



2018

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

INTRODUCTION

This Environmental, Social and Governance (“ESG”) report reviewed the work and performance of Xinghua Port Holdings Ltd. (the “Company”) and its subsidiaries (together with the Company, the “Group”) and the results achieved on fulfilling its economic, environmental and social responsibilities during the review period. The operations of the Group covered in the ESG report are Changshu Xinghua Port Co., Ltd. (“CXP”) and Changshu Changjiang International Port Co., Ltd. (“CCIP”) located in the People’s Republic of China (“PRC”).

BASIS OF PREPARATION

This ESG report is written according to the Environmental, Social and Governance Reporting Guide (“ESG reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”). The Company has complied with the disclosure requirement of “comply or explain” provisions under the ESG Reporting Guide, details of which could be found in Appendix 1 of this report.

REPORTING SCOPE

This ESG report covers all key operations of the Group located in the PRC, except the regional head offices in Singapore which provide support in administrative, corporate governance and listing compliance works, and describes the initiatives of the Group and progress achieved in respect of ESG issues for the period from 1 January 2018 to 31 December 2018 (“FY2018”).

SOURCE OF INFORMATION

The information contained in this ESG report represents a summary and statistic figures of the key operational performance of the Group in fulfilling our ESG duties and the contents of all information have been reviewed by the management of the Company or relevant departments. The ESG report is available on the HKEXnews website and the Company’s website (www.xinghuaport.com).

OVERVIEW

We are committed to operating our business in a sustainable manner. While the consolidated statements of financial position and comprehensive income provide a snapshot of the present and an account of the past years, our ESG report shows the risks and opportunities of our key operations in relation to ESG matters. Taken together, the combined annual report and ESG report enable a better assessment of the Group’s performance, prospects, quality of management and creation of long-term value for our stakeholders. Corporate governance has been addressed separately in our Corporate Governance Report as contained in the Company’s annual report.

The realization of the Group’s long-term business model is only achievable through thorough consideration of three essential elements: our people, our services and the conditions of places in which we operate.

The management regularly evaluates how our operations can be further technologically optimized and hidden hazard can be eliminated, and at the same time promoting awareness of environmental protection, energy usage and water conservation and waste reduction by our employees and stakeholders.

To cater for operational flexibility, certain monitoring programs are in place to better understand the impact of ESG matters on the Group’s operations, but the management has not set any short, medium or long-term targets with respect to specific subject.

A. SOCIAL PERFORMANCE

The Group recognises that our employees, customers and business partners are the keys to our sustainable growth. The Group is committed to establishing a close and caring relationship with our employees, providing quality services to our customers and enhancing cooperation with our business partners.

1. Quality, Health, Safety and Environment (QHSE) System

Safety is our highest priority and we believe in the “Safety begins with me” philosophy. The Group maintained a zero tolerance to safety breaches. CXP and CCIP are ISO 9001:2015 and ISO 45001:2018 certified. CXP is also certified with the Standardisation of Safety Operation for Transportation Companies Grade Two. After the Accident on 31 March 2018, the relevant authority withdrew the certification on Standardisation of Safety Operation for Transportation Companies Grade Two from CCIP in October 2018. It does not affect CCIP’s operations.

The Group always abide by the China safety laws and regulations and government authorities’ requirement and Occupational Safety and Health Ordinance in Hong Kong. We clearly identified main responsibility of each relevant individual and implemented safety management system and executed our safety operational work. The Group assessed and established a safety red line practice in our ports to identify and alert our employees and subcontractors’ workers of the base lines for safety operations. This safety red line is a warning line for the safety limit and must not be breached. The Executive Chairman has empowered all people at the ports to initiate an immediate stop work review as and when potential safety issues are noticed and required rectification. This authorisation message has been installed at all key areas of the ports to serve as a constant reminder to everyone working in the ports.



a. Work Hours Lost

In FY2018, the Group had a number of general work-related injuries or accidents, resulting in a loss of 798 working days as compared to a loss of 600 working days in the prior year. The Group suffered four fatalities of subcontractor’s workers on 31 March 2018 at CCIP port during a cargo unloading operation. These fatalities were reported and disclosed in the last ESG report, relevant announcements published as well as in the Annual Report FY2018.

A. SOCIAL PERFORMANCE (Continued)

1. Quality, Health, Safety and Environment (QHSE) System (Continued)

b. Development and Training

Continuous learning is the key to the development of our employees. In FY2018, the Group invested more than 1,300 hours of safety training for nearly 8,667 individuals who performed work at our ports. The Group performed 18 emergency drills. Through emergency drills, safety training and constant reminders, the management ensures safety philosophy to be executed at work by everyone.

In total, the Group clocked a total training hours of 2,360 hours for 14,358 individuals to improve the working skills and knowledge of our employees and subcontractors' workers, to enable us to meeting our business objectives and to provide opportunities for career development.

c. Safety Day Programme

The Group's first Safety Day Programme was held from 15 March 2019 and ended on 1 April 2019. The objective was to establish "Safety begins with me" philosophy, prevention as priority and comprehensive governance programmes.

Through the various programmes, we aim to further strengthen

- i. emergency drills practices,
 - ii. identification of primary responsibility of each individual,
 - iii. safety management system,
 - iv. employee safety awareness,
 - v. hidden risks elimination and management,
- in order to reduce or prevent the occurrences of safety incidents.

✓ **Mobilisation**

All employees and subcontractors' workers were mobilised to attend safety speeches by the Executive Chairman, and special meetings to discuss specific safety topics so that everyone working in the ports knew and embraced safety with awareness.



Management team



Executive Chairman, Mr. Patrick Ng, launched the "Safety begins with me" philosophy at the starts of the Safety Day.

A. SOCIAL PERFORMANCE (Continued)

1. Quality, Health, Safety and Environment (QHSE) System (Continued)

✓ **Conduct safety education and training activities**

All departments and subcontractors organized training of safety regulations and systems such as the “Accidents – Emergency Regulations” and “Safety Operation Procedures”. Through education and training, we want to improve workers’ skills to operate safely, to improve technical safety prevention and to handle incidents effectively. We achieved 100% coverage rate to educate and train all employees and subcontractors’ workers.



Safety Department



Logistics, Warehousing and Storage Department



Operations Department



Operations Department – Containers



Maintenance Department



Engineering Department

A. SOCIAL PERFORMANCE (Continued)

1. Quality, Health, Safety and Environment (QHSE) System (Continued)

✓ Conduct safety education and training activities (Continued)



Security Department



Quality Controls Department



Finance Department



Commercial Department



Purchasing Department



Information and Technology Department

A. SOCIAL PERFORMANCE (Continued)

- 1. Quality, Health, Safety and Environment (QHSE) System (Continued)
- ✓ Conduct safety education and training activities (Continued)



Human Resources and Administration Department

✓ Conduct hidden risks inspection and management

We carried out in-depth hidden risks inspection on facilities, large-scale equipments, diesel station lightning rod protection, traffic flows in the port and employee safety conduct and behavior. We want to comprehensively and thoroughly inspect and eliminate safety hazards.



Hidden risk inspection of quay cranes



Hidden risk inspection of quay cranes



Hidden risk inspection of containers RTG



Hidden risk inspection of tools and equipment

A. SOCIAL PERFORMANCE (Continued)

1. Quality, Health, Safety and Environment (QHSE) System (Continued)

✓ **Safety culture awareness**

Safety video and safety banner were used to promote and enhance employees and subcontractors' workers safety awareness.



Safety banner to emphasize our safety philosophy



Safety banner to emphasize our safety philosophy

✓ **Emergency drills**



Executive Chairman, Mr. Patrick Ng, was at the command center to give order to activate the fire drill after alerted of a fire breakout at the container stack yard.



Safety personnel assembled to react to the fire



Safety vehicles and mobile fire equipment in action



Safety personnel and local fire bureau worked together to fight fire at the containers stack yard

A. SOCIAL PERFORMANCE (Continued)

1. Quality, Health, Safety and Environment (QHSE) System (Continued)

✓ Pledging safety oath

All departments and subcontractors signed a safety oath letter to be read aloud to everyone and submitted to the Executive Chairman. This letter represents their commitment to adhere to safety management system and practice “Safety begins with me” philosophy.



Every employees and subcontractors' workers assembled to pledge their safety oath



Operations



Logistics, Warehousing and Storage



Safety and Security



Maintenance

A. SOCIAL PERFORMANCE (Continued)

2. Employees

We source and recruit talents locally in the PRC based on our values, skill, experience and qualification requirements to fill the talent pool.

Our people understand the importance to deliver reliable services through teamwork, expertise and professionalism consistently. To achieve this, we abide by the Group's Code of Conduct ("Code") which provides guidance on the fundamental values and standards of behaviour which all employees must adhere to at all times. All new employees will undergo training to understand the importance of the Code, and annual refresher training will also be given to all employees. All employees will acknowledge their understanding of and adhering to the Code. The Code sets up broadly the standard of integrity that all employees have to abide by when conducting business or interacting with external parties and colleagues, as well as work responsibilities requirements.

The Group employed 491 employees as of at 31 December 2018 and engaged at least 500 sub-contractor workers to support its 24 hours operations in the PRC. All employees are paid with basic salary, allowance and skilled workers will earn a technical allowance.

Based on the performance, employees without formal disciplinary issue will receive a performance bonus, and outstanding employees may also receive special performance bonus based on the assessment by the head of the department before the Chinese New Year.

3. Labour Standards

The Group abides by the minimum wages set by Changshu City Ministry of Human Resources and Social Security (常熟市人力資源及社會保障局) and encouraged employees to join the labour union to protect their rights and to enjoy the benefits. The labour union organises activities such as Spring Festival dinner.

In FY2018, the Group had complied with relevant rules and regulations in the PRC, including the Law on Work Safety and Occupational Disease Prevention and Control Law of the PRC, as well as the legislative requirements in Hong Kong, including the Occupational Safety and Health Ordinance.

In FY2018, the Group has complied with all laws and regulations relating to the prevention of child labour or forced labour. The Group has also observed no labour standards non-compliance with relevant laws and regulations.

Our subcontractors signed labour agreement and safety standard agreement with the Group which required them to comply with the applicable labour laws and safety regulations. The Group checked on their worker's identity, validity of qualification, their contribution of social security and housing provident funds and the existence of necessary insurance policy. Workers not in the qualified list shall not be allowed to enter the ports for works.

Save as disclosed in the listing document, the Group has complied with the contribution of social security and housing provident fund during the year under review.

The Group employee's attrition rate was 18% in FY2018, up from 17% in the previous year.

A. SOCIAL PERFORMANCE (Continued)

4. Staff Development

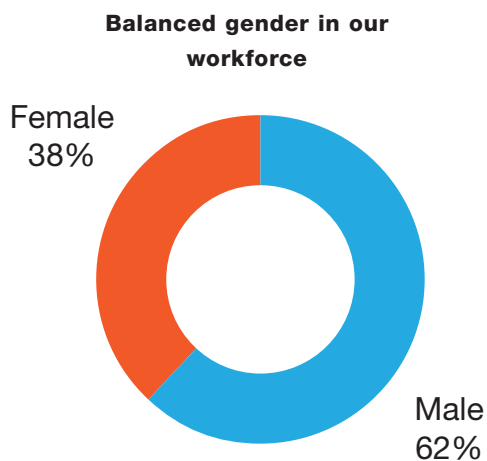
Staff is the most important resources of the Group. The Group offers a comprehensive management trainee program to university fresh graduates. Each year, the Group recruits university fresh graduates as management trainees and provides on-the-job training to them. Some of these management trainees have progressed successfully within the Group and took up management roles. In FY2018, the Group recruited 2 fresh graduates as management trainees (FY2017: 5 management trainees).

5. Workforce Diversity

The table below shows the diversity of the workforce as of 31 December 2018.

| | Management | Admin and assistant supervisor and above | Skilled workers | Workers | Total |
|--------|-------------------|-------------------------------------------------------------|----------------------------|----------------|--------------|
| Male | 27 | 90 | 87 | 99 | 303 |
| Female | 15 | 120 | 19 | 34 | 188 |
| Total | 42 | 210 | 106 | 133 | 491 |

The average age of our workforce is 40 years old (as of 31 December 2017: 39 years old); male average age is 43 years old (as of 31 December 2017: 42 years old) and female average age was 34 years old (as of 31 December 2017: 34 years old).



The management team comprised of 42 managers, of which 15 are female managers and 11 hold the position of heads of department. The team is well-diversified with experience and gender balanced.

A. SOCIAL PERFORMANCE (Continued)

6. Community Work

As part of the Group's effort to contribute to the local community in the PRC where the Group operates, the Group has committed to a five-year donation plan in December 2017 to make a total contribution of RMB250,000 to the Changshu General Charity (常熟市慈善總會). The purpose of the charity fund is to help the needy in major charitable areas, including education, healthcare, elder care, housing, disability, counselling and condolences. The Group has donated RMB100,000 up to 31 December 2018.

In conjunction with the listing of the Company on the SEHK, the Group has donated HK\$1 million to the Community Chest of Hong Kong on 12 February 2018. The Community Chest of Hong Kong served 162 charitable organizations and has provided aids to over 2 million individuals in Hong Kong.

The Group continued working closely with Changshu City Riverside Vocational and Technical School (常熟市濱江職業技術學校) to offer merit students a practical training base. We believe this would help give back to the community as the students learn practical experience under close supervision and by providing employment opportunity after their graduation. The Group also attended the workfare conducted by Nantong Shipping Vocational and Technical College (南通航運職業技術學院) to recruit talents to the Group.

7. Scholarship For Employees' Children

Each year, a scholarship will be awarded to employees' children who have achieved merit in school and their parents who have performed well at work.

We give out this scholarship to these children on a yearly basis from primary level to university. By doing this, we are recognising the children's performance in school and their parent's performance at work.

In FY2018, we gave out 28 scholarships to employees' children (FY2017: 38 scholarships).

8. Whistleblowing Policy

The Group has made available the whistleblowing policy to each employee through training and during the orientation program. This policy is also available on the Company's website, www.xinghuaport.com. It is strictly prohibited to make use of business opportunities or functions to gain personal interests or benefits. In case of conflict of interest, a timely declaration should be made to the management of the Group. The Group also encourages employees and all those who have business dealings with the group, including customers and suppliers to proactively report suspected misconduct within the group.

The Group has complied with major relevant laws and regulations including Hong Kong's "Prevention of Bribery Ordinance" and the Mainland's "Corruption Ordinance of the PRC". In FY2018, the Group was not aware of any non-compliance with relevant laws and regulations related to anti-corruption.

A. SOCIAL PERFORMANCE (Continued)

9. Vendors Selection

The Group has 138 qualified vendors as of 31 December 2018. 78% of the vendors are from Jiangsu province and 20% are from Shanghai and the remaining 2% are from Anhui, Hubei provinces and Beijing.

Geographical region of qualified vendors

| | |
|-----------------|------------|
| Jiangsu | 108 |
| Shanghai | 27 |
| Beijing | 1 |
| Anhui | 1 |
| Hubei | 1 |
| Total | 138 |

The purchasing processes can be divided into three main broad categories; (i) fixed assets; (ii) spares; (iii) others (including labour and transportation services for port operations).

The Group assesses the vendors based on the following key criteria:

- a. Qualification and certification of vendor and quality assurance
- b. Business license, authorized dealership license and industrial production license
- c. Service quality
- d. Reliability
- e. Proximity
- f. Pricing

In January 2019, the Group has blacklisted one vendor from Shanghai and discontinued purchasing from them for its failure to satisfy the relevant criteria.

10. Customer Service and Complaint Handling

The Group places emphasis on the quality of our services and facilities and has therefore implemented a quality control system that complies with international standards. Our management system has met the requirements of the ISO 9001 standard since 2005.

Commercial department monitors customer's complaint and analyses the root causes. If these are due to our lapse in service, we will address the issue and inform the customer of our follow-up action. If the complaints cannot be mitigated or resolved, we will explain to the customers and look for areas of improvement.

In FY2018, commercial department received a total of 56 cases of customers' complaint of which 55 cases were related to cargo damages and 1 case on damage to ship crane. 41 cases were settled via insurance claims and 15 cases were settled via mutual negotiation.

11. Intellectual Property Protection

The Group adhere strictly to using licensed-only computer software and respect for others' trade mark. We frequently performed check on all company's computers to ensure there are no illegal downloads or illegal software. We removed all unlicensed software after free trial period. We gave disciplinary warning to employee caught using unlicensed software.

B. ENVIRONMENTAL PERFORMANCE

The Group seeks for continuous improvement in its awareness and commitment to safeguarding the environment. The Group was subject to various environmental laws and regulations set by the PRC national, provincial and municipal governments. These include regulations on air and noise pollutions and environmental protection. In FY2018, the Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

The Group has adopted the environmental protection work by investing to improve safety, greening, purifying and beautifying our operating environment.

| Type of environmental protection work | Where | Purpose |
|---------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------|
| Removal of rust and new paint work | Quay cranes, shore cranes, railing, cable tray, lamp posts, electricity power supply room, forklifts | Beautifying and improving safety |
| Planting trees | All surroundings | Greening |
| New signage | All surroundings | Beautifying and improving safety |
| Water sprinkling truck | All surroundings | Purifying air and improving safety |
| Sweeper truck | All roads | Purifying air and improving safety |
| Semi-closed hopper | For Borax cargo operations | Purifying air and improving safety |
| Fire protection system upgrade | 13 Warehouses | Improving safety |



Railing – After removal of rust and new paint work



Railing – After removal of rust and new paint work

B. ENVIRONMENTAL PERFORMANCE (Continued)



Forklift – Before removal of rust and new paint work



Forklift – After removal of rust and new paint work



Bollard – Before removal of rust and new paint work



Bollard – After removal of rust and new paint work



Electric power supply room – Before removal of rust and new paint work



Electric power supply room – After removal of rust and new paint work

B. ENVIRONMENTAL PERFORMANCE (Continued)



New signage



Planting new trees



Planting new trees



Planting new trees



Planting new trees



New water sprinkling truck

B. ENVIRONMENTAL PERFORMANCE (Continued)



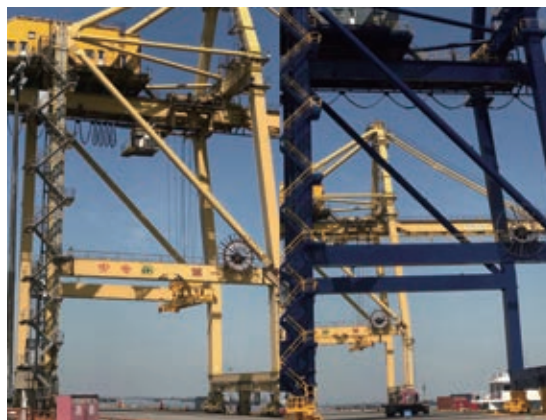
New sweeper truck



Modified semi-closed hopper



Fire and safety equipment cabinet after removal of rust and new paint work



Quay cranes before and after removal of rust and new paint work



Quay cranes after removal of rust and new paint work

B. ENVIRONMENTAL PERFORMANCE (Continued)



Shore cranes after removal of rust and new paint work



Shore cranes after removal of rust and new paint work



New fire system – water tanks and pump

B. ENVIRONMENTAL PERFORMANCE (Continued)



New fire system – fire hose



New fire system – fire hose



New fire system – water tanks and pump

B. ENVIRONMENTAL PERFORMANCE (Continued)



New fire system – installing air sampling system, fire retardant hose



New fire system – installation of fire hose



New fire system – installation of fire hose



New fire system – fireproof coating

B. ENVIRONMENTAL PERFORMANCE (Continued)**1. Emission**

Our direct emission of greenhouse gas (“GHG”) mainly resulted from the use of diesel. We used diesel to operate trucks, forklifts and cranes in the Group’s operations. We used approximately 3.0 million litres of diesel in FY2018 (FY2017: 3.8 million litres). The Group’s indirect emission and other indirect emission of GHG were mainly resulted from purchased electricity and fresh water consumption respectively. The total emission of GHG was estimated to be approximately 13,794 t CO₂-eq in FY2018 (FY2017: 16,234 t CO₂-eq).

| Estimated GHG emissions * | Unit | 2018 |
|-----------------------------------|----------------------------|---------------|
| Scope 1: direct emissions | t CO ₂ -eq | 8,048 |
| Scope 2: indirect emissions | t CO ₂ -eq | 5,538 |
| Scope 3: other indirect emissions | t CO ₂ -eq | 208 |
| Total | t CO₂-eq | 13,794 |

* Reference: “How to Prepare an ESG Report – Reporting Guidance on Environmental KPIs”, SEHK.

The Group adheres to the concept of “energy saving.” We provided proper training on handling of equipment which will help to reduce GHG emissions. Some of the initiatives we implemented were:

- a. No idle engine;
- b. No speeding, capped at 15km/hr;
- c. No carrying exceeding weight limit;
- d. Regular maintenance of equipment.

B. ENVIRONMENTAL PERFORMANCE (Continued)

2. Water Conservation

The Group continued to enhance our water use efficiency, developed various water saving measures, and strengthened the efficient utilization of water resources used for our operations. The Group monitors the consumption of water. When it comes to conserving water, small adjustments can have a significant impact through responsible usage.

Water consumption has increased by 14.4% to 207,624,000 litres in FY2018 (FY2017: 181,529,000 litres). The water consumption per cargo throughput was 15.49L/ton (FY2017: 10.37L/ton). The water consumption has increased mainly due to the effort to clean up the ports and equipment periodically to minimise dusts and to water the greenery. The installation of water tanks for new fire system also contributed to the higher water consumption.

3. Efficient Use of Energy Resources

The Group carried out delicacy management and control of energy consumption, including (i) upgrading of equipment and facilities, (ii) promoting energy conservation in management, operation and production and (iii) strengthening energy management efforts.

Electricity usage was 7.0 million kWh in FY2018 (FY2017: 7.7 million kWh) and it is also lower than the past three years average of 7.8 million kWh, representing cumulative decrease of 10.3%.

Total use of Resources by the Group in FY2018

| Use of Resources | Key Performance Indicator (KPI) | | Amount | Intensity (Unit/throughput tonnages) ¹ |
|------------------|---------------------------------|--------|-------------|---------------------------------------------------|
| | Indicator (KPI) | Unit | | |
| Energy | Electricity | kWh | 7,009,780 | 0.52 |
| | Diesel | litres | 3,049,060 | 0.23 |
| Water | Water | litres | 207,624,999 | 15.49 |
| Waste | Commercial Wastes | tonnes | 360 | nm ² |

¹ Intensity was calculated by dividing the amount by the Group's FY2018 cargo throughput of 13.4 million tonnes.

² nm means not material

The Group is opened 24 hours, everyday. The Group's effort to conserve energy included the followings:

- a. We promoted green lighting and progressively replaced all light bulbs with energy-efficient LED light bulbs at the road, stacking yard, workshop, office and both inside and outside warehouses;
- b. Switching off lights and heating/cooling equipment when not in use;
- c. Using heating water only when necessary.

B. ENVIRONMENTAL PERFORMANCE (Continued)

4. Waste Management

The management educates employees to use less paper by less printing and go digital. Printing is set at default to print on both sides. We buy what we need and minimise inventory.

The Group actively researched the recovery and recycling of wastes to reduce the amount of resource consumption and waste emissions. For example, the Group accumulates a significant amount of loose wood chips waste from handling of logs cargo. On the average, we sold more than 5,930 tonnes of wastes (FY2017: 7,134 tonnes) to be reused and recycled.

The Group annual waste disposal was about 360 tonnes in FY2018 (FY2017: 360 tonnes).

| Subject Areas, Aspects, General Disclosures and KPIs | | | | |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| | "Comply or explain" Provisions | Recommended Disclosures | Disclosed in | |
| A. Environmental | | | | |
| Aspect A1: Emissions | <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p> | | Disclosed in section of "Environmental Performance". | |
| | KPIA1.1 | The types of emissions and respective emissions data. | | Disclosed in section of "Emission". |
| | KPIA1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | | Disclosed in section of "Emission". |
| | KPIA1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | | Our operations do not produce hazardous waste. |
| | KPIA1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | | Disclosed in section of "Waste Management". |
| | KPIA1.5 | Description of measures to mitigate emissions and results achieved. | | Disclosed in section of "Emission". |
| | KPIA1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | | Disclosed in section of "Waste Management". Our operations do not produce hazardous waste. |

| Subject Areas, Aspects, General Disclosures and KPIs | | | | |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------|
| | “Comply or explain” Provisions | | Recommended Disclosures | Disclosed in |
| Aspect A2: Use of Resources | General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i> | | | Disclosed in section of “Water Conservation” and “Efficient Use of Energy Resources”. |
| | KPIA2.1 | 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). | | Disclosed in section of “Efficient Use of Energy Resources”, “Emission” and “Water Conservation”. |
| | KPIA2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | | Disclosed in section of “Water Conservation” and “Efficient Use of Energy Resources”. |
| | KPIA2.3 | Description of energy use efficiency initiatives and results achieved. | | Disclosed in section of “Efficient Use of Energy Resources”. |
| | KPIA2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | | Not applicable. |
| | KPIA2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | | Not applicable. |
| Aspect A3: The Environment and Natural Resources | General Disclosure Policies on minimising the issuer’s significant impact on the environment and natural resources. | | | Disclosed in section of “Water Conservation”, “Efficient Use of Energy Resources”, and “Emission”. |
| | KPIA3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | | Disclosed in section of “Environmental Performance”. |

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| Subject Areas, Aspects, General Disclosures and KPIs | | | |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------|
| | “Comply or explain” Provisions | Recommended Disclosures | Disclosed in |
| B. Social | | | |
| Employment and Labour Practices | | | |
| Aspect B1: Employment | General Disclosure | | Disclosed in section of “Social Performance”. |
| | Information on: | KPIB1.1 | Total workforce by gender, employment type, age group and geographical region. |
| | (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. | KPIB1.2 | Employee turnover rate by gender, age group and geographical region. |
| Aspect B2: Health and Safety | General Disclosure | | Disclosed in section of “Quality, Health, Safety and Environment (“QHSE”) System”. |
| | Information on: | KPIB2.1 | Number and rate of work-related fatalities. |
| | (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. | KPIB2.2 | Lost days due to work injury. |
| | | KPIB2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. |
| Aspect B3: Development and Training | General Disclosure | | Disclosed in section of “Quality, Health, Safety and Environment (“QHSE”) System”. |
| | Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i> | KPIB3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). |
| | | KPIB3.2 | The average training hours completed per employee by gender and employee category. |

| Subject Areas, Aspects, General Disclosures and KPIs | | | | |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| | “Comply or explain” Provisions | Recommended Disclosures | | Disclosed in |
| Aspect B4: Labour Standards | General Disclosure | | | Disclosed in section of “Labour Standards”. |
| | Information on: | KPIB4.1 | Description of measures to review employment practices to avoid child and forced labour. | Disclosed in section of “Labour Standards”. |
| | (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | KPIB4.1 | Description of steps taken to eliminate such practices when discovered. | Disclosed in section of “Labour Standards”. |
| Operating Practices | | | | |
| Aspect B5: Supply Chain Management | General Disclosure | | | Disclosed in section of “Vendors Selection”. |
| | Policies on managing environmental and social risks of the supply chain. | KPIB5.1 | Number of suppliers by geographical region. | Disclosed in section of “Vendors Selection”. |
| | | KPIB5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | Disclosed in section of “Vendors Selection”. |

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| Subject Areas, Aspects, General Disclosures and KPIs | | | | |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| | “Comply or explain” Provisions | Recommended Disclosures | | Disclosed in |
| Aspect B6: Product Responsibility | General Disclosure | | | Disclosed in section of “Customer Service and Complaint Handling”. |
| | Information on: | KPIB6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not applicable. |
| | (a) the policies; and | | | |
| | (b) compliance with relevant laws and regulations that have a significant impact on the issuer | KPIB6.2 | Number of products and service related complaints received and how they are dealt with. | Disclosed in section of “Customer Service and Complaint Handling”. |
| | relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | KPIB6.3 | Description of practices relating to observing and protecting intellectual property rights. | Disclosed in section of “Intellectual Property Protection.” |
| | | KPIB6.4 | Description of quality assurance process and recall procedures. | Not applicable. |
| | | KPIB6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | No policy governing this yet. |

| Subject Areas, Aspects, General Disclosures and KPIs | | | | |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| | “Comply or explain” Provisions | Recommended Disclosures | | Disclosed in |
| Aspect B7: Anti- corruption | General Disclosure | | | Disclosed in section of “Whistleblowing Policy”. |
| | Information on: | KPIB7.1 | 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. | Disclosed in section of “Whistleblowing Policy” and “Employment”. |
| | (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. | KPIB7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | |
| Community | | | | |
| Aspect B8: Community Investment | General Disclosure | | | Disclosed in section of “Community Work” and “Scholarship for Employee’s Children”. |
| | 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. | KPIB8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Disclosed in section of “Community Work” and “Scholarship for Employee’s Children”. |
| | | KPIB8.2 | Resources contributed (e.g. money or time) to the focus area. | Disclosed in section of “Community Work” and “Scholarship for Employee’s Children”. |



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