Social Responsibility Report
of Chinese Companies
in the Kingdom of Saudi Arabia

Joining Hands, Sharing Value
Joining Hands
Sharing Value
Joining hands to build a China-Saudi Arabia development community

On July 21, 1990, China established diplomatic relations with Saudi Arabia. Saudi Arabia has been China’s largest Middle Eastern trade partner since 2001, and China has been the largest global trade partner of Saudi Arabia since 2013. In 2016, during President Xi Jinping’s visit to Saudi Arabia, the two countries established a comprehensive strategic partnership and established the China-Saudi Arabia High-level Joint Committee. Visits from King Salman and Crown Prince Mohammed bin Salman to China in 2017 and 2019, respectively, substantially boosted bilateral relations. In recent years, the two countries have been intensively cooperating in the areas of infrastructure, energy, information and communication, manufacturing, and other fields, yielding fruitful results.

China and Saudi Arabia cooperate for mutual benefit and win-win results. China is a key supporter of Saudi Arabia to fulfill the Saudi Vision 2030. In 2013, China launched the Belt and Road Initiative, which has boosted infrastructure construction in countries along “the Belt and Road” and injected new growth momentum into the global economy. China has made non-financial direct investments of over USD 140 billion in those countries. In 2016, Crown Prince Mohammed bin Salman proposed the Saudi Vision 2030 to advance economic diversification in Saudi Arabia. Chinese enterprises in Saudi Arabia have always insisted on conducting operations based on laws and regulations and aim at meeting high standards, benefiting local people, and maintaining sustainable development, with remarkable achievements attained. Thanks to all those efforts, a growing number of products labeled “Made in Saudi Arabia” have been put on the market. China reports the highest manufacturing output in the world and holds leading positions in 5G, AI, renewable resources, space programs, and other fields.

The economic and trade cooperation between China and Saudi Arabia has reached an unprecedented level. There are a growing number of Chinese enterprises responding to the call of the Belt and Road Initiative and bringing established experiences, technologies, and equipment from China’s frontier areas of reform and opening up to Saudi Arabia in order to cooperate with local partners for mutual benefits and win-win results. Chinese enterprises in Saudi Arabia tap into their advantages in terms of experience, technologies, and resources as they collaborate with local governments and enterprises on digital transformation. In addition to cooperation in the area of traditional energy and traffic facilities, they are facilitating collaboration in emerging fields such as digital economy, artificial intelligence, and new energy. Representative cooperation projects include the Makkah Metro, which provides comfortable and convenient traffic services to Muslim pilgrims from all over the world, the Saudi Landbridge Project, which effectively improves the comprehensive regional traffic system, the national broadband network project of the Integrated Telecom Company that helps improve Saudi Arabia’s level of informatization, and the Red Sea New City energy storage project that boosts new energy development. Chinese enterprises in Saudi Arabia not only spur local economic development and industrial upgrading, they also create more jobs for Saudi people and made a large contribution to the local economy and people’s livelihoods.

“...Our two countries should strengthen the synergy between our development strategies, expand converging interests, accelerate the signing of an implementation plan on connecting the Belt and Road Initiative with the Saudi Vision 2030, and advance bilateral cooperation in areas such as energy, infrastructure, trade, investment, and high value-added industries.”

—Chinese President Xi Jinping

“...The Arabian Peninsula is part of the ancient Silk Road. Saudi Arabia supports the Belt and Road Initiative and hopes to align it with the Saudi Vision 2030 for further cooperation between China and Saudi Arabia.”

—Saudi Crown Prince Mohammed
## Contributing to the achievement of UN Sustainable Development Goals

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<tr>
<td>1. End poverty in all its forms everywhere</td>
<td>We have cared for local children who are living in poverty, built up infrastructure, undertook projects for the public good in poverty-stricken places in Saudi Arabia, helped local people solve practical problems, and improved living conditions.</td>
<td>3. Reduce inequality within and among countries</td>
<td>We managed to narrow the gap in IT-based management and improve residents’ lives by building better ICT facilities.</td>
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<td>2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
<td>We donated funds to local charity organizations for distributing Ramadan food to local people living in poverty.</td>
<td>4. Make cities and human settlements inclusive, safe, resilient, and sustainable</td>
<td>First, we engaged in infrastructure construction and key industrial cooperation in Saudi Arabia to boost its industrialization process. Second, we valued local industry cultivation and localized procurement, with an aim to ensure long-term momentum for local development.</td>
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<td>5. Ensure healthy lives and promote well-being for all at all ages</td>
<td>We provided information related to pandemic prevention in addition to pandemic prevention supplies to our employees to keep them healthy and safe. We also formulated public security precautions to ensure their safety.</td>
<td>6. Ensure sustainable consumption and production patterns</td>
<td>We continually refined our production processes and technologies to increase the energy utilization rate and emphasized better duty performance of suppliers to create responsible industry chains.</td>
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<td>7. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</td>
<td>We promoted vocational education, trained local talents in various areas of expertise, and organized various educational activities at schools to improve local education conditions.</td>
<td>8. Take urgent action to combat climate change and its impacts</td>
<td>We actively responded to climate change, furthered energy conservation and emission reduction in operations, and minimized energy consumption in construction and production.</td>
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<td>9. Achieve gender equality and empower all women and girls</td>
<td>We offered equal opportunities for all, including women, and funded the construction of the first checkpoint for female traffic police and the first dedicated work area for female police in eastern Saudi Arabia.</td>
<td>10. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</td>
<td>We carried out a marine construction activity and organized employees for garbage collection along coastlines, to protect and manage the local marine environment in Saudi Arabia.</td>
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<td>11. Ensure availability and sustainable management of water and sanitation for all</td>
<td>By leaning into our advantages in construction machinery and equipment, we assisted local people in digging wells and building ponds as well as other water storage facilities. We also provided domestic water to local residents who needed it.</td>
<td>12. Protect, restore, and promote sustainable use of terrestrial ecosystems; sustainably manage forests; combat desertification; halt and reverse land degradation; and halt biodiversity loss</td>
<td>Prioritizing the protection of terrestrial ecosystems, we strived to minimize damage to the environment during construction activities.</td>
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<td>13. Ensure access to affordable, reliable, sustainable and modern energy for all</td>
<td>We cooperated with local enterprises to develop clean energy and construct energy storage facilities, contributing to the local production of clean power.</td>
<td>14. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</td>
<td>We strictly abided by domestic and international laws and local customs, implemented local norms and international rules, and duly performed our compliance duties.</td>
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<td>15. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
<td>We contributed to Saudi Arabia’s rapid economic development, created countless new jobs, and focused on engaging with and training local employees.</td>
<td>16. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</td>
<td>We endeavored to advance communication and cooperation with the Saudi government, international organizations, local organizations, and the public to boost global partnerships.</td>
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<td>17. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</td>
<td>We assisted Saudi communities in road construction, power supply, and community infrastructure improvements. We actively participated in rescue and disaster relief across the country.</td>
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Joining Hands, Sharing Value

Responsible management: Deepening the integration of responsibilities throughout the process

Sustainable development is already a global trend, and faithfully performing corporate social responsibilities is the inevitable course for Chinese enterprises in Saudi Arabia to secure legal operations, sharpen their competitive edge and improve their brand reputations. Enterprises should implement management systems that are suitable for their operations, effectively control the impact of their business operations and specialized activities on society and the environment. Furthermore, they should maintain communication with stakeholders to enhance mutual understanding and trust as well as promote mutually beneficial cooperation with stakeholders.

Responsibility management

Building a CSR management system

POWERCHINA continues to advance regulated and normalized CSR management. It has laid down CSR management frameworks, institutional systems, and capacity guarantee mechanisms, established CSR management concepts, and formulated CSR performance plans. These steps are taken to ensure CSRs are effectively undertaken and integrated at all levels company-wide.

Organizational guarantee

Setting up a Leading Group for CSR Affairs, with its general manager as the leader. This group is to lead, decide on, and make overall plans for CSR affairs of the company.

Institutional guarantee


Plan guarantee

Valuing a strategy based on harmonious development and CSR performance, including corporate governance, operation performance, cost control, work safety, energy conservation and emission reduction, reform and development, cultural development, employee care, charity work and other indicators. The company also incorporates assignments in its development strategies and annual business plans to drive CSR performance according to said plans.

Responsibility performance

Comprehensive corporate social responsibility practice

Performance of economic responsibilities

Tax payments are an important source of government revenue. Chinese enterprises in Saudi Arabia earnestly perform their social responsibilities to contribute in taxes and increase local government revenue to be applied to local development. Meanwhile, based on their technical advantages and the abundant resources in local places, they have helped to create a sound economic environment and increase the income of local people.

Performance of environmental responsibilities

Environmental and resource protection is the foundation of sustainable economic development. Chinese enterprises in Saudi Arabia focus on environmental protection and resource conservation in local places, which is beneficial to maintaining harmony between humans and nature. This focus is an effective guarantee of sustainable development both for themselves and the local economy.

Performance of social responsibilities

Chinese enterprises in Saudi Arabia strive to improve local people's well-being and sense of happiness by aiding vulnerable groups, building infrastructure and public service facilities, and improving community culture and education etc. They continue to raise the proportion of localized procurement and create new jobs for residents, a major contribution to the local economic and social development.

Responsibility communication

Enhancing communication and exchange on CSR through multiple channels

Sinopec commits to transparent communication, with efforts made to tell stories of itself and China and build up responsible brands and company reputation through communication activities offline and on social media on themes of core CSR philosophies, key issues, and its main business. In 2019, the case of Services, Win-win Results, and Integration: To Promote Sustainable Development of Sinopec Engineering (Group) Co., Ltd. won the award for the "Best Corporate Practices for Achieving Sustainable Development Goals 2019," granted by the Global Compact Network China.

Report on sustainable development

On August 15, 2019, Sinopec hosted a press conference on the Report on Sinopec’s Contribution to the Sustainable Development of the Belt and Road: Sinopec in Saudi Arabia, which was attended over 150 people, including representatives of the State-owned Assets Supervision and Administration Commission of the State Council and the Chinese Embassy in Saudi Arabia, as well as Sinopec’s Saudi partners and customers and representatives of over 20 Chinese companies in Saudi Arabia.

Promotion for overseas social media

Sinopec opened its official account “Sinopec in Saudi Arabia” on Facebook, Twitter, Youtube, and Instagram to boost bilateral cultural exchanges and integration.

Establishing the social responsibility demonstration site

Sinopec founded a CSR performance demonstration center in Saudi Arabia to disclose its CSR performance and build a responsible brand image in the country.
Part I
To Boost a Diversified Economy

Situated between Asia, Europe, and Africa, Saudi Arabia abounds in natural resources and lies at an important position along the international trade channel. Upholding a philosophy of cooperation that emphasizes mutual benefits and win-win results, China and Saudi Arabia continue to advance in practical joint efforts in the areas of infrastructure, energy, information and communication, manufacturing, and other fields, involving over 150 Chinese enterprises. Chinese enterprises in Saudi Arabia fully leverage their world-leading construction capacities and mature management experiences in infrastructure construction to help Saudi Arabia develop a more diverse, sustainable economy.
Safe operation and compliance with local regulations are the cornerstone and lifeline of enterprises’ sustainable development and the bedrock for Chinese enterprises in Saudi Arabia to win the trust of Saudi enterprises, communities, and other stakeholders. We insist on honest and safe operations as the basis to grow strong and continue to strengthen the building of a compliance system, improve the safety management level, and consolidate a foundation for development.
Operating with integrity and compliance

Chinese enterprises in Saudi Arabia strictly abide by domestic and international laws and local customs, operate under local norms and industrial rules, and actively perform their compliance duties. Meanwhile, Chinese enterprises in Saudi Arabia observe business ethics, market rules, and the principles of honesty and trustworthiness, equal consultation, mutual benefits, and win-win results, with an aim to maintain fair competition. They strictly abide by local and international laws and regulations related to anti-commercial bribery and anti-unfair competition, such as the Anti-Concealment Law, and actively help Saudi Arabia build a regulated, well-ordered, dynamic and competitive labor market to improve the competitiveness of Saudi trade companies.

Sinopec International Petroleum Service Corporation has comprehensively improved its operational risk prevention and control capabilities by strengthening the organizational guarantee and establishing compliance risk control systems. First, the company engages full-time Saudi compliance officers for compliance affairs and designates its own senior legal contract experts to supervise. Second, it has upgraded its 2012 Employee Manual on Anti-corruption and Compliance to the Compliance & Ethics Manual, which acts as an enhanced guideline to better identify, prevent, and control compliance risk. Third, it has opened a compliance management hotline and channels for employees to report violations and illegal behaviors. It also conducts compliance management activities such as the “contract compliance management season” and “system compliance” to comprehensively improve risk prevention, control, and compliance capabilities.

Protecting employees’ safety and health

Treating work safety as the underlying premise of production and operation, Chinese enterprises in Saudi Arabia continue to improve their work safety management systems, organize systematical work safety training for employees, and ensure efficient and well-ordered production and operation while effectively protecting employees’ life and health.

Consolidating the foundation of safety management

Based on their own business features and operation performance, Chinese enterprises in Saudi Arabia have laid down targeted safety management policies and systems and are taking strict safety management measures to ensure constant construction safety.

China Civil Engineering Construction Corporation continues to improve its safety accountability system, rules and regulations, organizational structure, and prevention mechanisms to build a comprehensive work safety management system that covers all aspects of its construction and operations. It has formulated and issued 23 safety management rules such as the Safety Management Rules, Safety Education and Training Rules, and Safety Management and Organization Rules. Safety supervision and management units are set up for each of its organs and projects under construction, to ensure rule-based safety management and effective performance of safety responsibilities at all levels in the company.

Sinopec Engineering (Group) Co., Ltd. improved upon its performance of safety responsibilities by issuing ten “golden rules” on work safety and applying the safety calendar. In 2021, it reported 4.35 million safe man-hours, with a cumulative total of 22.9 million safe man-hours recorded for projects. The SP103 drilling crew of Sinopec International Petroleum Service Corporation and the Sino18 drilling crew of ZP Arabia Drilling Company Ltd. secured 10-year contracts with Saudi Aramco thanks to their 15 years of efficient, LTI-free construction performance. Those were the second and third longest onshore drilling contracts Saudi Aramco has ever granted. BGP Arabia Co., Ltd. has completely improved its work safety management. As of late 2021, it had recorded over 120 million safe man-hours.

Chinese enterprises’ excellent safety management has been highly recognized by all walks of life in Saudi Arabia. For example, SINOPEC Engineering Group was awarded the EHS "Green Flag" by SABIC respectively in 2020 and 2021 for excellent performance on GAS-9 Project; China Petroleum Pipeline Engineering Co. Ltd. (CPP) won the 2021 Best HSE Performing Contract Award from Saudi Aramco; POWERCHINA project department for the Riyadh PP14 project earned the Five-Star Safety Award, the highest safety award conferred by the owner’s SEC; The Jazan Economic City undertaken by China Harbour won multiple awards including best safety performance award at the Contractor Safety Forum etc.
Protecting employees’ safety and health

Improving employees’ safety skills

Employees’ safety awareness and skills are the foundation of work safety. Chinese enterprises in Saudi Arabia effectively improve employees’ safety awareness and skills both theoretically and practically through safety education, emergency drills, and special safety activities. For example, Sinopec Engineering (Group) Co., Ltd. founded an immersive security training and experience center, where employees could effectively improve their safety awareness through first-hand experience.

Taking measures to ensure occupational health

Chinese enterprises in Saudi Arabia greatly emphasize employees’ health and safety. They strictly abide by Saudi regulations regarding occupational health and safety, and they set occupational health rules based on local requirements. They improve employees’ occupational health and safety by equipping employees with sound protective devices, regularly organizing health examinations and occupational hazard tests for employees, and having psychological counseling services provided to employees.

No.1 in Safety Metrics Score among all Aramco’s contractors

Sinopec International Petroleum Service Corporation has taken strict measures to prevent accidents and ensure work safety. As of late October in 2022, the MIP project owned by Saudi Aramco and undertaken by Sinopec International Petroleum Service Corporation had reported 7.19 million man-hours of safe operation and 11.43 million kilometers of secure travel and obtained 22,723 operation permits. There were no instances of accidents that required escalation. The project department has been ranked No. 1 among all contractors of Saudi Aramco on that company’s safe construction index 16 times.

Public security guarantee

Mindful of possible terrorist attacks and violent threats, Chinese enterprises in Saudi Arabia have developed rigorous management and prevention mechanisms that puts the protection of life as the top priority, concentrates on prevention, and stresses joint contributions to security. They strive to ensure accident prevention and emergency management, organize public security training and emergency drills, improve security and protection facilities at all sites, and check security and protection facilities for hidden dangers, thus providing a solid guarantee for project construction, as well as employees’ lives and property.

In 2017, armed conflicts often broke out in the turbulent border areas between Saudi Arabia and Yemen, threatening the lives and property of staffers at the Najran project. To better mitigate public security risks, Chinese enterprises in Saudi Arabia further strengthen public security and emergency management. For instance, CCECC provided safety emergency plans and evacuation plans for the Najiaran underpass project, reminding staffers to keep safe and avoid going outside alone. This was done to ensure their safety and guard the project; ZP Arabia Drilling Company Ltd. continually improves its public security emergency plans, fully equips itself with public security facilities, and strengthens emergency drills to effectively enhance its emergency response capacity.

Employees of China Railway Construction Corporation Limited check the train service depot for hidden dangers

Emergency drill (emergency evacuation) of ZP Arabia Drilling Company Ltd.
Saudi Aramco, the largest petroleum company in the world, has upgraded from a petroleum company to a global industrial conglomerate. Yet, SMEs have also become important growth engines for the economic development in Saudi Arabia by creating jobs, supporting innovation, and expanding exports. Saudi Arabia commits to facilitating SMEs to develop and unleash industrial potential. It also seeks to cultivate diverse industries through IP and technology transfer, industrial cooperation and the localization of industries. Chinese enterprises in Saudi Arabia value technology sharing and industry cooperation. They have driven the growth of local manufacturing and business through cooperation with local partners on supply, industry, and value chains and facilitate sustainable economic and social development in local places via technology transfers.
In-depth sharing of technology

Continuous innovation brings inexhaustible driving forces to the development of enterprises and individuals. Recently, Chinese enterprises in Saudi Arabia have engaged in extensive collaborations with local partners in the areas of the digital economy, 5G, and big data, with a technology transfer collaborative network covering thousands of scientific research and innovation enterprises established. Based on their mature experiences and technological advantages, Chinese enterprises in Saudi Arabia have introduced advanced exploration, design, and construction ideas to their Saudi projects, thus helping to improve operations, construction management, and project quality.

CASE

Carrying out comprehensive technological exchanges and cooperation while also deepening technology transfers

The Middle East R&D Center of Sinopec carries out comprehensive cooperation and exchanges with local enterprises. It has engaged with the relevant departments of Saudi Aramco over 50 times and occasionally organizes Corporate Open Days, inviting representatives from well-known local universities and the relevant departments of Saudi Aramco for idea exchange. It actively assisted with planning the KFUPM IP Forum and SPE Middle East Oil and Gas Show and Conference, and participated in important technology exchange conferences and exchanges in the region, including the Middle East Unconventional Oil and Gas Technology Conference, the Abu Dhabi Middle East Oil & Gas Exhibition, and IKTVA Saudi Arabia, to show and share cutting-edge technologies and products, such as high-end drilling tools and oilfield chemicals.

CASE

Focusing on driving industrial development

Saudi Arabia is optimizing its industrial structure and promoting economic transformation to maximize its industrial advantages. Chinese enterprises insist on boosting the local economy by developing industries and aim to meet Saudi Arabia’s demands for new development. These enterprises in Saudi Arabia endeavor to cooperate with local governments and enterprises on communications, digital economy, AI, healthcare, etc. Playing to their strengths, they share Chinese wisdom and approaches to drive local industrial upgrading, transformation, and development.

Driving industrial upgrading

Based on their technology and management advantages, Chinese enterprises in Saudi Arabia extensively collaborate with local governments, enterprises, and other entities in fields such as infrastructure, 5G, big data, finance and healthcare, etc. Their efforts are facilitating local enterprises in upgrading their operations and management and innovating their technologies, all of which injects momentum into local economic development.

CASE

Multi-lateral cooperation providing strong support for Saudi Arabia’s comprehensive industrial transformation and upgrade.

The ICBC Riyadh Branch spares no effort to contribute to Saudi Vision 2030 and the National Transformation Program. It maintains a stable partnership with the Ministry of Finance of Saudi Arabia, Saudi Aramco, the Public Investment Fund, and the Saudi National Bank and other corporate and sovereign customers, providing them with a range of financial services and paving the way for their transformation and upgrade.

From 2019 to 2021, the ICBC Riyadh Branch deepened its support for the development of the energy sector of Saudi Arabia. It granted a total of USD 1.8 billion loan funds of different kinds to Saudi Aramco and USD 1.5 billion to Saudi Electricity Company to support its electricity technology upgrades and the intelligent transformation of electricity meters. It also engaged in inter-bank financing cooperation with the National Commercial Bank (presently the Saudi National Bank), granting USD 70 million bilateral loans to the latter to support the common development of the Saudi banking sector.

CASE

Jointly organizing 5G knowledge training with the Ministry of Communications and Information Technology, cultivating professional talent for Saudi Arabia’s industrial transformation and upgrade

In September 2018, ZTE and the Ministry of Communications and Information Technology jointly organized a 5G knowledge training at the ZTE Innovation Center. A total of 35 trainees from the Ministry of Defense, the Ministry of Communications, Saudi Telecom Company (STC), and the ICT sector took the training and received course-completion certificates granted by the organizers. This training helped ICT talent learn more about 5G and prepared professional talent for Saudi Arabia’s transition into the 5G era.
Joining Hands, Sharing Value

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**Focusing on the construction market and accelerating the development of Saudi construction sector**

CCECC integrates its advantages in all projects and regional markets and strives to expand its business scope. It is making steady progress in many fields, such as construction, railway, and engineering machinery.

On January 28, 2020, CCECC was invited to the first Railway Forum in Riyadh, Saudi Arabia. To commend CCECC for its contribution to the development of the Saudi construction sector, the Minister of Transportation granted the title and award of exceptional strategic partner to the consortium led by CCECC.

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**Cooperating with the Saudi Geological Survey to enhance the geoscience research capacity of Saudi Arabia**

The China Geological Survey and the China National Geological & Mining Corporation Saudi Branch collaborated on the high-resolution geophysical survey of the Arab Shield of Saudi Arabia and conducted sampling work, providing geological basis for metallogenic potentiality and prospect prediction. In these areas, supporting the country in achieving breakthroughs. In addition, the China Geological Survey has shared their knowledge and experiences in geophysical exploration with the Saudi Geological Survey and has provided a series of specialized technical training for local geological scientists to facilitate Saudi Arabia in its work to train high-level geochemical survey talents.

Field sampling

**PAGE**

**Spurring the localization of industries**

In 2021, Saudi Arabia launched the “Made in Saudi Program” to support the localization of industries and enhance the regional and international competitiveness of products made in the country. Chinese enterprises in Saudi Arabia responded promptly by cultivating local featured and advantageous industries and sourcing locally, with an aim to spur the high-quality development of local industries in the country. For instance, in the five years from 2017 to 2021, the local procurement rate of CRCC reached more than 90% and increased year by year, reaching 98% in 2021.

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**Embedded management facilitates the development of Saudi suppliers**

ZTE facilitates the self-supported and long-term development of local suppliers in Saudi Arabia through embedded management. During the Saudi Telecom Company (STC) broadband installation and maintenance project, it adopted an embedded management approach and subcontracted the project to a smaller, less experienced local company and the subcontractor’s staffers were trained in all aspects from operation specifications to operation and maintenance, quality specifications, etc. After more than two years of hard work, the local company has continuously improved its indicators and gained recognition. At the Ninth Partners Conference organized by STC in January 2020, ZTE was granted the “Local Supplier Development” award as a commendation for its contribution and achievements in local supplier cultivation.

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**Facilitated the localization of medical security resources in Saudi Arabia.**

July 26, 2022, BBZ and Tibbayah Holding, a wholly-owned subsidiary of Saudi Arabia’s Al Faisalia Group, held an online signing ceremony to establish a Joint Venture. The new company will provide clinical laboratory testing and bio-information services to public and private sectors. It aims to enhance the local testing service capacity of third-party clinical testing.

During the operation and maintenance of the Makkah Light Rail project, CRCC conducted a survey of the local mechanical processing market to seek technically strong and reputable local enterprises. It provided drawings of some spare parts and sample making and instructed them on the site, having realized the localization of some subcontractor’s staffers were trained in all aspects from operation specifications to operation and maintenance, quality specifications, etc. After more than two years of hard work, the local company has continuously improved its indicators and gained recognition. At the Ninth Partners Conference organized by STC in January 2020, ZTE was granted the “Local Supplier Development” award as a commendation for its contribution and achievements in local supplier cultivation.

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POWERCHINA stresses local procurement and renting. In the Jubail 3A IWP project, it cooperated with a total of 19 machinery leasing companies and procured booster station and water plant equipment from 9 Saudi suppliers. It rented 79 and 229 machines locally in 2020 and 2021, respectively. By the end of 2021, it had sourced from 165 local suppliers, and the Jubail 3A IWP project department spent a total of SAR 526 million on localization, the localization ratio reached 36.56%.

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**---Mr. Ziad AlTunisi, CEO of Al Faisalia**

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In recent years, there has been fast development for Saudi cities and their infrastructure. With their resources and technical advantages, Chinese enterprises in Saudi Arabia team up with local governments and enterprises to implement high-quality projects and provide better public services, including communications, electricity, public transportation, and medical care, helping improve people’s livelihoods.
Enhancing transportation facilities to clear the way for development

From the lens of economic development, better transportation infrastructure could create basic conditions for thriving business and trade, stimulate local industry chains, and promote economic development and industrial prosperity.

**CASE**

**Makkah Metro**

Makkah Metro services, providing global Muslim pilgrims with comfortable and convenient transportation services.

Running between Makkah and Mount Arafat, as well as through Mina and Muzdalifah, Makkah Metro is the first light railway built by a Chinese enterprise in the Middle East and the first light railway in Saudi Arabia. There are 9 stops along the 18.25 km route. The trains travel between three pilgrimage destinations. Makkah lies in a narrow valley in the Sarawat Mountains, eastern Saudi Arabia, and attracts about 3 million Muslim pilgrims from all over the world each year. From the Jamarat Bridge to Mount Arafat, pilgrims may need to walk for 7 or 8 hours in hot temperatures around 40 to 50 degrees Celsius, and they will face serious traffic jams if they go there by bus. Now it takes only tens of minutes by Makkah Metro.

Makkah Metro, built by CRCC, officially launched Hajj transport services at 4:00 a.m. on July 6 (Saudi time) to carry global pilgrims to Makkah in the coming week, providing them with comfortable and convenient services. Presently, the company has successfully finished seven Hajj transport operations, carrying a total of over 20 million pilgrims.

Makkah Metro trains built by CRCC delivering Hajj transport services in Mode E run in the middle of Muzdalifah Stop 1 and Arafat Stop 3

**CASE**

**Saudi Khamis-Ahad Overpass Project**

An “Overpass of China” to cement Sino-Saudi friendship

The main part of Saudi Khamis-Ahad Overpass Project undertaken by Sinopec International Petroleum Service Corporation has been open to traffic since March 2021. This overpass serves as a main road connecting Ahd and Khamis Mushayt and is designed with two-way six lanes. The construction includes structure, road, drainage, electricity, greening, traffic signs and other works. The Ahd Overpass, which is now open to traffic, has greatly reduced the traffic pressure by reducing the commuting time between the two places by 2/3 in rush hours, and will drive the development of regional economy and transportation, expand urban development space, and promote harmonious economic and social development along the route.

**CASE**

**The Saudi Landbridge project accelerates the optimization and upgrading process for the comprehensive transport system.**

The Saudi Landbridge project is an important part of the comprehensive transport system of Saudi Arabia and the land bridge connecting the eastern and western coasts of the Arabian Peninsula. The project links the north-south railways to the eastern railways in the country and extends to its western regions, forming a railway network connecting the east and the west, the consortium led by CCECC completed the project’s initial stage. After the completion of the project, it will greatly optimize the comprehensive transport system and effectively accelerate the development of transportation, construction, equipment manufacturing, chemical, and service industries in Saudi Arabia, thus boosting the country’s diversified economic development.
CASE
JCPDI Port enhances local industrial capacity through full-industry-chain development.

The JCPDI Port lies by the Red Sea, which is 80 km from the downtown areas of Jazan City, the capital of Jazan Region, Saudi Arabia. As a key part of the Jazan Economic City, it can serve super-large ships with capacities of over 15,500 TEUs and 100,000-ton or larger general and bulk cargo ships. The project was completed in 2019. The consortium of China Harbour Engineering Company Ltd. (China Harbour) and Hutchison Whampoa Limited won the investment and operation rights to its phase-1 project for 15 years in February 2021 and hosted a port opening ceremony on September 7, 2022. Adjacent to the Red Sea international waterway, Jazan is a bridge connecting Asia and Europe and a portal to Africa. It is also an important stop on "the Belt and Road". The successful operation of the JCPDI Port will help enhance the local industrial capacity and consolidate Saudi Arabia’s position in the global industry and supply chains.

During the construction of the JCPDI Port, China Harbour carried out full-industry-chain development from port planning, design, and construction, to equipment design, manufacturing, and installation and commissioning training. It also covered investment and operation. It was thus rewarded with the title of "Best Port Contractor 2022."

"Saudi Arabia engages in active efforts to connect the Belt and Road Initiative and Saudi Vision 2030. The design, construction, and operation of the JCPDI Port could be a good embodiment of our pursuit for ‘extensive consultation, joint contribution, and shared benefits’. As Saudi Arabia is embracing more development and investment opportunities, I believe our cooperation with Chinese partners will ascend to a higher level.”

—Abdullah Tafa, project manager of Saudi Aramco

Promoting digital transformation and stimulating development momentum

In March 2021, the Ministry of Interior (Saudi Arabia) announced to set up DGA to accelerate the process of Saudi Arabia to be a leading digital economy-oriented country. Typical cases in the process: Neom adopts THE LINE design scheme and plans to build vertically-stratified smart urban communities that implement future urban development philosophies; Madinah implements the smart city strategy, hoping to modernize the city and its operation with technologies. With a focus on local markets and meeting local needs, Chinese enterprises in Saudi Arabia support local industrial development, provide convenient communications services to local residents, and help local governments better serve their people. In June 2022, STC conferred the User Satisfaction award to ZTE at the Tenth Partners Conference, which it organized. This was given to commend ZTE for its exceptional performance in the INAR project.

The China Geological Survey and the China National Geological & Mining Corporation Saudi branch execute the Digital Core Library Deployment and Geological Archive Building Renovation for Saudi Arabia project, comprehensively improves the management and service level of national core library.

The western wharf of the JCPDI Port designed, constructed, and partly invested and operated by China Harbour.

The high-quality and efficient implementation of the national broadband project (ITC) improves Saudi Arabia’s informatization level and spurs local economic development.

The national broadband project (ITC) undertaken by China Comservice falls under the general leadership of the Ministry of Communications and Information Technology. It is a key part of Saudi Vision 2030 and the National Transformation Program 2020. It is also the largest national broadband construction project in the country. Commencing in December 2018, the project is planned to connect 600,000 Saudi households to high-speed intelligent broadband and increase broadband coverage from 39% to 48% in 36 months. China Comservice was responsible for installing 600,000 high-speed optical broadband network terminals, which involved 430 optical fiber switches and covered 80 districts of 19 cities. Its work covered survey, design, right of way acquisition, material purchase, and on-site implementation etc., the successful implementation of the project has effectively expanded the high-speed broadband coverage and the informatization level in Saudi Arabia, provided Saudi people with better internet services. The project has made the happiness-boosting, high-speed internet services accessible to remote Saudi areas.

The China Geological Survey and the China National Geological & Mining Corporation Saudi branch execute the Digital Core Library Deployment and Geological Archive Building Renovation for Saudi Arabia project, comprehensively improves the management and service level of national core library.

Signing site of the national broadband project (ITC)
Developing green energy and optimizing the development ecosystem

Electricity is one of the most important energies for modern societies. As studies show, Saudi Arabia accounts for a major part (39.2%) of the global oil-fired electricity generation and has the largest oil-fired power plants — Shoaiba Power and Desalination Plants (with an installed capacity of 5,600 MW). In recent years, the Saudi government has shown strong support for clean energy development. It aims to lower the impact of fossil fuel consumption, protect the environment, and improve people’s quality of life by increasing the consumption of clean energy.

Neom is a major project under Saudi Vision 2030. It is hailed as a “new-generation city” for its electricity, which will be generated via new energy. The Red Sea EPC project undertaken by SEPCOIII, POWERCHINA, for Saudi Arabia covers photovoltaic power generation, energy storage, internal-combustion-engine power generation, power grids, desalination, water supply networks, wastewater treatment and pipelines, solid waste management and district cooling. This is the first system solely powered by photovoltaic and isolated energy storage grids and is capable of supplying green energy without pollution and carbon emissions. The Red Sea project is the world’s first major commercial utility project powered by multiple energies. It is the manifestation of the comprehensive strength and global resources integrating capacity of Chinese enterprises, including POWERCHINA. The project has heightened the cooperation between China and Saudi Arabia on energy and infrastructure and provided strong momentum for the implementation of the Belt and Road Initiative.

The high-quality and efficient implementation of energy storage projects helps to build a global center for clean energy and a green economy.
The Rabigh 300MW Solar PV Independent Power Plant Promotes the Optimization of the Saudi Energy Structure

The Rabigh 300MW Solar PV Independent Power Plant is a key project of the National Renewable Energy Program – a strategic initiative under the Saudi Vision 2030. Located 130km north of Jeddah and 35km south of Rabigh, this project is being executed by China Energy Engineering Group Guangdong Power Engineering Co., Ltd. as the EPC contractor. This project has commenced in April 2021 and is planned to be completed in July 2023.

It will generate 894 million kWh of electricity in the first year after completion, and is expected to provide green and clean electricity for 45,300 households. Within 25 years, it is expected to generate 21.4 billion kWh of electricity and reduce carbon emissions of more than 18.62 million tons, equivalent to planting 41.38 million trees. This project will effectively improve the Saudi energy structure and protect the local eco-environment.

The Jazan IGCC power block EPC04 project generates clean energy for Saudi Arabia.

The Jazan IGCC power block EPC04 project is the largest power plant project of Saudi Aramco, with a total installed capacity of 3,850MW. It adopts IGCC technologies and meets the specifications of Saudi Aramco, Siemens, and National Grid Saudi Arabia. It will not only ensure adequate power supply for Jazan Economic City, but also transmit 2,400MW of electricity to National Grid Saudi Arabia, being a major support for the electric power development of the kingdom.

The Rabigh 300MW solar power station EPC project undertaken by China Comservice is part of the Saudi National Renewable Energy Program and a support for the National Transformation Program and Saudi Vision 2030.
"The Belt and Road" is the road to mutual respect and trust, win-win cooperation, and mutual learning between societies. Chinese enterprises in Saudi Arabia actively connect the initiative to Saudi Vision 2030. They strive to meet the environmental, material and cultural needs of local people, take part in local community development, improve local people’s livelihoods, create jobs for local residents, and protect the local ecological environment, thus facilitating the sustainable development of Saudi Arabia.
Beautiful Saudi Arabia is located on the Arabian Peninsula with the Red Sea on its west and the Arabian Gulf on its east. It is a “shining pearl” in the Middle East. As its economy continues to develop, this place is confronted with dire challenges brought about by increasingly serious problems like desertification and excessive GHG emissions. In such a context, the kingdom has proposed the Saudi Green Initiative and the Middle East Green Initiative to better protect the natural environment and try to realize “Net Zero” by 2060. Cherishing the unique landscape of Saudi Arabia and actively responding to relevant initiatives, Chinese enterprises in the country strictly follow a philosophy of green development in their production, operations, and interactions with employees’ lives. They have devoted pioneering and innovative approaches to desertification prevention, increasing vegetation coverage, sea protection, green construction, and energy conservation in an attempt to protect the country’s beautiful environment via concrete actions.
Strengthening environmental management

Chinese enterprises in Saudi Arabia strictly observe local environmental protection laws, regulations, and requirements and earnestly build their own environmental protection and management frameworks. They continually improve upon their environmental management capacity by assessing environmental risks prior to construction, making and implementing environmental construction schemes, and enhancing their environmental systems and environmental protection training. Their efforts have garnered high praise from local governments and communities. For instance, China Harbour Engineering Arabia - Sheybarah Dredging, Filling & Compaction Works was awarded a Certificate of Achievement.

Conserving fresh water

As a desert country without a permanent river, stream, or lake and lacking rainfall, Saudi Arabia faces an acute shortage of fresh water. In the eyes of Saudi people, fresh water is even more precious than petroleum. Given people’s increasing need for fresh water, Chinese enterprises in Saudi Arabia turn to environmentally friendly processes and equipment, having effectively reduced fresh water consumption and driven the sustainable utilization of fresh water resources.

Insisting on green operation

Chinese enterprises in Saudi Arabia prioritize environmentally friendly materials and techniques during construction, production, and operations. They have stepped up efforts to conserve energy, reduce emissions, and expand the usage of equipment that consume clean and renewable energies. These efforts minimize the negative impact of their production and operations on the environment and attempt to achieve a “green miracle” in the desert.

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"Seawater slurry wall technology" effectively saves fresh water

Considering the advantages of the Arabian Gulf, POWERCHINA prioritized sea water to meet construction needs. Prior to building dock cutoff walls, it managed to develop a "seawater slurry wall technology" based on extensive demonstration and experiments. The technology replaces freshwater slurry with seawater slurry, effectively saving fresh water resources.

Water-saving irrigation controllers help conserve water

To better save water, CRCC Makkah Light Rail project of operation and maintenance has applied water-saving irrigation controllers to the site’s irrigation control. Since the desert air conditioners of station platforms could break water droplets into water spray for cooling purposes, the 39% air conditioners will consume a large amount of water during Hajj. To control expenses and save water, the Maintenance Department has designated personnel to control the water supply valves of air conditioners at each stop based on the operation mode and passenger flow, thus minimizing water consumption.
Actions for energy conservation and emission reduction

Being strict about pollutant discharge, Chinese enterprises in Saudi Arabia take effective measures to manage and monitor pollutants and waste throughout their production and operations. By limiting waste generation and implementing effective waste treatment, they recycle resources and minimize environmental impact.

CASE
Pipe recycling results in less wasted resources

The S62 Project of Sinopec International Petroleum Service Corporation had to be relocated every 3 or 4 months due to the production schedule. Each relocation would result in serious pipe waste. To tackle the problem, the project personnel set site construction standards and drew floor plans of the standard sites. They fixed the general layout and the positions of every prefab building and of the joints between every two pipes with marks and signs. In the following relocation, they installed the prefab buildings and pipes against the drawings. This allowed pipes to be recycled and avoided repeated pipe cutting and waste.

CASE
Environmentally friendly materials are used to reduce energy consumption

The infrastructure constructions of SPARK project undertaken by CRCC, there were plans to build 13 large evaporation ponds with 172,000 m$^3$ of dry rubble. Yet, the project encountered problem as it was in a desert hinterland where rubble is rarely seen, and the nearest quarry was over 200 km away. It would introduce transportation safety risks and damage the already vulnerable ecosystem in local places given the long transportation distance, large volume, and extensive quarrying. In light of these issues, CRCC used the innocuous and environmental HDPE membrane as a substitute. Featuring chemical stability and high anti-seepage performance, the HDPE membrane, in the case of full water storage, could remain intact even in heat and temperature differences. Environmental pollution and damage by extensive quarrying is avoided. During the project, rubble quarrying was reduced by 170,000 m$^3$, and transportation fuel consumption by 350 tons. It was an effective approach to reduce energy consumption and protect the local ecological environment.

CASE
Strengthening energy management and promoting efficient energy conservation

To conserve energy and reduce emissions, China Harbour regularly assesses its diesel, gas, and gasoline consumption. It summarizes performances in energy conservation, emission reduction, and sustainable development monthly and predicts the annual energy consumption based on historical data. The company also set energy conservation and emission reduction targets to ensure general compliance with emission requirements. All those efforts have contributed to fruitful results in energy conservation and emission reduction.
Protecting the ecological environment

Chinese enterprises in Saudi Arabia pay attention to protecting the local ecological environments and work hard to protect land and oceans as proposed in the Saudi Green Initiative. They respect and protect biodiversity in local places and promote environmental protection concepts through various public activities in hopes of raising the public’s awareness of environmental protection and to fulfill the goal of living in harmony with nature.

Advocating green practices and environmental protection

Chinese enterprises in Saudi Arabia devote themselves to environmental protection, including advocating low-carbon lifestyle, garbage sorting, conserving energy and reducing carbon footprint. Chinese enterprises also have drawn upon China’s rich experiences in desertification control and afforestation to protect and cultivate local vegetation, maintain ecological balance, and reduce the impact of desertification. Chinese enterprises have planted on project sites and encampments to add some green plants to the deserts.

ZTE employees voluntarily collect garbage in a famous sand sledding site in the suburb of Riyadh, Saudi Arabia as a concrete expression of the company’s environmental protection philosophy, thus contributing to the beautiful image of Saudi Arabia.

POWERCHINA plants sunflowers on its project site to enhance the landscape.

In 2021, Sinopec International Petroleum Service Corporation participated in the green and clean campaign in Ash-Sharqiya, organized employees to sign environmental protection commitment letters, and was awarded a certificate from the Saudi government.

Chinese enterprises in Saudi Arabia, the Chinese Embassy in Saudi Arabia, and the Ministry of Environment, Water and Agriculture jointly carried out a planting activity at the Harmila National Park in May 2021. The participants dug holes, drew water, planted seedlings, and earthed them up. The alhagi planted have injected vitality into the desert.

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POWERCHINA plants sunflowers on its project site to enhance the landscape.

A sky-blue bicycle for CPP staff members to travel all over the project campsite. It is an embodiment of green and low-carbon travel.

Sinopec International Petroleum Service Corporation has been planting trees on its project sites and encampments since 2008, and a total of over 5,000 trees have survived, earning commendation from owners and governments.
Protecting biodiversity

Chinese enterprises in Saudi Arabia carefully protect the local biodiversity by keeping clear of animals during production and operations and ensuring their construction efforts have no impact on animals in their encampments and project sites in the hopes of working in harmony with nature.

Protecting the marine ecosystem

Chinese enterprises in Saudi Arabia diligently protect the marine ecosystem during their production and operations. They do their utmost to maintain the blue sea and build a harmonious, beautiful home by collecting garbage on the coast, treating sewage before discharging, and other concrete actions.

All construction projects undertaken by BGP are equipped with sewage treatment plants. Even domestic sewage is treated before being discharged to reservoirs outside the encampments. The quality of the sewage treated is tested at regular intervals.

China Harbour takes active measures to protect waters around its operation zones. For example, high-standard, continuous and closed anti-fouling curtains (Type III or above) are used to in those waters, with an effective anti-fouling rate of 90% or higher. This action helps to limit the impact of its operation on the turbidity of the surrounding waters. It also hires Saudi marine scientists to monitor waters around its operation zones to ensure all-around marine ecosystem protection.

In September 2021, SEG, in conjunction with Saudi Aramco and other local cooperation partners, carried out an "orderly marine construction" activity near the Oil and Gas Processing Project Department in Berri of Saudi Arabia. Participants collected and cleaned up a variety of waste products to reduce their impact on the marine ecosystem.
Chinese enterprises abide by Saudization employment policies and the IKTVA (In-Kingdom Total Value Added Programme) rules of Saudi Aramco, Chinese enterprises in Saudi Arabia have significantly raised the proportion of local employees. They cultivate specialized talents, care for employees, promote cultural integration, create new jobs for local residents, and accelerate the development of local enterprises, talents, and all industries in Saudi Arabia.
Furthering localized employment

As the Saudi population tends to be younger, it is a major task in Saudi economic development to meet the employment needs of young people. Chinese enterprises in Saudi Arabia strictly observe the government’s Saudization employment policies by strengthening localized operations and increasing the proportion of Saudi employees.

On the principle of "internationalization of talents and localization of employees" and to meet the requirements for the localization of human resources set by the Saudi government and owners, Sinopec has implemented relevant policies and increased the number of employees from local communities. During busy periods, the percentage of local employees may exceed 65%. Sinopec also partners with local universities and secondary vocational schools to hire Saudi graduates and provide them with internships.

The Rabigh 3 IWP project undertaken by POWERCHINA provided over 3,500 jobs for local residents. More than 40% of the equipment and materials were sourced locally. The project directly contributed USD 200 million to the local GDP.

According to GASTAT statistics, the unemployment rate in Saudi Arabia stood at 9.7% in Q2 2022. One of the reasons behind the employment problem facing Saudi young people was that some of them were unable to meet the requirements in the labor market in terms of knowledge and skills. Therefore, the top priority in Saudi economic development policies should be improving the education level, training young people in vocational skills, and boosting employment. Thankfully, Chinese enterprises in Saudi Arabia are running diversified education programs, setting up training centers, and partnering with local schools to cultivate specialized technicians, thus imparting vocational skills to local employees.

The recruitment fair is a product of the healthy development of bilateral relations under the support of leaders of both countries. I would like to thank all of the participating Chinese enterprises for their contributions to the social development of Saudi Arabia.”

— H.E. Dr. Faisal H. Al-Sugair, President & CEO of the Saudi Center for International Strategic Partnerships "SCISP"

Training specialized talents

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Diversified training modes

The China-Saudi Arabia talent recruitment fair

On September 29, 2019, Chinese enterprises collaborated with the relevant authorities of Saudi Arabia to organize the second China-Saudi Arabia talent recruitment fair at Prince Sultan University, Riyadh. Nineteen Chinese enterprises and hundreds of Saudi graduates participated. The available jobs included fields such as energy, power, infrastructure construction, e-commerce, and communications. The recruitment fair provided young, local people with management and specialized technical posts. This served as an effective measure to alleviate the employment problem facing Saudi youths.

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Training the Saudi Training Center to build a systematic, comprehensive talent training framework

Sinopec International Petroleum Service Corporation, Saudi Branch founded its Saudi Training Center (the "Center") in 2008 to demonstrate its commitment to building a systematic and comprehensive talent training framework and empowering Saudi youths. Starting from scratch, the Center has developed its own unique training and teaching materials in Chinese, English, and Arabic, covering topics such as hydrogen sulfide, confined space, first aid, firefighting, well control, etc. Now it holds 7 international training qualifications. While helping new employees develop their professional skills, it also focuses on training their research and management abilities to improve employees’ long-term development skills and cultivate international professionals.

Since its establishment to the end of 2021, Sinopec International Petroleum Service Corporation, Saudi Branch Training Center has organized 1,556 training sessions, totally trained 158,388 person-time, including 69,081 person-time of Saudi employees, 66,781 person-time of Chinese employees and 22,526 person-time of other nationalities employees. Over 100 Saudi graduates have assumed important posts after receiving training at the center.

Organizing training and technical exchanges to improve the skills of employees

BGP has ramped up training for Saudi employees. It has organized training for Saudi employees in China, Canada, and France. Before the COVID-19 pandemic, it organized annual trainings in China for technical Saudi employees to learn how to use the GeoEast processing software developed by the company.

The China-Saudi Arabia talent recruitment fair

BGP Saudi employees attending GeoEast training at the BGP R&D Center in Zhuozhou, China

Saudi employees practice on well control simulators
The professional growth of employees

As bilateral relations further develop, more and more Chinese enterprises have settled in Saudi Arabia and trained numerous talents in fields like petroleum, construction, drilling, electricity services, geological exploration, railway operation, and finance, injecting vitality into the economic and social development of the kingdom.

CASE
Producing high-caliber financial talents to boost the development of the Saudi financial sector

Insisting on localized operations, ICBC Riyadh Branch has a local employee percentage as high as 70%. It also greatly values improving employees’ professional abilities. Based on established management experiences in the sector, it has produced numerous high-caliber financial talents for Saudi Arabia, improved the talent self-supply ability of the Saudi financial sector, and contributed to the continuous high-quality development of local areas.

As of late 2021

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<th>Count</th>
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<tr>
<td>132</td>
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<td>SADA had invested in talent training</td>
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<tr>
<td>38</td>
<td>SADA trainees had completed their training programs</td>
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<tr>
<td>137</td>
<td>SPSP trainees had been trained</td>
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<tr>
<td>5.78 million(USD)</td>
<td>SPSP had invested in training programs</td>
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<tr>
<td>99</td>
<td>SPSP trainees had completed their training programs</td>
</tr>
<tr>
<td>810,000(SAR)</td>
<td>Granted from HRDF awards</td>
</tr>
</tbody>
</table>

Sinopec International Petroleum Service Corporation partners SADA, SPSP, HRDF, etc., train drilling, pipe installation, mechanical, welding, and electrical technicians.

CASE
A program for “developing an enterprise with talent” was launched to encourage specialized talent to obtain high-level international certificates

CPP insists that innovation is the primary driving force and that talents are the primary resources. From this perspective, CPP launched a high-level program for “developing an enterprise with talents” to improve their value and stimulate their creativity. It encourages and supports specialized talents to obtain high-end international certificates. As a result, its procurement, design, and construction managers and HSE supervisors have obtained certificates from Saudi Aramco. CPP also devotes additional effort to providing training for equipment operators, and many of them have obtained certificates from Saudi Aramco and the TUV certificate from the Saudi government. As they pass these various professional certifications, CPP employees also overcome their weaknesses at work and improve their professional skills.
Ali, a legal assistant at China Harbour, is a young Saudi man who took a training program at Maharat. When he heard that a Chinese enterprise was recruiting local employees, Ali, who had just graduated from junior college and had no work experience, submitted his resume without much hope. To his surprise, he received a training notice and then took a 9-month closed-door training course at Maharat. He mainly studied human resources management due to the personnel demand of the project department.

“I love working at a Chinese enterprise. Chinese enterprises emphasize employee cultivation and encourage us to participate in project management. I feel fulfilled and happy working here every day.”

Thirty-two-year-old Rayan is a native Saudi. In 2010, he joined the Makkah Metro project undertaken by CRCC as a fresh graduate, becoming a station attendant. Over the past eleven years, he was promoted to station head, deputy manager, and then manager by virtue of his outstanding performance at work. He is a witness to the development of Makkah Metro.

“Thanks to the sound employee training system, I have learned more in various fields and broadened my horizons. Now, I have a better understanding of operation management and enjoy the potential of my career.”

Mr. Hasan is from Al Khobar city and has been working at CPP for six years. During this period, he has greatly improved his working competence been promoted from technician to department manager. His salary has also doubled.

“I have gotten along quite well with my Chinese colleagues. They carry out tests every day and have successfully completed the Huo-Yan program. I would like to thank them for their dedication to pandemic prevention.”

Mohammed studied in China and has mastered the Chinese language. In 2020, he was appointed by the Ministry of Health as a translator at the Huo-Yan Lab to assist BGI. During the COVID-19 pandemic, he has served as a bridge of communication between the Ministry of Health and the lab. BGI values resonated with Mohammed, which led him to join BGI as an HR professional.

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Jointly promoting inclusiveness and sharing

Chinese enterprises in Saudi Arabia take the occupational health and work environment of their employees seriously. They often host wonderful cultural and sports activities and cultural exchanges to enrich employees’ lives after work and stimulate their work ethic. They encourage employees to work efficiently and passionately as well as relax and enjoy life. Chinese enterprises in Saudi Arabia take the initiative to understand and integrate into the local culture, learn the local culture and language, and respect local customs. They also promote Chinese culture to Saudi employees, giving them a better understanding of Chinese civilization.

Wonderful cultural and sports activities

Chinese enterprises in Saudi Arabia often organize wonderful cultural and sports activities like ball games, chess and card games, fun competitions, movie screenings, and employee birthday parties after work and on days off. These activities allow employees from different cultures and with different beliefs to have opportunities to better understand each other. They also give employees a stronger sense of collective identity, pride, and responsibility and make it much easier for them to live and work together.

Appreciating excellent cultures together

People have different nationalities but face no obstacle to appreciating different cultures. An excellent culture is the essence of the culture of a country and an ethnic group. Chinese enterprises in Saudi Arabia commit to providing employees with diversified occasions and resources for cultural exchanges.

Celebrating traditional festivals together

Traditional festivals are a good embodiment of the splendid traditional cultures of both countries. By co-celebrating traditional festivals, they exchange cultures, integrate cultures, and open up to each other. Saudi employees are invited to celebrate Chinese traditional festivals and Chinese employees join Saudi employees on Saudi National Day and Eid al-Fitr. They enjoy the festive time together through different activities.

The “That’s China” program that promotes good Chinese books overseas was launched in Sinopec Tech Middle East LLC., offering over 1,500 books and numerous e-books on China economy, literature, history, art, science, etc. It will enhance exchanges and mutual learning between the two cultures.
Improving community well-being

While boosting economic development in Saudi Arabia, Chinese enterprises in Saudi Arabia also pay attention to social issues. Chinese enterprises in Saudi Arabia has long called on its member enterprises to actively integrate into local communities, understand their daily needs, participate in community infrastructure construction in good faith, support local educational development, create more jobs for local community members, and assist with their pandemic prevention and control measures. In this way, Chinese enterprises can contribute Chinese strength to the healthy social development of local communities and jointly build a “desert of happiness.”
Improving people's livelihoods

While working on projects, Chinese enterprises in Saudi Arabia respond promptly to the needs of local people. By leveraging their advantages in equipment and construction experiences, they provide local communities with stable electricity and water supplies and improve community infrastructures. In addition, they often lend a helping hand to local people hit by disasters.

Building infrastructure to improve people's livelihoods

As the population further expands, there is a strong demand for high-quality public infrastructure in Saudi Arabia. Chinese enterprises play an active part in infrastructure construction in the kingdom. They undertake projects such as roads and bridges, water conservancy projects, pipelines, and electricity and communications facilities, fruitfully serving the development of local communities.

The Minister of Environment, Water and Agriculture inspects the purified water conveyance project owned by the Ministry of Environment, Water, and Agriculture, Saudi Arabia, and undertaken by Sinopec International Petroleum Service Corporation, ensures irrigation water for eastern Saudi Arabia.

Thanks to the construction of the Rabigh 3 IWP undertaken by POWERCHINA, there is no longer a domestic water shortage.

The Middle East is known for scorching heat, vast deserts, and scarce rainfall. In this region, fresh water is more expensive than oil. The Rabigh 3 IWP project undertaken by POWERCHINA, which applies the most advanced reverse osmosis technology, can produce 600,000 m$^3$ fresh water each day and ensure the domestic water supply for over 2 million residents and pilgrims in major cities like Jeddah and Makkah. The project has been recorded in the Guinness Book of World Records and won many awards such as the 2021 Global Water Award and the 2022 MUSE Design Gold Award.

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The Rabigh 3 IWP project company will support you in completing the project and producing fresh water of the highest quality in the safest conditions."

—Eng. Abdulaziz Al-Mahdi, CEO of the Rabigh 3 IWP project company

"Only Sinopec teams can assume this tough task. I would like to thank Sinopec for every effort they have made!"

—President of SWCC in West Saudi Arabia
Improving community well-being

Joining Hands, Sharing Value

Social problems cannot be ignored while we are promoting economic development. Chinese enterprises in Saudi Arabia follow up on the environmental, physical, and cultural needs of local people and take part in and support community development in an equal and kindhearted manner.

Supporting local education causes

Chinese enterprises in Saudi Arabia pay attention to the development of local education, proactively provide finance aid to the construction of new schools, and donate school supplies and teaching equipment to help improving local educational conditions.

CASE

Series of campaigns has been organized to donate books and promote safety knowledge and awareness to teachers and students

On April 10, 2018, together with Saudi Aramco, local schools and communities, CPP Ras Tanura Project established a "public welfare" activity platform and held a large-scale public benefit event—visiting to Saudi Raheem Boys Secondary School. Donating books, passing on good wishes, popularizing safety knowledge, and promoting safety culture.

We can feel the enthusiasm of Chinese companies and Chinese people at this event, which laid a foundation for Chinese companies to integrate into local communities, creating a friendly and harmonious development environment, and promoting cultural exchanges between China and Saudi Arabia.

— Senior officers of Saudi Aramco

Promoting community employment

Chinese enterprises in Saudi Arabia develop locally, driving the growth of many peripheral supporting businesses and creating a number of jobs. They also help to solve labor and employment issues for disabled individuals on behalf of the Saudi Association for the Disabled.

CASE

Participate in Maharat training program to improve the skills of Saudi youth

Maharat is a training program jointly initiated by the Saudi government and Saudi Aramco to specially develop the competence of unskilled and inexperienced young people in Saudi Arabia. It aims to improve their skills and competitiveness with theoretical knowledge and field training, create jobs that are suitable for them, and address local employment challenges. Hence, China Harbour took the initiative to participate in Maharat. In July 2016, the first group of 90 Saudi trainees funded by China Harbour completed the 9-month closed-door pre-job training for knowledge and skills and became regular employees at China Harbour.

Supporting community development

As of 2021

1,731

Sinopec Engineering (Group) Co., Ltd. had created jobs

48%

Achieved a Saudi localization rate (under IKTVA)

861

Hired Saudi employees through HRDF more than

Zhejiang CHNT Electronics Co., Ltd. partner with the Orphan Care Charity Foundation in Riyadh for care and support projects, providing financial support for children in impoverished families

We can feel the enthusiasm of Chinese companies and Chinese people at this event, which laid a foundation for Chinese companies to integrate into local communities, creating a friendly and harmonious development environment, and promoting cultural exchanges between China and Saudi Arabia.

— Senior officers of Saudi Aramco

Staff members of the CPP’s Ras Tanura Project popularize safety knowledge among secondary school students
Meeting residents’ actual needs

Chinese enterprises in Saudi Arabia frequently visit local communities, keep an eye on local residents’ actual needs, make donations during Ramadan, repair fire prevention water supplies, and build drinking troughs for camels to help solve practical problems for local people.

Organizing Ramadan charity activities

Holding a Ramadan charity activity to enhance China-Saudi Arabia friendship

In May 2019, Chinese enterprises in Saudi Arabia and the China-Saudi Arabia Cultural Exchange Center jointly launched a Ramadan charity activity to provide high-quality delicious food for Muslims. CRCC, Sinopec International Petroleum Service Corporation, POWERCHINA, ICBC Riyadh branch, CCECC, China Harbour, Sinopec Engineering (Group) Co., Ltd., ZP Arabia Drilling Company Ltd., BGP, and many other Chinese enterprises in Saudi Arabia participated in the Ramadan donation activity.

Helping make emergency repairs to the fire fighting system for the Saudi Aramco RTR Factory

On August 15, 2022, the Nanjing Engineering Saudi EP2 Project Department of Sinopec Engineering (Group) Co., Ltd. received an emergency call from the public system operation workshop of the Saudi Aramco RTR Factory. The fire prevention system for the public works in the factory suffered a water leak, which seriously affected the safe operation of the equipment. Upon receiving the request, the Project Department actively developed an emergency repair plan with the workshop and arranged professionals to assist and guide them in performing the emergency repair. The emergency was addressed safely and efficiently, and the Project Department received thanks and commendation from the workshop.

Sponsoring the Cultural Tourism Festival in Ash-Sharqiyah

On January 2, 2020, the Fourth Cultural Tourism Festival, Ash-Sharqiyah, with the theme “Heritage of the Deserts” kicked off in Abqaiq. Sinopec International Petroleum Service Corporation was invited by the Tourism Committee of Ash-Sharqiyah and the municipal government of Abqaiq to jointly sponsor the event with Saudi Aramco. The Cultural Tourism Festival is committed to promoting the traditional cultures and customs of Saudi Arabia, boosting the development of the tourist industry, and promoting opportunities for better communication between enterprise employees and local residents. Actively sponsoring this tourism festival helps further deepen the communication and mutual assistance with the local government and the public.
Facilitating pandemic prevention and control efforts

Since 2020, COVID-19 has spread all over the world. Chinese enterprises in Saudi Arabia, together with all stakeholders, have fully supported the implementation of relevant pandemic prevention and control policies and requirements in Saudi Arabia and donated supplies to local people, contributing to the economic recovery of this country.

PAGE Actively upheld Saudi Arabia’s pandemic prevention and control policies and been recognized for its efforts

During the pandemic, CPP NGCP Project established the pandemic prevention and control leading group, formulated various of emergency plans, and held comprehensive emergency response drills, simulating a series of emergency response procedures (e.g., identification, isolation, transfer of suspected cases, disinfection at the pandemic sites, management and control of close contacts of suspected cases). The pandemic prevention and control expert group from the Saudi Arabia Ministry of Health, spoke highly of CPP’s pandemic prevention and control efforts.

PAGE Vaccinating field staff to ensure their health

On August 23, 2021 and January 5, 2022, POWERCHINA and the Ministry of Health, Saudi Arabia arranged free vaccinations for on-site personnel, a total of about 4,000 doses were administered, providing an effective measure to protect their health.

PAGE Organizing donations and procuring pandemic response supplies for local areas

Since March 2020, the COVID-19 pandemic has spread rapidly in Saudi Arabia. It was under these conditions that Sinopec International Petroleum Service Corporation and ZP Arabia Drilling Company Ltd. organized company-wide donation activities. So far, it has donated more than USD 400,000 to Saudi Arabia for the purchase of pandemic prevention and control medical supplies such as nucleic acid reagents. These donations have been highly commended by the local governments, Saudi Aramco, and residents in local communities.

PAGE The Huo-Yan Lab is a scientific and technological effort that contributes to pandemic prevention and control in Saudi Arabia

Since March 2020, Saudi Arabia has been hit hard by the COVID-19 pandemic. Under the recommendation of the Saudi Royal Court and the Chinese Embassy in Saudi Arabia, the Saudi government decided to adopt BGI’s Huo-Yan Lab solution in April 2020. BGI set up six Huo-Yan Labs in two months in Riyadh, Makkah, Madinah, Dammam, and Asir, with a total area of nearly 5,000m². The laboratories boost local testing capacity to 50,000 samples per day. By the end of 2021, BGI had sent 14 groups of experts, engineers, and laboratory technicians, totaling more than 700 people, to Saudi Arabia. BGI finished the testing of more than 16 million virus samples in Saudi Arabia, accounting for more than 50% of the total tests conducted in the kingdom during the same period.

The Huo-Yan Lab at the King Khalid International Airport, Riyadh, is the first airport-based COVID-19 test laboratory in Saudi Arabia. It is funded by BGI and constructed by China Harbour. Upon completion, it is able to conduct in-situ sampling and testing and deliver results within three hours, effectively relieve pressure on the local government for COVID-19 testing and the detection of mutant strains. It also meets the test needs of passengers for departure and arrival, including those leaving for China.

---Dr. Abdullah Al Rabeeah, Advisor to the Royal Court and Supervisor General of the King Salman Humanitarian Aid and Relief Centre
Future Outlook

Since the establishment of diplomatic relations between China and Saudi Arabia on July 21, 1990, both sides have rapidly developed their bilateral ties by arranging frequent high-level reciprocal visits and improving political mutual trust. Particularly in recent years, a comprehensive strategic partnership has been formed between the two countries and the China-Saudi Arabia High-level Joint Committee was established, injecting new impetus into the development of China-Saudi Arabia relations in the new era. With the increasing synergy between the Belt and Road Initiative (BRI) and the Saudi Vision 2030, the two countries have continued to deepen their cooperation in areas such as economy and trade, production capacity, finance, and infrastructure. This has allowed them to become important global partners.

Since the establishment of diplomatic relations between China and Saudi Arabia, Chinese enterprises have consistently developed in and committed to developing Saudi Arabia. They have served as investors and technical service providers, as well as advocates and practitioners of green and low-carbon, ecological, and harmonious community development. Chinese enterprises have operated in good faith and put safety first to lay a solid foundation for the stable and long-term development of local businesses. Chinese enterprises together with local partners in the supply, industrial, and value chains, have been working hard to drive growth in the local industry, commerce, and other related industries, as well as facilitate a boom in local industries. By fully leveraging our resources and technology, Chinese enterprises have constructed high-quality transportation and digital energy public service projects such as the Makkah Metro Pink Line, Saudi Khamis-Ahad Overpass Project and Red Sea New City, which have improved the well-being of local people. Actively responding to the Green Saudi Initiative and Green Middle East Initiative, maintaining a firm commitment to green operations, and protecting the country’s beautiful environment via concrete actions.

Furthermore, with a focus on people’s daily needs, we have actively taken part in local community development and worked together to build “a happy desert.”

Looking into the future, Chinese enterprises will continue to adhere to the principles of “serving overall interests, enhancing mutual understanding, strengthening unity and cooperation, and achieving common development” and work with the Saudi side to facilitate the leapfrog development of mutually beneficial cooperation between the two countries, deepen the synergy between the BRI and Saudi Vision 2030, and promote the economic and social prosperity and progress of Saudi Arabia. This will be done to help create a happier and better life for the people of China and Saudi Arabia.
List of major Chinese enterprises in Saudi Arabia

- China Petrochemical Corporation Saudi Branch
  [China Petrochemical Corporation Saudi Branch](saudi-cocc.net)

- China Railway Construction Corporation Limited, Saudi Branch
  [China Railway Construction Corporation Limited, Saudi Branch](saudi-cocc.net)

- Sinopec International Petroleum Service Corporation, Saudi Branch
  [Sinopec International Petroleum Service Corporation, Saudi Branch](saudi-cocc.net)

- Industrial and Commercial Bank of China, Riyadh Branch
  [Industrial and Commercial Bank of China, Riyadh Branch](saudi-cocc.net)

- China Civil Engineering Construction Corporation Branch, KSA
  [China Civil Engineering Construction Corporation Branch, KSA](saudi-cocc.net)

- China Saudi Communications Services Co., Ltd.
  [China Saudi Communications Services Co., Ltd.](saudi-cocc.net)

- China National Geological & Mining Corporation, Saudi Branch
  [China National Geological & Mining Corporation, Saudi Branch](saudi-cocc.net)

- China Petroleum Pipeline Engineering Co., Ltd. Saudi Branch
  [China Petroleum Pipeline Engineering Co., Ltd. Saudi Branch](saudi-cocc.net)

- Huawei Tech. Investment Saudi Arabia Co., Ltd.
  [Huawei Tech. Investment Saudi Arabia Co., Ltd.](saudi-cocc.net)

- China Railway No.9 Group Saudi Branch
  [China Railway No.9 Group Saudi Branch](saudi-cocc.net)

- Huawei Tech. Investment Saudi Arabia Co., Ltd.
  [Huawei Tech. Investment Saudi Arabia Co., Ltd.](saudi-cocc.net)

- China Railway 18th Bureau Group Co., Ltd. Saudi Branch
  [China Railway 18th Bureau Group Co., Ltd. Saudi Branch](saudi-cocc.net)

- ZTE (HK) Limited Saudi Arabia
  [ZTE (HK) Limited Saudi Arabia](saudi-cocc.net)

- China Harbour Middle East Division
  [China Harbour Middle East Division](saudi-cocc.net)

- China Petrochemical Corporation Saudi Branch
  [China Petrochemical Corporation Saudi Branch](saudi-cocc.net)

- China Railway Construction Corporation Limited, Saudi Branch
  [China Railway Construction Corporation Limited, Saudi Branch](saudi-cocc.net)

- Sinopec International Petroleum Service Corporation, Saudi Branch
  [Sinopec International Petroleum Service Corporation, Saudi Branch](saudi-cocc.net)

- Industrial and Commercial Bank of China, Riyadh Branch
  [Industrial and Commercial Bank of China, Riyadh Branch](saudi-cocc.net)

- China Civil Engineering Construction Corporation Branch, KSA
  [China Civil Engineering Construction Corporation Branch, KSA](saudi-cocc.net)

- China Saudi Communications Services Co., Ltd.
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- ZTE (HK) Limited Saudi Arabia
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<td>Beijing Construction Engineering Group Co., LTD., KSA</td>
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<td>Electric Power Construction Corporation</td>
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<td>XCMG</td>
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**Social Responsibility Report of Chinese Companies in the Kingdom of Saudi Arabia**
List of major Chinese enterprises in Saudi Arabia

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China Gansu International Corporation for Economic and Technical Cooperation Saudi Branch

China National Chemical Engineering Seven Co., Ltd. Saudi Branch

China Petroleum Technology and Development Corporation

China National Chemical Engineering Third Construction Co., Ltd. Saudi Branch

Metallurgical Corporation of China Ltd. Saudi Branch

China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFEC)

Hi-Target Middle East FZE

Central Southern China Electric Power Design Institute Saudi Arabia Co., Ltd.

CRECM-D&D Arabia Company

China National Chemical Engineering Seven Co., Ltd. Saudi Branch

HQCEC Saudi Branch

Metallurgical Corporation of China Ltd. Saudi Branch

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The Kingdom of Saudi Arabia ("KSA" or "Saudi Arabia") is one of the top countries in regard to oil reserves, production and sales. Saudi Arabia's economic development is industrial weighted. During recent years, Saudi Arabia has begun to pursue economic diversification. In 2016, Saudi Arabia unveiled the Vision 2030 and the National Transformation Program 2020.

The People's Republic of China ("China") is the world's most populated developing country, the world's second-largest economy, and a top contributor to global economic growth, providing diverse and high-quality products and services to economies around the world. Since the inception of the Belt and Road Initiative (BRI), China has actively worked with relevant parties on building an open cooperation platform as a new driver for cooperation between and development of countries.

This report was prepared truthfully, objectively, and in accordance to proper standards. It is in line with the basic requirements of the 10 principles laid out by the United Nations Global Compact and the GRI Standards, which was released by the Global Sustainability Standards Board (GSSB). Chinese enterprises in Saudi Arabia are actively involved in projects related to infrastructure improvement, industrial development, technical progress, education and medical care improvement, and other programs to improve local people's well-being. This report introduced representative and significant cases of economic, environmental and social responsibility programs undertaken by Chinese enterprises in Saudi Arabia in an effort to demonstrate to the public the resolution, practices, and achievements of said enterprises in Saudi Arabia and contribute to the development of the kingdom. Furthermore, it offered a brief overview of the duty performance carried out by these Chinese enterprises in Saudi Arabia. For more detailed information or to provide feedback or suggestions regarding this report, please contact us at accsaudiarabia@163.com. Thank you!

This report is available in both Chinese and English. If there is any ambiguity, please refer to the Chinese version. For easier reference and reading, China Petrochemical Corporation Saudi Branch is also referred to as "Sinopec", Saudi Arabian National Oil Corporation is referred to as "Saudi Aramco", and other main Chinese enterprises in Saudi Arabia related in this report are referred to as the following:
Joining Hands, Sharing Value