

Guided by the scientific approach to development, the Company has long been dedicated to performing its social responsibilities and achieving a coordinated development between health, safety and environment (HSE) and economic growth and has instituted a mechanism for effective long-term operations. While maintaining full load and longer cycle production, the Company in 2006 continued to focus on operational safety and improved environmental protection and made continuous efforts to care for the health of its employees and its relations with the communities to achieve harmonious growth.

### **1 Overall steady and safe production and improving HSE management**

The Company strictly implemented the requirements of "Improving systems, enhancing skills, laying solid foundation and holding relevant employees accountable" and endeavored to promote the quality, safety and environmental protection status of major products, continuously reduce energy and material consumption per production unit. While maintaining full-load and longer cycle production, the Company achieved steady and safe production and continuously enhance environmental protection.

### **2 Continued improvement to deepen the operation of HSE management system**

Since the Company's subsidiaries established HSE management system, the Company focused on the smooth operation of the system. In 2006, the Company organised HSE supervision, examination and assessment at different levels, especially the evaluation of HSE system execution, therefore to further improve and perfect this system.

### **3 Adherence to the principle of people-oriented to create harmonious and healthy work environment**

In 2006, the Company continued to strengthen firm-wide HSE education and training to continually improve employees' operational skills and strengthen

occupational health management. Warning signs were posted in the workplace and monitoring and measurement results were publicly displayed. Regular occupational health checkups were arranged for relevant employees and working conditions were continuously improved to ensure employees' safety and health.

### **4 Implementation of a prevention-based policy; assessment of safety and environmental risks of newly built facilities and construction-in-progress**

In 2006, the Company performed safety and environmental protection assessments over a number of newly-built, revamping and expansion projects, and continued to perform risk assessments over operating facilities as well as utilities. Rectification of potentially risky areas was subject to continuous monitoring throughout the process, while dynamic monitoring was instituted for major facilities and key areas under the oversight of a specially designated person. The Company and its subsidiaries formulated and improved its emergency response plans for corresponding accidents, strengthened emergency response drills, and its capacity for confronting emergencies was continuously improved.

### **5 Active promotion of clean production to realise clean and economical development**

In 2006, the Company standardised its environmental management in line with HSE management system, strengthened its control of effluent sources to achieve the goals of saving water and reducing emission. Notwithstanding significant increase in the Company's production, as compared to 2005, the industrial water consumption was reduced by 4.9% and COD volume in its discharged waste water was reduced by 6.3%, respectively.