



2018-2019 Social Responsibility Report

China Communications Construction Company Ltd.
Port City Colombo



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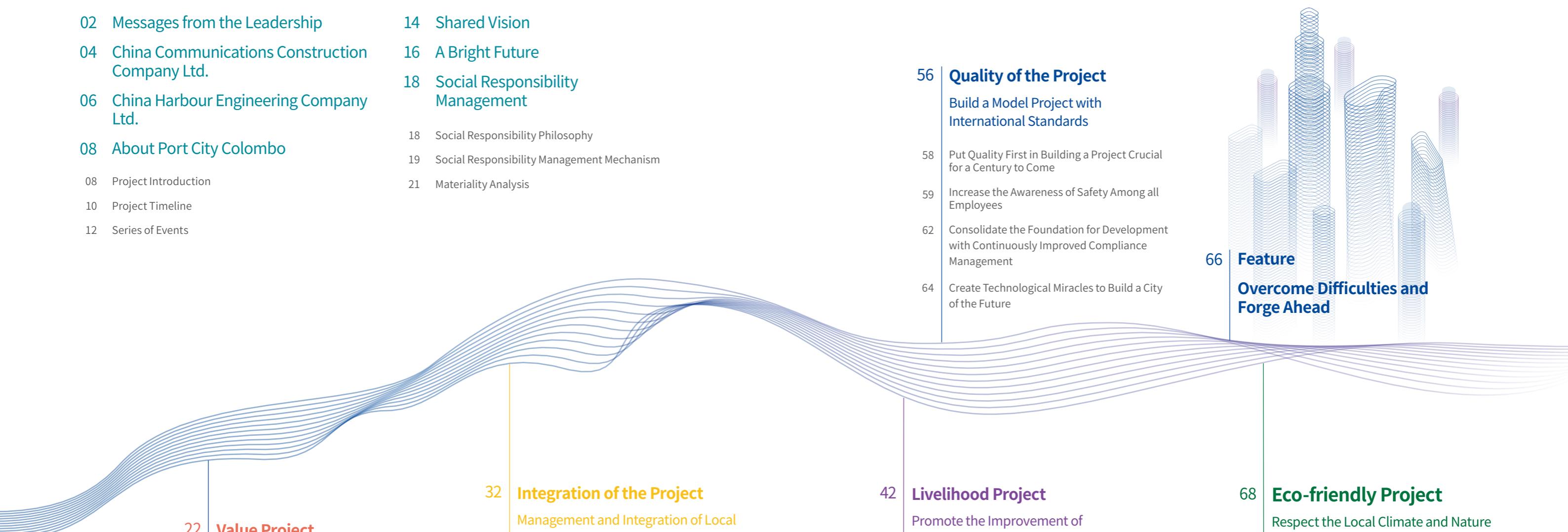
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Messages from the Leadership



Liu Qitao

Chairman of China Communications Construction Company Ltd.

As a world-renowned and the largest international engineering contractor in China, the China Communications Construction Company Ltd. (CCCC), insists on the corporate vision of "build a closer world, create more livable city and live a better life", sticks to the mission of "only solid foundation, good morality and proper behavior lead to a better future", and adheres to the spirit of "transportation integrates the world and the builder's field is boundless". Striving to promote the implementation of "Featured CCCC in Five Fields", CCCC has built its presence in 157 countries and regions around the world, and established more than 240 branch offices in 121 countries and regions. CCCC has developed into the largest global engineering contractor in Asia and the third largest of its kind in the world. CCCC is committed to building bridges, roads, ports and cities that can help promote the economic prosperity of the countries along the Belt and Road. Having built more than 13,000 kilometers of highways, more than 180 bridges, 121 deep-water berths and 17 airports, as well as having invested in and constructed more than 20 industrial parks in the countries and regions along the routes, CCCC has already become a major player in the Belt and Road Initiative.

Port City Colombo is a flagship project between China and Sri Lanka under the Belt and Road Initiative. Under the guidance of the significant consensus reached by leaders of the two countries, Port City Colombo will be jointly built through consultation to meet the interests of all and spread the positive message to the world that China is building a community of shared future for mankind. The project will promote the policy connection, infrastructure connectivity, trade ties, financing, and people-to-people exchanges between China and Sri Lanka and create new momentum for common development.

China and Sri Lanka have been friends over a millennium, and the people have been able to continue to live better lives as a result. CCCC actively responds to China's "Go Out" policy, and strives to share the responsibilities of the government and society for economic and social development, participate thoroughly in regional economic development and provide quality public services to the government. CCCC has devoted to the development of Sri Lanka for two decades, striving to build a community of shared interests, destiny and responsibility to promote the common development of the two sides. Port City Colombo is not only a model for economic and trade cooperation between the two countries, but also a witness to the friendship between the two nations.

CCCC has always been motivated by altruism while constructing Port City Colombo. CCCC tracks the actual needs of the local area, integrates global resources for high-standard and high-quality projects. In the process of project construction, it highly values the cultural communication with the locals and learns about their concerns. CCCC engages in improving local livelihood and supporting industry development, with an aim to contribute to the local economic and social development.

Endeavoring to seek mutual benefit and promote long-term development and prosperity, CCCC will continue to implement the concept of sustainable development, pursue better corporate social responsibility performance, and work together with governments and businesses around the world to build a shared community of deepened cooperation and development, innovative and green development and mutual trust. CCCC will contribute to the long-term and stable development of Sri Lanka with local stakeholders for a prosperous future.



Tang Qiaoliang

President of China Harbour Engineering Company Ltd. and Chairman of CHEC Port City Colombo (Pvt) Ltd.

Port City Colombo is a vital project of the Belt and Road Initiative and a typical project of the strategy of "Featured CCCC in Five Fields". With the vision of "Building a World-class City for South Asia", we are committed to building the project into a community of shared destiny of China and Sri Lanka. Since the construction in 2014, we have integrated social responsibility into the planning, design and construction of Port City Colombo. Together with stakeholders, we try to contribute to local economic and social development and achieve an all-win situation through scientific and responsible management.

Considering Sri Lanka's development demands, we have always complied with local laws and regulations to guarantee the high project quality and supporting facilities. We have introduced internationally advanced technologies and materials to build a high-standard project that meets international standards through all-out efforts. For a sustainable eco-city, we strive to create a green and livable environment and participate in the environmental improvement of Sri Lanka. To create job opportunities for the locals and train them into professionals, we have built a talent training platform to accelerate technology transfer and promote the cultural integration for international teams. To facilitate local development, we actively fulfill our social responsibility, participate in rescues and disaster relief in Sri Lanka, and organize and participate in various public welfare activities, aiming to bring about real changes to Sri Lanka's economic and social development and the improvement of people's living conditions.

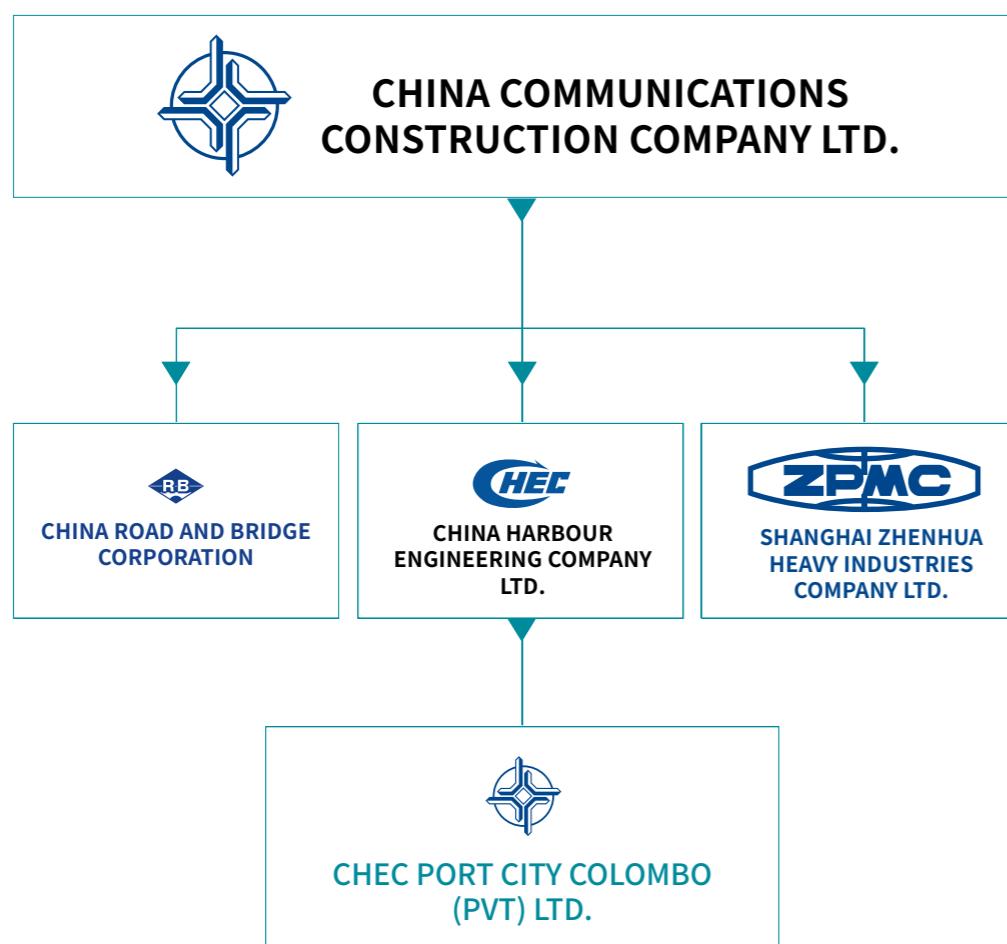
This is the first social responsibility report of Port City Colombo. We hope to establish a communication platform with stakeholders to acquaint more Sri Lankans with the Port City via this report and let them participate in the project that will benefit both countries.

In the future, we will keep the strict quality standards for supporting facilities of the project. We will fulfill our social responsibility continuously to serve the local community better and work with the local people to build a "city of the future" and make Sri Lanka's vision for 2030 a reality.

China Communications Construction Company Ltd.

China Communications Construction Company Ltd. (hereafter referred to as "CCCC") is a global leading comprehensive service provider of super-large infrastructure. CCCC mainly specializes in investment, construction and operation of transport infrastructure, equipment manufacturing, urban comprehensive development, etc., providing customers with a package of solutions and integrated services in terms of investment and financing, consultation and planning, design and construction, management and operation.

With over 100 years of expertise in infrastructure construction, investment, and operation, CCCC has built its presence in more than 150 countries and regions with a large number of transport infrastructure representing the highest level of the world and the times. The company provides complete services to customers, and has developed a global leading technological system. CCCC, a group company with more than 60 wholly-owned subsidiaries and share-holding companies, has internationally renowned brands such as CCCC, CHEC, CRBC and ZPMC.



CCCC has developed the strategy of "Featured CCCC in Five Fields" for building itself into a world renowned contractor, an urban complex developer & operator, a featured real estate developer, a comprehensive infrastructure investor and an offshore heavy industry & port manufacturer and service provider.



In 2018, CCCC's turnover was USD

88.141
billion

of which USD

22.727
billion

was generated from the international business. For 13 consecutive years, CCCC has been recognized as one of the "ENR Top 250 Global Contractors", ranking first in Asia.

In 2019, CCCC was ranked at

93rd

in the Fortune Global 500 and also was evaluated as A-level at the annual performance assessment among State-owned enterprises by SASAC for the 14th consecutive year.

China Harbour Engineering Company Ltd.

CHEC's business coverage is spread over

100

countries and regions

Total contract amount of projects under construction is over USD

30

billion

People hired by CHEC worldwide is more than

15,000



CHEC has built most of the world's longest sea-crossing bridge, the Hong Kong-Zhuhai-Macao Bridge, including the Hong Kong Port Reclamation, Hong Kong Linkage Project, Hong Kong Infrastructure Project, Hong Kong Port - Vehicle Clearance Square, Auxiliary buildings and facilities projects, the Macao Port Management District project



CHEC has built the Gwadar Deep Water Port in Pakistan. The project mainly consists of three multi-purpose berths with a 702-meter long main quay line, and the marine structure has been designed and built to accommodate 50,000 DWT container ships



The Hambantota Port Development Project constructed by CHEC has four 100,000-ton multi-purpose wharves, two 100,000-ton container terminals, and two 100,000-ton tanker wharves as well as a 2,101-meter revetment, a 988-meter breakwater at the east side of the port, and a 312-meter breakwater at the west side



CHEC is constructing the East Coast Rail Link of Malaysia (MRL East Coast Rail link). When completed, the 640-km railway connecting many important cities in Malaysia will become the fastest railway in the country



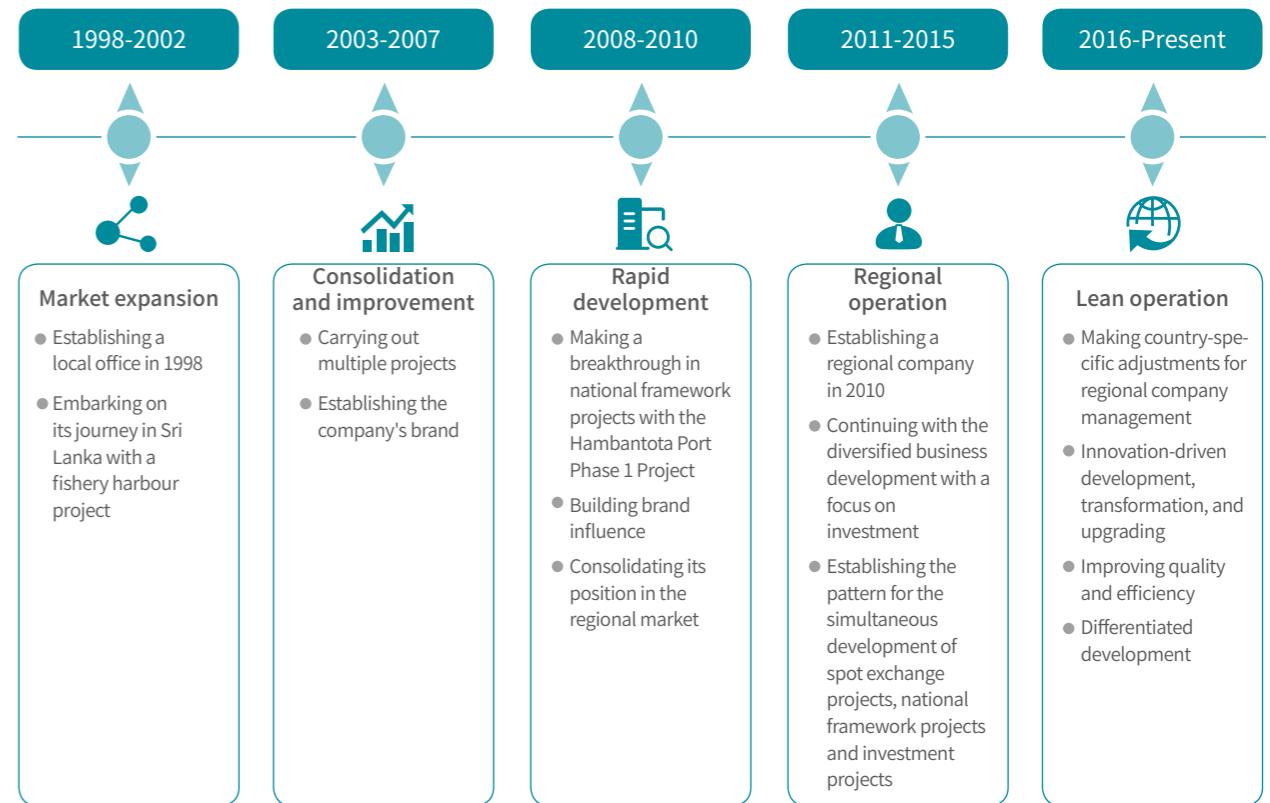
CHEC has been co-developing the Grand Plaza Project, a commercial, residential, and entertainment project in downtown Los Angeles. The massive mixed-use project covers an area of about 13,000 square meters and will feature more than 139,000 square meters of developed space, including retail space, Equinox hotels, luxury rentals, supporting facilities, parking lots, etc



CHEC has built and operated the first expressway running through the north and south of Jamaica. The project mainly includes the construction of a 66-km two-way four-lane expressway with a design speed of 80 kilometers per hour

20-year development in Sri Lanka

The 20-year development of CHEC in Sri Lanka has five stages:



About Port City Colombo

Project Introduction

Port City Colombo is a key project under the Belt and Road Initiative and is jointly developed by CCCC and the Sri Lankan government. In the future, the city, rated as one of "5 New Cities that are set to Shake up the Future" by the Forbes, will be developed into Colombo International Financial Centre to fill the gap between the international financial centers of Dubai and Singapore. The project has spanned 269 hectares of reclaimed land from the sea, of which 178 hectares will be marketable land with the gross floor area up to 5.73 million square meters. The foreign direct investment by CCCC for the project is USD 1.4 billion and the project is estimated to generate 83,000 local jobs. The project when fully completed is expected to attract international investments with a total value estimated at USD 13 billion. It is the largest FDI project in Sri Lanka by far and will become the new engine for economic and social development.



Scan the QR code to read the article of *Port City Colombo Creates Technological Miracles* published by the People's Daily



Scan the QR code to watch CCTV news coverage *The Belt and Road Initiative: Colombo, Sri Lanka – A "City of the Future" Taking Shape*



The location of Port City Colombo

About the project

USD 15 billion

Expected development investment for the project

250,000



5.73 million square meters

Gross floor area

83,000

Jobs created by the project



269 hectares

Reclaimed land from the sea

178 hectares

Developable Land Area



5

Precincts

52 hectares

Public space

2

kilometers

Leisure beach

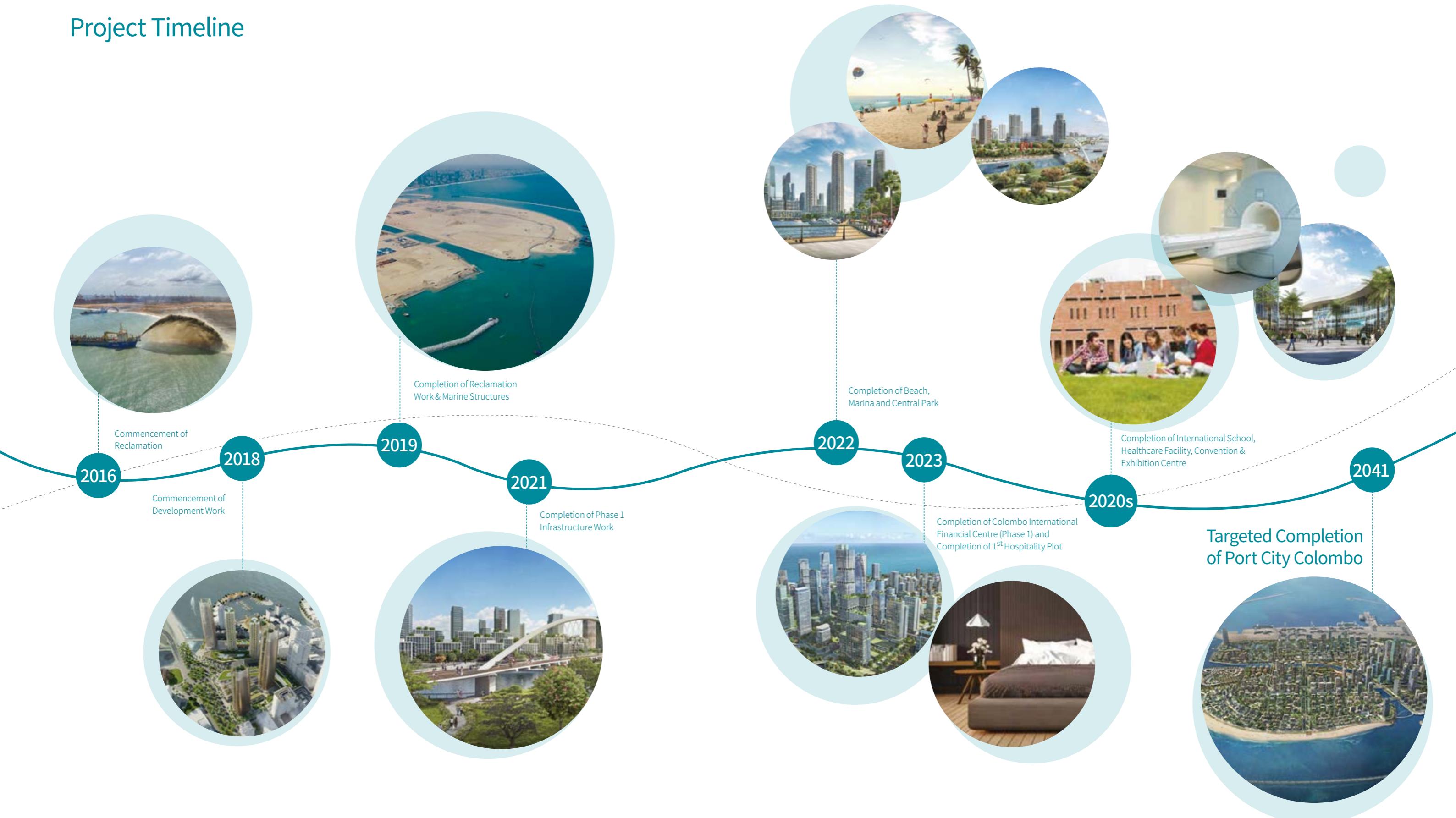
A key project

of the Belt and Road Initiative

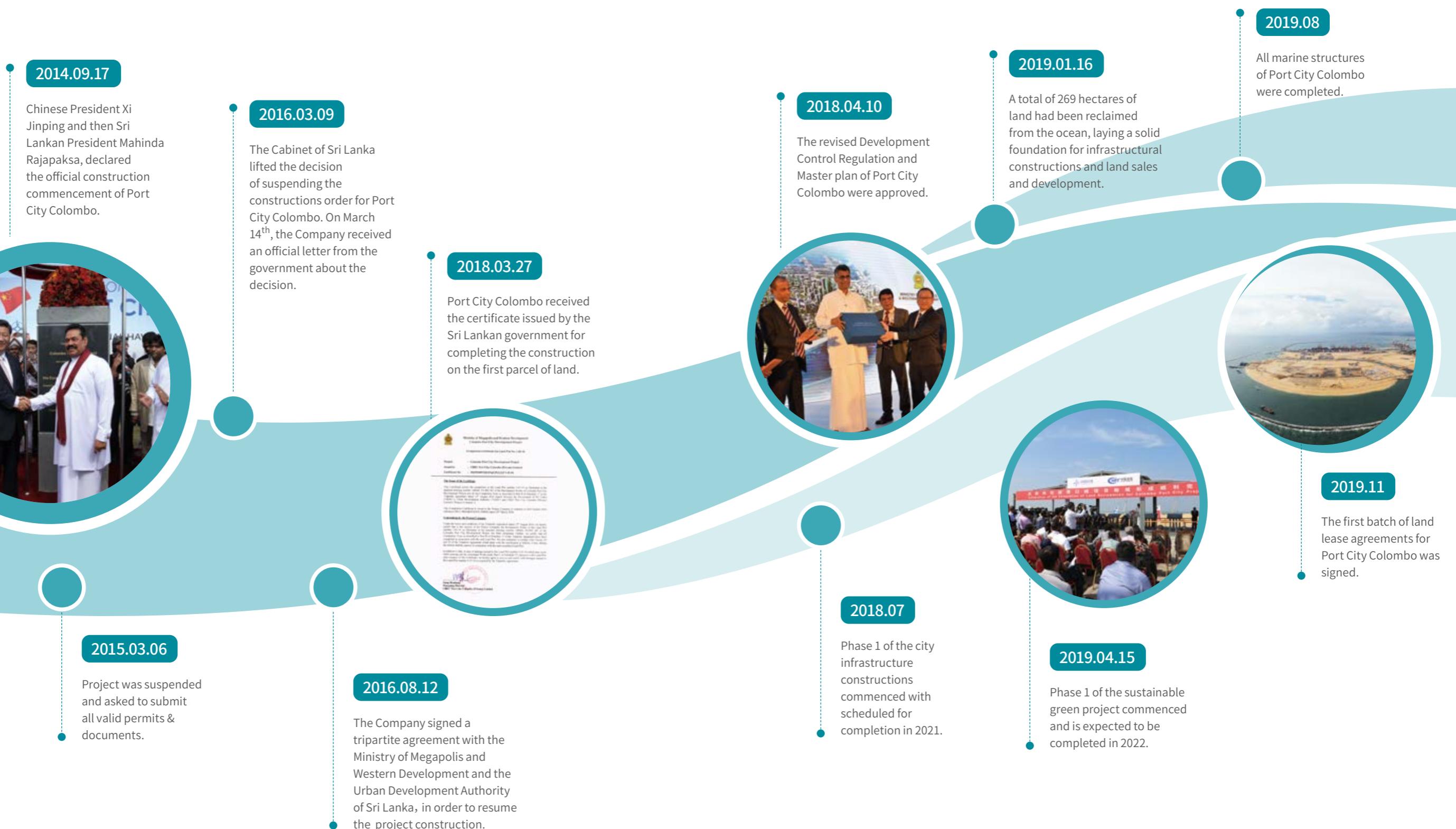
109 hectares

Swimming Lagoon

Project Timeline



Series of Events



Shared Vision

Port City Colombo has received extensive attention from Chinese and Sri Lankan stakeholders since its construction. Stakeholders including leaders of both countries, relevant institutions, Chinese employees, Sri Lankan employees, local communities, environmental protection organizations, suppliers and media has given progressive comments to the project and affirmed the significance of the project to the development of Sri Lanka.



On September 17, 2014, Chinese President Xi Jinping and Mahinda Rajapaksa, then Sri Lankan President, attended the groundbreaking ceremony of Port City Colombo



On May 14, 2019, Chinese President Xi Jinping met with Maithripala Sirisena, then Sri Lankan President, who was attending the Conference on Dialogue of Asian Civilizations in Beijing at the Great Hall of the People. The two heads of state agreed to solidly promote the implementation of the Belt and Road Initiative, push forward major projects of the two countries and accelerate the construction of projects that benefit the people of Sri Lanka



"I hope that Port City Colombo will bring real benefits to Colombo and even the whole Sri Lanka, and make the people feel the changes brought by the port city and be proud of their country."

—Mangala Yapa, Former Chairman of the Board of Investment, Sri Lanka

"The friendship of over a millennium prompts us to help each other.

The same destiny makes our friendship worth cherishing.

The common dream makes the people happy and a nation's prosperity brings us together.

As one of the first countries to respond to the Belt and Road Initiative, Sri Lanka has seen significant economic and social development. China looks forward to realizing common development with Sri Lanka through the implementation of the Belt and Road Initiative.

As an important embodiment of the pragmatic cooperation between China and Sri Lanka, Port City Colombo will be new engine for social and economic development of Sri Lanka. Both China and Sri Lanka have the will, determination, and capability to implement this project, and thus contribute to a community of shared destiny in Sri Lanka."

—Cheng Xueyuan, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Democratic Socialist Republic of Sri Lanka

"As one of the projects under the Belt and Road Initiative, Port City Colombo has driven the development of Sri Lanka and created about 8,000 jobs. The project has improved people's living conditions, and everyone likes it. I am very happy that Sri Lanka plays a role in the Belt and Road Initiative and very proud to be an employee of Port City Colombo."

—Sanjeewa, an engineer of Port City Colombo

"Port City Colombo, which was constructed on the reclaimed land, is the most powerful complement to the CBD of Colombo City, which has no land space for any development plans to date. It is a key project for cooperation between Sri Lanka and China, but also a flagship project for Sri Lanka's development. It will attract foreign investment for the capital-strapped Sri Lankan economy and become a catalyst for the development of the entire country."

—Padmakanti, Public Administration Affairs Manager of CHEC Port City Colombo (Pvt) Ltd.

"Port City Colombo is a technological miracle and the most spectacular development project in Sri Lanka's history. It is the city of the future that will make Sri Lanka the center of South Asia and a new engine for Sri Lanka's economic development."

The project is an important part of Sri Lanka's Megapolis and Western Development strategy. We will develop this huge investment project into a project with great economic value to advance the development of the entire western region while making it bring more comprehensive economic, social, and environmental benefits."

—Champika Ranawaka, Former Minister of Megapolis and Western Development

"Port City Colombo is a project that benefits the people's livelihood and it has built closer ties with the local people and let more people participate in its construction. In this way, Sri Lankans will gain a further understanding of the project and actually feel the benefits brought by it."

—Saman, a local businessman

"I look forward to the early completion and opening of Port City Colombo. The project carries the future of my children and millions of Sri Lankans."

—Nimal, a Sri Lankan

A Bright Future

We are committed to build Port City Colombo into "a world-class city for South Asia and the most dynamic economic center", which will create considerable social and economic benefits for Sri Lanka, guaranteeing excellent infrastructure, enhancing the land value, promoting the urban development of Colombo and providing stable jobs opportunity for locals.

Win-win cooperation between China and Sri Lanka

- The project responds to the 'Belt and Road Initiative' of China and Sri Lanka's Megapolis and Western Development strategy that drives Sri Lanka to become a high-income developed country in 2030. It is thus valued by the top leaders of both countries

Overseas Best Practices of Chinese Enterprises

- The project integrates primary land development, secondary land development, infrastructure construction, and urban operation. Blending CCCC's strategy of "Featured CCCC in Five Fields" into practice, it complies with the corporate development requirement and sets up the benchmark for city development field
- CHEC gives full play to its comprehensive advantages in planning, capital, technology and adopts a model that integrates primary and secondary developments during the construction. By optimizing the business structure and coordinating the major businesses, CHEC strives to serve the economic development of Sri Lanka

Enhance regional value in Sri Lanka

- The project is planned to span 269 hectares of reclaimed land from the sea, of which 178 hectares will be developable land. It is an extension of the CBD of Colombo and will increase the commercial and development value of the surrounding area
- Colombo International Financial Centre will attract the world's major financial institutions to settle in and effectively promote the development of the financial industry in Sri Lanka and South Asia, which will also enhance Sri Lanka's competitiveness and influence and strengthen Sri Lanka's international competitiveness
- The recreation and entertainment complex, shopping resort, five-star hotels and marina of Port City Colombo will attract tourists from all over the world, and help Colombo to transform from a tourist hub to a tourist destination, bringing considerable benefits

Improvement of Infrastructure

- Port City Colombo will be equipped with world-class urban facilities such as the international financial centre, international healthcare facility, international school, the marina, etc. There will be convenient transportation as the elevated highway, expressway and light railway will all pass through the Port City. The central park and ring-shaped boulevard create rich waterfront and green landscapes, providing a healthy environment to live, work and play
- We adopt the transit-oriented development (TOD) model for the light rails in Port City Colombo and develop the layout of the urban area centering on public transportation. We strive to reduce energy consumption via ecological recycling mode and a series of municipal facilities will be built in public urban spaces, on the streets and in buildings to ensure the healthy and sustainable development of the city in the future

Create job opportunities and talent training platforms

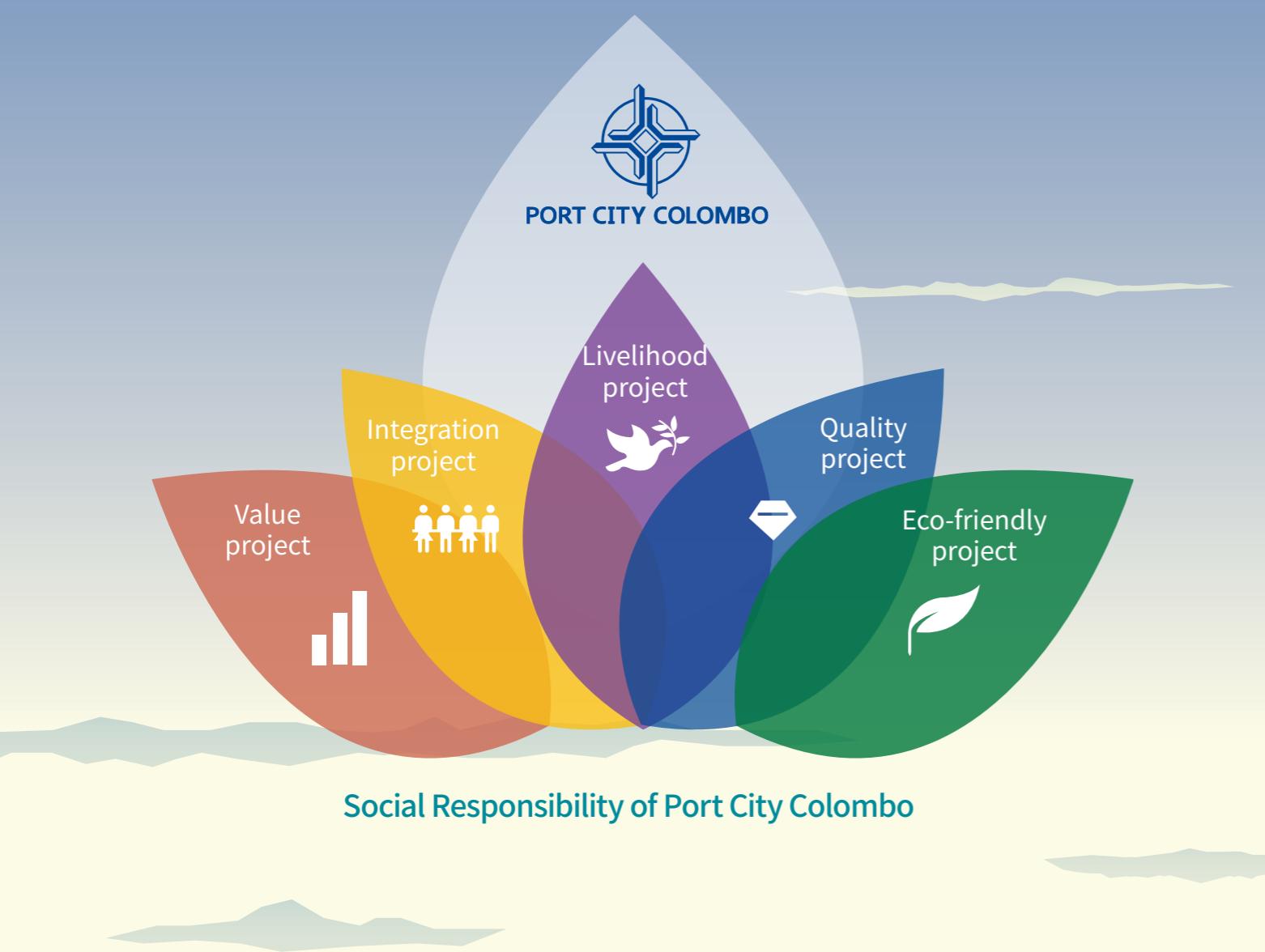
- The project implementation and operation provides much international project experience for the local area. It also brings advanced management expertise to the local area as more talents worldwide will settle in and will also help train local technical and management staff
- According to the estimation of CBRE Group, Inc., the world's largest commercial real estate services and investment firm, Port City Colombo, once completed, will create about 83,000 stable jobs for the Sri Lankans and improve local living standards
- CHEC and the Sri Lankan government will establish a city operation management company with the Sri Lankan government to actively integrate high-quality domestic and international resources, provide advanced urban operation management concepts and high-quality services for Port City Colombo to provide Sri Lanka with a novel management experience with sophisticated skills



Social Responsibility Management

Social Responsibility Philosophy

Social responsibility is that enterprises take responsibility for its economic, social and environmental impact on stakeholders so as to promote the common sustainable development of themselves and society by building a harmonious interactive relationship with stakeholders. Port City Colombo adheres to combine corporate interests with social interests, and fulfill social responsibility across all stages of planning, design and construction, aiming to create economic, social and environmental values for local area to the greatest extent with scientific management and responsible construction.



Social Responsibility Management Mechanism

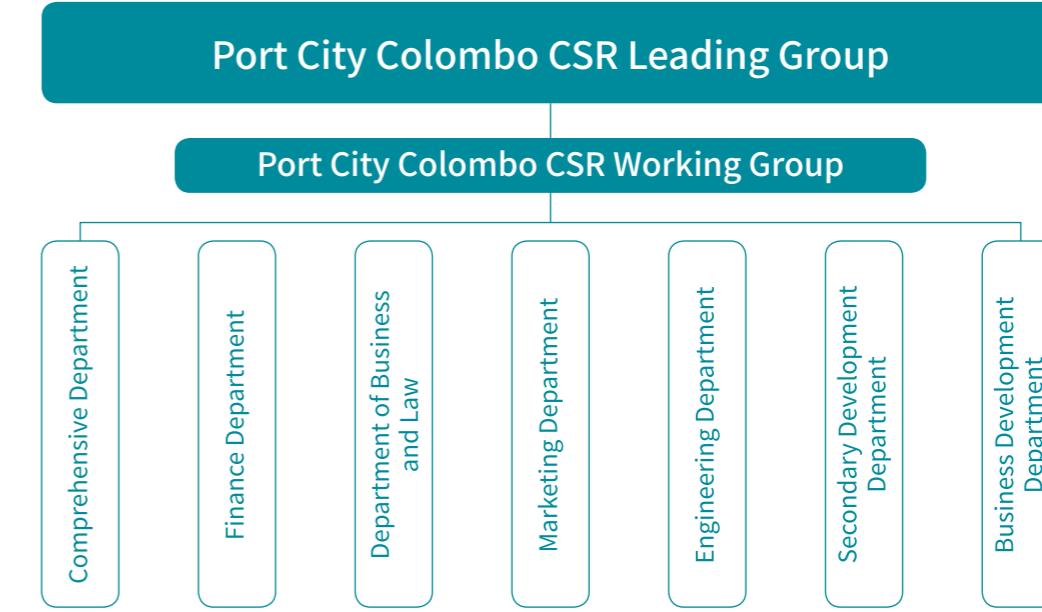
Port City Colombo integrates social responsibility into strategic management. By advancing social responsibility work from top to bottom from the perspectives of concept integration, system establishment and practice guidance, we incorporate the social responsibility concept into daily work.

Concept integration

We promote enthusiasm among all departments, and urge the managers and members of all departments to firmly establish the awareness of social responsibility and integrate it into the corporate mission, culture and values. We advocate the social responsibility in the management activities of each department, embody our social responsibility in the communication with all stakeholders, and thus have realized the organic integration of corporate social responsibility and enterprise management.

System establishment

We have developed the organizational structure of social responsibility management based on the existing management mechanism. An established CSR Leading Group headed by the Managing Director to lead and coordinate the overall CSR work. The CSR Leading Group has set up the CSR Working Group specifically responsible for the establishment of relevant systems for CSR promotion, the organization of CSR training, preparation and release of annual sustainability report and other daily work, thus forming a top-down and across-the-board social responsibility working mechanism.



Enhanced communication

We build a new corporate media communication matrix keeping our official social media at the center. Based on this matrix, we expand communication channels, and develop new communication forms to enhance effective communication with stakeholder, striving to create a vibrant and transparent brand image among them.

Stakeholder Communication

Stakeholders	Requirements and expectations	Response modes
Government	Compliance with laws and regulations Serving the national economy and people's livelihood	Regularly reporting work Providing necessary support and assistance for policy making
Shareholders	Increasing profitability Improving the corporate governance structure Fulfilling the obligation of information disclosure	Convening the general meeting of shareholders Regularly reporting work Issuing annual report
Customers	Abiding by business ethics Improving service quality Providing marketing supporting services Meeting diverse needs	Collecting customer comments Handling customer complaints quickly Checking customer satisfaction regularly
Suppliers / the industry partners	Transparency and fair competition Promoting the technological progress of the industry Improving industry management Extending the industrial chain and expanding industrial services	Strengthening supply chain management and cooperation Fulfilling contracts Participating in industry development forums
Employees	Providing reasonable remuneration and benefits Paying attention to professional development and training Creating a good working environment	Setting up a grievance mechanism Providing employee trainings Collecting and responding to employees' opinions and suggestions
Environmental protection agencies	Utilizing resources rationally Implementing energy conservation and emission reduction Developing low carbon economy Improving HSE management	Implementing environmental monitoring Maintaining communication with environmental protection departments and social groups Learning and exchanging advanced experience Improving construction technologies continuously
Society / the public	Engaging in social welfare Serving community development	Maintaining communication with government departments and social groups Participating in social responsibility work

Materiality Analysis

Port City Colombo starting from the operation has carried out a scientific investigation to effectively identify common interested topics for internal and external stakeholders. Through a matrix analysis, the important topics relating to Port City Colombo and common concerns of stakeholders are identified as the key disclosure indicators of the report. We will continuously improve our CSR performance for the common development with stakeholders based on this.

Stage Matter

Identification	Analysis of standards and guidelines: Benchmarking standards and guidelines such as <i>GRI Sustainability Reporting Standards</i> (GRI Standards) and <i>ISO 26000: Guidance on Social Responsibility</i> Industry mapping: Analyzing the social responsibility information disclosed by international peers and identifying highly relevant topics Public opinion analysis: Analyzing the media reports related to the project in 2018-2019, and identifying issues with general social needs
Prioritization	Impact on the project: Impact on project strategy, operation and management Impact on stakeholders: Importance of topics to stakeholders
Review	Staff opinion and feedback: Reviewed by Social responsibility expert Reviewed by all departments Reviewed by company leadership
Validation	Identifying key topics in various fields and preparing the report

Value Project

The City of the Future Co-built by China
and Sri Lanka

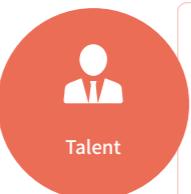
Port City Colombo is not only a typical project of the Belt and Road Initiative but also a flagship project of the government of Sri Lanka. Pooling the wisdom and strength of both nations. We are committed to build Port City Colombo into a future world-class city to provide a platform and create value for the long-term development of the two countries in the future.



Drive Development Through Investment

Port City Colombo is a Public-Private-Partnership (PPP) project. CHEC is responsible for the investment, financing, planning, and construction of the project as well as the construction of supporting facilities at the project site and has obtained the 99-year lease of 116 hectares of land (about 65% of the total). The Sri Lankan government is responsible for approving construction and environmental permits for the project site, as well as guaranteeing supporting facilities in the peripheral area of the project. CHEC and the Sri Lankan government, with respective duties and advantages, jointly promote the project implementation and share development results.

Port City Colombo is a milestone project of CHEC which has witnessed the transformation of CHEC from a contractor to an investor. Spanning 25 years for development and construction, the project will enormously drive the economic and social development of Sri Lanka through capital investment, talent training, technological advances, and management improvement.

-  Capital
 - Port City Colombo is a massive investment project that will bring economic benefits to Sri Lanka
 - We will improve the environment for doing business in Sri Lanka through legislation to attract more investment
-  Talent
 - We employ a large number of experienced foreign management personnel with outstanding management experience and professional skills to help drive the growth of the Company
 - The project will attract quality international investors and create high-end platforms for talents
-  Technological
 - The project will bring internationally advanced machinery and equipment, operation technologies and project development experience to Sri Lanka
 - We integrate and innovate in design and production technologies to overcome technical difficulties
-  Management
 - We select competent international developers, investors and operators to bring advanced management experience to Port City Colombo

Integrate Superior Resources

As an industry leader, CHEC integrates superior professional resources widely. By strengthening cooperation with top think tanks at home and abroad and attracting high-quality developers to participate in the project development, CHEC strives to improve the construction quality and deepen greater values to the project.

Professional project contractors

The development of Port City Colombo involves land reclamation, the construction of supporting facilities and the operation of Colombo International Financial Centre. CHEC, a well-known brand in the international engineering industry, boasts strong business capabilities and rich experience in city development and operation. Having explored the Sri Lankan market for 20 years, CHEC is familiar with the local business environment as a professional project contractor.

Strong professional competence

With rich experience in building super-large infrastructure projects, CHEC has established a mature business system in land reclamation, primary development and secondary development that has developed the capability for integrated investment, construction and operating projects covering the entire industrial chain. It is a global leader among large-scale integrated infrastructure service providers.

Rich experience in city development and operation

In addition to its rich experience in sectors already developed, CHEC has continued to make breakthroughs in new business areas. It has built high-end housing, water supply and drainage, solid waste disposal projects, road and bridge construction, real estate development, electricity facilities and tourism facilities, thus possessing rich experience in city development and operation.

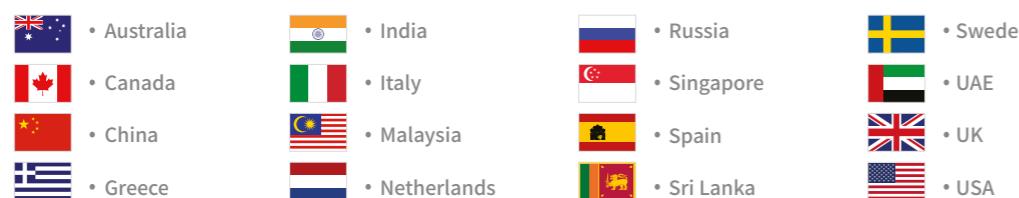
20 years of exploration in Sri Lanka

CHEC entered the Sri Lankan market in 1998. Starting as a contractor of small dock projects and a subcontractor, CHEC, after 20-year exploration, has gradually developed into a foreign-invested enterprise with a large market share, high visibility in various business fields in Sri Lanka.

An international development team

CHEC, aiming to become the "organizer and leader of integrated services for the international infrastructure sector", attaches much significance to guiding partners to develop a business philosophy featuring win-win cooperation. By giving play to the company's business, technological, marketing and public resources, CHEC strives to help each partner to tackle difficulties of business, capital, personnel access and other links of the project, and create a shared business community.

Port City Colombo is being developed by an international team of staff and consultants from 16 countries, as well as an international consultant team and a local team to provide professional support for the project.



We integrate quality resources around the world to serve project development and construction. In engineering consulting, we have established partnerships with Carnahan, Evans, Cantwell & Brown, P.C. (CECB) and SWA Group to lay the foundation for project construction. For project planning and design, we have hired experts of SWECO (Sweden), AECOM (USA), Surbana Jurong (Singapore), ATKINS (UK), Southwest Municipal Engineering Design & Research Institute of China and other international, Chinese and local planning, architecture and engineering design organizations to complete the master plan, traffic research, control planning and municipal design of the project respectively, endeavoring to improve the positioning and overall plan of the city.



We also have introduced internationally renowned investment, legal and financial consultants to provide consulting services for the project. By giving full play to the advantages of CHEC as a platform, we work together with all member companies of CCCC to promote the construction of Port City Colombo.

Composed of experts from the world's leading consulting firms, the consulting team reviews the business contracts conscientiously and introduces third-party organizations to review all engineering drawings and technical documents independently

Port City Colombo is supported by a professional legal team that engages in the whole process of negotiation and compilation of contract terms. The team safeguards the legitimate rights and interests of the Company and supervises the project implementation to ensure compliance management

With a first-class construction team, we have successfully overcome key technical problems to the construction of open artificial islands. It is a systematic integration and innovation of the design and production technology, and creates a technological miracle

A world-class elite team is hired to conduct the plan and design of Port City Colombo. We endeavor to create sustainable lifestyles for the Port City with low-carbon and eco-friendly transportation and a sustainable eco-system

The International Urban Design Ideas Competition held to integrate excellent design solutions

On July 7, 2017, Skidmore, Owings & Merrill (SOM), an architectural and design firm from the United States, was selected as the winner of the International Urban Design Ideas Competition for the Financial District and Marina District of Port City Colombo, Sri Lanka with the unanimous vote of the five experts in urban design, thus was qualified to participate in the construction of the financial district and marina district of Port City Colombo. Many world-famous architectural design firms were invited in the competition and contributed their rich experience and expertise to the design improvement of Port City Colombo.



The International Urban Design Ideas Competition for the Financial District and Marina District of Port City Colombo

Collaboration with think tanks

The Company gives full play to Sri Lanka's resources of foreign think tanks and cooperates with local think tanks, Sri Lankan universities and Chinese think tanks to form a think tank for the project for in-depth discussions on cooperation programs and topics.

Sri Lankan think tanks	Non-governmental think tanks: Pathfinder Foundation, Truth Studies Semi Governmental think tanks: Institute of Policy Studies of Sri Lanka Sri Lanka Defense Strategy Research Institute Lakshman Kadirgamar Institute (LKI), a think tank focusing on Sri Lanka's international relations & strategic interests
Think tanks of universities in Sri Lanka	Department of Economics, University of Colombo Sri Lanka National Business Management Institute
Chinese think tanks	Sri Lanka Branch of Xinhua News Agency China Institute for Reform and Development Yunnan Academy of South East Asian and South Asian Studies China Institutes of Contemporary International Relations China Going Global Thinktank of Tsinghua University Planning Research Institute of Tsinghua University & the National Development Bank Zhigang Think Tan

Cooperation with the Pathfinder think tank introduces local power to the project

In June 2019, the Company met with the chairman and the executive director of Pathfinder, which is the most influential think tank of Sri Lanka, the director of the China-Sri Lanka Cooperation Studies Centre and other senior researchers to discuss the theme, content, and form of the seminar. Pathfinder agreed to provide strategic support and suggestions for Port City Colombo and promote its regional and global status.



An agreement signed with Pathfinder Foundation

Discussion on exchanges and cooperation between Chinese and Sri Lankan think tanks

In July 2019, the Company exchanged ideas with Yunnan Academy of South East Asian and South Asian Studies on how to promote the communication between Chinese and Sri Lankan think tanks, build a platform for high-level dialogues between China and Sri Lanka, and boost intellectual interactions between the two countries.



Communication with the President of the Yunnan Academy of South East Asian and South Asian Studies



In July 2019, a representative of Port City Colombo was invited to attend the meeting of the Alumni Association of the University of Peradeniya, Sri Lanka. At the meeting, he introduced the project progress and its positive contributions to Sri Lanka, thus contributing to the publicity of Port City Colombo in the academic circle

LKI Study on Port City Colombo and the Potential for Services-Led Development in Sri Lanka

Scope and Methodology

ADAM COLLINS
RESEARCH FELLOW
LAKSHMAN KADIRGAMAR INSTITUTE (LKI)

Cooperation with Lakshman Kadirgamar Institute (LKI)



In July 2019, Port City Colombo team members met with the executive director of the Sri Lanka National Defense Strategy Institute and exchanged views on topics related to Port City Colombo and the next step of cooperation



In July 2019, Port City Colombo team members had a seminar with the executive director of the Truth Studies Institute of Sri Lanka



In July 2019, Port City Colombo team members had a panel discussion with the executive director of the Institute of Policy Studies of Sri Lanka to discuss the next step of cooperation between the two parties



In July 2019, the delegation from China Institutes of Contemporary International Relations visited Port City Colombo and discussed cooperation

Boost Local Development

In 2018

2.4
million tons
of stones

7.19
million liters
of diesel

36,500
tons
of cement

650
tons
of steel were purchased
locally

1,500
trainings were provided for
local suppliers



A greening tree species native to Sri Lanka is used to decorate the Malawatu Park

Localized management

- Port City Colombo requires the procurement of large quantities of construction materials, office supplies and greening tree species. The Company, insisting on purchasing all materials as locally as possible, has brought tangible benefits to the local area and driven the local industries, environmental protection industry and economic development
- In constant pursuit of win-win cooperation with local suppliers, subcontractors and other partners, the Company invites third-party institutions to provide systematic training classes for local suppliers, managers and workers and issues certificates to the trainees. Such trainings could improve the capabilities of local suppliers, subcontractors and service providers, and lay a solid foundation for the friendship between the Company and the trainees
- Port City Colombo employs local designers for the planning, design and greening of the project, who integrate local cultural elements into the project and will build a Port City that caters to the taste and habits of local people

Improve local employment

- Port City Colombo created stable jobs during construction. We have employed a large number of local employees and supported 8,000 locals to find jobs
- We helped local fishermen find jobs through the Fishermen Livelihood Improvement Programme
- The Company trained a large number of skilled workers and managers and implemented the transfer of skills, thus helping improve the skills of local residents

Push local governments and NGOs to fulfill their social responsibility

- The Company and the local government jointly launched the Fishermen Livelihood Improvement Programme to improve the living conditions of local fishermen, help them gain more knowledge and become more skilled, improve local education, hygienic situation and health care, and provide better local infrastructure
- The Company established an Environmental Impact Assessment (EIA) special team to conduct EIA researches with researchers from local professional research institutes



We organize health camps to provide health checkups for local fishermen's families during the implementation of the Fishermen Livelihood Improvement Programme

"Under the current economic and social context, Sri Lanka is in urgent need of such a large project to boost the declining economy. Local young people also need the project to show their talents and fight for a bright future."

—Oshadha, an employee of CHEC Port City Colombo (Pvt) Ltd.

Integration of the Project

Management and Integration of Local Employees

Talents are the foundation of business success and the source of development. Therefore, the Company protects the legitimate rights and interests of employees, respects their different cultural background, and tracks their life demands. We provide employees with a broad platform for career development so as to boost their confidence and enhance their well-being. We work together with employees to create the future and promote the growth of corporate value and employee value.



Build a Professional Talent Pool

Adhering to the concept of "talent being the primary impetus for development", the Company has employed a large number of experienced management personnel from Sri Lanka and foreign countries, capitalizing on their expertise in international business to cultivate more high-performing local personnel. At the same time, we utilize international resources to attract global elites to upgrade our teams' capabilities to an international level.

Cultivation of young personnel

The Company attaches importance to the young personnel. Through the construction of overseas talent training bases, we systematically build the pool of young personnel in a normalized manner and take into account the business structure and capacity structure of current personnel. By adopting post training and mentorship schemes, the Company has been cultivating a young team with "international vision, proficiency in foreign languages, strong business capabilities and individual competencies".

Language competence

- In order to encourage employees to improve their proficiency in foreign languages, the Company holds English speaking contests at the end of each year and encourages new employees to participate. Topics of those competitions are related to their actual work

Development of managerial techniques

- Cultivating managerial personnel and exploiting the potential of employees through the job rotation mechanism
- Selecting members from different positions to set up temporary working groups so as to give employees access to more business operations

Accumulation of core technologies

- Carrying out professional skill training classes of various forms for young employees
- Conducting internal communication, seminars with excellent employees and classic case sharing activities
- Holding annual technical paper conferences to summarize technical achievements in the form of papers

Enhancing job promotion

- Promoting responsible young employees who have been trained on various posts to the middle management

Measures for the cultivation of young personnel

Business debate offers new perspectives on business issues

On March 21, 2019, the Company held a business debate. Before attending this activity, seven new employees studied business contracts and learned about the situation of construction sites. They played the role of "contractors" and "owners" in the debate, which provided new solutions to existing business issues with a unique perspective from new employees.



Cultivation of local staff

The Company adheres to localized construction and management. As a result, the current ratio of Sri Lankan employees to Chinese and foreign employees is about 4:1. If the construction workers are counted in, the ratio of Sri Lankan employees to Chinese and foreign employees working for the entire project is 6:1. Highly valuing the training of local employees, we actively provide skill training and technology transfer to cultivate outstanding technical personnel for Sri Lanka and also select outstanding employees to undertake managerial positions.

Cultivation of technical personnel

During the construction of Port City Colombo, we actively carry out various forms of skill development activities, including employee lecture, practical exercises, guidance and training offered by experts, etc., to allow every employee master the technical skills and comprehend the operational specifications required for their positions and cultivate local personnel with in-demand skills. We have also introduced advanced equipment and technologies for the project and invited professionals to conduct operational training in a bid to create good learning conditions for local employees. The project has trained more than a thousand skilled local workers.



Local staff attend training on ship management



Technical training on the placement of accropodes

"The Chinese friends have taught me a lot of operating techniques, which are beneficial to me for the rest of my life. Here, I saw the super-large suction dredger Jun Yang 1 for the first time, and I have the opportunity to systematically learn the professional skills and use the advanced operating systems. I will keep learning."

—Dhammika, an engineer of Port City Colombo

Cultivation of management personnel

CHEC has signed cooperation agreements with Tianjin University, Hohai University, Chang'an University and Beijing Jiaotong University to assist international students with their studies in China and enable the Company to set up international teams. At the same time, the Company actively provides management skills trainings, and customizes dedicated management improvement programs for managerial staff from different positions. This has allowed the Company to cultivate a group of outstanding managers.

Cultivation of high-end personnel

Being a large-scale urban complex project involving investment, financing, planning, construction and development, Port City Colombo features high investment costs, long construction period and a wide range of supporting projects. Therefore, it allows participants, managers and collaborators to gain rich management experience.

Cultivation of project development personnel

During the development and construction of Port City Colombo, the Company has consciously trained a group of project managers with independent project development and operation experience. The project features a large scale, high scientific and technological content and profound strategic significance, which makes it the best base for cultivating project personnel.

Cultivation of outstanding engineers

Port City Colombo has achieved a global breakthrough in the construction of open artificial islands, and carried out innovative research into various topics to develop engineers' learning and research capabilities. The Company introduces internationally advanced operating equipment and invites professional engineers to give lectures on operating techniques in order to help project engineers develop self-learning skills and allow them to become qualified senior engineers.

Cultivation of marketing talents

In order to promote land sales, the Company has trained a group of experienced marketing talents. They participate in the implementation of global marketing strategies throughout the whole process, including investment summits and forums for expanding the customer base, pre-sales and multi-channel publicity and promotion and have enhanced the awareness and influence of the project.

Cultivation of operation and management personnel

The Company and the Sri Lankan government will jointly establish a city operation and management company to provide world-class, efficient and convenient one-stop city services for developers and operators in the port city and cultivate a group of talents with experience in the operation and management of large cities and international financial cities.

Regular training

We actively promote the implementation of the annual staff training schemes and allocate budget to employee training in order to enhance their competence and skills in many aspects. We hold internal knowledge sharing sessions every quarter and develop public training programs to help employees better adapt to the workplace by improving their professional demeanor, practical knowledge, language competence, etc. In addition, a variety of training methods is employed to enhance the training effect, such as PPT, VCD, and on-site demonstration, interaction between lecturers and trainees, knowledge contest, etc.; after the training, we evaluate the trainees by recording and testing their learning outcomes.



Employee training system



Emergency drill at the project site



Skill training on office software



Management improvement training



Technical training related to the project

As of the end of October 2019,

16

training programs

involving

620

participants were carried out

The total training budget reached USD

200,000

of which USD

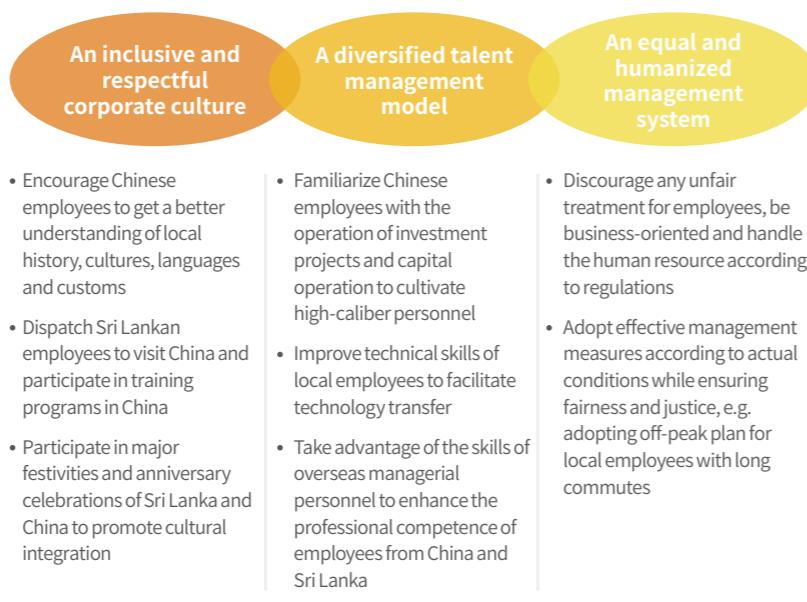
182,000

was consumed

Build Localized Corporate Culture

Localized development and cross-cultural management

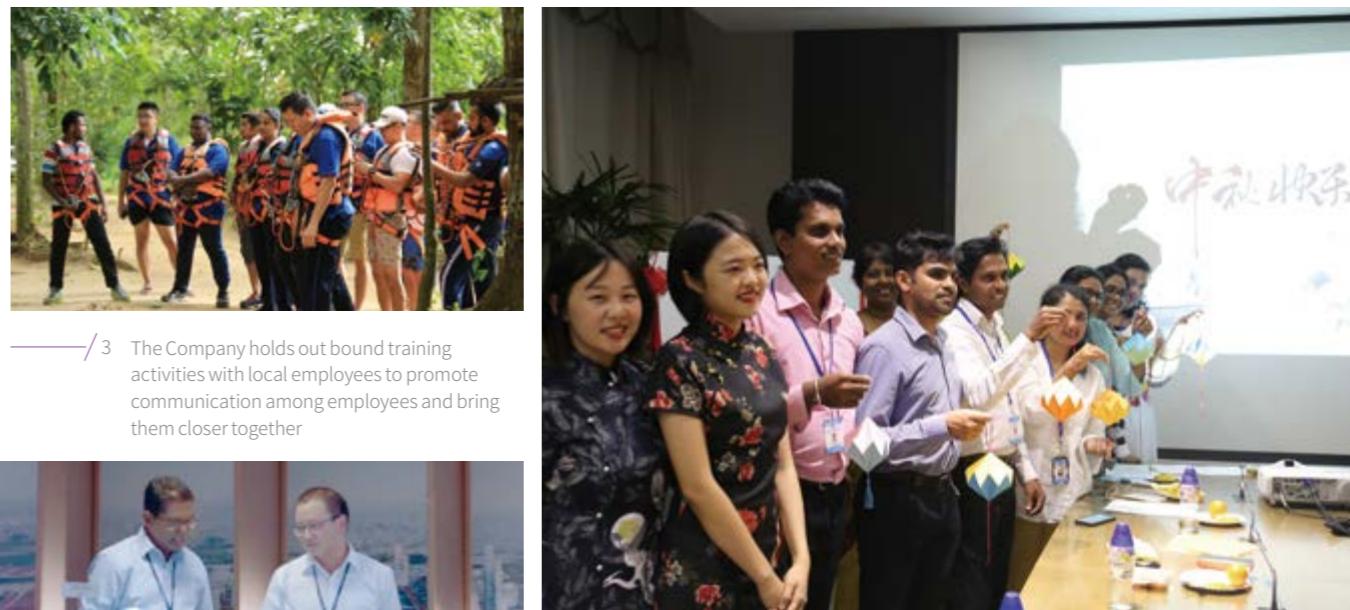
The Company starts from institutional improvement and management model to better serve employees from all over the world and has developed a set of innovation methods suitable for the Company's localized development and cross-cultural management. This allows us to give full play to the advantages of human resources, drive the coordinated development between various management teams and raise the overall management level to create the "1+1>3" synergy among Chinese, foreign and local employees.



Localized management and cross-cultural management model

Team building and cultural integration

In order to promote cultural integration among all employees, the Company actively holds cultural activities such as the Chinese language training classes, festivities during the Sri Lankan New Year, Christmas evening parties and conduct ceremonies on New Year's Day. We organize farewell parties for terminated employees, offer birthday cards and cakes, and carry out outdoor training and team building events to enhance teamwork, cooperation and cohesion among all staff members.



1 The Chinese language training program invites teachers from the Confucius Institute of the University of Kelaniya to give lectures, and also presents trainees with course-completion certificates while encouraging employees to speak Chinese in their everyday work

2 We co-organize the "Chinese Bridge" Chinese proficiency competition with the Confucius Institute of the University of Kelaniya, which allows local employees to gain a better understanding of Chinese companies and Chinese culture

3 The Company holds out bound training activities with local employees to promote communication among employees and bring them closer together

4 A cultural event during the Mid-Autumn Festival is held to enhance the sense of happiness and belonging among overseas employees as well as the cultural integration among foreign employees and Chinese employees

5 Our employees record videos as part of a pop-up event to celebrate the 70th anniversary of the founding of China. The event has created a strong sense of solidarity among the employees and allowed them to experience the corporate culture

3 | 4
5 | 6
1 | 2

Protect the Legitimate Rights and Interests of Employees

As of the end of October 2019, the Company had

90
employees

including 18 Chinese, 4 international and 68 Sri Lankan employees

The busiest period of the Phase 1 Project saw a total of about

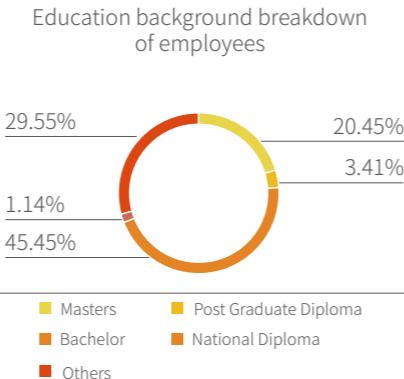
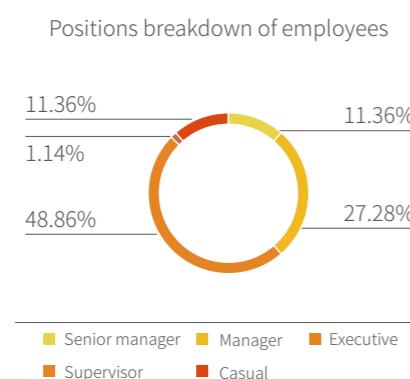
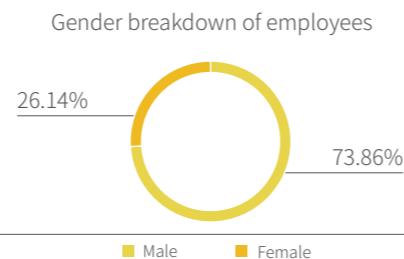
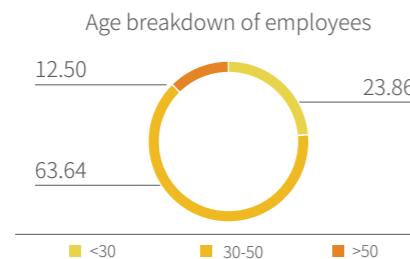
1,800
employees

construction and management personnel, of which 1,500 employees were from Sri Lanka, accounting for more than 83%

Being people-oriented, the Company respects the legitimate rights and interests of every employee while meticulously studying the laws and regulations of China and Sri Lanka, such as the Labor Law. We continuously improve the various human resources policies and procedures and have established a sound human resources system to ensure that the legitimate rights and interests of all employees are protected according to rules and regulations.

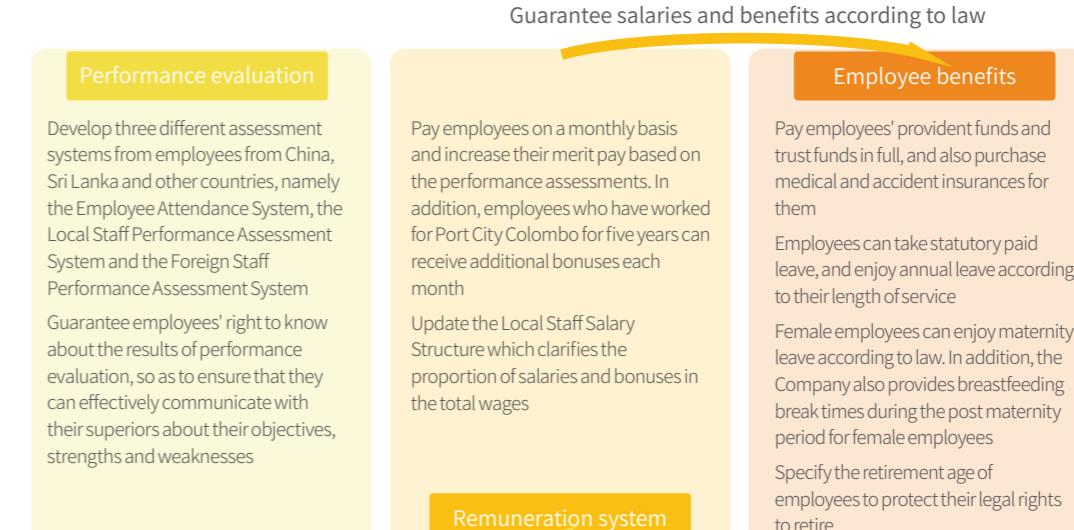
Equal employment

Strictly complying with the relevant laws and regulations of the two countries, the Company signs labor contracts with every employee according to law while constantly improving the Template for Employee Contract. For employees who have reached retirement age but have a strong willingness to continue working for the Company, we will sign the Fixed-Term Employment Contract with them according to law. Meanwhile, we treat employees fairly regardless of their nationalities, ethnicities, races, genders, religious beliefs and cultural backgrounds. We also prohibit child labor and oppose all forms of forced labor. We set strict requirements for employment and check the backgrounds and recommendation letters of all candidates to guarantee the openness and fairness of employment. Any form of nepotism is forbidden for employment or getting promoted through improper means.



Salaries and benefits

The Company has thoroughly studied the local labor laws and other relevant laws and regulations. In order to protect employees' legitimate rights and interests, we constantly improve the salary and employee benefit system and have carried out the unified management of all employees while implementing classified assessment and the employee-based management system for different nationality backgrounds. Having developed three different performance evaluation systems, we allow employees from China, Sri Lanka and other countries to clock in at different times and pay their salaries on different dates, so that we can meet the needs of employees and comply with relevant regulations.

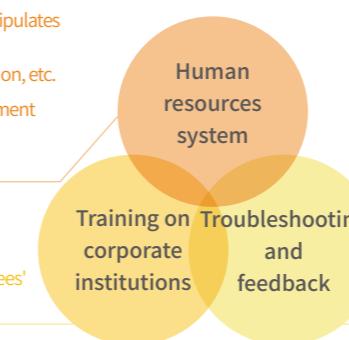


Enhance the link between employee remuneration and the value they create

Democratic management

The Company upholds a fair and open human resource management philosophy and strives to realize equality in opportunities, treatment and information disclosure. A sound human resources system helps us disclose all personnel information and publicize new human resources policies and procedures. We also improve the human resources system through collecting employees' opinions and questions and conduct staff training in human resources policies to protect their rights to know, express and supervise.

- Issue the Employee Handbook which stipulates a series of policies and procedures for probationary evaluation, leave, promotion, etc.
- Establish a complete set of file management systems for employee entry, transfer, promotion, resignation and retirement
- Provide staff training on policies and procedures that are relevant to employees' rights and interests
- Answer questions from employees through the HR system and email
- Strengthen communication with employees as well as collect and respond to employees' demands for improvement of the remuneration and attendance system



Livelihood Project

Promote the Improvement of Local Livelihood

The friendship, which derives from close contact between people, holds the key to sound state-to-state relations. Tracking the local needs and the improvement of local livelihood, the Company aims to promote community development, and bring tangible benefits to the local community through project implementation. We also actively participate in public welfare activities, fulfill our corporate social responsibility, to build a harmonious society with locals.



Participate in the Community Communication and Development

Stressing the communication with the local community, the Company actively establishes the communication mechanism, creates more communication channels, and identifies and communicates with the government, residents, media and other stakeholders involved in the project to understand the local needs and appeals accurately. We also actively participate in community development and serve the community with our professional competence, striving to establish a good community relationship that benefits both sides.

Communicate with various stakeholders

In project implementation, the Company identifies stakeholders and actively establishes a multilateral communication mechanism, such as seminars, media reports and field trips. We understand and serve the interests of stakeholders during the communication process and expand the positive impact of the project on the local area.

Communication with the government

The Sri Lankan government, as a participant in the top-level design of the project, is responsible for studying and drafting relevant bills and supporting policies. It has established a weekly coordination meeting mechanism for face-to-face communication and conducts themed symposiums from time to time to provide political support for the development of the Port City

Communication with Sri Lankan officials

We meet with Sri Lankan officials irregularly and have received the inspection and investigation of the Minister of the Ministry of Megapolis and Western Development, the permanent secretary of Ministry of Foreign Affairs, and the Attorney General for in-depth exchanges on important policies and issues related to the project

Local coordination

Considering the difficult living conditions of fishermen in Negombo, a city near Port City Colombo, we proposed the Fishermen Livelihood Improvement Programme to mediate the fishermen's conflict with the project for mining the sand in the local waters while fulfilling our social responsibility

Media reports

We continue diversifying our social media channels to make the project known by the public. We have opened a number of social media accounts, held media meetings, broadcast dialogues live, encouraged media to interview project personnel, and actively communicated with the media on major issues and heatedly discussed topics about the project, so as to fully ensure stakeholders' right to know, participate, and supervise

Public participation

We have organized the Port City Q&A activity and the Public Open Day campaign to invite all walks of life to visit the project Sales Gallery. We have also planned the launch ceremony of Port City Colombo, the ceremony for the completion of all marine structures and the "first day cover issue" ceremony, and filmed a video to present the construction process of Port City Colombo and enhance the public understanding of the project

Multilateral communication mechanism for Port City Colombo



1 Former Sri Lankan President Maithripala Sirisena visits Port City Colombo

3 In the Megaminds event of the Ministry of Megapolis and Western Development, we print brochures, produce short videos, and invite Sri Lankan officials from the Ministry of Megapolis and other government departments, as well as experts from the academia to introduce Port City Colombo to the public

4 In the Sri Lanka Investment Forum 2019, the Company plays the project promotion video, distributes promotional material, introduces the project to investors, and answers questions related to the project, thus attracting quality developers

5 A group led by Champika Ranawaka, former Minister of Megapolis and Western Development, visits Port City Colombo

6 A senior media delegation from the Sri Lankan media and newspapers holds a roundtable meeting at Port City Colombo site to learn about the project progress and CSR performance of the Company

1 | 2
3 | 4
5 | 6 | 7
A TV commercial of the Port City is filmed to show the bright future of the city through the eyes of Sri Lankan children



Enhance the local community engagement

Disseminating the project value through live broadcast

On July 18, 2019, the Company invited members of Sri Lanka Broadcasting Corporation to record a dialogue program for live broadcast at the sales gallery of Port City Colombo. The Sinhalese program elaborated on the environmental and commercial potential, socio-economic benefits, and future planning of the Port City. The live program was broadcast among two million listeners around the world, allowing more people to gain a better understanding of Port City Colombo.



Members of Sri Lanka Broadcasting Corporation is invited to record a program at the sales gallery of Port City Colombo

The Public Open Day enhances the public's understanding of the project

To enhance the public's objective and scientific understanding of Port City Colombo and strengthen our communication with stakeholders, the Public Open Day is set for potential customers from China and foreign countries, partners, social organizations, local residents, etc. to visit the project. As of December 2019, the sales gallery received more than 4,000 visitors.



Over 30 Chinese enterprises visit the sales gallery

The enterprises, as a part of the community, derive from and contribute to the community. Giving play to our advantageous construction resources, we actively help Sri Lanka to improve its infrastructure and meet the basic needs of local people in terms of housing demand, water use and sponsor a series of activities in Sri Lanka to participate in building the local community for better living conditions.



1 | 2
3 | 4



1 The Company donates one million rupees to renovate the Senda Sevana elderly care center and improve the living conditions of the elderly

2 The Company sponsors two Sri Lankan representatives to participate in the 2nd Silk Road & Young Dreams cultural exchange project

3 The Company donates a large fountain for the 14th United Nations Day of Vesak Celebration

4 The Company sponsors a Colombo triathlon event



The Fishermen Livelihood Improvement Programme

Considering the difficult living conditions of fishermen in Negombo, we proposed the Fishermen Livelihood Improvement Programme in collaboration with the Sri Lankan government, NGOs and provided 550 million Sri Lankan rupees (USD 3.03 million) of funding for the Programme to contribute to the local education, healthcare, employment, and infrastructure. The Sri Lankan government has set up the Fishermen Livelihood Improvement Association to take charge of the implementation, organize related activities, plan and supervise the use of the fund to ensure that every fisherman's family get the subsidiary in full.

Infrastructure construction

To tackle problems brought by coastal erosion, we, relying on the advantages in the construction of reclamation project, invested 300 million Sri Lankan rupees (USD 1.65 million) to restore the beaches and build breakwaters

We took actions to promote local fishing activities, include providing shelters for fishing boats, launching artificial beaching projects, installing signal lights, building and renovating community centers, building dried fish processing plants, providing sewage treatment systems for the existing fish markets and carrying out training for fishing knowledge. With such efforts, we optimized local fishing operations and improved fishermen's well-being

Better healthcare

We provided insurances for 15,450 fishermen in the Negombo fishing area

We organized health camp activities to provide medical consultation, check-ups, medicine and treatment for fishermen's families to improve their health. A total of 35 sessions of health camp have been organized, benefiting more than 6,000 fishermen and their families

Better environment

We held environmental protection activities together with fishermen, churches, police, students and other groups to clean the beaches and polluted canals, which helped improve the beach environment and raise environmental protection awareness of locals

Financial support

We have allocated a total of 154 million Sri Lankan rupees (USD 850,000) to 77 fishery organizations to provide financial support to fishermen's families and help them to earn more



March 2017

A training workshop was held at St. Mary's Church to help improve fishermen's capability to get higher incomes



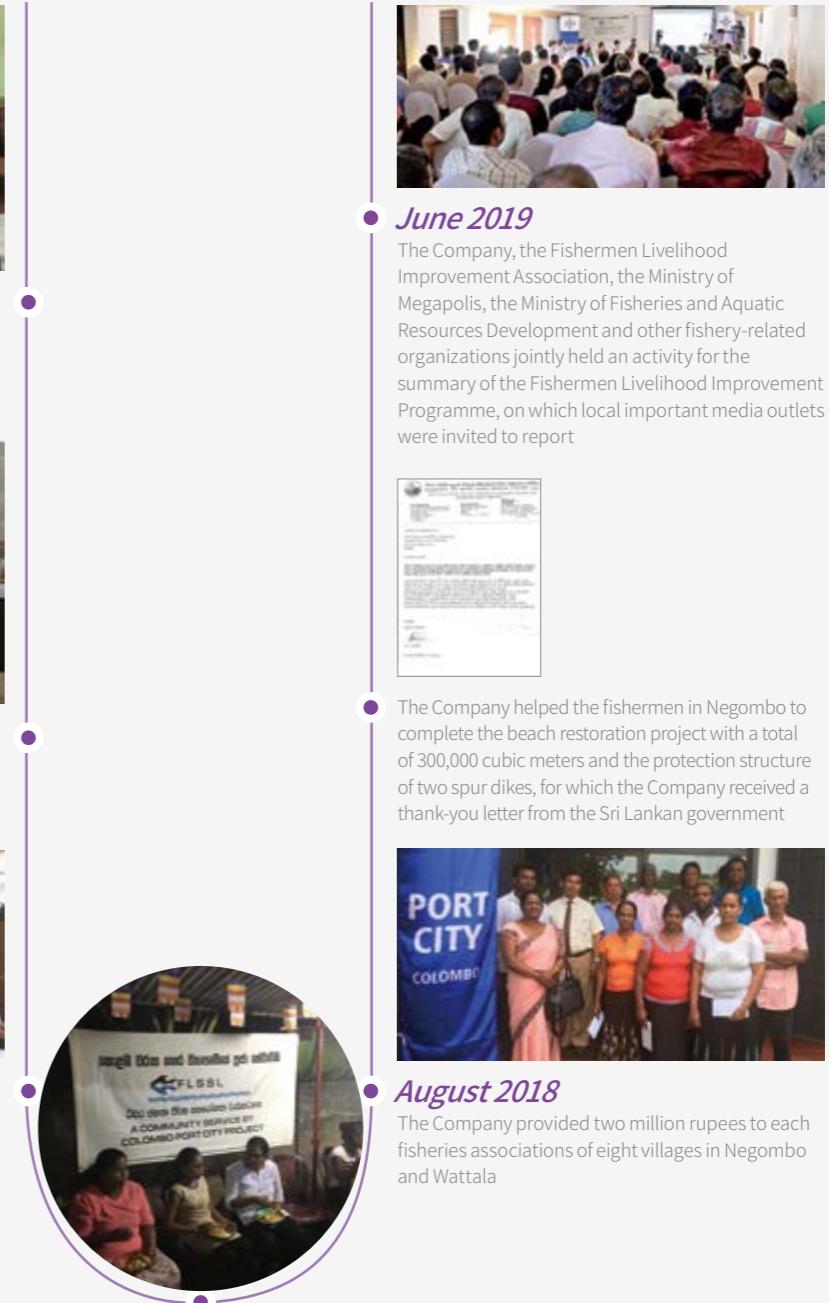
July 2017

The Company organized a series of health camp activities and conducted health check-ups for fishermen's families



January 2018

A fishery community center in Negombo Palangathure was rebuilt to commemorate World Fisheries Day



May 2018

The Fishermen's Livelihood Support Society Ltd. (FLSSL) held a two-day food donation activity to provide lunch and dinner for more than 1,500 people in line with Vesak celebrations



June 2019

The Company, the Fishermen Livelihood Improvement Association, the Ministry of Megapolis, the Ministry of Fisheries and Aquatic Resources Development and other fishery-related organizations jointly held an activity for the summary of the Fishermen Livelihood Improvement Programme, on which local important media outlets were invited to report



The Company helped the fishermen in Negombo to complete the beach restoration project with a total of 300,000 cubic meters and the protection structure of two spur dikes, for which the Company received a thank-you letter from the Sri Lankan government



August 2018

The Company provided two million rupees to each fisheries associations of eight villages in Negombo and Wattala

The Ran Bhumi Rally for Unity

Lasting

40
days

Across

9
provinces**25**
districts**1,500**
villages

Involving

10
million participants

In collaboration with Sri Lanka National Youth Services Council and Capital Maharaja Organisation, we launched the Ran Bhumi Rally for Unity campaign with the theme of national unity and reconciliation. The rally covered 9 provinces, 25 districts and 1,500 villages around the country. Once the participant arrived at a village, a memorial brick was collected, which would be used to build the Ranbhumi Monument in the port city. There were more than 10 million participants, nearly half of Sri Lanka's population. Kicked off on May 8, 2015 in Talaimannar, a city in northern Sri Lanka. The final participant arrived in Colombo on June 10 and lasted for 40 days, covering all parts of Sri Lanka.



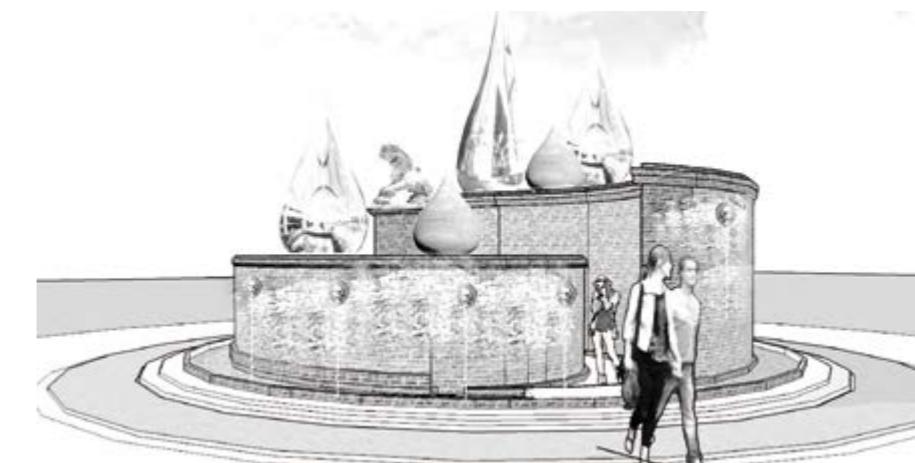
The team of the Ran Bhumi Rally for Unity campaign crosses 1,500 villages of Sri Lanka to collect memorial bricks for the establishment of the Ranbhumi Monument

Whenever the campaign team arrived in a city, it received the warm welcome and strong support of local residents. Representatives from the local government, religious groups, and schools participated in the campaign, offering traditional of Sri Lanka such as lighting up the oil lamp, traditional dances, blessings of senior monks, etc. The whole process reflected friendship and cooperation.



The Ran Bhumi Rally for Unity campaign receives the warm welcome of local residents

During the campaign, 1,500 memorial bricks specially made for Port City Colombo were collected for the establishment of the Ranbhumi Monument in front of Colombo International Financial Centre. Several companies were selected to design the monument.



The blueprint of the Ranbhumi Monument

The campaign increased the public's understanding and support for Port City Colombo through the participation of the public and live broadcast on TV and radio. It has enhanced the brand image of Chinese enterprises and projects, created a good public opinion environment for the Belt and Road Initiative to take root in Sri Lanka and reflected the national unity and harmony, which will boost national development.



Former Sri Lankan President Sirisena participated in the closing ceremony of the Ran Bhumi Rally for Unity campaign and lays the foundation for the Ranbhumi Monument

The Hope Project

The Company values local education development, and has cooperated with the Ministry of Education of Sri Lanka to donate school supplies, overhaul local schools, and improve teaching facilities for better education quality in the local community. Focusing on the development of community culture, we have launched various projects based on our vision and have encouraged teenagers to participate in such projects to assist their growth.

Upgrading the supporting facilities of Angels Play School for a better studying environment

To upgrade the supporting facilities of Angels Play School, we donated LED TVs, tables and chairs, refurbished the aluminum window frames and ceilings, built two new public toilets to support and guarantee a comfortable environment for its students.

Cooperating with the Ministry of Education of Sri Lanka

The Company has cooperated with and maintained close relationship with the Ministry of Education of Sri Lanka. We helped the Ministry of Education to hold the World University Debate Championship, sponsored local cricket matches and assisted in organizing many university activities. At the same time, we invited outstanding university students to visit and experience in our Sales Gallery, which contributed to establish of our brand image and promote cultural building with the local community.



Dozens of children from the SOS Village Orphanage in Sri Lanka spent an unforgettable Children's Day with the children of the Company's local staff at the Sales Gallery of Port City Colombo

Selecting children to participate in the publicity of Port City Colombo to deepen children's engagement with the project

The Company selected children to participate in the promotional video of the port city. The selected kids were invited to visit and participate in the filming of proposed media campaign of Port City Colombo. The whole process will be broadcast on TV. The publicity activity will expanded the influence of the port city around the whole island. Port City is envisioned to enrich children's life experience, enhanced their sense of pride, and motivated their enthusiasm for study and the aspiration to serve the country.



The selected children's visit to the Sales Gallery at Port City Colombo



The Company sponsored the Sri Lankan High School Students Debate Team to participate in the World Schools Debating Championships



The Company sponsors the team of University of Colombo in the Sri Lanka University Games 2019

Co-create a Better Future

The Company actively carries out charitable donation activities and participates in Sri Lanka's rescue and relief work. We have implemented our corporate social responsibility in education, healthcare and environmental protection, etc., and achieved common progress with Sri Lanka, contributing to social stability and people's happiness.

Participate in rescues

Due to natural factors, Sri Lanka is frequently hit by floods, mudslides and other disasters. The Company, with reverence for life, has actively participated in local rescue work by giving full play to our advantages. In the meantime, we have donated materials for the affected areas to fully support post-disaster reconstruction.



1 | 2
3



- / 1 In June 2016, floods and mudslides occurred in various regions of Sri Lanka, causing serious casualties and property damage. The Company procured life supplies for the affected people to help them overcome the difficulties
- / 2 In May 2017, Sri Lanka was hit by floods and landslides. The Company purchased 15 pumps for the disaster relief facilities center overnight to assist the rescue in the affected areas. At the same time, we donated a large number of essential materials and supplies to the affected schools to help local students tide over the difficulties
- / 3 On July 16, 2018, the Company found a fishing boat overturned near the construction site and two local fishermen fell into the water. The crews on duty from the Company successfully rescued the two fishermen with the traffic boats, and were praised by the local residents. The rescue consolidated the friendship between China and Sri Lanka

Donations to public welfare organizations

Insisting on corporate interests and social interests, we actively undertake corporate social responsibility, organize charitable donation activities and call on employees to establish volunteer teams, aiming to contribute to the Sri Lankan communities.



- / 1 The Company donated 2,500 volumes of Di Zi Gui, a Chinese traditional culture book, to the Nāgānanda International Institute for Buddhist Studies (NIIBS) in Sri Lanka. The illustrated books are written in Chinese, English and Sinhalese, which makes it easy for the local residents to understand the traditional Chinese culture



- / 2 Tree planting activity is launched to add green spaces to the city
- / 3 The Company organizes employees with "blue vest" to clean up areas around the Beira Lake for nearly three hours, helping to keep the Colombo City clean and tidy
- / 4 The Company assists the Sri Lankan government in organizing a Beach Cleanup and Environmental Protection Week, and provides one million rupees of funding for the cleanup of 72 places in 14 coastal areas to strengthen environmental protection awareness of society
- / 5 The Company builds a Bodhi-tree shrine and donates it to a Buddhist temple



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3 | 4
5



Quality of the Project

Build a Model Project with International Standards

Port City Colombo is closely linked to Sri Lanka's Megapolis and Western Development strategy, and it embodies the country's vision for development. The project is carried out in strict accordance with local laws and regulations. In addition, our scientific project management and advanced construction techniques ensure that the project quality and safety reach international standards.



Put Quality First in Building a Project Crucial for a Century to Come

Port City Colombo has introduced the ISO 9001 quality management system and implements the all-around and all-weather monitoring of the whole construction process and the entire staff according to international quality standards. The Company also ensures the project quality and makes continuous improvements through quality policy, quality objectives, organizational guarantee, control measures, analysis and improvement of closed-loop PDCA (plan-do-check-adjust) management method.

Quality Policies

Customer demands

We focus on customers, including understanding and analyzing customers' expectations, and taking appropriate actions in a timely and effective manner to provide customers with quality services and products

Continuous improvements

We commit ourselves to the cultural building. Featuring "continuous quality improvements of products and services", and continuously improve the effectiveness of quality management

Excellent brand

We implement the strategy for building an excellent brand according to customer demands and the Company's brand strategies and our products and services are tested, examined and monitored according to high standards of the industry

Quality objectives

Objectives	Completion Stage
Eliminate the use of unqualified raw materials	Completed
Fist pass yield	≥ 98%
One-off acceptance rate	100%
Proportion of Customer Complaints Handled	100%
Quality incident	0



The Testing Laboratory of the project obtained the ISO/IEC17025 Certificate of Accreditation on September 1, 2017, and completed the renewal of accreditation on October 25, 2018

Increase the Awareness of Safety Among all Employees

Adhering to the principle that "safety hazards can cause accidents", Port City Colombo meticulously ensures the safety of all activities related to the project to minimize the risk of injury or damage during construction.

Establish the safety management system

Port City Colombo has established the safety management system and the Work Safety Management Committee consisting of the project manager, the executive deputy project manager, the leadership group of the project, the heads of various departments, the full-time safety supervisor and the part-time safety supervisor. By August 2019, the aggregate safe working hours of the project have exceeded 12 million hours, with "zero accidents, zero pollution, and zero casualties".



Certificate of Achievement awarded to CHEC for the achievement of 12 million safe working hours

Implement safety measures

In 2018, more than

192

safety training sessions were held

Involving more than

4,224
participants

According to the actual situation of project construction, we carry out special rectification of work safety and investigation of safety hazards covering all aspects of the entire project. At the same time, we deeply reflect on the deficiencies in work safety and conduct rectification in accordance with high standards and strict requirements so as to implement the responsibility for work safety at all levels.

Emergency drills

We carried out an emergency drill on board ship. In the drill, fuel leaks in the chain locker at the bow of the construction vessel of the project caused a fire. After putting out the fire, we also carried out exercises to save the drowning personnel, where experts from the Sri Lankan Red Cross Society were invited to explain the details of emergency treatment.



Experts from the Sri Lankan Red Cross Society give instruction in saving people from the sea

Conduct safety inspections

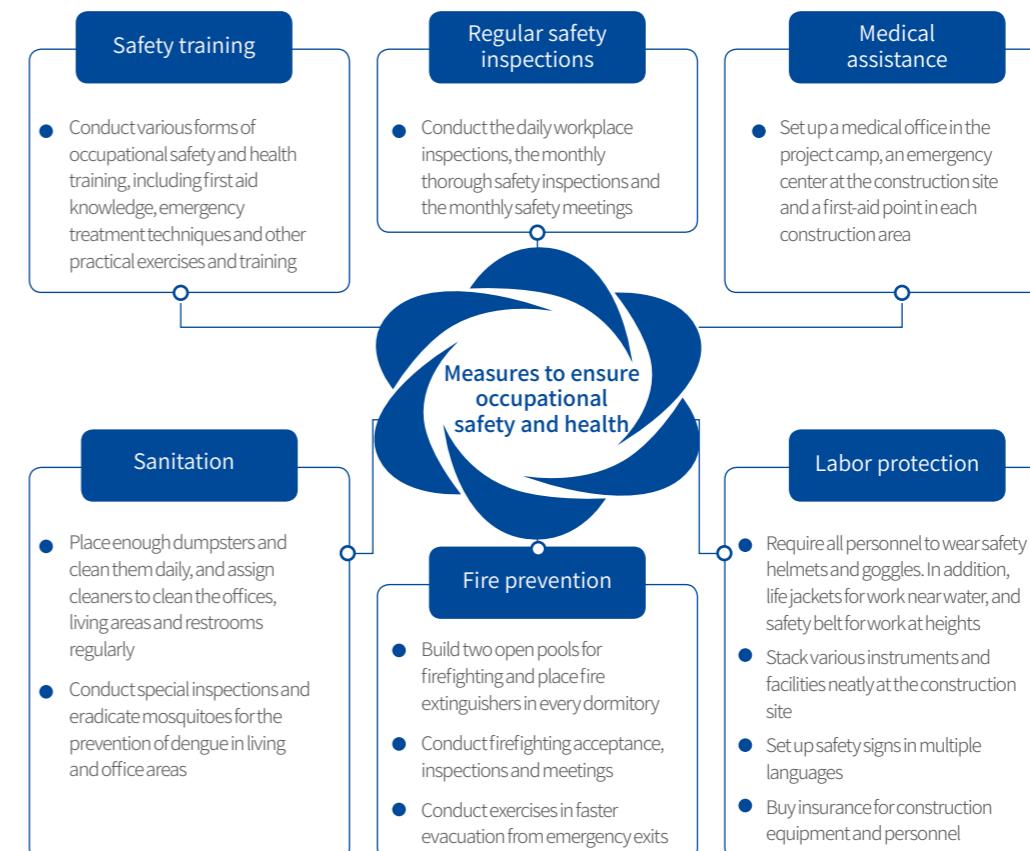
We conduct the monthly safety inspection and develop corrective actions for identified problems. Moreover, each department shall hold meetings to reflect on their safety issues, and every employee is required to conduct a self-examination of their own safety responsibilities and take appropriate corrective measures.



Monthly safety management meeting

Strengthen occupational health management

We have established the occupational safety management system which features improved work safety management regulations, and gets every employee act accordingly. In addition, we continuously organize staff training in occupational health to heighten employees' awareness of occupational safety and health.



Emergency center at the construction site



Special inspection and mosquito eradication for prevention of dengue



Conducting firefighting training involving fast evacuation from emergency exits and the use of extinguishers

Consolidate the Foundation for Development with Continuously Improved Compliance Management

Compliance management is the basis for the implementation as planned and efficiency. We do business in accordance with law and in good faith, strictly abide by local laws and regulations, and continuously strengthen compliance construction and risk management, thus integrating the law-abiding corporate governance into the whole process of project development.

Conduct legal due diligence

At the initial stage of Port City Colombo, we hired a local authoritative law firm in Sri Lanka to conduct a legal due diligence. The report of the legal investigation analyzes the legal risks that may arise during project implementation and the countermeasures. Content of the legal due diligence includes but is not limited to:

- Laws on project planning
- Provisions related to project financing
- Environmental laws and regulations
- Legal requirements for design and construction
- Laws on employment
- Third-party laws and regulations
- Local laws on the protection of investors

Strengthen the business management system

According to practical problems in business operations, normal international practices and the headquarters' systems, we have updated the contract management system, the authorization management system, and the bidding material preparation management system, strengthened the implementation of relevant systems and improved the standardization of the Company's systems and procedures. We promoted the use of the contract approval system in foreign countries to improve the efficiency of contract approval.

Develop risk management methods

We proceed from reality. With a focus on the management of major risks and incidents and the internal control of essential procedures, we strive to incorporate all departments and staff members into the risk management system, thus infiltrating it into all aspects of decision-making, execution, supervision, and feedback.



Create Technological Miracles to Build a City of the Future

In the absence of research and engineering practice of the construction of open artificial islands, Port City Colombo invested funds in scientific and technological innovation and the cultivation of innovative personnel. We have also improved technical management capabilities, construction techniques and equipment, and expanded the application of new technologies. As a result, the Company has overcome a number of major technical challenges in building open artificial islands.

Technological innovation practice

We carry out technical planning based on the characteristics of the project, classify the types and steps of technological innovation, and conduct research and practice of technological innovation.



Outcomes of technological innovation

We actively carry out the systematic integration of technologies and encourage innovation, and have produced fruitful results.



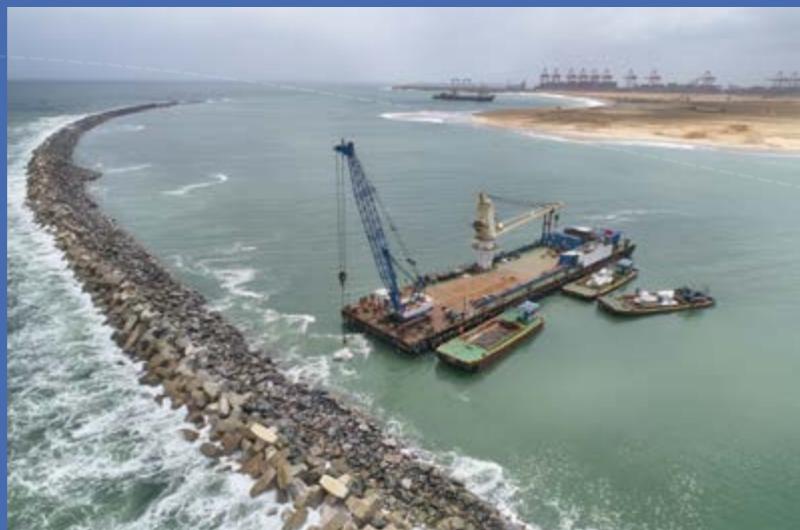
Feature

Overcome Difficulties and Forge Ahead

Since the project was signed in 2014, all parties set high expectations for Port City Colombo. In 2019, the 269-hectare land reclamation and the 3,245-meter-long breakwater were completed. The future city carrying Sri Lanka's dreams has begun to take shape. However, the hardships and efforts behind the project construction are rarely known by people.

"Story of Stones" Building of Breakwater

The construction of the breakwater, revetment and sand barrier for Phase 1 of Port City Colombo has a huge demand for 15 kinds of quarried stones and the total requirement for the stones is about 3.5 million cubic meters. During the busiest construction period, the daily demand for stones even reached more than 700 cartloads. However, the production capacity of local quarries was limited by the Sri Lankan government with an aim to protect the environment. Facing the unfavorable situation, we quickly deployed a special team composed of blasting experts from China to supervise the quarrying operation and guide the blasting of large stones. We have expanded the quarrying range from 40 square kilometers to 70 square kilometers. Their guidance has not only improved the local quarrying efficiency, but also laid a solid foundation for later cooperation.



Building the breakwater with quarried stones

In addition to the shortage of quarried stones, the inefficiency of the local transportation teams and vehicle damage also haunted us. Therefore, we purchased new trucks and set up our own transportation and vehicle maintenance teams. Moreover, we have developed a tiered reward system for the transportation personnel and give them cash rewards.

We have also strengthened technical support for quarries, optimized quarried stone transportation and storage, and integrated fine management into each step of stone supply management, thereby successfully solving the problem of insufficient supply.

Technology of Dredging

Facing the lack of international experience in the construction research and engineering practice on open artificial islands as well as climate challenges brought by the southwest and northeast monsoons in the Indian Ocean, we independently carried out research on key technologies and the systematic integration and innovation of design and production technologies. We have deployed a number of large dredging vessels, including Jun Yang 1, the largest trailing suction hopper dredger in Asia and one of the world's most advanced TSHDs, as well as Wan Qing Sha, Jun Hai 2, Guang Zhou Hao, Xin Hai Long and Xin Hai Feng. These vessels travel between the sand mining areas and the land reconstruction site day and night, with the daily reclamation volume reaching 250,000 cubic meters. So far, the vessels have completed more than 7,400 reclamation operations with 71 million cubic meters of sand and stones in aggregate.

We have upgraded the TSHDs with the "Construction technology of large-scale harrow-suction dredger siphon plus throw-and-fill monolithic filling", which has greatly reduced construction cost.



Four TSHDs are working at the same time

The breakwater Demonstrating the Chinese speed with self-dependent innovation

Every year, the south-western monsoon brings rain to Sri Lanka between May and October, when sea waves can be 3.5 meters high. We build the breakwater to ensure the safety of construction on land. However, due to the Indian Ocean monsoon, we have to construct the breakwater during the non-monsoon period, which also directly reduces the effective construction time. Coupled with the narrow top of the breakwater and construction procedures, we would fail to keep the construction project on schedule with traditional construction techniques.

We gathered information about the Indian Ocean monsoon and conducted a simulation analysis of the actual observations for the research into the main dynamic factors and patterns of sediment movement. We also conducted mathematical modeling based on the hydraulic structure and the progress of hydraulic reclamation. Combining mathematical modeling and relevant conclusions, we developed and optimized integrated plan for synchronized land formation and breakwater construction to guide on-site construction. Moreover, we verified the plan based on the actual situation and did a supplementary analysis. As a result, we have successfully solved technical problems such as sonar installation and imaging, GPS positioning, and hydraulic-powered arm installation, making it possible for the visible placement of accropode blocks and thereby greatly improving the construction efficiency and engineering quality.



The 3,245-meter-long main breakwater emerges from the sea

Eco-friendly Project

Respect the Local Climate and Nature

Port City Colombo strictly follows international standards and local environmental protection laws and regulations, actively examines the environmental impact of project construction and operation, innovates in environmental protection measures and integrates the concept of sustainable development into the whole process of the project to realize green construction and protect the environment.



Integrate Environmental Protection into the Master Plan

During the implementation of Port City Colombo, we take Sri Lanka's national, social, economic conditions into consideration and adhere to the concept of sustainable development, featuring "respecting the local climate and nature, improving the environment, reducing pollution and conserving resources", striving to achieve low-carbon, green and harmonious development.



Rendering of Port City Colombo



Ceremony for the Approval of the Development Control Regulations and EIA of Port City Colombo

Honors and awards

The landscape master plan of Port City Colombo wins the Honorable Mention of the International Federation of Landscape Architects (IFLA) Africa, Asia Pacific and Middle East (AAPME) Awards

Port City Colombo Project Landscape Master Plan wins the Gold Award of the 2018 Yuan Ye Urban Design Awards

Port City Colombo Landscape Master Plan wins the Silver Award of Singapore Landscape Architecture Awards 2017 organized by the Singapore Institute of Landscape Architects

Conduct Green Construction for Environmental Protection

In 2018, the National Aquatic Resources Research & Development Agency (NARA), Industrial Technology Institute, National Building Research Organisation and other related organizations was commissioned by Port City Colombo to carry out the monitoring of air quality, water quality, noise, vibration, etc. at a total cost over

26
million rupees
(about USD 140,000)

"All the sand needed for Port City Colombo is reclaimed from the sea. To protect the coastal environment and fish, we have set all our sand extraction areas more than 5,000 meters away from the coastline with water depth over 15 meters so that the coastline will not be eroded."

— Jiang Houliang, Managing Director of CHEC Port City Colombo (Pvt) Ltd.

During the construction of Port City Colombo, we actively introduce a large number of advanced technologies and equipment to reduce resource consumption and waste emissions. The monitoring results showed that the aquatic environment outside the construction area was good and the safety of the land areas were properly guaranteed, indicating that the local ecology was effectively protected.

Analyze sediment movement

To analyze the project impact on sediment movement in the surrounding waters, we applied the numerical model MIKE21 (ST&LITLINE) to analyze the wave data, changes of coastal terrains, wind speeds and directions, as well as the distribution of sediment particle sizes to simulate changes of nearby coastline sections. Judging from the two typical coastline sections several kilometers away from the southern part of the project, we have found no changes to the terrains before and after the project construction and the water ecology is under proper control.

Optimize water resources exchange

We analyze and calculate the frequency and diffusion pattern of water resources exchange in the entire project area through the MIKE21 model to ensure that the water in the project area is exchanged within ten days. This helps avoid high concentration and long-term accumulation of pollutants and thus maintains good water quality in the project area and saves the operation and maintenance costs of the urban development stage of the project.

Improve the structure

Based on the landscaping requirements, we have compared the effects of several breakwater structures and applied new technologies including the open inverted filter structure, dynamic apron, changing sand of the breakwater core, and random placement of accoropode blocks. Finally, we determined a breakwater structure with a narrow top, low elevation and steep slope, which helps not only save the major material resources such as stone but also optimize the construction process and achieve the goals of green design and aquatic environment protection.



Rendering of the breakwater structure during the construction process

Saving USD

11
million
of construction cost

Reducing

424
tons
of CO₂ emissions

Optimize the construction methods

Based on the results of the digital simulation test and analysis, we adopted the optimization plan to promote the land formation and breakwater construction simultaneously and guided the construction at the project site while conducting the verification and supplementary analysis based on the actual situation. According to the result of the simulation analysis, we advanced land formation and breakwater construction simultaneously as scheduled, ensured the good quality of the aquatic environment outside the waters for construction, and guaranteed safety on the land. Finally, the project reclamation completed 2 months in advance.



The aquatic environment during the construction of Port City Colombo

Implement Sustainable Operation for a Smart City

Port City Colombo is an ideal model for the realization of an eco-friendly and sustainable zone. By introducing the design concept of smart city and focusing on intensive, intelligent, green and low-carbon construction, the project will effectively improve the city's comprehensive capacity and residents' happiness. By then, the port city will become a highly livable zone with many open spaces, parks and aquatic environments, Wi-Fi coverage, smart transport systems, dynamic traffic signals, intelligent parking systems and other integrated public services that facilitate people's life and work.

Parks and green areas

Leisure facilities such as the Galle Face Beach, Beira Lake and Viharamahadevi Park are the iconic destinations of Colombo, which will become important links between public traffic facilities and pedestrian paths.

Lower carbon emissions

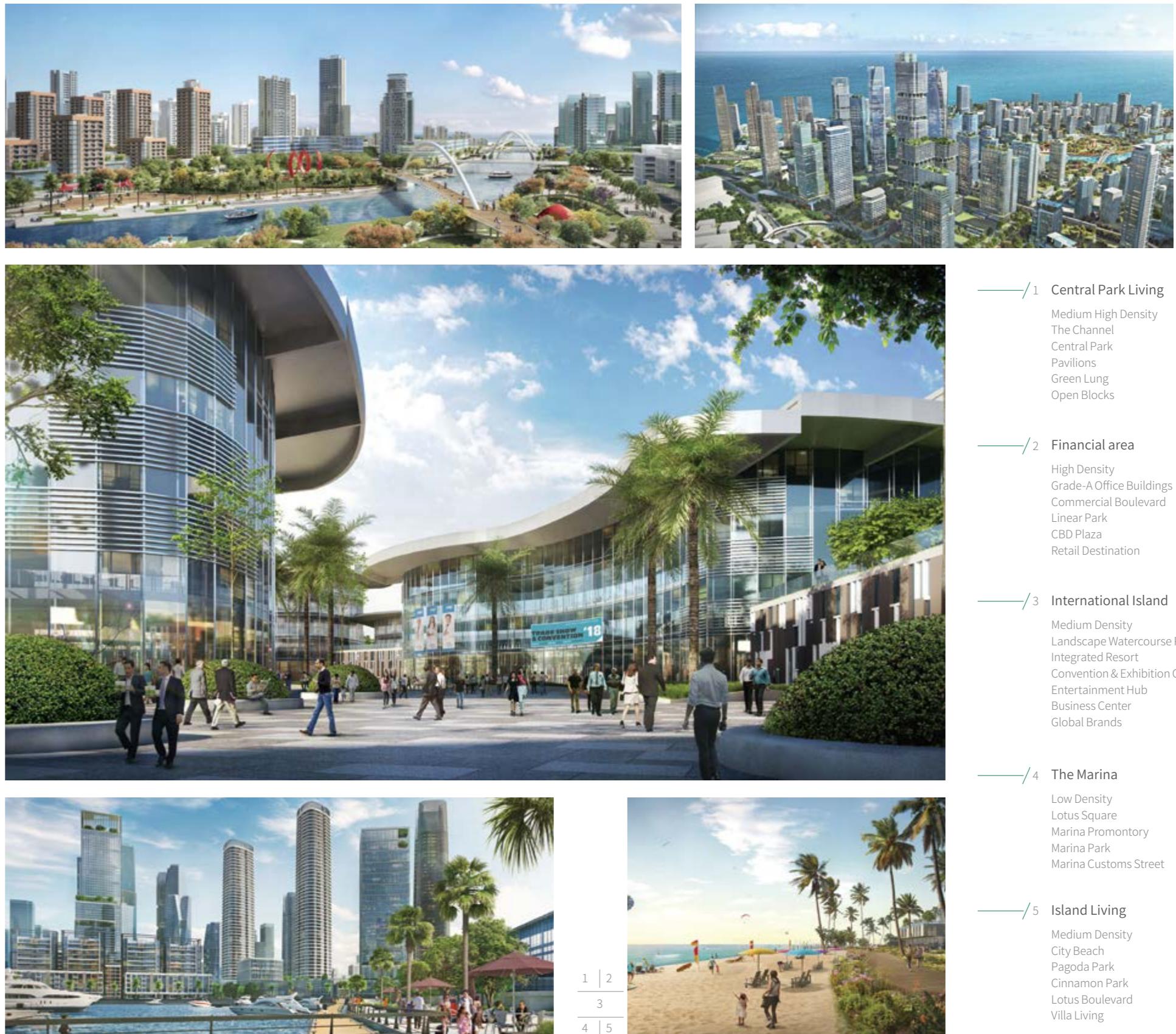
The urban transportation plan that prioritizes pedestrians and bicycles helps reduce greenhouse gases and other pollutants generated by motor vehicles emitted to the air and the sea and lessen the negative impact on the environment.

Water resource management

The port city will minimize the use of drinking water for irrigation through rainwater collection and protect and guarantee the quality of water resources needed for future generations through effective water management.

Waste management

The waste sorting helps reduce the local area's demand on spaces for the landfill as well as the cost of the construction and operation of landfill sites. Through proper waste management, we will reduce the impact of waste disposal on the environment, reduce greenhouse gas emissions of open dumps and improve the health conditions of the local residents.



1 Central Park Living
Medium High Density
The Channel
Central Park
Pavilions
Green Lung
Open Blocks

2 Financial area
High Density
Grade-A Office Buildings
Commercial Boulevard
Linear Park
CBD Plaza
Retail Destination

3 International Island
Medium Density
Landscape Watercourse Park
Integrated Resort
Convention & Exhibition Centre
Entertainment Hub
Business Center
Global Brands

4 The Marina
Low Density
Lotus Square
Marina Promontory
Marina Park
Marina Customs Street

5 Island Living
Medium Density
City Beach
Pagoda Park
Cinnamon Park
Lotus Boulevard
Villa Living

About This Report

This report is the first Social Responsibility Report issued by Port City Colombo of China Communications Construction Company Ltd. We hope you can have a more comprehensive understanding of the significance of Port City Colombo, feel the sincere will, see the solid actions and achievements of China Harbour Engineering Company Ltd. in the process of design, procurement and construction, and support the implementation of Port City Colombo.

Reporting Period

This report covers the period from September 16, 2014 to December 31, 2019 with some contents extended to other period.

Reporting Scope

Focusing on Port City Colombo as the main body, the report also includes some contents about China Harbour Engineering Company Ltd. and its parent company China Communications Construction Company Ltd.

Compilation Conformance

Guidance on Social Responsibility (ISO 26000:2010) issued by International Organization for Standardization (ISO)

GB/T 36000-2015 Guidance on Social Responsibility and GB/T 36001-2015 Guidance on Social Responsibility Reporting issued by the General Administration of Quality Supervision, Inspection and Quarantine of P.R.C. and Standardization Administration of China

Guide on Social Responsibility for Chinese International Contractors issued by China International Contractors Association

GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standards Board (GSSB)

Data Sources

The contents and data in the report are from relevant documents and statistics, and there are no fictitious record, misleading statement, or material omission is included in this report. The report shall be published in both Chinese and English. For any discrepancy, the Chinese version shall prevail.

References

For better expression and readability, "Port City Colombo" is referred to as "the project"; CHEC Port City Colombo (Pvt) Ltd. is referred to as "the Company" and "we"; China Communications Construction Company Ltd. is also referred to as "CCCC" and China Harbour Engineering Company Ltd. is also referred to as "CHEC".

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