



青島港國際股份有限公司

QINGDAO PORT INTERNATIONAL CO., LTD.

(A joint stock company established in the People's Republic of China with limited liability)

Stock Code: 06198

2017

Sustainability Report



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ABOUT THE REPORT

01 Report Introduction

This report is the second Sustainability Report issued by Qingdao Port International Co., Ltd. ("the Company" or "we"), which mainly outlines the concepts, practices and performance of sustainable development of the Company in environment, society and governance.

02 Reporting Period

From 1 January to 31 December 2017, certain statements and information are traced back to earlier years.

03 Reporting Coverage

This report covers the Company, its branches, subsidiaries, and certain joint ventures and associates.

04 Publication Cycle

This report is published annually.

05 Data Source

The financial data disclosed in this report comes from the Company's 2017 Annual Report (the "Annual Report"), and other data comes from internal statistics of the Company or manual sorting. Unless otherwise stated, the amount of currency involved in this report is denominated in Renminbi ("RMB").

06 Reference Standard

This report refers to the Guidelines for Environmental, Social and Governance Report of The Stock Exchange of Hong Kong Limited (the "SEHK") and the core program of the Sustainability Report Preparation Guide 4.0 (the "G4.0") of the Global Reporting Initiative, which are based on the industry background, highlighting the characteristics of the enterprise.

07 Access to the Report

This report is available in electronic form and you can download this report at the website of the SEHK (www.hkexnews.hk) or the website of the Company (www.qingdao-port.com).

08 Related Instructions

Unless otherwise stated, the words and terms in this report are the same as those defined in the Annual Report of the Company.

The interpretation right of this report is owned by the general office of board of directors of the Company.



CHAIRMAN'S STATEMENT

In the past year 2017, the Company continued to deepen the supply side reform in respect of our port service, accelerated the conversion from old to new momentum, persistently focused on enhancing management internally and expanding market externally, while driving development through innovation and being dedicated to achieving steady growth. Aiming at becoming one of the world's top-notch operators in the industry, we put great emphasis on strengthening our port business through the enhancement of logistics, efficiency, international presence, application of science and technology and ecological conservation, and achieved a comprehensive sustainable development.

Our operational performance continued to maintain steady growth. Regarding value creation as the fundamental mission of our business and adhering to the orientation of economic performance, we have made great efforts in developing our modern logistics system, and steadily implemented the "Three Strategies" namely the strategies of finance, internationalization, and Internet. Leveraging on our main business of terminal and stevedoring, we opened up new space for development and established the diversified development ecology step by step. The net profit attributable to shareholders of the Company for the year 2017 amounted to RMB3.043 billion, representing a year-on-year increase of 39.2%. While creating substantial financial return for our shareholders, we also continuously realized the value of the enterprise in a responsible manner and through high-efficient operation as well as quality service.

We followed the philosophy of governance by law and good faith management. We believe that regulated governance, honesty and credit are important features of a first-class enterprise, as well as the cornerstone of gaining trust from the stakeholders. We have been improving the compliant operation by revising and perfecting our corporate governance system and strengthening internal control supervision and risk management, with reference to relevant laws, regulations and market regulatory rules. We opened up external

communication channels, and established honest, equal and mutually beneficial relationship with our stakeholders, such as investors, customers and suppliers to build a harmonious relationship of win-win cooperation, and to work together to cope with the challenges of environmental and social issues.

We vigorously promoted environmental protection and energy conservation. Our aim was to produce excellent financial performance in an environmentally friendly manner. Relying on technological innovation, we have been making great efforts in building the green and low-carbon port through energy conservation and emission reduction by adopting new energy, new equipment and new process. We continued to increase investment in environmental protection, tree planting and greening, wind-proof and dust-controlling, as well as to beautify the environment, with the aim of building beautiful and garden-style port areas. We also strengthened energy management, promoted the use of energy-saving and environmentally friendly equipment, raised the awareness of resource conservation among all employees, with a view to building a resource-conserving port.

We adhere to the people-oriented principle and care about the well-being of employees. We regard talented staff as the Company's most valuable asset. We attached great importance to the safety and occupational health of our employees. With the safety philosophy of "integration of human and safety", we made great efforts in ensuring production safety and providing employees with a safe working environment. We offered multi-level and diversified training for our employees, formulated a diversified vocational development plan and growth, tapped potentials, and develop expertise, so that each employee can find their own values. We provide various benefits such as lunch for staff on duty, birthday cakes, holiday gifts and health check-up. With the focus on the long-term interests of employees, we paid up various types of insurance in full and established an employee annuity system to provide basic protection for our employees.



Actively devoting to social welfare and making contribution to the community. We believe that the enterprise is a member of social citizens, and that serving the society and stimulating regional development is an obligation that a company should fulfill. We made persistent efforts in sharing corporate development achievements with the society, promoted regional economic development, supported community building, and promoted social development and progress. We vigorously advocated and encouraged volunteering organizations and individuals of the Company to participate in social activities, offer love, transmit positive energy, and promote the harmonious development of enterprises and society.

The way in which a company coordinates the development with the environment and society is not only a problem to be solved in the process of a company's survival and growth, but also a prerequisite for a company to maintain permanent competition and achieve prosperity. Qingdao Port is a great century-old port. As a company with a long tradition of inheritance and deep cultural heritage, we insisted on fulfilling corporate economic responsibility, environmental responsibility and social responsibility, and strove to achieve a speedy development with quality and efficiency, as well as a balance between economic development and resource and environment. We are also deeply aware that the goal of achieving sustainable development for enterprises is a long-term and never-ending task, and we need to make continuous efforts to deliver further achievements.

Looking ahead into 2018, while strengthening the traditional port business, we will continue to promote the "Three Strategies" of finance, internationalization, and Internet, and proactively expand the new business, improve the modern logistics industry chain, build the financial service industry ecological system, explore overseas development space, and speed up the construction of intelligent ports to create a new situation of improving quality, increasing efficiency, innovating and developing. At the same time, we will take environmental protection and social responsibility as an important content for building the Qingdao Port into a world-class strong port, optimize the social responsibility management system, and work together with partners and stakeholders to build a beautiful port home with "blue sky, green land and clear water"!

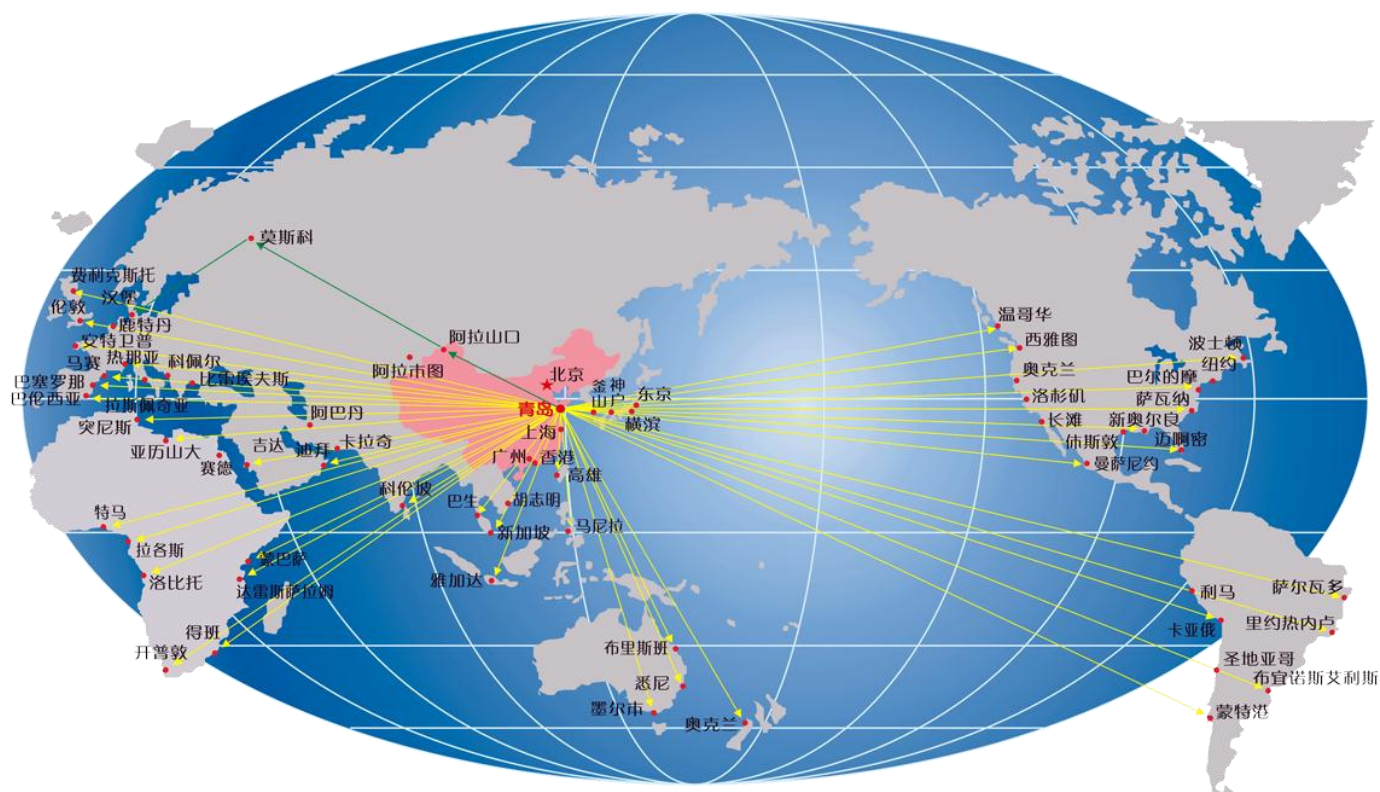
ZHENG Minghui

Chairman

March 2018

The Port of Qingdao commenced operations in 1892. Located between the Bohai Rim port region and the Yangtze River Delta port region in the PRC and occupying a central position among ports in Northeast Asia, it is an important hub of international trade in the West Pacific and one of the world's largest comprehensive ports.

Hong Kong Stock Exchange on 6 June 2014. The Company is a primary operator of the Port of Qingdao and operates four port areas in Qingdao, including Qianwan Port Area, Huangdao Oil Port Area, Dongjiakou Port Area and Dagang Port Area. It is mainly engaged in the handling of different types of cargoes such as containers, metal ore, coal and oil and the provision of ancillary services, logistics and port value-added services, port ancillary services and financial services.



As of 31 December 2017, the Group operated 84 berths at the Port of Qingdao, which included 54 berths dedicated to handling a single type of cargo and 30 general berths capable of handling metal ore, coal and other general cargo. Leveraging natural deep-water advantage and industry-leading facilities and equipment, the Group can accommodate the world's largest container vessels, iron ore vessels and oil tankers. The Group took full advantages of its port resources, reasonably planned its investment portfolio, and established a diversified enterprise group covering terminal, logistics and financial businesses.

Performance in 2017



84 berths

Number of operating
berths



RMB3.043 billion

Net profit attributable to
shareholders of the Company



RMB10.146 billion

Revenue



11,135 employees

Total number including subsidiaries
and important joint ventures



HKD31.632 billion

Market capitalization



458 million tons

Annual cargo throughput

Statistics stated above are as of 31 December 2017



(II) Concept for sustainable development

1. The Company's value concept

Corporate Mission

Serving motherland with excellence,
Giving back to community,
Fulfilling employees

Corporate Vision

Strive to become a world-class port,
Build up a harmonious home

Corporate Spirit

Each generation should make
their respective achievements,
contributions and sacrifices

Corporate Brand

Sincerely receive customers from
all over the world
Actively promote efficiency

Corporate Strategies

Strategies of finance,
internationalization and Internet

Management Concept

Determine goals and get positioned,
Direct ourselves to targets
Set goals and quantity,
Set deadline for achieving goals
Hit records and assign responsibilities

Operation Concept

Achieve a healthy and sustainable development
with economic profit as the center

Safety Concept

Integration of human and safety

Service Concept

100% satisfaction among 100% of our clients

Innovation Concept

Fully innovate, establish businesses across
the Port and encourage all employees
to explore potential clients

Team Concept

One heart and one mind
Handle the work independently

People-Oriented Concept

When there is a will to learn, there is an opportunity;
When there is a will to play, there is a platform; and
When there is a will to win, there is a bright future

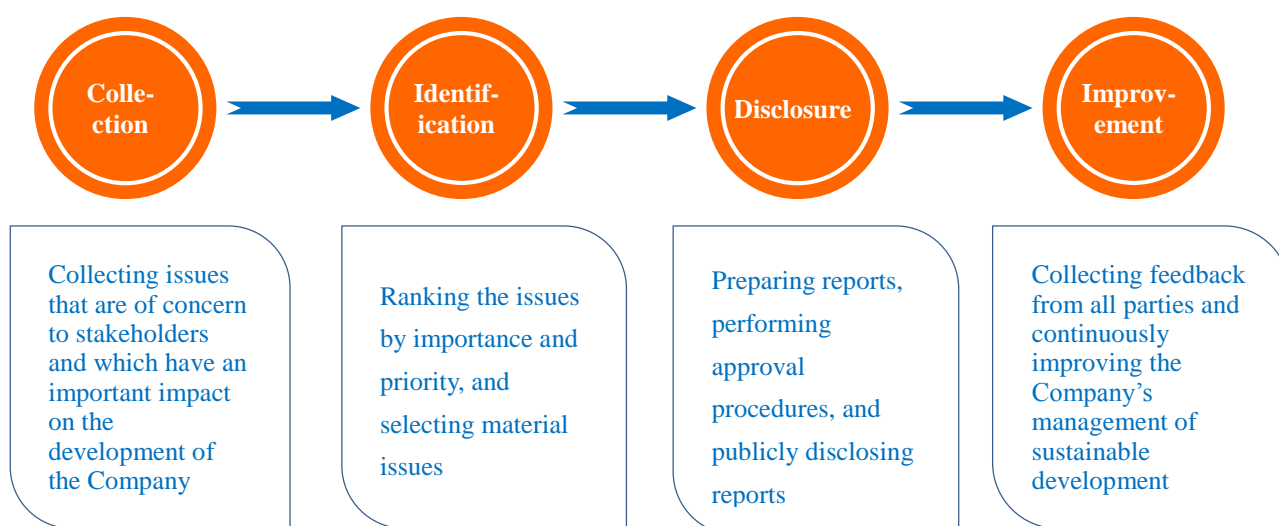
2. Management in respect of sustainable development

The Company's philosophy of sustainable development lies in working with various stakeholders to achieve stable and sustainable development of the Company under the premise of protecting the ecological environment and fulfilling our social responsibilities. Our philosophy of sustainable development is in line with the Company's culture and values. From the mission of "serving motherland with excellence, giving back to community, fulfilling employees" to the business philosophy of "achieve a healthy and sustainable development with economic profit as the center", all of such propositions reflect the unremitting pursuit of the Company in promoting the coordinated development of economy, environment and the society.

The board of directors of the Company makes decisions on and manages the sustainable development of the Company. The management and various functional departments are responsible for the specific implementation of all aspects of the sustainable development of the Company, such as security, production, external cooperation, employees, environment and society. The office of the board of directors is responsible for integrating the Group's environmental, social, and governance initiatives, and preparing this report for disclosure to external parties. We have put in place a linkage mechanism between headquarter of the Company and each of its branches, subsidiaries and joint ventures to fully coordinate the sustainable development of all units. The Company has established a sustainable development management framework, and has gradually established an indicator system in line with the characteristics of the industry and the Company under the guidance of existing international and domestic indicators and management systems.

In order to improve the pertinence and responsiveness of this report, we have learned about stakeholder's expectations and expectations through exchange visits, questionnaire surveys, and benchmarking with the industry, and continued to arrange stakeholders to systematically participate in the preparation of the report.

Process of Preparation of this Report

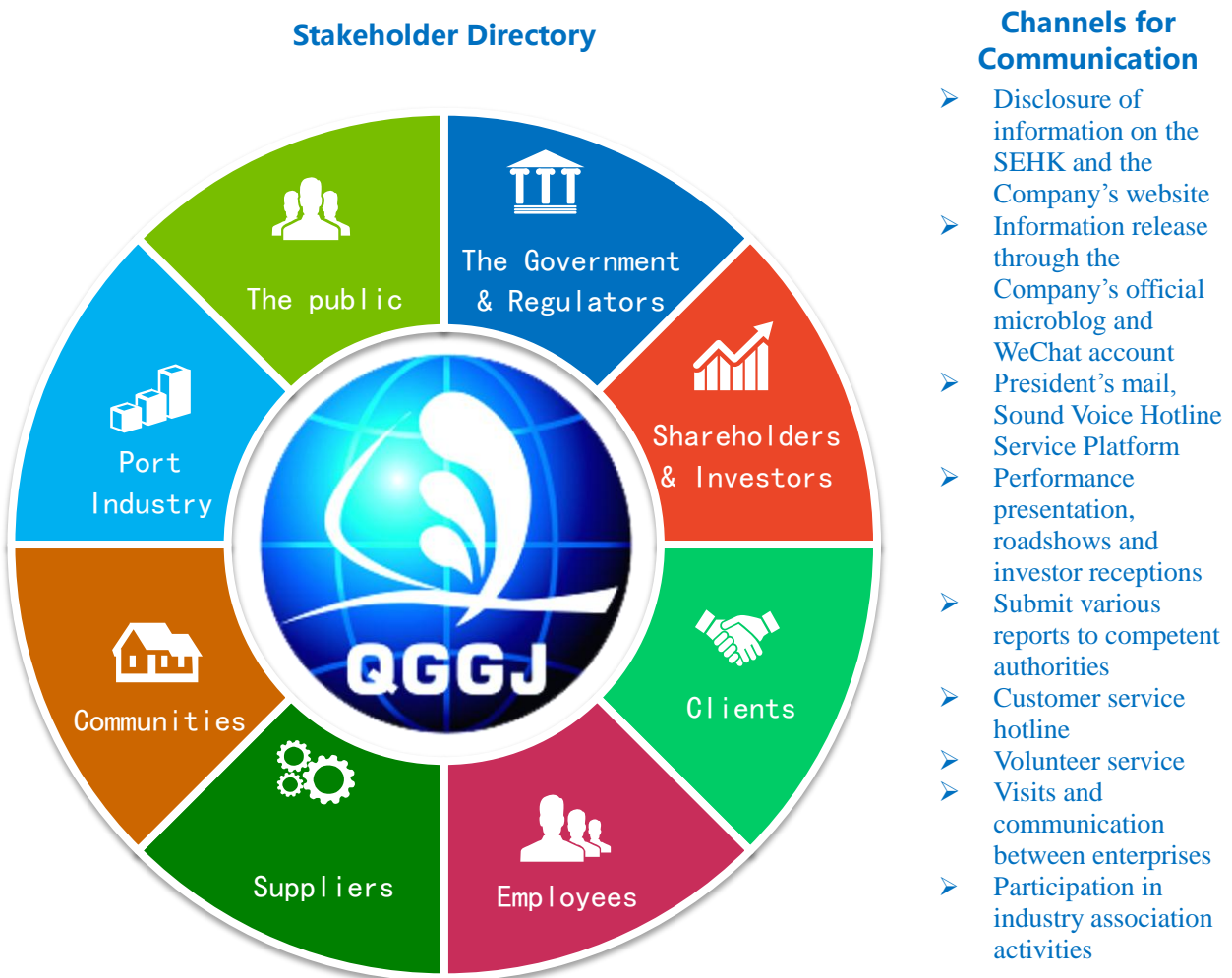


(III) Communication with stakeholders

The Company's stakeholders are all individuals, groups, or organizations that affect the Company's operations or are affected by the Company's operations. Our stakeholders include government and regulators, shareholders/investors, clients, employees, suppliers, communities, port industry, the public, etc. We regard stakeholder management as an important part of sustainable development and actively seek the trust and support of stakeholders.

The Company attached importance to the contact and communication with stakeholders and actively creates relationship of mutual respect and win-win cooperation. We listened to the voices coming from the society without delay, responded to social concerns and passed our corporate concept through company website, official microblog, official WeChat account, president's email and customer service hotline.

In order to further unblock the employee and the public information channels, the Company launched the "Sound Voice Hotline Service Platform" in March 2017. Stakeholders such as the employees and the public can directly report problems and give comments and suggestions to the Company through the online service platform. Relevant departments of the Company will handle and response to such issues in a timely manner.



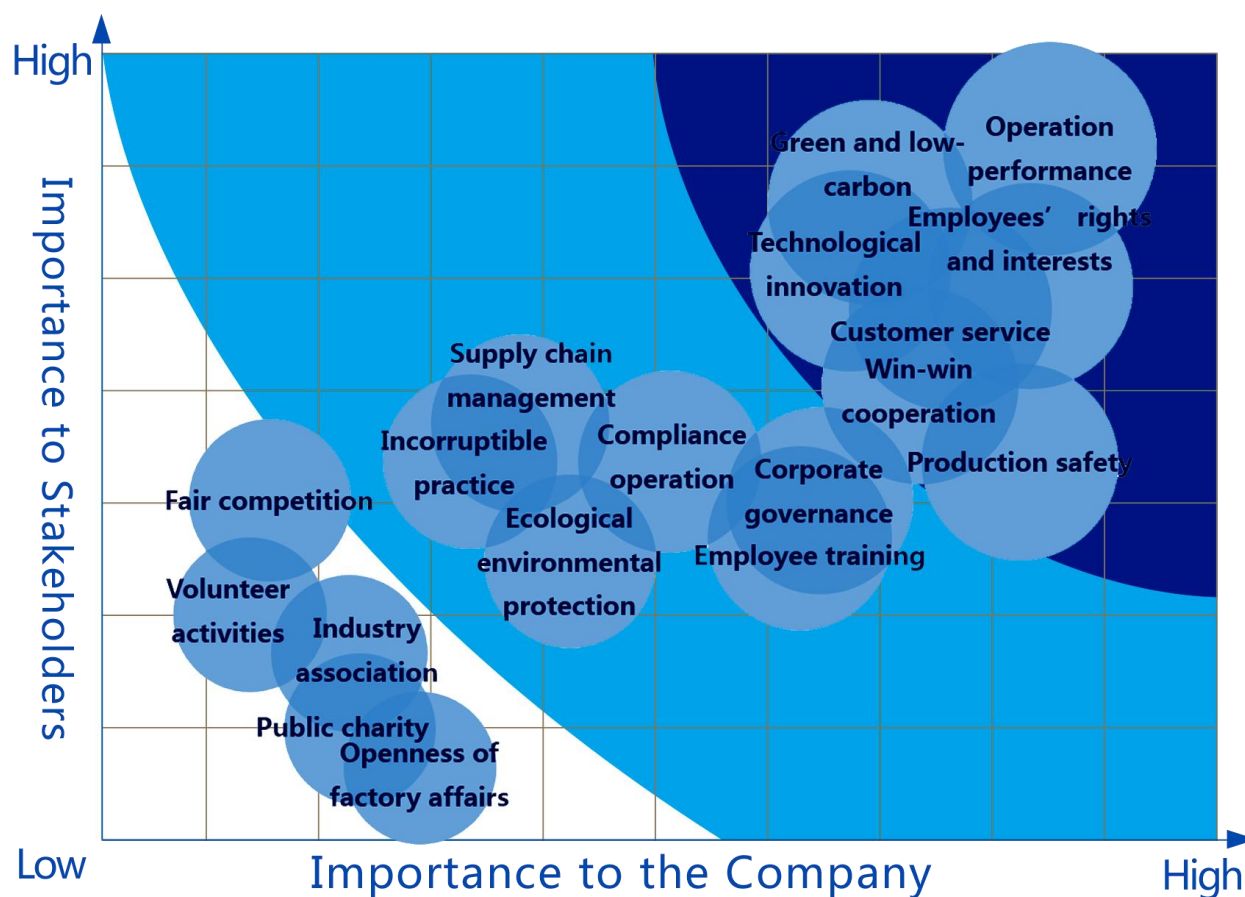
During the cooperation and communication with stakeholders, we had established a long-term mechanism for coordination and communication in respect of common concerns. In addition to the communication during the preparation of this report, extensive communication between the Company and its stakeholders was also carried out in the Company's day-to-day management and decision-making for operations.

Communication between the Company and stakeholders mainly includes the following:

Stake-holders	Concerns	Communication mechanism	Performance of communication
The government and regulators	Execution and implementation of the laws, regulations and policies Give momentum to regional economic development Corporate governance and compliance operation	Issuance of laws, regulations and policies Daily communication and report Meetings and special researches	Comply with the laws, regulations and <i>the Listing Rules</i> Operate in accordance with the laws and in good faith and accept to be supervised and administered Creating jobs; paying taxes etc.
Shareholders/ investors	The safety, preservation and appreciation of assets Protect shareholder interests Earnings and returns Information disclosure in a timely and accurate manner	Information disclosure including regular reports Shareholders' meetings Investor conferences Road show activities; results release etc.	Carry out standard corporate governance to guarantee asset safety Intensify risk management and internal control Timely and accurate information disclosure Good development prospects and profitability
Customers	High-quality products and effective services Legal rights and interest of clients Be treated in a just and fair manner Complaints to be dealt with without delay	Customer service hotline Website, Official Microblog, WeChat etc. President's mailbox	Continue to improve service quality Safeguard the legal rights of clients Ensure just and fair treatment Handle client complaints without delay
Employees	Legal rights and interests of employees Remuneration incentive and welfare Sound working environment Opportunities for training and development	Workers' Congress Website, Official Microblog, WeChat etc. Incentive mechanism for employee evaluation Regular trainings President's mailbox	Protect employees' legal rights and interests Stick to the openness of factory affairs and democratic management Create a safe and harmonious working environment Offer good training opportunities Provide a solid platform for development
Suppliers	Honesty and credibility Payment in time Transparency in information Equal opportunities	Sunlight procurement website Bidding activities President's mailbox	Honest, credible, justify and clean Mutual beneficial and win-win cooperation Open and transparent, fair competition and equal opportunities Adhere to contracts and act faithfully
Communities	Community development Community charity	Community activities Mass media Website, Microblog, WeChat etc.	Maintain a close relationship with the communities Support community development Organize activities for community charity
Port industry	Industry development Win-win cooperation Fair competition	Participation in industry associations Learn from and exchange with other companies Synergy and contact mechanism	Strengthen exchanges and achieve win-win cooperation Respect business ethics and compete fairly Push forward with the development and progress of the industry together
The public	Performance of social responsibilities Resources conservation Environmental protection	Website, Microblog, WeChat etc. Press and media President's mailbox	Provide high-quality products and services Support activities for social welfare Preserve resources and protect the environment

We collected and organized issues on sustainable development in environmental, social, and governance areas, analyzed and compared the importance of different issues to stakeholders and the Company's sustainable development, and identified six high substantial subjects, seven medium substantial subjects and five low substantial subjects. Key issues under research in this report are determined accordingly.

High substantial subjects	Medium substantial subjects	Low substantial subjects
<ul style="list-style-type: none"> ① Operation performance ② Employees' rights and interests ③ Green and low-carbon ④ Customer service ⑤ Technological innovation ⑥ Win-win cooperation ⑦ Production Safety 	<ul style="list-style-type: none"> ⑧ Corporate governance ⑨ Employee training ⑩ Compliance operation ⑪ Supply chain management ⑫ Incorruptible practice ⑬ Ecological environmental protection 	<ul style="list-style-type: none"> ⑭ Volunteer activities ⑮ Fair competition ⑯ Industry association ⑰ Openness of factory affairs ⑱ Public charity



(IV) Focus on 2017



On the New Year's Day, Chairman Mr. ZHENG Minghui visited a number of front-line sites, such as the construction site of oil pipeline and the dock loading and unloading site, and expressed his condolences to the employees who were on duty of production during the festival.

On 26 January, the Company received a thank-you letter from the Qingdao Municipal Government, in which the municipal government highly praised the great contribution made by the Company to the economic development of the city, and expressed its condolences for the festival to the employees of the Company.

January



On 18 January, the Company organized the "New Year Collections Market" for the Lunar New Year, which was opened in three port areas to provide convenience for employees who were on duty to purchase goods for the festival.

February

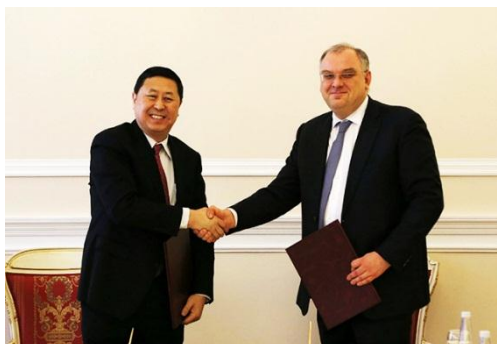


On 27 February, the Company's first employee training class in 2017 was opened. The Company designed a number of training schemes covering multiple professions and levels to meet the diversified needs of its employees.



On 16 February, the Company held a conference on financial works to summarize annual financial work, and carried out research and deployment for the next direction of financial work.

March



On 21 March, Chairman Mr. ZHENG Minghui visited St. Petersburg Port, the largest port in Russia, to promote cooperation in the various areas, such as port development and construction, management of operation, and training of employees.



On 8 March, on the International Women's Day, the Company organized the "I Come from the Spring", a contest for employees to showcasing their images. During the event, a large number of female employees gathered to celebrate the festival.



On 8 April, at the awarding ceremony of the Annual Economic Achievement Awards of Qingdao, "Leader in Efficiency among Ports in the Country" of the Port of Qingdao was selected as the top ten economic events in Qingdao for the year 2016. Vice Chairman Mr. CHENG Xinnong was named among the top ten economic figures in the year 2016 in Qingdao.

April



On 24 April, Chairman Mr. ZHENG Minghui visited the Long Beach Port in the United States, a sister port of the port of Qingdao, to deepen bilateral cooperation and exchanges in various areas.



On 11 May, the fully automated container terminal in the Port of Qingdao, the world's most advanced fully automated container terminal in Asia, was officially put into commercial operation.

On 25 May, accompanied by Mr. ZHANG Jiangting (Member of the Standing Committee of the Shandong Provincial Party Committee and Secretary of the Qingdao Municipal Party Committee), Mr. MENG Fanli (Deputy Secretary of the Qingdao Municipal Party Committee and Mayor) and other officials, Mr. LIU Jiayi (Secretary of Shandong Provincial Party Committee) conducted an investigation in the ports, and gave positive comments on the development of Qingdao Port.

May



On 19 May, Qingdao Port signed a strategic cooperation agreement with China COSCO SHIPPING Group to promote cooperation between ports operation and shipping companies.



On 27 May, the Company's second employee sports meeting was grandly held. At the opening ceremony, the staff self-directed and performed a large-scale stylistic performance "Let Our Dreams Fly".

June



On 23 June, the railway-maritime interconnecting transportation facility connecting Urumqi-Qingdao Port-Bangladesh Iron Sea was put into operation, thus starting the mode of the maritime-railway interconnecting transportation between Qingdao and Urumqi.

July



On 4 July, the 9th meeting of the first worker's congress of the Company was held.

September



On 29 September, Summary Ceremony of the Qingdao Port Technical Security Competition 2017 was grandly opened. Over 140 winners were honored and 22 unique talents were named.



August

On 17 August, Mr. MA Zhongping, head of the Inspection Team of the Central Government for Environmental Protection and his delegation, accompanied by the officials of the Standing Committee of Shandong Provincial Party Committee and Executive Vice Governor Mr. LI Qun and other government officials, visited the port to conduct investigations and studies. The achievements attained by Qingdao Port in respect of the construction and development as well as environmental protection was highly recognized.

October



On 6 October, Chairman Mr. ZHENG Minghui started his annual tour for establishing cooperation and friendship with shipping companies, during which he visited a number of headquarters of some world-class shipping companies, such as Maersk, Mediterranean Shipping, CMA CGM and Hapag-Lloyd.

On 18 October, the 19th National Congress of the Communist Party of China was grandly opened. Chairman Mr. ZHENG Minghui led the Company's manager responsible for Party and government issues to watch the opening ceremony.



On 8 November, the 18th Northeast Asia Port Forum was held in Qingdao. The President Mr. JIAO Guangjun delivered a speech with the subject of “Implementing Internet Strategy to Build Smart Ports”.



On 19 November, the “Qingdao Port • Qingdao Maritime International Marathon 2017” was officially opened.



On 3 December, the average efficiency of a single machine at Qingdao Port’s fully-automated terminals reached 39.6 units per hour, and the handling efficiency exceeded the average level of the artificial dock.

November



On 17 November, Mr. HE Jianzhong, Vice Minister of the Ministry of Transport of China, visited the port for inspection and guidance.

December



From 4 December to 5 December, an annual work conference was held to summarize the work in 2017 and make decisions for the deployment in 2018.

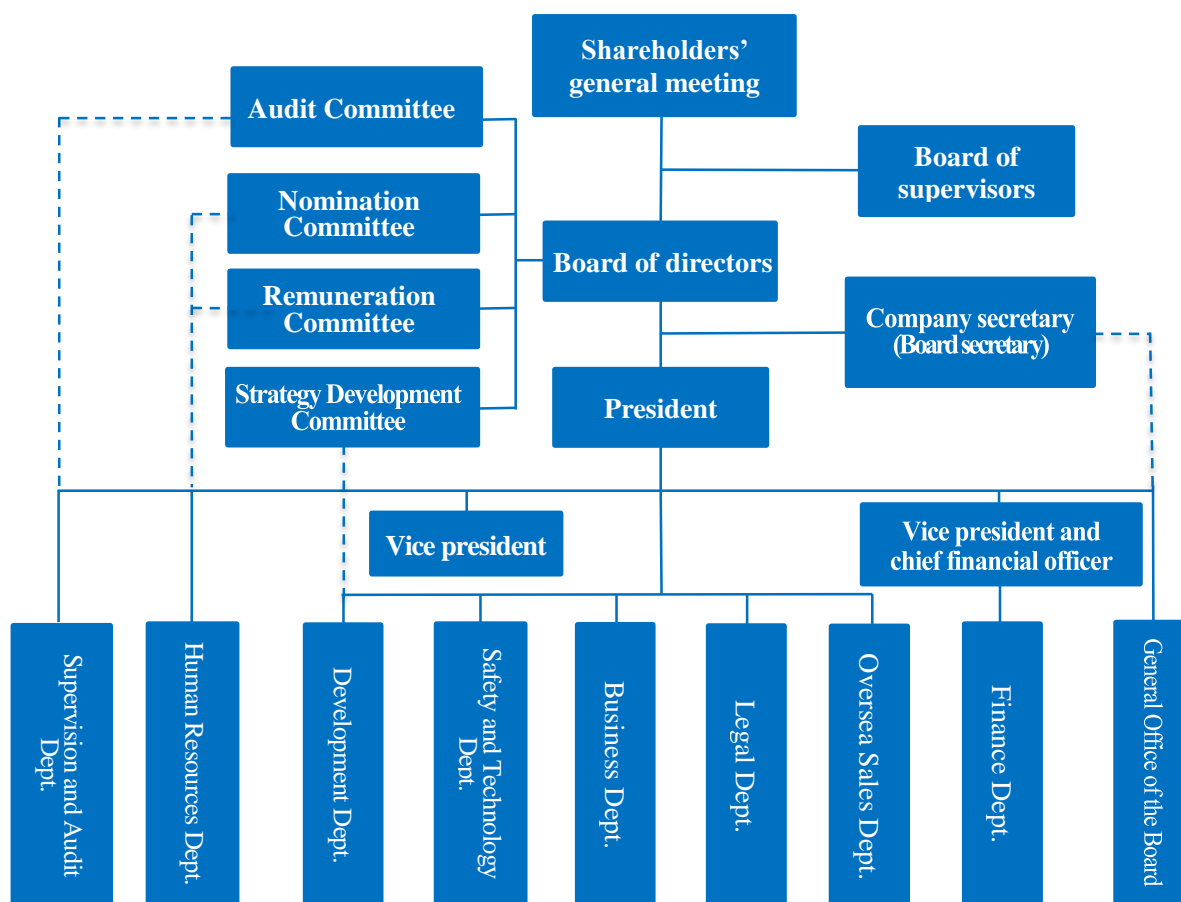
REGULATED GOVERNANCE

The Company managed itself and operated in strict accordance with laws and regulations including *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China* and *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, conducted regulated operation and improved its governance level.



(I) Governance structure

We firmly believed that a favorable governance structure was the strong guarantee for sustainable development of an enterprise. The Company has established a governance structure with “three boards and one senior management” including shareholders’ general meeting, board of directors, board of supervisors and senior management. The general meeting, board of directors, board of supervisors and senior management undertook their separate responsibilities independently and concertedly to perform fully duties.



Governance structure of the Company

As at 31 December 2017, the Company had a total of 6,036,724,000 shares issue with nominal value of each share of RMB 1.00. The equity structure is as follows:

Class of shares	Number of shares (share)	Proportion in the shares issued (%)
Domestic Shares	4,937,699,000	81.79%
H-Shares	1,099,025,000	18.21%
Total	6,036,724,000	100.00%

1. Shareholders' general meeting

The Company convened and held shareholders' general meetings in strict compliance with laws, administrative regulations, *Articles of Association of Qingdao Port International Co., Ltd.*, and *Rules of Procedures for General Meeting Rules of Qingdao Port International Co., Ltd.* ("Procedures of the General Meeting"). The shareholders' general meetings undertook its duties and rights in accordance with the laws, including to determine the Company's business policy and investment plan, to elect non-employee directors and supervisors, and settlement plan and profit distribution plan.



In 2017, we convened four shareholders' general meetings (including one annual general meeting, one extraordinary general meeting, one domestic shareholders' class meeting and one H shareholders' class meeting), reviewed and approved 37 resolutions, including proposals regarding amendments to the *Articles of Association*, issuance of domestic shares and H shares, the initial public offering and listing of the A Shares, work report of the board of directors, work report of the board of supervisors, 2016 annual profit distribution plan and continuous connected transactions, etc.

Shareholders attend the shareholders' general meeting enjoying the right to speak, inquire and vote etc. We guarantee that all shareholders, including minority and medium shareholders, will exercise their rights equally and effectively.

2. Board of directors and specialized committees

The board of directors currently comprised nine directors, including three executive directors, three non-executive directors and three independent non-executive directors. The appointment of Directors and the number and composition of the board of the directors are in compliance with the regulations of laws, regulations and the Articles of Association. The board of directors had four specialized committees, including Strategy and Development Committee, Audit Committee, Remuneration Committee and Nomination Committee. Those specialized committees formulated rules for procedures with clear rights and

responsibilities for independent and effective operation.

Specialized Committees Directors	Strategic Development Committee	Audit Committee	Remuneration Committee	Nominating Committee
Executive directors				
Mr. ZHENG Minghui	Chairman	/	/	Member
Mr. JIAO Guangjun	Member	/	/	/
Ms. JIANG Chunfeng	Member	/	/	/
Non-executive directors				
Mr. CHENG Xinnong	Member	/	Member	/
Mr. ZHANG Wei ^①	Member	/	/	/
Mr. MA Baoliang ^②	Member	Member	/	/
Mr. ZHANG Qingcai ^③	Member	Member	/	/
Independent non-executive directors				
Mr. WANG Yaping	Member	/	Chairman	Chairman
Mr. CHAU Kwok Keung	/	Chairman	/	/
Mr. YANG Qiulin	/	Member	Member	Member

Note: ① Mr. ZHANG Wei was appointed as a non-executive director, a member of the strategy and development committee on 28 June 2017.

② Mr. MA Baoliang was appointed as a member of the audit committee on 28 June 2017.

③ Mr. ZHANG Qingcai resigned as a non-executive Director, a member of the strategy and development committee and the audit committee on 28 June 2017.

All directors of the Company attended the meetings of board of directors with careful and responsible attitudes, and perform their responsibility honestly and diligently. The directors of the Company spent a lot of time and effort to determine the business and development strategies, appointment of senior managers, formulation of profit distribution plans based on their abundant knowledge, experience and good professional ethics.



In 2017, the Company convened six meetings of board of directors, reviewed and approved the annual report and interim report, annual profit distribution plan, financial service framework agreement, working report of board of directors and report of the president, etc.

The Company currently had three independent directors who are majored in finance and accounting and legal fields and with relatively high policy interpretation and professional abilities, not only put forward professional suggestions and helped for the operation of the board of directors, but also played preferable supervision roles in regulating the operation of the board of directors. The independent directors were appointed and performed their work in accordance with *Working System for Independent Directors of Qingdao Port International Co., Ltd.*, and attended the shareholders' general meeting, the meeting of board of directors and specialized committees according to laws and indicated their objective and justified independent opinions.

3. Board of supervisors

The board of supervisors comprised six supervisors, including two supervisors representing shareholders, two supervisors representing employees and two independent supervisors. The appointment of supervision, number and composition of the board of the supervisors comply with the regulations of laws, regulations and *the Articles of Association*.

Members of board of supervisors	Title
Mr. FU Xinmin	Chairman of board of supervisors, shareholder representative supervisor
Mr. CHI Dianmou	Shareholder representative supervisor
Ms. XUE Qingxia	Employee representative supervisor
Ms. LIU Yuping	Employee representative supervisor
Mr. LI Xuxiu	Independent supervisor
Mr. LIU Dengqing	Independent supervisor

The board of supervisors performed its responsibilities with loyalty to the shareholders as specified in laws, regulations and *Rules of Procedures for Board of Supervisors Rules of Qingdao Port International Co., Ltd.*, having playing its supervision function with respect to the legal operation, connected transactions and major investment projects for protecting the interests of the Company and shareholders. In 2017, the Company convened three meetings of board of supervisors, reviewed and approved the annual report and interim report, profit distribution plan and working report of the board of supervisors, etc.

4. Senior management

The appointment of the senior management was in strict accordance with the Articles of Association. The senior management shall be responsible for the board of directors and perform its work as per the responsibilities and authorities specified in the Articles of Association with respect to executing resolutions of the general meeting and the board of directors, implementing the development strategies, carrying out effective management and control for production and operation of the Company so as to improve the business performance and management level continuously.

(II) Internal control management

The Company made great efforts in realizing and perfecting the construction of modern enterprise system by actively promoting the governance of enterprises according to law, identifying and preventing internal and external risks in a systematic manner, improving the internal control system to establish a complete set of systematic corporate management systems.

1. Strengthening the construction and evaluation of internal control systems. The Company strengthened the risk management and internal control, implemented the strategic decisions of shareholders' general meetings and the board of directors, and protected the legitimate rights and interests of shareholders, especially small and medium shareholders. It adhered to the coordinate advancement in construction and evaluation of internal

control systems, to promote the construction by evaluation and integrate construction and evaluation, to identify potential risks, improve control measures, revise the internal control manual, and continuously improve the level of internal control management. In 2017, the Company conducted interim evaluation and annual evaluation for internal control, and engaged PricewaterhouseCoopers Zhong Tian LLP to review the effectiveness of the Company's internal control, which issued an internal control review report. The Company maintains effective internal controls on all major matters.

2. Improving fine-grained management level. The Company implemented complete budget management system, perfected fine-grained management and control index and assessment standard, carried out reward and punishment system as per budget index every month, thereby enhancing the employees' aggressiveness and work vitality. The Company continuously strengthened the management and control of operation process and summarized and analyzed the business performance so as to find the problem and disadvantages, optimized the cost factors and continuously improved the management efficiency.

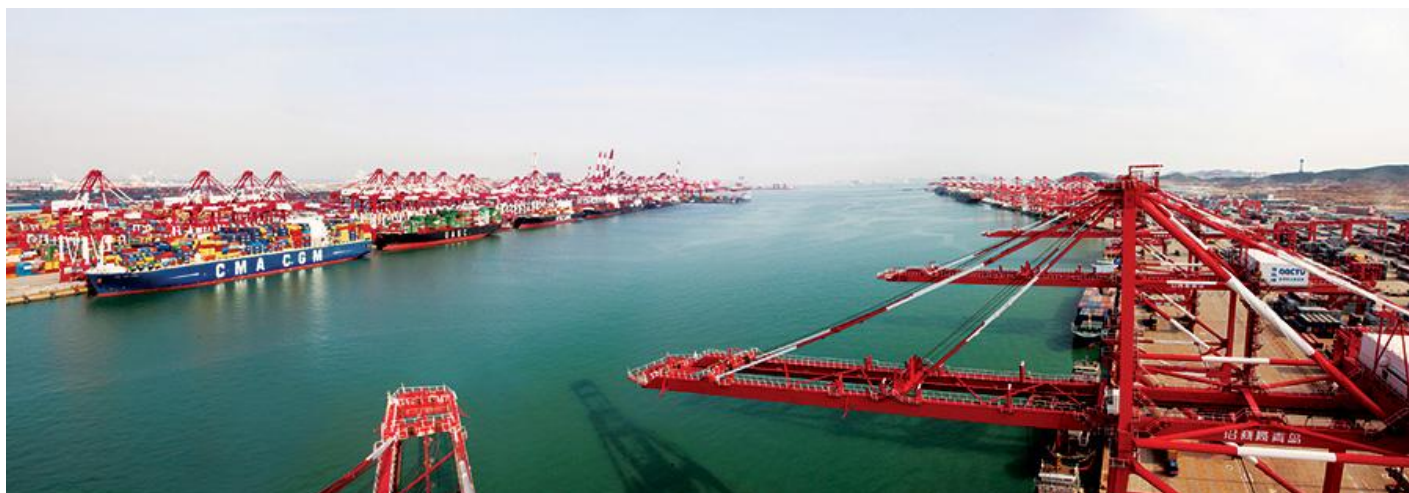
3. Enhancing internal audit. The Company enhanced the internal audit supervision function with targeting at preventing risks and improving efficiency. We carried out before, during and after audits on engineering projects, and implemented follow-up audits on the entire process of key projects. We strengthened audit analysis and audit quality process control, realized full coverage of project audit, and effectively controlled the construction investment. We also promoted standardized management by conducting economic responsibility audits, budget implementation audits and special audits to identify potential risks, and propose preventive measures.

(III) Information disclosure and investor relations

The Company earnestly fulfilled its obligation of information disclosure, and insisted on disclosing information in a unified, authentic, accurate, complete, legal and timely manner to ensure that the information disclosed is free from false records, misleading statements or major omissions, and continuously improved the quality of information disclosure. In 2017, the Company disclosed 67 periodic or temporary reports, covering the significant events which are cared by the shareholders and investors.

The Company valued the investor relations and formulated *Investor Relations Management System*, regarding the investor relation as an important part of management and governance of a good enterprise. Secretary of the board of directors is generally responsible for managing the investor relations, and the office of board of directors takes charge of carrying out the detailed work focusing on establishing a communication bridge with investors.

The Company regarded the investor relation as a long-term systematic work. In accordance with the *Listing Rules*, trends of capital market and expectations of investors, we kept close touch with domestic and foreign investors, improved the investor relation continuously and maintained the reputation of the Company in capital market.



Investor relations in 2017

- We convened two investor conferences, conducted one reverse roadshow and communicated with more than 100 agency investors;
- We participated in two investor conferences and forums, communicated with 13 investors through meeting;
- We carried out six on-site visits in port terminals; and
- We received over 100 investors and analysts through teleconference and physical meeting.



Investors' on-site exchanges and visits

In 2017, the Company made two results announcement in Hong Kong and conducted on-site exchanges on investor concerns.



The Company was granted "2017 Best Corporate Governance Award" by Hong Kong financial magazine "China Financial Market".



SCIENTIFIC DEVELOPMENT

In 2017, responding to the changes of international and domestic micro economic, the Company positively promoted the upgrading and transformation, vigorously developed whole process logistics, and further implemented the three strategies covering “finance, globalization and Internet”. As a result, the Company created good return for shareholders with continuously solid growth of business performance.



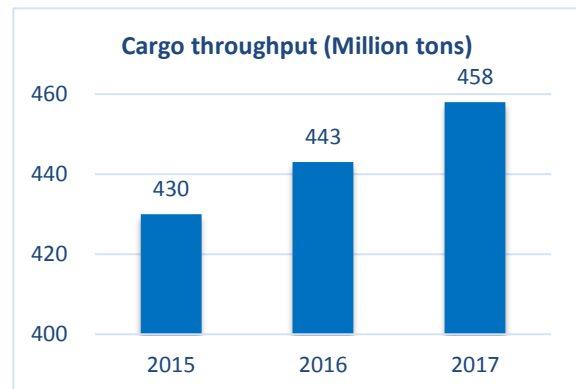
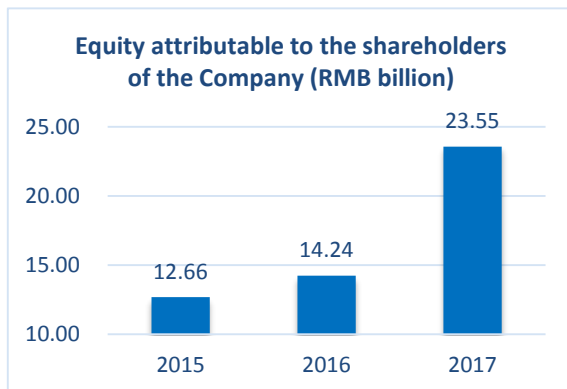
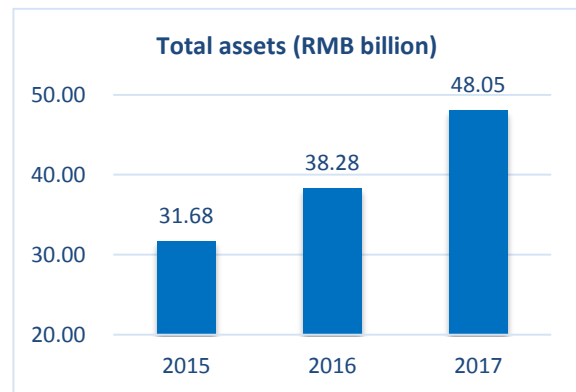
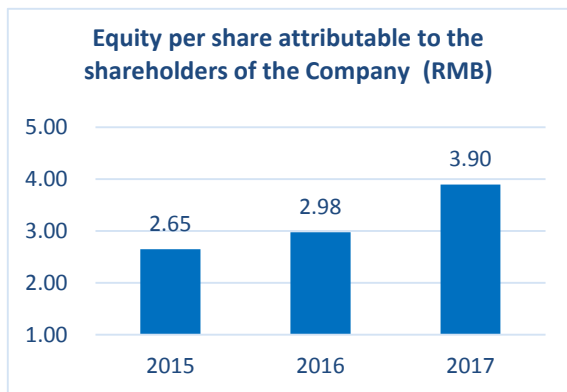
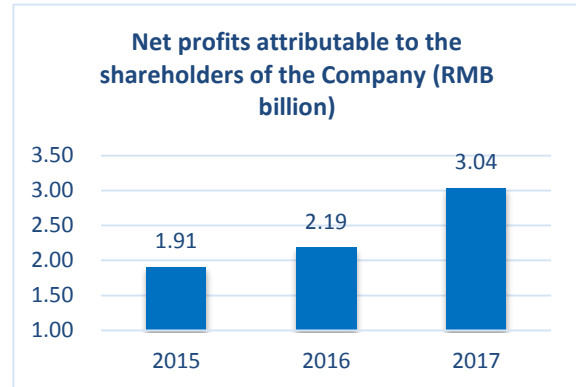
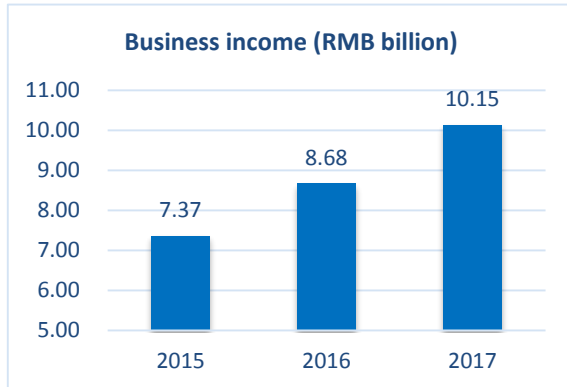
(I) Operational performance

In 2017, the Group's revenue was RMB10,146 million, representing an increase of 16.8% as compared to the same period in the prior year; net profit attributable to shareholders of the Company was RMB 3,043 million, representing an increase of 39.2% as compared to the same period in the prior year.

Indexes	Unit	2015	2016	2017
Total assets	RMB'000	31,681,833	38,282,574	48,053,652
Total liabilities	RMB'000	18,133,938	22,800,015	22,990,996
Total equity	RMB'000	13,547,895	15,482,559	25,062,656
Business income	RMB'000	7,369,238	8,684,190	10,146,225
Gross profit	RMB'000	2,074,947	2,631,426	3,330,122
Net profits attributable to the shareholders of the Company	RMB'000	1,911,916	2,186,154	3,042,959
Equity per share attributable to the shareholders of the Company	RMB	2.65	2.98	3.90
Earnings Per Share (EPS)	RMB	0.40	0.46	0.55
Dividends per 1,000 shares	RMB	139.08	130.46	*
Equity attributable to the shareholders of the Company	RMB'000	12,664,440	14,235,724	23,554,663
Rate earned on total assets	%	6.57%	6.57%	7.51%
Weighted average return on net assets	%	15.40%	16.25%	15.54%
Cargo throughput	Million tons	430	443	458

* As the Company is actively pushing ahead the progress of initial public offering and listing of A shares, which is under review phase, the distribution of final dividend for the year 2017 may include holders of A shares upon the listing of A shares. Accordingly, the Board shall make announcement with respect to the detailed proposed dividend for the year ended 31 December 2017 as appropriate in due course (but no later than 18 May 2018), subject to the approval by the shareholders at the forthcoming 2017 AGM.

Comparison of Main Business Performance in Recent Three Years



In the aspect of terminal business, the Group accurately grasped business opportunities in industry trend, such as the alliance in the container shipping business, large-size vessels, an increase amount of Valemax ore carriers entering into China, an increase in quota of crude oil processing and importing for regional refineries in Shandong Province. Relying on our professional and efficient deep water terminals, developed distribution network system, continuously increasing storage capacity of the storage yard and improving industry chains for ancillary processing and value-added service, the Group designed a comprehensive “door-to-door” logistics services solution which turned its advanced infrastructure into its competitiveness and laid the foundation for a sustainable development.

In the aspect of new businesses, the Group scientifically planned its investment portfolio to take full advantage of the port’s ability in terms of cargo supply chain resource allocation, made full use of social resources, and improved the operating efficiency of logistics resources through information technology, to provide the clients a whole industry chain integrated logistics services including shipping agency, cargo agency, stevedoring, CFS storage, transportation and other services. Meanwhile, by efficiently integrating

and matching the financial resources and funding needs of related entities of the Company and providing financial services such as deposits, loan, electronic banking notes and letter of guarantee, the Group has established a diversified profit increasing model.

(II) Development strategies

Apart from strengthening and developing the main business of port terminal loading and unloading, the Company positively expanded new businesses by innovating and developing modern logistics, implementing “finance, globalization and Internet” strategies, transforming old and new momentum, improving port functions, enlarging business size, and expanding value-added services, so as to strengthen the diversified development industrial systems.

1. Financial strategy. The Company made use of the port’s role as logistics, fund flow and information flow center, developed the combination of industry and finance deeply to improve the financial service and profitability level of the Company. On the basis of stable control on risks, we innovated business models, explored high quality projects, maintained the leading position of port financial companies, and built innovative financial companies to promote the scale efficiency of the financial sector to a new level.

2. Internationalization strategy. The Company grasped the strategic opportunity of the “Belt and Road” initiative in China and cooperated with domestic and foreign shipping companies, international terminal operators and other strategic partners to achieve complementary advantages and expanded overseas development space. The Company actively carried out the cooperation among international ports and strengthened communication in information, technology, management, etc. The Company steadily promoted management and capital output and carried out investment and operation management of port terminal project in overseas.

3. Internet strategy. The Company deepened the development of internet technology and combined it with port terminal loading and unloading, and port logistics deeply to promote industrial intelligence and smart industrialization, and establish intelligent port. We speeded up the construction of logistics e-commerce network service system and promoted the integration of logistic, business flow, information flow and capital flow, to perfect the logistics e-commerce ecosystem. We accelerated the construction of collaborative office and internal control management system, carried out basic big data application and improved the office efficiency and intelligent management level.

(III) Scientific and technological innovation

The Company devoted to the scientific and technological innovation and carried out a variety of theme activities such as port automation and intelligent new technology topics to promote new technologies and new achievements. In 2017, the Group has completed 448 important innovation research projects in total and declared 13 municipal levels or above scientific progress prizes and applied for 90 national patents.

Indicators	2015	2016	2017
The Company’s important innovation research projects	300	378	448
Municipal level and above scientific progress prizes	11	12	13
Patents applied	79	67	90
Including: invention patents	9	6	15
New technology patents	70	61	74
International patents	-	-	1

The Company established an innovative project information management platform and focused on creating innovative drive. We intensified supporting efforts on innovation for employees at the grassroots level and each units. During the year, the Company selected 70 port innovation achievements and 50 post innovation achievements in total, and praised and rewarded for innovative units and personnel. In 2017, the Group's four technical innovation projects including remote energy consumption intelligent collection system for tugs, new waste pipe retirement process based on harmless treatment, development and application of integrated wireless video positioning system, and 41 tons of 28.5 meters full-automatic orbital container gantry cranes won the "Golden Bridge Engineering" award in Qingdao.

"Technology Innovation and Application of Intelligent Container Automatic Terminal Equipment" and "Technology Innovation and Application of Quayside Fully automatic Loading and Unloading System" projects of QQCTN won the grand prize and the first prize of the third session of China Equipment Management Innovation Achievements respectively.



Port of Qingdao built the first fully automated terminal in Asia

On 11 May 2017, the fully automated container terminal of Port of Qingdao was put into commercial operation. This is the first fully automated container terminal in Asia that has been officially put into operation, the operation efficiency increased by 30% as compared with the traditional ones.



No employee worked on the terminal. All machines and vehicles automatically operated. Intelligent machines automatically loaded, unload and storage containers. In the rear production and control center of the fully automatic terminal, nine remote operators took on the works of more than 60 employees in the traditional terminal. The designed operation efficiency of terminal is 40 movements per hour, which is the container terminal with the highest degree of automation and the fastest loading and unloading efficiency in the world today.



The technology, namely automatic guided-vehicle (AGV) power system for automatic horizontal transport system of container terminals and circulating power supplying system keeps ahead in the world, and obtains national patents. Such system integrates the charging operation into AGV operation, without requiring additional charging time and construction of large-scale changing stations, and is characterized by safety and stability, high reliability, low investment costs, high operating efficiency, and zero emissions. Compared with the charging technology used at other overseas terminals, it saves nearly RMB300 million of various types of funds, which has great cost and efficiency advantages.



In March 2017, at the 2017 Navis Global Maritime Industry Technology Conference held in San Francisco, United States of America, the automated container terminal of QQCTN received “the First Automated Terminal Outstanding Achievement Award in Asia”.

The intelligent terminals of Qingdao Port adopts technologies such as internet of things perception, communication and navigation, fuzzy control, information network, big data cloud computing, and security protection to independently build a world-leading intelligent production control system, establishing a “brain” with the function of thinking and decision-making for the terminal. The operation of Qingdao Port’s fully automated container terminal adhered to independent design, independent research and development, and independent integration. It has built up a promotable and replicable “Qingdao model” with industrial model significance, and led the development direction of future ports in terms of automation and intelligence.

COMPLIANCE OPERATION

The Company adhered to the law-abiding operation, the business principle of equality and mutual benefit and honesty and credibility and social morality, business ethics and laws and regulations. Through multiple ways such as incorruptible employment management, internal control, internal audit and democratic supervision, the Company continued to enhance the level of legal operation.



(I) Incorruptible employment

The Company attached great importance to the incorruptible employment management which had been included in *Document of Operation Management Objective Responsibility* and leadership assessment system and was arranged, implemented, inspected and assessed with the Company's central task. The Company formulated and implemented management methods including *Measures for Implementing "Three Majors and One Greatness" Decision-making System*, *Regulations on Incorruptible Employment of Leadership* and *"Twenty Bans" of Incorruptible Employment* to enhance the supervision of power operation process.

The Company regularly organized party cadres and key personnel in key positions to visit the "Qingdao Anti-corruption Education Base" and received warning education on anti-corruption. The Company conducted educational activities to promote anti-corruption, organized learning and watching television programs such as *"Always on the Way (永遠在路上)"*, *"A Good Example is the Best Sermon (打鐵還需自身硬)"* and *"Never-ending Journey (永不停歇的征程)"* and developed a team of loyal, clean and responsible cadres and employees.



Party cadres and key personnel in key positions participated the anti-corruption education

Through a variety of channels including the President's mailbox, mailbox of discipline inspection commission, phones calls and petition reception, the Company widely accepted the reporting and supervision from society and the masses. The Company's discipline inspection department, around the implementation of the principles of "Eight Regulations" of the central government, focused on the supervision and inspection of project construction, bid inviting and purchasing, fund management and cargo canvassing, conscientiously fulfilled its supervision duty and effectively prevented and controlled the risks of violating the regulations and disciplines on incorruptible employment. In 2017, the Group had no case in which the directors, supervisors and senior management personnel were punished and prosecuted due to corruption and bribery.

Since the year, in order to further strengthen party cadres' party spirit and build ideological and moral standards of combating corruption, all grassroots units of the Company organized party cadres and key personnel in key positions to carry out warning education activities in Qingdao Anti-corruption Education Base. Everyone expressed to recognize the serious consequences of corruption, always tighten the string of honesty and self-discipline, build ideological and moral standards of combating corruption, conscientiously to be an upright person, and do practical things to make contributions to the development of the Company through practical actions.



(II) Fair competition and honest operation

The Company adhered to participating in market competition with the method of fairness and justice and equality and mutual benefit and complied with Chinese laws and regulations on anti-bribery, extortion, fraud and money laundering. In commercial relationships, we complied with business ethics, social morals and public order and good morals, and objected to all forms of bribery, extortion and fraud, and actively prevented and eliminated participation in transactions related to money laundering.

The Company established a perfect financial operation and supervision mechanism, strictly complied with the fiscal and financial laws and regulations of the PRC, and prevented all kinds of financial risks. In 2017, the Company's financial condition was steady, with the asset-liability ratio kept at a reasonable level, and there were no false financial accounts. The Company's assets and the shareholders' equity were effectively guaranteed. We consciously paid taxes in accordance with the law, and the tax amount ranks ahead of the companies in Qingdao.

The Company attached great importance to the credit construction, obeyed credit business rules, paid attention to the legitimate rights and interests of creditors and did not have financial irregularities or non-performance. In 2017, Dagong Global Credit Rating Co., Ltd., evaluated the Company's main credit rating and bond credit rating as "AAA".

Compliance operation principle and practice

We adhered to the operation principle of “**taking economic benefits as the center and achieving healthy and sustainable development**”. Through the efficient operation, the Company tried to create high-value fortunes for the shareholders, built a happy homeland for the workers, gave love to the community and created a good cultural and ecological environment for the society.

We **concerned on and maintained the legitimate demands of interested parties**, and stuck to the social and environmental bottom line, maintained the Company’s social ecology, did not pursue short-term profits unilaterally, positively undertook social responsibilities and followed the sustainable development road.

We adhered to important principles of “**honest operation and sincere treatment**” for social interaction, obeyed the public order and good morals, respected the property and intellectual property right of related enterprises, organizations and individuals and other legitimate rights and interests and safeguarded social and economic order.

We strictly abided by Contract Law of People's Republic of China, **abided by contract commitments and perform contracts**. In the process of contract signing, implementation and management, the Company, through equal consultation, communication and coordination, guaranteed the interests of itself and the users to maximize the pursuit of win-win cooperation.



(III) Disclosure of factory affairs and democratic management

The Company adhered to the principle of wholeheartedly relying on employee for enterprise operation, carried out factory affair opening and democratic decision-making and protected the legitimate rights and interests of workers to establish a harmonious labor relation.

1. Deepen the innovation of factory affair opening and democratic management system and mechanism. The Company has established a democratic management system including worker representative congresses and democratic appraisal of leading cadres. The Company, regarding the worker representative congresses as the basic carrier for factory affair opening and democratic management, reported important issues of port reform and development annually, decision-making matters of “Three Majors and One Greatness” and the performance of collective contracts.



The Company held the ninth meeting of the first session of worker representative congresses

2. Continue to expand the focus area of factory affair opening and democratic management. The Company's leaders reported their work on the annual worker representative congress, accepted the democratic appraisal and regularly reported their major events. Each grassroots unit of the Company has a democratic public bar to implement the disclosure requirements of the factory affairs, regularly publicizing the objectives and tasks, income distribution, production safety, personnel management, policies and systems, welfare and treatments, labor protection, and rewards and punishment for attendance, and accepting democratic supervision.



**The democratic public bar of Grassroots units
and holding of worker representative congresses meeting**

3. Continuously expand the coverage of factory affair opening and democratic management. In the aspect of implementing democratic political rights and labor rights and interests, the Company treat formal employees, retired workers and staff dispatched by shareholders of joint ventures equally to ensure the democratic right of all personnel. The Company has established joint ventures, and also a Party organization, a labor union organization, worker representative congresses and a factory affair opening and democratic management system. The Company fully respected the opinions and rights of the retired employees and invited them to participate in the worker representative congresses.

GREEN DEVELOPMENT

The Company put environmental protection and resource conservation as an important part of development strategy, implemented the project of “blue sky, green land and clear water”, built a “resource-conserving and environment-friendly” green and low-carbon port to promote the harmonious development of economic growth and ecological environment.



(I) Environmental protection

1. Increasing investment in environmental protection. The Company strictly abided by *Environmental Protection Law of the People's Republic of China*, *Marine Environmental Protection Law of the People's Republic of China* and other laws and regulations on environmental protection, which had formulated *Environmental Protection Management Regulations*, *Contingency Plan for Emergency Environmental Accidents* and other management measures to lower waste gas and greenhouse gas emissions, reduce the generations of hazardous and non-hazardous waste, protect our natural environment and maintain ecological balance.

Clean and beautiful port area environment



The Company attached great importance to the construction of environmental protection facilities. With investments in environmental protection and improvement increasing year by year, the Company has completed an advanced domestic sewage treatment plant, dust proof facilities of coal mine system, oil and gas recovery facilities, emergency facilities for oil spillage, environmental monitoring equipment and a series of environmental protection facilities. The Company adhered to the development concept of “Lucid Waters and Lush Mountains are Invaluable Assets” and made efforts in building a green ecological environment. In 2017, the new afforestation area was 29,000 square meters.



Planting and attentively maintaining the trees to build a garden port and dress up the harbor home



Spraying water for dust removal in port area

2. Strengthening the comprehensive improvement of environmental protection. The Company formulated and implemented the “*Comprehensive Treatment Plan for the Port Environmental Protection*” to make an overall plan and comprehensively address the environmental problems. The Company carried out environmental impact assessment on new projects and optimized planning and designs to furthest reduce the impact on the ecological environment and natural resources. In the process of projects construction, the Company insisted on the simultaneous design, construction and production and use of pollution prevention facilities with the principal construction. In 2017, the Company consolidated 82 work lists to refine the 66 outlets management responsibilities in the port area. The environmental protection management was fully affirmed and recognized by the national environmental protection inspection team.

3. Strengthening the port pollution prevention. The Company set up management and assessment standards for the discharge of dust, sulfur oxides, nitrogen oxides and waste water, and strengthened the port environment monitoring and implemented the responsibility system for pollution prevention objective. The

Company applied advanced technology and equipment and implemented clean production to reduce the generation of pollutants and promote up-to-standard discharge.

The Company strictly controlled waste generation and emissions and took effective measures to prevent waste from contaminating water sources and land. The Company's waste gas and greenhouse gas emissions were mainly came from the exhaust emissions of motor vehicles and loading and unloading machinery. We endeavored to reduce fuel consumption and exhaust emissions through the conversion of port machine oil to electricity, the conversion of motor vehicle oil to gas, the installation of fuel-saving devices for motor vehicles, and the promotion of fuel-saving operations. The Company's hazardous waste emissions were mainly came from the waste batteries and lubricants of motor vehicles and loading and unloading machinery. All of these hazardous wastes were disposed of by professional companies that possess the qualifications for the disposal of hazardous wastes, so as to prevent direct emissions from harming the environment. The production and domestic waste water was collected in a centralized way and then discharged into the municipal pipe network for unified treatment. The domestic solid wastes were disposed by the specialized waste clearance company.

Statistics of various emissions in 2017

S/N	Type	Name	Unit	Quantity of emission	Total emission
1	Exhaust emission	Nitrogen oxide	Ton	74.50	79.37
2		Sulfur oxide	Ton	4.87	
3	Greenhouse gas	Carbon dioxide	Ton	165,818	165,853.78
4		Methane	Ton	26.90	
5		Nitrous oxide	Ton	8.88	
6	Hazardous waste	Waste battery	Ton	85.2	744.17
7		Waste lubricating oil (grease)	Ton	335.67	
8		Waste lubricating oil drum	Ton	18.39	
9		Waste paint bucket, paint slag	Ton	50.03	
10		Oily sewage	Ton	241.19	
11		Waste toner cartridge, modulator tube, etc.	Ton	13.69	
12	Non-hazardous waste	Iron and steel scrap	Ton	4,040	6,952.40
13		Waste wire rope	Ton	2,026	
14		Waste tire	Ton	481	
15		Waste copper cable	Ton	23.60	
16		Waste household appliance, etc.	Ton	21.80	

Note: the emission density was not applicable to the Company

The Company actively researched the recovery and recycling of wastes to reduce the amount of resource consumption and waste emissions. For example, the Group organized to uniformly collect and reuse the scrap iron and steel, wire rope and other non-hazardous wastes that can be reused. Auctioned non-hazardous waste that cannot be reused by the Group but still has economic value to other enterprises and individuals to promote the social reuse of resources.

Through the above measures, all kinds of wastes of the Company were discharged according to the laws and regulations, and all kinds of waste discharges were effectively monitored. Some of the wastes were reused, which was not only protected the environment but also saved natural resources.

Qiangang Branch is mainly engaged in dry bulk cargo operations such as iron ore and coal. Dust hazard control is a top priority for environmental protection. This company fully implemented various environmental protection requirements, and comprehensively utilized equipment and devices such as mobile fog guns, sprinklers, sweepers, belt conveyors for spraying to conduct 24-hour environmental dust suppression.



Mobile fog guns

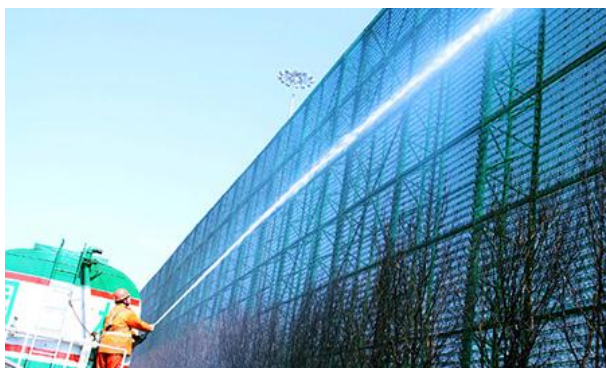


Sweepers equipped with self-spraying



Integrated sprinklers

4. Comprehensively creating an international health port. The Company actively created an international health port in accordance with the requirements of *the International Health Regulations*. It enhanced the environmental control on production and operation process, sprayed water for large bulk cargoes such as ore and coal during the operation process to remove dust; built a wind-proof and dust-controlling wall at the stock yard and stored the goods with coverage to minimize the impact of production operation on the environment.



Wind-proof and dust-controlling wall



Cargo covered with tarpaulin

The Company continued to enhance health and epidemic prevention management, engaged a professional company for vector biological control, and regularly organized people to exterminate pest and virus vectors

among all port areas. In 2017, the total investment amount was RMB1.15 million, and a total epidemic prevention area of 1.0636 million square meters of vector biological was completed. The extermination of pest and virus vectors in the port area was fully affirmed by the Patriotic Health Campaign Committee of City North District, Qingdao City.



Carrying out extermination of pest and virus vectors

(II) Resource conservation

The Company adhered to the concept of “green, energy saving and environmental protection”, strengthened the resources management and optimized the energy utilization with the construction of a green ecological port as our objectives to create a sustainable development mode with high efficiency, low energy consumption and low pollution. In recent years, the Company accelerated the transformation and upgrading of port development, made efforts to build a green cycle low-carbon development mode on the basis of high efficiency, low energy consumption, low pollution and low carbon emission in accordance with the *Implementation Plan for Qingdao Port's Construction of Green Cycle Low-carbon Port Thematic Project*.

In 2017, the Group has successively completed 34 key construction projects for the construction of the green and low-carbon port including the marine shore power station, light slings, large port machine potential energy feedback and LED green lighting renovation, the comprehensive energy consumption for port production of ten thousand tons of throughput decreased by 2.7% as compared to 2015, and completed the indicators issued by the government ahead of schedule.

S/N	Resource type	Unit	2015	2016	2017
1	Water	Million m ³	3,380	3,130	3,590
2	Including circulating water	Million m ³	995	750	920
3	Gasoline and diesel oil	Kiloton	51.57	52.58	48.70
4	Electricity	Million kwh	369.06	385.72	425.66
5	Direct energy consumption	Kiloton standard coal	84	85	77
6	Indirect energy consumption	Kiloton standard coal	166	169	179
7	Comprehensive energy consumption	Kiloton standard coal	250	254	256
8	Cost of comprehensive energy consumption	RMB million	690	654	660
9	Comprehensive energy consumption for production of ten thousand tons of throughput	Ton standard coal	4.01	3.90	3.90

Note: The direct energy consumption refers to the consumption of fossil fuels, including coal, gasoline and diesel, and natural gas and the indirect energy consumption refer to the consumption of procured electricity, steam, and other energies. Water consumption density and packaging materials used in finished products were no applicable to the Company.

1. Intensively taking advantage of port resources

The Company applied the green concept throughout the port production and construction process. We maintained the ecological environment of the region where we operate, such as ocean and land, and protected the local biological habitat to minimize the impact on the local ecosystem. We scientifically planned and intensively utilized the port coastline, land, water area and other resources to improve the utilization efficiency of resources. By leveraging on the advantages of terminals, venues, equipment and information resources, the Company promoted the mutual cooperation between upstream and downstream industries and develops circular economy to promote the coordinated development of the port and the community.

2. Saving water resource

The Company had full access to the acquisition and utilization of applicable water source without bringing much impact on the environment and outside world. We continued to enhance the water use efficiency, developed various water saving measures and strengthened the efficient utilization of water resources used for terminal dust removal, equipment cleaning, living and office and other main water consumption fields of the Company. We collected and recycled rainwater by building pools for terminal dust removal and cleaning water and reduced water consumption. The Company increased the employees' water saving awareness by strengthening the internal propaganda, designed and transformed domestic water facilities to further save drinking water resources.



Building of reservoir for recycling water resources

3. Efficient using of energy resource

The Company improved the energy management mechanism, strengthened the energy management standardization process and further promoted the energy conservation in management, technology, operation and production. The Company carried out delicacy management and control of energy consumption, and promoted transformation of three-level electricity metering to realize subdivision control of power consumption. We promoted technological transformation of vehicle tanker to realize intelligent safety management of refueling data. We promoted all employees to manage innovation and tap potentials to reduce energy consumption, encouraged innovation in technological processes, operation methods and inventions to increase the efficiency of energy use.

The Company accelerated the upgrading of equipment and facilities. It eliminated outdated production process, equipment and facilities by technology upgrading and reduced the emission of “three wastes” and improved the energy efficiency level of equipment and resource utilization. The Company innovated the design and operation of energy conservation. During the year, four energy-saving technologies such as permanent magnet motor and portal crane energy feedback were completed. The Company vigorously implemented low-carbon energy conservation technology. We promoted the application of marine shore power station technology, and increased three sets of container shore power station equipment during the year. We promoted green lighting, completed LED energy conservation transformations such as QQCTU, Qingdao Shihua, Dagang Branch and other units, and green lighting rate of ports increased by 15% to 72% on a year-on-year basis.

SAFETY PRODUCTION

The Company adhered to the safety philosophy of “integration of human and safety”, vigorously improved the safety production organization and safety management system, cultivated intrinsically safety employees, created intrinsically safety environment and promoted intrinsically safety management to build up a safety defense and construct a safety port.



(I) Production safety performance

During the production management, the Company was strictly compliance with the *Production Safety Law of the People's Republic of China*, *Regulations on Production Safety in Shandong Province*, *Special Equipment Safety Law*, *Regulations on Safety Management of Port Dangerous Goods* and other laws and regulations, comprehensively implemented the responsibilities of enterprise safety entity, deepened the inspection and regulation of safety hidden dangers and carried out the construction for safety production standardization construction to improve the level of intrinsic safety management.

Production safety performance in 2017

- There are none material safety production liability accident and occupational disease case occurred in the Company for the whole year.
- The Company conducted multi-level and multi-form safety training such as annual safety training for all staff, key positions professional training, leading cadre monthly study and industry expert seminars, with 100% of all staff participated in post safety training, 100% of new staff conducted pre-post safety training, and 100% of special equipment operators participated in qualification training organized by the quality supervision department.
- During the year, we carried out activities such as “safety production month” and “quality month”, produced 42 microfilms, 205 safety comics and 105 safety micro-class to enrich the education carrier and create a safe cultural atmosphere.
- We compiled 60 professional safety training materials for each position, prepared 13 three-dimensional case warning films, and conducted case education quarterly. We had 35 safety technology training rooms to implement safety rotation training for key positions.
- We strengthened the control on safety risk by levels, formulated and implemented the “*Administrative Regulations on the Safety Production Risk Management and Control System by Levels*”, improved 1,312 bans, and sorted out 3,200 safety risks to continuously improve the safety pre-control system.
- We conducted 48 on-site inspections, video inspections and holiday inspections, identified 5,723 violations, and exposed 283 problems. We strictly managed the weekly exposure, monthly notification, and quarterly analysis closed-loop management.
- We strengthened the implementation of safety management responsibilities, set up 33 chief safety officers, strictly investigated the responsibility for safety accidents, increased monthly safety performance assessment, and tightened safety management responsibilities.

In 2017, the Company held a total of 92 on-site safety production promotion meetings, summarized the promotion of safety management experience and 53 innovation achievements, and completed 236 scientific and technological research projects.



Safety training rooms

On-site safety production promotion meetings

In 2017, the Group held a total of 221 fire emergency drills. We further improved employees' fire protection awareness and enhanced self-protection capacities, and emergency management ability of emergency fire through on-site simulations of fire evacuation and first aid, initial fire suppression, and other drilling scenes.



Holding of fire drills



The Company adhered to the mission of protecting the lives and health of employees, and built a safety production monitoring network consisting of "Sky Eye" remote video surveillance, driving recorders, management recorders, and cabin recorders to timely check and correct security risks and eliminate potential accidents.

The Company strengthened the post safety training to improve employees' safety skills. We held staff safety training through safety-themed training, online training, position test, accident case warning education, etc. The training hours for general management and operation personnel were not less than 12 hours, and the management and operation personnel of the unit where the key safety parts were located were not less than 20 hours.



Conducting safety trainings and safety knowledge tests

(II) Production safety measures

The Company promoted intrinsically safe construction, and developed intrinsically safe employees, intrinsically safe environments and intrinsically safe management. Relying on posts up to the standard, the Company improved the employees' safety awareness and safety skills to turning discipline of employees by others into self-discipline, and get into a habit of "zero violations". Relying on scientific and technological security, the Company optimized the resources allocation, guaranteed the safe hardware investment, and improved the level of civil air defense, physical defense, and technical protection in safety production to creating a safety production hardware facility of "zero defect". Relying on the standardization of safety management, we developed safety production standard posts, standard operation procedures, establishment of enterprise with qualified standardization, promoted institutionalization, standardization, and normalization of safety inspections, and strived to achieve "zero accident" in port security development.



The Company fully carried out the establishment of qualified safety production standardization. All subsidiaries of the Company engaged in loading and unloading business obtained safety production standardization qualifications of relevant industry, and the safety standardization management level continued to increase. The Company formulated management systems such as the *Hazardous Cargo Container Safety Management Regulations*, which was stricter than the industry management standards, to strengthen the risk management and control of hazardous chemicals operations. We strengthened the implementation of safety management responsibilities, signed responsibility statement of safety target at each level to increase monthly safety performance assessment. We strengthened inspection and correction on the employees' violations, strictly investigated the responsibility for safety accidents to ensure the implementation of safety system.



Case

Production safety measure case of the Group



In late March, the Company held the “integration of human and safety” management site promotion meeting. Safety management personnel from various grassroots units and joint ventures of the Company learned on-site to observe the innovative experience and practices in the logistics safety management of Qingdao Port. A total of more than 20 innovative achievements were intensively displayed at the conference.



Dagang Branch, West United (西聯公司) and Dongjiakou Branch implemented new safety management measures of zebra crossing on the operation site, completed more than 4,500 meters of zebra painting, clearly defined the traffic rules for people-vehicle interchange accessing, and achieved the separation of operators and vehicles to ensure on-site traffic safety.

Enhancing the safety information management. The Company has developed and implemented the *Measures for Safety Production Information Management*, and the grassroots units reported the safety production information on a daily basis. The Company carefully investigated and handled all safety accidents including

minor injury and draws inferences about other cases from one instance to develop and implement safety precautions. Enhancing safety emergency management. The Company developed a tertiary safety production emergency system for comprehensive, special and on-site treatment. Improving safety innovation management. The Company made researches on weak links which restrain the safety production. It attached great importance special attention to problem tackling of key safety projects and carried out monthly communication on science and technology innovation to promote new technologies and new achievements.

The Company ensured the input of safety hardware by optimizing the allocation of resources. It innovated the loading and unloading process and separated person and machine as well as person and goods to reduce the operation risk and labor intensity. The Company used information technology and Internet technology, adopted substitution of manpower with mechanization and personnel reduction through automation and promoted the construction of projects like intelligent storage and unmanned gate to reduce staff input and field safety hidden danger.

(III) Employee occupational health

The Company strictly followed *the Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and formulated *the Occupational Health Management Standard, Management Standard of Physical Examination for Staff Health* and other management standards. The Company also adhered to the occupational disease prevention and control guideline of “prevention first and integration of prevention and control”, strengthened the prevention and control of occupational disease hazards, provided physical examination for staff annually to ensure health, established staff occupational health archives to safeguard the rights and interests of staff's occupational health and continuously improved the level of occupational safety and health management.



The Company passed the occupational health and safety management system certification of international safety and health management system verification standard (OHSAS18000). All subsidiaries of the Company involved in occupational disease hazards, have entrusted third-party testing organizations to regularly conduct occupational hazards testing, and issued a “*Workplace Occupational Hazards Test Report*” to ensure that the operating environment meets the requirements.

The Company focused on the occupational disease prevention and control work. It has organized related key units to carry out online declaration of occupational hazard factors, completed the annual test and daily monitoring for occupational hazard factors and provided all the employees with notices, trainings and health physical examinations on the safety of occupational hazard factors to strengthen the management of occupational health foundation.

The Company has formulated the corresponding outfit standard for labor protection equipment according to the environmental characteristics of production positions. We regularly provided staff with labor protection equipment such as helmets, dust protecting masks, various work clothes, and gloves. In addition, we strengthened the supervision over the quality of labor protection equipment to ensure correct wearing and use, and create a safe and healthy production and work environment for the staff.

CUSTOMER SERVICES

The Company regarded the service quality as the lifeline for enterprise's survival, adhered to the customer-first principle, focused on the service concept of "realizing 100% satisfaction among 100% of our clients", and improved service quality and service level continuously.

(I) Service assurance

1. Improving and optimizing the customer service system

The Company has formulated a number of management measures such as *the Freight Quality and Service Quality Management Measures* and standardized service standards to ensure the service quality to customers. Cargo loading and unloading service and passenger service of the Company have passed the certification of ISO14000 environment management system. We have set up a customer service center to provide 24-hour consultation service. The Company conducted customer satisfaction surveys every year, collected opinions from customers extensively, attached importance to reasonable suggestions from customers to ensure study, feedback and implementation of improvement in a timely manner. We carried out special activities such as "quality month" and "safety production month", with various activity themes for every year, and all staff participated the activities to improve service quality and enhance the service standards.



- (1) The customer service hotline is accessible in 24 hour so that we can provide consultation service to our customers at any time.



- (2) We assigned high-quality highly competent personnel with excellent professional skills to offer professional services.



- (3) We implemented "first inquiry responsibility" system for customer service to solve customer needs and improve service efficiency.



- (4) Establish customer service key performance indicators system (KPI). We implemented quantitative management, comprehensively evaluated customer service work performance and improved customer service work quality.

The Company is committed to providing customers with safe and reliable products and services, without making false propaganda and advertising. In 2017, there was no case of administrative penalties for false advertising and consumer fraud or case of administrative penalties or lawsuits caused by violations of unfair competition laws and infringement of others' intellectual property rights.

The Company attached great importance to customer privacy protection, arranged special personnel to keep letters from customers, agreements and other important information, and signed confidentiality agreement with personnel assuming important positions such as management and business, so as to keep customer information and privacy strictly confidential and prevent the risk of customer information leakage.

2. Enhancing the comprehensive strength of hardware and software

The Company actively responded to the trend of large-sized ships and joint operation in shipping market, promoted the construction of terminal, transportation of oil pipeline and other infrastructures, improved hard power in infrastructures. The Company has built the world's most advanced automated container terminal, 400,000 ton-class ore terminal, 300,000 ton-class crude oil terminal, 200,000 ton-class bulk cargo terminal and storage tanks, yards, warehouses and other ancillary facilities, achieved the goal that "Qingdao Port has the terminal that is large enough to hold the largest ship in the world".

For the terminal efficiency issues most cared by the customers, the Company scientifically arranged production plans, carefully deployed production organizations, optimized business processes, improved operation efficiency, reduced time of ship berthed in port, saved time, lowered logistics costs to provide considerate services to customers. Loading and unloading efficiency of the Company has been leading in the industry for many years. Its container loading and unloading efficiency and iron ore unloading efficiency remained the first place in the world. High-efficiency loading and unloading and guaranteed services were highly recognized by customers.

By means of standardized operation training and skill training, the Company continuously improved the technical skills and practical ability of operating personnel. The Company organized safety technology contests every year to improve the staff's work proficiency and skill levels. In the technology safety contests in 2017, 3,962 contestants participated in the selection, and 686 players emerged to participate in 28 finals. The Company's technology contests were widely participated by its employees, the majority of employees enhanced their skills in contests, continuously improved their business skills, and developed into a team of high-quality industrial workers in Qingdao Port. This is an important basis for the Company to maintain its industry leading productivity.



The technology safety contests

3. Taking numerous initiatives to improve service levels

Under the direction of the customers' needs, the Company implemented headquarters marketing to provide customers with a comprehensive "door-to-door" logistics services. The leaders of the Company visited the customers every year, held various customer seminars, widely solicited opinions and suggestions from customers, responded to customer concerns, further satisfied the customer personalized demands to enhance friendship and strengthen cooperation.



In December 2017, the 2018 International Crude Oil Trade Development Conference organized by the Group was held in Qingdao. More than 50 domestic and overseas traders and refineries gathered to jointly formulate a cooperation plan for the next year.

Dagang Branch continuously improved window service quality, enhanced customer experience, established a big data management and control center, and carried out star rating of window service to create a service brand that makes customers "at ease, no worry and comfortable".



Dongjiakou Branch invited domestic and overseas timber dealers to the port for exchanges and cooperation and visited port area to demonstrate their hardware and software strengths in terms of wood loading and unloading, storage, and transit.



QDOT and Huangdao Inspection and Quarantine Bureau strengthened their cooperation to carry out draft survey aided by innovative application of unmanned aerial vehicle for the first time at Qingdao port area. This will reduce the draft survey time of single-boat for more than one hour, which could save a considerable amount of expenses such as demurrage payment and use of traffic boats for ship owners and owners of goods each year.



By focusing on the construction of “one-stop” customer service center, Qingdao Shihua carried out customer service enhancement activities in five areas in terms of terminal hardware, employee service attitude, service efficiency, freight quality and business policy. It issued questionnaires to foreigners such as ship owners and owners of goods to fully solicit opinions and suggestions from customers. It also carried out post self-inspection, special seminars and etiquette training to guide the majority of employees firmly establish the window image and customer first service awareness.

(II) Complaint handling

The Company adhered to the customer-oriented concept, improved the customer service system, established the customer management measures and set up a special agency to handle customer complaints, so as to properly handle the customer complaints and relevant disputes, continuously improve service quality and enhance customer satisfaction. In response to customers' advice, a service mechanism focusing on "first inquiry responsibility" system was established to timely understand customers' needs and difficulties, continuously improve service level, satisfy diverse needs of customers and safeguard the interests of customers.



The Company organized customer satisfaction survey regularly to collect customers' opinions and suggestions. For the customer complaints received, customer service staff kept tracking the settlement of customer complaints to ensure 100% resolving rate. The table below showed the statistics of the received and solved customer complaints of the Company (excluding its subsidiaries, joint ventures and associates) via formal complaint channel in 2017:

S/N	Complaint Type	Number of complaints
1	Number of customer complaints	21
2	Number of invalid complaints	0
3	Number of the handled complaints	21
4	Number of complaints to be handled	0

WIN-WIN COOPERATION

The Company actively integrated with the construction of the Belt and Road initiative, seized the strategic opportunity, accelerated the pace of internationalization, strengthened the cooperation with world ports, upstream and downstream industries and suppliers and gave full play to their respective advantages to form whole joint forces and create new competitiveness.



(I) External cooperation and communication

We promoted the international strategic layout in a steady pace. The Company kept up with national strategic deployment, built the “Circle of Friends” along the line of the Belt and Road. In 2017, we signed nine strategic cooperation framework agreements with domestic and overseas strategic partners, trained a batch of international talents, promoted the strategic cooperation with international ports and business partners and expanded space for development abroad.

We strengthened the communication and cooperation with international ports. In April 2017, Chairman Mr. ZHENG Minghui led a team to visit York-New Jersey Port, Miami Port, Long Beach Port of the United States New and Vancouver Port of Canada, to enhance exchanges and contacts among international ports and strengthen business cooperation.



Visiting New York-New Jersey Port



Visiting Miami Port



Visiting Long Beach Port



Visiting Vancouver Port

We strengthened the strategic cooperation between upstream and downstream industries. In January 2017, the Company entered into a strategic cooperation agreement with COSCO SHIPPING Ports. COSCO SHIPPING Ports invested in the Company through Shanghai China Shipping Terminal Development Co., Ltd. (上海中海碼頭)

頭發展有限公司), its wholly-owned subsidiary, at approximately RMB5.8 billion (including 20% equity interests and cash of approximately RMB2.6 billion held by Shanghai China Shipping Terminal Development Co., Ltd.), to further deepen the strategic cooperation between the Company and COSCO SHIPPING.



In April 2017, the Group signed a cooperation agreement with HBIS Group Co., Ltd to deepen cooperation in the fields of logistics and financial services, and establish a comprehensive strategic partnership based on the entire industry chain.

In August 2017, the Group signed a strategic cooperation agreement with Sany Group. Both parties will carry out strategic cooperation in the research and development, design, manufacturing and marketing of port machinery and equipment.



We implemented headquarters marketing strategy and strengthened communication with shipping companies. In October 2017, Chairman Mr. ZHENG Minghui visited Maersk, Mediterranean Shipping, Le Groupe CMA CGM, headquarters of Hapag-Lloyd Shipping Co., Ltd and COSCO SHIPPING Europe headquarters to have a high-level communications for promoting in-depth cooperation between both parties in 2018 and strengthen in-depth cooperation with the world's shipping giants.



Chairman ZHENG Minghui visited headquarters of various major shipping companies

In August 2017, COSCO SHIPPING grassroots party organized trainees to learn and communication in the port. The two parties conducted friendly communications on party building work, and visited the “Zhenchao Studio”.



In September 2017, the training class of Shanxi provincial league leaders came to the port for learning and communication. The two parties conducted in-depth communication on the construction of the inland port of Qingdao Port, the boosting of the economy in Shanxi's inland areas, and playing the role of youth members of the league.



(II) Supplier relationships

The Company standardized the bidding procurement management according to the national bidding laws and regulations and to guarantee the legitimate rights and interests of the Company and its suppliers. We were committed to maintaining the market order, complying with the policies and commitments to suppliers and advocated establishing a business environment with fair competition, equality and mutual benefit.

The Company adopted a centralized purchasing policy, vigorously carried out the “Sunshine Procurement” project, and set up a special department, Materials and Equipment Bidding Purchase Center to take responsibility for centralized procurement of raw materials, equipment and business outsourcing by adhering

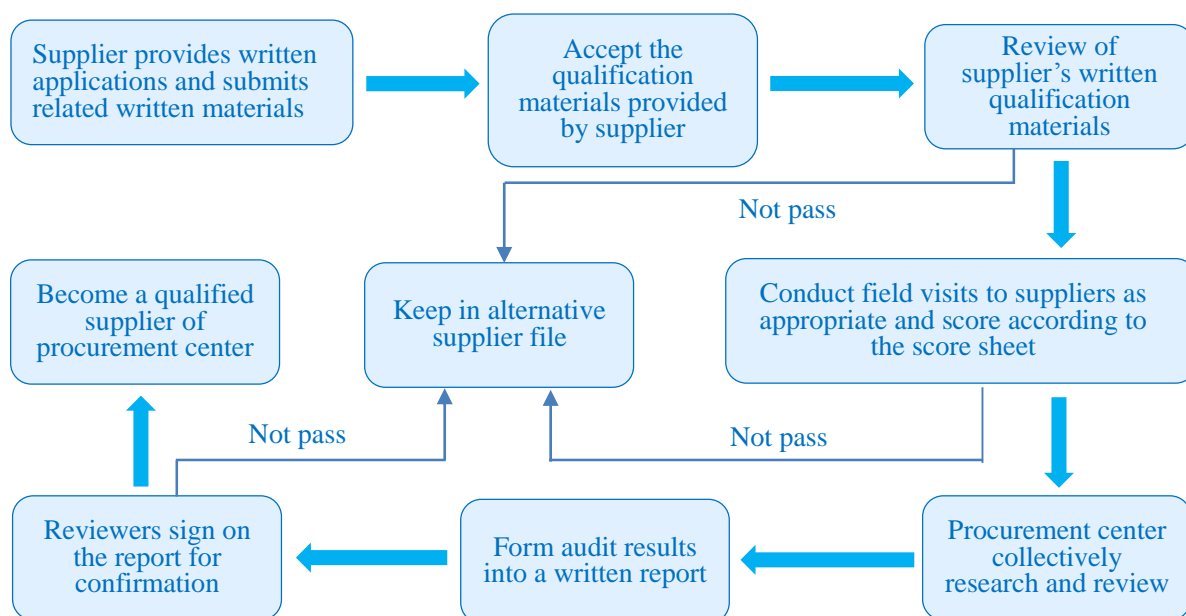
to the principles of openness, fairness, justice and transparency. The implementation of “Sunshine Procurement” project took the advantages of large-scale purchase and specialization of procurement, strengthened the risk control of procurement process, effectively prevented violations such as black box work and commercial bribe, and effectively promoted the saving of funds and cost control.



“Sunshine Procurement”

In 2017, 240 pieces of bidding information and 1,056 bidding and auction notices had been released by the Group through “Sunshine Procurement”. Besides, more than 36,480 daily inquiries had been received. “Sunshine Procurement” project played a positive role in promoting fairness, justice and transparency of procurement activities, improving procurement efficiency, reducing procurement cost and preventing procurement risks.

Supplier Review Process



The Company regards suppliers as our commercial partners of great importance. The Company had formulated a clear *Supplier Management Measures* as a guide for evaluating and selecting qualified suppliers, improved the management mechanism for daily management, regulated evaluation and annual audit of suppliers, introduced qualified suppliers by bidding method and other means constantly, followed with the principle of survival of the fittest and maintained the leading level and competition vitality of suppliers.

Geographical Distribution of Major Partner Suppliers in Recent 3 Years

Distribution Area of Suppliers	Number of Suppliers in 2015	Number of Suppliers in 2016	Number of Suppliers in 2017
Qingdao City	650	614	575
Shandong Province (excluding Qingdao City)	136	127	124
Outside Shandong Province	368	350	315
Total	1,154	1,091	1,014

In the procurement process, we strived to build an environmentally friendly, efficient, and convenient supply chain ecosystem, focused on the priority selection of equipment and materials that are reliable, energy-efficient, and environmentally friendly, and prohibit the procurement of outmoded products obsoleted by official government order. We focused on whether suppliers have legal or moral risks in protecting the ecological environment, obeying labor standards, and protecting human rights, and used it as an important basis for evaluating suppliers. The Company delivered the concept of sustainable development and management requirements to its suppliers and motivated them to fulfill their social responsibilities consciously.

The Company was committed to maintaining a fair and open tendering system and did not allow corruption in the supply chain. We encouraged suppliers to conduct anonymous reports on suspicious corruption through hotlines to protect the legitimate rights and interests of both parties and promote mutual benefit and win-win cooperation.

(III) Industrial development promotion

The Company actively joined various industry associations and organizational activities, promoted industrial innovation and development and kept a harmonious relationship with enterprises in the same industry.

On 8 November 2017, the 16th session of Northeast Asia Port and Harbor Association president conference and the 18th session of Northeast Asia Port Forum were held in Qingdao. Nearly 100 representatives including officers of port and waterway departments, ports and shipping industry from China, Japan and Korea attended the aforesaid conference, and Qingdao Port attended as the host. Mr. CHENG Xinnong, the Vice Chairman of the Company attended the Northeast Asia Port and Harbor Association president conference and delivered a speech. Mr. JIAO Guangjun, the President of the Company participated in the Northeast Asia Port Forum and delivered the keynote speech of “Implementing Internet strategy to build intelligent ports”.



At present, the Group had joined dozens of industry associations and served as president, vice president,

director, etc., and proactively participated in activities of industry associations. Some of the industry associations the Group has joined are shown below:

S/N	Association Name	S/N	Association Name
1	China Ports and Harbors Association (中國港口協會)	9	The Hong Kong Institute of Chartered Secretaries (香港特許秘書公會)
2	China Association of Port-of-Entry (中國口岸協會)	10	Shandong Province Port and Shipping Association (山東省港航協會)
3	Qingdao Chamber of Commerce of China Chamber of International Commerce (中國國際商會青島商會)	11	Shandong Institute of Internal Auditors (山東省內部審計師協會)
4	China Communications Accounting Commission (中國交通會計學會)	12	Qingdao Institute of Internal Audit (青島市內部審計協會)
5	China Water Transportation Construction Association (中國水運建設行業協會)	13	Qingdao Logistics Association (青島市物流協會)
6	China Tally Association (中國理貨協會)	14	Qingdao Association of Enterprises (青島市企業聯合會)
7	China National Association of Finance Companies (中國財務公司協會)	15	Qingdao Association of Work Safety (青島市安全生產協會)
8	Cross-Straits Shipping Exchange Association (海峽兩岸航運交流協會)	16	Qingdao Banking Association (青島市銀行業協會)

PEOPLE-ORIENTED

The Company regarded talent as a valuable asset of an enterprise and adhered to the “people-oriented, boosting Qingdao Port through talents”. We concerned about the development of employees, improved the personnel training mechanism, protected the rights and interests of employees, actively built harmonious labor relations and promoted employees and enterprises to grow together.

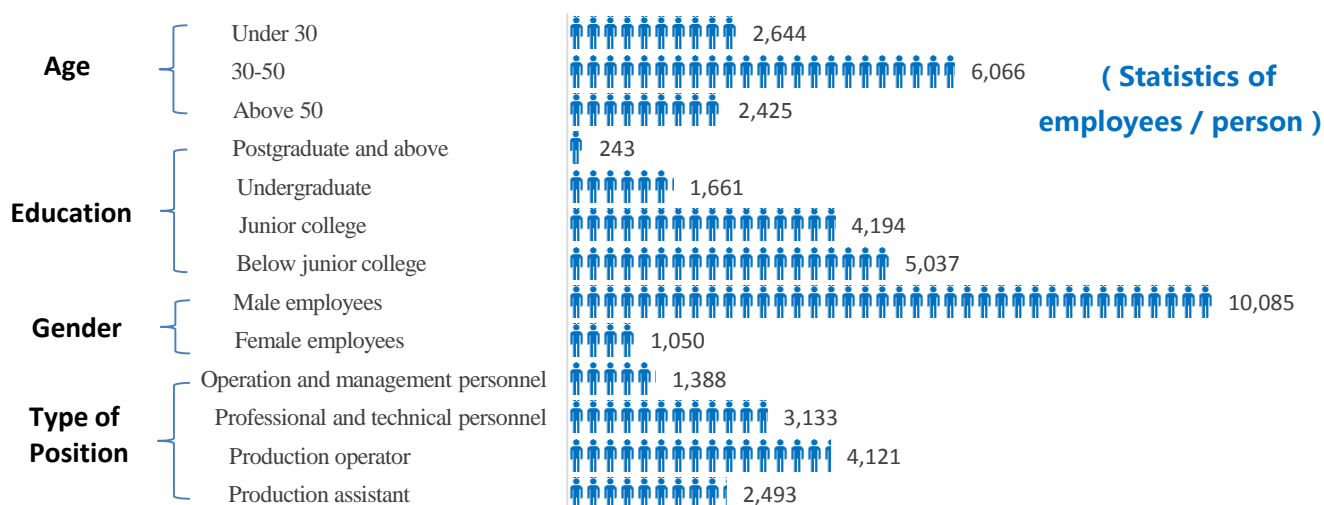
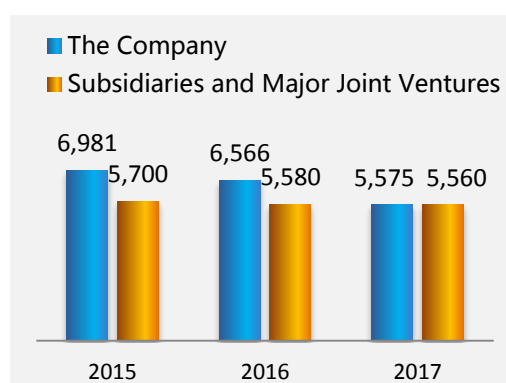


(I) Employee profile

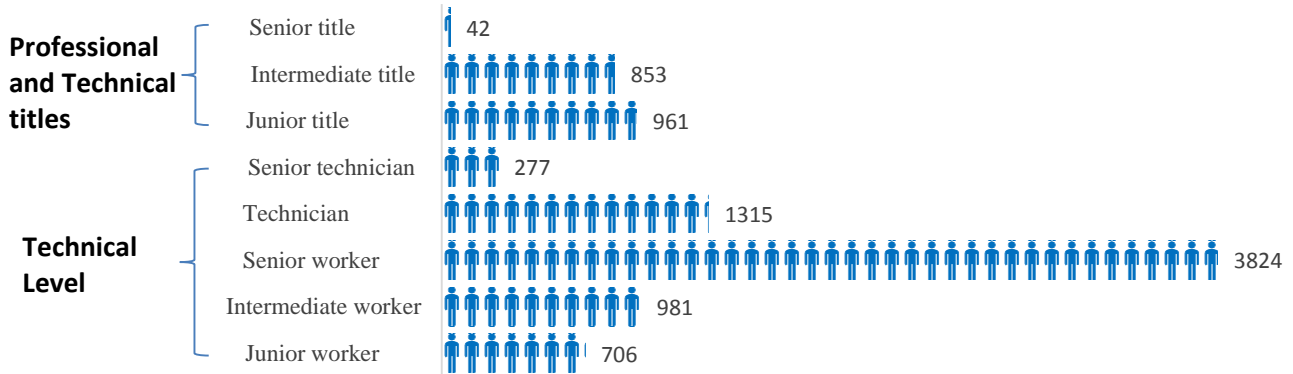
The Company strictly complied with the *Labor Law of the People's Republic of China* (the “Labor Law”), standardized the labor relations according to laws, and established a labor employment system based on contract system. As of 31 December 2017, the Company employed 5,575 employees, with its subsidiaries and major joint ventures employing 5,560 employees. All employees were full-time staff and the number of employees was relatively stable.

Statistics of employees of the Group by classification (unit: person)

Year	The Company	Subsidiaries and Major Joint Ventures
2015	6,981	5,700
2016	6,566	5,580
2017	5,575	5,560



Statistics by Technical level (unit : person)



(II) Employee's legitimate rights and interests protection

1. Democratic rights. The Company established the democratic management system with the workers' congress as the basic form, deepened the innovation in openness and democratic management of the factory, and ensured the employees' right to know, participate and supervise.

2. Remuneration policy. The Company mainly implemented two salary systems including piece-rate and time-rate. We mainly implemented the piece-rate system for the front-line operators and machinery drivers, and implemented time-rate system for other on-the-job employees. The employee compensation includes basic salary and performance-based reward. The growth of salary is determined based on employee work performance, economic environment and supply and demand of human resources market in accordance with the principle of synchronizing with the growth performance of the Company and the improvement of labor productivity.

The Company paid employees various social insurances such as pension, medical, unemployment, work-related injuries and maternity, we provided our staff with high temperature subsidies, heating subsidies, health examination and other welfare policies. We established a supplementary medical insurance of medical aid for serious disease system to solve the practical difficulties of employees suffering serious disease. We timely paid enterprise annuities for employees according to the laws and regulations to protect employees' rights and long-term interests.

Employee Rights Protection Performance Indicators

Statistical classification	2015	2016	2017
Collective contract coverage (%)	100	100	100
Enterprise annuity coverage (%)	100	100	100
Notice of significant events (%)	100	100	100
Democratic supervision coverage (%)	100	100	100
Percentage of employees participating in labor union (%)	100	100	100
Percentage of minority employees (%)	0.394	0.425	0.53
Occupational training coverage (%)	100	100	100
Occupational health check rate (%)	100	100	100
Social insurance coverage (%)	100	100	100
Physical examination and health coverage (%)	100	100	100

3. Labor management. The Company abided by laws and regulations such as *the Labor Law, the Labor Contract Law and the Prohibition of Child Labor Regulations*, formulated and implemented the “*Labor Rules and Regulations of Qingdao Port International Co., Ltd.*” to effectively protect the legitimate rights and interests of employees. We strengthened the supervision and inspection of compliance with labor standards on subsidiaries and joint ventures, and urged the responsible departments to immediately rectify and eliminate the impacts according to the laws, regulations and the Company’s system when irregularities were found, and held responsible departments accountable. The Company had no illegal behaviors such as employment of child labor, forced labor, labor discrimination, sex discrimination and occupational discrimination. After the employees joining the Company, they would sign written labor contracts with the Company; when employees leave the Company, the Company will not limit their choice of other new jobs with illegal reasons and means.

Statistics of Number of Employee Appointment and Loss in 2017 (Unit: person)

Statistical classification	Classification breakdown	Number of new appointment	Number of loss (including retired staff)
Employee age	Under 30	83	101
	30-50	0	23
	50 above	0	400
Employee education	postgraduate and above	40	5
	Undergraduate	43	12
	Junior college	0	175
	Others	0	332
Employee gender	Male employees	57	471
	Female employees	26	53

4. Employee holidays. The Company safeguarded the legitimate rights and interests of employees for taking leave normal and ensured that employees could enjoy public holidays and paid leave benefits according to law. After the employees returned to work according to maternity leave/nursing leave regulations, the Company retained positions for them.

Name of holidays	Number of vacation days
Legal holidays	New Year's Day, Spring Festival, Chingming Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, National Day, etc., implementing the national standards
Paid leave	According to the accumulated years of working, the employees could enjoy leave for 5 days, 10 days and 15 days
Maternity leave	158 days
Care leave	7 days
Breastfeeding	For children are less than one year old, female employees have 1 hour leave per day
Marriage leave	3 days
Funeral leave	1-3 days
Home leave to visit spouse	30 days
Home leave to visit parents (unmarried)	20 days / year; 45 days / 2 years
Home leave to visit parents (married)	20 days / 4 years

5. Fair treatment. The Company discouraged any form of employment discrimination, and employees enjoyed equal opportunities in recruitment, career development and so on, and were not discriminated against due to sex, age, race, beliefs, and other illegal factors.

(III) Construction of harmonious labor relation

1. Doing practical affairs for the well-being of the majority of staff

The Company attached importance to operation development as well as the employee life, continuously satisfied the wishes of the employees for a better life, and built a happy and harmonious port home. We cared about employee life, conducted in-depth research every year, to understand the staff needs, do practical things for the staff and resolve the difficulties in the basic necessities of employees.

The Company made every effort to ensure employees' work safety. While provided the employees with sufficient labor protective supplies, the Company formulated protection measures against cold and heatstroke in the winter and summer each year to protect employees' labor safety in weather conditions such as strong winds, coldness and extreme heat. We cared for employees' physical health, invested in health examination activities for employees every year according to scientific, comprehensive and optimized physical examination standards.



Case

The Group did practical affairs for employees

During the extreme heat period of 2017, the Company extensively solicited opinions from its employees and provided a heatstroke prevention first aid kit at the front-line of the work. We provided refreshing drinks such as mineral water, cold drinks, mung bean soup, plum juice and watermelon for employees who worked under high temperatures.



Provision of heatstroke prevention cooling drinks and medicines for production line



Health examination activities for all staff

The Company paid attention to the lives of employees who became impoverished due to illness, provided them with life support, and visited them during the Spring Festival, Labor Day, and Mid-Autumn Festival.



Visiting employees' families who have difficulties in lives

The Company held singles gatherings and group weddings ceremony to create a happy new life for young employees. In August 2017, the “Blind Date (緣繫一線)” young employee gathering hosted by Qingdao General Labor Union and organized by the Group was held in Qingdao Passenger Liner Home Port. More than 300 young people from the public institutions, companies of Qingdao, and the Company participated in the activity, which created opportunities for unmarried young people to find their life mates.



We cared for the lives of old comrades who contributed to the development of the port. Every year, we carried out health examinations, distributed festival gifts and birthday cakes for the old comrades, organized spring outings, visited to the port and other activities to enrich old comrades' live in their later years.



Shortly before Chung Yeung Festival, a traditional Chinese festival, all grassroots units of the Company invited old retired comrades to visit the port. The retired old comrades gathered in the places where they once worked to feel the warmth and care from the port family.



2. Improving the working environment and the quality of life

The Company invested funds to continuously improve the office and apartment environment in the port area. We continued to make full use of resource, and optimized the layout adjustment to provide employees with a good working and living environment.

In 2017, a total of 36 upgrades and renovations of offices and apartments were completed in each port area. We made full use of social resources, coordinated local bus companies to increased bus routes to the port area, enabled more convenient commuting for the employees.



The Company actively promoted the standardized canteen management, revised the Canteen Management Standard according to the Food Safety Law of the PRC, strictly implemented food safety standards, and continuously improved the quality of Chinese food, to strive to make employees eat safer, more nutritious, and healthier. We insisted on distributing holiday gifts and birthday cakes, innovating the types of gifts and cake varieties, and strictly controlled quality to ensure health, high quality, and satisfaction from employees.



Staff canteen was under the employees' supervision and evaluation



Staff canteen regularly launched specialty foods

The Company opened an “An Ting Bookstore (岸汀書苑)” e-library for its employees to develop employees’ interest in reading and enhance their cultural awareness.



Employees read and exchanged through “An Ting Bookstore (岸汀書苑)”

3. Organizing various activities to enrich employees' life

The Company is concerned about the needs of physical and mental development of staff and carried out entertaining, small and diverse cultural activities themed on a subject based on the actual situation each month to enrich the leisure time of the staff. We guided employees to insist on their ideals and beliefs, strengthened the moral behavior pursuit of cause, improved moral quality and cultural taste, enhanced the cohesion and improved execution to build a harmonious enterprise

Case The Group did practical affairs for employees

In accordance with the principle of voluntary participation of employees, the grassroots units of the Company organized employees to carry out team outing activities in the suburbs of Qingdao during weekends to allow employees to relax after the busy work, while further enhancing mutual friendship and fostering team spirit.



Outing activities of employees

In May 2017, the 2nd session of employees' sports meeting of the Company was held in Qingdao Tiantai Stadium. The employees of Qingdao Port independently programmed and performed large-scale stylistic performance named "Let Our Dream fly".



In 2017, the Group organized basketball games, brisk walking, mountaineering competitions, sports day with fun games, water gala and other diverse staff activities.



Organizing various fitness activities for employees



Organizing a variety of staff artist programs

4. Caring for female employees

The Company implemented *the National Special Provisions on the Labor Protection for Female Workers* and other related requirements to protect the legitimate rights and interests of female employees during pregnancy, maternity and lactation, eliminated all forms of gender discrimination, and guaranteed that female employees could enjoy equal opportunities in employment, salary and treatment, career development, etc. with male employees.



On 8 March 2017, the Company organized the style show activity for female employees “I come from the spring” in Qingdao International Passenger Liner Home Port to celebrate the International Women’s Day. The female employees of the harbor have been always hardworking, but on their festivals, they were dressed in beautiful costumes, performed in the goddess mode, and played a “Harbor Goddess Show”, demonstrating their confidence, wisdom and beauty.

(IV) Construction of platform for growth and development

The Company attached importance to personnel training and development, created a fair and just talent competition mechanism, and vigorously promoted the personnel training program. In 2017, the Group had additional 341 professional technicians with all kinds of senior, intermediate and junior titles and additional 330 people with senior workers, technicians, and senior technician qualifications to provide talent protection for the Company.



In 2017, the Company implemented the education and training model combining classroom education and online learning. In the staff education and training center, it opened special training programs including 29 specific themes and 63 classes; at the same time, it set up Qingdao Port online school. We organized leading cadres training, scientific research team cadre training, group leaders training, professional and technical personnel training, mission-oriented training, assigning outstanding internal trainers training, and international talent training to further expand employees' vision and improve the quality of employees.

The Company carried out training for all staff to ensure that employees of different types of jobs, levels, and genders have equal opportunities to participate in training. The coverage rate of employee training reached 100%, and the average annual training time for employees was more than 24 hours.

In 2017, The Company organized five sessions of leading cadres training; five sessions of excellent scientific research team leaders training with 270 attendants; eight sessions of excellent group leaders training with 384 attendants; thirty-five sessions of professional and technical backbone training with 1,483 attendants; organized 38 employees to participate in international talent training class; and organized 19 outstanding internal trainers to participate in the business training courses held by the China Port and Harbors Association.

The units of the Company, based on the actual situation, carried out various forms of task-oriented training, organized staff to participate in national title examination and assessment, and provided skill training for skilled workers and highly skilled personnel training for “golden and blue collars”.

Over the years, in the favorable training mechanism and learning environment, industrial and national models emerged from the Group, including the Outstanding Representative of Industrial Workers in the New Era Mr. XU Zhenchao, the “May Day” Labor Medal Winner Mr. PI Jinjun, and the National Excellent Communist Party member Mr. GUO Kai.

In 2017, Mr. TANG Wei (唐衛), an employee of the Group, was awarded with the title of specialist who enjoys the Special Allowance of the State Council and Taishan Industry Leading Talent. Mr. ZHOU Qiang (周強) was awarded the Chief Technician of Qilu, two employees including Mr. DU Xinying (杜新營) were awarded the Chief Technicians of Qingdao. Mr. ZHUANG Yukun (莊玉坤) and Mr. JI Tao (紀濤) were awarded specialist who enjoys special allowances and special appoint experts of Qingdao, respectively.



XU Zhenchao

Vice President of National Labour Model, Federation of Trade Union, the “May Day” Labor Medal Winner, National Labour Model, National Outstanding Communist



PI Jinjun



GUO Kai

National Outstanding Communist, National Youth Post Expert



WANG Jiaquan

Champion of National Youth Skill Competition, National Youth Post Expert

SOCIAL WELFARE

The Company actively undertook its social responsibility, fulfilled the obligations of a corporate citizen, and extensively participated in social welfare undertakings, made donations for schools, respected the old and cherished the young, cared for vulnerable groups, returned to the community and promoted positive energy and social harmonious development.



(I) Contributing to the development of a harmonious community

In the course of the business activities, the Company maintained communications with the local community, attached importance to the public interests of local communities and developed harmoniously with local communities. The Company regarded giving back to society as one of our three major missions, and we insisted on sharing the results of enterprise development with society, actively participated in social welfare undertakings, and contributed to the development of the communities in which we operate.

On 19 November 2017, the “Qingdao Port•2017 Qingdao Maritime International Marathon” named by Qingdao Port officially began. This was the first domestic marine marathon held on a cross-sea bridge. It attracted the attention of marathon runners at home and abroad. More than 15,000 athletes across the country and from 21 countries and regions including the United States, Germany, France, Australia, Korea and Japan signed up the competition. The “Intelligent Port, Leading the Future” team formed by nearly 100 employees of the Group participated in the competition.



The rapid development of the Company has driven the development of logistics, warehousing, commerce, trade, manufacturing and finance and other industries, brought a lot of employment opportunities, increased the local tax sources, and promoted the local economic development. The Company cooperated with local communities to support the construction of local communities through various ways such as attracting local staff for employment, participating in and organizing sports events.

The Company has long actively concerned about and participated in the development of the community where it is located, and committed to the harmonious and common development of enterprise and local community. We vigorously promoted the volunteer service spirit of “dedication, friendship, mutual assistance and progress”, encouraged employees to participate in social charity activities to serve the community and contribute to the society.



During the Children's Day in 2017, Dongjiakou Branch organized primary school students from local communities to visit our port to offer them a glimpse towards the world-class port in the hometown.

Tugboat and Barge Branch was committed to building a volunteer service team with the brand name of “Youth Shock Brigades”. In recent years, it has organized and participated in 45 missions such as marine salvage, rescued 37 distressed ships and rescued more than ten passengers in distress, and was honored as an advanced group for maritime search and rescue.



(II) Investing in the social welfare undertakings

The Company insisted on sharing the results of enterprise development with society and proactively repaying the society while maintaining the sustainable and healthy development. The Company supported social welfare and charity and contributes to the society, actively promoted the traditional virtues of helping those in distress and aiding those in peril and the dedication spirit of mutual assistance, mobilized the employees to participate in charitable public welfare undertakings. In 2017, the Company mobilized its employees to actively participate in the “One Day Charity Donation” charitable donation activity organized by Qingdao Municipal Government, a total donation amount of RMB350,000 from employees were donated to the Qingdao Charity Federation

The Group successively set up more than 40 volunteer service teams to participate in community public services. In collaboration with Xindao Community of Huangdao District, Luoyang Road Community of Shibei District, Huangdao Experimental Primary School, Hualou Hope Primary School of Laoshan District and other communities and schools in Qingdao, we carried out pairing volunteer service activities to help the old, the disabled, the poor and the needy and advocate civilization, which established a good social image.

Volunteer Action Record

5 March is the annual “Learn from Lei Feng Memorial Day”, volunteers of the Company came to the railway station to carry out voluntary service activities

Volunteers picked up trash, maintained order, actively solved problems, offered help and convenience for passengers in the train station plaza and waiting hall.

“Madam, I’m a volunteer. Let me help you!” volunteers saw passengers with more luggage and rushed to help at the baggage checkpoint.

“Which carriage shall I go?” “Carriage No. 4, it is on the left.” Under the information display screen of the hall, many puzzled passengers got help from the volunteers.

“Hi, sir, this place is not allowed to lay down. Please wait with courtesy” In the waiting room, the volunteers politely advised the passengers who smoked, lay casually, and littered. Volunteers carried out environmental cleanliness at Qingdao Railway Station and beautified the external window of Qingdao by their hands.

In such cold weather, volunteers became a flow of scenery in the train station. Volunteers were constantly shuttled to the bustling Qingdao station. Passengers gave likes 🍑 for their warm services repeatedly!



In 2017, during the “Qingdao Volunteer over the Four Seasons” volunteer service activity, volunteers of the Company donated clothes for students in poverty-stricken areas, went to the residential areas to pick up garbage, promoted the environmental protection awareness, and regularly provided cleaning, electrical lines checking, home appliance maintenance and other voluntary services to community residents.



Volunteer activities in 2017 at a glance



① Volunteers of the Group visited the Sunshine Center of the Disabled People’s Federation of Shinan District, Qingdao to clean for the disabled, repair electrical equipment and heating pipes, communicate with them and bring them warmth in such a cold winter day.

② Volunteers of the Group went to Gaohu Primary School in Gaohu Town, Yinan County, Shandong Province to carry out “education sponsorship” volunteer service program. They donated books, computers and other school supplies to the school. They friendly exchanged with the children and encouraged the children to grow up and develop.

③ Shortly before Tree Planting Day, volunteers of the Group gave up their weekend to carry out voluntary tree planting activities, and to build a green and harmonious home by practical actions.

④ Volunteers of the Group participated in the “Accompany the Empty Nest Elderly with Love”, a charitable activity of Qingdao City, and visited the community nursing home to care for the elderly and accompanied them over the weekend.

⑤ Volunteers of the Group visited the Wenqixing Kindergarten in Huangdao District, Qingdao to carry out volunteer activities, they told Lei Feng stories for children in kindergarten, presented school supplies, and encouraged the children to study hard and grow up happily.

The Company organizes employees every year to participate in blood donation without reward. The majority of employees spontaneously participate in the voluntary blood donation activities with the “donate a bag of blood, save a life” mindset, and strive to be social civilization communicators with practical actions.

In June 2017, employees of the Company participated in voluntary blood donation activities in Qingdao.



(I) Corporate information

- 1. CHINESE NAME OF THE COMPANY:** 青島港國際股份有限公司
- 2. ENGLISH NAME OF THE COMPANY:** Qingdao Port International Co., Ltd.
- 3. REGISTERED OFFICE:** 7 Ganghua Road, City North District, Qingdao, Shandong Province, PRC
- 4. LEGAL REPRESENTATIVE:** Mr. ZHENG Minghui
- 5. REGISTERED CAPITAL:** RMB6,036,724,000
- 6. DATE OF LISTING:** 6 June 2014
- 7. PLACE OF LISTING:** Main Board of The Stock Exchange of Hong Kong Limited
- 8. ABBREVIATED STOCK NAME:** Qingdao Port
- 9. STOCK CODE:** 06198
- 10. JOINT COMPANY SECRETARIES:** Mr. CHEN Fuxiang, Ms. LAI Siu Kuen
- 11. TELEPHONE:** 86-532-82982011
- 12. FACSIMILE:** 86-532-82822878
- 13. EMAIL:** qggj@qdport.com
- 14. WEBSITE:** <http://www.qingdao-port.com>
- 15. Scope of Business:** Readers can query through the National Enterprise Credit Information Publicity System in China. Query URL is <http://www.qdcredit.gov.cn/>

(II) Environmental, Social and Governance Reporting Guide content index

Subject Areas	Contents and Indicators	Position
A. Environmental		
Aspect A1: Emissions	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.	P31-36
	The types of emissions and respective emissions data.	P33
	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P33
	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P33
	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P33
	Description of measures to mitigate emissions and results achieved.	P32-33
	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P32-33
Aspect A2: Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	P35-36
	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity. (e.g. per unit of production volume, per facility).	P35
	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P35
	Description of energy use efficiency initiatives and results achieved.	P35-36
	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P36
	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	N/A
Aspect A3: The Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P31-36
	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P31-36
B. Social		
Aspect B1: Employment	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.	P53-55
	Total workforce by gender, employment type, age group and geographical region.	P53-54
	Employee turnover rate by gender, age group and geographical region.	P55
Aspect B2: Health and Safety	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 working environment and protecting employees from occupational hazards.	P37-41
	Number and rate of work-related fatalities.	N/A
	Lost days due to work injury.	N/A
	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P39-41

Subject Areas	Contents and Indicators	Position
Aspect B3: Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P63
	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P63
	The average training hours completed per employee by gender and employee category.	P63
Aspect B4: Labor Standards	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 labor.	P54-55
	Description of measures to review employment practices to avoid child and forced labor.	P55
	Description of steps taken to eliminate such practices when discovered.	P55
Aspect B5: Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	P49-51
	Number of suppliers by geographical region.	P51
	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P50-51
Aspect B6: Product Responsibility	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.	P42-46
	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	Number of products and service related complaints received and how they are dealt with.	P46
	Description of practices relating to observing and protecting intellectual property rights.	P28-29
	Description of quality assurance process and recall procedures.	N/A
	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P42
Aspect B7: Anticorruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P27-28
	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.	N/A
	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P28
Aspect B8: Community Investment	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.	P65-69
	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P65-69
	Resources contributed (e.g. money or time) to the focus area.	P65-69

Explanation: Including the “non-applicable” marked in the emission indicators, such as the density of produced greenhouse gases, hazardous waste and non-hazardous wastes, the density of water consumption for resource use indicators, and the total amount of packaging materials used in finished products have no practical significance for the Company due to the business content and characteristics of the Company.

(III) Global Reporting Initiative (GRI) content index

Indicator	Page	Indicator	Page	Indicator	Page
I. General Disclosures		iv. Stakeholder Engagement		G4-EC8	P65-66
i. Strategy and Analysis		G4-24	P8-9	ix. Environment	
G4-1	P2-3	G4-25	P10	G4-EN3	P35
ii. Organizational Profile		G4-26	P8-9	G4-EN5	P35
G4-3	P70	G4-27	P9	G4-EN6	P36
G4-4	P4-5	v. Report Profile		G4-EN7	P36
G4-5	P70	G4-28	P1	G4-EN8	P35
G4-6	P4-5	G4-29	P1	G4-EN15	P33
G4-7	P70	G4-30	P1	G4-EN16	P33
G4-8	P4	G4-31	P74	G4-EN17	P33
G4-9	P5	G4-32	P1	G4-EN21	P33
G4-10	P53-55	G4-33	P1	G4-EN23	P33
G4-11	P54	vi. Governance		G4-EN27	P31-35
G4-12	P49-51	G4-34	P16	x. Society	
G4-13	P49-51	G4-35	P17-20	G4-LA1	P53-55
G4-14	P19	G4-36	P20	G4-LA3	100%
G4-15	P1	G4-37	P17-20	G4-LA7	P41
G4-16	P52	G4-38	P17-19	G4-LA9	P63
iii. Identified Material Aspects and Boundaries		vii. Ethics & Integrity		G4-LA10	P63
G4-17	P1	G4-56	P6	G4-LA11	P63
G4-18	P10	G4-57	P8-9	G4-LA15	P51
G4-19	P10	G4-58	P8-9	G4-HR2	P63
G4-20	P9-10	II. Material Aspects		G4-HR3	P55
G4-21	P9-10	viii. Economic		G4-HR5	P55
G4-22	None	G4-EC1	P22-23	G4-SO4	P27-28
G4-23	None	G4-EC3	P54		

(IV) Readers' Feedback

Dear readers:

Thank you very much for reading Sustainability Report of 2017 of Qingdao Port International Co., Ltd. We sincerely invite you to put forward suggestions for the report, so as to help us continuously improve the quality of the report. Please fill in the following feedback form and send it to us by mail, fax or email. Thank you for your valuable advice.

1. Please score from 1 to 5 (1 being the lowest and 5 being the highest) for the following questions:

Contents	Scores
1. Your overall opinion on this sustainability report.	
2. Your opinion on whether this report reflects significant economic, social and environmental impacts on the Company.	
3. Your overall opinion on our communication with stakeholders	
4. Your overall opinion on information disclosure in this report	
5. Your overall opinion on the format and design of this report	

You can contact us in the following ways :

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2. Your comments and suggestions on our sustainability work and this report (attached pages allowed) :



You can scan the two-dimensional code to follow our website. We will sincerely considerate your comments and suggestions. And properly protect your personal information.

Name :		Profession :	
Phone Number :		Email :	
Address :			



Serving Motherland with Excellence
Giving Back to Community
Fulfilling Employees

Qingdao Port International Co., Ltd.

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