



**CHU KONG SHIPPING ENTERPRISES  
(GROUP) COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)

Stock Code : 00560



**2018**

**Chu Kong Shipping Enterprises (Group)  
Company Limited**  
Environmental, Social and Governance Report

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# About this Report

This Environmental, Social and Governance (“**ESG**”) Report (“**Report**”) serves as a review of the efforts and achievements made by Chu Kong Shipping Enterprises (Group) Company Limited and its subsidiaries (“**CKSG**”, together with its subsidiaries as the “**Group**” or “**we**”) for its sustainability issues in 2018. In order to gain a more comprehensive view of the Group’s performance, this Report is to be read in conjunction with CKSG’s 2018 Annual Report, in particular the Corporate Governance Report contained therein.

# Reporting Scope

This Report covers the performance of the businesses with significant environmental and social impacts under the control of the Group during the period from 1 January 2018 to 31 December 2018 (unless otherwise specified) (the “**Reporting Period**”).

This Report includes the Group’s operation in the offices, cargo terminals, and ferry terminals. The entities covered in this Report include the headquarters in Hong Kong Special Administrative Region (“**Hong Kong**”) and the subsidiaries that operate in Hong Kong, the People’s Republic of China (“**PRC**”) and Macau Special Administrative Region (“**Macau**”). The scope of the Report is consistent with that of the Report published last year.

● Chu Kong Shipping Enterprises (Group) Company Limited	● Shenzhen Zhu Chuan International Freight Forwarding Co., Ltd.
● Chu Kong Shipping (Guangdong) Logistics Co., Ltd.	● Chu Kong Cargo Terminals (Gaoming) Co., Ltd. (“ <b>Foshan Gaoming Port</b> ”)
● Chu Kong Passenger Transport Company Limited (“ <b>CKPT</b> ”)	● Zhaoqing Chu Kong Logistics (Gaoyao) Co., Ltd. (“ <b>Zhaoqing Gaoyao Port</b> ”)
● Sun Kong Petroleum Company Limited (“ <b>Sun Kong Petroleum</b> ”)	● Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd. (“ <b>Zhaoqing Sihui Port</b> ”)
● Cotal Chu Kong Shipping Management Services (Macau) Company Limited	● Zhaoqing Chu Kong Logistics (Dawang) Co., Ltd. <sup>1</sup>
● Chu Kong Tourism Company Limited (“ <b>CKTC</b> ”)	● Zhaoqing Chu Kong Transportation (Dawang) Co., Ltd. <sup>1</sup>
● Chu Kong Transhipment & Logistics Company Limited (“ <b>CKTL</b> ”)	● Zhaoqing Chu Kong Cargo Terminals (Dawang) Co., Ltd. <sup>1</sup>
● Chu Kong Agency Company Limited	● Zhaoqing New Port Co., Ltd. (“ <b>Zhaoqing New Port</b> ”)
● Chu Kong Container Transportation Company Limited	● Chu Kong Cargo Terminals (Kangzhou) Co., Ltd. (“ <b>Zhaoqing Kangzhou Port</b> ”)
● Chu Kong Godown Wharf & Transportation Company Limited	● Chu Kong Cargo Terminals (Qingyuan) Co., Ltd. (“ <b>Qingyuan Port</b> ”)
● Chu Kong Transportation (H.K.) Limited	● Zhongshan City Huangpu Port Cargo and Container Terminal Co., Ltd. (“ <b>Zhongshan Huangpu Port</b> ”)
● Chu Kong International Airfreight Company Limited	● CKS Container Terminal (Zhuhai Doumen) Co., Ltd. (“ <b>Doumen Port</b> ”)
● Ever Sky Transportation Limited	● Civet (Zhuhai Bonded Area) Logistics Company Limited (“ <b>Civet Port</b> ”)
● Chu Kong (Guangdong) International Freight Forwarding Co., Ltd. (“ <b>CKIFF</b> ”)	
● Chu Kong (Guangdong) International Shipping Agency Co., Ltd.	

<sup>1</sup> The total equity interest of two of the Group’s subsidiaries Zhaoqing Chu Kong Cargo Terminals (Dawang) Co., Ltd. and Zhaoqing Chu Kong Transportation (Dawang) Co., Ltd., was transferred to Chu Kong Shipping Enterprises (Holdings) Company Limited (the controlling shareholder of CKSG) in June 2018 and hence, only their sustainability performance from 1 January 2018 to 31 May 2018 is disclosed in this Report.

# Preparation Basis

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (“**ESG Guide**”) set out in Appendix 27 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“**SEHK**”). This Report has complied with the “comply or explain” provisions of the ESG Guide and was prepared in adherence to the 4 reporting principles: Materiality, Quantitative, Balance and Consistency. For detailed information about the provisions of the ESG Guide, please refer to Appendix 2 of this Report.

# Confirmation and Approval

This Report focuses on introducing the philosophy, actions and achievements of the Group’s sustainability performance. All information disclosed in this Report has been sourced from the Group’s documents and statistics. The board of directors (the “**Board**”) is responsible for the reliability, truthfulness, objectivity and completeness of the information disclosed in this ESG Report. This ESG Report is reviewed and approved by the Board on 11 July 2019.

This Report is published in Chinese and English versions. Should there be any discrepancy between the two versions, the English version shall prevail.

# Your Feedback

We welcome your questions, comments and suggestions on this Report and our sustainability performance. Please contact us by the contacting information below:

Chu Kong Shipping Enterprises (Group) Co., Ltd.  
Address: 24/F, Chu Kong Shipping Tower, 143 Connaught Road, Central, Hong Kong  
E-mail: [info@cks.com.hk](mailto:info@cks.com.hk)





# About the Group

CKSG (Stock Code: 00560) is a listed company incorporated in Hong Kong held by Chu Kong Shipping Enterprises (Holdings) Company Limited and subject to Guangdong Province Navigation Group Company Limited. The Company's principal business is investment holding, focusing mainly on terminal navigation logistics, high-speed waterway passenger transportation and fuel supply business. The Group establishes its freight industry based on a number of freight terminal enterprises in Guangdong and Hong Kong, and mainly engages in cargo canvassing, feeder transportation, vessel agency, wharf handling, warehousing and storage in Guangdong and Hong Kong, which provide a complete supply chain of terminal and navigation logistics. Another major business of the Group, the high-speed waterway passenger transportation is based in Guangdong, Hong Kong and Macau, has developed into the largest operation agent of high-speed waterway passenger transportation, and continued to innovate business mode to nurture and develop local tourism business. Fuel supply business of the Group mainly covers the provision of diesel and lubricants for passenger ferries and cargo vessels, and other businesses of the Group include the provision of operation and management of facilities maintenance services for properties in Macau.

There were no significant changes in the principal activities of the Group during the Reporting Period.





# Achieving Sustainability

In this century, climate change, pollutions and resource scarcity are the challenges that corporates need to take into consideration. The Group recognises the importance of sustainable development for its growth to overcome the challenges. Meanwhile, the Group is aware that these challenges not just pose a risk, but also provide an opportunity for corporates to assess themselves whether the businesses are on the right track. We believe that being environmentally and socially responsible could enhance our performance and contribute to the overall sustainable development of the society.

The Group has gradually incorporated corporate social responsibility into its operation. Building on the stringent internal compliance practices, various sustainable operation practices have been implemented to promote the Group's sustainable development in environmental and social aspects. The Group highly considers the ESG Report as an important channel for all its stakeholders and is dedicated to improving the effectiveness and quality of this channel continuously.

## Ensuring Regulatory Compliance

With subsidiaries operating in several regions in Hong Kong, PRC and Macau, assuring compliance with all applicable laws and regulations in the operating regions is crucial for the Group's sustainable development. The Group closely reviews government policies and regulatory requirements that have a significant impact on the Group and formulated diversified policies, standards, management measures and systems to govern the Group's operation in order to achieve compliance. Through the standardised and policy-based management, the Group continuously enhances its operation and management to protect the legitimate interests of the Group and its employees and to maintain the operational efficiency of its businesses.



# Stakeholder Engagement and Assessing Materiality




Keeping good cooperative relationships with the stakeholders is essential for the organic growth and sustainable development of the Group. By understanding the needs and concerns of the stakeholders, the Group could refine its business strategies to better meet their expectations and create value for stakeholders.





## Regular Stakeholder Engagement

Parties who may be affected by the decisions made by the Group or can influence the implementation of the Group's decisions are considered as stakeholders of the Group, namely regulatory authorities, shareholders and investors, employees, customers, suppliers, potential investors, financial institutions, and the community. The Group established diverse channels to communicate with its stakeholders and considered their opinions and feedback when drawing up its management policies and standards.

Stakeholder Groups	Communication Channels
 Regulatory Authorities	On-site inspections Through operation activities at the terminals Regular and irregular meetings
 Shareholders and Investors	Annual general meeting and other shareholder meetings Annual reports and other announcements
 Employees	Various regular meetings Group interviews Training, seminars and briefing sessions Cultural and sports activities Newsletters

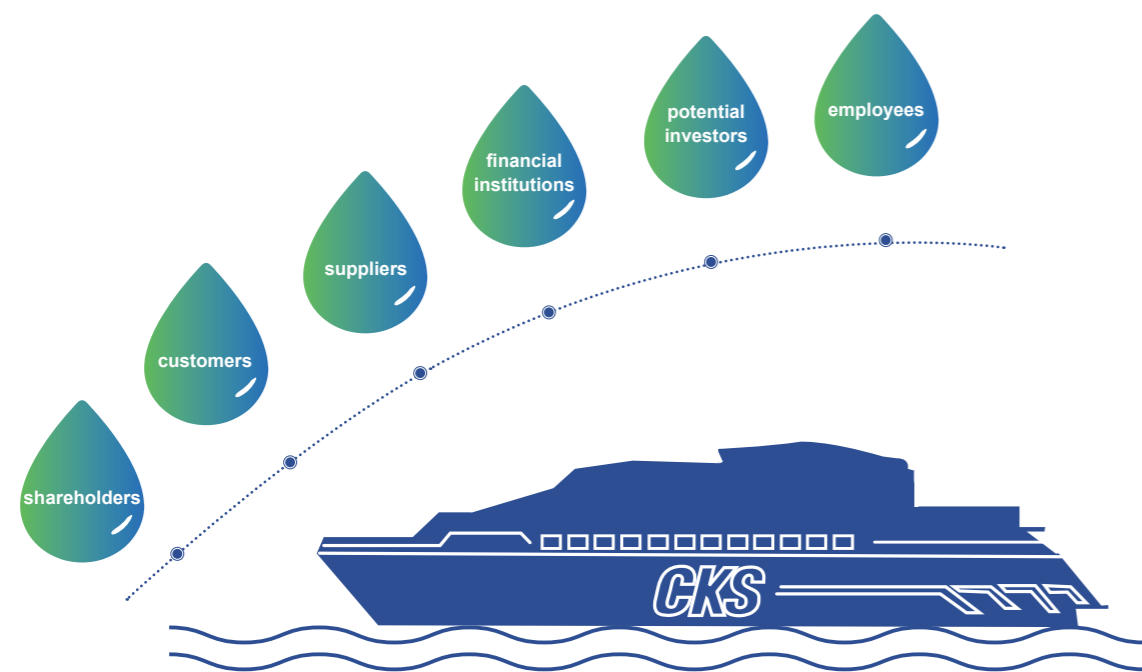
 Customers	Websites Emails and customer service hotlines Satisfaction survey
 Suppliers	Open tendering Regular communication Examination and evaluation
 Potential Investors and Financial institution	Potential investor briefings Roadshows Analyst briefings
 Community	Information disclosure Websites Emails



# Assessing Materiality

Materiality determination is crucial for the Group's sustainable development. By taking different approaches to conducting the materiality assessment, the Group can gain a holistic understanding of stakeholders' expectations and facilitate its management on sustainability issues.

In 2017, the Group conducted a detailed materiality assessment with the participation of the Group's major internal and external stakeholders, including shareholders, customers, suppliers, financial institutions, potential investors and employees. The stakeholders prioritised the sustainability issues using an online survey and the results were mapped on a matrix to identify the material issues of the Group. An internal validation process then confirmed the material issues of the Group, namely "Work Safety", "Service Quality", and "Employees' Rights".



Since there were no significant changes in the business structure and principal activities of the Group during the Reporting Period, in preparation for this Report, the Group made reference to the results of the materiality assessment undertaken last year and conducted an internal review process to determine the applicability of the material issues in 2018. The internal review also helped the Group to understand the underlying reasons of internal stakeholders' priorities as well as the Group's levels of responses to the material issues from the internal perspectives. Insights into the challenges regarding the material issues have been gained by the Group for improving the management of these issues.



The Group entrusted a third-party consultancy to hold a series of consultation meeting with its employees from different business segments as part of the internal review. The meeting participants at various levels of the Group were given the opportunities to review a range of key sustainability issues and were asked to select the sustainability issues that they deemed material and provide their feedbacks on CKSG's performance during the Reporting Period of the issues. The feedback gained from the interview were then summarised and analysed to assist the Group's evaluation on the applicability of the material issues.

Taking into account the insights we gained from our employees during the interview, last year's materiality assessment result<sup>2</sup> as well as the industry trends and the social and environmental contexts of the Group's business, senior management of the Group determined that the material issues identified last year, that are "Work Safety", "Service Quality", and "Employees' Rights", are still applicable in 2018. This decision is also endorsed by the Board of the Group.



<sup>2</sup> For the result of the materiality assessment conducted in 2017, please refer to the 2017 ESG Report at [https://www.cksd.com/en/investor\\_relations/ir\\_esg](https://www.cksd.com/en/investor_relations/ir_esg).

This engagement provided the Group with an opportunity to have an in-depth conversation with its employees to gain a deeper insight into their expectations and priorities. Highlights of their feedback and the Group's responses are presented as follows:

Material Issues	Employees' Feedback	The Group's Responses
Work Safety	Employees expressed appreciation for CKSG's efforts on building a safety culture, and providing and maintaining safe working environments.	The Group will unswervingly strengthen the implementation of safety management, improve workplace health and safety, and reduce safety risks during operation.
Service Quality	Employees have been satisfied with CKSG's performance in service quality. As a service provider, CKSG always provides high quality and reliable services under the principle of customers first.	The Group will continue to measure the quality of its service by conducting annual customers satisfaction survey. Meanwhile, the Group provides employees with training programmes that focuses on customer service, and continuously strives for excellence in its service levels.
Employees' Rights	Employees paid attention to CKSG's approaches in providing benefits and welfare and retaining talent. They also expressed concerns about their career path.	The Group conducts regular meetings with the trade unions to ensure that employees' concerns and suggestions are considered in the management practices. The Group will continuously refine the promotion system and provide reasonable and clear career planning for employees, while strengthening the fairness of employees' assessment system.





# Contributing to a Sustainable Society – Our Social Impacts and Efforts

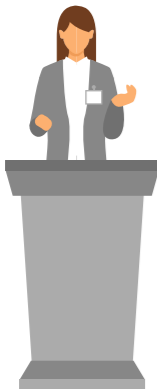
The Group integrates sustainability considerations in its business strategies and manages social risks arose from its business engagements. The Group continuously improves its operational practices to reduce its social risks as well as to enhance its social benefits for the communities. The management approaches and strategies of the Group on its material issues, “Work Safety”, “Service Quality” and “Employees’ Rights”, and other social-related issues, are detailed in this section.



# Creating a Culture of Safety

Safety is our utmost priority. Ensuring work safety is of paramount importance of the Group in its usual course of businesses. The Group established a safety culture and emphasised on improving its management relating to occupational risk, health and safety, and enhancing employees' knowledge of job risk and safety. A robust safety management system is implemented in the Group to ensure that the highest standard of occupational health and safety is embedded in every business segment of the Group.

Policies, operating procedures and guidelines such as the *Safety Operation Management System* and the *Equipment and Facilities Safety Management System* are formulated to govern our operation so as to eliminate potential risks and protect our employees. Different safety precaution measures are implemented thoroughly in every business segment of the Group.



Implement the management and liability system for safety operation	The Group implemented the Safety Management System to effectively prevent the occurrence of safety accidents and occupational diseases. Additionally, the Group established the Safety Operation Liability System to set out the responsibilities of each party to ensure the safety management and procedures are followed meticulously at different levels of every business segment.
Strengthen safety inspection and control	The Group established extensive safety inspection plans on machinery, equipment and working environment to ensure that the business operation is conducted in an organised and safe manner. Comprehensive inspections are undertaken regularly, such as daily inspections, seasonal inspections and inspections prior and after long holidays.
Conduct regular review	Periodic safety review meetings are held to summarise and analyse the work safety and supervision work and to discuss ways to eliminate or control the safety hazards.
Basic safety and health provision	The Group provides personal protective equipment to employees regularly based on their nature of works. Understanding the potential hazards of machinery operation, the Group forestalls fatigue accidents in the workplaces by establishing reasonable work arrangement and providing employees with common rooms to ensure that adequate rest breaks are provided to employees. In addition, the Group organises annual physical examination for employees.



Machine operation without proper safety management poses dangers to the employees in the cargo terminals, and thus improving the working environment and safety are extremely important to reduce the possibility of workplace accident occurrences. The Group ensures the machine operators' safety by providing them with safe and reliable machinery and clear operating guideline. Machine operation manuals are established to provide guidance to employees on the operating procedures and safety measures. Moreover, regular maintenance is conducted on the machines to preserve the value of the machines as well as to extend the machines' life, preventing workplace injuries and fatalities caused by malfunctioning machinery, maintaining a safe working environment for employees.

One of the priorities of the Group is to raise employees' awareness of occupational safety and health. Trainings are provided to employees to equip them with comprehensive knowledge of safety operation to ensure they possess requisite safety skills for the jobs.



Aiming to foster employees' emergency response capacity and raise their familiarity with fire suppression equipment, Zhaoqing Kangzhou Port organised training on fire safety in October 2018 and demonstrated how fire extinguishers work.

In order to further enhance the safe operation skills of employees, Foshan Gaoming Port organised a forklift skill competition in November 2018 to stimulate forklift operators to improve their skills in an effective and interesting way.



Employees are a great asset to the Group and we invest time and resources in promoting employees' health.

The weather heats up at the cargo terminals during Summer, the Group distributed cool beverages to the front-line employees to prevent heat stroke.



The Group encourages employees to exercise and stay physically active. During the Reporting Period, Foshan Gaoming Port and Zhaoqing Gaoyao Port participated in a badminton competition and marathon respectively to improve employees' physical fitness and cultivate team spirit.

During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group and relating to occupational health and safety. The applicable laws and regulations are listed in Appendix 1.



Well-prepared for Adverse Weather Conditions

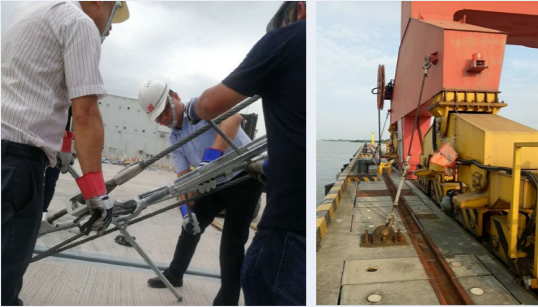
CKSG has always been working together with the subsidiaries to enhance the preparation for typhoons by strengthening the implementation of safety measures, striving to quickly resume our operation after the typhoon to minimise its impact on our properties and customers.

In September 2018, super typhoon Mangkhut landed in China, which brought a wide range of unprecedented impacts and seriously affected the terminal navigation logistic business in Guangdong, Hong Kong and Macau. Utilising the lessons learnt from typhoons Hato and Pakhar in 2017, we were well prepared for the super typhoon Mangkhut in 2018. The safety of our employees is our first and foremost concern, and hence, advance notices, shutdown procedures and work assignment were arranged prior to the arrival of Mangkhut. Our second concern is property security, the Group implemented safety measures to ensure the safety of cargo terminals and reduce the risk of safety hazards. All subsidiaries under the terminal navigation logistics business formulated the *Typhoon Emergency Plan*, performed advanced safety preparation and properly executed the emergency plans before the landfall of Mangkhut.

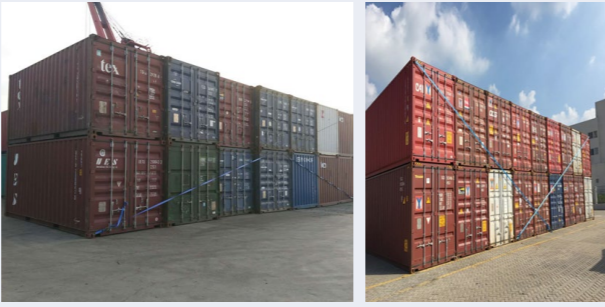
Main Safety Measures Implemented at the Cargo Terminals

Container Stack Height Limitation	Binding of Containers	Crane Stabilisation	Proper Storage of Machinery and Vehicles
Stack height was limited to a maximum of 3 containers.	Stacked containers were tied in advance. Containers restraint assemblies were fixed on the containers to secure the binding.	Cranes were fastened to the anchor devices with extra wires, such as bulk-handling cranes and gantry cranes.	Machinery and vehicles were parked in safe places to avoid potential damage caused by typhoons.

Crane Stabilisation:



Binding of Containers:



Commitment to Service Responsibility

As a responsible service provider, the Group strives to deliver excellent services to its customers and provide customers with accurate information of its services. The Group protects customer privacy and strictly prevents misappropriation of customer information. The Group strictly complies with the laws and regulations that have a significant impact on the Group and relating to health and safety, advertising, and privacy matters relating to its services. Methods of redress are taken by the Group whenever necessary to solve the problems associated with the aspects above. The applicable laws and regulations are listed in Appendix 1.

Safe Operation

The Group is dedicated to providing quality and reliable services through constant safe operation. We focus on cargo handling safety and passenger safety, achieving safe operation and management of our services.

Cargo Handling Safety

The Group safeguards all cargoes along the chain of cargo handling.



Entering the cargo terminals

The Group has implemented integrated shipping container inspection procedures and deployed well-trained inspectors to conduct extensive inspections on the shipping containers after unloading from cargo vessels and prior to departing from cargo terminals and vice versa. Proper loading and unloading procedures have been executed to prevent damage to the exterior and interior of the shipping containers to keep the goods in good shape.

The Group set up a maintenance area at each cargo terminal and cooperates with container maintenance companies in keeping the shipping containers well maintained. Those spotted in poor condition during the integrated container inspection procedures are transferred to the maintenance area for repair.





## Warehousing at the cargo terminals

The Group is aware that fire hazard is one of the major concerns for cargo handling and storage business. To reduce the risk of fire, the Group implemented the *Fire Safety Management System* and laid down the management approach for fire prevention, including fire inspection, maintenance of fire service installations and equipment and organisation of training programmes. Moreover, most of the warehouses are installed with the automatic sprinkler system.

In addition, to strengthen the safety management of cargo terminals, security teams have been deployed to carry out patrolling and to guard the check in/ check out processes of personnel and vehicles at the cargo terminals.

The Group formed an Innovation Team that aims to improve the efficiency of business operation by incorporating innovative ideas and systems. During the Reporting Period, Civet Port utilised an intelligent container yard system to enhance the information management for the operation in the cargo terminal using an online platform. The locations of container cargoes could be tracked once the container cargoes entered the cargo terminals and the status of operation process could be accessed through the smart terminal. Through centralisation and information management of the operation processes, Civet Port has greatly reduced the error rate caused by miscommunication and hence improves the operational efficiency.

## Transporting to destinations

To ensure cargo safety during transportation and safe delivery to destinations, the Group implemented the safety operation rules and procedures for vehicles on road. Truck drivers conduct safety inspections on vehicles prior to transportation, for instance, checking the conditions of containers and tyres of vehicles.



All vehicles of CKTL are equipped with Global Positioning System (GPS), facilitating the real-time monitoring of cargoes' locations to prevent the potential loss of cargoes.

## Passenger Safety

CKPT is well known for its "safety, speediness, convenience and comfortable" services, with safety as its priority. As an operation agent, CKPT endeavours to ensure the safety of passengers while running high-speed waterway passenger transportation between Pearl River Delta, Hong Kong and Macau. The Group cooperates closely with ferry companies to ensure safe operation of ferries. During the Reporting Period, there was no occurrence of safety accidents in the aspect of passenger transportation.

In September 2018, CKPT cooperated with SHIZIYANG 7 Passenger Ferry to perform a joint exercise on being attacked by the robberies with casualties, enhancing the emergency response capacity of the employees onshore and the crews on ferries and, hence, making travelling by sea safer.

CKPT concerns the impacts of severe weather on its passengers, and notices are posted on various communication platforms, including website and official account on WeChat, to inform passengers of the weather condition and to update the ferry schedule in a timely manner.



Special weather reminder regarding  
super typhoon " Mangkhut"

2018-09-15



+ Excellent Service Quality

The Group values customers’ opinions and strives to provide excellent services. The Group persistently implemented the Quality Management System and conducts annual customer satisfaction survey to manage and evaluate the performances of its services and to understand customers’ perceptions of the Group. Targets of customer satisfaction level were set according to the business characteristics of subsidiaries of the Group. The levels of customer satisfaction of subsidiaries of the Group in 2018 reached 90% or above, and are summarised as follows:

Level of Customer Satisfaction	2018
Terminal Navigation Logistics	
CKTL	92.5%
Civet Port	96.1%
Foshan Gaoming Port	93.6%
Doumen Port	90%
Qingyuan Port	93.7%
Zhaoqing Kangzhou Port	95%
Zhaoqing New Port	98%
Zhaoqing Sihui Port	94%
Zhaoqing Gaoyao Port	92.7%
CKIFF	>93.4%
Fuel Supply	
Sun Kong Petroleum	1 <sup>st</sup> half: 97.6%
	2 <sup>nd</sup> half: 96.7%
Passenger Transportation	
CKPT	96%
CKTC	95%



Adhering to the vision of “Provide Top Quality Service, Create Century Branding”, CKPT always aims to provide passengers with international and professional quality services. During the Reporting Period, CKPT received the Corporate Team Excellence Award and two Personal Excellence Awards at the annual Customer Service Excellence Programme award presentation ceremony organised by the Hong Kong International Airport.

CKIFF underwent the evaluation process by the China Federation of Logistics & Purchasing with the method stipulated in the *GB/T 19680-2013 Classification and Evaluation Index for Logistics Enterprise*, and was awarded the rating of “AAA Logistic Enterprise” during the Reporting Period, acknowledging its efforts and dedication in providing quality services.



The Group values feedback from its customers and established various customer complaint channels and an improvement mechanism, reflecting the Group’s determination in optimising its service quality. Complaints received during the Reporting Period are summarised as follows:

Business Segments	Terminal Navigation Logistics	Passenger Transportation	Fuel Supply	Corporate and Other Businesses
No. of Complaints Received in 2018	6	76	0	0

After receiving the complaints, the Group promptly activated the complaint handling mechanism, developed proper rectification plan and followed-up on the complaints to ensure the customers are satisfied. All of the complaints received during the Reporting Period were handled properly.

+ Value Privacy and Persist in Information Accuracy

Customers’ information is treated as strictly confidential within the Group. To build trust with customers, CKPT formulated the *Privacy Policy* and disclosed how it collects, uses and handles personal data on its official website.

The Group follows the *Management Measures for Brand Building* to regulate the information dissemination of the Group. Designated internal departments are assigned for the maintenance, management, approval and dissemination of the Group’s information.

During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group and relating to health and safety, advertising, and privacy matters relating to services provided.



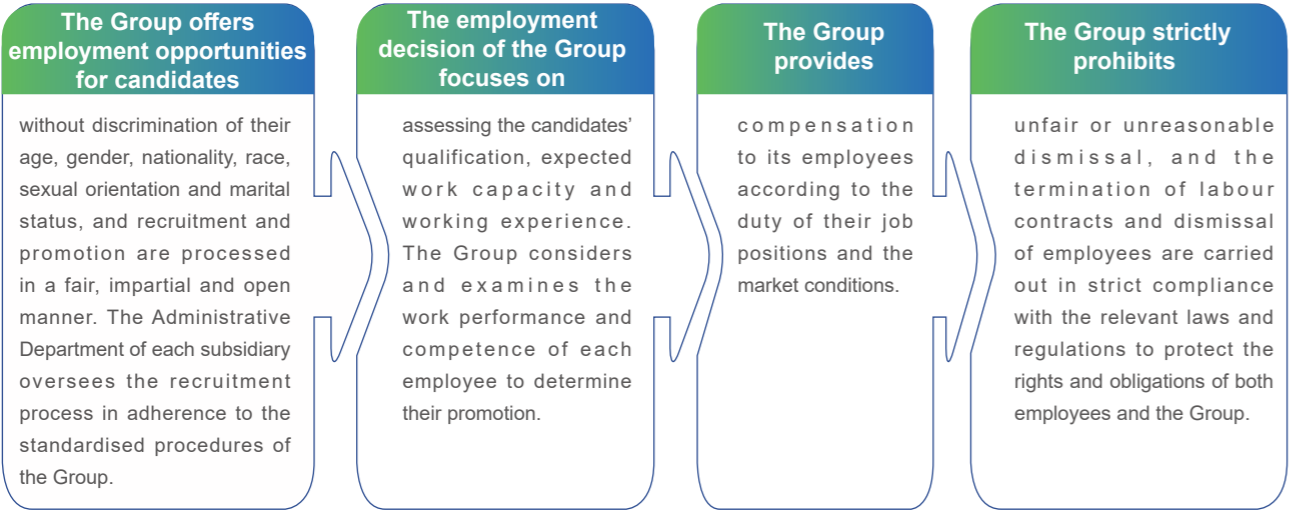
Safeguarding Employees' Rights

Employees are the greatest asset of the Group, protecting the employees' rights is a matter of course for the Group in its daily operation. The Group also promotes dialogues between employees and management through the establishment of the trade unions, striving to address issues efficiently and peacefully.



Employment and Labour Practices

The Group strives to protect employees' rights by strictly complying with the laws and regulations that have a significant impact on the Group and relating to employment and labour practices. The Group formulated policies, practices and management standards to manage the procedures pertaining to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, benefits and welfare, and prevention of child and forced labour.

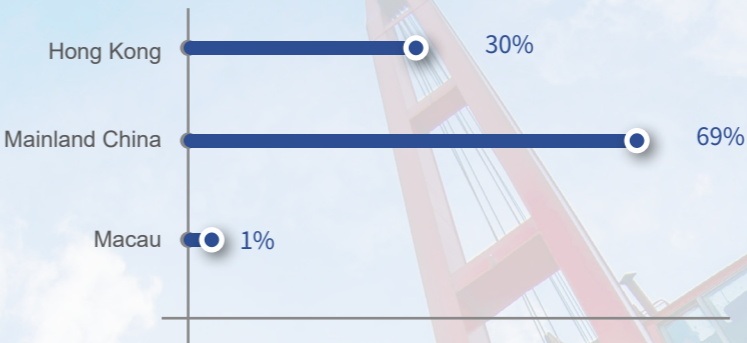


The Group resolutely prohibits the use of child labour in the workplace. During the recruitment process, the Group reviews the candidates' proofs of identity to make sure no recruitment of children. Candidates without a valid identity proof would be dismissed.

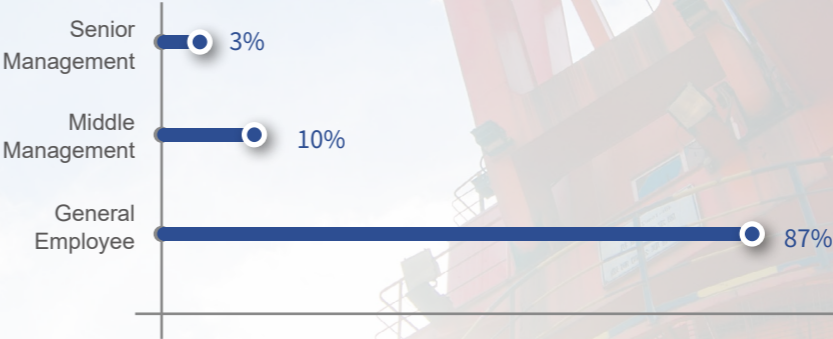
The Group strictly adheres to the laws and regulations in relation to the prevention of forced labour at its operating locations and stringently follows the schedule of working and rest hours. The Group stipulated the working days, normal working hours, holiday entitlements and rest periods of employees in the *Attendance Management Standard* and laid down the appropriate arrangement of providing monetary compensation or granting of time off in lieu for overtime work. It is strictly forbidden to enforce disciplinary punishments and restrict employees' freedom. Moreover, due to the non-scheduled production needs of terminal navigation logistics business, the Group adopts the employment practice of shift work when necessary, according to the formulated *Regulation of Flexible Work Arrangement*, to effectively allocate human resources and avoid forced labour.

As of 31 December 2018, the Group has 1,998 employees. The employees' profile of the Group is as follows:

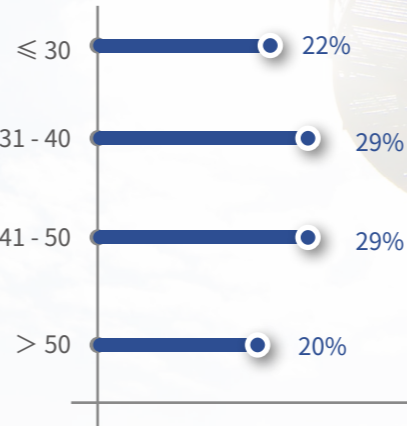
Percentage of Employees by Operating Location



Percentage of Employees by Employment Type



Percentage of Employees by Age Group



## Benefits and Welfare

The successful growth of the Group relies on its employees, and thus the Group returns the favour by providing comprehensive welfare for its employees. Apart from the statutory provisions such as statutory holidays, paid annual leaves and sick leaves, the Group provides various benefits to employees such as subsidies on holidays and festivals, and meals, transportation and residential allowances.

The Group believes that providing a supportive and caring work environment is essential to creating a sense of belonging among its employees. Through organising various company activities and events, the Group boosts employees' morale and provide wholehearted support.

To motivate and inspire employees' enthusiasm, CKPT held the "2018 Outstanding Employees" selection event and evaluated the performance of employees in a fair, open and equitable manner. In January 2019, CKPT announced the list of outstanding employees of 2018 and paid a high compliment to the outstanding employees.



In January 2018, the Trade Union of Zhaoqing Gaoyao Port joined the sports event in Gaoyao Nanan, Zhaoqing. Employees were enlivened through participating in entertaining activities including charade, three-legged race, and balloon inflating competition.

During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group and relating to employment and labour practices. The applicable laws and regulations are listed in Appendix 1.

## Training and Development

The Group believes that well-trained and motivated employees are essential to us, it is also our duty as a responsible employer to foster the abilities and skills of our employees. The Group emphasises on providing a continuous learning environment that empowers our employees to reach their full potential.

During the Reporting Period, the Group provided numbers of training for our employees with consideration of their job characteristics.

### Terminal Navigation Logistics

The Group provides training programmes covering a wide range of topics under the terminal navigation business, including operation management and terminal management.

During the Reporting Period, CKIFF provided training programmes to strengthen the skills of customer service representatives, sales representatives and financial officers.



In November 2018, Civet Port held end-user training to enhance the familiarity of employees on the newly adopted intelligent container yard system.

### Fuel Supply

Sun Kong Petroleum formulated the *Regulations of Training for Seafarers* to regulate the procedures of developing the annual training plan and procedures of organising training programmes. During the Reporting Period, Sun Kong Petroleum provided induction training and on-the-job training for its employees encompassing topics of ship management, work safety and quality management.



Specialising in passenger transport in Southern China, it is essential for CKPT to excel in the service industry. CKPT attaches great importance to equipping employees with professional knowledge required to provide excellent service and promote the passenger transportation business.

During the Reporting Period, CKPT participated in a training seminar organised by the Hong Kong International Aviation Academy focusing on service enhancement for tourists, aiming to maintain a high standard of professionalism through the acquisition of knowledge in communication skills in tourism and in the prevention and handling of complaints.

## Supply Chain Management

The Group understands that effective management of the supply chain is beneficial to the Group with regard to reducing risks, improving the quality of our services, and ultimately bringing values to the Group and its customers. The Group emphasises on the product quality and social performance of its suppliers.

With regard to the selection of supplier, the Group has set stringent screening standards and established a comprehensive tendering process. The Group established the *Management Measures for Tendering and Bidding* to govern the tendering and bidding process, ensuring that the process is conducted in a fair and equal manner.

For supplier management, the Group follows the *Procedures of Procurement Management* and periodically performs an evaluation on the suppliers in terms of their quality, delivery, and service to ensure that their products and services conform to the standards. If the conditions of any supplier are found to be incompatible with the requirements, the Group shall suspend its cooperation with the supplier and demand the supplier to carry out rectification.



Sun Kong Petroleum from the fuel supply business formulated the *Control Procedures of Oil Procurement*, which laid down the assessment and selection procedures of oil suppliers. Annual supplier evaluation is conducted to evaluate the performances of suppliers.

Apart from managing the products and service quality of suppliers, the Group also emphasises on promoting business integrity along the supply chain. The Group formulated the *Code of Integrity and Self-discipline for Procurement* to provide employees with guidance in the areas of integrity, ethics and conflict of interest during the procurement process.

## Committed to Integrity

The Group strictly abides by the relevant laws and regulations and adopts a zero-tolerance approach to bribery, extortion, fraud, money laundering and other illegal activities. The Group is committed to combating corruption within the Group and with its business partners.

Within the Group

The Group formulated the *Company's Code of Conduct for Employees* which outlines the responsibilities of the Group's employees to prevent illegal acts of employees including offering and accepting bribes and misappropriation of funds. It also provides a set of self-decision-making principles and guidelines to enable employees to tackle corruption. Employees are required to sign the *Letter of Undertaking of Integrity* and abide by relevant ethical standards of the Group.

With business partners

The *Integrity Agreement for Business Partners* is in place to regulate the Group's business activities with business partners to promote clean government and safeguard the legitimate rights and interests of both sides.

Moreover, the Group formulated the *Whistle-blowing Policy* to lay down the procedures for reporting, investigating and remedying any misbehaviour in the workplace. The whistle-blowing system is also established along with the policy to provide a channel for employees and business partners to report on any misconducts and malpractices. To protect the whistle-blowers and build trust within the Group, we are committed to treating all relevant information as strictly confidential and dedicated to thoroughly and fairly investigating all complaints and reports.



Zhongshan Huangpu Port set up an Integrity Reporting Box for employees to report on any ethical incidents. A measure titled *Management Measures for Integrity Reporting Box* is also established to outline the implementing, monitoring and documentation procedures for the responsible party to handle the reported cases.

During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group and relating to bribery, extortion, fraud and money laundering. The applicable laws and regulations are listed in Appendix 1. There were no cases regarding corrupt practices brought against the Group or its employees during the Reporting Period.



# Contributing to the Community

The Group values its connection with the community and continuously explores the needs of the communities in the regions where we operate. The Group strives to fulfil its social responsibility by ensuring that its business activities take into consideration of the interests of the communities.

# Environmental Contribution

As a responsible corporate citizen, we are mindful of the environmental impacts of our business activities on the communities. In December 2018, the Group commenced the organisation of a series of environmental programmes to promote the concept of environmental protection within the Group while reducing the environmental impacts on the neighbourhood. The subsidiaries of the Group actively participated in the Environmental Slogan Competition and Environmental Practices Competition and proposed numbers of green practices for the daily operation of the Group.





# Heading towards A Sustainable Future - Our Environmental Impacts and Efforts

The Group continues to take steps in fulfilling its environmental responsibilities and reducing the environmental impacts of its operation. Focusing mainly on terminal navigation logistics, passenger transportation and fuel supplying business, the Group's day-to-day business operations involve machinery and equipment operation, warehouse management, vessels and vehicles operation and ticketing, and the resulting major environmental challenges are controlling environmental emissions, resources conservation, and minimising significant impacts on the environment and natural resources. The Group understands the significance of climate change and resources depletion; thus, the Group's decision-making process involves environmental consideration, and its operations are conducted in accordance with sound environmental practices.

The Group strictly abides by the laws and regulations that have a significant impact on the Group and relating to environmental protection. The Group attaches foremost importance to environmental compliance in each operating location, and the subsidiaries of the Group formulated policies, management systems, practices and measures according to their business natures and actual circumstances, managing their environmental impacts on the environment.

In addition, the Group formulated the *Environmental Emergency Response Plan* to outline the potential environmental impacts in the usual course of business, the identification and evaluation of possible environmental risks, and the established emergency prevention and response mechanism, ensuring that the subsidiaries possess adequate capacity to react efficiently and orderly in the event of major environmental pollution incidents, so that damage on the environment can be minimised.

During the Reporting Period, there were no confirmed non-compliance incidents or infringements in relation to environmental protection that have a significant impact on the Group. The applicable laws and regulations are listed in Appendix 1.

Minimising the Environmental Impacts

Managing Air Emissions and Greenhouse Gas (“GHG”) Emissions

Understanding the impacts of air emissions and GHG emissions, the Group strives to reduce the emissions from its business operations, and progressively extends its effort to the emission sources of the entities associated with its business.



- The Group’s air emissions primarily come from
- diesel-driven machinery
  - vessels
  - vehicles
  - cooking



- The Group’s major sources of direct GHG emissions and indirect GHG emissions respectively
- fuel
  - electricity consumption

The Group strives to ensure its vessels, vehicles and machinery’s emission standards are in strict compliance with the relevant laws and regulations. The Group also regularly inspects and maintains the conditions of the vessels, vehicles and machinery in order to minimise the generation of air pollutants. Since vehicles and machinery are utilised most at the cargo terminals, the Group actively promotes the use of electrical machinery and vehicles to reduce the air emissions and GHG emissions associated with fuel combustion in the terminal navigation logistics business.

Zhaoqing Gaoyao Port employs electrical gantry cranes to replace the use of diesel-driven cranes, which substantially reduced the pollution to the atmospheric environment.



Doumen Port and Civet Port both use electric forklift trucks for cargo handling at the cargo inspection site of the Hong Kong-Zhuhai-Macau Bridge and in the refrigerated warehouse respectively.

During the Reporting Period, 2 diesel vehicles were replaced with electric vehicles for providing commute service for employees in Civet Port, resulting in an estimated reduction of 0.06 kg of SO<sub>x</sub> and 11.01 kg of NO<sub>x</sub> per year.

With regard to dust suppression, proper pavement is constructed for road dust management at the cargo terminals. The Group focuses on the prevention of dust accumulation and suppression and deploys water-spraying vehicles for dust suppression at the cargo terminals, improving the ambient air quality and protecting the health of terminal personnel.

Apart from managing the emissions generated during our operation, the Group actively seeks opportunities to minimise the air emissions generated from the vessels of the companies we conduct business with to further reduce the air emissions along the course of business.



Providing Onshore Power Supply

In order to maintain the operation of vessels during berthing, it is necessary to keep the auxiliary generators running to generate electricity to provide the vessels with necessary power, generating a large amount of air pollutants. Most of the cargo terminals of the Group’s terminal navigation logistics business installed shore power connection boxes to provide onshore power supply to the vessels at berth, and reduce the air emissions associated with fossil fuel burning of vessels.



Supplying Light Diesel with Low Sulphur Content

The principal activities of Sun Kong Petroleum are oil trading and providing marine bunkering services. Sun Kong Petroleum strives to cut sulphur dioxide emissions in the shipping industry in Hong Kong. In accordance with the *Air Pollution Control (Marine Light Diesel) Regulation (Cap. 311Y of the Law of Hong Kong)*, Sun Kong Petroleum supplies marine light diesel with low sulphur content, reducing emissions from diesel engines of vessels substantially and bringing positive impacts on ambient air quality.



Prohibiting Illegal Discharge of Wastewater

Most of the Group’s operating locations are in close proximity to the coastal areas and hence the Group pays attention to its water discharge. Wastewater is mainly generated from the cargo terminals under the terminal navigation logistics business of the Group, which constitutes of wastewater for road water-spraying and cleansing of mobile machinery and containers, domestic sewage and stormwater run-off.

Wastewater treatment facility was installed in the cargo terminals for proper wastewater treatment. Recognising the impacts of uncontrolled discharge of stormwater, most of the cargo terminals under the terminal logistic business set up stormwater collection and treatment system to divert all the stormwater within the boundary of cargo terminals to the treatment facilities for proper treatment before discharge.



Effective Utilisation of Resources and Reduction of Waste

Effective waste management is crucial in minimising environmental impacts. Improper handling of waste increases risks and causes negative consequences, such as soil contamination and impacts on animals and marine life. To this end, the Group manages waste handling procedures with extra care.

The major hazardous wastes of the Group are engine oil and vehicles batteries; the major non-hazardous wastes are tyres, wire ropes, waste wrapping material, and domestic waste. The Group entrusts third-party companies for waste disposal, including non-hazardous waste and hazardous waste. Compliance is essential when it comes to hazardous waste disposal, all hazardous wastes are transferred by accredited companies. The Group formulated and implemented the *Waste Oil Management System* to manage the collection, storage, transfer, and handling procedures of waste engine oil at all cargo terminals to effectively control and reduce the pollution of waste oil, eliminating the hidden safety and environmental risks caused by illegal transfer and disposal of waste oil.

To minimise the number of waste tyres, the Group retreads and refurbishes tyres and then reuses them in the cargo terminals. Tyres would only be discarded if they were worn down with irreparable damage, and they would be transferred in an authorised manner, reducing the number of waste tyres and the consumption of new tyres. During the Reporting Period, a total of 149 tyres were refurbished and reused in the cargo terminals.

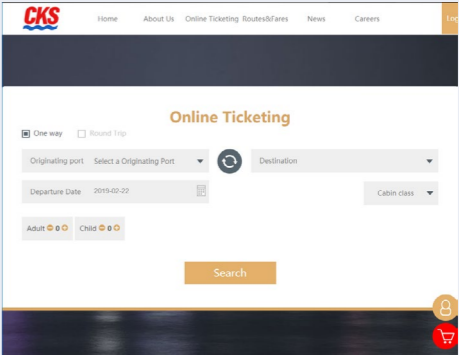
Sun Kong Petroleum actively cooperates with Hong Kong government’s promotion and recycles the waste electrical and electronic equipment (WEEE) properly through ALBA Integrated Waste Solutions (Hong Kong) Ltd., a waste management service provider in Hong Kong.

The Group also takes measures in reducing paper consumption in the office operation and in the passenger transportation business.



The Group sets up paper recycling boxes adjacent to the printers for paper recycling in the office.

Apart from applying office automation (OA) system to minimise the use of paper, CKPT and CKTC utilise an online ticketing platform and adopt a paperless entry system.



Reducing Noise Pollution

Noise pollution of the Group is mainly contributed by the operation of cargo terminals, which may cause noise nuisance to the community. The noise sources include loading and unloading equipment, ship engines and sirens from vehicles and vessels. To minimise the impacts on terminal personnel and the neighbourhood, noise abatement measures were implemented to tackle noise pollution.

Reasonable planning of road traffic	Strengthening the use and maintenance of equipment
<ul style="list-style-type: none"><li>Promote good driving behaviour to ensure orderly traffic</li><li>Set speeding limit</li><li>Prohibit unnecessary use of vehicles’ horn</li></ul>	<ul style="list-style-type: none"><li>Maintain machinery and equipment in good condition to reduce undesired noise</li><li>Encourage the use of electrical equipment instead of diesel-driven ones</li></ul>

During the Reporting Period, the Group did not receive any complaints regarding noise pollution.



# Effective Use of Resources

## Energy Usage

Energy usage, from the perspective of the Group, is not just a pursuance of environmental commitment, but also a critical component of the operation cost. The Group strives to increase energy efficiency and lower the fuel and electricity consumption during its business operation, reducing operation cost and driving business growth at the same time.

The major energy consumed by the Group are diesel and electricity. Adopting energy efficient equipment and strengthening the management of energy use are the main focuses of the Group in energy conservation. The Group continuously replaces the energy-consuming equipment, and concurrently implements best practices in the workplace and assigns responsible personnel for monitoring and recording energy usage, reducing energy consumption during its operation and minimising unnecessary energy wastage.

The Group actively adopts high-efficient electrical equipment at the cargo terminals. Zhaoqing Kangzhou Port utilises a 40 tonnes gantry crane with variable frequency drive in the cargo terminal, resulting in an estimation of 30% electricity reduction.

During the Reporting Period, Zhaoqing Gaoyao Port replaced 20 high-pressure sodium lamps with energy-efficient LED lamps in the cargo terminal, reducing energy consumption and providing a well-lit working environment.

Moreover, the Group contributes to energy saving and emission reduction by advocating green shipping in the passenger transportation business. The Group keeps promoting the ship-owners to accelerate the setup of the high-speed carbon fibre ferry fleet and which is the most environmental ferry type to save energy usage, with 6 ferries in operation during the Reporting Period, 2 ferries under construction and 4 ferries proposed to be constructed.

## Water Usage

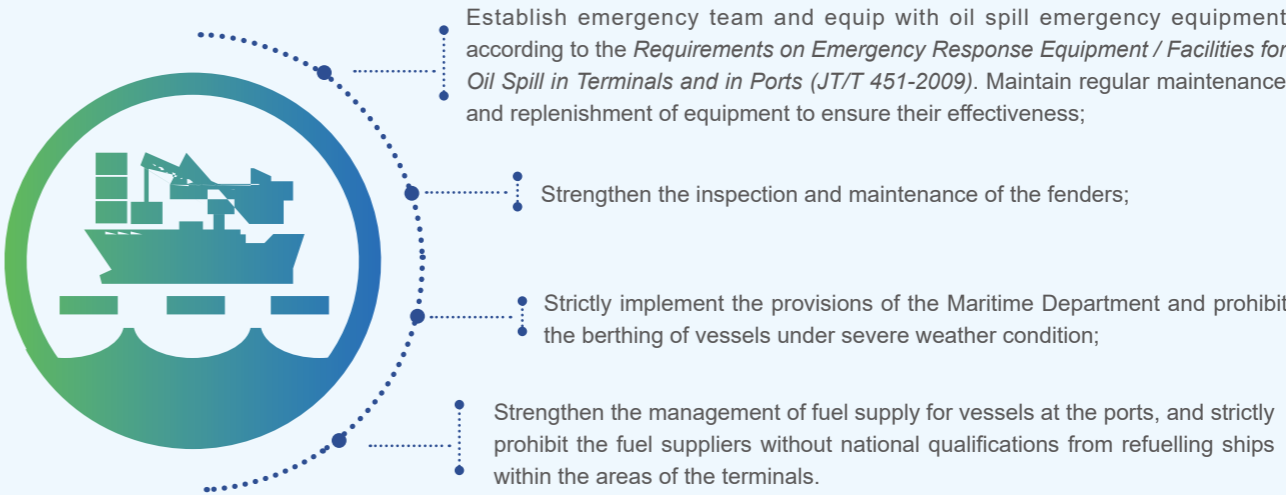
The Group's water is sourced from municipal water supply and there is no significant problem of water-sourcing. The water consumption of the Group is primarily for domestic use and cleansing, and hence no significant impacts are generated from water consumption. Nevertheless, the Group seizes every opportunity to reduce the consumption of precious natural resources and to utilise the treated wastewater for dust suppression and irrigation at the cargo terminals, reducing the consumption of fresh water.

Zhaoqing Kangzhou Port established a rainwater harvesting system and installed rainwater storage tanks on the roof of the office building to collect and store rainwater for fire suppression, achieving water conservation while reducing stormwater runoff.

# Protecting the Natural Environment

## Preventing Oil Spills

Oil spills constitute a risk which could potentially have negative impacts on both people and the environment. It may occur due to the ship collision when berthing and departing ports or ship damage, resulting in environmental pollution. The risk of oil spills is managed in the Group's business. The Group formulated the *Oil Spill Response Plan* to be well-prepared for oil spill emergency accidents. Prevention measures are taken to minimise the risk of occurrence of oil spills:



The Group also corporates with companies specialising in oil spill decontamination to send decontamination team and ships to the oil spilling sites promptly if necessary.



During the Reporting Period, trainings and emergency drills for both prevention and response of oil spillage were carried out, providing employees with the skills required in an emergency.



# Measuring Our Progress

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Environmental Performance

During the Reporting Period, the environmental performance<sup>3</sup> of the Group is summarised as follows:

Units		2018	2017
Revenue	HKD million	2,404.50	2,428.50
Air emissions <sup>4</sup>			
NO <sub>x</sub>	Tonnes	112.16	133.55
	Tonnes per HKD million revenue	0.05	0.05
SO <sub>x</sub>	Tonnes	0.41	0.51
	Tonnes per HKD million revenue	1.72 x 10 <sup>-4</sup>	2.10 x 10 <sup>-4</sup>
GHG emissions			
Total GHG emissions (scope 1 and scope 2)	Tonnes CO <sub>2</sub> e	18,306.74	18,853.47
	Tonnes CO <sub>2</sub> e per HKD million revenue	7.61	7.76
Direct GHG emissions <sup>5</sup> (Scope 1)	Tonnes CO <sub>2</sub> e	12,930.52	12,901.13

<sup>3</sup> Revenue of the Group were used for the calculation of the intensity of environmental KPIs. The environmental data from last year were revised as the corresponding data were updated, and shall be subject to the data listed in this Report.

<sup>4</sup> The reporting scope of air pollutants includes those came from the operation of vehicles, vessels and machinery. The air pollutants were calculated using the calculation methods and relevant emission factors from the *Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources*, the *Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* and the *Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* issued by the Ministry of Ecology and Environment of the PRC and the *EMEP/EEA Air Pollutant Emission Inventory Guidebook 2016* issued by the European Environment Agency.

<sup>5</sup> The calculation scope of Scope 1 GHG emissions includes those came from the operation of vehicles, vessels and machinery. Scope 1 GHG emissions were calculated using the calculation methods and relevant emission factors from the *Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises (Trial)* and the *Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC and the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong* issued by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong.

Units		2018	2017
Indirect GHG emissions <sup>6</sup> (Scope 2)	Tonnes CO <sub>2</sub> e	5,376.22	5,952.34
Non-hazardous waste			
Total non-hazardous waste (excluded waste tire)	Tonnes	50.51	44.10
	Tonnes per HKD million revenue	0.02	0.02
Domestic waste	Tonnes	47.29	42.09
Waste paper	Tonnes	3.22	1.20
Waste tire	Pcs	701	776
	Pcs per HKD million revenue	0.29	0.32
Hazardous waste			
Waste machine oil	Tonnes	13.54	12.86
	Tonnes per HKD million revenue	0.01	0.01
Waste vehicle battery	Pcs	839	* <sup>7</sup>
	Pcs per HKD million revenue	0.35	*
Energy use			
Electricity	kWh	9,944,015.70	11,062,763.50
	kWh per HKD million revenue	4,135.59	4,555.39

<sup>6</sup> The calculation scope of Scope 2 GHG emissions includes those came from the use of electricity. Scope 2 GHG emissions were calculated using calculation methods and relevant emission factors from the *2011- 2012 Average CO2 Emission Factors of China's Sub-national Grids* issued by the National Development and Reform Commission of the PRC, the *Sustainability Report 2018* issued by HK Electric Investments Limited, the *Sustainability Report 2018* issued by CLP Holdings Limited, and the *CEM Sustainability Report 2017* issued by the CEM.

<sup>7</sup> \*Data from last year had not been collected and disclosed.



	Units	2018	2017
Gasoline (vehicles) <sup>8</sup>	Litres	172,023.45	126,196.73
	Litres per HKD million revenue	71.54	51.96
Diesel (vehicles and machinery) <sup>9</sup>	Litres	4,384,642.82	4,925,604.83
	Litres per HKD million revenue	1,823.52	2,028.25
Diesel (vessels)	Tonnes	339.05	426.40
	Tonnes per HKD million revenue	0.14	0.18
Water			
Water	Tonnes	194,878.29	196,224.34
	Tonnes per HKD million revenue	81.05	80.80
Packaging materials <sup>10</sup>			
Plastic bags <sup>11</sup>	Pcs	20,113.00	4,700.00
	Pcs per HKD million revenue	8.36	1.94

<sup>8</sup> The increase of the gasoline usage in 2018 is contributed by the increase of vehicle usage for commute.

<sup>9</sup> The Group gradually phases out the use of diesel-driven vehicles and machinery, and thus reduced the use of diesel in 2018.

<sup>10</sup> The Group's terminal navigation logistics business involves the repackaging of cargoes after examination by the customs, which requires the use of packaging materials.

<sup>11</sup> In 2018, the Group expanded the reporting scope of packaging materials to include the usage of plastic bags from Zhaoqing New Port. Besides, the container handling volume of Zhongshan Huangpu Port increased by 129% as compared to 2017, which increased the needs for cargo repackaging, and thus increased the usage of plastic bags in 2018.

## Social Performance

During the Reporting Period, the social performance of the Group is summarised as follows:

### Employees

No. of Employees	2018	2017
Total no. of employees	1,998	2,006
By employment type		
Directors and Senior Management	51	* <sup>7</sup>
Middle Management	200	*
General Employee	1,747	*
By age group		
≤ 30	428	448
31 – 40	578	676
41 – 50	585	562
> 50	407	320
By operating location		
Mainland China	1,376	1,346
Hong Kong	594	623
Macau	28	37



Training

Average Training Hours Completed per Employee	2018	2017
By gender		
Male	14.21	*
Female	7.36	*
By employment type		
Directors and Senior Management	19.54	*
Middle Management	11.71	*
General Employees	12.69	*

Safety

Safety Performance	2018	2017
Number of work-related fatalities	0	*
Work-related fatalities rate	0%	*
Lost days due to work injury	467	*

Appendix 1 Applicable Laws and Regulations

The laws and regulations that have a significant impact on the Group’s operation in PRC, Hong Kong and Macau are as follows:

PRC
Environment
Law of the People's Republic of China on the Environmental Protection
Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes
Law of the People's Republic of China on the Prevention and Control of Water Pollution
Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise
Law of the People's Republic of China on Water
Law of the People's Republic of China on the Conservation of Water and Soil
Law of the People's Republic of China on the Promotion of Cleaner Production
Law of the People's Republic of China on Ports
Regulations on the Administration of Construction Project Environmental Protection
Law of the People's Republic of China on Conserving Energy
Employment and Labour Practices
Law of the People's Republic of China on the Labour
Law of the People's Republic of China on the Labour Contract
Provisions on the Prohibition of Using Child Labour
Law of the People's Republic of China on the Protection of Minors
Work Safety
Law of the People's Republic of China on the Production Safety
Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases



Product Responsibility
Product Quality Law of the People's Republic of China
Law of the People's Republic of China on Import and Export Commodity Inspection
Law of the People's Republic of China on the Protection of Consumer Rights and Interests
Anti-corruption
Criminal Law of the People's Republic of China
Anti-Unfair Competition Law of the People's Republic of China
The Bidding Law of the People's Republic of China
Interim Provisions on Banning Commercial Bribery
Supervision Law of the People's Republic of China

Hong Kong
Environment
Cap. 311Z Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation
Cap. 358 Water Pollution Control Ordinance
Cap. 354 Waste Disposal Ordinance
Cap. 313 Shipping and Port Control Ordinance
Cap. 311Y Air Pollution Control (Marine Light Diesel) Regulation
Employment and Labour Practices
Cap. 57 Employment Ordinance
Cap. 282 Employee Compensation Ordinance
Cap. 608 Minimum Wage Ordinance
Work Safety
Cap. 509 Occupational Safety and Health Ordinance
Cap. 59J Factories and Industrial Undertakings (Lifting Appliance and Lifting Gear) Regulation
Cap. 59K Factories and Industrial Undertakings (Cargo and Container Handling) Regulation

Cap. 59AC Factories and Industrial Undertakings (Suspended Working Platforms) Regulation
Cap. 59AG Factories and Industrial Undertakings (Loadshifting Machinery) Regulation
Cap. 81 Port Control (Cargo Working Areas) Ordinance
Product Responsibility
Cap. 486 Personal Data (Privacy) Ordinance
Cap. 456 Consumer Goods Safety Ordinance
Cap. 362 Trade Descriptions Ordinance
Anti-corruption
Cap. 201 Prevention of Bribery Ordinance

Macau <sup>12</sup>
Environment
Administrative Regulation No. 15/2016 Standards for Unleaded Petrol and Light Diesel for Vehicles
Employment and Labour Practices
Law No. 4/98/M Framework Law on Employment Policy and Worker's Rights
Law No. 7/2008 Labour Relations Law
Administrative Regulation No. 13/2010 Regulation of the conditions or responsibilities to be established in the employment permit for non-resident workers
Work Safety
Law No. 2/83/M Sanctions Applicable to the Transgression of Legal or Regulatory Norms on Occupational Health or Safety in Industrial Establishments
Decree-Law No. 24/95/M Fire Security Regulation
Decree-Law No. 37/89/M Approves the General Regulation on Occupational Health and Safety in Commercial, Office and Service Establishments
Product Responsibility
Law No. 8/2005 Personal Data Protection Act

<sup>12</sup> The laws and regulations of Macau are translated from Portuguese.



# Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Sections and Remarks
Environmental		
Aspect A1: Emissions		
General Disclosure	(a) 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	5, Appendix 1
KPI A1.1	The types of emissions and respective emissions data.	5, 6.1
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1
KPI A1.5	Description of measures to mitigate emissions and results achieved.	5
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	5.1 and 5.2
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5
KPI A2.1	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).	6.1
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.1
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	5



General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Sections and Remarks
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	5.2
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.1
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	5
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.3
Social		
Aspect B1: Employment		
General Disclosure	(a) 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.	4.3
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.3 and 6.2
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	-
Aspect B2: Health and Safety		
General Disclosure	(a) 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.	4.1
KPI B2.1	Number and rate of work-related fatalities.	4.1 and 6.2
KPI B2.2	Lost days due to work injury.	4.1 and 6.2
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.1

General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Sections and Remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	4.4
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2
KPI B3.2	The average training hours completed per employee by gender and employee category.	6.2
Aspect B4: Labour Standards		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	4.3
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.3
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	-
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.5
KPI B5.1	Number of suppliers by geographical region.	-
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.5
Aspect B6: Product Responsibility		
General Disclosure <sup>13</sup>	(a) 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.	4.2
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.2

<sup>13</sup> Due to the Group's business nature, labelling relating to the services provided are not applicable to the Group.

General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Sections and Remarks
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	-
KPI B6.4	Description of quality assurance process and recall procedures.	4.2
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2
Aspect B7: Anti-Corruption		
General Disclosure	(a) 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.	4.6
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.6
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	4.6
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.7
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4.7
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	-





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