

# POWER THE WORLD

POWERCHINA-INTL  
SUSTAINABILITY REPORT

2017-2018

POWER THE WORLD

POWERCHINA-INTL Sustainability Report 2017-2018

## Report Description

The report truly reflects the full fulfillment of social responsibility and promotion of sustainable development during 2017-2018 by POWERCHINA International Group Limited (referred to as "POWERCHINA-INTL ") and its affiliates (SINOHYDRO Corporation Limited & HYDROCHINA International Company Limited). We solemnly promise that the information and data disclosed in the report are true and reliable without any false or misleading statements.

**Time Range:**

From Jan. 2017 to Apl. 2018. Partial contents go beyond the scope due to the continuity of some projects.

**Data Declaration:**

Financial data cited in the report mainly comes from audited financial reports. Other data is derived from the company's formal documents and statistical reports.

**Reference Standard:**

Preparation based on UN Sustainable Development Goals (SDGs), *Guide on Social Responsibility for Chinese International Contractors(GSR for CIC)* from China International Contractors Association(CHINCA) as well as unified standard of sustainability report from the Global Reporting Initiative (GRI); Refer to The Global Compact, ISO26000 as well as *Reporting Guideline CASS-CSR4.0 Regarding Chinese Enterprise Social Responsibility* from Corporate Social Responsibility Research Center of Chinese Academy of Social Sciences (CASS).

# Contents

<b>Declaration on Sustainability</b>	<b>04</b>
<b>POWERCHINA-INTL and Sustainable Development</b>	<b>06</b>

## LIGHT THE WORLD 10 / 19

<b>1 Quality</b>	<b>12</b>
First-class Performance	12
First-class Qualification	13
First-class Management	13
First-class Standard	13
First-class Innovation	14
<b>2 Occupational Health and Safety</b>	<b>16</b>
Internationalized HSE Management System	16
Industry-leading Management System of Overseas Security Risk Prevention and Control	17
<b>3 Compliance</b>	<b>18</b>
Innovation Compliance Management	18
Maintain the Industry Order	19
Respect for Intellectual Property Rights	19
Building a Responsible Supply Chain	19

## BENEFICIAL INTEGRATION 20 / 29

<b>1 Integration</b>	<b>22</b>
Planning leading and service sharing	22
Investment, Construction and Operation Integrative Development	22
Integration of High-quality Partner Resources	23
Effective Promotion of Local Procurement	23
<b>2 Rights and Interests</b>	<b>24</b>
Close Communication	24
Safeguarding Rights and Interest	24
Satisfaction Evaluation	25
Privacy Protection	25
Cultural Integration	25
<b>3 Team</b>	<b>26</b>
Localized Employment and Talent Cultivation	26
Competitive Salary and Welfare	28
Care for Employees Health	29
Staff Career Development and Training	29
Staff Involvement in POWERCHINA-INTL Management	29
Build a Harmonious Work and Life Environment	29

## POWER THE FUTURE 30 / 37

<b>1 Environmental Protection Management</b>	<b>32</b>
<b>2 Decreasing Pollution and Reducing Emissions</b>	<b>33</b>
<b>3 Clean Energy</b>	<b>34</b>
<b>4 Biodiversity Protection</b>	<b>35</b>

## POWER THE LIFE 38 / 49

<b>1 Building Cooperation Networks</b>	<b>40</b>
<b>2 Technology for Life</b>	<b>42</b>
<b>3 Green for Future</b>	<b>44</b>
<b>4 Love for World</b>	<b>46</b>

## APPENDIX 50 / 55

<b>Key Performance Indicator Index</b>	<b>50</b>
<b>Regional Headquarters</b>	<b>51</b>
<b>Our Partners</b>	<b>52</b>
<b>Third-Party Comments</b>	<b>53</b>
<b>Listening to Your Comments</b>	<b>54</b>
	<b>55</b>

## Declaration on Sustainability

POWERCHINA International Group Limited (referred to as "POWERCHINA-INTL " or "the Company") is committed to leading international business development of POWERCHINA, and serving the global energy and infrastructure sectors. The Company is fully aware that sustainability is the core theme in today 's world. The fulfillment of social responsibility is not only vital for Company's sustainable development, but also for promoting sustainable development of local stakeholders. Based on the above recognitions, the company strives to design a social responsibility management system that has both international mindset and POWERCHINA characteristics, so as to ensure that operation and management activities conform to the best standards in the industry.

The Company has always adhered to the core values of " Openness, Innovation, Responsibility"and pays great attention to the values related to sustainable development. UN SE4ALL proposed three strategic goals, namely, modern energy services would be popularized throughout the world, the efficiency of energy utilization would be doubled, and the proportion of renewable energy in the energy consumption structure would be doubled by 2030. As the global energy revolution has already initiated, new energy leads to a new direction of energy and power revolution. The Company sees this as both a great opportunity and responsibility. Therefore, the Company actively responds to UN SDGs, focuses on technology and business model innovation, strives towards the development of renewable energy, new energy, distributed energy and smart grid technologies. POWERCHINA-INTL's goal is to make its greatest contribution to science, technology, the global economy, society, and environment, etc., becoming a genuine, staunch force for global sustainable development.

The Company has always adhered to a "Win-Win Development Philosophy" by being deeply involved in local economic and social development. The Company firmly implementing "Three-Step" strategy of centralization, localization, and globalization, as well as "Great Transformation", "Great Integration", and "Big Brand" strategies. POWERCHINA INTL contributes to people' s good life by providing locals with high-end solutions which meet the actual demands of economic and social development; increasing local contents and participation; and creating jobs and values to local people. The Company adheres to the values of "Sincerity, Dedication, and Team work" to create a healthy and happy working environment that promotes employee welfare and career development.

The Company always abides by the business principles of "Compliance and Good Faith", building an excellent brand with global influence and superior value. The Company attaches great importance to "Compliance" and is implementing within the company a new idea called "great compliance" which covers the whole international business range. POWERCHINA INTL strictly executes its compliance management system and assumes the task of meeting international standards seriously. The Company requires employees to adhere to professional ethics, standard behaviors, abide by moral codes, and make efforts to build an honest, sincere, legal, and legitimate enterprise model. The Company sticks to the principle of "Good Faith", protecting the rights and interests of the owners and other interested parties. It fulfills contracts and agreements sincerely, strives to provide high-quality engineering services with great risk control, and actively creates an industry leading brand.

POWERCHINA INTL will work hand-in-hand with partners to follow the path of sustainable development and build itself into a leading global enterprises with capacities on power & water projects construction, development and operation, so as to help build a bright future to all mankind.



**Chairman of the Board: Mr. Ding Zhengguo**



**President: Mr. Song Dongsheng**

# POWERCHINA-INTL and Sustainable Development

Power Construction Corporation of China (POWERCHINA) is a comprehensive construction group which integrates hydraulic power engineering, infrastructure investment and financing, planning design, engineering construction, equipment manufacture, operations and management. It ranks first in the world regarding capacity and performance of power construction. In 2017, POWERCHINA ranked 190th in the list of Fortune Global 500, and ranked 6th and 11th in the lists of Top 250 Global Engineering Contractors and Top 250 International Project Contractors recorded in Engineering News-Record (ENR) respectively. It ranks first in the field of power construction, and has become the world's largest power engineering contractor.

Power grid of Bakun Hydroelectric Project in Malaysia

POWERCHINA-INTL functions both as the Overseas Business Unit and the international business center of POWERCHINA Limited. It has set up 214 overseas offices in 104 countries and regions, the total contract volume of its projects under construction throughout the world exceed hundreds of billions of dollars. It set up 128 representative offices or branches in 42 countries along the "Belt and Road", executes 1,449 EPC contracting and construction contracting projects in 43 countries. The contract volume of projects under construction totaled about RMB 508.981 million. POWERCHINA-INTL aims to assist POWERCHINA in becoming a "World first-class, Globally competitive, Quality & benefit-oriented Comprehensive Construction Investment Group", takes "Becoming a Global Leading Infrastructure Development and Construction Operator" as its vision, adheres to the core values "Openness, Innovation, Responsibility", sticks to the operation philosophies "Compliance, Integrity, Win-win", and provides customers with high-end solutions.

As the "Leading Enterprise Fulfilling the Social Responsibility" rated by China International Contractors Association (CHINCA), POWERCHINA-INTL gives a positive response to 2030 UN SDGs, respects cultural diversity, and actively fulfills its civic responsibility as a global enterprise. It also fits into the socio-economic development of the project-host country, bringing positive contributions to citizens by means of sustainable energy projects and infrastructure.



## Identification of Major Topic of SDGs

2030 UN SDGs are committed to eliminating all forms of poverty, realizing equality, and tackling climate change to ensure no one lags behind. POWERCHINA-INTL addresses the core issues for which it deems as its responsibility as a global corporate citizen.

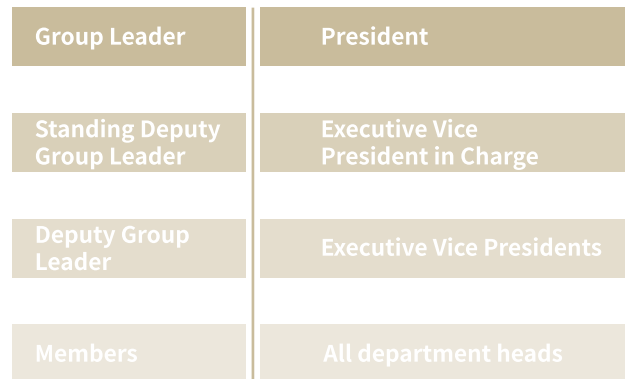
	Create direct value	Create extended value
Economic dimensions	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Social dimensions	6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS	1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES
Environmental dimensions	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	

## Establishment of Interested Parties and Sustainability Issue Matrix

Main interested parties	Create direct value	Create extended value
Shareholders, investors, customers (owners), partners, industry organizations	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	
Employee	8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY
Government, community (media/NGO)	6 CLEAN WATER AND SANITATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS	1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES

## 1 Sustainable Development Governance

Incorporation of strategy. POWERCHINA-INTL specifies “sustainable development” in Measures on Social Responsibility Management, and incorporates it into its CSR strategy, management system, and other documents, reflecting the relevant spirit of SDGs.



Working System for Leading Social Responsibility Group

2 Establish institutions. The leading group of social responsibility is in charge of supervising sustainable development. The general manager serves as the group leader. The Office is responsible for the daily communication, official business, and arranges specialized offices to perform social responsibilities.

3 Performance Evaluation. The Association prepared the Management Manual for International Engineering Projects of POWERCHINA Limited, and established the mandatory indicator system in terms of quality, safety, environmental protection, etc.



The POVA Convened the 1st Meeting of the First Council Meeting

To implement SDGs preferably, POWERCHINA-INTL firstly established “POWERCHINA-INTL Overseas Volunteer Association” (POVA) among the “Go-global” China-invested enterprises, and set up the organizational structure. The Association participated in the initiation of “The Belt and Road” Volunteer Service Alliance, and assisted in the realization of SDGs.

4 Information communication. In the process of management and operation, POWERCHINA-INTL built multi-level and multi-dimensional communication channels among interested parties, to understand the requirements and expectations of the parties, guarantee the right to know, and to supervise the participation rights of interested parties.

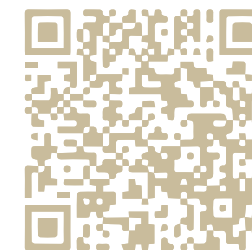


The Felou Hydropower Station in Mali

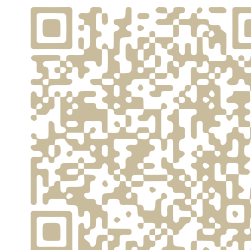
POWERCHINA-INTL took an active part in and was responsible for the preparation of the overseas parts and country reports in the annual social responsibility report of group company, and released sustainability reports of Zambia, Indonesia, and Laos successively.



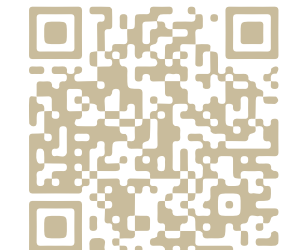
### Learn More about POWERCHINA



Sustainability Report of POWERCHINA in Zambia



Sustainability Report of POWERCHINA in Indonesia



Sustainability Report of POWERCHINA in Laos

Children smile innocently in the light  
The power proceeds along the life trace of people  
An Oriental melody is being sung along the ancient silk road  
The flame of civilization never goes out...

# LIGHT THE WORLD





POWERCHINA-INTL is devoting to build world first-class QHSE management system, Compliance management system, etc., to provide customers and owners with optimal engineering solutions and the excellent project quality, aims to promote sustainable development by devoting to excellent construction of energy, electricity power and infrastructure.



The High-speed Railway from Casablanca to Tanger Project in Morocco

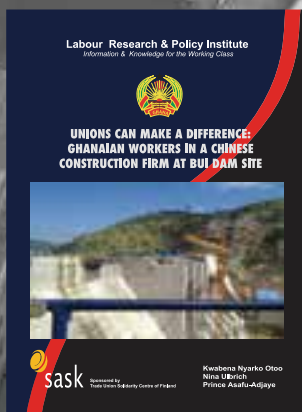
# Quality

The ILO has highly praised the Bui Dam Project in Ghana called it a model of CSR for China enterprises in Africa.

## First-class Performance

The quality of the Company's engineering is maintained at the highest of standards. As a result, there have been no major accidents related to engineering quality. Since 2015, the Company has undertaken and successfully delivered 149 completed projects, the acceptability of unit engineering is 100%, and the acceptability of projects upon one-time handover and acceptance is 100%. According to the findings of the annual customer satisfaction survey, customer satisfaction exceeds 95%.

In 2017, Expansion Engineering of the Kariba North Hydropower Station in Zambia, the Bui Hydropower Station in Ghana, etc. were awarded the Luban Prize for Construction Project (overseas engineering). Eight projects of POWERCHINA-INTL have won such awards. The Patuca No. 3 Hydropower Station in Honduras and Monywa Letpadaung Copper Mining Project Campsite in Myanmar were rated as demonstration sites.



## First-class Qualification

The Company has finished the establishment of QHSE management system, which conforms to GB/T19001/ISO9001, GB/T28001/OHSAS18000 and GB/T24001/ISO14001, and is certified by the third party audit. The Scope of certified product/service/activity covers 11 fields of design & construction of international projects, international engineering contracting; international engineering consulting; overseas investment management.



## First-class Management

The requirements of QHSE management system covering each stages of the project bidding, design, commencements, construction, conclusion, etc., is strictly implemented to prevent and correct QHSE risks. The internal audit and external audits by third-party organizations are performed to ensure the quality of the construction and services meet the Owner's requirements.

The Company prepares and practices the annual quality management training plan, constantly improving the quality consciousness and management level of the staff through the multi-level, multi-mode, multi-form quality consciousness, and through continuous professional development skills' training sessions.

## First-class Standard

As POWERCHINA-INTL integrates international and national standards, the Company has organized to translate more than 40 volumes of Chinese engineering design and construction technical standards utilizing a unified, standard method since 2009. These standards are widely used in the overseas BOT, EPC, tender & bid negotiation projects and partially applied and referenced in overseas projects subject to European and American standards. POWERCHINA-INTL is responsible for preparing two topics "Hydropower Construction" and "Road and Bridge Engineering" in the major scientific and technological project "Application Study on International Engineering Technical Standards" of POWERCHINA Limited.



The Wroclaw Flood Protection Systems in Poland is the first project for which Chinese construction enterprises successfully obtained the performance certificate in the European Union market. The project followed EU standards on construction and environmental protection for the building industry. Before construction, rare plants on the site were transplanted kept alive for transplanting. To protect the environment, the Project Department constructed a ladder-like fish channel in a flat depression at one side of the river to facilitate fish migration. Meanwhile, to strictly follow the requirements of the local water authority, the Department preserved the original building materials to the maximum extent when renovating one brick house with hundreds of years of history. The project greatly improved the flood control capacity of Wroclaw, beautified the landscape of the local river ways, and created jobs for local residents, which was well received by the local government and residents.

This project not only builds a respective brand image for POWERCHINA, but it also effectively maintains the image of Chinese companies abroad. POWERCHINA is referred by the local water authority of Wroclaw as "A Trustworthy International Contractor in Poland".



"They are well-trained, design the engineering in strict accordance with owners' instructions and overall city planning, and are even superior to some enterprises from the European Union in terms of engineering quality".

— **Damian Gaj, The Quality Controller**



"My Chinese colleagues have very rich experience in construction. They always seek out the best solutions whenever I encounter problems".

— **Pawet Butdys, The Construction Site Manager**

The engineering undertaken by the Company is constructed in strict accordance with contract and industry standards. In the event of using new or special materials, construction processes, or production methods, the Company practices the "Template Approach" system, fabricates the templates for owners, and then fully implements the process after it is approved by owners and supervisors to guarantee engineering quality and avoid risks. This method is adopted in some

projects, such as the Gabon Bukgaha Hydropower Station Project (outdoors, no steel lining surge tank), the Ecuador CCS Project (construction of TBM digging machine), etc. The Company conducts prior control for engineering quality, and unifies the standards, providing an acceptable basis for the large-scale construction and effectively controlling risks to quality.

### First-Class Innovation

On one hand, POWERCHINA-INTL focuses on grasping the technological development trends of the industry, international frontier dynamics, providing positive feedback for member enterprises, and improving its comparative advantages in aspects of new energies and new technologies. In alignment with the global, new energy revolution, the Company gives support and guidance to the member enterprises in actively developing multi-energy complements, off-grid new energy, LNG, power grid, and other technologies. These applications help offer a diverse, clean energy portfolio for clients around the globe.

On the other hand, the Company actively handles the difficulty of international trade barriers and industrial competition upgrading, accelerates the transformation into the development and construction operator, carries out the innovation of business model on the basis of consolidating technological competitive advantages, makes more efforts in the exploration and innovation in terms of financing and investment, thus gradually forming the pattern of mutual support of three models - spot exchange, financing and investment.

The construction of Sino-Laos Railway and the construction of Jakarta-Bandung High Speed Railway in Indonesia has started. Zimbabwe Hwange Thermal Power Plant, which is the first investment, construction, and operation integration project promoting the use of preferential loan, has already begun. The Company won the bid for the Amazon river dredging engineering of Peru utilizing a fixed income model. Batang Toru Hydro Electric Power Plant in Indonesia promoted by EPC completion guarantee receives advance payments. The financing of the Rumailah Combined Cycle 730MW Power Plant Project in Iraq, which is the first project promoted successfully in the way of seller's credit after the wars in Iraq concluded.



Monywa Letpadaung Copper Mining Project Campsite in Myanmar



Metolong Dam & Raw Water Pump in Lesotho won the 2015 Construction Management Project Achievement Award on Program Management/Program Phase-Infrastructure and International Project/Program by CMAA

# Occupational Health and Safety

The projects under construction of POWERCHINA-INTL are located in 5 continents around the world, and the business covers the various professional fields and contract models of infrastructure. Due to complicated external environments, the risk management of OHS faces great challenges. The continually improved risk management system of OHS and its effective operation ensured the international business safety risks are relatively under control.



## Internationalized HSE Management System

Based on the implementation of project HSE responsibility system and HSE process control, with the dual-prevention mechanism of hazard identification and risk management, HSE management system of POWERCHINA-INTL, which comprises two levels - POWERCHINA's member enterprises and overseas projects, conforms to the international HSE standards, is established by integrating the international standard of HSE management system with the management elements of China safety production standardization specifications.

As important parts of the HSE management system, POWERCHINA-INTL develops 36 HSE management standards from the level of

the Corporation and more than 27 project HSE work standards to perfect the four responsibility systems for safe construction. These standards require that all the regional headquarters shall have chief safety officers and full-time safety staff and all departments shall have full-time (part-time) safety staffs. The HSE management system with its standards all together is operating as a effective network of HSE management.

HSE Management Organization and Personnel Chart of POWERCHINA-INTL



Hostage Taking Emergency Drill

HSE training is required at each stage of the whole process of construction and shall follow strictly the principle of "the personnel not receiving the safety training shall not be assigned to work". The staff's safety awareness and quality are greatly improved by receiving various HSE trainings such as centralized training, video/online training and online examination, etc.

## Industry-leading Management System of Overseas Security Risk Prevention and Control

The establishment of 3-LEVEL MANAGEMENT SYSTEM OF OVERSEAS SECURITY RISK PREVENTION AND CONTROL improves the Social Security Management System which is comprised of the main procedures of social security risk management including the risk evaluation, risk warning & prevention, emergency response and supervision & assessment, and Overseas Emergency Plan System which covers the whole process of security risk management including risk identification, prevention, disposal and rehabilitation, ect. And on this basis, the management chain of overseas security risk prevention is complete with seamless connection and classified administration overseas and domestically.

With the establishment of overseas security risk evaluation system, One-vote negation system for security risk management is required to implement the principle of "No evaluation, No approval". The security scheme is required to be prepared and the security spending requirements shall be met according to the risk assessment report.

In order to improve the project security, the following measures shall be taken:

To build and install fences, trenches, barbed wire, and other physical separation facilities and 24 hour monitoring/security facilities at gateways and key sites in the project residence and construction sites.

To strengthen the cooperation with the local security institutions.



In order to improve the safety prevention awareness and emergency response ability of overseas employees, the security training and emergency exercise are provided both at home and overseas, both theoretically and practically, with the proper knowledge and skills on emergency response

To hire military police and security personnel for guarding the living residences, construction sites and storage sites of explosive devices.

In order to prevent the security risk in advance, make decision scientifically and dispose the emergency promptly, the mobile APP of overseas emergency management system, which provides the way of accessing, searching and reporting of security information on the relevant country's security situation, public opinion, monitoring, warning, the knowledge for self-saving, emergency calling and locating & rescuing, is developed and provided to the staffs.

# Compliance

## Innovative Compliance Management

POWERCHINA-INTL assumes a crucial role regarding compliance in construction. It also fully embraces the concept of "compliance first, business second". It establishes a compliance system meeting international standards, implements a rigid code of ethics, establishes "Compliance Construction Committee" and Compliance Office by integrating legal affairs, audits, supervision, and discipline inspection power. POWERCHINA-INTL takes full responsibility for the company's compliance management. It has established a compliance function department at the executive level of the regional headquarters and appointed chief compliance officers and regional compliance officers. POWERCHINA-INTL established a secondary compliance management institution implemented by the leader of the Compliance Construction Committee. The Committee carries out the organic combination of compliance construction and audits, supervision, patrol inspections, legal reviews and anti-corruption, thus ensuring that enterprise production and operation activities conform to the exact laws, systems, disciplines, and specifications.



"As opposed to resistance and obfuscation, compliance is the driving force for ethical enterprise development. Excelling in both compliance management and the practice of social responsibility is the key to improving an enterprise's value and image".

**Liu Yufei,**  
Deputy Director of Compliance Construction Committee

DAWOOD Wind Power Project in Pakistan

## Maintain Industry Order

POWERCHINA-INTL strictly abides by relevant national laws, international organization rules, industry standards, and actively maintains its position in an environment of fair market competition. POWERCHINA-INTL actively participates in exchange activities organized by the industry, attends social responsibility story-telling sessions with the identity of the vice chairman unit of ICC China Corporate Responsibility and Anti-Corruption Commission on behalf of POWERCHINA. It also makes keynote speeches, and promotes the improvement of industry compliance awareness by introducing enterprise compliance best practices.



Local Purchasing Negotiations of Cement for Kafue Gorge Lower Hydropower Project in Zambia

## Respect for Intellectual Property Rights

As an industry-leading foreign contracting, engineering enterprise, it strictly abides by the contract terms, observes the policies and practices of protecting intellectual property rights and traditional culture, and ensures that the resources which are utilized have legal ownership. The Company makes reasonable compensation for the acquisition or use of intellectual property rights. It ensures that the handover of all engineering data and drawings is completed after engineering completion and protects the related parties' intellectual property rights.

## Building a Responsible Supply Chain

Legitimacy and Compliance. The Company insists on the principle of openness, fairness, justice, and scientific selection during the procurement bidding process. It separates technical and commercial evaluations as well as decision-making and execution. This ensures the legitimacy and compliance of procurement. The procurement bidding shall be carried out under the supervision of the supervision department at the same level. The company establishes a qualified supplier and subcontractor database under dynamic management. The procurement of large equipment and massive materials adopts the company's centralized procurement practice.

The Safeguarding of Rights and Interests. The company honors its commitments and makes contract payments to suppliers / subcontractors. The company establishes a timely and effective supplier performance feedback system and management system, carries out the education training and assessment of the procurement staff, and pays great attention to the protection of suppliers and their intellectual property rights.

Shared Responsibility. The Company adheres to the responsible behavior of corporate (RBC), pays close attention to the responsible management behavior of the supply chain, and transmits the idea of social responsibility to enterprises both upstream and downstream in the supply chain.



POWERCHINA Equipment and Supplier Procurement Management Working Conference, 2017



# Beneficial Integration

Hands on the negotiation table, confident eyes of young staff...  
Compliance, Integrity, Win-win  
A toast to different races, side-by-side, working for a happy life



POWERCHINA-INTL responds to the BRI and sustainable development goals of the United Nations from the perspective of an excellent, global enterprise citizen. It deeply integrates enterprise development into local economic and social development, integrates itself with the community, and realizes the win-win cooperation.

# Integration

POWERCHINA-INTL adheres to the idea of "Compliance, Integrity, and Win-win", with a change in focus from project development to in-depth integration, and establishes the close ties to the community and interested parties.

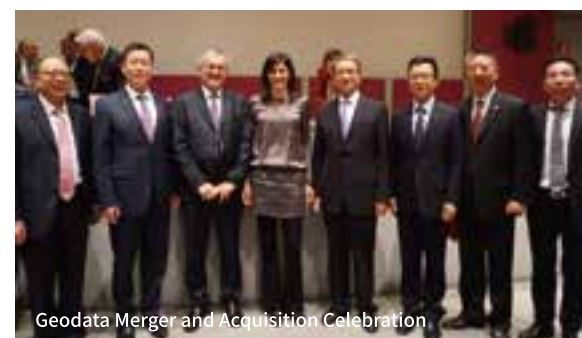
started after 14 years. It dispatches staff to the Saudi Arabia Ministry of Housing for promoting a series of projects of new city and social housing. It forms the project cluster in the fields of roads, water, and electricity in Bolivia.

## Investment, Construction and Operation Integrative Development

POWERCHINA-INTL gives full play to the integration advantage in terms of design, construction, supervision, manufacturing and operation, and establishes an industry chain integration platform. The Company implements a pattern of inter-supportive three models - consolidate spot exchange, financing, and investment. It implements a large project director responsibility system, selects excellent overseas project talents for establishing a powerful project operational team, and realizes the extension of industry chain to high-end fields. Zimbabwe Hwange Thermal Power Plant project became China's first overseas "Investment, Construction, Operation" integration project using preferential loans.

## Planning Leading and Service Sharing

POWERCHINA-INTL not only shares advanced technology, product, and development experience, but also shares its lessons in growth. It gives play to planning and design advantages, and prepares the energy planning for countries along the "Belt and Road", serving local long-term development. It carries out in-depth cooperation with the Ghanaian Government, establishes a regular meeting system together with the vice presidential office, and promotes 26 concurrent projects. It signed the Memorandum of Understanding with the Government of Zambia in 2003, and nearly 10 projects in the Memorandum of Understanding have been completed or have



Geodata Merger and Acquisition Celebration



Visit to the Geodata Catania Subway Project

It implements strategic mergers and acquisitions business actively. In 2014, POWERCHINA completed the merger and acquisition of Germany's TLT, a subsidiary of Siemens, which ranks second in the international fan market and has 186 years of development history. In 2017, POWERCHINA-INTL completed the merger and acquisition of Italy's Geodata, a world-famous design consulting company in Europe. It perfects the subway and rail transit business industry chain of the company and reserves powerful design resources for developing international markets.

POWERCHINA-INTL pays high attention to international operation and maintenance service, carries out model innovation constantly, helps the owner's operation and maintenance personnel carry out training and adjusting trial commissioning, solves preliminary production issues, and helps the contractor realize a smooth project handover. The company provides long-term, stable, and reliable energy supply service during the commercial operation period, guaranteeing the investor's earnings and lending bank's fund security. The Company also gives full play to the role of energy projects in local social and economic development.

## Integration of High-Quality Partner Resources

The Company fully assumes its role in the global industry and establishes the international new energy solution platform INES together with six enterprises including Sinosure, Huawei, Goldwind, CSI, and LONGi. The company carries out the innovation of "Internet + International Engineering Trade Service" model, establishing a power trade service company and providing domestic and foreign suppliers with more solutions.

## Effective Promotion of Local Procurement

The Cement, oil, steel, wood, individual parts and other materials which can be sourced locally shall be first procured in the project location (host country), which can not only reduce costs and improve efficiency, but also drive local economic development. The local procurement behavior conforms to the provisions regarding international trade and local laws and regulations. The bulk materials for the Zambia Kafue Gorge Lower Hydropower Station are procured locally.



Shymkent-Tashkent Road Reconstruction Project in Kazakhstan

# Rights and Interests

POWERCHINA-INTL abides by contracts and agreements, provides customers with high-quality engineering services, safeguards the customer rights and interests, constantly looks for ways to improve customer satisfaction, and helps customers create maximum value.

## Close Communication

POWERCHINA-INTL takes the initiative to implement the information disclosure, and submits reports on major events which shall be communicated to the customers and owners on a timely basis. The company provides the owners with the real, fair, and complete enterprise qualification and service information in the marketing and performance process and helps the owners make the objective decision. The company establishes smooth communication channels with the owners through the two-way communication mechanism.

Cote D'Ivoire Soubre Hydropower Station is located in Nawa waterfall of Sassandra River. It is the core project of the national energy balance strategy of Cote D'Ivoire, with the gross installed capacity of 275MW. The company held communication meetings with owners more than 90 times in the construction process of the hydropower station, and shortened the construction periods effectively for owners. Finally, the hydropower station was completed on Nov. 7, 2017, and the grid-connected power generation was carried out smoothly 8 months in advance.



Soubre Hydropower Station in Cote D'Ivoire

## Safeguarding Rights and Interest

POWERCHINA-INTL adheres to the principle of the customer rights and interests first, signs fair and reasonable engineering contracts, meeting the industry practice according to law, and performs the contract responsibility and earnestly. In the case of making risk plans and ensuring safety and controllable risk, it seeks well-being for the local people and plays a positive role in the local economic and social development with its competitive price, professional technology, and great performance capability.



The Felou Hydropower Station in Mali

The Felou Hydropower Station is located in Senegal River of Mali. The work's scope covers the water diversion system, powerhouse, switching station, electric transmission and distribution circuit, access road, construction of the operation village, etc. A civil war broke out in Mali in Mar. 2012. The Project Department actively took safety protection measures, adhered to production and created peak output for several consecutive months. After the situation in Mali stabilized, other projects negotiations commenced. Felou Hydropower Station was completed and put into production, receiving great praise from the embassy and its owners. The completion ceremony on Dec. 17, 2013 became the first large engineering completion ceremony after the Mali civil war. The head of four states in the Senegal River basin attended the ceremony personally, and displayed their heartfelt thanks to POWERCHINA for keeping its promises, overcoming difficulties, sticking to its posts, and finally ensuring a smooth project completion.

## Satisfaction Evaluation

POWERCHINA-INTL pays attention to collecting the owner's feedback experience information in the performance process, carries out the satisfaction evaluation for each project, and then optimizes the management process, improves performance quality and dissolves potential risks, thus meeting the customer's reasonable requirements to the greatest extent.

The company carried out an extensive "customer satisfaction survey" during the annual "Quality Month" in 2016 and 2017, and carried out satisfaction surveys for 337 projects. With the number of recovered questionnaires at 273, the response rate was as high as 81%. The full score of the questionnaire was 20 points. The average score was 17.88 points and many projects were evaluated by the owner at the full score. This indicates that the projects implemented by POWERCHINA-INTL stand in high regard among its growing international client base.



## Privacy Protection

POWERCHINA-INTL takes the necessary measures to safeguard customer privacy and engineering information security in overseas operations. The company established the Confidentiality and Information Security Committee and set up the confidential office and information security office under it, developing more than 70 security protection management systems. This system ensures the safeguarding of company information and information system security.

The Company strengthens information security technology construction by guaranteeing data remains secure, reliably accessed, and undisclosed. The company improves information security ability effectively, organizes information security staff for participating in the information security awareness training and security and defense practice technology training, thus improving information security abilities.



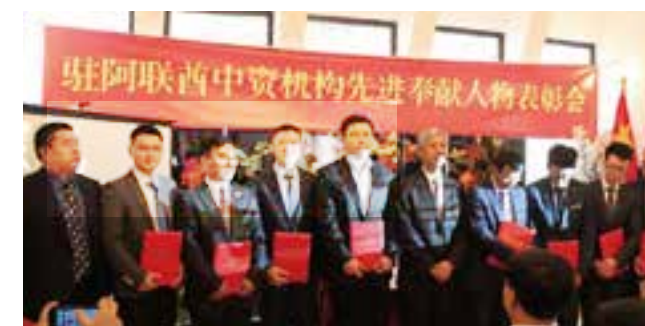
## Cultural Integration

POWERCHINA-INTL respects and cherishes cultural diversity, advocates the staff for keeping an active learning attitude and blending into the local culture. It also provides staff with training in terms of language, culture and communication skills, to improve the intercultural communicative competence and help the staff integrate with the local society effectively. Meanwhile, POWERCHINA-INTL takes the initiative to spread the traditional Chinese culture and company culture, carrying forward the enterprise value of "Openness, Innovation and Responsibility".

The Bolivia Branch organizes the Chinese and foreign employees in Bolivia for carrying out the training in terms of folk culture, social psychology, and communication skills. It introduces the influence of different cultural backgrounds, languages, ways of thinking, and communication methods to Chinese and Bolivian personnel via teambuilding activities, teaching both Chinese and Bolivian cultural customs. The activity enhances the interaction and teamwork ability of Chinese and Bolivian staff. POWERCHINA is the first China-invested organizing this type of training in Bolivia.



On the occasion of Indonesia Festival of Fast-breaking, the POWERCHINA Pangkalan Susu Project Department organized volunteers for expressing their wishes to Muslim staff and villagers in the project location and jointly celebrated the festival together with them. Faisal, the village head of Susu expressed his thanks to POWERCHINA on behalf of local villagers of Indonesia and invited the volunteers to partake in the ceremony of breaking fast.



# Team

## Localized Employment and Talent Cultivation

POWERCHINA-INTL recruits and uses labor forces in strict accordance with the requirements of the host country and signs labor contract with staff according to law. It gives fair and just treatment to staff of different nationality, race, gender, age, religion, and cultural backgrounds.

It increases local employment efforts. It keeps a foothold in localized talent cultivation and strengthens the cultivation and use of local staff. The proportion of local staff of Asia-Pacific regional headquarters has reached 51%. The proportion of local staff of the Eastern and Southern Africa and Eurasian regional headquarters is nearly 47%. In addition, the proportion of local staff of three regional headquarters in West Africa, North Africa, and America has reached 30%.

POWERCHINA-INTL cherishes the staff's rights, interests, and career development. It promotes staff for positive participation and enjoying development achievements, helping contribute to a high employee retention rate. The sincere, dedicated, and united team lays a talented foundation for the company's sustainable and rapid development.

In Cameroon, SINOHYDRO Bureau 16 Co., Ltd. opens the technician training class for various Memve'ele Hydroelectric project, which not only effectively improves the operation skills of local staff and provides many operating posts, but also cultivates many technical talents for operation and maintenance.



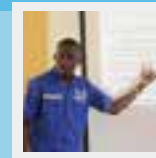
A training technical school was established for Zambia Kafue Gorge Lower Hydropower project to help the local staff improve skills and the owner train hydro-power station operation and management personnel. The school covers an area of 2,813 m<sup>2</sup>, and the building area is 1,002.9 m<sup>2</sup>, including 4 classrooms and 4 practical operation workshops. It is aimed at cultivating practical technical workers for free, meeting the engineering construction needs of Kafue Gorge Lower Hydropower Station and readying professional, skilled talents for other engineering contracts in Zambia. The course covers four works - civil construction, electrical engineer, machine maintenance, and electric welding.



In 2016, the company invited 20 officers of relevant ministries and commissions of Belarus for participation in new energy research and training classes. It strengthened the technical cooperation and exchange in the field of Sino-Belarus power energy and deepened the friendship of the people between the two countries.

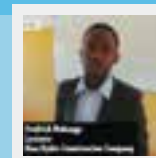


Kafue Gorge Lower Hydropower Project in Zambia



"I am very grateful that POWERCHINA can provide such a platform to display my talent, and I hope that I can share my knowledge with more people through this platform. The training school was established not only for this project and current situation, but also for the future, and I naturally become a participant to witness this great future".

**Joseph Ngongo**  
Teacher of Technician Training School of Zambia Lower Kafue Gorge Hydropower Station



"It is a great honor for me to become a staff of POWERCHINA and a teacher of this training school. I will share my knowledge with more people through the broad platform of the Lower Kafue Gorge Hydropower Station project, and I will improve my own theoretical practical knowledge constantly throughout the teaching process to make my own contribution to Lower Kafue Gorge Hydropower Station".

**Fredrick Mubanga**  
Teacher of Technician Training School Electric Welding Class of Zambia Lower Kafue Gorge Hydropower Station



"I have worked in Lower Kafue Gorge Hydropower Station for more than 1 year and have witnessed great change in the Lower Kafue Gorge Hydropower Station. My family's financial situation has also gradually improved with this job".

**Jonathan Chitngulu**  
Training student of Electrical Class

Jhajjar 2x660MW Supercritical Coal-fired Power Station  
by SEPCOIII Win the Infrastructure Excellence Award



### Care for Employees Health

The Company develops and implements The control procedure of occupational health and hygiene for minimizing health and safety hazards in the working environment. The company develops health control procedures for malaria, HIV, and infectious diseases according to the hygienic conditions of the engineering project location.

The Company provides the trainings on OHS management accordingly, including "New staff induction occupation health and safety training", "Recognition of and response to Zika Virus" "Public security emergency training", "Psychological crisis and stress management training", "on-site emergency medical training", etc.

The Company organizes physical examinations for staff,

offers pollution masks, summer cooling items, etc. to staff, offers the service of taking vaccination for overseas staff, provides workers with prevention and treatment drugs before departure and equips the office spaces with cardiac defibrillator. The company buys commercial accident insurance for staff in case of accidental bodily injury, medical transport insurance, kidnapping, hijacking, and other emergency situations, solving the staff's well-being.

The Company actively cooperates with famous international institutions such as SOS, G4S, Control Risk, and participates in the International Rivers and Sino-US Occupational Health International Seminar and other foreign exchange activities.

### Staff Career Development and Training

POWERCHINA-INTL focuses on cultivating international talents and forms the "4 Forces" training course system of "Growth Force, Competency force, Execution Force and Leadership Force" with post-specific improvements as the goal. "Entire Personnel Foreign Language Training" is based on the language application ability improvement. "Plan of Tutor With Believers" is based on accelerating the talent echelon construction and career planning guidance. 2-1-20 cultivation plan is engaging in promoting new staff's growth. Training project with foreign aid is for serving and supporting regional headquarters development. Overseas business training project is guiding and supporting the group's overseas business development.



POWERCHINA-INTL and Tsinghua University jointly establish the postgraduate overseas social practice base.

### Competitive Salary and Welfare

POWERCHINA-INTL develops the salary distribution and incentive policy with "efficiency first, balanced equity" as guidance, establishes a multi-channel development professional system, and realizes the close integration of post and salary with performance, ability, and contribution. Based on the statutory staff welfare, it provides industry competitive, diversified welfare schemes and implements the comprehensive safety measure for its staff. It pays special attention to women's safety, long-term overseas staff security, and establishes a multi-level welfare and treatment system.



### Staff Involvement in POWERCHINA-INTL Management

For the systems involving the staff's immediate interests, POWERCHINA-INTL will seek opinions several times throughout the formulation process, release and implement them after approval at the company's related meeting and deliberation at the congress of workers and staff, and carry out promotion after release.

The Company encourages staff to make timely communication at various levels and actively participate in the company management through the annual workers' congress and working conference, regular meeting of departments, regional headquarters, grassroots Party branches, other channels.

### Build a Harmonious Work and Life Environment

POWERCHINA-INTL assumes its role in representing staff interests and safeguarding staff rights. It introduces a series of systems, defines vacation, family visits, spousal company and assistance, and carries out the activity of "learning aid in golden autumn for helping children's education. It also establishes a Female Employee Committee to provide female employees with special care.

The Company Establishes a Labor Union Activity Center, set up multiple community organizations, such as a Football Association, Ping Pong Association, Walking Association, Badminton Association, Tennis Association, Dance Association, etc. to bring variety to employees and their lives. The Company also organizes volunteers to help each other to effectively improve team chemistry and cohesion.

# POWER THE FUTURE

Pure white windmills stand in stark contrast against the deep blue sky  
A silvery stream gushes from the dam as the elephants wander slowly by  
The future of our planet is at the fingertips of the constructor  
Clean waters and lush mountains are invaluable assets





Environmental and ecological protection is long-term systematic work. POWERCHINA-INTL makes full use of its own advantages to lead, instruct, and supervise overseas projects under its supervision. It also conducts intensive environmental protection work to effectively prevent and reduce environmental pollution and ecological destruction to actively promote the sustainable development of society and enterprise.

# Environmental Protection Management



The Company has formulated and perfected an environmental management system and specified 16 environmental protection procedure documents for noise, waste, flue dust, water quality, and protection of historical sites for overseas projects.

The Company has established an OHS and Environmental Management Committee and a Leading Group for Energy Savings and Emission Reductions to be specifically responsible for implementing the layout of national environmental protection work, setting environmental protection objectives, and formulating environmental protection plans and performance.

The Company actively cooperates with International Rivers (NGO organization) openly and honestly. In the International Rivers' activity "Comparison Evaluation of International Hydropower Company Environmental and Social Policies and Practice" during 2014 to 2015, Chinese "Go-global" enterprises were evaluated on the standards of OHS, environment, labor, community, etc. from the two levels of company policies and project practices. In the 2015 IHA (International Hydropower Association) Meeting held in Beijing, Comparison Evaluation of International Hydropower Company Environmental and Social Policies and Practice - Phase I: "Go-global" Chinese Hydropower Company was issued. Seven Chinese central enterprises participated in this activity. POWERCHINA-INTL Company won first place in two categories.

NOOR OUARZAZATE II 200MW CSP (Concentrating Solar Power) Project in Morocco



Adama II wind power project in Ethiopia

# Decreasing Pollution and Reducing Emissions

The Company optimizes construction methods with the idea of combining construction with environmental protection to prevent and avoid pollution and damage caused to the surrounding living area by dust, noise, and vibration, etc.; Quarantine measures are taken for liquid materials to avoid liquid polluting soil and rivers. In waste processing, household and production wastewater is only to be discharged after treatment. Solid waste from construction is stored in the specified spoil area after treatment, and household waste is processed by municipal waste disposal or in the method satisfying the requirements for local environmental protection.

In the pavement construction process of Angola AS48 Highway Project, the Company timely communicated with the owner to improve the basic gravel material in the original design by blending cohesive soil on the premise of guaranteeing construction quality, which saved materials and boosted efficiency.

Indonesia had no rain in the dry season and the weather was uncharacteristically dry, so there was much dust on the pavement. Considering most of the villagers travelled by motorcycle, the transportation environment was not ideal. As for this condition, the Project Department of Indonesia Jatigede Dam arranged sprinklers around the Project Department to constantly water and dedust 24 hours a day. Hazards to personal well-being and environmental pollution caused by dust were effectively controlled. The local people praised that the coming of Chinese hydropower made their living environment better.





# Clean Energy

The 233MW Photovoltaic Power Station in Algeria

POWERCHINA-INTL combines environmental protection with sustainable development practices to proactively develop clean energy and new energy technologies. The overseas total installed capacity in 2017 has reached 517.5MW, which ranks first in the overseas new energy business of China-invested enterprises.

POWERCHINA-INTL cooperates with 5 enterprises of Sinosure, Huawei, Goldwind, CSI, and LONGi to launch and establish the International New Energy

Solution (INES). It proactively communicated with other investors, financial institutions, equipment manufacturers, etc. to advocate and establish the cooperation community in the new energy field. Three projects signed with the Platform in 2017 (532MW in total). POWERCHINA-INTL promoted multi-energy complement, lead the market development with technology, and promoted whole life cycle technology management of new energy.



The International New Energy Solution (INES)



Phu Lac 24MW Wind Farm Project in Vietnam

# Biodiversity Protection

In the performance process, pointed measures have been taken to protect biodiversity and the environment to reduce construction's effect on the environment. During construction, the Company pays attention to the protection of the ecological environment, takes necessary measures to protect propagation, reduces the destructiveness of construction projects on the ecosystem and repairs any damage discovered. After completion, the Company repairs and recovers the damage caused by the construction and completes the ecological protection as well as water and soil conservation as per the requirements of the contract.



The water level of Indonesia Jatigede Dam satisfies the conditions necessary for aquaculture. The Project Department cooperated with local government to stock the reservoir with more than 2.5 million fish, which gradually produced economic benefit for the local population.



Jatigede 2x55MW Hydroelectric Power Plant in Indonesia



There are a great number of rare species in the construction area of the Kokhav Hayarden Pumped Storage Power Station in Israel. Before construction, the Project Department proactively employed botanists to classify and identify all plants in the construction area for transplanting. The Project Department also employed horticulturalists to regularly take care of the plants to make sure the plants survived the transplanting process. The Project Department specially employed a professional tree transplantation company to transplant 47 olive trees to the National Wilderness Preservation System.



NOOR OUARZAZATE III 150MW CSP (Concentrating Solar Power) Project in Morocco



Manyoni – Itigi – Chaya Road Project in Tanzania is next to three animal protection zones. On Sept. 27, 2017, the Project Department received the appeals of a local government officer and the responsible person of the RUNGWA GAME RESERVE. They requested the Project Department help rescue 5 elephants which became trapped when seeking water. The Project Department immediately mobilized equipment and organized persons to participate in the rescue of the elephants. After five hours, four elephants were rescued. This rescue action gained the high praise of local government officers and the local people.

# POWER THE LIFE

The seeds of magical technology grow in the hearts of teenagers  
Ecological protection brings a beautiful world with a bird's song, the fragrance  
of blooming flowers, and clear, blue water against the cerulean sky  
Participating is greater than giving  
From the Caribbean Sea to the Sweetveld, volunteers bring in a passion for  
conservation





POWERCHINA-INTL deeply integrates with local economic development. It takes improving the lives and well-being of local people as its own responsibility. POWERCHINA-INTL not only provides safe and sustainable infrastructures for the country, but also integrates with local public governance network, deeply participate in social life, and fulfilling the civic responsibility of global excellent enterprises in the form of volunteer services.

In 2017, POWERCHINA-INTL established POVA and declared that all Chinese and international employees should become overseas volunteers, organize global volunteer activities on Dec. 5 UN International Volunteer Day for Social and Economic Development, and to actively participate in local construction.

POVA proactively seeks cooperation with UNV to establish a stable "1+1" cooperation relationship with local NGOs to further public trust. On Dec. 13, 2017, POWERCHINA became the only representative of Chinese enterprises to share the experience on the UN "Belt and Road" Volunteer Service Forum and was invited to be the founding member of the "Belt and Road" Volunteer Service Alliance, helping to secure POWERCHINA's place among the world's most responsible enterprises.

At the same time, POVA proactively contacts the Chinese foreign aid institutes, such as Africa Medical Assist Team, Confucius Institute, and China Foundation for Poverty Alleviation, etc., to gather "Go-global" economic and social forces to jointly promote the participation and development of local communities.



POVA is awarded with the reputation of "Capital Learning-from-Lei Feng Volunteer Service Demonstration Station".

## Building Cooperation Networks



Xia Huang, Chinese ambassador to The Republic of Congo, presents POWERCHINA volunteer with a flag



Welcoming Treatment of the Uganda United Africa Medical Assist Team

Foreign volunteers of POWERCHINA conducted volunteer activities in the China-Congo Friendship Primary School with China's Embassy to The Republic of Congo, Xia Huang, the ambassador, participating in the activities and presenting the volunteers with a flag. More than one thousand persons such as the of Director of Congo Middle School Education's Elimination of Illiteracy, head teacher of the China-Congo Friendship Primary School, teachers, and students participated in this activity.

"I was so honored to have the chance to participate in the volunteering activity of planning a refugee camp in Panama. During our work, I had the chance to collaborate with interesting people and it was really a great way to feel connected and engaged. The activity allowed me to have some time to reflect on myself and really be grateful for the life I have right now. A sense of purpose was bred in my heart and I had never felt so fulfilled before. I hope I could volunteer more in the future to give back more to society."

— Paul (left) and Yanela (right) from Panama Branch



# Technology for Life

The overseas volunteers of POWERCHINA conduct "Technology for Life" volunteer activities with world leading position and industry chain integration advantages to proactively carry out skills training, popular science promotion, emergency rescue, and other service activities.

In 2017, POWERCHINA cooperated with the Confucius Institute in Coate d'Ivoire's universities, organizing expert volunteers to provide local teenagers with engineering technical training to improve local employment and talent skill levels.



POWERCHINA Central and West Africa Volunteer Association Cote d'Ivoire Master Team held seminars with the teachers and students in the Confucius Institute in Coate d'Ivoire's universities



Government agency and local residents near the project in Kokhav Hayarden Israel shows interest in pumped storage projects. Project Department implements a series of popular science promotio activities in local communities by organizing lecture, photo exhibitions, distributing POWERCHINA brochures, and interactive learning with local children. The company also invites more than 40 local residents to enter the project grounds and factory to let them experience the tunnel construction process and enhance their comprehension regarding the operating principles of pumped storage power stations.



To commend the outstanding social responsibility performance of Miladinovci- Stip Motorway project department in Macedonia, the Municipality of Sveti Nikole grants "San Nicolas-City Protector" honor to POWERCHINA Eurasian Regional Headquarters Macedonia Branch.



Letter of thanks to MS Project Department form the mayor of Sveti Nikole

After the 2016 earthquake in Ecuador, POWERCHINA volunteers bravely entered the disaster area to conduct road dredging, medical rescue, and donated temporary buildings for shelter, etc., This gained the recognition and high praise of Correa, the president: "POWERCHINA cares about the disaster area. They use their rich construction experience and excellent management organization to help the students in the disaster area get back to school in the shortest time. POWERCHINA, thank you for your support provided to the government of Ecua-

dor in the reconstruction work". He then repeatedly said in Spanish and Chinese: "Thank you!" POWERCHINA-INTL organizes staff and volunteers to do rescue and relief work using existing site resources for the sake of protecting life and securing property of the masses. These actions win widespread praise in such events as earthquake recovery in Nepal, floods in Georgia and Macedonia, and road repairs in Bangladesh during the rainy season.



# Green for Future

Utilizing the pioneering advantages of POWERCHINA in the clean energy industry, the company takes seriously the environmental protection responsibilities outlined in contracts and agreements. In accordance with international standards, it implements environment and biodiversity protection actions as well as environmental protection knowledge education, serving regional environmental needs and undertaking construction and engineering responsibility.

POVA in Eastern and Southern Africa carries out the activity of "Environmental Protection beside Equator Lake" beside Naivasha Lake. Naivasha Lake is in the southwest of Kenya where there are various rare and precious land animals, birds, and fish. Its local environment has been severely afflicted area due to the increase in tourists in recent years. Volunteers pick up litter along the greenway in the park region and send litter to refuse storage areas in the scenic area for unified handling.



New Doha International Airport in Qatar



The Memve'ele Hydroelectric project, Cameroon officially launches a voluntary garbage collection activity at a public site to collect rubbish surrounding the hydropower station as well as reduce environmental pollution in vegetation and water sources.

Volunteer team members participating in the activity show their great interest in such activities and say the hydropower station is like their home. One volunteer noted that his heart is warm after seeing his home becoming increasingly clean



From Mar. 10, 2017 to Mar. 12, 2017, youth staff in charge of phase IV expansion project of the hydropower station in Tarbela, Pakistan implemented a tree planting activity. The staff from the Project Department planted "trees of friendship" in the campsite together with Pakistani employees. At the beginning of construction, the Project Department formulated the environmental protection scheme and planted more than 700 trees in Chinese and Pakistani campsites.



# Love for World

POWERCHINA takes an active part in local public governance, provides care services such as construction, support education, gratuitous treatment, donation and participation in community or public interest organizations, improves residents' happiness and sense of gain, and establishes a mature and stable public relationship with local public institutions. The community and all quarters of the society become reliable, sincere partners for progress. POWERCHINA-INTL also regards voluntary service as an important way for workers to give back to the communities they live and work in.



POWERCHINA volunteers in Indonesia implemented a care activity for premature infants, cooperated with Indonesia Association of Premature Infants and the University of Indonesia, established the Public Welfare Fund for caring premature infants and donated USD 0.05 million to the University of Indonesia for R&D and for the manufacturing of incubators for premature infants.



In the Sino-Laos railway project, POWERCHINA SINOHYDRO Bureau 15 Co., Ltd. volunteer service team of Branch II, Section V actively assumes social responsibility of local areas, solves employment of local residents, gives disaster relief, donations.



Sino-Laos Railway volunteers teach at a mountainous primary school in Vientiane Province.



Volunteers in Central and West Africa regional headquarters implement the activity of "Holding children's hands with ours to warm an orphan asylum" at Darlez Care Orphanage Home Orphan Asylum in Garki, Abuja, Nigeria



During the International Volunteer Day of 2017, the Soubre Project Department of Cote d'Ivoire General Team affiliated with the Power China Mid-west African Volunteer Association held a donation activity in Centre Social Okrouyo of Soubre Province and donated holiday gifts and food to 100 orphans and children with HIV/AIDS in Okrouyo district, totaling franc CFA 400,000.

"After participating in the activity, I deeply feel that the social responsibility of POWERCHINA is vividly embodied in Cote D'Ivoire. We bring benefit to people by bringing them electricity and also promote the POWERCHINA brand and its values through volunteering our time and resources to those in need".

— Cao Aiguo, Secretary-general of POWERCHINA Central & West Africa Regional Headquarters Voluntary Association

"The donation activity is extremely helpful to orphans and children with HIV living here and we thank the Sinohydro Corporation Limited Soubre Project Department, China-invested enterprises, and the government of China for providing us with much-needed aid while other countries and organizations remain still and silent".

— Konan Kouadio Ernest, The Director of Centre Social Okrouyo



Letter of thanks form Centre Social Okrouyo



American head-quarters Volunteers Care for the Disabled at El Hogar San José Welfare House in Panama



POWERCHINA-INTL Volunteers Organize Donations to Colleagues for Families in Distress



POWERCHINA-INTL Young Volunteers Care for Patients with Amyotrophic Lateral Sclerosis(ALS)



POWERCHINA-INTL Volunteers Participate in Beijing Social Voluntary Service



Since 2016, drivers hired for the Indonesia Jatigede dam project have formed a SINOHYDRO volunteer motorcycle team. Team members have their own clothes and flag, often give rides to villagers in need, and help local villagers transport crops. Team members even operate under the threat of robbers and bandits – and once even assisted the police in arresting 10 offenders. They are warmly applauded by the local people, policemen, and have endeared themselves to the local population for their selfless service.



"Our volunteer program has lasted for consecutive five years since commencement of project construction. When you see the eyes of a people full of hope and thirsting for knowledge, it fills your soul with the compassion and dedication one needs to truly make a meaningful impact in the lives of others".

**Wang Yue**  
Employee of Central & West Africa Regional Headquarters



Celebrate children's day with local children in Honduras

Overseas volunteer activity helped POWERCHINA to win "Award Regarding Fulfillment of China's Social Responsibility Overseas in 2017" and the case - Shaping the Warm Image Concerning Fulfillment of Overseas Responsibilities is included into Yearbook of China's Corporate Social Responsibility (2017).

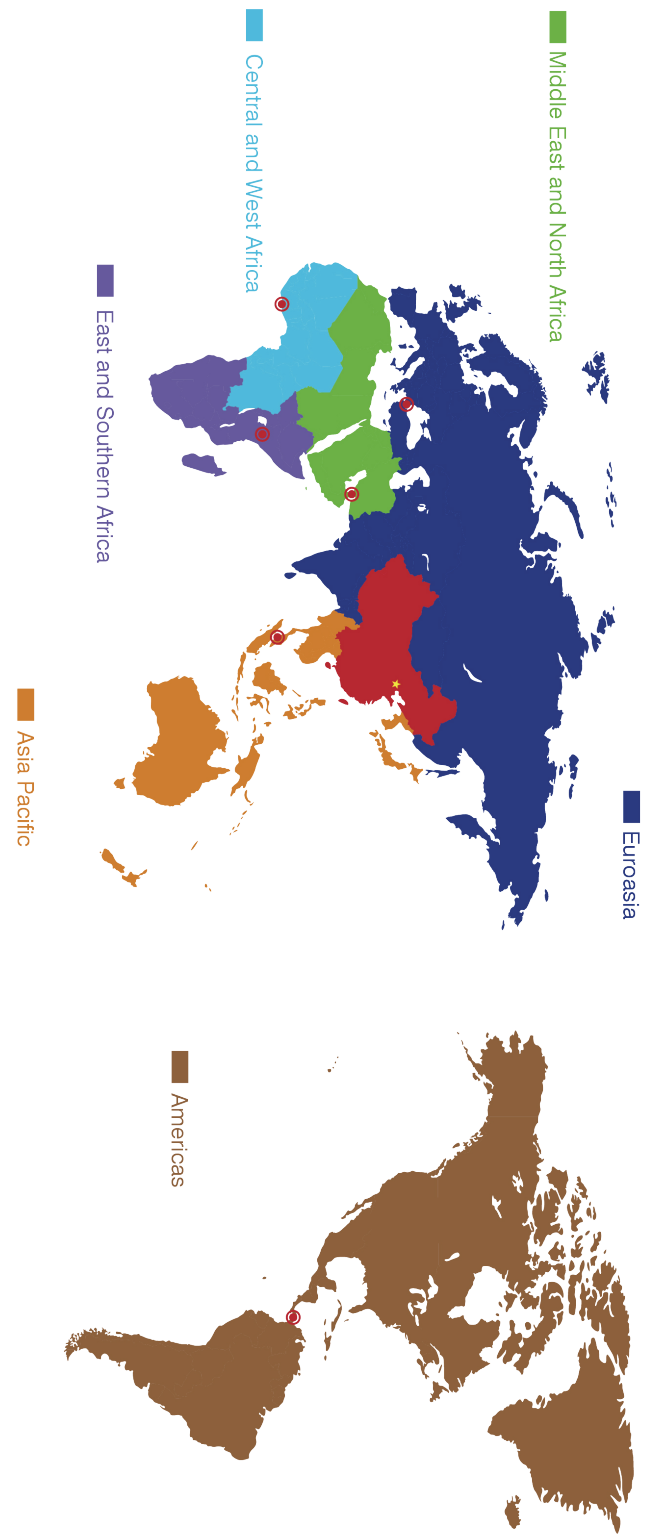


## Key Performance

Performance data in recent three years		2015	2016	2017
Economy	Total assets (RMB 100 million)	331.49	347.98	325.16
	Main business revenue (RMB 100 million)	332.40	337.67	375.94
	Total profits (RMB 100 million)	4.27	5.80	6.44
	Total tax and profit (RMB 100 million)	4.95	6.34	6.67
	Overseas business volume (USD 10 thousand)	531,915.52	507,789.18	557,661.36
	The proportion of overseas business volume in total turnover (%)	99.98%	99.92%	99.97%
	Countries (regions) involved in the business (piece)	87	95	104
	Ranking of the biggest international contractors of ENR250 (place)	11	11	10
Quality	Coverage ratio of quality management system (%)	100	100	100
	Qualification rate of submissions and inspections (%)	100	100	100
Safety	Major safety accidents (quantity)	0	0	0
	Employee safety training coverage (%)	100	100	100
	Death rate based on output value of RMB 0.1 billion (%)	0.3	0.3	0.56
Environment	Total input of environmental protection (RMB ten thousand)	1462	1487	1565
	Comprehensive energy consumption based on output value of RMB ten thousand (standard coal per ton)	Decrease by 4% year-on-year	Decrease by 4% year-on-year	Decrease by 4% year-on-year
Employee	Labor contract signing rate (%)	100%	100%	100%
	Employee turnover rate (%)	4.5%	4.9%	4.5%
	Employee training rate (%)	72.9%	74.3%	74.5%
	Career planning coverage ratio (%)		50%	50%
	Employee occupational disease morbidity (%)	0	0	0
	Society	Quantity of employment absorbed (ten thousand persons)	9.5	10.7
Quantity of employment absorbed (ten thousand persons)		76.77	52.2	44.91
Local employment rate (%)		68.5%	71.4%	72.2%
Local procurement rate (%) ]		Above 30%	Above 30%	Above 30%

## Indicator Index

Contents		SDGs	GSR for CIC	GRI
Declaration on Sustainability				102,202
	POWERCHINA-INTL and Sustainable Development	1-15,17	MG	102,103,202,203,205,302,404
Light the world	Quality	6,7,9,11,12	QS	201,203,204,302
	Occupational Health and Safety	3,8,12	MG,QS,HR	102,203,403,404,416
	Compliance	12	MG,SU,FC	203,204,205,206,307,403,415,419
Beneficial Integration	Community with a Common Future	8-11,17	SU	102,201,203,204,308,414
	Rights and Interests	12,17	CL	201,203,204,302,402,406,411,413,414,418
	Team	1-5,8,10	HR,SC	102,201,202,401,403,404,405,407,412
Power the future	Environmental Protection Management	12	MG,EN	102,203,305-307
	Lower Pollution and Reduce Emissions	13	EN	201,302,305-307
	Clean Energy	7,13,17	EN	302,303
	Biodiversity Protection	6,14,15	EN	303,304,306,413
Power the life	Building Cooperation Networks	17	MG,SC	102,407,413,415
	Technology for Life	6,7,9,11	SC,	303,404,405,413,415
	Green for Future	6,11,13-15	EN,SC	304,306,413,415
Appendix	Love for World	1-5,10,11,17	HR,SC	303,401,403,405,411,412,413,415
	Key Performance	4,8,9,11,12,13	QS,HR,EN,SC,CL	201,202,302,305,306,401,403,404,405,415
	Indicator Index			102
	Organizational Structure and Membership Function		MG	102
	Report Description		MG	101
	Report Evaluation			102
	Suggestions & Feedback			102



Regional Headquarters

Our Partners



## Third-Party Comments

In these unprecedented times human's appeal to sustainable development has never been so strong. On Sept. 25, 2015, the UN Sustainable Development Summit was held at its New York headquarters, and 17 SDGs, with the vision of global economic, social, and environmental sustainable development by 2030, were admitted by the 193 member states of the UN. "Consultation, Contribution and Shared Benefits", the principles of BRI, enjoys popular support and gives rise to a huge push for the implementation of sustainable development goals.

As the earliest "Go-global" enterprise in China, POWERCHINA-INTL insists on sustainable development, is deeply integrated into the BRI, and is committed to the economic and social development in places where projects are located. POWERCHINA-INTL has won widespread praise, respect, and shapes the image of what an excellent global enterprise citizen should be.

Power the World is the first sustainability report after the reorganization and integration of POWERCHINA-INTL. The report named as "Power the World" is the enterprise's cultural vision of POWERCHINA-INTL. This new vision gives priority to energy & power, hydraulic engineering, water environments, as well as infrastructure. It regards the technical innovation of new energy and the innovation of business models as the method to implement the BRI and to lend to the world lessons of Chinese quality, Chinese approaches, and the Chinese spirit by virtue of the "3 Step" strategy of "Transformation" "Integration" and "Brand".

The report is precise, standardized, substantial in content, and is objective and fair with clear structure and strong readability. The report systematically expounds the sustainable development positioning of POWERCHINA-INTL, comprehensively responds to the appeal of interested parties based on four main chapters-"Light the World", "Beneficial Integration", "Power the Future" and "Power the Life", and truly reflects the unremitting endeavors and remarkable contributions of POWERCHINA-INTL to the international community. With a shared future for mankind, POWERCHINA-INTL's goal has been to promote global, sustainable development in the process of its overseas operations over the past year.

POWERCHINA-INTL has been evaluated as "Leading Company" by the China International Contractors Association (CHINCA) in 2018. It shows recognition regarding the achievements of POWERCHINA-INTL. It is hoped that POWERCHINA-INTL can continue to lead by example as well as make new, greater contributions to the global energy revolution and the BRI.

—Yu Zhihong, the President and Editor-in-Chief of China WTO Tribune

## Listening to Your Comments

The report is a sustainability report issued by POWERCHINA for the first time. For the purpose of continuously promoting the sustainable development goals of the company, we really hope to listen to your opinion and suggestions. Please assist us in completing the feedback form which can be submitted to us via the following methods:

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**Address:** 901, POWERCHINA-INTL, Building 23, No.17, Xicui Road, Haidian District, Beijing, PRC

**E-mail:** csr@powerchina-intl.com

### Your information

Name: \_\_\_\_\_ Unit: \_\_\_\_\_  
 Title: \_\_\_\_\_ Tel: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

### What's your comprehensive evaluation of the Report?

Very good Better Ordinary Poor Bad

### Do you think the report reflects the significant influence of POWERCHINA-INTL on local economies, societies, and the environment?

High Relatively high Ordinary Relatively low Low

### Please rate the clearness, accuracy, completeness of information, data, and indicators disclosed in this report.

Very good Better Ordinary Poor Bad

### Which aspect of the Company's report do you consider the best?

Economy Quality Safety Environment Employee Society

### Which aspect of the report satisfies you most?

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### What about POWERCHINA-INTL do you wish to learn more about?

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### Other comments on the report.:

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