



# 遠航港口發展有限公司

OCEAN LINE PORT DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

**Stock Code : 8502**



**2018** Environmental, Social  
and Governance Report

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*This report, for which the directors (the “Directors”, each a “Director”) of Ocean Line Port Development Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



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# ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## METHODOLOGY

Ocean Line Port Development Limited (hereinafter referred to as “Ocean Line Port”) and its subsidiaries (collectively referred to as the “Group”) strives to enhance the transparency of the Group in respect of its influence on the environment and society. Ocean Line Port principally provides port logistic services, including cargo uploading and unloading services and related ancillary port services. Cargo uploading and unloading services include the uploading and unloading of bulk cargoes, containers and break-bulk cargoes; related ancillary port services include storage services of raw materials from customers, short distance land transportation and miscellaneous services.

While steering towards sustainable development, the Group takes into account numerous short-term and long-term factors, including business challenges, responsibilities to stakeholders, professional ethics, global trends, laws and regulations and risk management. We constantly seek for business opportunities which are beneficial to suppliers, customers and the social environment.

The daily operation of Ocean Line Port is affected by its stakeholders. Through stakeholders, Ocean Line Port is able to understand the expectations of the stakeholders and society on the Group and achieve those expectations through sustainable development. The major stakeholders of the Ocean Line Port include the Group’s customers, investors, shareholders, employees, suppliers, non-governmental organisations and local communities, which have considerable influence on the daily operation of the Group.

The management of Ocean Line Port is carried out on the basis of sustainable development. This report emphasizes on achieving a balance between business development, needs of society and environmental relations. Along with nowadays rapid global development, the Group constantly identifies risks and opportunities in its daily operation to satisfy the expectations and needs of all stakeholders. In addition, the Group has a corporate culture of high transparency which steers to maintain good communications with its employees, customers and other stakeholders.

Last but not least, in order to facilitate sustainable development, the Group has established a top-down management approach which has spread across each level of the Group and the effect of which has influenced communities outside the Group. The Group will maintain communications with all stakeholders concerning all environmental and social issues and solutions.

The Group implements the following sustainable development strategies with a top-down approach:

1. Achievement of environmental sustainability
2. Respect for human rights and social culture
3. Continuous communication with stakeholders
4. Support to employees
5. Preservation of local community development

# ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



This report is the first Environmental, Social and Governance Report (the “ESG Report”) of Ocean Line Port Development Limited (the “Group” or “We”). This report explains the sustainable development policies implemented by and the work performance with respect to the environment and society of the Group from 1 January 2018 to 31 December 2018 (the “Year”) in details.

Unless otherwise indicated, this ESG Report covers the achievement with respect to environmental protection and social development of two terminals operated by the Group, namely, Jiangkou Terminal and Niutoushan Terminal.

We believe that sustainable development can bring positive influence to the Group and other stakeholders on an ongoing basis. Therefore, the Group attaches great emphasis on the corporate social responsibilities and seeks to run our business in a way that is mutually beneficial for us and the society. Committed to contribute to environmental protection and social development, we spare no efforts in achieving sustainable development.

## The Scope and Limits of the ESG Report

The ESG Report is prepared in accordance with disclosure responsibilities required by the “Comply or Explain” provision of the Appendix 20 Environmental, Social and Governance Reporting Guide of the GEM Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), which covers the overall ESG performance of the Group during the Year. The comparison between ESG Guideline Index and this report is set out on page 21 to 26 of this report.



# ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group highly values the importance of making appropriate disclosures of corporate information to investors and shareholders and believes that a high level of transparency is the key to building trust among investors. Therefore, in this ESG Report, we highlighted our achievement in relation to the sustainable development in each of the following areas to give the stakeholders a better understanding of the work done by the Group for environmental protection and promotion of social harmony:

ESG Aspects	Issues
Environmental Protection	<ul style="list-style-type: none"><li>• Emissions</li><li>• Use of Resources</li><li>• Waste Generation</li></ul>
Employment and Labour Standards	<ul style="list-style-type: none"><li>• Employment</li><li>• Health and Safety</li><li>• Development and Training</li><li>• Labour Standards</li></ul>
Operating Practice	<ul style="list-style-type: none"><li>• Supply Chain Management</li><li>• Product Responsibility</li><li>• Anti-corruption</li></ul>
Community	<ul style="list-style-type: none"><li>• Community Investment</li></ul>

For details of corporate governance, please refer to page 27 to 37 of “Corporate Governance Report” of the annual report of the Group.

# ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## INFORMATION AND FEEDBACK

For details of the financial performance and corporate governance of the Group during the Year, please refer to the website ([www.oceanlineport.com](http://www.oceanlineport.com)) and annual report of the Group.

Your opinion is of great value to the Group. If you have any suggestion and feedback on the performance of the Group in respect of sustainable development, please post them to the principal place of business of the Company in Hong Kong, which is located at Room 2715–16, 27th Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong.

### Information of Stakeholders

Stakeholders	Possible matters involved	Communication and response
Stock Exchange	Compliance with the Listing Rules and timely and accurate publication of announcements	Meeting, training, seminar, programme, website update and announcement
The government	Compliance with laws and regulations, attention to social welfare and prevention of tax evasion	Interaction and inspection, governmental inspection, tax return and other information
Suppliers	Payment schedule and stable demand	On-site investigation
Investors	Corporate governance and system, business strategies and, results and investment returns	Organisation of and participation in seminar, interview, general meeting, provision of financial report or business report for investor
Media	Corporate governance, environmental protection and human rights	Notice published on the Company's website
Customers	Product/service quality, reasonable price, service value, labour protection and work safety	On-site inspection and after-sales service
Employees	Rights, interests and welfare, staff remuneration, training and development, working hours and work environment	Holding of team activity, training and interview, distribution of staff manual and internal memorandum
Community	Community environment, employment and community development and social welfare	Development of social welfare sponsorship and donation

This report has been approved by the Board on 3 June 2019.

## ENVIRONMENTAL PROTECTION

### Summary of Environment

The Group is an inland terminal operator in the PRC, and mainly operates two port terminals, namely, Jiangkou Terminal and Niutoushan Terminal, both of which are situated in Chizhou City, Anhui Province, the PRC. Our services principally consist of the uploading and unloading services of bulk cargo, the uploading and unloading services of containers, storage services and other relevant ancillary port services.

In May 2017, the Group was fined RMB10,000 by the local environmental protection authority for failure to adopt fencing and covering measures at the stacking yards of Niutoushan Terminal, in breach of the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》). In regard to this, the Group has implemented relevant environmental protection measures, such as requesting our customers to cover their materials stored at the stacking yards, assisting our customers to purchase dust screens and requiring our staff to conduct routine inspections to ensure that the materials stored at our stacking yards are fully covered. Furthermore, we have also established a safety and environmental protection department, led by a senior management member, for supervising and managing issues relating to environmental protection and emission of hazardous dust and materials, in order to ensure the Company's compliance with existing requirements on environmental protection during its business operations.

The Group strictly adheres to a series of national and local municipal government's laws on environmental protection by the state and local governments in the course of all business activities and production processes. During 2018, we obtained all necessary local and national permits as well as various emission approvals and licenses, including but not limited to Port Operation Licence (港口經營許可證), Statement of Compliance of a Port Facility (港口設施保安符合證書), Road Transportation Operation Licence (道路運輸經營許可證), Affiliate Permit for Handling Hazardous Goods at Ports (港口危險貨物作業附證).

During the Year, the Group complied with all environment-related laws, including but not limited to the Water Pollution and Prevention Law of the PRC (《中華人民共和國水污染防治法》), the Law of the PRC on the Prevention and Control of Atmospheric Pollution, the Solid Pollution and Prevention Law of the PRC (《中華人民共和國固體廢物污染環境防治法》), Cleaner Production Promotion Law of the PRC (《中華人民共和國清潔生產促進法》) and the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》). Meanwhile, we were not involved in any confirmed non-compliance relating to environmental protection that would have a material impact on the Group.



# ENVIRONMENT



## The Group and Environment

Intensive transportation and cargo handling activities at our terminals generate limited noise and cause water and dust pollution. In regard to this, the Group has engaged a third-party agency with professional qualifications for conducting environment assessment of the Group. We hope to ensure observance of legal obligations and requirements for normal operation through regular monitoring and inspection.

In order to effectively control dust and water pollution, we have implemented the following environmental protection measures:

- Setting up dust screens, dust-prevention walls and nets;
- Setting up water spraying equipment and improving the sprinkling system;
- Setting up dust inspection system.

## Emissions

The ESG Report is prepared in accordance with the Reporting Guidance on Environmental KPIs of the Stock Exchange with a focus on direct emissions (Scope 1) and indirect emissions (Scope 2), whereas other indirect emissions (Scope 3) are excluded from the Report. The Group's main source of direct greenhouse gas emission is the use of vehicles, and the main source of indirect emission is the electricity consumption.

To support our port logistic services, in addition to private vehicles for customers pick up, we are also equipped with loaders, tractors, sprinkler trucks and shuttle buses. We regularly conduct routine inspection to keep the vehicles at their optimal condition, thereby improving fuel consumption efficiency and ensuring road safety.

The Group is aware of the increasingly stringent laws and regulations in relation to environmental protection. Therefore, we are gradually using electric machines to replace the traditional diesel-powered horizontal transport machines at our ports with high emission. The Group has prepared a "survey on horizontal transport machine at port and the implementation of 'replacing diesel with electricity'" to record the progress of "replacing diesel with electricity".

# ENVIRONMENT

As at 31 December 2018, we created 3,549.71 kg of nitrogen oxides, 258.10 kg of particle emissions, 7.83 kg of sulphur dioxide (SO<sub>2</sub>) and 9,070,762.15 kg of carbon dioxide (CO<sub>2</sub>) in total and the details of the emission data are set out as follows:

KPI — Emissions and greenhouse gas emissions KPI1.1	Source	Unit	Type of emissions	Amount of emissions (kg)
<i>Emissions — Vehicle emission data</i>				
	Kilometres travelled by vehicles	678,257.37 km	Nitrogen oxide	3,549.71
			Particle emissions	258.10
	Units of fuel consumed by vehicles			
	Diesel	477,372.85 litre	SO <sub>2</sub>	7.83
	Petrol	10,001.66 litre		

KPI — Emissions and greenhouse gas emissions KPI1.2	Source	Unit	Type of emissions	Amount of emissions (kg)
<i>Greenhouse gas emissions in total</i>				
<i>Scope: Direct greenhouse gas emissions from operations that are owned or controlled by the Company</i>				
Scope 1b — Combustion of fuels in mobile sources (e.g. motor vehicles and ships) controlled by the reporting entity	Fuel consumption		CO <sub>2</sub>	
	Diesel	477,372.85 litre		1,280,886.84
	Petrol	10,001.66 litre		
Scope 2 — Energy indirect greenhouse gas emissions	Purchased electricity	9,633,781.00 kWh		7,789,875.32
Total CO <sub>2</sub> emissions for the reporting period:				9,070,762.15

# ENVIRONMENT



## Waste Generation

Waste generated by the Group arises from the ordinary operation of its office and mainly comprises paper for daily consumption.

The Group endeavours to reduce waste generation. We actively promote a “paperless” work environment and adopt a digital operation hub to handle documents and files. Meanwhile, we regularly circulate environmental protection information to our employees, such as requiring employees to print on both sides and reuse paper printed on only one side in order to minimise paper consumption.

## Use of Resources

The Group’s use of resources is primarily attributed to water and electricity consumption.

Our electricity consumption is mainly for the purpose of daily operation of the Group’s office and the machines and equipment at the terminals. With respect to the office operation, electricity is required to maintain the operation of air conditioners, computers and other office equipment. Meanwhile, our machines and delivery equipment at the terminals, including conveyors belts and cranes, also need electricity to drive.

During the Year, the Group’s electricity consumption was 9,633,781.00 kWh (electricity consumption per capita was 42,627.35 kWh/staff), representing a total CO<sub>2</sub> emission of 7,789,875.32 kg.

To effectively use the Group’s resources, we have taken the following measures to save electricity in the Group’s office:

- Switch off the lightings and electrical appliances when not in use to reduce energy consumption;
- Maintain the indoor temperature at an optimal level and switch off the air conditioner when it is not needed;
- Switch off the air conditioner and lightings after office hours and in idle rooms; and
- Our staff are required to switch their computers and other equipment into hibernation mode or turn them off when they leave their desk during office hours, including when paying visits to clients and during lunch hour.



# ENVIRONMENT

We will strictly control the consumption of electricity by each machine and equipment item in order to reduce the electricity consumption of the machines and equipment items at our terminals. Each and every production unit will, on a regular basis, inspect and control the electricity consumption of each machine and equipment. They will actively look into the reason when a certain machine and equipment item in a certain month consume more electricity than it does in other months and implement corresponding measures to reduce electricity consumption of the equipment.

In addition, our equipment department will carry out regular maintenance of the machines and equipment. We have put in place a set of maintenance specification, e.g. 1,000 hours of maintenance specification. Our equipment department will carry out a set of maintenance procedures according to our maintenance specification when our equipment items have been operated beyond a stipulated number of hours to ensure our equipment items are in effective operation and reduce unnecessary use of resources.

Given the nature of the Group's business, our consumption of water is minimal, which is primarily attributed to the daily use of water by the staff in our office during working hours, and does not contain hazardous waste water. Our domestic sewage is directly discharged into the municipal sewage network.

Water pipes are prone to crack in severely cold weather in winter, which may cause leakages. Therefore, our water pipes are wrapped with anti-freezing material to avoid the threat of low temperature and in turn prevents wastage of water resources.

The Group recorded a water consumption of 62,626.00 m<sup>3</sup> for the Year (water consumption per capita of 277.11 m<sup>3</sup>/staff).



## EMPLOYMENT AND LABOUR STANDARDS

### Overview of Human Resources

We strongly believe that employees are the crucial cornerstone of corporate growth and an indispensable part of sustainable development. Therefore, we wish to attract and retain talents through competitive compensation and welfare mechanism and quality promotion opportunities. The Group strives to safeguard the statutory benefits of all of our staff, and strictly adheres to various labour laws and regulations in the PRC, including but not limited to the PRC Labour Law (《中華人民共和國勞動法》), the PRC Labour Contract Law (《中華人民共和國勞動合同法》), and the PRC Social Insurance Law (《中華人民共和國社會保險法》).

Furthermore, we hope to continuously enhance our service quality and increase the development opportunities for employees. Therefore, we provide a series of training to employees to improve their knowledge regarding business operation and safety guidelines.

During the Year, the Group strictly complied with the labour laws and relevant regulations in the PRC and was not involved in any confirmed non-compliance relating to employment that would have a material impact on the Group.

### Employment

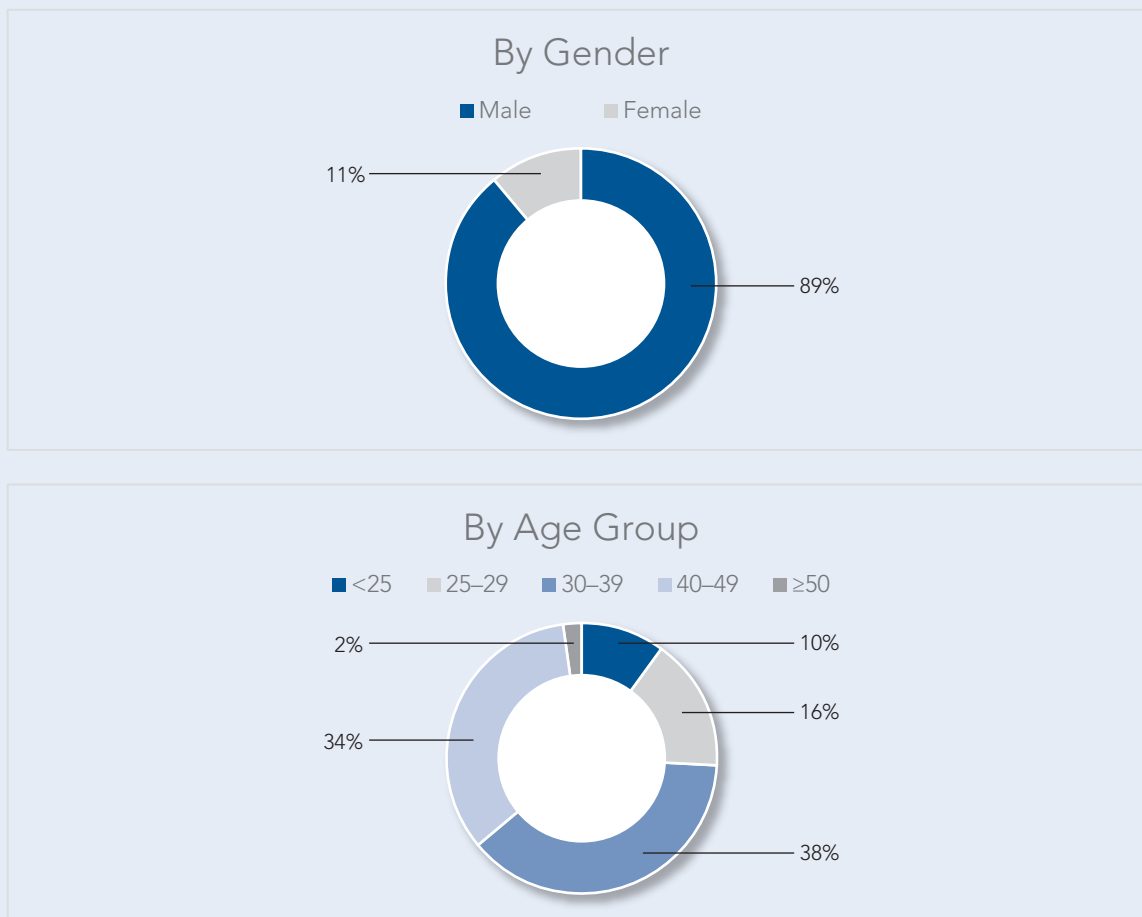
The Group has prepared the Staff Handbook in accordance with applicable labour laws and regulations, covering various policies on human resources, including but not limited to, recruitment and promotion procedures, training, performance assessment management, salary and benefits, working hours, leave and other vacations (including marriage leave, bereavement leave, work-related injury leave and maternity leave).

As of 31 December 2018, the Group has in total 226\* employees.





Employee structure by gender and age group is set out as the follows:



\* representing full-time employees who are hired for port logistic services provided by two terminals in the PRC.



During the Year, a total of 18 employees of the Group terminated their employment. The following sets out the statistics of employee turnover:

## Employee Turnover Rate

### By gender

Male	72%
Female	28%

### By age group

< 25	17%
25–29	6%
30–39	39%
40–49	33%
≥ 50	6%

### By location

Mainland China	100%
Hong Kong	0%

### Recruiting and Retaining Talents

We believe that the Group's business success and development depend on the contribution and devotion from our employees. Hence, we actively make resource investments and provide favourable compensation and benefit packages to attract and motivate talents. We have in place a clear incentive policy, and, based on the competence and performance of staff, grant rewards to them accordingly, so as to enhance employees' motivation.

In addition, we determine fair compensation based on employee contribution and market standards. We have established a comprehensive staff performance assessment mechanism to unify evaluation criteria regarding performance of each employee during the year, with the evaluation results linked to staff salary and annual performance bonus.

### Welfare and Leave

The Group has adopted a standardised working hour system, pursuant to which, the daily working time of employee is kept within eight hours and the weekly working time is limited to within 40 hours. The Group ensures that the staff are entitled to all statutory holidays, as well as marriage, bereavement, maternity leave and paid annual leave, in strict compliance with the national requirements. Meanwhile, we make social security contributions for all our staff, including unemployment, medical, maternity, work injury, pension and housing provident funds. In order to ensure the personal health of employees and maintain a safe work environment, all employees are required to go through the health check organised by the Group before induction. We genuinely care about the physical and mental health of employees, and encourage them to participate in the sport, cultural and leisure activities organised by the Company to stay healthy both physically and mentally.

### Tolerance

The Group strives to provide an all-embracing and harmonious work environment with zero harassment or discrimination being tolerated. All recruitment, promotion and termination decisions are solely based on performance and carried out through fair and transparent procedures, regardless of race, skin colour, nationality, religion, gender, age or disability. In the course of operation, we will not use violence, threatening measures, restriction of activity or other illegal means to force employees to work.



## Health and Safety

We attach great importance to occupational health and are committed to create a safe and healthy working environment for our staff.

The Group is in strict compliance with all applicable national and local laws and regulations in relation to health and safety, including the Work Safety Law of the PRC (《中華人民共和國安全生產法》), the Law on Prevention and Control of the PRC (《中華人民共和國預防控制法》) and the Law on Prevention and Control of Occupational Diseases (《職業病防治法》), etc.

During the Year, there was no work-related fatality in the Group. However, we recorded two cases of work-related injuries during the period. Both of the two cases were not serious in nature and one happened when the staff was on the way to work. The Group has placed social insurance for all staff in compliance with the law to ensure that those who experienced work-related incidents can obtain adequate medical coverage. We have held a special meeting concerning the incident to enhance education and reinforce the awareness of our staff regarding protection and safety.

In order to enhance our staff's safety awareness and ability to prevent accident, we have developed the Operation Procedures for Safety Production (《安全生產操作流程》), which primarily comprise details and key points for safety operation in each high-risk work, including operations of uploading and unloading packaged goods, clearing up vessels and importing bulk cargo. In addition, our Staff Manual for Safety Production (《員工安全生產手冊》) has set out safety working procedures, proper wearing of labour protection items and safety operation rules for each production unit.

Meanwhile, we have set up a safety committee which is responsible for organising safety training programmes and activities. Our safety committee will also update the Staff Manual for Safety Operation from time to time in accordance with applicable safety laws and regulations to ensure our operation procedures are executed in strict compliance with national requirement.

Moreover, we have implemented a series of policies, so as to create a favorably comfortable and healthy work environment:

- timely maintain our machines and equipment to ensure their proper operation;
- ensure that all staff are equipped with adequate labour protection items;
- carry out fire prevention and fire safety training and drills on a regular basis.



## Development and Training

We firmly believe that employees' skills and experience are crucial cornerstones for the long-term development of the Group, and continuing education enables our employees to remain competitive in the industry. Therefore, we prepare Annual Training Plan every year and strive to enhance our employees' performance by providing on-the-job training and mentoring.

We expect to raise employees' awareness on safety by providing a series of safe operation training. The training includes but is not limited to delivering important tips for machine operations and safe operation procedures for respective positions. We also hold training sessions on safety regulations for employees above the middle level to keep them informed of major national safety laws and regulations and ensure our stringent compliance with the related national laws and regulations in our daily operations.

In addition, we provide orientation training to newcomers and assist them to fit themselves in the new work environment. The training includes but is not limited to corporate management system, corporate culture and safe production and skill training. Pre-employment training also equips our employees with adequate work knowledge, which further enhances our efficiency and work quality.

During the Year, the total training hours we provided to our employees in the PRC amounted to 1,740.00 hours. Statistics in respect of development and training are set out below:

For the year ended  
31 December 2018

### Percentage of employees trained

#### *By gender*

Male	93%
Female	7%

#### *By employee category*

Entry-level employees	19%
Middle-level employees	26%
Senior-level employees	55%





For the year ended  
31 December 2018

## Average training hours completed per employee

### By gender

Male	5.34
Female	5.00

### By employee category

Entry-level employees	11.86
Middle-level employees	20.00
Senior-level employees	20.00

## Labour Standards

The Group strives to protect human rights and comply with all relevant laws and regulations of Labour Standards.

To avoid forced labour and child labour, we have stringent requirements on the selection of employees. When recruiting for positions below the management level, the Group requires applicants to provide identity card, proof of highest education, professional qualifications (such as work permits for technical positions) and certificate of resignation to verify their identity.

In the event that the management discovered child labour or forced labour against the regulations, the Group would immediately terminate the labour contracts with the relevant employee, ascertain the causes and impose appropriate punishment on the employee responsible for the illegal employment.

During the Year, there was no forced labour and child labour in the Group.

### OPERATING PRACTICE

#### Supply Chain Management

As an inland terminal operator, good supply chain management is paramount to our success.

Terminal operation mainly requires machines, equipment components and consumables (such as fuel, electricity and water). As such, during the Year, our main suppliers comprised fuel suppliers, conveyor belt and equipment components suppliers. As at 31 December 2018, we have 22 suppliers in total, all of them are from China.

To ensure quality, we have set up a range of standards for selecting suppliers, which includes, inter alia, (1) quality of products; (2) capacity and reputation; (3) pricing of products; (4) timely supply of goods. Our purchasing staff will assess suppliers regularly based on the above standards and get rid of unqualified suppliers.

#### Product Responsibility

As an inland terminal operator in China, we focus on the provision of port logistic services (including the uploading and unloading of cargo, temporary storage services prior to/or after shipments and short distance land transport services). We place great emphasis on service quality and strive to improve and enhance service quality. All the businesses operated by the Group are in compliance with the state and regional laws and regulations in relation to product liability, including but not limited to Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and Tort Law of the People's Republic of China (《中華人民共和國侵權責任法》).

During the Year, the Group had no non-compliance with relevant laws and regulations in relation to health and safety, advertising, labeling and privacy issues.

#### Quality Control

The Group has set up a comprehensive quality control system, which includes the quality control policy and standard operating procedures during our course of business to ensure the consistent quality of our services.

To ensure effective quality control, we only procure equipment components, machines and other supplies required in our operation from recognized suppliers. The procurement department is responsible for the management of our equipment. We select qualified suppliers with caution based on internal assessment standards (such as product quality and pricing). Meanwhile, all the equipment will be inspected by the procurement department upon receipt to ensure that the material and equipment purchased by the Group satisfy quality standards.



The equipment items used in port logistic services include portal cranes, belt conveyors, loaders, forklifts and container trucks. As the aging or damage of equipment affects our quality consistency, our procurement department performs full-dimensional inspection and maintenance on all equipment every two years and the findings of inspection will be recorded in regular inspection reports to ensure quality standard.

The Group has set up a complaint and feedback system. Customers may provide feedbacks through calls, email or SMS in the event that they are unsatisfied with our service quality. Upon receiving the opinion or complaint of customers, the management will timely understand the case and take measures according to the actual situation. In addition, the sales department will perform a customer satisfaction survey at the end of each year, to receive customers' feedback on the service quality of the Group. Based on the results of questionnaires, we will analyze and review our service quality and provide corresponding trainings to employees where appropriate.

During the Year, the Group did not receive any complaint in relation to our services.

## **Intellectual Property Rights**

In 2017, the Group registered the trademark and domain name for its brand "Ocean Line Port Development Limited" and domain name "www.oceanlineport.com", and the brand and domain name has thereby been under the legal protection of intellectual property rights.

During the Year, the Group did not encounter any incidents of controversies, disputes and claims relating to the intellectual property rights against any third parties.

## **Privacy Policies**

We endeavor to establish long-term and trusting relationships with customers. In order to enhance the customers' confidence in our Group, we are committed to avoid the disclosure of confidential information of customers to third parties and to maintain and process the confidential information of customers prudently.

The Group requires employees to use the computers provided by the Company only to save customer information. Our information management department is responsible for monitoring and ensuring the proper operation of the Company's network and servers to prevent and detect any unauthorised access.



## SOCIETY

The Group required employees to sign the “Employee Service Commitment” to undertake to abide by the confidentiality duties and strictly observe the Company’s confidentiality to safeguard the interests of the Group. In addition, the Group’s Employee Handbook set out the content and scope of confidentiality of employees, confidentiality obligations and liabilities for default. According to the Employee Handbook, all employees are strictly prohibited from leakage, illegal usage or improper utilization of the Company’s confidential information obtained from business or other ways. If any of the Group’s business confidential information is disclosed or copied without the consent of the Group, the Group will take disciplinary actions against the staff involved in accordance with the disciplinary provisions detailed in the Employee Handbook and reserve the right to legal proceedings.

During the Year, the Group did not receive any complaints in relation to leakage of customer information.

### Anti-corruption

All the businesses operated by the Group are in compliance with the national and local laws and regulations regarding the prevention of bribery, extortion, fraud and money laundering, including the Criminal Law of the People’s Republic of China (《中華人民共和國刑法》) and the Anti-Money Laundering Law of the People’s Republic of China (《中華人民共和國反洗錢法》). The Group requires its employees to strictly follow the requirements of the aforesaid ordinances in order to prevent behaviors such as bribery, extortion, fraud and money laundering.

In addition, we strictly prohibit all employees from using their powers for personal interests through the violations of laws and regulations or illegal activities such as bribery, extortion, fraud and money laundering in order to promote anti-corruption resolutely. The Group has set up a reporting and complaint channel. If any suspected case is observed, employees are able to report to the management in absolute confidentiality by telephone, email and SMS.

To protect the Group’s interest, the Group requires employees to strictly follow the code of conduct listed in the Employee Handbook. In addition, the Group provides relevant training to employees on a regular basis. In May 2018, we organised training for the management with the topic of “Anti-corruption Learning Education” to strengthen the awareness of anti-corruption and illegal activities such as money laundering.

During the Year, there were no litigation cases regarding allegations against the corruption of the Group or employees of the Group.

## COMMUNITY

### Community Investment

We deeply acknowledge the importance of giving back to the society and spare no effort in providing help to the community. We strongly encourage our staff to participate in community activities and contribute to the sustainable development of the harmonious society.

# INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE STOCK EXCHANGE



Key Performance Indicator (KPI)	Environmental, Social and Governance Report Provisions	Disclosure Section	Notes
<b>A. Environment</b>			
<b>Aspect A1: Emissions</b>			
	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection	
A1.1	The types of emissions and respective emissions data	Emissions	
A1.2	Greenhouse gas emissions in total	Emissions	
A1.3	Total hazardous waste produced	N/A	No chemical or medical hazardous waste is generated in the course of our operation.
A1.4	Total non-hazardous waste produced	N/A	No significant amount of hazardous wastes is generated in the course of our operation. Hence, data of non-hazardous waste is not included in the calculation.
A1.5	Description of measures to mitigate emissions and results achieved	Emissions	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Waste Generation	



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Key Performance Indicator (KPI)	Environmental, Social and Governance Report Provisions	Disclosure Section	Notes
<b>Aspect A2: Use of Resources</b>			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Environmental Protection	
A2.1	Direct and/or indirect energy consumption by type in total	Use of Resources	
A2.2	Water consumption in total and intensity	Use of Resources	
A2.3	Description of energy use efficiency initiatives and results achieved	Use of Resources	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Use of Resources	
A2.5	Total packaging material used for finished products	N/A	Our operation process does not involve the use of packaging materials.
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.		Environmental Protection	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Use of Resources	

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Key Performance Indicator (KPI)	Environmental, Social and Governance Report Provisions	Disclosure Section	Notes
<b>B. Social</b>			
<b>Aspect B1: Employment</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employment and Labour Standards	
B1.1	Total workforce by gender, employment type, age group and geographical region	Employment	
B1.2	Employee turnover rate by gender, age group and geographical region	Employment	
<b>Aspect B2: Health and Safety</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe work environment and protecting employees from occupational hazards.		Employment and Labour Standards	
B2.1	Number and rate of work-related fatalities	N/A	During the Year, no serious work injury incidents occurred in the Group.
B2.2	Lost days due to work injury	N/A	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Health and Safety	



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Key Performance Indicator (KPI)	Environmental, Social and Governance Report Provisions	Disclosure Section	Notes
<b>Aspect B3: Development and Training</b>			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Employment and Labour Standards	
B3.1	The percentage of employees trained by gender and employee category	Development and Training	
B3.2	The average training hours completed per employee by gender and employee category	Development and Training	
<b>Aspect B4: Labour Standards</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Employment and Labour Standards	
B4.1	Description of measures to review employment practices to avoid child and forced labour	Labour Standards	
B4.2	Description of steps taken to eliminate such practices when discovered	Labour Standards	
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Operating Practice	
B5.1	Number of suppliers by geographical region	Supply Chain Management	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain Management	

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Key Performance Indicator (KPI)	Environmental, Social and Governance Report Provisions	Disclosure Section	Notes
<b>Aspect B6: Product Responsibility</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Operating Practice	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	As a terminal operator, we do not produce any physical products, so the indicator is not applicable to us.
B6.2	Number of products and service related complaints received and how they are dealt with	Product Responsibility — Quality control	
B6.3	Description of practices relating to observing and protecting intellectual property rights	Non-discloseable	
B6.4	Description of quality assurance process and recall procedures	Product Responsibility — Quality control	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Product Responsibility — Privacy Policies	

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Key Performance Indicator (KPI)	Environmental, Social and Governance Report Provisions	Disclosure Section	Notes
<b>Aspect B7: Anti-corruption</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Operating Practice	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-corruption	During the reporting period, there were no accusations and legal cases regarding corruption in which the Group or the employees of the Group are involved.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Anti-corruption	
<b>Aspect B8: Community Investment</b>			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community — Community Investment	
B8.1	Focus areas of contribution	Non-discloseable	
B8.2	Resources contributed to the focus area	Non-discloseable	