

Overseas Social Responsibility Report
(1995-2017)



SDIC-online



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Overseas Social Responsibility Report

1995–2017
(Simplified Version)

The Belt and Road Initiative is as much a path of cooperation as one of hope and mutual benefit. The philosophy and vision of the Belt and Road Initiative and its focus on policy, infrastructure, trade, financial and people-to-people connectivity have much in common with the 2030 Agenda for Sustainable Development and the two can very well complement and reinforce each other. It is our duty to promote international cooperation on development and implement the Sustainable Development Agenda. By doing so, we will bring true benefit to both the world and all our people!

---Xi Jinping, President of the People's Republic of China

SDIC has effectively implemented the Belt and Road Initiative, accelerated the integration into economic globalization, focused on overseas direct investment, international project contracting, international trade and other international businesses, strived to build global partnership, and boosted local economic development, aiming at creating win-win values and sharing the development benefits with the people of the world.

SDIC has actively responded to the 2030 Agenda for Sustainable Development, integrated the idea of "work for investors, for society and for employees" into international operation, paid close attention to poverty elimination, social equity, environmental protection and other sustainable development issues, fulfilled social responsibility, improved living standards, and deepened friendship with the people of all countries, making contributions to the building of a community of common destiny for all mankind.

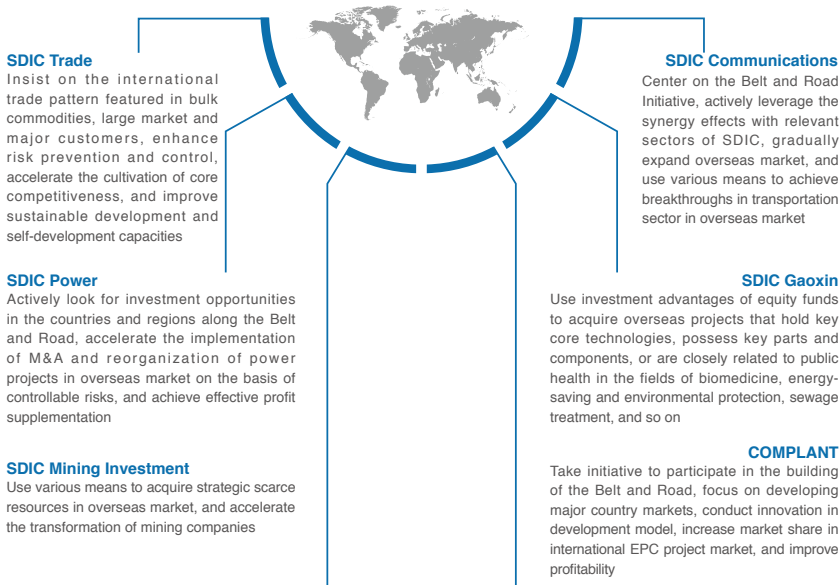


International Business Orientation

Closely following the world's economic development trend, SDIC has effectively implemented the Belt and Road Initiative. Relying on its own business development demand and advantages, it has accelerated the implementation of international business development strategy, striving to build itself into a world leading investment company with international competitiveness.

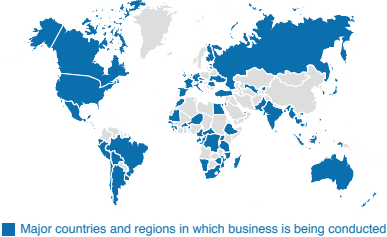


Development Ideas for International Business



International Business Layout

International business layout of SDIC



So far, SDIC has established a diversified market layout covering **Asia, Africa, America, Oceania and Europe.**

Achievements of International Business

SDIC (as of the end of 2017)	● Global	● Countries and regions along the Belt and Road
	<ul style="list-style-type: none"> 69 overseas companies with holding or participating shares 14 overseas facilities 	<ul style="list-style-type: none"> 32 overseas companies with holding or participating shares in countries and regions along the Belt and Road 11 overseas facilities in countries and regions along the Belt and Road
	<ul style="list-style-type: none"> Total operating revenue of international business: RMB 33.303 billion Total assets of international business: RMB 42.589 billion Total overseas taxation: RMB 220 million 	<ul style="list-style-type: none"> Total operating revenue in countries and regions along the Belt and Road: RMB 25.56 billion Total assets in countries and regions along the Belt and Road: RMB 17.484 billion Total taxes paid in countries and regions along the Belt and Road: RMB 169 million

International business entities (as of the end of 2017)	● Global	● Countries and regions along the Belt and Road
Rongshi International	Investment business mainly in 3 countries and regions	
SDIC Power	International business in 2 countries	International business involves 1 country along the Belt and Road
SDIC Mining Investment	International business in 1 country	International business involves 1 country along the Belt and Road
SDIC Gaoxin	SDIC ZL has 2 overseas affiliates YAPP has 9 overseas production bases and 3 overseas engineering technology centers	SDIC ZL has 1 overseas affiliate in the country along the Belt and Road YAPP has 4 overseas production bases and 1 overseas engineering technology center in countries and regions along the Belt and Road
CEEDI	International business in 25 countries, and 16 completed projects	International business involves 11 countries along the Belt and Road, and 12 projects have been completed
SDIC Trade	Trade business covers more than 100 countries and regions across the world	Trade business covers 47 countries and regions along the Belt and Road
COMPLANT	International business involves over 100 countries, and more than 1,500 large- and medium-sized complete projects have been completed	International business involves 25 countries along the Belt and Road, and 676 projects have been completed

Economic Development

OMO3 Sugar Factory Project undertaken by COMPLANT in Ethiopia

SDIC has insisted on high-quality operation, and provided high-quality products and services for the countries and regions in which business is being conducted, laying a solid foundation for the Company to win international market. Through business development, it has helped promote local economic development, improved living standards, and created win-win values.



SDIC Power's successful acquisition of the thermal power project in Banten, Indonesia marked its entry into international market.



SDIC Power's successful acquisition of the UK-based offshore wind power projects marked its formal entry into European renewable energy market.



- SDIC's cement project in Indonesia was successfully launched and put into production. It was the first overseas green-field project directly invested by SDIC, as well as the first large industrial project in Papua region since the founding of the Republic of Indonesia.



- SDIC ZL signed an investment agreement with Poland's Appol Group. After the completion of the acquisition, SDIC ZL will for the first time have an overseas business entity, which is helpful to form international production capacity layout and promote industrial upgrading.
- The trade business of SDIC Trade covers more than 100 countries and regions worldwide, and the imports of several commodities including cotton and cotton yarn, wool, and high-end oil and oil seeds rank among the top in the country.



- YAPP has established 9 overseas production bases and 3 overseas engineering technology centers, becoming the global leader of vehicle fuel system. The sales volume of YAPP's vehicle fuel tank has firmly taken the third place in the world.
- The overseas business of CEEDI covers 25 countries, and the main business fields are project feasibility research, engineering design, engineering supervision and project management.
- COMPLANT has undertaken and completed more than 1,500 large and medium-sized complete foreign aid projects in over 100 countries and regions worldwide.
- Tanzania-Zambia Railway, China's largest foreign aid complete project, was implemented and constructed by COMPLANT.



- The Shahjalal Fertilizer Factory Project undertaken by COMPLANT is so far the largest economic and technological cooperation project between the two governments of China and Bangladesh, as well as the very first fertilizer factory in Bangladesh that had realized production target within the first production year, greatly alleviating the pressure of fertilizer shortage there.



- The Kesem, OMO2 and OMO3 Sugar Factory Projects undertaken by COMPLANT in Ethiopia are among the largest overseas sugar projects conducted by central SOEs. The Ethiopian people witnessed the "Chinese Speed" during the construction of Kesem Sugar Factory.



Poverty Elimination

Ambulance donated by COMPLANT to Ethiopian Red Cross Society

Through creating job opportunities, boosting local commercial development, supporting local competitive industries and other means, SDIC has helped enhance the sustainable development capability of poverty-stricken people, assisting them to shake off poverty. Through providing clean water, food and other daily necessities for local people, SDIC has improved the living conditions where the business is being conducted. Through building hospitals and providing medical assistance and other medical services, SDIC has helped local people stay away from diseases.

◎ Help poverty-stricken people and support them to achieve prosperity



◇ The Kesem, OMO2 and OMO3 Sugar Factory Projects undertaken by COMPLANT in Ethiopia can provide 15,000 jobs for local people, which will increase the income of local people and improve their living standards.

◎ Provide daily necessities and create a better life for local people



◇ A well dug by COMPLANT at the project site; clean water from the well is supplied at regular time for residents nearby the OMO2 Sugar Factory Project.

◎ Improve local medical services and raise living standards, health level and well-being of people there



◇ COMPLANT conducted designated donations of ETB 650,000 to South Omo in SNNPR through Ethiopian Red Cross Society in 2016, bought ambulances and improved local medical aid capabilities.



◇ SDIC Trade invested and constructed a cotton ginnyer with a production capacity of 30,000 tons in Bossangoa, a cotton belt of Central African Republic in 2011. Through providing cotton farmers with materials and tools for planting, planting technologies and field management services, it has helped solve the issues relating to employment and income of over 100,000 people there.



◇ PT SDIC Papua Cement Indonesia organized a free snacks provision activity to celebrate the Eid al-Fitr, the end of the holy month of Ramadan, enhancing relations with local people.



◇ An infirmary set by COMPLANT at OMO2 Sugar Factory provides medical services for both employees and surrounding residents.

◇ CEEDI participated in the construction of Senegal Women's and Children's Hospital in 2017. The hospital is proposed to have a gross building area of about 4,000 square meters and 84 beds. After the completion, the hospital is expected to greatly raise the treatment capacity for women's and children's health issues in Dakar, improve the work environment for doctors and nurses and the treatment environment for patients, and enhance the level of modernization of medical equipment there.



Social Equity

General Manager of PT SDIC Papua Cement Indonesia distributed stationery items to school children

Adhering to the principle of employee localization, SDIC has recruited local people, provided them with decent work, and increased their sense of benefit and dignity. In line with actual situations, SDIC has leveraged its own resources and advantages to construct and maintain infrastructure, support educational development, and help build sustainable communities and comfortable housing, striving to make people enjoy convenient life and high-quality education.

- ◉ Insist on employee localization and promote multi-cultural communications
- ◇ SDIC has insisted on the strategy of employee localization, recruiting local people. It has respected the languages, customs and habits, and religious beliefs of different countries and different ethnic groups, and promoted multi-cultural communications, striving to build a work team featuring equity, inclusiveness and harmony.



COMPLANT Namakia Sugar Complex Project Department organized an employee singing and dancing competition

- ◉ Promote infrastructure building and facilitate daily life of local people
- ◇ SDIC has built roads, bridges, canals, lighting projects and other infrastructure facilities, helping facilitate the daily life of local people.



COMPLANT Ambilobe Sugar Complex donated 250,000 dollars to help repair the damaged Ambilobe Bridge, facilitating the travel of local people

- ◉ Conduct occupational training and improve professional skills of employees
- ◇ SDIC has established a sound talent development system covering talent introduction, development, training and promotion, and conducted occupational training in accordance with the principle of integrating general improvement and specific cultivation, as well as theoretical training and practical operation, aiming at improving the occupational skills of employees.



COMPLANT organized Ethiopian employees of OMO2 Sugar Factory Project to participate in business training in Nanning, capital of south China's Guangxi Zhuang Autonomous Region

- ◉ Support educational development and provide good educational environment
- ◇ In 2015, Togo Sugar Complex of COMPLANT donating realia worth RMB 50,000 to the No. 2 Middle School of Anécho and Agbandao Primary School. The realia includes 200 sets tables and chairs, schoolbags, tablets and other stationery items.



◇ In 2017, PT SDIC Papua Cement Indonesia conducted an education support activity themed "Work Together for a Bright Future," carrying out social responsibility practices at local schools.



Students were practicing martial arts with teachers of an education support team



Environmental Protection

Beautiful surroundings of OMO2 Sugar-Factory Project undertaken by COMPLANT in Ethiopia

SDIC has always abided by the laws, regulations and standards relating to environmental protection of the countries and regions in which business is being conducted, insisted on the responsibility idea of green investment and development, developed clean energy and conducted R&D on environmentally-friendly products, providing modern energy for the world. It has also adopted measures to save energy resources, reduce pollutant emission, develop circular economy, actively combat climate change and reduce the impact of business operation on environment. In line with business characteristics and local environmental conditions, it has spared no effort to protect ecological system.

◎ YAPP develops environmentally-friendly fuel tank to reduce automotive carbon emission

◇ In early 2013, YAPP developed the twin-sheet blow molding process for fuel tank manufacturing – YNTF[®] technology. This was a breakthrough to lower down the noise of system and to cut evaporative emission (hydrocarbon emission of the whole car can be reduced from 800 mg to 50 mg per day). Hydrocarbon evaporative emission indicators meet the requirements of LEV III, the strictest requirements of the US. The technology, from an overall scope, has reached the international advanced level.

◎ Develop circular economy and improve resource utilization rate

◇ OMO2 Sugar Factory undertaken by COMPLANT produces sugar, and at the same time there are byproducts such as bagasse, filter mud and molasses. The sugar cane bagasse has been used for power generation. Filter mud is washed and is then given to local residents as fertilizer for free. Molasses is reprocessed to produce fuel alcohol, which can be used as alternative energy, further easing the tension in energy shortage.



◎ Build a pollution free fertilizer factory existing with century-old tea plantation nearby harmoniously

◇ During the construction of Shahjalal Fertilizer Factory in Bangladesh, COMPLANT used advanced technologies and equipments in the world to meet local requirements for environment protection and energy-saving and pass performance tests smoothly. In the daily operation and production of the factory, COMPLANT conducts strict emission control measures to effectively protect the local environment. Local employees said proudly that the fertilizer factory is a factory free of dust, noise, odor, air pollution and water pollution. There is a large scale tea plantation near the fertilizer factory which has a history of about 150 years. The manager of the tea plantation said that the fertilizer factory had no negative impact on the planting of tea and the production and operation of the plantation.



Tea plantation nearby Shahjalal Fertilizer Factory



The 28th China International Wool Trade Fair & Information Conference held by SDIC Trade

SDIC has always abided by international conventions and business ethics, followed and learned the laws and regulations, as well as customs and habits of the countries and regions in which business is being conducted, insisted on compliance operation, prohibited commercial bribery and corruption, and reduced overseas operation risks. Adhering to the cooperation idea of “integrity and win-win results,” it has been committed to jointly establishing global strategic partnership and building a beautiful homeland with stakeholders both in China and abroad.

SDIC signs comprehensive strategic cooperation agreement with Pitango

Against the backdrop of transformation and upgrading of global economy, the two sides agreed to enhance exchanges and cooperation in the fields of advanced manufacturing, new energy, bio-pharmacy, and so on, aiming at making positive contributions to economic development of China and Israel, as well as building a friendship bridge for the two countries.



SDIC Trade expands global trade under Belt and Road Initiative

SDIC Trade participated in several economic and trade exchange activities organized by the Ministry of Commerce of China in 2017, signing several strategic cooperation agreements with companies in the countries and regions along the Belt and Road.



SDIC Trade participated in the “Philippines-China Enterprises Trade and Signing Ceremony” jointly held by the Ministry of Commerce of China and the Department of Trade and Industry of the Philippines in Manila, capital of the Philippines, in March 2017. SDIC Trade signed procurement contracts worth tens of millions of dollars with enterprises of the Philippines.

SDIC enjoys sovereign/quasi-sovereign credit ratings and has issued its first dollar-denominated corporate bonds



About Us

Corporate Profile

Established on May 5, 1995, State Development & Investment Corp., Ltd. (SDIC), with a registered capital of RMB 33.8 billion, is a state-owned investment holding company approved by the State Council, as well as one of major backbone state-owned enterprises (SOEs) directly administered by the central government. As of the end of 2017, the total assets, financial assets under management, consolidated revenue and total profits of SDIC had reached RMB 494.1 billion, RMB 1.1 trillion, RMB 101.3 billion and RMB 18.2 billion respectively; and the number of employees had amounted to nearly 40,000 people. By 2017, SDIC has been graded A-class in the annual performance assessment conducted by SASAC of the State Council for 13 consecutive years and appraised as "Excellent-Performing Enterprise" for four consecutive rounds.

Since its establishment, SDIC has been improving its development strategy and asset mix, and gradually developed its four strategic business sectors, namely infrastructure-related industries, emerging industries, financial service and other services, as well as international business. Of those, the international business, which includes, among others, overseas direct investment, international project contracting and international trade, is an important breakthrough for SDIC to expand development space. Currently, it has eight international business entities, that is, Rongshi International Holding Company Limited, SDIC Power Holdings Company Limited, SDIC Mining Investment Company Limited, SDIC Zhonglu Fruit Juice Co., Ltd., YAPP Automotive Systems Co., Ltd., China Electronics Engineering Design Institute Co., Ltd., China SDIC International Trade Co., Ltd., and China National Complete Plant Import and Export Corp., Ltd.

After 20 years of exploration and endeavor, SDIC has gradually developed a unique mode of operation featuring equity investment, equity management and equity operation and combination of asset management and capital operation. Specifically, it is about obtaining equity through investment, increasing the value of invested enterprises through equity management, and gaining profits through equity transfer or equity operation. Eventually, the value of state-owned assets are maintained or increased.

Looking to the future, SDIC will, as always, adhere to the corporate purpose of "work for investors, for society and for employees," take initiative to serve national strategy, leverage the guiding and leading role of state-owned capital in major fields and key industries, vigorously optimize the layout and mix of state-owned capital and actively promote the pilot work of reorganizing state-owned investment companies, striving to build a world's leading investment company with international competitiveness.

