

ESG

2023

Environmental, Social and Governance
(ESG) Report

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About This Report

Company Name

POWERCHINA International Group Limited

Scope of Organisations

POWERCHINA International Group Limited and its 58 wholly-owned subsidiaries, 15 subsidiaries that it controls, and 10 companies in which it holds shares. The terms 'we/us' and the 'Company' in the report refer to POWERCHINA International Group Limited.

Reporting Cycle

The report covers the period from 1 January, 2023, to 31 December, 2023, and some of the cases herein trace back to dates prior to January 2023.

Point of Contact

ESG@powerchina-intl.com

Basis of Preparation

The report is guided by the GRI Sustainable Development Reporting Standards (GRI Standards 2021) released by the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (UNSDGs).

Source of Data

The Company's internal information and ESG data management system. Please note that any discrepancies between the total figures and the sum of the individual data in this report are due to rounding.

IMPORTANT

The Board of Directors and all Board members warrant that there are no false records, misleading representations, or material omissions in the content of the report and assume joint and several liability for the truthfulness, accuracy, and completeness of its content.



Adama Phase I Wind Farm Project in Ethiopia

A Message from our Chairman



Joining Hands to Create a Sustainable Future



Chairman

Chen Guanfu

In 2004, the United Nations Global Compact (UNGC) formally introduced the concept of Environmental, Social, and Governance (ESG) in its research report. Over the past two decades, ESG has emerged as a mainstream methodology and underlying logic, steering global companies towards the UN 2030 Sustainable Development Goals (SDGs).

As the leading entity of Power Construction Corporation of China (hereafter referred to as 'POWERCHINA') in the international business sector, POWERCHINA International Group Limited (hereafter referred to as 'the Company') is deeply committed to sustainable development. We acknowledge our role and responsibility in advancing ESG principles within the industry. In 2018, we became the first Chinese international contractor to issue a Declaration on Sustainable Development that aligns with the SDGs, underscoring our dedication to ESG practices.

Guided by ESG as the 'roadmap' and 'beacon' for its overseas development, we actively respond to ESG trends, define our governance path, and integrate ESG

philosophy into corporate governance from a strategic perspective. Adhering to the vision of innovative, coordinated, green, open and shared development, we are committed to high-quality sustainable development. Our ESG approach focuses on strategies for improving governance, innovation for environmental protection, and a people-centered approach for societal progress. In 2023, we established an ESG management system for our international operations that aligns with international standards while reflecting POWERCHINA characteristics. In addition, we are committed to ESG promotion, ESG practices, standardised ESG disclosure, and addressing the concerns of all stakeholders.



Green development is the theme of high-quality development, and engineering science and technology are key engines for social progress. Addressing global climate change and advancing the 'carbon neutrality' initiative have become primary responsibilities for the international engineering sector. As a practitioner, advocate, and accelerator of global carbon neutrality, we are committed to advancing towards carbon peaking and carbon neutrality. We coordinate international business restructuring, pollution control, ecological conservation, and climate change responses in an active and steady way. Our approach involves fostering new quality productive forces in key areas such as 'water, energy, city, mine, and data' through innovation, ensuring that green principles are integrated throughout every stage of our international business, from planning and design to investment, construction, and operations. We are driving the transition to renewable energy and enhancing digital intelligence, and have completed several world-class 'carbon reduction' demonstration projects. We have been recognised by governments for our ongoing contributions to low-carbon initiatives, emission reduction, and biodiversity conservation.

Brand value is the cornerstone of corporate sustainable development, and business ethics and compliance are the lifeline of corporate sustainable development.

At POWERCHINA-INTL, we are guided by the business philosophy of 'Integrity, Commitment, Win-Win' cooperation and strive to build a globally influential and high-value brand. We uphold rigorous ethical standards and operational compliance through a comprehensive General Compliance Supervision System, ensuring that every employee upholds professional ethics. We adhere to all relevant laws and regulations, perform contracts in good faith, and are committed to delivering high-quality engineering services. Our dedication to safeguarding the rights and interests of owners and stakeholders reinforces our position as a leading brand in the industry.

Sustainable development centres on the well-being of people. At POWERCHINA-INTL, we prioritise people and are dedicated to creating social value. While accelerating localisation and cross-cultural integration, we commit to avoiding projects in areas with water scarcity or close to World Natural Heritage sites and ensure that environmental impact assessments are conducted before any project begins. Our efforts are focused on: (1) integrating deeply into the economic and social fabric of the countries (regions) where we operate, providing optimal solutions for balanced economic, social, and environmental development; (2) training local talent and enhancing employment opportunities in these countries (regions); and (3) engaging

in community development, poverty alleviation, gender equality initiatives, and support for disadvantaged groups to improve the quality of life for local residents. Guided by our principles of 'sincerity, Dedication, and Teamwork,' we strive to create a positive working environment, support our employees' life and career development, and foster a harmonious community of shared future for the society, our employees, and the Company.

Win-win partnerships in the value chain are the key to building a sustainable future. In recent years, POWERCHINA-INTL has focused on developing a robust ESG ecosystem. In 2017, we introduced the International New Energy Solution (INES), which has become a crucial component of the green energy industry's value chain and has positioned us as a leader among Chinese companies in the overseas renewable energy sector for five consecutive years. In 2022, we launched the Mechanism for International Sustainable Infrastructure Promotion (MISIP) as one of the first partner members. At the Third Belt and Road Forum for International Cooperation in 2023, we launched the Cooperative Partnership for Green Development Finance, which was recognised as one of the seven key outcomes of the high-level forums at the event. Our goal is to promote complementary production capacity cooperation, addressing the needs of local sustainable development through our practices and collaborations with global partners who share ESG values. These efforts aim to achieve sustainability across the economy, environment, society, engineering, and financial practices. They also highlight our commitment to advancing sustainable development and supporting the international engineering industry's transition towards low-carbon and high-quality growth.

On the 20th anniversary of the introduction of 'ESG', we take pride in reflecting on our past efforts and achievements in embracing ESG. Looking forward to a promising vision of sustainable development, we are increasingly committed to our responsibility and dedication to ESG.

In the future, we will work with our global partners who share ESG values, remain dedicated to the UN SDGs, and follow a path of sustainable development. We will focus on enhancing our capacity for sustainable development, strengthening our resilience, and working together to create a better future!

July 2024

Our Global Commitment

We are committed to complying with the UNGC’s Ten Principles in the areas of human rights, labour, environment, and anti-corruption. We actively engage in cooperation projects to advance the UN SDGs by leveraging our technological strengths in energy, environment, and infrastructure. Our aim is to contribute continuously towards achieving the SDGs by 2030. Among the SDGs, seven are particularly relevant to our operations, with Goal 7 and Goal 9 directly related to our business activities.

Goal 7 AFFORDABLE AND CLEAN ENERGY

- Target 7.1 Ensure universal access to affordable, reliable and modern energy services
- Target 7.2 Increase substantially the share of renewable energy in the global energy mix
- Target 7.b Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries

Goal 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure

Goal 8 DECENT WORK AND ECONOMIC GROWTH

- Target 8.5 Achieve full and productive employment and decent work for all women and men and equal pay for work of equal value
- Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour
- Target 8.8 Protect labour rights and promote safe and secure working environments for all workers

Goal 11 SUSTAINABLE CITIES AND COMMUNITIES

- Target 11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all
- Target 11.3 Enhance inclusive and sustainable urbanization

Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Target 12.2 Achieve the sustainable management and efficient use of natural resources
- Target 12.4 Achieve the environmentally sound management of chemicals and wastes
- Target 12.5 Substantially reduce waste generation

Goal 13 CLIMATE ACTION

- Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Goal 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

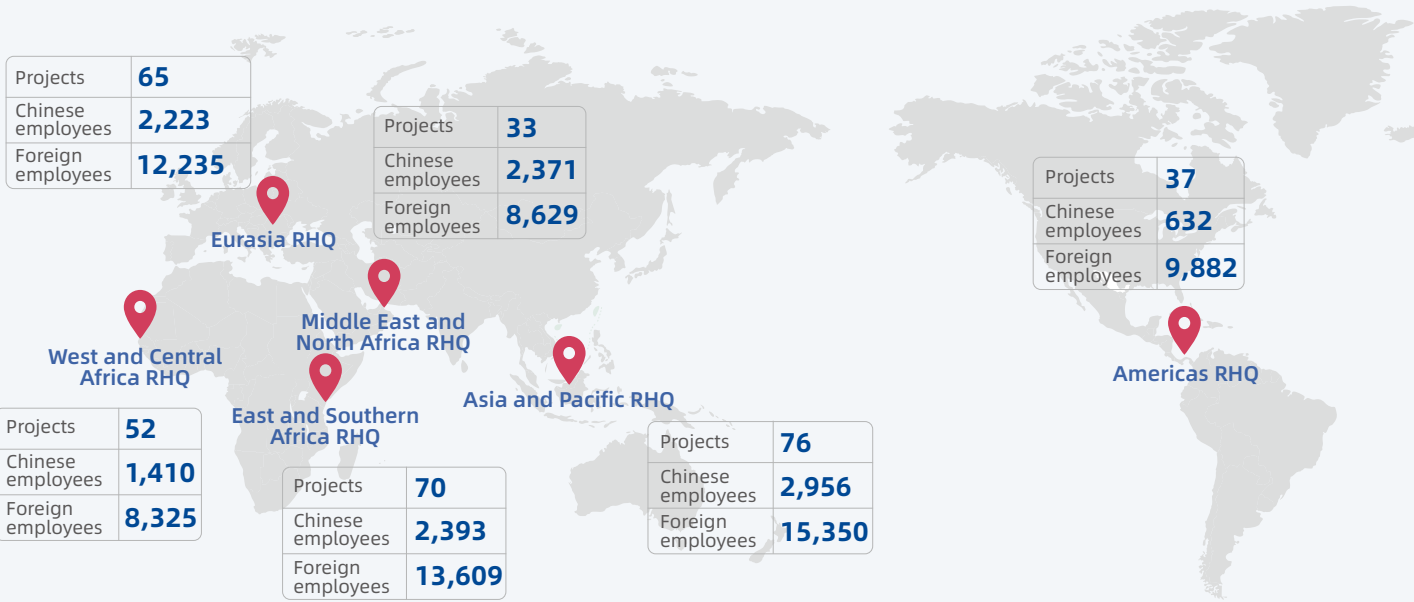
- Target 16.5 Substantially reduce corruption and bribery
- Target 16.6 Develop effective, accountable and transparent institutions

About Us

Company Profile

Established in March 2016, we are the leading international business subsidiary of POWERCHINA, the largest and strongest constructor and most influential brand globally in water conservancy, hydropower, and infrastructure sectors. Our mission is to advance the sustainable and healthy development of POWERCHINA's international operations, offering integrated services and comprehensive solutions throughout the industry chain. These solutions span across investment, financing, planning, design, construction, equipment manufacturing, management, and operations.

We have established six overseas regional headquarters (RHQ) located in East and Southern Africa, West and Central Africa, Middle East and North Africa, Eurasia, Asia-Pacific, and the Americas. Detailed explanations of the market divisions by country within each regional headquarters can be found in Appendix 1, page 79.



POWERCHINA-INTL's business Distribution Map

As of now, we have established offices in over
100 countries worldwide

Our operations extend across more than
100 countries and regions

The total contract value of projects under construction exceeds
70 billion USD



Adama Phase II Wind Farm Project in Ethiopia

Our Strategy

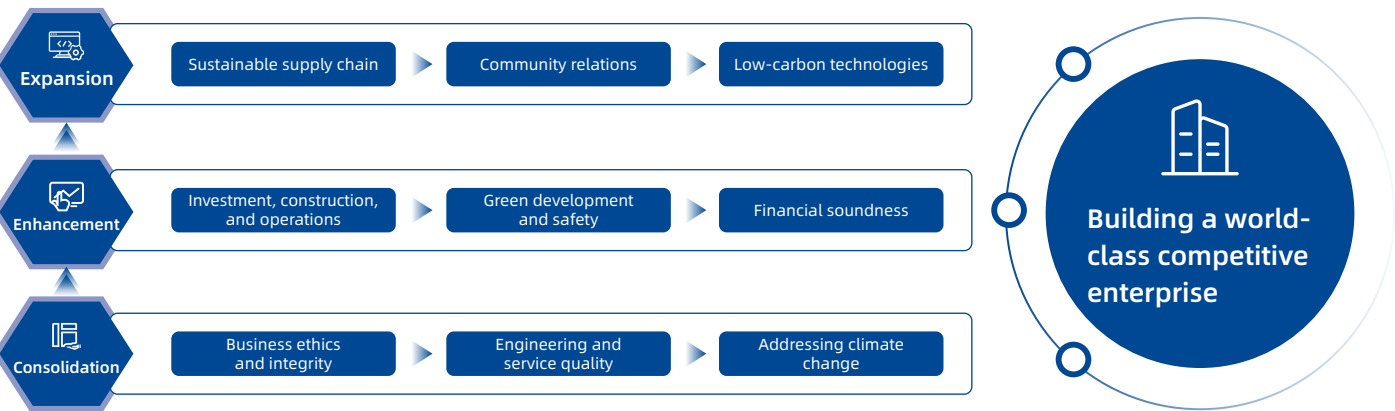
Our aim is to become a first-class enterprise with an international leading position in the power and water industries and global competitiveness in the environmental and infrastructure areas, contributing to a new pattern of development that is focused on a coordinated "dual circulation" of domestic economic cycle and international economic cycle. To achieve this, we adhere to principles of green and safe development, maintain robust financial management practices, actively support the UN SDGs, and integrate deeply into the Belt and Road international cooperation framework. We emphasise localised

operations to enhance our capabilities in EPC (Engineering, Procurement, Construction), investment, construction, and operations in 'water, energy, urban development, mining and digitalization', striving for the aim to generate sustainable value for our global clients and partners while also achieving our own growth.

We always uphold the highest standards of business ethics and integrity, reinforcing our market position through operational compliance to deliver high-quality engineering and services. In response to the global challenge of climate change, we vigorously advance low-

carbon technologies in engineering and construction and support initiatives to combat climate change.

We are dedicated to optimising and managing the supply chain of EPC, investment, construction, and operations in 'water, energy, urban development, mining and digitalization'. We strive to promote green procurement, local sourcing, and low-carbon logistics, facilitating localised development and cross-cultural integration. This approach aims to achieve win-win outcomes for the community, environment, and society.



Goals for 2024

In 2024, we will build on POWERCHINA's core philosophy for international business in enhancing our ESG governance system. We will also strengthen our ESG governance mechanisms, risk management, and performance monitoring, embedding ESG principles into our operations, management, business processes, and corporate culture. By taking positive actions, we aim to boost our competitiveness through outstanding ESG performance.

We will optimise our organisational structure and business processes. To achieve this, we will expand and upgrade our reforms, benchmarking against leading global corporations in value creation, and rigorously implement collective decision-making mechanisms and processes for decision making on major issues, important appointments and removals, major projects and the use of large amounts of money. These initiatives will enhance our ESG governance framework. In addition, we will focus on consolidating and strengthening our presence in key countries, refining our regional

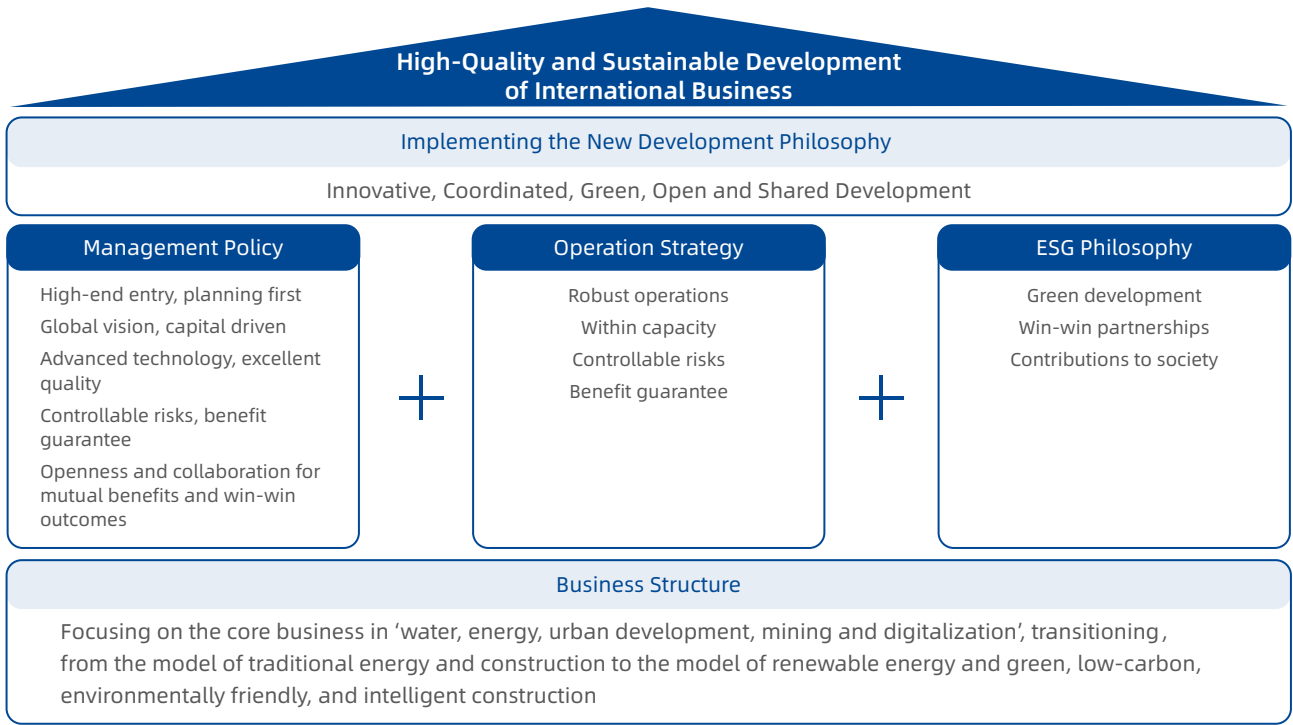
headquarters, and stabilising and growing our international business. By seeking progress amidst stability, ensuring progress with stability, and promoting stability with progress, we will uphold our mission and responsibilities as the leader of POWERCHINA's international operations.

We will optimise and adjust the business structure of 'water, energy, urban development, mining and digitalization'. Our strategy will focus on a layout that highlights core business strengths while leveraging diversified related advantages, and a model that integrates 'cash, financing, and investment' in our international operations. To be specific, we will strengthen partnerships with domestic and international financial institutions and industry leaders. We will integrate and optimise the industrial and supply chains in areas such as green hydrogen, offshore wind power, renewable energy storage, water resources, environmental management, modern agriculture, prefabricated buildings, and digital engineering. In addition, we will innovate our financing

models, leverage international green finance, and facilitate green and low-carbon transitions, thereby advancing the high-quality development of POWERCHINA's international business.

We will improve our international business compliance management mechanism. Legal compliance reviews will be mandatory for our major operational decisions and business development. Our other initiatives include implementing rigorous supervision throughout the lifecycle of overseas projects, strengthening contract management and cost control, and enhancing quality control and environmental management across all stages. We will also continue to improve the General Security management mechanism for international business, integrating local social and economic development considerations into our country and project-specific operations. Our commitment is to fulfil our social responsibility, accelerate localisation and cross-cultural integration, and further enhance our global reputation and influence.

POWERCHINA's core philosophy for international business



Our Business

Engineering Contracting

We provide industry-leading integrated solutions and whole-process services for engineering planning, surveying, design, construction, manufacturing, and installation of water conservancy, hydropower, electric power, renewable energy, water resources and environment, municipal projects, transportation, buildings, and mining.

A total of **76** transportation projects of roads, bridges, and railways contributed **20.80%** of revenue in 2023.



Jakarta-Bandung High-Speed Railway, Indonesia



Hong Kong International Airport - Third Runway



N'zeto/Soyo Motorway, Angola



3rd Shitalakhya Bridge Project, Bangladesh

A total of **48** building projects contributed **19.77%** of revenue in 2023.



Football Stadium in the Province of Hufla, Angola



Sabah Al-Salem University City, Kuwait

A total of **54** hydropower projects contributed **15.87%** of revenue in 2023.



Bakun Hydroelectric Project, Malaysia



Kafue Gorge Lower Hydropower Station, Zambia

A total of
43
water services projects contributed
10.90%
of revenue in 2023.



Water Supply Project in Luanda, Angola

Kandy-North Integrated Water Supply Project, Sri Lanka

A total of
28
solar power projects contributed
9.70%
of revenue in 2023.



233-MW PV Plant, Algeria

Cirata 145WAc Floating PV Plant, Indonesia

A total of
14
wind power projects contributed
5.24%
of revenue in 2023.



Zhanatas Wind Power Station, Kazakhstan

Trà Vinh V1-2 Offshore Wind Farm, Vietnam

A total of
42
power transmission and distribution projects contributed
4.28%
of revenue in 2023.



Soyo-Kapary Power Transmission and Transformation Project, Angola

Upper East 330-kV Substation Project, Ghana

A total of
1
industrial facility project contributed
3.69%
of revenue in 2023.



DCCP Cement Plant, Iraq

A total of
8
thermal power projects contributed
3.20%
of revenue in 2023.



Hwange Coal-fired Power Plant, Zimbabwe

Rumaila Combined Cycle Power Station, Iraq

A total of
10
mining projects contributed
3.19%
of revenue in 2023.



Letpadaung Copper Mine Project in Monyu, Myanmar

KKU Nickel Mining Project, Indonesia

A total of
9
projects for the integrated management of water environment and ecology, wastewater and waste treatment, cogeneration power plants, and telecommunications engineering contributed
3.36%
of revenue in 2023.



Wroclaw Floodway System Improvement Project, Poland

Dasherbandi Sewage Treatment Plant, Bangladesh

Investment Business

As of the end of Q4 2023, we have a total of eight investment projects underway abroad. These included four power investment projects, with two under construction and two in operation; three infrastructure investment projects, with two under construction and one in operation; and a medical platform investment project.

As of the end of Q4 2023



The total investment amount is
15.43 billion USD



The total capital contribution is
610 million USD
The total amount of financing guarantees is
693 million USD



The projects generated an EPC contract value of
3.81 billion USD
The leverage ratio is
1:6.1

Our investment modes include:

- Controlling investments aimed at achieving robust and anticipated investment returns, such as the Dawood Wind Power BOO (Build-Own-Operate) Project in Pakistan;



Dawood Wind Power Farm, Pakistan

- Small equity investments focused on driving EPC projects, such as the China-Laos Railway (Boten-Vientiane) BOT (Build-Operate-Transfer) Project; and



China-Laos Railway (Boten-Vientiane) BOT Project

- The DOBT (Develop-Own-Build-Transfer) model that leverages our strengths across the renewable energy industry chain and market presence, partnering with industrial investors, such as the Mauriti PV Project in Brazil.



Mauriti PV DOBT Project, Brazil

Key Performance

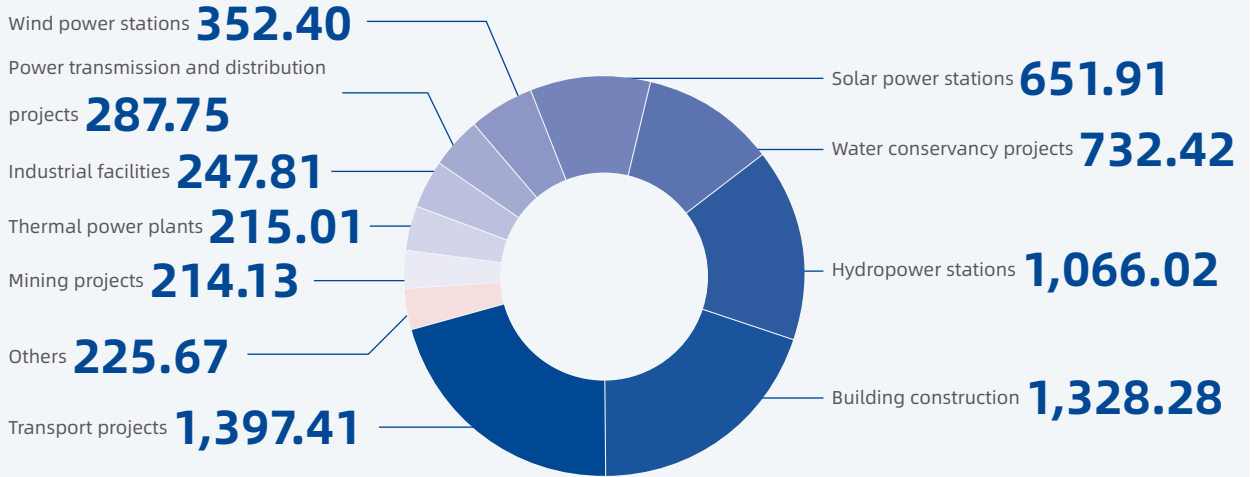
Financial Performance

In 2023, against the backdrop of global economic recovery, we secured new engineering contracts totalling USD 25,711 million and reported an operating income of USD 6,718.80 million (exchange rate: USD 1 = RMB 7.0524), both showing an increase from 2022. Despite these gains, our overall profit declined significantly due to the impact of investment income.

In 2023, our revenue was significantly driven by transport projects, which contributed USD 1,397.41 million (20.8% of total revenue); housing construction, with USD 1,328.28 million (19.77%); and hydropower contracting, amounting to USD 1,066.02 million (15.87%). Regionally, the Asia and Pacific headquarters led with an operating income of USD 1,673.59 million (24.91%), followed by the Middle East and North Africa with USD 1,467.31 million (21.84%), the East and Southern Africa with USD 1,179.51 million (17.56%) and the Americas with USD 1,055.63 million (15.71%).

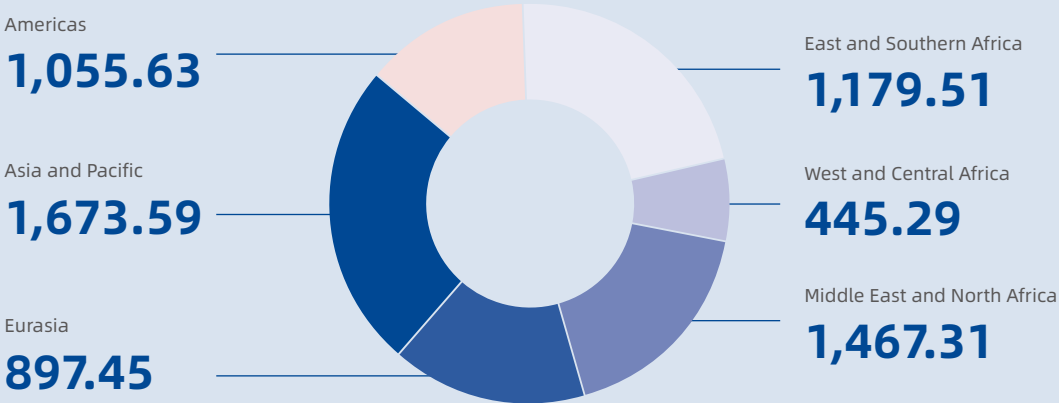
Operating income by project category

Unit: USD million



Operating income by region

Unit: USD million



Occupational Health and Safety Performance

In 2023, the Total Injury Rate (TIR) was 2.11, the Lost Time Injury Rate (LTIR) was 0.32, and the Total Recordable Incident Rate (TRIR) was 3.06.



In 2023
the Company reported **zero** fatalities
related to construction activities.

Our Occupational Health and Safety Performance in 2023



Fatalities
0 Number of people



Lost time cases
113 cases



Restricted workday cases
339 cases



First aid incidents
1,486 cases



Medical attention incidents
641 cases



Near Miss Accidents
1,637 cases



Number of Safety
Related Prosecutions
0 cases



Lost Time Injury Rate (LTIR)
per million hours worked
0.32



Fatal Accident Rate (FAR)
per million hours worked
0



Total Recordable Incident Rate
(TRIR) per million hours worked
3.06



Total Injury Rate (TIR) per
million hours worked
2.11



Koh Puos Cross-sea Bridge Project in Cambodia

Customer Satisfaction Survey

In December 2023, we distributed customer satisfaction questionnaires to 333 project owners and received 318 valid responses, with a response rate of 95.4%. The average customer satisfaction score was 94.99%, reflecting a slight increase across all indicators compared to 2022.

Customer Satisfaction Survey

Indicator	Score in 2023	Score in 2022
Site management team capacity	95.55%	94.42%
Plan and schedule management	94.29%	93.46%
Design management (EPC)	94.49%	93.40%
Procurement management (EPC)	95.37%	93.93%
Site construction management	95.24%	94.02%
Quality control	95.22%	94.40%
HSE	95.37%	93.46%
Subcontracting management	94.41%	93.46%
Average	94.99%	93.82%

Environmental Performance



The Company has experienced **zero** environmental protection-related complaints caused by construction activities.

Awards and Recognitions

Recognitions

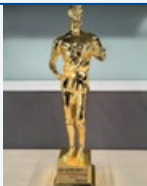
In 2023, we were selected as one of the BRI (Belt and Road Initiative) ESG Excellence Top 10 enterprises at the third Zero-Carbon Mission International Climate Summit, which was co-hosted by Phoenix TV, the World Wildlife Fund (Switzerland) Beijing Office (WWF), the Rocky Mountain Institute (RMI), Beijing Society of Entrepreneurs and Ecology Foundation (SEE Foundation), the China Champions for Climate Action (C Team), and ifeng.com. Our Kibwezi-Usueni Road Upgrade Project in Kenya, Adama Wind Farm Project in Ethiopia, Dasherbandi Sewage Treatment Plant Project in Bangladesh, and Helios Wind Farm project in Argentina were included in the private sector case studies in the environmental principles of the UNGC Ten Principles published by the UNGC.



Awards

In 2023, we received 14 ESG-related awards, including two group-level awards, six international awards, and six domestic awards.

● Issuer ▲ Recipient

Group-Level Awards	
Model Enterprise for Work Safety in 2023 ● POWERCHINA ▲ POWERCHINA-INTL	
Model Enterprise for Quality Control in 2023 ● POWERCHINA ▲ POWERCHINA-INTL	
Domestic and International Awards	
Gold Prize - Civil Engineering Site Category ● Hong Kong Labour Department, Occupational Safety and Health Council, and Development Bureau of the Government of Hong Kong SAR; Hong Kong Housing Authority; Construction Industry Council, etc. ▲ Boardwalk underneath Island Eastern Corridor, Hong Kong	
ISA Distinction of 2023, the highest honour of the International Safety Award ● British Safety Council ▲ UAE Masdar Wind Turbines Pilot Project	
National Quality Project Award 2022-2023 ● China Association of Construction Enterprise Management ▲ Don Sahong Hydropower Project, Laos	
Certificate of Excellence for Harmonious Employer-Employee Partnership ● Federal Ministry of Labour and Employment, Nigeria ▲ Zungeru Hydropower Project, Nigeria	
Most Active Participating Construction Sites Award, Bronze Prize - Civil Engineering Site Category, Bronze Prize - Construction Industry Safety Teams ● Hong Kong Labour Department, Occupational Safety and Health Council, and Development Bureau of the Government of Hong Kong SAR; Hong Kong Housing Authority; Construction Industry Council, etc. ▲ Boardwalk underneath Island Eastern Corridor, Hong Kong	
2023 Overseas Security Excellence Practice Award ● Secretariat of the Conference of Global Public Security Forum (Lianyungang) and China Association for Friendship ▲ Rumaila Combined Cycle Power Plant, Iraq	
National Quality Project Award 2022-2023 ● China Association of Construction Enterprise Management ▲ Mauritania Fishing Port Project	
Outstanding Contribution Award for Chinese Enterprises ● Chinese Enterprises Philippine Association ▲ Philippine Representative Office of POWERCHINA	
29th Considerate Contractors Site Award - Merit, Innovation Awards for Safety and Environmental Excellence - Silver Prize, Outstanding Environmental Management and Performance Awards - Merit ● Development Bureau of the Government of Hong Kong SAR and Construction Industry Council ▲ Boardwalk underneath Island Eastern Corridor, Hong Kong	
Compliance on Occupational Safety and Health Standards Award ● Rizal Provincial Department of Labour and Employment, Philippines ▲ Dam Project Office, Wawa Bulk Water Supply Project, Philippines	
China Electric Power High Quality Engineering Award in 2023 ● China Electric Power Construction Association ▲ Phu My 330MWp Solar Power Station Project, Vietnam	
China Construction Engineering Luban Prize (Overseas Project) ● China Construction Industry Association ▲ Boten-Vientiane Railway, China-Laos Railway Project	

Stakeholder Management

We are committed to building long-term, stable, and mutually beneficial relationships with our stakeholders, including regulators, subsidiaries, partners, owners, suppliers, communities, employees, and the media. We manage these relationships with a focus on responsibility, efficiency, and sustainability. For regulators, we ensure compliance by regularly reporting our operations and welcoming their oversight. With our partners, we uphold fairness and impartiality, sharing market opportunities to achieve mutual benefits. For suppliers, we screen and assess their environmental, human rights, and quality standards to maintain a reliable supply chain and manage business risks effectively. For owners, we prioritize their interests by delivering high-quality products and services. For employees, we support their growth and development by offering training and development opportunities, fostering a positive work environment, and encouraging creativity and innovation. For communities, we actively fulfil our social responsibility through public welfare initiatives and contributions to community development. With the media, we maintain effective communication, providing timely and accurate information to enhance public awareness and trust in the Company. For a detailed overview of stakeholders and issues of concern, please refer to Appendix 2, page 81.

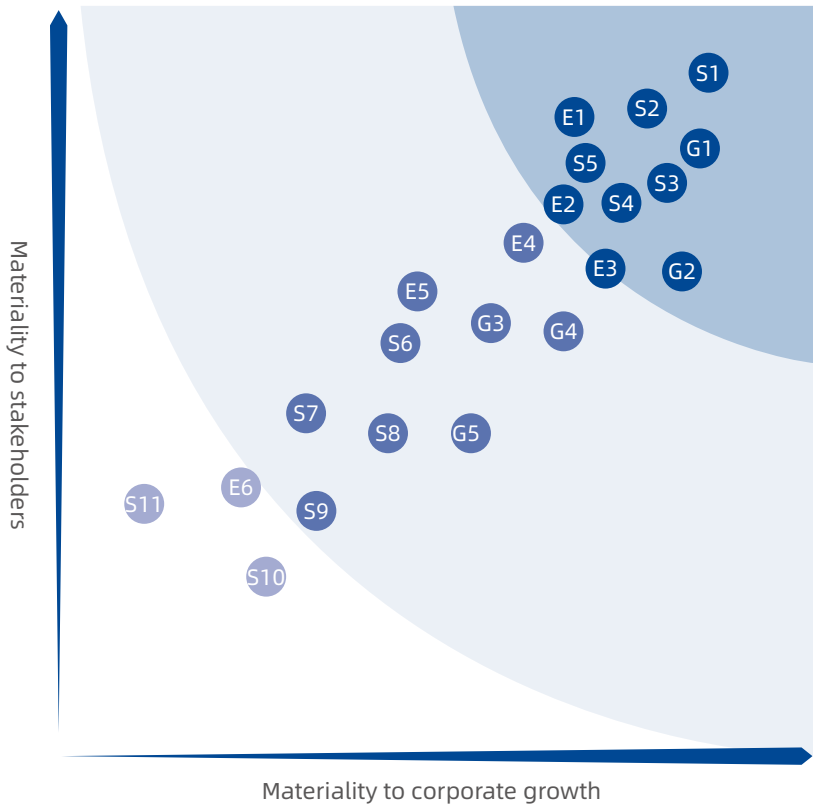
Materiality Analysis

We have compiled a detailed list of issues that covers risks and opportunities related to our business operations, financial performance, regulatory compliance, and green finance. Moreover, to understand our stakeholders' views and expectations on these material issues, we have communicated with internal and external stakeholders by various means, including policy analyses, high-level interviews, industry comparisons, and consultation with external experts.

Following the identification, prioritization, and validation of key issues, we have pinpointed 22 material issues as the focus areas for corporate management and reporting. These include six environmental issues, 11 social issues, and five governance-related issues.



Tarbela Hydropower Station Phase IV Extension Project in Pakistan



High material issues

- S1 Project and service quality
- S2 Occupational health and safety
- G1 Operational compliance
- S3 Responsible procurement
- E1 Addressing climate change
- G2 Business ethics
- S4 Employee rights and interests
- S5 Community relations
- E2 Biodiversity conservation
- E3 Environmental management

E for environmental issues

Moderate material issues

- E4 Energy management
- G3 ESG governance
- G4 Enhanced governance structure
- G5 Risk management
- E5 Water management
- S6 Human rights
- S7 Diversity and equitable opportunities
- S8 Localised employment
- S9 Public welfare projects

S for social issues

General material issues

- S10 Training and talent development
- E6 Waste management
- S11 Charitable donations

G for governance-related issues

To thoroughly address and respond to the impact of each material issue on our Company and stakeholders, we have conducted an in-depth analysis of the identified material issues, outlining their effects both internally and externally. For a detailed analysis of the impacts of high material issues, please see Appendix 3, page 83.



01

GOVERNANCE

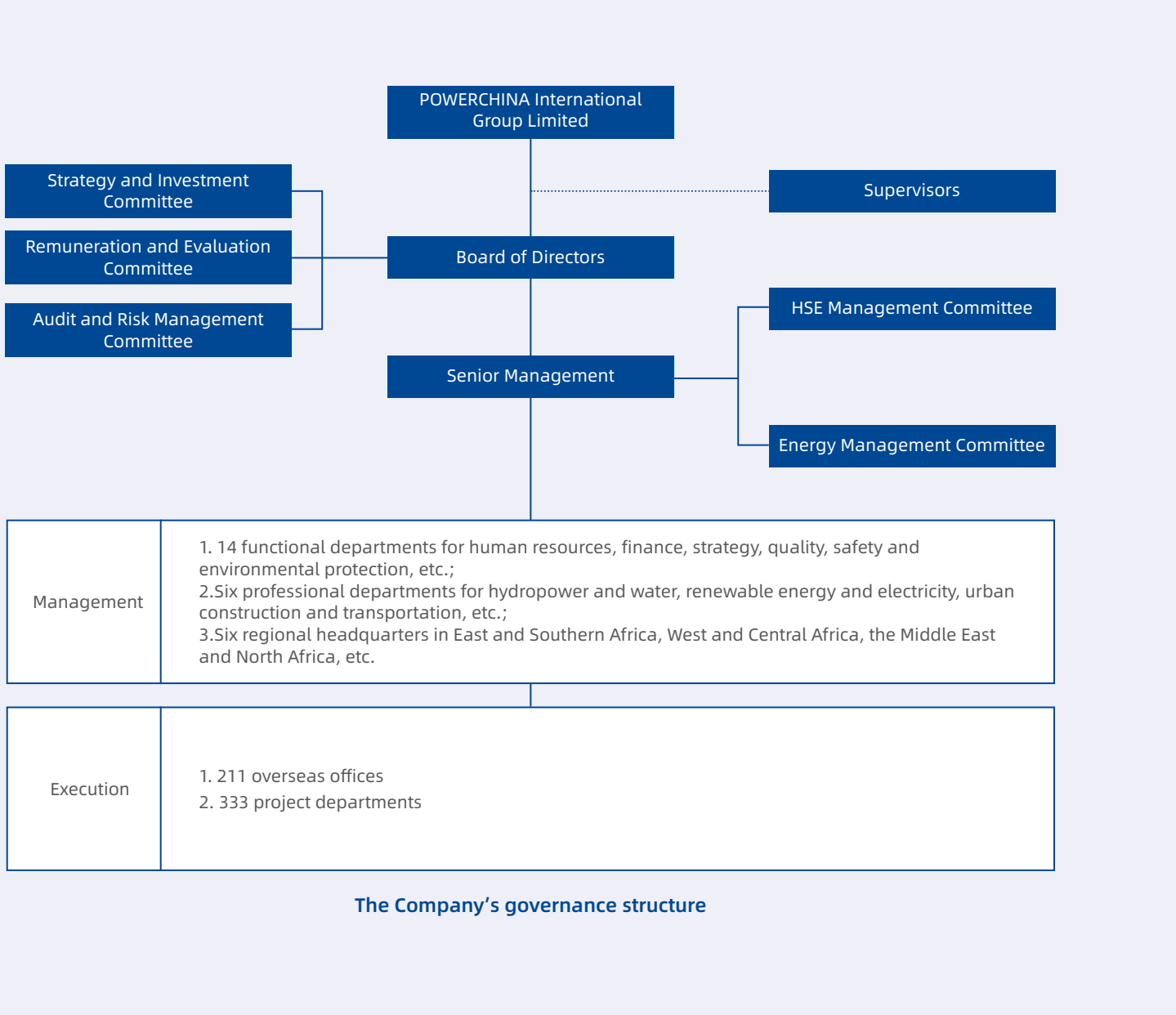
- Organisational Structure
- Sustainable Governance
- Risk Management and Internal Control
- Business Ethics and Integrity

Organisational Structure

The Board of Directors is the decision-making body of the Company, responsible for setting strategies, making key decisions, and mitigating risks. The Board is comprised of one Chairperson (Chen Guanfu), one Internal Director (Tang Yuhua), one Employee Director (Zhao Jiawang), four External Directors (Sun Degao, Tang Dingqian, Wang Hugen, and Liao Yuanqing), and one Supervisor (Ren Chaofeng).

The senior management team is fully authorised by the Board to executes its decisions, operate business, implement plans, and enhance management practices. This team includes one President (Tang Yuhua) and 10 Executive Vice President (Zhao Jiawang, Liang Jun, Xiong Lixin, Zhou Jiayi, Liu Shaoquan, Peng Gang, Zhang Guolai, Ma Yuxin, Hou Xiaotun, and Ren Chaofeng).

Supervisors act on behalf of the investor, POWERCHINA, to perform oversight duties. The management team is responsible for developing and maintaining the ESG management system. The execution team handles the implementation of contracting and investment projects.



Members of the Board of Directors

Chen Guanfu
Chairman (appointed in November 2023)
Born in 1974
PhD; Senior engineer

Tang Yuhua
Director (appointed in November 2023)
Born in 1972
Bachelor's degree; Senior economist

Zhao Jiawang
Employee Director (appointed in August 2018)
Born in 1965
Bachelor's degree; Senior engineer and senior economist

Sun Degao
External Director (appointed in December 2021)
Born in 1962
Bachelor's degree; Senior engineer

Tang Dingqian
External Director (appointed in December 2021)
Born in 1963
Master's degree; Senior accountant

Wang Hugen
External Director (appointed in December 2021)
Born in 1963
Master's degree; Senior engineer

Liao Yuanqing
External Director (appointed in December 2021)
Born in 1962
Master's degree; Senior engineer

Members of the Management



Tang Yuhua
President (appointed in November 2023)
Born in 1972
Bachelor's degree; Senior economist



Zhao Jiawang
Executive Vice President (appointed in August 2018)
Born in 1965
Bachelor's degree; Senior engineer and senior economist



Liang Jun
Executive Vice President (appointed in March 2016)
Born in 1965
Master's degree; Senior engineer



Zhou Jiayi
Executive Vice President (appointed in March 2016)
Born in 1970
PhD; Senior economist



Xiong Lixin
Executive Vice President (appointed in March 2016)
Born in 1966
Master's degree; Senior engineer



Peng Gang
Executive Vice President (appointed in December 2023)
Born in 1974
Master's degree; Senior engineer



Liu Shaoquan
Executive Vice President (appointed in March 2016)
Born in 1968
Master's degree; Senior engineer



Ma Yuxin
Executive Vice President (appointed in December 2023)
Born in 1979
Master's degree; Senior engineer



Zhang Guolai
Executive Vice President (appointed in December 2023)
Born in 1969
Master's degree; Senior engineer



Ren Chaofeng
Executive Vice President (appointed in May 2023)
Born in 1981
PhD; Senior economist



Hou Xiaotun
Executive Vice President (appointed in March 2016)
Born in 1965
Master's degree; Senior engineer

Sustainable Governance

Work of the Board of Directors

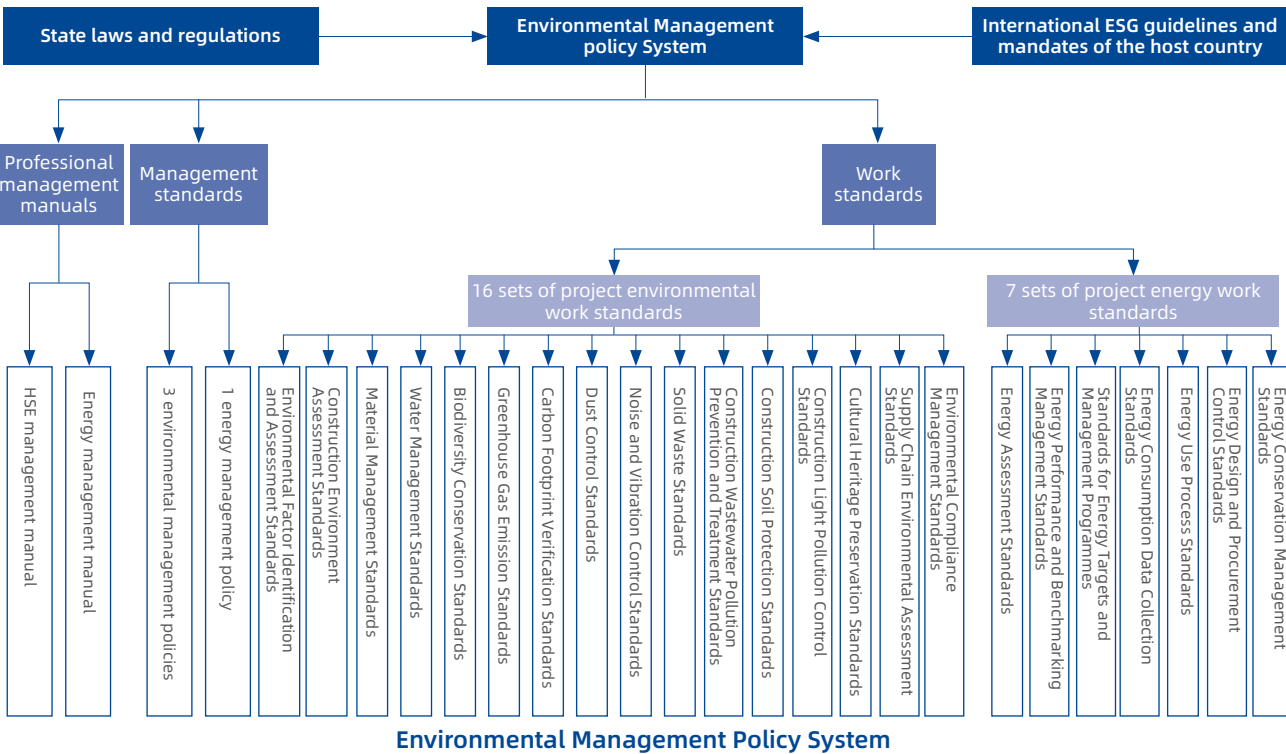
In 2023, the Board of Directors diligently fulfilled its responsibilities as defined by laws, regulations, the Articles of Association, and POWERCHINA. The Board effectively contributed to 'setting strategies, making decisions, and preventing risks.' Throughout the year, the Board held 10 meetings, during which it reviewed and approved 37 motions on significant matters such as business plans, financial budgets, investment and financing, guarantee, risk response, and managerial adjustments. The specialised committees of the Board have enhanced their guidance. The Strategy and Investment Committee convened once and reviewed one report. The Remuneration and Evaluation Committee held four meetings, passing six motions and reviewing two reports. The Audit and Risk Management Committee convened three meetings, passing four motions and reviewing three reports. To ensure compliance and effective risk management, the committee proposed to elevate the decision-making on several matters to the Board of Directors, including the development and annual reporting on compliance and ESG systems.' These measures have contributed to the Company's sustainable development and value creation.

ESG Management Policy System

Guided by international conventions, laws and regulations of the People's Republic of China, and the Sustainability Reporting Standards issued by GRI, we have improved our ESG management policy system.

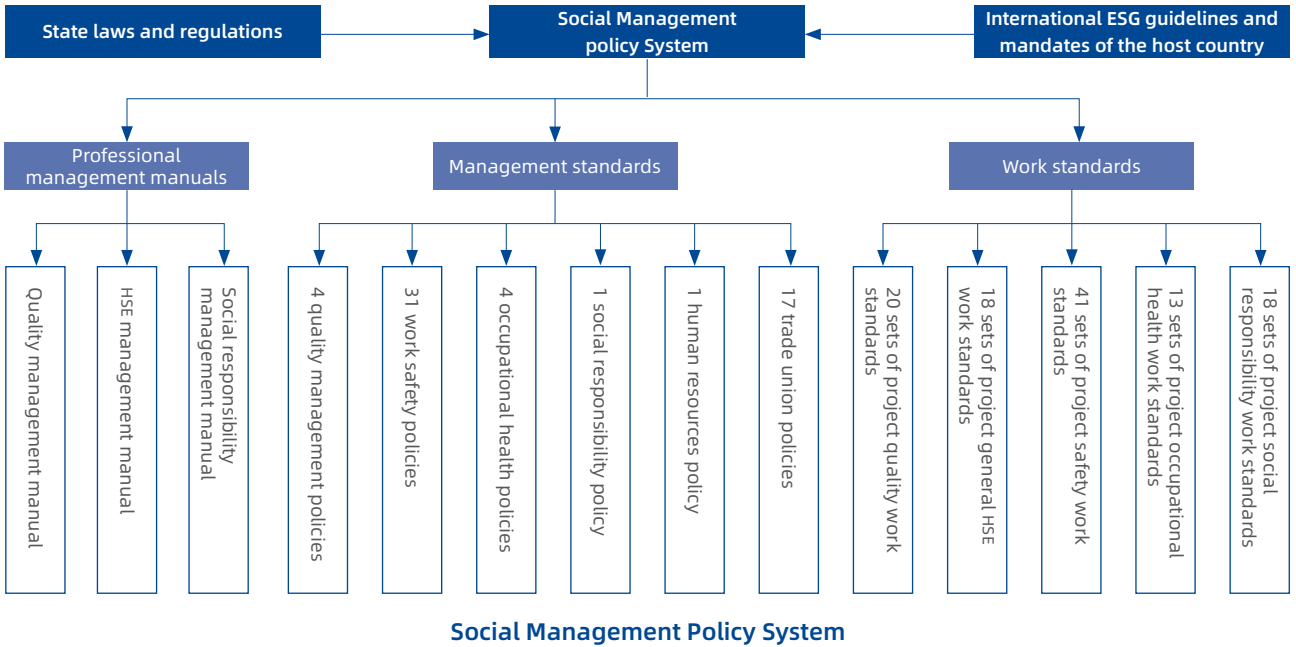
Environmental management policy system (E)

Our environmental management policy system consists of an HSE management manual, an energy management manual, three environmental management policies, and one energy management policy, as well as 16 sets of environmental work standards and seven sets of energy work standards for international projects.



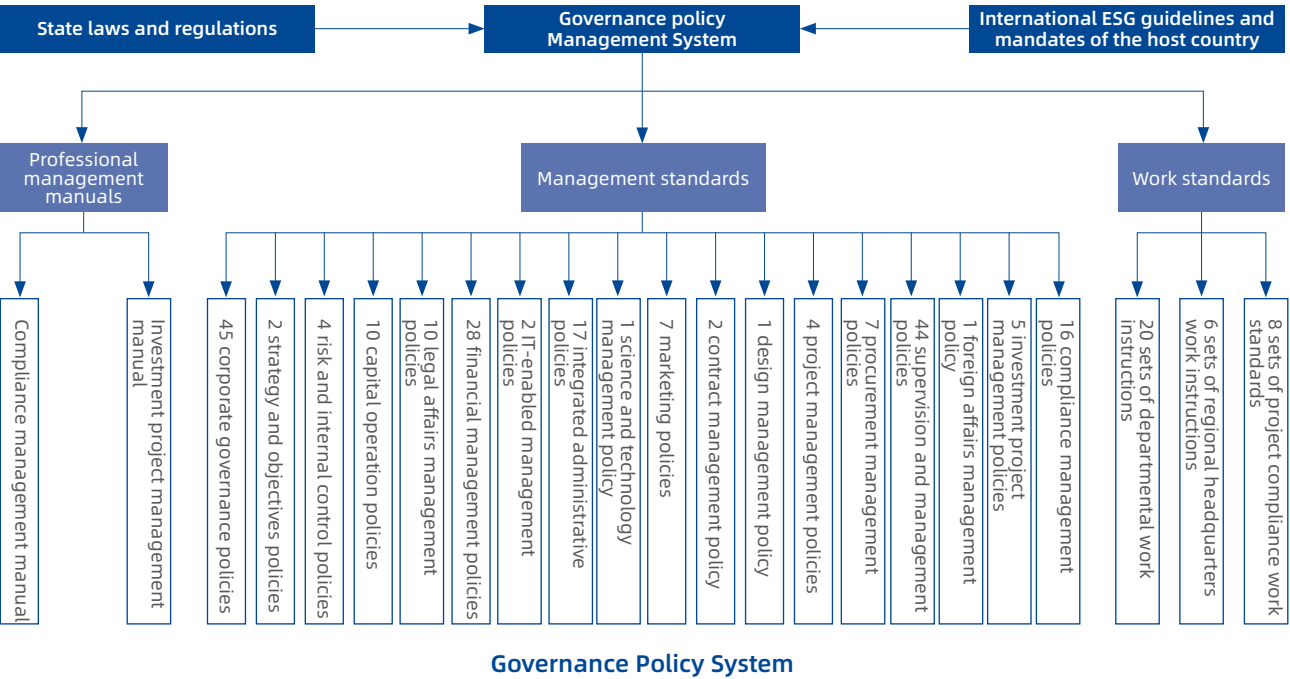
Social management policy system (S)

Our social management policy system consists of a quality management manual, an HSE management manual, a social responsibility management manual, four quality management policies, 31 work safety policies, four occupational health policies, one social responsibility policy, one human resources policy, 17 trade union policies, as well as 20 sets of quality work standards, 18 sets of general HSE work standards, 41 sets of safety work standards, 13 sets of occupational health work standards, and 18 sets of social responsibility work standards for international engineering projects.



Governance management policy system (G)

Our governance management policy system consists of a compliance management manual, an investment project management manual, 206 policies, 20 sets of departmental work instructions, six sets of regional headquarters work instructions, and eight sets of compliance work standards for international engineering projects.



Certificates

In 2023, we renewed the certificates of ISO9001 Quality Management System, ISO45001 Occupational Health and Safety Management System, and ISO14001 Environmental Management System, and obtained the certificates of ISO50001 Energy Management System and ISO37301 Compliance Management System.



Quality Management System Certificate
ISO 9001: 2015



Environmental Management System Certificate
ISO 14001: 2015



Occupational Health and Safety Management System Certificate
ISO 45001: 2018



Energy Management System Certificate
ISO 50001: 2018

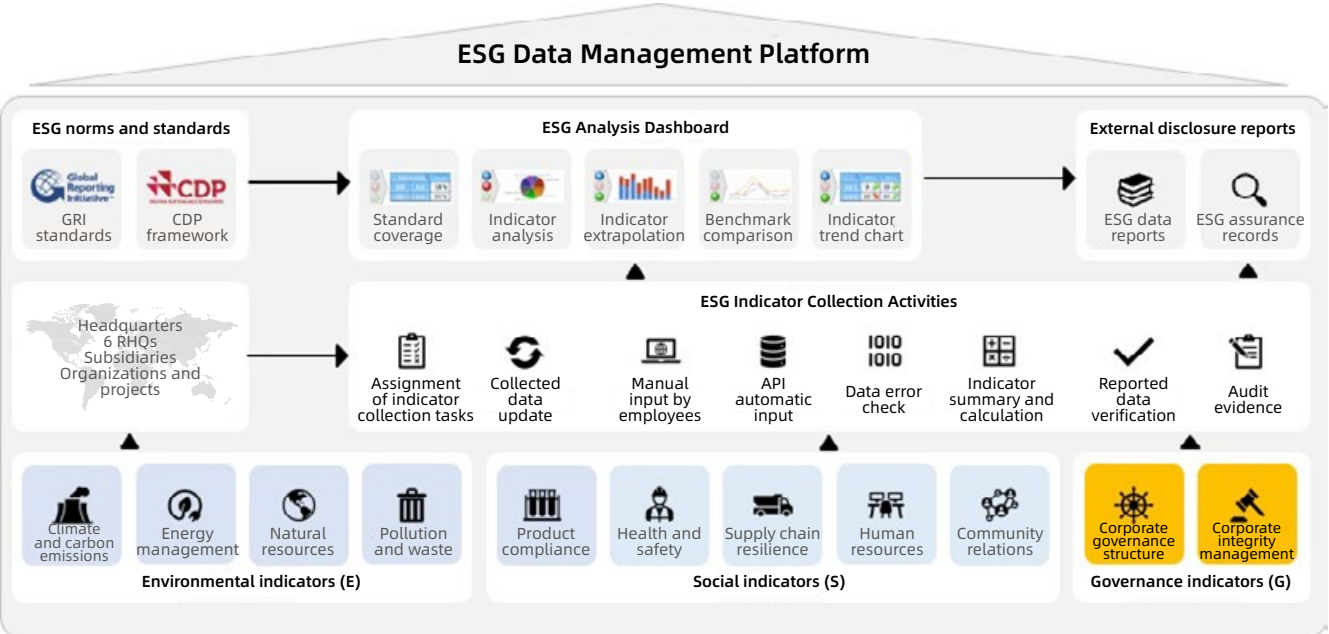


Compliance Management System Certificate
ISO 37301: 2021

Dau Tieng PV Project in Vietnam

ESG Data Management System

To ensure the authenticity and reliability of our ESG data, as well as a standardised and efficient data collection process, we have implemented the GRI qualified Enablon ESG data management system. This system streamlines the collection and analysis of ESG data across our international operations.



Information Transparency

Our website (<https://www.powerchina-intl.com>) provides detailed information about our Company's philosophy, business areas, project successes, and social responsibility practices. This ensures transparency for regulators, offers collaboration opportunities to partners and suppliers, provides accessible information for owners and employees, and keeps the media and the public informed about our latest

developments and brand values.

On our international WeChat account, we promptly address stakeholder inquiries, share exemplary social responsibility practices, gather feedback, and continuously optimise our management strategies to achieve more responsible, efficient, and sustainable development.



Scan the QR code to follow our WeChat official account

Risk Management and Internal Control

Policy System

As of December 2023, we have issued 19 risk management and internal control policies. These policies integrate risk management into various aspects of our management, including corporate governance, strategic and objectives, capital operations, marketing, procurement, contract management, quality assurance, HSE management, communications, human resources, financial oversight, supervisory functions, legal and compliance, integrated management, and foreign affairs.



We have issued

19

risk management and internal control policies

Comprehensive Risk Assessment

In 2023, we developed a Company-Level Risk Assessment Questionnaire encompassing five risk categories: strategic, market, financial, operational, and legal. Based on the analyses and assessments of the responses, we compiled the Company's Comprehensive Risk Management Report, assessing eight specific risk categories and developing appropriate countermeasures.

Factor and Impact Analysis of Major Risks				
Risk Type	Factors of the Risk	Impacts of the Risk	Countermeasures	
 Market risk	Global economic downturns, complex geopolitical situations, intensified market competition, stricter compliance regulations, financing difficulties, etc.	Greater difficulties in market development, reduced profit margins, etc.	- Develop systemic market development strategies and business plans - Improve the quality of contracts - Optimise and adjust the 'water, energy, urban development, mining and digitalization + innovation' industrial structure to advance new industrialisation	
 Project performance risk	Large-scale projects, complex construction environments, challenges in construction organisation, and the need for improved project management	Difficulties, in project handover, greater difficulties in market development, etc.	- Improve the general management policy system for overseas projects - Improve the ESG management system for international business - Continuously control and resolve major business risks in projects	
 Legal risk	Increasingly stringent compliance reviews, the Company's delayed adaptation to evolving laws and regulations, etc.	Increase in contract disputes, difficulties in market development, etc.	- Enhance compliance training and awareness - Strengthen the legal risk identification and audit mechanisms	
 Financial risk	Lackluster global economic growth, intensified market competition, changes in business models, and increased risks of receivable and work in progress	Increased difficulties in transformation and upgrading and impact on the Company's high sustainability standards	- Intensify efforts to enhance quality and efficiency and manage losses - Improve the lean management system for projects - Increase market development efforts	
 ESG-related risk	Stricter international ESG policies, increased stakeholder interest and demand for ESG-related topics, etc.	Increased ESG management costs, potential project delays or cancellations, etc.	- Improve the ESG management system - Strengthen project-level supervision - Strengthen environmental management, gather efforts in social responsibility, and enhance governance	
 Investment risk	Higher investment thresholds, complex financial environment, etc.	Increased difficulties in overseas investment and raising funds, etc.	- Focus on identifying, selecting, and developing high-potential projects - Promote innovation on business models and launch new financing projects	
 Offshore tax risk	Frequent offshore tax inspections and audits, and complex, and evolving tax policies of host countries	Stricter compliance requirements	- Conduct thorough tax risk assessments - Strengthen tax planning and management for projects	
 Human resources risk	Talent shortages, failure to identify and meet employee needs, labour disputes, etc.	Increased operational cost, elevated project risks, etc.	- Adjust and optimise the remuneration distribution mechanism - Continuously improve the career development mechanism for employees	
			- Promote innovation in operational models - Increase collaborations with internationally renowned corporations	- Enhance project implementation planning - Strengthen guidance and supervision for projects
			- Improve the compliance management system - Establish a compliance management information platform	- Promote innovations on business models and financing projects - Strengthen account age management - Strengthen asset management
			- Strengthen ESG talents cultivation - Promote ESG information platform	Strengthen the management of overseas investment operations
			- Conduct detailed country-specific tax research on tax regulations - Explore IT solutions to improve tax management.	
			Continuously improve the employee training system	

Internal Control

In 2023, we set up an internal control evaluation working group and enlisted a professional accounting firm to perform a comprehensive review of our internal controls. This evaluation covered various aspects including corporate governance, strategic management, human resources, social responsibility, corporate culture, investment and financing operations, financial funds, marketing, performance management, compliance, legal affairs, contract management, and internal communication. The

evaluation identified deficiencies in three main areas: bid evaluation, service and procurement evaluation, and information technology platform data management. In response, we continuously improve our work mechanism, refining the tender and bidding review procedures and standardizing the review templates. We also developed an Implementation Plan for the Value Creation Action against World-Class Enterprises aligned with our Triple-Win philosophy, which focuses on ‘winning beforehand, winning during

the project, and win-win afterwards.’ This plan includes a detailed work checklist and aims to strengthen project management throughout its lifecycle, ensuring effective value creation. Furthermore, we have improved the functional modules of our integrated service platform for overseas business. These upgrades provide early warning capabilities for potential risks and support more standardised, data-based and modular processing for key project information throughout the project lifecycle.

Business Ethics and Integrity

Our Commitments

We strictly comply with anti-corruption, anti-fraud, anti-unfair competition, anti-money laundering, and anti-trust laws and regulations of the People’s Republic of China, the countries where we operate, and international conventions.

We explicitly prohibit:

- Fraud, deception, or falsification of original records, bidding documents, or other materials;
- The use of bribery or disguised bribery in exchange for business opportunities or improper benefits;
- Illicit payments through third parties;
- Engagement in any business or activity that could result in a conflict of interest with the Company or the project; and
- Agreements with competitors that involve malicious practices such as price-fixing, interference in bidding procedures, market segmentation, or production limitations.

Management Policies

Aligned with global compliance control standards and the Multilateral Development Bank (MDB) *Integrity Compliance Guidelines*, we have formulated several compliance policies, including *the Procurement Policy, the Code of Ethics, the Third-Party Due Diligence Process, the Anti-corruption Policy, the Gift and Hospitality Policy, and the Bidding Compliance Policy*.

In adherence to ISO 37301:2021 Compliance Management Systems — Requirements with Guidance for Use, we have introduced and implemented a compliance management system consisting of a compliance management manual, four sets of management measures, three sets of detailed rules for implementation, two interim regulations and eight sets of Compliance Management Standards for International Engineering Projects. This initiative enhances our compliance management of bidding and negotiation processes, third-party due diligence, material procurement, gifts and hospitality, donations and sponsorships, cash payments, and employee conduct.

Management Activities

In 2023, we launched a compliance risk evaluation, and organised employees to sign a compliance commitment. We also assessed our compliance efforts through an annual review. Moreover, we hosted 20 compliance symposiums and a series of integrity and compliance training sessions and lectures. Over 100 of our projects, funded by international financial institutions, underwent compliance audits. More than 1,700 employees received training on the integrity and bidding requirements set by these institutions.



MDB procurement policy training in February 2023

Communication and Reporting

We encourage all parties to report any possible violations of laws, regulations, company policies, or ethical standards through formal channels, either in real names or anonymously. We commit to keep all report information confidential and taking appropriate measures to investigate and hand it to protect the legitimate rights and interests of the whistle-blower.

Compliance Reporting Channels:

E-mail: compliance@powerchina-intl.com

Hotline: +8610-58382629

Mode of Management

Compliance is integral in our auditing, disciplinary inspection, and legal review processes. We have established a Compliance Committee and a Compliance Management Department and appointed a Chief Compliance Officer, Regional Compliance Officers, Regional Compliance Managers, and Compliance Officers at each division. The Compliance Management Department collaborates with the finance, legal affairs, procurement, human resources, and other departments to mitigate compliance risks.



Jinka-Hana Road Project in Ethiopia



02

ENVIRONMENT

- Environmental Compliance
- Addressing Climate Change
- Waste Management
- Water Recycling
- Biodiversity Conservation

Environmental Compliance

According to local laws and regulations, project types, and work content, our project departments have revised and supplemented the 16 sets of Environmental Work Standards for International Engineering Projects, and the seven sets of Energy Work Standards for International

Engineering Projects formulated by the Company. We have also established applicable environmental management systems for each project, applied for environmental permits, and developed construction environmental protection plans. Following the plan, we ensure

ecological conservation during construction and manage pollution across air, water, noise, vibration, radiation, and solid waste. These efforts aim to reduce greenhouse gas emissions and mitigate the environmental impact of construction activities.



On-Site Environmental Management for the Mauriti PV Project in Brazil

Before starting construction, we submitted the Environmental Impact Assessment Report (EIA/RIMA), Environmental Control Report (RCA—Relatório de Controle Ambiental), and Basic Environmental Plan (PBA—Plano Básico Ambiental) to the Environmental Supervisory Authority (SEMACE) of the State of Ceará, Brazil, and applied for the preliminary environmental licensing, environmental permit for construction, and environmental permit for operations. On the basis of the PBA, we prepared the project’s Environmental Management Plan (EMP) and monitored motor vehicle exhaust emissions and construction wastewater discharges. For chemicals such as oil and chemical solvents, special warehouses were set up and impermeable treatment was applied to the ground. Construction solid waste was collected and stored separately according to its classification and transported off-site as per regulations. We have purchased three water spraying vehicles to regularly water the site to reduce dust pollution in the air. The project was also staffed with ten biologists, ten archaeologists, three veterinarians, and three veterinary assistants for wildlife rescue and protection at and around the project site.



staffed with

10 biologists

10

archaeologists

3

veterinarians

3

veterinary assistants



Daily air and water quality monitoring and compliance reports



Archaeological sites



Rescue of 1,595 animals



Rubbish sorting



Sorted storage for waste and rubbish



Legal removal and disposal of waste

Environmental Protection Investment

In 2023,



Our total investment in construction site environmental protection was USD

35.19 million

Accounting for

0.52%

of operating revenue

Environmental Protection Investment in 2023

Regional Headquarters	Total Costs of Eco-Environmental Protection Management [MUSD]	Total Costs of Eco-Environmental Protection Measures [MUSD]	Percentage of Costs of Eco-Environmental Protection Measures in Total Income [%]	Percentage of Costs of Eco-Environmental Protection Management in Total Income [%]	Percentage of Costs of Eco-Environmental Protection Management and Measures in Total Income [%]
East and Southern Africa RHQ	0.93	6.42	0.54	0.08	0.62
West and Central Africa RHQ	0.26	1.86	0.42	0.06	0.48
Middle East and North Africa RHQ	0.42	7.37	0.50	0.03	0.53
Eurasia RHQ	0.54	3.40	0.38	0.06	0.44
Asia and Pacific RHQ	0.41	7.97	0.48	0.02	0.50
Americas RHQ	0.79	4.81	0.46	0.08	0.53
Total	3.36	31.83	0.47	0.05	0.52

UAE Masdar Wind Turbines Pilot Project

Addressing Climate Change

Carbon Peaking Goals

We commit to achieving peak carbon emissions by 2030 and carbon neutrality by 2060 in our international operations, and we will not undertake any new coal-fired power station EPC projects. By 2030, we aim to reduce the comprehensive energy intensity of our international operations by 28% compared to 2023 and decrease the carbon dioxide emissions intensity by 33%.

Carbon Peaking Key Tasks

From 2025 to 2030, we will focus on ten key tasks revolving around industrial optimization and technological innovation, resource management and energy conservation, green construction and supply chain management, and international cooperation and capacity building. These efforts will ensure that our international operations meet the target of peaking carbon emissions.

Al Kharsaah 800 MW PV Project in Qatar

The Company's Key Tasks for Carbon Peaking

Industrial Optimisation and Technological Innovation	1 Industrial upgrading and layout optimisation - Consolidate and enhance the energy and power business - Expand the green and low-carbon infrastructure business - Expand in forward-looking strategic emerging industries	2 Innovation in green and low-carbon technologies - Improve the mechanism and system for technological innovation - Promote the R&D of key and core green and low-carbon technologies - Participate in demonstration projects that industrialise major achievements in green and low-carbon technologies	3 Digital and intelligent enhancements - Integrate digital technology with engineering technology - Use digital intelligence to enhance refined management - Enhance energy and carbon data management capabilities
	4 Resource conservation and efficiency - Enhance the energy conservation and carbon reduction capacity of engineering projects - Upgrade technological retrofitting for energy conservation and carbon reduction - Enhance the energy efficiency of key energy-consuming equipment - Upgrade the energy efficiency of buildings	5 Transition to green and low-carbon energy - Control the growth of fossil energy consumption - Increase the proportion of non-fossil energy resources - Develop flexible resources for power systems	6 Carbon sink capacity reinforcement and improvement - Develop forestry and forest carbon sink projects - Explore the development of green agricultural carbon sink projects - Enhance the carbon sink capacity at engineering construction sites - Explore the application of engineering carbon sink technologies
Green Construction and Supply Chain Management	7 Green and low-carbon infrastructure development - Promote green construction - Promote the application of green and low-carbon building materials - Promote the use of renewable energy - Improve on-site resource recycling	8 Green and low-carbon supply chain management - Enhance green and low-carbon supply chain management - Build a green and low-carbon supply chain system - Explore carbon management across the product lifecycle	
	9 International cooperation in green technologies and trade - Facilitate innovation and win-win cooperation in investment - Increase the proportion of international green and low-carbon projects - Partner with countries where the project operates - Enhance the exchange of green and low-carbon technologies and talent	10 Green and low-carbon capacity building - Establishing statistical accounting and monitoring systems for energy and carbon emissions - Intensify green and low-carbon personnel training - Participate in the green financial market	- Standardise environmental information disclosure - Build a carbon inclusion system - Increase communication and guidance on green and low carbon

GHG Emissions Benchmark

In 2023, we organized an investigation into the energy consumption and greenhouse gas emissions of construction projects and established benchmarks for energy intensity and greenhouse gas emissions intensity in our international operations:



GHG Emissions in 2023

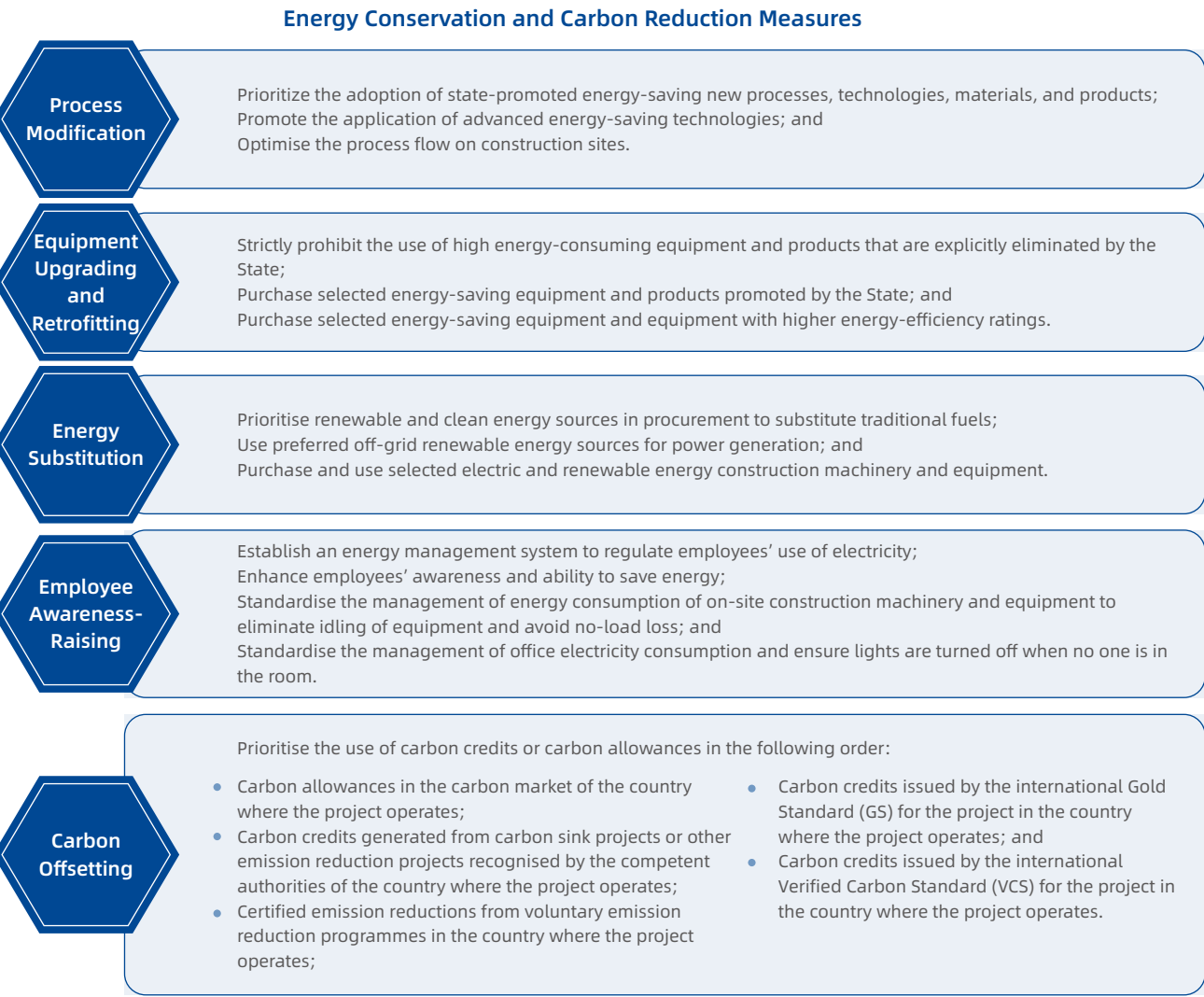
Region	Scope 1 GHG Emissions [ton]	Scope 2 GHG Emissions [ton]	Scope 1 GHG Emission Intensity [tGHG/MUSD]	Scope 2 GHG Emission Intensity [tGHG/MUSD]	GHG Emission Intensity [tGHG/MUSD]
East and Southern Africa	58,403	2,486	49.51	2.11	51.62
West and Central Africa	210,748	457	473.28	1.03	474.31
Middle East and North Africa	41,817	2,125	28.50	1.45	29.95
Eurasia	200,347	6,181	223.24	6.89	230.13
Asia and Pacific	31,434	4,566	18.78	2.73	29.95
Americas	57,369	9,785	54.35	9.27	63.61
Total	600,118	25,600	89.32	3.81	93.13

Energy Consumption in 2023

Region	Non-renewable Energy Consumption [kWh]	Purchased Electricity Consumption [kWh]	Energy Consumption Intensity [GJ/MUSD]
East and Southern Africa	299,922,651	5,933,333	933.51
West and Central Africa	1,205,231,674	5,812,051	9,790.84
Middle East and North Africa	210,148,203	3,376,847	523.88
Eurasia	1,451,595,232	25,955,187	5,926.96
Asia and Pacific	225,176,146	9,288,953	504.35
Americas	235,165,391	54,442,553	987.64
Total	3,627,239,297	104,808,924	1,999.67

Energy Conservation and Carbon Reduction Measures

Our international operations primarily focus on developing energy conservation and carbon reduction measures through process transformation, equipment upgrades, energy substitution, raising employee awareness, and carbon offsetting. These measures are tailored to the specific needs of different project types.



Renewable Energy Business

Following the global transition to green and low-carbon energy, we have vigorously expanded our renewable energy business overseas. We are developing wind power, PV, and other renewable energy projects in many countries and regions, contributing to their efforts to diversify energy sources and achieve low-carbon development. This approach also enhances our green and low-carbon operations.

As of December 2023, we have contracted renewable energy projects of wind power, PV, and solar thermal power in more than 20 countries, including Vietnam, Pakistan, Thailand, Argentina, and Ukraine. Moreover, we are developing and deploying renewable energy storage technologies, such as hydrogen energy, energy storage, wind-PV-hydro storage, and source-grid-load-storage integration, to enhance the adoption and storage of clean energy.



Total installed capacity of

50.4 GW

Including wind power of

18.7 GW

Solar power of

31.7 GW



Qatar Al-Kharsaah Solar Power Project

The Qatar Al Kharsaah 800-MW Solar Power Station, covering 10 km² in a desert 80 km west of Doha, is Qatar's first non-fossil-fuelled power Station. It is the third largest single PV power project and the largest PV project applying a track system and bifacial modules in the world, capable of meeting 10% of the country's peak electricity demand.



Qatar Al Kharsaah Solar Power Station



Provides about

1.8 billion kWh
of clean electricity annually

Meets the annual electricity
consumption of about

300,000
households

Reduces carbon dioxide
emissions by about

900,000
tons



Morocco Noor III Solar-Thermal Power Station Project

The Noor Solar Complex in Morocco, located in the city of Ouarzazate, Drâa-Tafilalet region, houses the Morocco Noor III Solar-Thermal Power Station. With an installed capacity of 150 MW, it is the world's single concentrated solar power (CSP) power station with the largest capacity. The project employs tower-based CSP technology, which tracks the sun in real time using 7,400 giant heliostats. Its 248-m solar tower and 178-m² heliostats are the largest of their kind in the world.



Morocco Noor III Solar-Thermal Power Station



Delivers about

530 million kWh
of clean power annually

Provide clean energy to over

1 million households

Reduces carbon dioxide
emissions by about

230,000 tons



Adama Wind Farm Project, Ethiopia

The Adama Wind Farm Project is located west of Nazret in central Ethiopia. With a total installed capacity of 204 MW, it fulfils more than 20% of the electricity demand of the Ethiopian capital.



Adama Wind Farm, Ethiopia



Provides more than

476 million kWh of
clean electricity annually

Saves about

139,800 tons
of coal equivalent consumption

Reduces about

348,300 tons
of carbon dioxide emissions

Waste Management

For waste management, we follow the principles of ‘reduction at source, categorized management, local disposal, discharge control, and comprehensive utilisation’. Construction waste is classified, collected, transported, and disposed of, under a centralised and standardised process, ensuring that recycling and reuse are done safely and without harm to human health or the environment. For each project, we set up designated collection boxes (pools) for domestic and office waste as per the Waste Control Standards for International Engineering Projects. Waste is sorted into categories such as recyclable, hazardous, food waste, and general waste. On construction sites, waste is classified into recyclable and hazardous categories, collected in collection boxes (trays and pools), or stacked in centralised storage areas. Hazardous waste is transferred to qualified local service providers for safe disposal, while non-hazardous waste is managed according to the regulations of the host country.

We actively promote the reuse of construction waste, including concrete, mortar, excavation soil, and stones. Depending on the quality, these recycled materials are repurposed as concrete aggregates for temporary or permanent structures, road foundation materials, and foundation backfill.



Waste Reuse in the Polish E75 Railway Project

- Old rail tracks are used as supporting material for the railway foundation pits;
- The project employs digital crushing and screening separation technology to process old railway ballast. A portion of the processed and screened old ballast is reused as sub-ballast and protective layer materials for the newly constructed railway sections, while another portion serves as fill material for the newly built road foundations.



A processor using digital separation technology



Reused old ballast



E75 Railway Project in Poland

Water Recycling

We prioritise water recycling and adhere to wastewater discharge standards on construction sites. All projects are required to manage water usage for daily life and construction as per the Water Management Standards for International Engineering Projects and ensure water

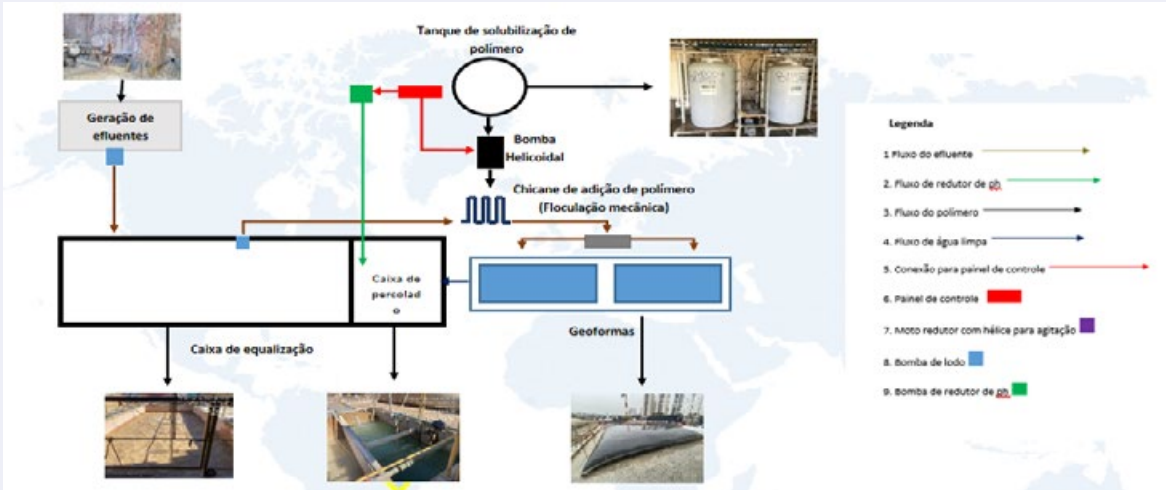
efficiency and recycling. This includes optimising water management, promoting water-saving processes and appliances, and encouraging the collection of rainwater and pitfall drainage for construction and domestic use where applicable. Additionally, projects must install

pipelines, drains, and treatment facilities to manage construction and domestic wastewater as per the Wastewater Control Standards for International Engineering Projects. This ensures that wastewater is treated to meet required standards before being discharged or recycled.



Water Treatment and Recycling for the São Paulo Metro Line 2 Project in Brazil

Wastewater generated from the construction site was collected in collection boxes or catchment pits before being transferred to the treatment pool through solid-liquid separation by geotextile bags. The collected wastewater was added with flocculant for secondary precipitation and chemicals for tertiary precipitation and dissolved substance removal. After being precipitated and passing laboratory tests and PH value tests, the wastewater was safely discharged or recycled for work shoes, vehicles, and road cleaning.



Process of water treatment and recycling



Treated water is used for washing vehicles and road surfaces

Biodiversity Conservation

To avoid or minimize the environmental and biological impact of our engineering projects, we promise that without the consent of Chinese embassies (consulates) and company approval, undertaking projects in nature reserves, critical wildlife habitats, and across transnational rivers is strictly prohibited. All projects are required to go through a biodiversity risk assessment during construction as per the Construction Biodiversity Conservation Standards for International Engineering Projects. Measures must be developed to minimise or mitigate the impact on wildlife, including engineering protections, off-site transplantation, rescue operations, and habitat restoration. During the construction period, we emphasise on protecting water resources and minimising noise pollution to prevent soil erosion and safeguard the ecological integrity of the project site.

Djiiploho Hydropower Station in Equatorial Guinea



Biodiversity Conservation Measures for Polish E75 Railway Project

Along the Poland E75 railway corridor, there are abundant birds, amphibians, insects, fish, and protected plant species within the surrounding forests and rivers. During construction, protection plans specifically tailored to the rare flora and fauna listed in

Poland's environmental protection laws were implemented—actions such as "relocation," "nest building," "damage reduction," and "cultivation" were taken. In the process of excavating the railway subgrade, ancient and

notable trees were measured and avoided. Where necessary, protection measures such as constructing flower bed enclosures or numbering and tagging were employed to ensure their preservation.



Beaver habitat protection and loss mitigation



Nesting for crane conservation along the railway



Passages dedicated to small animals on the railway



Migration protection for frogs



03

SOCIAL

- Social Responsibility Policy and Goals
- Employees
- Community Relations
- Quality, and Occupational Health and Safety
- Responsible Procurement

Social Responsibility Policy and Goals

We adhere to the principles of "harmony, transparency, and responsibility," and have established ambitious goals aimed at promoting employee dignity, ensuring decent work, strengthening social responsibility, defending human rights, and guaranteeing product quality responsibility. We view each employee as a valuable asset and are committed to protecting their legal rights. We strive to create a diverse, equitable, and potential-unleashing workplace environment where every employee can thrive in a harmonious atmosphere. We use legal and ethical guidelines to inform our actions, fully leveraging our deep expertise in technology and resources. We meticulously craft each engineering project with an aim for excellence, not only to meet current demands but also with an eye towards the future, injecting robust momentum into the sustainable development of the international community.



Goals in management of labor employment and decent jobs

- **100%** compliance in employee hiring;
- **100%** compliance in providing benefits and compensation;
- **100%** labor contract signing rate;
- **100%** provision of labor protection equipment;
- **100%** training and education;
- **100%** equal pay for equal work among male and female employees;
- **100%** assessment of labor practices among suppliers;
- **100%** handling of labor issues and grievances.



Goals in management of human rights

- **100%** Human rights due diligence for investment projects
- **100%** Human rights training for employees
- **0** Incidents of discrimination
- **0** Violations of freedom of association and collective bargaining
- **0** Incidents involving child labor
- **0** Incidents of forced or compulsory labor
- **100%** Human rights training for security personnel
- **0** Incidents violating the rights of indigenous peoples
- **100%** Human rights assessments for overseas institutions (projects)
- **100%** Human rights assessments for suppliers
- **100%** Handling of human rights complaints



Goals in social management

- **100%** Handling of local community complaints
- **0** Corruption incidents
- **100%** Anti-corruption training
- **0** Political donations
- **0** Legal actions regarding anti-competitive behavior, antitrust, and monopolistic practices
- **0** Legal violations
- **100%** Social impact assessments for suppliers
- **100%** Handling of social impact complaints



Goals in management of product responsibility

- **0** Incidents of engineering project design and construction violating health and safety regulations and voluntary guidelines
- **100%** Transparency in the sourcing of building materials and equipment for customers
- **100%** Disclosure to customers of engineering materials, equipment, and facilities in projects that may have environmental or social impacts
- **100%** Provision of health and safety manuals for engineering projects to customers
- **0** Incidents of violating regulations and voluntary guidelines related to marketing (including advertising, promotions, and sponsorships)
- **0** Complaints of violating customer privacy rights

Employees

Diversity and Equality

In line with applicable international conventions, laws and regulations, we have introduced a job-specific employment policy, highlighting diversity and equality in age, gender and educational background.

As of the end of 2023, the Company's headquarters in China has 794 employees on the payroll, with the turnover rate of 4.41%. To be specific, there are 576 male employees, and 218 female employees, with turnover rates of 4.51% and 4.13% respectively. We have a total of 80,015 employees in overseas offices/projects, with the turnover rate of 8.80%. They include 75,901 males, and 4,114 females, with respective turnover rates of 8.81% and 8.65%. For employee diversity details, see Appendix IV, P89.

Local Employment

Our *Employment Rules of International Projects* emphasize the importance of local hiring to provide more job opportunities in the community. In 2023, our local employment rate averaged 85.02%.

During the peak of the new water system project in Arusha, Tanzania, our workforce exceeded 1,200 employees. Of these, 1,100 were Tanzanians, making up 91% of the total. Among the management team, Local employees held 40% of the managerial positions, while 90% of the grassroots workers were Tanzanians.

2023 Local Employment Data

Regional Headquarters	Number of local employees	Number of total employees	Proportion of local employees
East and Southern Africa RHQ	13,609	16,002	85.05%
West and Central Africa RHQ	8,325	9,735	85.52%
Middle East and North Africa RHQ	8,629	11,000	78.45%
Eurasia RHQ	12,235	14,458	84.62%
Asia and Pacific RHQ	15,350	18,306	83.85%
Americas RHQ	9,882	10,514	93.99%
Total	68,030	80,015	85.02%

Rights and Interests of Employees

Our overseas offices/project departments strictly adhere to local government regulations on working hours, rest and vacation, and overtime. By ensuring reasonable work and rest schedules, we protect the physical and mental health of our employees. Guided by the principle of equal pay for equal work and benefits for male and female employees in the same

positions with the same workload, we adopt compensation standards that exceed the local average. We ensure timely and full payment of wages, contributions to social insurance, and various taxes for our employees, guaranteeing that local employment practices are legal and compliant.

In addition, our overseas offices/

project departments have built sports facilities such as basketball courts and fitness centres and organized recreational activities like badminton and hiking. These efforts are designed to enrich employees' leisure time, support their mental and physical health, foster teamwork, and improve their overall job satisfaction and sense of belonging.

Human Rights

In accordance with the *Universal Declaration of Human Rights*, and the applicable regulations of the International Labor Organization (ILO), we have established several key rules for our international projects. These include the *Anti-discrimination Rules of International Projects*, the *Freedom of Association and Collective Bargaining Rules of International Projects*, the *Rules for No Forced Labor in International Projects*, the *Rules for Human Right*

Evaluation in International Projects, and the *Rules for Respecting the Rights of Aborigines in International Projects*. These documents ensure that we uphold employees' rights to freedom of association and collective bargaining, and we strictly prohibit child labour, forced labour, and any form of enslavement.

We have implemented the *Complaining Resolution Rules for International Projects* to address

and resolve disputes through open and constructive dialogue. Employees are encouraged to submit complaints through multiple channels, such as phone, complaint letter, face-to-face reporting, fax, e-mail, and complaint box. Once a complaint is received, the responsible department will address and resolve the issue within 15 days, ensuring a safe and fair workplace for all employees.



Complaining channels

The Project Department of Metro Line 2 in São Paulo, Brazil releases four complaining channels, namely complaint website, mobile APP, reporting to the manager and other members of the QMSR Department, and hotline.

Training and Career Development

All Employees

We have developed and continuously improved our education and training system, focusing on building a robust talent pool, especially for international talents. In 2023, we provided training for over 2,500 individuals in areas such as national representation, international project management, business contracts, legal risks, overseas social security, and EPC design. Through the POWERCHINA-INTL Online platform, more than 800 employees received training in topics such as leadership, execution, competence, growth, and adaptability. Apart from online training, we organized 66 external training sessions, benefiting 236 employees.



POWERCHINA-INTL ONLINE training platform

Local Employees

Project Departments manage training centres where experienced staff impart essential skills to local employees based on their specific training needs.



Training Center of Kafue Gorge Lower Hydropower Station Project in Zambia

The Project Department of Kafue Gorge Lower Hydropower Station established a training center, and organized 6 training sessions, with 332 qualified trainees. This move has trained a number of skilled talents for infrastructure construction in Zambia.



The President of Zambia Unveils the Nameplate of the Training Center



Technical Training Center



Training Program of the New Water System Project in Arusha, Tanzania

The Arusha New Water System project in Tanzania has held over 60 different training sessions, achieving a 100% training coverage rate for foreign employees. Among the trainees, over 60 individuals have earned Tanzanian-accredited certifications in specialized fields such as welding and electrical work. Additionally, more than 120 employees have mastered the operation of at least two types of engineering machinery, and over 200 employees have become proficient in operating one type of engineering machinery and have obtained the corresponding equipment operation certificates.



Steel Tube Welding Training



Cultural Exchange among Employees

Relationship with Communities

Volunteering Services

In 2017, the Company founded the POWERCHINA OVERSEAS VOLUNTEER ASSOCIATION (POVA) to guide overseas projects in fulfilling social responsibility through volunteering services. POVA has three major volunteering service programs, namely “Technology 4 Life”, “Green 4 Future”, and “Love 4 World” to enhance and expand volunteer activities.

In 2023, 45 volunteer teams of POWEWRCHINA, comprising 928 members, completed 100 volunteer projects, contributing over 14,700 hours of service across 21 countries.



Imari Highway Project in Kenya



Technology 4 Life: The Company leverages the advantages in infrastructure technology and industrial chain to infuse renewable energy to community development.

Technology 4 Life

In October 2023, the Project Department of the Wawa Power Supply Dam in the Philippines set up a professional construction team. This team helped the Inigan Primary School in renovating campus buildings, re-painting walls, and upgrading the drainage system.



Facility Renovation Volunteering Activity in the Inigan Primary School

Green 4 Future: Relying on green technology strength, the Company launches extensive green and environmental protection activities, and spreads environmental protection concepts to boost the green development of communities.

Green 4 Future

On March 24, 2023, employees from Gribo-Popoli Hydropower Station in Côte d'Ivoire were invited to join friends from various parts of Soubré for a tree planting event themed "Green Brand." With joint efforts of volunteers, well-spaced and upright oil palm saplings spread across the barren land, embodying full of green hope and vigor.



"Green Brand" Tree Planting Activity

Love 4 World: The Company carries out caring activities to build cordial partnership with communities.

Love 4 World

In 2023, we launched the "Guarding the Pilgrimage Route" volunteer service in Iraq. POWERCHINA volunteers were either stationed at stands or mingled among the crowds, distributing food and beverages to pilgrims, offering a touch of cool relief in the intense summer heat.



Volunteering Service for "Arabian" Pilgrimage in Iraq



Volunteering Service for "Muharram" in Iraq

During Ramadan in the UAE, we actively integrated into the local community through volunteer activities that involved donating iftar meals. This initiative provided care and warmth to Muslim friends in need, helping them have a safe, healthy, and peaceful Ramadan.



2023 Food Donation in UAE

Charitable Donations

We actively engage with local communities, participating in local festivals, assisting in natural disaster relief, and improving local economic, medical, educational, and living standards. In 2023, our charitable donations extended across numerous countries and regions in Asia, Europe, and South America. Donations included photovoltaic products, medical supplies, daily necessities, as well as Hope Primary Schools and educational equipment. In total, our donations amounted to \$128,650.20.

2023 Donation Data

Region	2023 donation amount (USD)
East and Southern Africa Region	17,493.23
West and Central Africa Region	50,373.48
Middle East and North Africa Region	2,388.03
Eurasia Region	22,879.59
Asia and Pacific Region	20,909.39
Americas Region	14,606.49
Total	128,650.20



Donation of Living Supplies to the Nyumbani AIDS Children Welfare Center in Karen Suburb, Nairobi, Kenya



Donation of Medical Supplies to the Central Hospital in Nagarkot Village, Nepal



Voluntary Clinic together with the Chinese Medical Team for Residents in Ghana



New Year's Blessing and Supplies to Villages Around Batang Toru Hydropower Station in Indonesia



Aid in Construction of Eko Primary School in Angola

Eko Primary School donated by us covers a land area of 4,236m², and has a building area of 1,855 m². The school features 12 standard classrooms, offices and lounges of teachers, multi-functional conference rooms, and other facilities. It is expected to be put into service by 2024. This donation is of great significance in improving the education conditions of the local population, and making up for shortfall in the educational resources of Angola.



Groundbreaking Ceremony of Eko Primary School



Land area:

4,236 m²

Building area:

1,855 m²

Accommodating:

840 students



Donation to Marcelo No. 1 Primary School in Nakuru, Kenya

We donated school supplies, sports equipment and office facilities to Marcelo No. 1 Primary School in Nakuru, Kenya.

“

This new school has not received any governmental aid yet. Your donation is really a timely help for us. Thank POWERCHINA-INTL! Children are the future of Kenya, and the witness of friendship between China and Kenya.

”

Sarah, Principal of the School



Ceremony of Donation to Marcelo No. 1 Primary School in Nakuru



“Love Lights the World” Donations of Photovoltaic Products

A large number of our projects are located in developing countries where there is significant demand for electricity among local residents. Providing clean, affordable, and accessible power is a vital means of improving the lives of the local people and promoting sustainable development in the region.

Love Lights Angola

Our representative office in Angola donated street lights for some roads and PV power stations for several schools in Cuvelai. Our donations provide local population and students with access to more convenient travel, and more comfortable learning environment.



Donation Site in Angola

Love Lights Nigeria

Our representative office in Nigeria installed solar lights free of charge for Lauteye Village, Bunkure Township, Kano State. A 48-year-old villager said, “I am especially grateful for this gift... This is the first time I have electric lights in my home since I was born and raised here.”



Installation of Solar Lights

Love Lights Mauritania

In 2023, on the occasion of the country's Independence Day, we donated 720 sets of solar lights to the local people to improve their living and working conditions. These solar devices utilized distributed photovoltaic technology, showcasing our technical expertise in renewable energy.



Donation Site in Mauritania

Projects for Public Welfare

Responding to SDGs, we have launched a series of projects aimed at enhancing local welfare, improving social performance, and supporting long-term sustainable development. We have undertaken a range of high-profile and high-quality welfare projects, including sewage treatment plants, local demonstration schools, seawater desalination, and micro-grid PV stations. These projects not only establish a strong foundation for a more livable environment for local residents, but have also garnered recognition from both local communities and international organizations.



Efficient Domestic Sewage Treatment of Dasherbandi Sewage Treatment Plant in Bangladesh

As the first large modern sewage treatment facility in Bangladesh, Dasherbandi Sewage Treatment Plant has such a daily treatment capacity that meets the domestic sewage treatment need of 5 million people. The plant can reduce carbon dioxide emissions by approximately 1.41 million tons annually , and save about 1.55 million cubic meters of water each year. In 2023, this project was selected as an exemplary environmental protection case under “the Ten Principles of the UN Global Compact” .



Daily treatment capacity: domestic sewage of

5 million people



Dasherbandi Sewage Treatment Plant in Bangladesh



Project of 679 Demonstration Schools in Iraq

The Project of 679 Demonstration Schools is the Iraqi government's top strategic public well-being project of the greatest concern. Upon completion, the project will cater to the educational needs of approximately 430,000 children nationwide, accounting for 13% of the country's student population, significantly alleviating the strain on Iraq's educational resources.



Demonstration School in Iraq



Micro-grid PV Project for Villages in Suriname

The second phase of the Micro-grid PV Project for Villages in Suriname is an off-grid micro-grid project involving PV power generation, energy storage, and solar and diesel hybrid power generation. It encompasses 5 project clusters covering 34 forest villages. Once operational, the project is expected to generate approximately 5,314 megawatt-hours of electricity annually.



Chandrikapersad Santokhi, President of Suriname (Left Third), and his delegation Visit Project Site



Maragua Water Supply and Irrigation Project in Kenya

Maragua Water Supply and Irrigation Project ensures 200,000 households in the surrounding areas of Maragua have access to sufficient clean water for daily life, livestock breeding and irrigation effectively, thus enhancing the living standards of the local people.



Maragua Water Supply and Irrigation Project in Kenya



Ricardo Palma School Project in Peru

The Ricardo Palma School project in Peru has a total building area of 6,999.91 square meters and can accommodate 497 students. The school is entirely constructed with a concrete frame structure, which provides high seismic resistance. The design of the terraced landscape pools is both aesthetically pleasing and practical, greatly enhancing the local community's educational facilities.



Ricardo Palma School Project in Peru

Quality, and Occupational Health and Safety

Project Quality

Management

We have enabled project quality management and control by charging functional departments, professional departments, regional headquarters (overseas representative offices), and project departments with supervision, support, management, and implementation duties respectively.

Project departments have revised and supplemented 20 quality standards for international projects in accordance with local laws and regulations, contract requirements, project types, and contracted construction works. In addition, they have implemented relevant quality management systems and developed detailed project quality management plans targeting project materials, equipment, construction, as well as protection and acceptance of completed works.

Supervision

In 2023, our six quality inspection teams proposed 115 non-conforming items or improvement suggestions for 17 projects, with a resolving rate of 100%.



Mexico's Bodlero 296MWp Photovoltaic General Contract Project

Occupational Health and Safety

Management

We have established a four-level occupational health and safety management system with comprehensive supervision by functional departments, support from professional departments, supervision by regional headquarters, management from regional headquarters (overseas representative offices), and self-management by project departments to control occupational health and safety risks in construction projects.

We updated and expanded our standards, including 18 general quality and HSE standards, 41 work safety standards, and 13 occupational health and safety standards for international projects, aligning with local laws and regulations, contract requirements, project types, and contracted construction works. Besides, project departments have adopted applicable occupational health and safety systems, and formulated occupational health and safety management plans for the construction project, and controlled the occupational health and safety risks of the construction project.

Supervision

We have employed a four-level occupational health and safety supervision mechanism covering leadership and functional departments, regional headquarters, and overseas representative offices to inspect all 333 projects.



In 2023,
our **6** quality inspection teams proposed 346 non-conforming items and improvement suggestions for **17** projects, with a **100%** resolving rate.



Work on site by inspection team



Inspection team led by the Chairman

Continuous improvement



In 2023, we engaged a third-party agency to review our occupational health and safety practices. This assessment covered various aspects, including targets and responsibilities, institutionalised management, education and training, on-site management, safety risk control, potential hazard investigation and resolution, as well as management of emergency and accident response, and continuous improvement. The inspection identified and addressed 286 non-conforming items. We disclosed our occupational health and safety practices through the *2023 Standard-based Self-assessment Report of Work Safety*. This report enhanced employee awareness and engagement in identifying and managing potential safety hazards, underscoring our commitment to reducing workplace accidents and safeguarding the well-being of our employees.



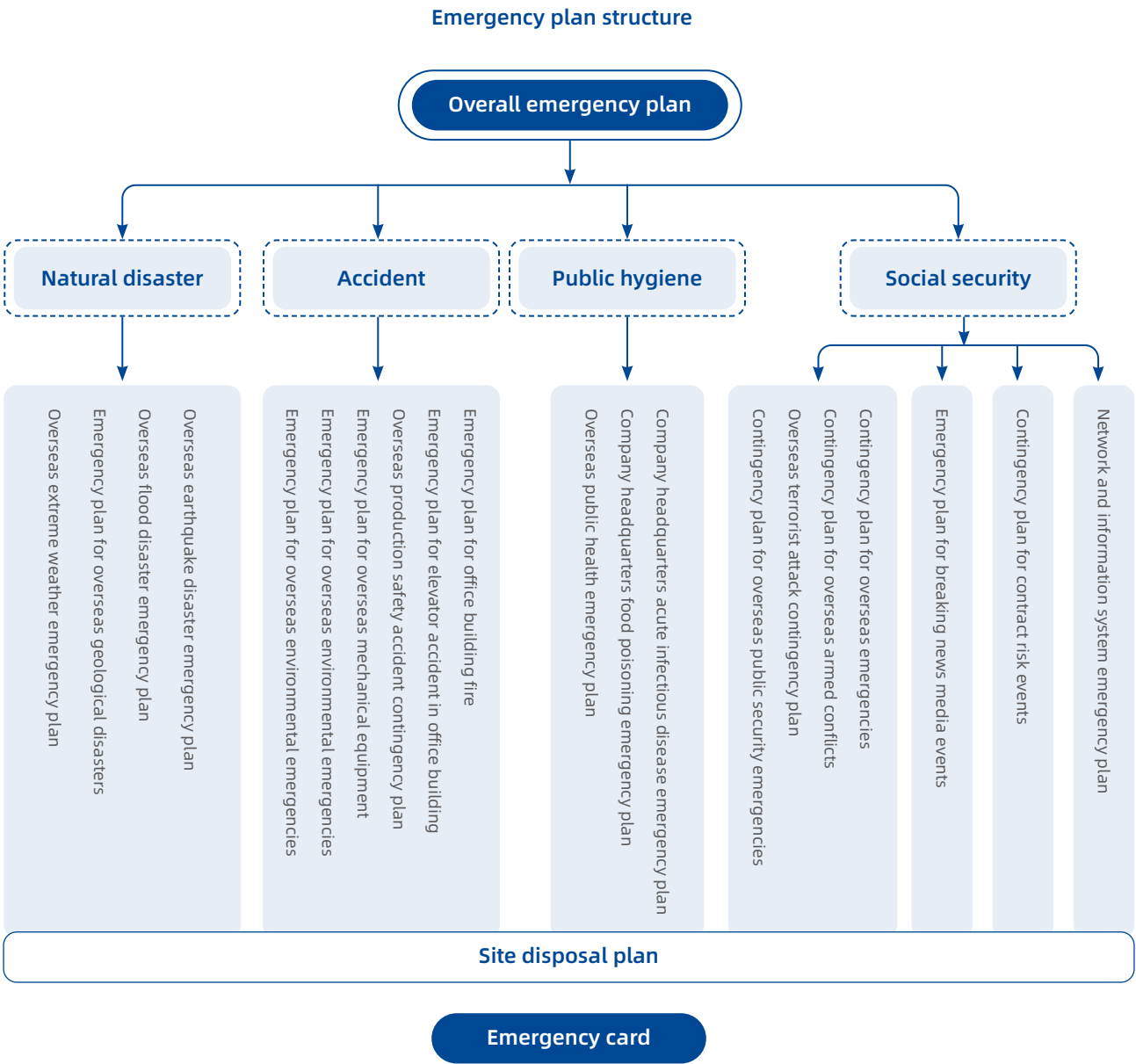
HSE Audit



China-Laos Railway Project

Emergency Response Management

We have implemented a “headquarters - regional headquarters - project departments” emergency management framework supported by a refined emergency response system for swift and effective management of emergencies. In 2023, we organised comprehensive drills, including flood prevention and control, geological disaster response, and medical transfer exercises, engaging all domestic and overseas offices. Project departments also carried out targeted drills to address potential emergencies.



Emergency drill of Upper Trishuli 1 Hydropower Station in Nepal



Medical transfer drill of Angola Malanje Road Project



Emergency drills of project departments

Themed Activities



Work Safety Month

From June 1 to June 30, 2023, we organised the “Work Safety Month” activity. On May 29, 2023, Chen Guanfu, our President, delivered a work safety lecture at the opening ceremony of the event, requiring strict investigation of the major possible hazards of overseas projects promoting the systematic management of accident hazards in overseas projects, and achieving significant results in safety risk prevention and control.



Opening ceremony of the “Work Safety Month” , and work safety lecture by Mr. Chen Guanfu



During the “Work Safety Month” , we held 321 work safety sharing sessions, with 7,594 participants, and provided 601 work safety training sessions, seminars, team meetings, and case studies for 18,895 participants.



Safety warning educational video series



Safety oath and pledge signing ceremony

On June 16, our employees watched ten major escape drill videos, took part in online contests and camps of safety emergency and escape skills, and the “Safety Awareness Day” organised by China Power News Network (<https://www.cpnw.com.cn/>), and received self-rescue packages. With these activities, they have had access to work safety and accident cases, and emergency management expertise, and improved work safety and emergency response capabilities.



“Safety Awareness Day” organized by the Project Department



During the “Work Safety Month” , the QHSE Department inspected the QHSE responsibility and standard implementation of the Ibn Overpass Project in Mauritius, the Julius Nyerere Hydropower Station Project in Tanzania, Nyabarongo II Hydropower Station Project in Rwanda that were undertaken by PowerChina East and Southern Africa RHQ, in order to improve the work safety awareness and sense of responsibility among overseas project teams, and eliminate hazard factors.



On-site work safety inspections

On June 30, the Project Department of the Wawa Power Supply Dam in the Philippines organised the flood prevention and control drill from the aspects of disaster warning, timely reporting, evacuation, rescue, report submission, and drill evaluation.



Flood prevention and control drill of the Wawa Power Supply Dam in the Philippines



Week of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*

From April 25 to May 1, 2023, the Week of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* was launched, with an aim of improving work conditions, and protecting the mental and physical health of employees.

Our headquarters, regional headquarters (including overseas representative offices) and departments that are responsible for 333 projects in progress organised 401 lectures, 211 consulting activities, and 415 warning education sessions related to this law, by distributing 7,365 brochures, playing 186 educational videos, and assigning 922 lecturers and trainers. A total of 18,637 participants attended these training activities.

2023 Activity Data of this Event

Activity	East and Southern Africa RHQ	West and Central Africa RHQ	Middle East and North Africa RHQ	Eurasia RHQ	Asia and Pacific RHQ	Americas RHQ
Lectures	29	11	30	81	102	148
Consulting activities	7	6	25	34	54	85
Warning education sessions	4	12	149	70	80	100
Brochures	243	97	604	1,226	2,591	2,604
Educational videos	46	4	17	45	27	47
Lecturers and trainers	29	28	88	216	343	218
Participants	213	654	1,938	5,107	6,410	4,315



2023 Health management training for overseas employees organized by the Company



Sharing of prevention and control of occupational diseases with local employees



Summer heat relief supplies to employees



Heatstroke response drill



Heatstroke, poisonous snake and epidemic prevention inspection



Health consultation and physical examination



Online training and quiz for prevention and control of occupational diseases

Health Promotion Services

We have executed one safety standard for camp construction and four standards for biological vector prevention and control across our international projects, focusing on areas such as camp selection, security, fire protection, accommodation, hygiene, and epidemic prevention. If a project has more than or equal to 50 Chinese employees, or a project is located where the transfer time to the nearest hospital is greater than or equal to 60 minutes, it should be equipped with a clinic, as stipulated in a clinic establishment document. Currently, 121 of our 333 projects are equipped with clinics, staffed by 41 Chinese and 207 international medical professionals. Additionally, we provide first-aid kits for our overseas representative offices.

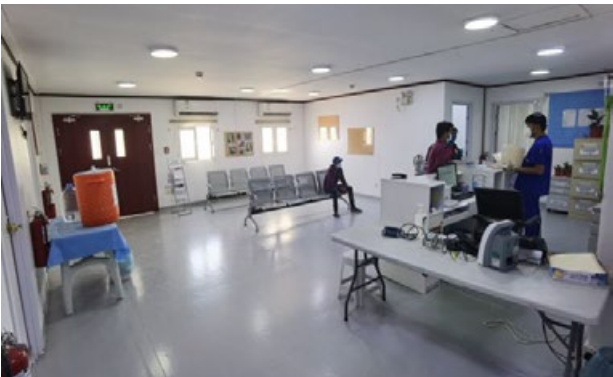


Clinics for projects:

121



Clinic for the King Abdullah Port in Saudi Arabia: exterior



Clinic for the King Abdullah Port in Saudi Arabia: outpatient hall



Clinic for the King Abdullah Port in Saudi Arabia: emergency room



Clinic for the King Abdullah Port in Saudi Arabia: ambulance



First-aid Kit



Medical Supplies inside the First-aid Kit

We are committed to providing annual occupational health examinations for all employees. Employees exposed to hazardous substances receive specialised physical exams and are reassigned to different roles based on their health assessments.

We have set up 7 sports clubs to encourage and support employees in developing regular exercise habits.



Activities of sports clubs

We have established and maintained the “Inner Power” WeChat Official Account, providing employees with access to over 60 psychology articles, online psychological assessments, sleep-aid and stress-relieving widgets, activity announcements, and exclusive consultation and appointment channels. In 2023, we organised 4 online “Coffee Time” talks, several online Inner Power classes, and 2 on-site psychological consultation activities to safeguard the psychological health of our employees.

Investment in Occupational Health and Safety

In 2023, the Company invested a total of USD 82,223,075 in occupational health and safety, a 1.2% share of our operating revenue.

Investment in Occupational Health and Safety

Regional headquarters	Operating revenue (MUSD)	Investment in occupational health and safety (MUSD)	Ratio in operating revenue (%)
East and Southern Africa RHQ	1,179.51	12.71	1.08
West and Central Africa RHQ	445.29	4.58	1.03
Middle East and North Africa RHQ	1,467.31	29.49	2.01
Eurasia RHQ	897.45	13.61	1.52
Asia and Pacific RHQ	1,673.59	9.86	0.59
Americas RHQ	1,055.63	11.97	1.13
Total	6,718.80	82.22	1.22

Public Security Risk Prevention

Our Global Visual Emergency Management System and POWERCHINA Emergency APP provide an overview of emergencies, including associated risks and dynamics, and enable effective positioning, monitoring, warning, and management. Our approach focuses on continuous 24/7 monitoring, issuing timely alerts, and evaluating security risks dynamically. This strategy enables us to quickly identify, assess, and address social security threats such as wars, coups, terrorist attacks, kidnappings, and public security crimes.

In 2023, we held 13 public security conferences targeting projects in Myanmar, South Africa, Sudan, Burkina Faso, the Philippines, Pakistan, and Israel, and responded to the earthquakes in Morocco, and 8 coups and armed conflicts in Gabon, Cameroon, Niger, Israel, and Ethiopia successfully. Moreover, we organized the safe evacuation of 171 employees from our 13 projects in Sudan, Ethiopia, Niger, Israel, and Myanmar, which prevented potential public security risks, and protected the life safety of our employees.



Organized the safe evacuation of

171

personnel from projects located in Sudan, Ethiopia, Niger, Israel, Myanmar, etc.



College of Business and College for Women - Sabah Al-Salem University City - Kuwait University



Global Visual Emergency Management System



Safe evacuation from Sudan

Responsible Procurement

We have made sustained efforts to refine the supply chain management framework, and foster the core capabilities of our supply chain by intensifying equipment and material supplier, procurement, and logistics management. Our ultimate goal is to ensure a safe, responsible, green and sustainable supply chain.

Supplier Management

The *Measures for Supplier Management of International Projects* outlines our evaluation criteria for suppliers, including their legal qualifications, production and operation licences and related certificates, product quality, contract performance, bank credit, business reputation, operation compliance, production capacity, technical and service capabilities (including after-sales service), as well as international business experience and performance. A pool of qualified suppliers has been established and maintained within the “POWERCHINA Centralised Procurement” section of the POWERCHINA Supply Chain Cloud Service Platform. As of 2023, this pool comprises 794 qualified suppliers. During the reporting period, 86 new suppliers were added to the pool, while 66 candidates did not meet the qualification criteria.

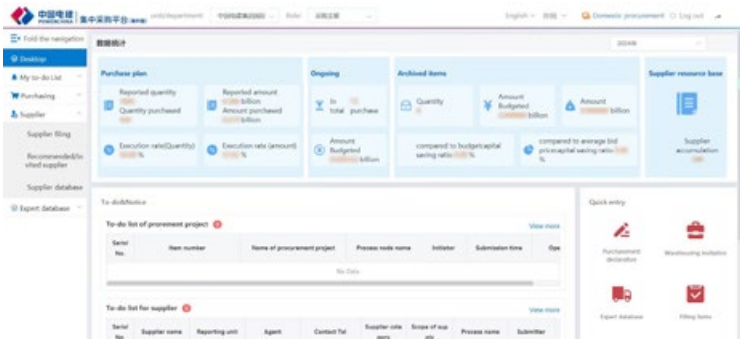
We conduct an annual evaluation of our suppliers through the “POWERCHINA Centralised Procurement” section on the POWERCHINA Supply Chain Cloud Service Platform. Suppliers may face notices of criticism, rectifications, or sanctions if they engage in commercial bribery, fraud, bid collusion, or false accusations; fail to fulfil bidding commitments or contractual obligations; provide defective products or services that result in accidents; or fail to deliver goods as per contract specifications or delay on-site services. Sanctions may include warnings, disqualification, or permanent exclusion.



In 2023, we identified **37** Class **A** suppliers and **112** Class **B** suppliers. Notably, no suppliers were disqualified during the evaluation.

Equipment and Material Procurement Management

The processes for releasing bidding announcements, inviting and evaluating bids, and awarding contracts are all conducted transparently through the “POWERCHINA Centralised Procurement” section on the POWERCHINA Supply Chain Cloud Service Platform. Additionally, electronic procurement contracts are signed within the “POWERCHINA Cloud Supply Chain” section, in accordance with the *Management Measures for Centralised Procurement of International Projects*.



Supply Chain Cloud Service Platform

Procurement Compliance

All equipment and material procurement contracts include “anti-corruption clauses”, and the required anti-corruption statements, guarantees, or commitments from suppliers. For contracts valued at over RMB 500,000, whether they are one-time or repeated procurements, we provide suppliers with the *Code of Ethics* and the *Anti-Corruption Policy* and require them to sign the *Compliance Statement*. For contracts exceeding RMB 7 million, suppliers undergo a thorough risk assessment, which includes completing a *Subcontractor and Supplier Compliance Questionnaire*. Additionally, our procurement team complete the *Subcontractor or Supplier Risk Signal Verification Checklist* to assess any potential misconduct risks associated with subcontractors or suppliers. If only one supplier qualifies after evaluation, or if the candidates are deemed uncompetitive, an *Exclusive Supplier Evaluation Form* is completed, detailing the reasons for the decision.



Coca Codo Sinclair Hydropower Station in Ecuador

Green Procurement

In our procurement process, we incorporate local regulations, rules, standards, and owner requirements to ensure that we select qualified suppliers based on the specific conditions of each project. Procurement contracts include safety and environmental protection management agreements, which clearly outline the environmental responsibilities of our suppliers:



Environmental impact prevention: Suppliers should take preventive measures to continually improve their environmental impact, ensuring that the impact of their production and supply services on the environment are effectively managed.



Environmental impact control: Suppliers should establish robust environmental control systems, regularly assess the environmental impact, and evaluate the effectiveness of their control measures to minimise any adverse effects caused by production and delivery.



Environmental emergency response: Suppliers should develop and maintain environmental emergency response procedures, testing and evaluating their adaptability and effectiveness on a regular basis.



We remain committed to preventing and mitigating both actual and potential negative environmental and social impacts in our international supply chain by adhering to rigorous evaluation standards in this area.

Local Procurements

We actively encourage compliant and environmentally responsible procurement from local suppliers. In 2023, local procurement made up 66.9% of our total procurement activities.

2023 Local Procurements

Regional headquarters	Local procurement(MUSD)	Non-local procurement (MUSD)	Total procurement value (MUSD)	Ratio of local procurement (%)
East and Southern Africa RHQ	164.11	197.26	361.36	45.41%
West and Central Africa RHQ	108.53	36.01	144.54	75.09%
Middle East and North Africa RHQ	212.98	158.15	371.14	57.39%
Eurasia RHQ	338.73	78.25	416.98	81.23%
Asia and Pacific RHQ	226.15	62.01	288.16	78.48%
Americas RHQ	188.56	79.47	268.03	70.35%
Total	1,239.07	611.15	1,850.22	66.97%

Logistics Management

We have formulated the *Management Measures for Logistics Business of International Engineering Projects*, which outlines requirements of logistics, import and export, and storage management to facilitate the efficient operation of logistics. The Company passed Authorized Economic Operator (AEO) certification under the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework), thus enabling secured customs clearance and easy trading of equipment and materials among AEO members.



Ethiopian University Students Visited Adama Wind Farm Project

Appendix I

Countries/regions covered by each regional headquarters

We have divided the global market into six major regions based on geographic, cultural, legal similarities, and the balance of national market sizes. Regional headquarters have been established accordingly, which are East and Southern Africa, West and Central Africa, Middle East and North Africa, Eurasia, Asia and Pacific, as well as Americas Regional Headquarters. The specific country market division plans for each regional headquarters are as follows:

 East and Southern Africa (26 countries/regions)

East Africa and Southern Africa: Uganda, Angola, South Africa, Swaziland, Comoros, Rwanda, Burundi, Lesotho, Zambia, Mozambique, Zimbabwe, Botswana, Namibia, Malawi, Madagascar, Mauritius, Seychelles, Kenya, Tanzania, Somalia, South Sudan, Ethiopia, Djibouti, Eritrea, Reunion Island (French), and Saint Helena (British).

 West and Central Africa (26 countries/regions)

Central Africa and West Africa: Western Sahara, Guinea-Bissau, The Gambia, Togo, Benin, Senegal, Cameroon, Ghana, Sierra Leone, Burkina Faso, Nigeria, Guinea, Cote d'Ivoire, Liberia, Niger, Mali, Mauritania, Republic of Congo, Democratic Republic of Congo, Gabon, Central African Republic, Chad, Equatorial Guinea, Sao Tome and Principe, Cape Verde, and Canary Islands (Spanish).

 Middle East and North Africa (20 countries/regions)

Middle East and North Africa: Algeria, Egypt, Libya, Sudan, Morocco, Tunisia, Palestine, Syria, Lebanon, Qatar, Oman, Bahrain, Iran, Kuwait, Saudi Arabia, the United Arab Emirates, Iraq, Jordan, Yemen and Cyprus.

 Eurasia (63 countries/regions)

Europe, Central Asia and South Asia: 7 countries in South Asia (Bangladesh, Sri Lanka, Bhutan, the Maldives, India, Nepal, and Pakistan), 5 countries in Central Asia (Turkmenistan, Kyrgyzstan, Uzbekistan, Tajikistan, and Kazakhstan), 6 countries in West Asia (Armenia, Israel, Azerbaijan, Afghanistan, Georgia, and Turkey), Mongolia, and 44 European countries including Russia.

 Asia and Pacific (31 countries/regions)

Southeast Asia, East Asia and Oceania: Vietnam, Laos, Cambodia, Thailand, Myanmar, Malaysia, Singapore, Indonesia, Brunei, the Philippines, East Timor, South Korea, Japan, North Korea, and Australia; 3 regions including Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan (China).

 Americas (35 countries/regions)

Whole American market

Appendix II

Stakeholders and Issues of Concern

Major stakeholder	Issue of concern	Communication method and channel
Regulators - Chinese government - Government of the country where the project is located	- Serving national strategy - Robust financial performance - Risk management and operational compliance - Business ethics and integrity - Addressing climate change - Green development and safety	- Government oversight and inspection - Daily communication and reporting - Policy guidance and implementation
POWERCHINA subsidiaries	- Project and service quality - Occupational health and safety - Operational compliance - Responsible procurement - Addressing climate change - Business ethics - Employee rights and interests - Biodiversity conservation - Community relations - Environmental management	- Top management communication - Special meetings - Daily communication - Periodic reporting - Evaluation mechanism
Partners - Domestic enterprises - Overseas enterprises	- Project and service quality - Occupational health and safety - Operational compliance - Responsible procurement - Addressing climate change - Business ethics - Employee rights and interests - Biodiversity conservation - Community relations - Environmental compliance	- Top meetings - Symposiums and forums - Site visits and inspections - Periodic reporting - Feedback mechanism
Owners	- Energy transition and low-carbon technology - Addressing climate change - Project and service quality - Operational compliance - Business ethics and integrity - Community development	- Customer satisfaction survey - Daily communication by email and phone - Response to customer complaint - Customer visits - Periodic reporting

Major stakeholder	Issue of concern	Communication method and channel
Suppliers Consultants	- Responsible procurement - Business ethics and integrity - Occupational health and safety - Robust financial performance - Addressing climate change	- Cooperation agreements - Commercial and technical cooperation - Supplier audit and empowerment training - Seminars and other industry events - Daily communication
Employees	- Workforce management - Employee rights and interests, and communication - Employee development and training - Occupational health and safety - Inclusiveness and equity - Community relations	- Workers' congress - Regular communication and training - In-house publications - Exchange meetings - Complaint mechanism - Daily communication
Community representatives and the public	- Community development - Ecological conservation - Water management - Environmental impact management - Robust financial performance	- Environmental and social risk assessment for projects - External investigation response and communication - Social welfare and community services - Social media and digital platforms - Regular communication and exchange meetings - Daily communication
Media	- Information disclosure - Community development - Ecological conservation - Water management - Environmental impact management - Workforce management, and rights and interests - Project and service quality	- Press conferences and interviews - Social media and digital platforms - Press releases - Periodic reporting and communication
Non-governmental organisations	- Information disclosure - Workforce management - Community development - Ecological conservation - Climate change - Human rights, and due diligence management - Water management - Environmental impact management - Waste management	- Environmental and social risk assessment for projects - Social media and digital platforms - Press releases - External investigation response and communication - Periodic reporting - Project cooperation - Seminars, forums and industry conferences

Appendix III

Materiality Analysis

Material issue	Impact on the Company	Impact on stakeholders	Chapter
1. Project and Service Quality (S)	Superior project and service quality management is conducive to enhancing our brand value and market competitiveness. Severe project and service quality problems hinder the smooth acceptance and delivery of projects.	Project quality affects the safety and durability of buildings. Serious project and service quality problems not only cause economic losses to owners, but may also endanger the lives of facility users or the public.	Quality, and Occupational Health and Safety
2. Occupational Health and Safety (S)	Effective occupational health and safety management contributes to our steady development. Occupational diseases, accidental injuries and safety accidents may reduce employees' willingness to work and efficiency, consequently impeding our normal operation.	Occupational health and safety performance is closely related to the health and life safety of employees. Occupational diseases and production safety accidents may expose employees to physical and mental risks, and even shorten their life expectancy.	Quality, and Occupational Health and Safety
3. Operational Compliance (G)	Operational compliance is the cornerstone for our ongoing operation. Violations may impose significant operational risks on us, such as legal proceedings and regulatory penalties that affect our normal operation.	Operational compliance plays a positive role in meeting the requirements of regulators, and maintaining constructive interaction with them. Disclosure of penalties for violations may result in negative public opinion, impairing our brand reputation and market competitiveness.	Risk management and internal control
4. Responsible Procurement (S)	Responsible procurement is an important practice of our operation management with reduced cost and enhanced performance, thus producing better resilience of the supply chain. Irresponsible procurement may deteriorate the relationship with suppliers, leading to delivery delay or cost increase due to price fluctuation.	Responsible procurement helps suppliers step up their ESG business vision, and avoid public opinion, operational and regulatory risks resulting from quality and environmental protection issues.	Responsible Procurement
5. Addressing Climate Change (E)	An effective mechanism for responding to climate change boosts our development resilience. Extreme weather incidents due to climate change may negatively impact the engineering facilities, assets and equipment, as well as occupational health and safety of employees.	A well-functioning climate risk identification mechanism facilitates the business transformation of our partners. Policy adjustments, technological updates and market changes related to climate change may speed up the pace of partners towards clean energy and low-carbon technology development.	Addressing Climate Change

Material issue	Impact on the Company	Impact on stakeholders	Chapter
6. Business Ethics (G)	Sound business ethics help us avoid legal and operational risks in business operation. Legal proceedings, external audits and economic penalties caused by breaching business ethics may undermine our reputation and market position.	Compliance with business ethics contributes to a fair and transparent business environment. Unethical conducts may weaken relationships with stakeholders, and harm their interests.	Business Ethics and integrity
7. Employee Rights and Interests (S)	Employee rights and interests are closely associated with our talent team development. Unsatisfactory working conditions and lack of career development prospects may give rise to the outflow of skilled and loyal employees or teams.	By protecting employee rights and interests, local employees may fit into our teams easily, and develop robustly. Issues involving employee right protection may degrade the life quality of employees, lead to group incidents such as strikes and collective bargaining, and diminish community relations.	Employees
8. Community Relations (S)	Positive community relations will enhance our responsible brand image. Deteriorating community relations may lead to risks/problems such as project interruption and lower working enthusiasm of local employees.	Healthy community relations help meet the living needs of local residents, and support the management of local governments. Unhealthy community relations may lead to negative risk events, such as strikes and protests.	Community Relations
9. Biodiversity Conservation (E)	Biodiversity conservation is taken into account during project planning and construction. This will prevent risks concerning community relations, public opinion and audits caused by the absence of relevant measures.	As ecosystem balance depends on biodiversity, biodiversity loss not only hampers social development, but also may hurt the feelings of local people.	Biodiversity Conservation
10. Environmental Management (E)	A sound environmental management system is an important part in our operation and development. Potential environmental pollution and resource waste problems may drag down the full-process management of project design and construction, delay project progress, and increase costs.	Efficient environmental management measures play their part in meeting regulatory requirements. Improper environmental management may lead to pollution incidents, risks to the physical/ mental health and quality of life of local residents, and even litigation and confrontation.	Environmental Compliance

Appendix IV

Data Tables

Our Occupational Health and Safety Performance in 2023

Indicator	Key Performance in 2023	Unit
Fatalities	0	Number of people
Lost time cases	113	cases
Restricted workday cases	339	cases
Medical attention incidents	641	cases
First aid incidents	1,486	cases
Near Miss Accidents	1,637	cases
Number of Safety Related Prosecutions	0	cases
Lost Time Injury Rate (LTIR) per million hours worked	0.32	-
Fatal Accident Rate (FAR) per million hours worked	0	-
Total Recordable Incident Rate (TRIR) per million hours worked	3.06	-
Total Injury Rate (TIR) per million hours worked	2.11	-

Customer Satisfaction Survey

Indicator	Score in 2023	Score in 2022
Site management team capacity	95.55%	94.42%
Plan and schedule management	94.29%	93.46%
Design management (EPC)	94.49%	93.40%
Procurement management (EPC)	95.37%	93.93%
Site construction management	95.24%	94.02%
Quality control	95.22%	94.40%
HSE	95.37%	93.46%
Subcontracting management	94.41%	93.46%
Average	94.99%	93.82%

Environmental Protection Investment in 2023

Regional Headquarters	Total Costs of Eco-Environmental Protection Management [MUSD]	Total Costs of Eco-Environmental Protection Measures [MUSD]	Percentage of Costs of Eco-Environmental Protection Measures in Total Income [%]	Percentage of Costs of Eco-Environmental Protection Management in Total Income [%]	Percentage of Costs of Eco-Environmental Protection Management and Measures in Total Income [%]
East and Southern Africa RHQ	0.93	6.42	0.54	0.08	0.62
West and Central Africa RHQ	0.26	1.86	0.42	0.06	0.48
Middle East and North Africa RHQ	0.42	7.37	0.50	0.03	0.53
Eurasia RHQ	0.54	3.40	0.38	0.06	0.44
Asia and Pacific RHQ	0.41	7.97	0.48	0.02	0.50
Americas RHQ	0.79	4.81	0.46	0.08	0.53
Total	3.36	31.83	0.47	0.05	0.52

GHG Emissions in 2023

Region	Scope 1 GHG Emissions [ton]	Scope 2 GHG Emissions [ton]	Scope 1 GHG Emission Intensity [tGHG/MUSD]	Scope 2 GHG Emission Intensity [tGHG/MUSD]	GHG Emission Intensity [tGHG/MUSD]
East and Southern Africa	58,403	2,486	49.51	2.11	51.62
West and Central Africa	210,748	457	473.28	1.03	474.31
Middle East and North Africa	41,817	2,125	28.50	1.45	29.95
Eurasia	200,347	6,181	223.24	6.89	230.13
Asia and Pacific	31,434	4,566	18.78	2.73	29.95
Americas	57,369	9,785	54.35	9.27	63.61
Total	600,118	25,600	89.32	3.81	93.13

Energy Consumption in 2023

Region	Non-renewable Energy Consumption [kWh]	Purchased Electricity Consumption [kWh]	Energy Consumption Intensity [GJ/MUSD]
East and Southern Africa	299,922,651	5,933,333	933.51
West and Central Africa	1,205,231,674	5,812,051	9,790.84
Middle East and North Africa	210,148,203	3,376,847	523.88
Eurasia	1,451,595,232	25,955,187	5,926.96
Asia and Pacific	225,176,146	9,288,953	504.35
Americas	235,165,391	54,442,553	987.64
Total	3,627,239,297	104,808,924	1,999.67

2023 Local Employment Data

Regional Headquarters	Number of local employees	Number of total employees	Proportion of local employees
East and Southern Africa RHQ	13,609	16,002	85.05%
West and Central Africa RHQ	8,325	9,735	85.52%
Middle East and North Africa RHQ	8,629	11,000	78.45%
Eurasia RHQ	12,235	14,458	84.62%
Asia and Pacific RHQ	15,350	18,306	83.85%
Americas RHQ	9,882	10,514	93.99%
Total	68,030	80,015	85.02%

2023 Donation Data

Region	2023 donation amount (USD)
East and Southern Africa Region	17,493.23
West and Central Africa Region	50,373.48
Middle East and North Africa Region	2,388.03
Eurasia Region	22,879.59
Asia and Pacific Region	20,909.39
Americas Region	14,606.49
Total	128,650.20

Investment in Occupational Health and Safety

Regional headquarters	Operating revenue (MUSD)	Investment in occupational health and safety (MUSD)	Ratio in operating revenue (%)
East and Southern Africa RHQ	1,179.51	12.71	1.08
West and Central Africa RHQ	445.29	4.58	1.03
Middle East and North Africa RHQ	1,467.31	29.49	2.01
Eurasia RHQ	897.45	13.61	1.52
Asia and Pacific RHQ	1,673.59	9.86	0.59
Americas RHQ	1,055.63	11.97	1.13
Total	6,718.80	82.22	1.22

2023 Local Procurements

Regional headquarters	Local procurement (MUSD)	Non-local procurement (MUSD)	Total procurement value (MUSD)	Ratio of local procurement (%)
East and Southern Africa RHQ	164.11	197.26	361.36	45.41%
West and Central Africa RHQ	108.53	36.01	144.54	75.09%
Middle East and North Africa RHQ	212.98	158.15	371.14	57.39%
Eurasia RHQ	338.73	78.25	416.98	81.23%
Asia and Pacific RHQ	226.15	62.01	288.16	78.48%
Americas RHQ	188.56	79.47	268.03	70.35%
Total	1,239.07	611.15	1,850.22	66.97%

2023 Employee Diversity

Region	Employee category	Number of male employees	Number of female employees	Number of total employees	Number of male employee turnover	Number of female employee turnover	Employee turnover	Turnover rate of male employees	Turnover rate of female employees	Employee turnover rate
Headquarter	Chinese employees	576	218	794	26	9	35	4.51%	4.13%	4.41%
	Employees aged below 30	105	21	126	5	1	6	3.97%	0.79%	4.76%
	Employees aged 30-50	391	190	581	9	5	14	1.55%	0.86%	2.41%
	Employees aged above 50	80	7	87	12	3	15	13.79%	3.45%	17.24%
East and Southern Africa RHQ	Chinese employees	2,293	100	2,393	67	6	73	2.92%	6.00%	3.05%
	Employees aged below 30	455	66	521	16	2	18	3.52%	3.03%	3.45%
	Employees aged 30-50	1,608	29	1,637	43	4	47	2.67%	13.79%	2.87%
	Employees aged above 50	230	5	235	8	0	8	3.48%	0.00%	3.40%
	Local employees	12,590	517	13,107	387	17	404	3.07%	3.29%	3.08%
	Employees aged below 30	5,699	224	5,923	258	11	269	4.53%	4.91%	4.54%
	Employees aged 30-50	6,449	270	6,719	117	6	123	1.81%	2.22%	1.83%
	Employees aged above 50	442	23	465	12	0	12	2.71%	0.00%	2.58%
	Employees from third countries	491	11	502	41	1	42	8.35%	9.09%	8.37%
	Employees aged below 30	80	0	80	3	0	3	3.75%	/	3.75%
	Employees aged 30-50	403	11	414	38	1	39	9.43%	9.09%	9.42%
	Employees aged above 50	8	0	8	0	0	0	0.00%	/	0.00%
	Total	15,374	628	16,002	495	24	519	3.22%	3.82%	3.24%
	Chinese employees	1,305	105	1,410	61	7	68	4.67%	6.67%	4.82%
West and Central Africa RHQ	Employees aged below 30	335	52	387	40	6	46	11.94%	11.54%	11.89%
	Employees aged 30-50	772	43	815	19	1	20	2.46%	2.33%	2.45%
	Employees aged above 50	198	10	208	2	0	2	1.01%	0.00%	0.96%
	Local employees	7,627	573	8,200	303	35	338	3.97%	6.11%	4.12%

Region	Employee category	Number of male employees	Number of female employees	Number of total employees	Number of male employee turnover	Number of female employee turnover	Employee turnover	Turnover rate of male employees	Turnover rate of female employees	Employee turnover rate
West and Central Africa RHQ	Employees aged below 30	3,294	245	3,539	142	15	157	4.31%	6.12%	4.44%
	Employees aged 30-50	4,099	286	4,385	129	6	135	3.15%	2.10%	3.08%
	Employees aged above 50	234	42	276	32	14	46	13.68%	33.33%	16.67%
	Employees from third countries	124	1	125	20	1	21	16.13%	100.00%	16.80%
	Employees aged below 30	51	1	52	15	1	16	29.41%	100.00%	30.77%
	Employees aged 30-50	68	0	68	3	2	5	4.41%	/	7.35%
	Employees aged above 50	5	0	5	2	2	4	40.00%	/	80.00%
	Total	9,056	679	9,735	384	49	433	4.24%	7.22%	4.45%
Middle East and North Africa RHQ	Chinese employees	2,317	54	2,371	224	7	231	9.67%	12.96%	9.74%
	Employees aged below 30	442	21	463	100	2	102	22.62%	9.52%	22.03%
	Employees aged 30-50	1,339	32	1,371	104	2	106	7.77%	6.25%	7.73%
	Employees aged above 50	536	1	537	20	1	21	3.73%	100.00%	3.91%
	Local employees	5,723	49	5,772	832	6	838	14.54%	12.24%	14.52%
	Employees aged below 30	2,325	39	2,364	335	6	341	14.41%	15.38%	14.42%
	Employees aged 30-50	3,118	10	3,128	485	0	485	15.55%	0.00%	15.51%
	Employees aged above 50	280	0	280	12	0	12	4.29%	/	4.29%
	Employees from third countries	2,849	8	2,857	36	4	40	1.26%	50.00%	1.40%
	Employees aged below 30	1,332	1	1,333	11	1	12	0.83%	100.00%	0.90%
	Employees aged 30-50	1,335	5	1,340	9	2	11	0.67%	40.00%	0.82%
	Employees aged above 50	182	2	184	16	1	17	8.79%	50.00%	9.24%
	Total	10,889	111	11,000	1,092	17	1,109	10.03%	15.32%	10.08%

Region	Employee category	Number of male employees	Number of female employees	Number of total employees	Number of male employee turnover	Number of female employee turnover	Employee turnover	Turnover rate of male employees	Turnover rate of female employees	Employee turnover rate
Eurasia RHQ	Chinese employees	2,099	124	2,223	124	7	131	5.91%	5.65%	5.89%
	Employees aged below 30	346	66	412	39	3	42	11.27%	4.55%	10.19%
	Employees aged 30-50	1,429	48	1,477	64	3	67	4.48%	6.25%	4.54%
	Employees aged above 50	324	10	334	21	1	22	6.48%	10.00%	6.59%
	Local employees	11,927	234	12,161	2,512	23	2,535	21.06%	9.83%	20.85%
	Employees aged below 30	4,875	99	4,974	1,267	9	1,276	25.99%	9.09%	25.65%
	Employees aged 30-50	6,296	117	6,413	1,126	11	1,137	17.88%	9.40%	17.73%
	Employees aged above 50	756	18	774	119	3	122	15.74%	16.67%	15.76%
	Employees from third countries	74	0	74	1	0	1	1.35%	/	1.35%
	Employees aged below 30	28	0	28	0	0	0	0.00%	/	0.00%
	Employees aged 30-50	46	0	46	1	0	1	2.17%	/	2.17%
	Employees aged above 50	0	0	0	0	0	0	/	/	/
	Total	14,100	358	14,458	2,637	30	2,667	18.70%	8.38%	18.45%
Asia and Pacific RHQ	Chinese employees	2,833	123	2,956	340	28	368	12.00%	22.76%	12.45%
	Employees aged below 30	923	69	992	147	15	162	15.93%	21.74%	16.33%
	Employees aged 30-50	1,485	50	1,535	138	8	146	9.29%	16.00%	9.51%
	Employees aged above 50	425	4	429	55	4	59	12.94%	100.00%	13.75%
	Local employees	11,119	668	11,787	1,042	124	1,166	9.37%	18.56%	9.89%
	Employees aged below 30	5,598	430	6,028	591	73	664	10.56%	16.98%	11.02%
	Employees aged 30-50	4,475	203	4,678	401	49	450	8.96%	24.14%	9.62%

Region	Employee category	Number of male employees	Number of female employees	Number of total employees	Number of male employee turnover	Number of female employee turnover	Employee turnover	Turnover rate of male employees	Turnover rate of female employees	Employee turnover rate
Asia and Pacific RHQ	Employees aged above 50	1,046	35	1,081	50	2	52	4.78%	5.71%	4.81%
	Employees from third countries	3,267	296	3,563	230	17	247	7.04%	5.74%	6.93%
	Employees aged below 30	861	37	898	90	8	98	10.45%	21.62%	10.91%
	Employees aged 30-50	2,334	254	2,588	124	7	131	5.31%	2.76%	5.06%
	Employees aged above 50	72	5	77	16	2	18	22.22%	40.00%	23.38%
	Total	17,219	1,087	18,306	1,612	169	1,781	9.36%	15.55%	9.73%
Americas RHQ	Chinese employees	590	42	632	19	1	20	3.22%	2.38%	3.16%
	Employees aged below 30	172	33	205	3	1	4	1.74%	3.03%	1.95%
	Employees aged 30-50	363	9	372	10	0	10	2.75%	0.00%	2.69%
	Employees aged above 50	55	0	55	6	0	6	10.91%	/	10.91%
	Local employees	8,604	1,175	9,779	432	66	498	5.02%	5.62%	5.09%
	Employees aged below 30	3,801	613	4,414	152	25	177	4.00%	4.08%	4.01%
	Employees aged 30-50	4,479	494	4,973	267	40	307	5.96%	8.10%	6.17%
	Employees aged above 50	324	68	392	13	1	14	4.01%	1.47%	3.57%
	Employees from third countries	69	34	103	14	0	14	20.29%	0.00%	13.59%
	Employees aged below 30	20	7	27	4	0	4	20.00%	0.00%	14.81%
	Employees aged 30-50	48	27	75	10	0	10	20.83%	0.00%	13.33%
	Employees aged above 50	1	0	1	0	0	0	0.00%	/	0.00%
	Total	9,263	1,251	10,514	465	67	532	5.02%	5.36%	5.06%
Sum		75,901	4,114	80,015	6,685	356	7,041	8.81%	8.65%	8.80%

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Independent Assurance Report

Independent Assurance Statement for the 2023 ESG Reporting of PowerChina International Group Limited

To the management team and stakeholders of PowerChina International Group Limited,
SynTao Green Finance Co., Ltd. (hereinafter referred to as “SynTao GF”) was commissioned by PowerChina International Group Limited. (hereinafter referred to as “POWERCHINA INTL”) to conduct an independent third-party assurance of the relevant information disclosed in its *2023 ESG Reporting of POWERCHINA INTL* (hereinafter referred to as “*ESG Report*”). The assurance conducted by SynTao GF is outlined as follows:

Scope of Assurance

1.Timeframe

The assurance was limited to the information disclosed in the ESG Report for the period from January 1, 2023, to December 31, 2023. Any relevant information outside this reporting period were not within the scope of this assurance.

2.Information and Data Scope

The scope of this assurance was limited to the information concerning POWERCHINA INTL covered in the ESG Report and did not include information from third parties such as POWERCHINA INTL 's suppliers. Information disclosed in the ESG Report that had already been audited or verified by independent third-party organisations were not re-verified in this process.

3.Assurance Scope

The assurance scope aimed to assess whether the ESG Report complied with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in AA1000AP (2018).

Responsibilities

The responsibility of POWERCHINA INTL was to ensure the integrity and accuracy of the content of the *ESG Report* and the information provided to SynTao GF, with no significant misrepresentations.

The responsibility of SynTao GF was to issue an independent assurance statement based on the information provided by POWERCHINA INTL under *AA1000 Assurance Standard v3 (AA1000AS v3)*.

Standards

SynTao GF utilized AA1000AS v3 as the reference standard for assurance services. *AA1000AS v3* refers to the assurance standard created by AccountAbility. The type and depth of assurance conducted in this instance were categorized as “Type 1, Moderate Assurance” .

The assurance statement was prepared by SynTao GF following the *SynTao GF Non-Financial Report Assurance Method*.

In addition to *AA1000AS v3*, the standards, principles, and initiatives referenced by SynTao GF included: Global Reporting Initiative GRI Standards / Hong Kong Exchanges and Clearing Limited *ESG Reporting Guide* / Task Force on Climate-related Financial Disclosures *TCFD Framework* / International Sustainability Standards Board (ISSB) *IFRS S1 - General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures* / European Union Corporate Sustainability Reporting Directive (*CSRD*) / *Greenhouse Gas Protocol (GHG Protocol)*, among others.

Assurance Methodology

1.Assurance Plan

SynTao GF recorded key resource requirements, evidence to be collected, tasks, activities, deliverables, and timelines in the schedule, forming a plan.

2.Information Collection

Following principles of clarity, balance, completeness, and timeliness, SynTao GF assessed the quality of the collected information.

3.Conducting Assurance

- Conducting interviews with management, including managers who are responsible for sustainability management.
- Verifying relevant documents, data, and other materials provided by POWERCHINA INTL.
- Assessing whether the information and data in the *ESG Report* comply with the inclusivity, materiality, responsiveness, and impact principles outlined in AA1000AP (2018).

4.Any other necessary work deemed by SynTao GF

Independence and Capability

1.Independence

SynTao GF declares that, SynTao GF and POWERCHINA INTL are entirely independent entities. SynTao GF is free from bias or conflict of interest with POWERCHINA INTL.

2.Capability

SynTao GF specializes in providing professional consulting, research, and training services in sustainable finance, including environmental, social, and corporate governance (ESG) ratings, green finance strategy, Environmental and Social Risk Management (ESRM), green finance product innovation, research on green finance and responsible investment, green bond assurance, as well as green credit and responsible investment capacity building.

SynTao GF is a licensed assurance provider of *AA1000AS v3*. This license authorizes SynTao GF to use and comply with AccountAbility's *AA1000AS v3*, as well as the use of the *AA1000AS v3* markings related to sustainability assurance services.

Members of SynTao GF's assurance team hold qualifications in ISO14001 internal auditing, CFA ESG, EFFAS Certified ESG Analyst, GRI training certification, carbon asset management, and other qualifications in the field of sustainable development. The team consists of professionals with extensive experience in the field of sustainable development and a comprehensive understanding of the *AA1000AS v3* standard.

Limitations

SynTao GF relied entirely on the information provided by POWERCHINA INTL required in the assurance of this *ESG Report* and did not collect information from other external sources. Interviews also did not involve external stakeholders.

Content for Assurance

AA1000 Accountability Principles (2018)

Inclusivity: POWERCHINA INTL identified the group's key stakeholders, it communicated with them continuously through various ways, and publicly disclosed the communication outcomes. POWERCHINA INTL provides necessary capacity building for stakeholder engagement.

Materiality: POWERCHINA INTL collected opinions from key stakeholders, established an analysis process for material issues, identified and prioritized the ESG issues that are highly relevant to the company, and disclosed the evaluation results of material issues in its *ESG Report*.

Responsiveness: POWERCHINA INTL has responded to the material issues of concern to its key stakeholders, incorporated them into risk management, and has invested in relevant capacity building.

Impact: POWERCHINA INTL has established a process for measuring, evaluating, and managing the company's impacts, and has integrated some of these impacts into the company's material issues and strategic objectives.

Conclusion

SynTao GF did not identify any non-compliance with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in AA1000AP (2018) in the *2023 ESG Reporting of POWERCHINA INTL*.

Assurance Provider: SynTao Green Finance Co., Ltd.

Assurance Team Lead:

August 28, 2024



