities for their further development.

Communication with Communities

We inspect, supervise and public environmental performance to the public at regular basis, listen to local residents' advice and increase the transparency of ourselves to create a transparent and open communication environment through the establishment of a long-term and regulated communication mechanism. We also collect and react to people's opinions through multiple ways to improve the projects operation.

Infrastructure Construction

We obtain a better understanding on their most urgent needs through communication with local community and give full play to our own advantages to improve local infrastructure, concerning transportation, health, entertainment, etc., so as to promote local economic growth.

Culture Development

We proactively support culture development in local communities. We organize and participate in recreational and sport activities, join local activities and make donations to communities to promote local community cultural development.



The Ghorashal project department is holding a New Year Gala



The Sumatera Barat project department donates computers, schoolbags and stationary to the local government, special schools, primary schools and the village committee

Charity Activities

It is our duty to repay society and build a harmonious society. CNTIC is keen to get engaged in charity activities and we have organized a variety of activities to repay society. We proactively help poor families and those who in need, participate in the relief of natural disasters, and carries out many volunteer activities to show our love for society. In 2015, CNTIC donated 87,100 yuan in total.



Making donations for education to improve school conditions

Liujiapu Primary School is located in Liujiapu Village, Zuowei Town, Huaian County, Hebei Province and it has a history of over a century. There are six normal classes and three nursery classes with several hundred students in the school and it is the major school in the village. The teaching facilities were reconstructed after 1976, so they are now in really bad condition, and there are also very few desks, which are very shabby. Therefore, the teaching conditions here are extremely bad. In 2011, CNTIC launched a donation activity for poor primary and middle schools in Beijing suburbs and Hebei Province. Liujiapu Primary School has become our key target.

We went to Liujiapu Primary School and collected the needs of the school and students. Then we provided some teaching facilities such as desks and chairs for the school immediately to satisfy its need of desks and chairs, which created a good environment for learning. After that, we made more donations to Liujiapu Primary School in 2015, including computers and schoolbags. We encouraged students to work hard and become a useful person to the country.



Donating schoolbags and stationery to the students at Liujiapu Primary School

"A desk, a schoolbag, or a dictionary seems small, but it shows the sense of social responsibility of a company and it can also evoke our employees' love for society and others."

— Zhang Ning, President's Office, CNTIC



Our participation in the "Sri Lanka Free Cataract Surgery Campaign"

In September 2014, when Chairman Xi Jinping paid a friendly visit to Sri Lanka, the Embassy of China in Sri Lanka held a large charity activity called "Sri Lanka Free Cataract Surgery Campaign". Our employees in Sri Lanka took an active part in this activity and paid a visit to the Chinese medical team and the patients in the hospital. They donated 50,000 U.S. dollars to the patients who would receive cornea surgery to solve their financial difficulty.

They donated **50,000** U.S. dollars to the patients who would receive cornea surgery to solve their financial difficulty



Extending our regards to the Chinese medical team



Donating stationery to primary schools in Sri Lanka



The "Happiness Project · Helping Mothers in Need" donation activity



Donating clothes to migrant workers' children

Sharing Development Achievements

With the development of CNTIC, our employees create not only rich material wealth but also precious spiritual wealth and they are constantly driving the innovation of CNTIC. We attach importance to the personal value of our employees and regard them as the most precious resource. Therefore, we always protect our employees' rights and interests, support their development and strive to create a harmonious relationship with them for our mutual development.

Safeguard Rights and Interests of Employees

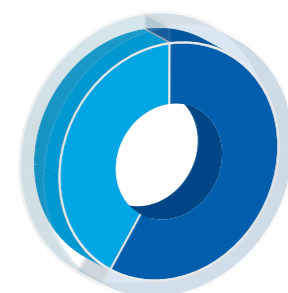
CNTIC always puts people first, treats every employee equally, protects the legitimate rights and interests of employees and improves their remuneration and welfare to establish a harmonious relationship between employees and CNTIC.

Legitimate Employment

CNTIC strictly abides by local laws, regulations and the international labor standards. We insist on open recruitment, fair competition and hiring the best candidates based on common values, and refrains from discriminating employees according to race, nationality, ethnicity, gender, age and religious belief. We absolutely prohibit child labor, force labor and employment discrimination, and establish an equal and normative labor relation with our employees. Also, we have an internship system for college students. Interns with excellent performance can be officially employed. This system can help to ease employment tension in society.

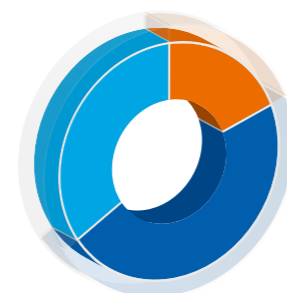
By the end of 2015, there have been 373 active employees in the headquarters with 24 employees newly recruited in 2015. Female employees account for 34% of all managers of middle level and above. The employment contract signing rate is 100%. The employee satisfaction rate is 100%. The employee turnover rate is 3.8%.

Gender Ratio



■ Male 59%
■ Female 41%

Education Status



■ Bachelor degree 47%
■ Master degree or above 34%
■ Junior college or below 19%

Age Status



■ Aged 30 and below 31%
■ Age 31-40 30%
■ Age 41-50 24%
■ Age 51-60 15%

there have been

373

active employees in the headquarters

The employment

contract signing rate is

100%

The employee

satisfaction rate is

100%



CNTIC's recruitment talk in universities

Enhancing communication and coordination, signing fair contracts

In 2015, BUT China National Technical Import & Export Corporation (referred to BUT CNTIC company) conducted sufficient research on the Labor Law of Indonesia and drafted a contract accordingly for local employees. After that, BUT CNTIC company revised the contract for many times according to the opinions of local employees and got the final contract welcomed by both sides. In November 2015, BUT CNTIC company signed contracts with all local employees, which protected the legitimate rights and interests of local employees.

Democratic Management

CNTIC respects employees' opinions and conducts democratic management. We constantly promote the development of a democratic corporate management system, mainly composed of trade union system, employees' congress system and transparent company affairs publicity system, to establish a democratic management platform that could help protect our employees' right to know, participate in, express their opinion of, and supervise the management. In 2015, CNTIC held the sixth session of the seventh employees' assembly. The assembly reviewed the 2014 Annual Report of CNTIC, the 2014 Report on Job-Related Consumption by Leaders of CNTIC, etc., handled 9 employee proposals of 2014 and collected 4 valid proposals from present employee representatives, which protected our employees' exercise of legal rights.

In 2015, trade unions were established at all levels of the Company with all employees included.



Trade Union System and Workers' Congress System

- CNTIC improves the trade union system and the workers' congress system. Any major decisions or policies that is closely related to employees' interests shall be reviewed by the workers congress in order to hear their voice and protect their interests as much as possible.
- In 2015, CNTIC revised the instructions and regulations of the workers' congress and refined the Management Approach of Employees Representative Draft Resolution.

Transparent Management

- Through the workers congress, the corporate intranet and other ways, CNTIC keeps employees informed of the Company's major decisions, important business and management issues, issues closely related to employees' interests, and other information for employees' supervision.

Complaint Box and Leader Reception Day

- CNTIC collects employees' opinions about the Company's reform and development, measures against formalism, bureaucratism, hedonism, extravagance, and ways to improve leaders' work style.
- CNTIC strives to solve employees' difficulty in work, management and their lives.



The sixth session of the seventh employees' assembly was held

Remuneration and Welfare

Based on business characteristics, CNTIC has established two different remuneration management systems for domestic and overseas projects. We are constantly enhancing our job remuneration management by improving our dynamic wage adjustment mechanism and standardizing our income distribution system to provide employees with fair and just remuneration for their happiness. In the meantime, we are actively approaching the wage standards of international project contractors and project management companies and pay our overseas employees in U.S. dollars.

In addition to basic social security and welfare for employees, we have set up professional title and qualification bonus system, enterprise annuity system, and provided employees with many other benefits, such as commercial insurances, housing subsidies, paid annual leave, lunch, physical examinations and spring and autumn outings. Meanwhile, given the risks of overseas contracting business, we have brought worldwide valid personal accident insurance for all overseas employees and special accident insurances covering wars, riots, terrorist activities, etc., so our overseas employees and their families shall have nothing to worry about. In 2015, the Company spent 31.51 million yuan on social security, benefiting 100% employees, and the personal accident insurance covered all overseas employees. On average, each employee enjoyed a paid annual leave of 7.38 days.

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Employee Development

Employees are the driving force that keeps CNTIC growing and helps us to realize the goal of becoming world-famous enterprise. We explore the value of employees and strive to enhance our personnel development and training. We also continue promoting our all-round training for employees, build a solid and vast platform for their career development and stimulate employees' enthusiasm and creativity to the largest degree.

Employee Training

CNTIC attaches great importance to employee training. According to our strategic development plan and our idea of establishing an internal training market, we conduct a careful analysis of training demand, set up annual training course plan and carry out a series of training for professional skill improvement and overall quality improvement in a way called "Training Supermarket". Our target is to cultivate all types of personnel that can satisfy the needs of development to promote employees' overall development. In 2015, the Company spent nearly 500,000 yuan on employee training. The training covers over 98% of our employees with 1,216 times of participation. Each participant spent over 40 hours in training on average.



CNTIC holds the "Love for Frontline Work" sharing session, where business backbones are invited to share their experience with young employees



A special training course for overseas employees



A performance management training



Carrying out an intensive training course of practice of international trade to improve employees' professional skills

In 2015, in order to strengthen our employees' capability to handle practical affairs in international trade and help them adapt to their jobs in international trade, we invited university professors to conduct an intensive training course of practice of international trade. 89 young employees not majoring in International Trade attended the course. During the training, the Company adopted a strict management mode and conducted regular inspections over the employees' study, which strengthened their practical ability of handling affairs in international trade.



The intensive training of international trade practice

Career Promotion

Based on the evaluation of jobs and skills, CNTIC has established a performance-oriented career development system with the aim of attracting and motivating employees. This system opens up many career paths for employees. By re-analyzing the responsibilities of different posts and improving the evaluation mechanism, we help employees draw up a reasonable career development plan and create a transparent development environment in order to promote their continuous development.

Multi-Channel

Offer different career promotion channels including basic position, administration, professional expertise and special talent.

New Mode

Re-analyze the responsibilities of different positions and help employees specify the responsibilities as well as the performance evaluation standards, help them clear about career direction as so to integrate self development into the Company's prospect.

Strict Mechanism

Improve the assessment mechanism, regard work performance assessment result as a important factor for promotion, select the superior, eliminate the inferior and conduct supervision over the procedures of performance assessment and promotion to ensure fair and just results.

Employee Care

With heartfelt care for employees' work and lives, CNTIC plays an active role in helping them relieve stress and strike a balance among work, family and personal life to increase their happiness.

Recreational Activities

CNTIC thinks it important for employees to cultivate a healthy working style and to have good working conditions. Hence, we have organized many recreational activities for several consecutive years, including group travels, theatrical performances, chorus, badminton matches, basketball matches and tug of war. Such activities enrich employees' work and lives, cultivate their taste, as well as help them alternate work with rest for a positive and optimistic mental state.



Mental Health

In order to help employees keep a healthy mental state, the Company always plays an active role in psychological counseling and adopts various ways to help employees relieve stress and keep an optimistic attitude.

In order to help employees overcome their difficulties in their lives and work, the Company has set up a 24/7 hotline for psychological counseling. Since it was set up, the usage rate has reached 8.21% while a quarter of the consultees are the family members of our employees, higher than the international average level. The satisfaction of our return visits is 100%. Our hotline service has been effective in relieving employees' and their family members' stress.



The "Physical and Mental Development of School-age Children and Parent-child Interaction" indoor psychological development activity



Employee Assistance Program (EAP)

The Company carries out the Employee Assistance Program to strengthen our focus on the mental health of employees and help employees keep healthy mental state. By promotion activities, salons, film appreciation activities, hotline consulting service, parent-child activities and other ways, we aim to create an employee care system covering all employees. It is expected to provide one-to-one service of different degrees for employees with the support of a communication and feedback mechanism, an effect evaluation mechanism, dual complaints mechanisms, etc.



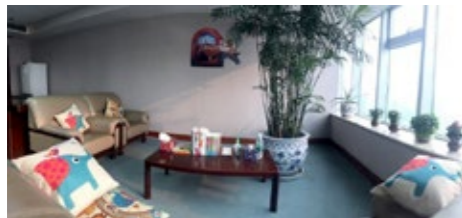
Special EAP training for employees working overseas

In 2015, in accordance with different themes, like the Charming Women month, the Happy Family month and the Team Building month, the Company organized corresponding EAP activities, such as the "Relaxation and Refreshment" theme salon, the "Happy Family, Happy Growth" parent-child activity and the "Creating a High-Efficiency Team" film appreciation activity. Our target is to help employees live a healthy life and handle the relationships between husband and wife, between parents and children and between colleagues in a proper way. In the meantime, we also organized a special overseas training activity called "Deliver Love to the Other Side of the Sea - Establish a Harmonious Intimate Relationship and Parent-child Relationship". We invited our overseas employees' families to join our domestic EAP activity and instructed our overseas employees to handle pressure from work and life properly in order to build a harmonious family relationship.

Life Care

CNTIC always cares about its employees' lives. We are keen on knowing every employee's needs as well as constantly conveying our care to the employees. While satisfying employees' general needs, we also try to meet their diversified expectations. Our target is to solve their most caring, direct and realistic interest problems to improve their living quality.

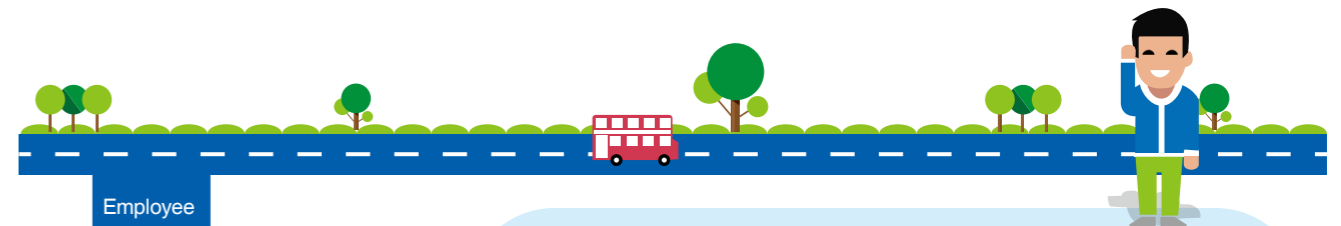
In 2015, the Company paid 16 visits to employees suffering from financial difficulty, illness and losses of direct relatives, and donated 74,500 yuan in total, up by 37%.



Lactation room



CNTIC organized the "Happy Family" photo exhibition to motivate employees to work happily and live a happy life from the perspective of family life



Employee Care

Providing Assistance and Help for Staff and Employee with Financial Difficulties

Formulate the *Assistance Measures for Employee with Financial Difficulties* and the corresponding system, set up special funds, establish a "Labor Union Group-Labor Union-Company Leaders" three-level assistance system so as to boost our effort to help the staff and employee in difficulty.

Serve Retired Employees

Care for retired employees and proactively offer our help to solve their problems. In 2015, CNTIC provided subsidies worth 14,000 yuan in total for 14 retired employees with financial difficulty.

Care for On-duty Employees

Provide employees with physical examinations, vaccination against HBV and flu and gauze masks against fog and haze.

Care for Female Employees

Offer suitable positions to female employees, ensure that they enjoy equal opportunities of promotion and remuneration; organize physical examination for female and set up mother-and-baby rooms; carry out activities like "Hiking Around Lakes" on Women's Day to help female employees live a healthy life.



Report Index

Contents	GRI Index	CASS 3.0 Index
About the Report	G4-28、G4-30、G4-31	P1.1、P1.2、P1.3、P1.4、P1.5
President Q&A	G4-1、G4-2	P3.1、P3.2
About Us		
Company Profile	G4-3、G4-5、G4-6、G4-7、G4-8、G4-9	P4.1、P4.3、P4.4、M1.5、S1.5
Business Types	G4-4	P4.2
Organizational Structure	G4-34	P4.7
Corporate Culture	G4-56	G1.1
Company Governance	G4-14、G4-36	S1.1、M1.1
Legal and Regulatory Compliance	G4-SO8	S1.1、S1.4
Internal Control		
Risk Management		M1.6
Special Topic		
Sustainable Development	G4-1、G4-2	G1.1、G1.3、G1.4
Social Responsibility Management	G4-8、G4-15、G4-16	P5.1、P5.2、P5.3、G2.1、G2.2、G2.3、G2.4、G2.5、G6.4
Material Issues	G4-19、G4-23	G4.1、G4.2
Communication with Stakeholders	G4-24、G4-26、G4-27	G5.1、G5.2、G5.3、G5.6、G6.2
Co-Creation	G4-56	M2.5、M3.1
Co-Creating Quality Projects		M2.5
Deepening Project Management		M2.5、M2.7
Cultivating Core Abilities	G4-PR2、G4-PR5	M2.13
Creating Model Project		M2.12

Contents	GRI Index	CASS 3.0 Index
Co-Creating Win-Win Values	G4-12、G4-SO7	M3.1、M3.6
Achieving Win-Win Results with Partners	G4-12、G4-SO9	G3.2、M3.2、M3.3、M3.5、M3.6、M3.7、M3.8
Promoting Industry Progress	G4-SO7	M3.1、M3.3
Co-Promotion		S3.1、S3.2、E1.1
Co-Promoting Ecological Progresses	G4-EN11、G4-EN12	E1.1、E3.4、E4.1
Environmental Management	G4-EN5、G4-EN7	E1.1、E1.6、E1.8
Green Construction	G4-EN5、G4-EN11、G4-EN12、G4-EN13、G4-EN23、G4-EN30	E1.8、E1.9、E2.11、E2.13、E4.1、E4.3、E4.5
Green Office	G4-EN6、G4-EN7	E1.10、E3.5
Co-Promoting Safety Models	G4-LA8	S3.1、S3.2
Safety Management	G4-LA5	S3.1、S3.2、S3.5
Safe Construction	G4-LA8	S3.5
Safety Training	G4-LA8	S3.3
Sharing	G4-EC7	S4.4、S2.24
Sharing Harmonious Communities	G4-EC7	S4.4
Localized Operation	G4-EC8	S4.5、S4.8
Community Development	G4-EC7	S4.1、S4.3、S4.4
Charity Activities		S4.9、S4.11、S4.12、S4.13
Sharing Development Achievements		S2.3、S2.24
Safeguard Rights and Interests of Employees	G4-HR5、G4-HR7、G4-10、G4-LA1、G4-LA2、G4-LA12	S1.7、S1.8、P4.5、S2.1、S2.3、S2.4、S2.5、S2.9、S2.11、S2.12、S2.13、S2.22、S2.30、S2.31
Employee Development	G4-HR2	S2.24、S2.25、S2.26
Employee Care		S2.21、S2.27、S2.28、S2.29
Prospects		A2
Expert Comment	G4-33	A2

Prospects

The year 2015 is an essential year to CNTIC because we were striving to keep continuous and healthy development of the enterprise while facing a complicated external economic environment, and it also is the end year of the "12th Five-Year Plan" period. Looking into the future, we will further improve our overall management capability, explore our inner driving potential, proactively discover a path for business transformation and upgrading and improve our service and the quality of our projects. We will also integrate ecological protection with economic development, continue enhancing our comprehensive competitiveness and further promote our corporate social responsibility work to achieve win-win development with stakeholders and make contributions to the harmonious development of society.

Create high quality projects to achieve a win-win partnership – Upholding to the concept that "integrity is the foundation of business", CNTIC will optimize its business structure, cultivate core capabilities and enhance its capability to provide clients with diversified and high quality service. We will also create high-quality model projects, actively promote integrated business, and consolidate the innovative development of domestic and foreign trade business. Besides, the Company will explore new paths for business development and cooperative partnership, deepen our management over the industrial chain and value chain, accelerate our transformation and upgrading, and expand overseas markets.

Strengthen safety management to create an excellent example – Following the concept of "safety first", CNTIC will improve its construction equipment, techniques and schemes. We will also deepen the construction of our safety management system by optimizing our emergency response mechanism to assure project construction progress and improving our trip safety management system to further enhance our safety management over projects, office areas and employees' trips. In addition, the Company will also promote the construction and publicity of our safety culture to ensure healthy and safe development.

Create green engineering to promote ecological progresses – Implementing the concept that "environmental protection comes first", CNTIC will improve its environmental management system and strengthen its environmental risk management. We will also adopt measures to save energy and reduce consumption, strengthen ecological protection during the construction process and explore a green development mode. Meanwhile, the Company will create our environmental protection culture and constantly increase employees' awareness of environmental protection for a harmonious integration of its development and ecological protection.

Give full play to professional advantages to benefit communities and people's livelihood – Strengthening the concept of "valuing harmony to the most", CNTIC will fulfill its social responsibilities conscientiously. We will give full play to our advantages in capital and technology to support local economic growth, community construction and education. The Company will also actively participate in public service and charity and focus on disaster relief, poverty alleviation and education assistance in order to establish a responsible corporate image.

Care for employees' development and share development achievements – Sticking to the concept of "putting people in the first place", CNTIC will establish market-oriented assessment, remuneration and promotion systems to further optimize its personnel structure. We will expand our investment in employee training and clear the promotion channel for employees to improve their professional skills and accelerate the growth of our team. Meanwhile, the Company will also carry out various forms of recreational activities and care for the physical and mental health of employees to further enhance their loyalty to the enterprise and help them realize both their own dreams and the Company's prospects.

Expert Comment

2015 CNTIC Corporate Social Responsibility Report is the second CSR report released by CNTIC. Its concise design, succinct use of language and mobile version all represent CNTIC's sincere willingness for communication with stakeholders.

The most distinctive feature of this report is the three chapters, namely, "Co-Creation", "Co-Promotion" and "Sharing". They suggest the fact that CNTIC is taking stakeholders into consideration in their social responsibility management work and show its concept of creating, promoting and sharing altogether with stakeholders as well as their relevant actions. CNTIC is keeping up with the times to create high-quality projects and provide excellent service for clients with heart and soul. It also strives to enhance safety and health management, to put stress on promoting ecological progress, and to strike a balance among partnership, employee development and social progress. Its efforts speak of the image of a responsible Chinese enterprise.

What impresses me most in this report is CNTIC's insightful understanding of social responsibility and its thorough social responsibility management. Since the first CSR report was released, CNTIC has been regarding CSR report as a measure to evaluate and improve its social responsibility management. Through the compilation and publicity of the report, CNTIC aims to promote its social responsibility concept within the company in order to raise the awareness and improve the management. As for the accomplishment in sustainable development that social responsibility management has brought, the sufficient examples, data, figures and tables in this report are the best proof.

I sincerely hope that CNTIC could continue pursuing responsibility-oriented development and exploring social responsibility management with its own characteristics to make more contributions to the common sustainable development between stakeholders and itself.

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