

Turn on the **POWER**

Cultural differences can drive greater efficiency and innovation, says **LI YINSHENG**, CEO of clean energy group CTG Brasil

CHINA THREE GORGES IS A GLOBAL LEADER IN large-scale clean energy. Five of the 10 biggest hydropower installations in terms of capacity are ours, including the world's largest at the Three Gorges Dam in China. Altogether, we operate in 40 countries with a total capacity of 100 gigawatts.

Growing globally at that scale perhaps paradoxically requires an even greater attention to the treatment of individuals, mindful of differences in culture and respectful of the abilities and mindsets of local workers. This style of employee management has helped us in Brazil, where I serve as CEO of the group's CTG Brasil unit.

Over four years, we have grown to become Brazil's second-largest private energy generator, with an installed capacity of over 8 gigawatts, including 17 hydropower plants, 11 wind farms and one trading company.

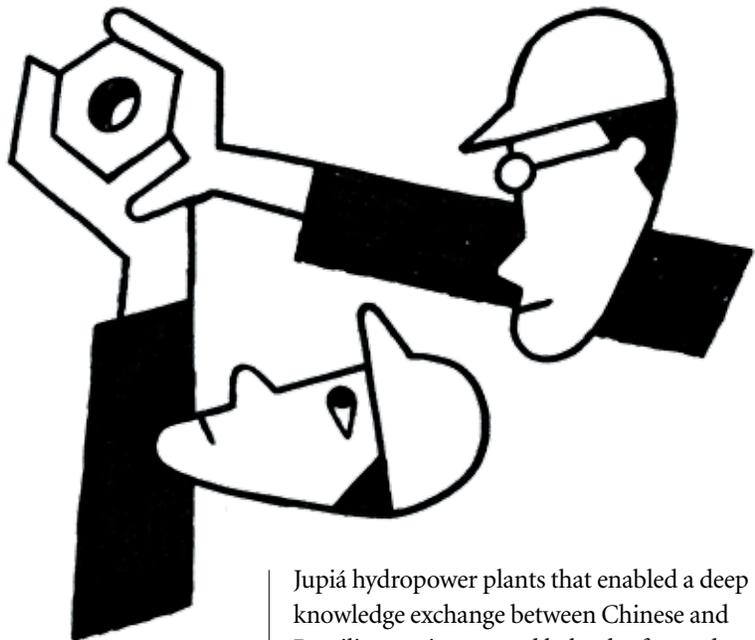
Our move into the Brazilian market was based on a long-term view of the country's potential, gained from working closely with its engineers over many years. As part of our preparations for the 1993 construction of the Three Gorges plant, our engineers visited Brazil in the 1980s to learn from the professionals working at the Itaipu plant on the Paraná River, on the border of Paraguay. The visit proved a valuable exchange with the experts at Itaipu, the world's second-largest hydropower facility in installed capacity and the current No. 1 in power generation.

Since then, we have maintained ties in the country, preserving relationships that led to the founding of CTG Brasil in 2013. Today, the combination of Brazilian and Chinese expertise continues to provide us with an important competitive advantage. We see it as one of CTG Brasil's main differentiators.

Our success relies on the cultivation of a local workforce. Less than 3 percent of CTG Brasil's 760 employees are Chinese. Managing those employees requires a sensitivity to local cultural expectations and practices. The differences we find represent an opportunity to create a better operation, to extract the best of the Chinese and Brazilian cultures.

In 2016, CTG Brasil launched a culture integration initiative called "WE," that draws on authoritative international research. It began with workshops for about 100 employees from different levels, with activities themed around a variety of topics related to the cultural aspects of both countries. In ongoing discussion forums, lectures and case studies, employees work to find points of similarity that help us develop an ideal culture for CTG Brasil.

Besides simply enabling better internal communication, this cultural integration helps us streamline daily activities. To give just one example: we have recently begun a R\$3 billion modernization project for the Ilha Solteira and



LI YINSHENG

Starting his career as a civil engineer in water resources, Li Yinsheng is currently Executive Vice President of China Three Gorges International, CEO of CTG Brasil and Rio Paranapanema Energia (one of the companies of the Group CTG Brasil) and Chairman of Rio Paranapanema Energia's Board of Directors. He also sits on the boards of CTG's investment arms in Luxembourg, Portugal and Brazil.

Jupiá hydropower plants that enabled a deep knowledge exchange between Chinese and Brazilian engineers, and helped safeguard our operations in the future. The project included a partnership of 10 Chinese engineers, who have vast global experience in building and operating new, modern hydropower generation plants and who supported our Brazilian team with designing the final project.

Our management of CTG Brasil has now become a reference for all companies in the CTG group. Executives from other CTG companies come to Brazil to get a look at how we do things.

But perhaps the biggest reward is the way CTG has been accepted in Brazil. By combining our differences, we are creating a strong, unique culture suited to Brazil and to the talents of both domestic and Chinese professionals.

Li Yinsheng spoke to **ROBERTA LIPPI**, a Director, and **ADRIANA PRADO**, an Associate. Both are based in Brunswick's São Paulo office.