

Environmental protection policy statement

Source: Sinohydro website (undated)

<http://eng.sinohydro.com/index.php?m=content&c=index&a=show&catid=26&id=104>

SINOHYDRO has a responsibility towards the public and the Environment, pursuing the objective of continuously improving the company's environmental management system. The Group intends to actively promote all actions addressed to customers, authorities and interested local communities at reaching the highest environmental protection and conservation standards.

SINOHYDRO will engage regularly, openly and honestly with the people interested in and affected by our operations. We will strive for mutual beneficial incomes.

SINOHYDRO attributes a priority to the following objectives:

- Adopt all the World Bank's safeguards policies as a minimum standard for SINOHYDRO's operations;
- Comply with local legislation, international standards, company's requirements and apply the strictest standards wherever possible;
- Identify and assess the social and environmental impacts of the Group's activities;
- Prevent and limit the environmental impact of their activities by applying good practices and operation instructions which have as little effect as possible on the environment;
- Commit to not harming the environment and protecting biodiversity whenever possible.

SINOHYDRO aims at reaching these objectives by:

- Adopting a set of 'No-go areas' including national parks, World Heritage Listed Areas, habitats of threatened species and internationally listed and protected wetlands;
- Implementing and developing an environmental management system which complies with the requirements stated by ISO 14001 including:
 - An environmental impact assessment and implementation plan;
 - Controls to avoid or mitigate environmental impacts;
 - Monitoring and reviewing programs to assess the environmental impacts;
 - Rehabilitation of disturbed areas.
- Training employees on environmental subjects;
- Reducing greenhouse gas emission from the full lifecycle of our projects;
- Ensuring a rational and sustainable use of natural resources;
- Publish environmental efforts and progress in the implementation of this policy.

All SINOHYDRO employees are directly responsible for applying this policy. This requires all employees to participate and accept responsibilities in order that the objectives are achieved. All personnel involved in the project are required to work towards the success of this policy.

Sustainable development policy statement

SINOHYDRO commits to contributing towards sustainable development by means of environmental protection, economic growth, social progress, professional training of personnel and suppliers.

Achieving sustainability requires the following company objectives:

- Identify, assess and manage risks posed by our operations to the environment;
- Develop and reinforce an international corporate culture;
- Create a workforce that develop its knowledge;
- Expand social dialogue with local communities where we operate;
- Foster social and economic development to achieve a long term sustainable community development and respect for the culture of the local communities where SINOHYDRO operates;
- Integrate diversity, enhance vocational education and training;
- Create equal development opportunities.

SINOHYDRO will adopt the following sustainable actions:

- Develop environment plans including biodiversity, water, waste, land and air;
- Keeping an open and transparent dialogue with our stakeholders;
- Insuring compliance with the requirements stated in local laws and in the guidelines issued by the Chinese government and international organizations;
- Extend the use of client satisfaction assessment procedures within the Group;
- Launch social funds on projects to help local communities (education, health...);
- Proposed package of social and economic development projects to go with its contracting bids (brick plant, water treatment plant, roads...);
- Establishing mechanisms that ensure the application of local recruitment;
- Creating a reliable system for reviewing suppliers sustainability performance;
- Developing human resources and knowledge management;
- Encourage teamwork among employees from different background and cultures;
- Pursue the identification and implementation of best corporate government practices.

SINOHYDRO will adopt a reliable system for reviewing sustainable performance applied to SINOHYDRO operations as well as suppliers.