



秦皇岛港股份有限公司  
QINHUANGDAO PORT CO., LTD.\*

(a joint stock limited liability company incorporated in the People's Republic of China)  
Stock Code : 3369



2019

## CORPORATE SOCIAL RESPONSIBILITY REPORT

\*For identification purposes only

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# ABOUT THIS REPORT

This is the Corporate Social Responsibility Report (or Sustainability Report) published by Qinhuangdao Port Co., Ltd. for the fourth consecutive year to communicate with all the stakeholders about the Company's social responsibility concepts, work initiatives and performances, and respond to their needs.

## 1. RANGE OF PERIOD

From 1 January 2019 to 31 December 2019. The coverage of certain statements and data may go beyond the aforesaid period.

## 2. SCOPE OF REPORTING

The report covers the headquarters, internal departments and all branches and subsidiaries of Qinhuangdao Port Co., Ltd.

## 3. SOURCE OF DATA

The financial data in the report are extracted from the 2019 financial report of Qinhuangdao Port Co., Ltd. which is independently audited by Ernst & Young Hua Ming LLP; and other data are derived from relevant systematic statistics of the Company.

## 4. REFERENCES OF PREPARATION

The report is prepared in accordance with the Stock Exchange of Hong Kong Limited (the HKEx) Appendix 27 *Environmental, Social and Governance Reporting Guide* of the Rules Governing the Listing of Securities (Listing Rules), the *Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange*.

## 5. RESPONSE TO THE PRINCIPLE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

**Importance:** In order to prepare this report, the Company conducted a materiality assessment procedure to determine the truthfulness and accuracy of the contents disclosed in this report as well as the contents of the each subject area. Material analysis results of 2019 are presented in the "Materiality Assessment" section.

**Quantification:** quantitative data was disclosed in the report for both environmental and social categories to demonstrate indicator and performance.

**Balance:** This report objectively discloses positive and negative information to ensure balance of the contents, of which negative indicators such as the number of corruption lawsuits and casualties of employees were disclosed.

**Consistency:** The indicators disclosed in this report disclose as much as possible the comparative data for two consecutive years based on actual management, helping readers to better understand the trend of indicators. Unless otherwise stated, the data disclosed in this report are based on the unified information collection process and working mechanism established by the Company to ensure that the data is comparable year after year.

## 6. DESCRIPTION OF SPECIFICATIONS

For the convenience of expression, "Qinhuangdao Port Co., Ltd." is also referred to as "we", "QHD Port" and "the Company".

## 7. ACCESS TO THE REPORT

You may browse or download the Chinese version of this report from the website of Shanghai Stock Exchange, or the Chinese and English versions from the website of Hong Kong Stock Exchange.

Dear readers,

2019 is the 70th anniversary of the founding of the People's Republic of China. During the past year, the national economy and transportation economy maintained an overall stable trend with the industrial structure consistently optimized and upgraded. External environment brought challenges as well as opportunities to the Company. Based on the advantages of the expanded reach of the hinterland and the service radius, we transformed and upgraded traditional dynamics and consistently accumulated new drivers for high-quality development, laying a solid foundation for transformation and upgrading.

**Consolidating advantages and promoting transformation.** The Company was actively integrated into the "Belt and Road" Construction and the Beijing-Tianjin-Hebei Coordinated Development, adhered to efficiency as the center, further adjusted the port function and the structure of cargoes, stabilized coal business, strengthened ore business and increased oil business, promoting the leap-forward development in the general cargoes and container businesses. In 2019, the Company recorded a cargoes throughput capacity of 374 million tonnes. Huanghua Port Zone and Caofeidian Port Zone recorded significant growth in ores. Qinhuangdao Port exceeded the production task in terms of general cargoes. The container throughput capacity hit a new high.

**Innovation empowering intelligent upgrading.** The Company fully advanced the intelligent port demonstration project, the demonstration project on the application of the Beidou global shipping of the Ministry of Transport and other key projects and completed the 5G based stations and applied 5G technologies in 2019. The Company joined its partners in exploring the application of cloud computing, big data, blockchain, artificial intelligence and other modern technologies in the development of ports. It integrated ports, logistic nodes, upper and downstream customers and other supply chain resources and improved the overall logistic efficiency at ports and customers experiences to facilitate the digitalization, informationization and intelligentization of ports.

**Green development guaranteeing safety.** The Company established a leading group on the construction of green and ecological ports, formulated overall plans on the construction of green and ecological ports and adjusted the structure of the cargoes collection and distribution system. In 2019, it applied the emerging information technologies such as "Big Data, Artificial Intelligence, Mobile Internet, Cloud Technology and Internet of Things (大智移雲物)" in promoting the construction of the environmental information platforms and increased investments in environmental equipment and facilities. It established the "Bay Chief System" comprehensive regulation system covering the costal lines of the whole port and promoted the environmental integration of the port and the city. We implemented the safety production responsibility system, strengthened safety supervision and focused on safety production guarantees to be responsible for the health and safety of employees and build a safe port in nature.

**Caring for employees and returning the society.** The Company has a professional, diligent and dedicated talent team. We promoted the growth of employees through innovation studios, innovation and efficiency projects for young people, skill contests and other platforms and activities and injected new drivers to the demand for talents in the corporate transformation. We actively conducted poverty alleviation activities and facilitated to win the battle against poverty. We arranged employees to actively participate in public welfare activities and voluntary services to convey care and warmth.

2020 is the year to complete building a moderately prosperous society in all respects. We will attach equal importance to quantity and quality and continue to make the principal business of ports better and stronger, speed up in transformation, upgrading and high-quality development and advance the market-based, modern and international construction of the Company to a new step. We will work with stakeholders in creating value and sharing development results to achieve sustainable development.

**Cao Ziyu**

Party Committee Secretary and Chairman of QHD Port

## COMPANY PROFILE

As a subsidiary of Hebei Port Group Co., Ltd. (河北港口集团有限公司), QHD Port is the world's leading independent port operator for major dry bulk cargo. QHD Port was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Stock Exchange") and Shanghai Stock Exchange (hereinafter referred to as the "SSE") respectively in 2013 and 2017, and became the first state-owned enterprise in Hebei Province to lay out the A+H share dual capital platform. QHD Port mainly operates Qinhuangdao Port, Tangshan Caofeidian Port Zone and Cangzhou Huanghua Port Zone. The Company is mainly engaged in the business of stevedoring, stacking, warehousing, transportation and logistics services, and handles various types of cargoes including coal, metal ores, oil and liquefied chemicals, containers and general cargoes, with the throughput capacity kept above 300 million tonnes in recent years.

Seizing new opportunities arising from the "new normal", QHD Port stood up to new challenges. Taking the initiatives in participating in the construction of the "Belt and Road", QHD Port integrated into the synergetic development strategy of Beijing-Tianjin-Hebei Province, undertook and coordinated the cooperation project of ports in Tianjin and Hebei, opening up a bright prospect of synergetic development of ports in Tianjin and Hebei and mutual success. Giving full play to the location advantages of the three major port areas, QHD Port adhered to the integrated development of port, industry and city, facilitating economic growth therein. Deepening strategic cooperation with major customers, QHD Port made innovation in the supply of its service, fostering new profit growth points on an ongoing basis. Container cross-border multimodal transport has shown outstanding development prospects as a result of new routes developed by QHD Port.

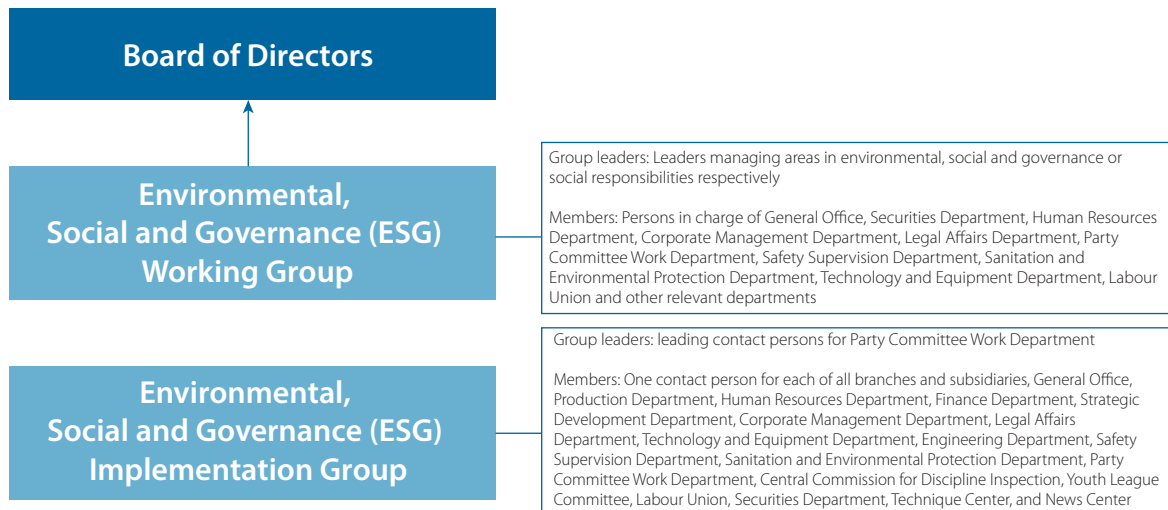
# UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

## 1 UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

QHD Port always sticks to sustainable development and adheres to the corporate values of “contributing to the country, developing for the enterprise, creating value for customers, and fulfilling responsibilities for employees”, consistently deepening corporate transformation and upgrading, striving for promoting the construction of efficient ports, service ports, smart ports, green ports and safe ports, focusing on efficiency as the core, vigorously fulfilling and undertaking social responsibilities and practicing the duties as a corporate citizen.

### 1.1 Structure of Social Responsibility Management

In 2019, the Company further improved the Environmental, Social and Governance (ESG) management structure and organised the ESG Working Group composed of principal responsible persons of all departments of the Company, regularly reports environmental and social policies and information to the Board of Directors, and effectively assesses environmental and social risks and opportunities of the Company. The Company arranged contact persons at the headquarters and all departments of branches and subsidiaries. Led by the Party Committee Work Department, it established the ESG Implementation Group specifically implementing concrete work in areas of ESG or social responsibilities. In the ESG management structure, the Board of Directors of the Company bears responsibilities for our ESG strategies and reports, regularly monitors sustainability issues that may affect the business or operation of the Company, shareholders and other stakeholders, and formulates the policies, strategies, priorities and targets of the Company's sustainability management.



# UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

## 1.2 Communication with Stakeholders

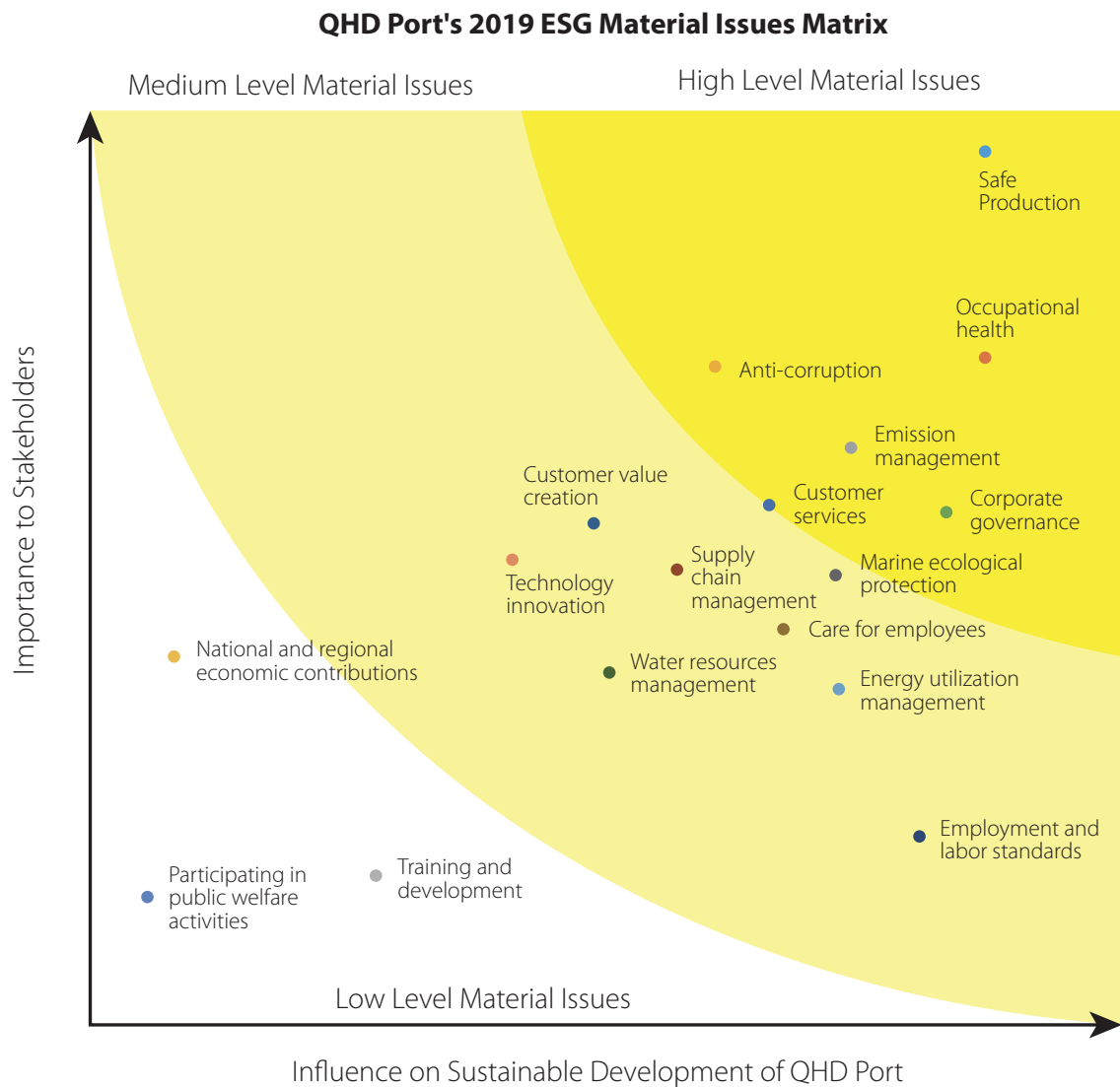
We attach great importance to communicating with stakeholders. Through the establishment of effective and diversified communication channels, the Company endeavors to learn about the opinions and suggestions of internal stakeholders such as employees and senior management, as well as the feedbacks and expectations of external stakeholders such as the government, customers, suppliers, media, partners, etc. on a regular basis.

Stakeholders	Requirements and Expectations	Communication and Response
Government	<ul style="list-style-type: none"> <li>compliance with laws and regulations</li> <li>payment of taxes according to law</li> <li>support for economic development</li> </ul>	<ul style="list-style-type: none"> <li>conducting business in compliance with relevant laws and regulations</li> <li>paying taxes according to law</li> </ul>
Investors	<ul style="list-style-type: none"> <li>return on investment</li> <li>growth of business and earnings</li> <li>risk management</li> <li>information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>regular disclosure of operational information</li> <li>general shareholders' meeting</li> <li>investor summits</li> <li>roadshows</li> </ul>
Customers	<ul style="list-style-type: none"> <li>provision of quality products and services</li> <li>meeting customers' diversified needs</li> <li>creation of value for customers</li> </ul>	<ul style="list-style-type: none"> <li>assurance of product quality</li> <li>protection of customer information</li> <li>survey of customer satisfaction</li> </ul>
Employees	<ul style="list-style-type: none"> <li>protection of employee interests</li> <li>sound development paths</li> <li>protection of occupational health</li> <li>work and life balance</li> </ul>	<ul style="list-style-type: none"> <li>provision of good remuneration and welfare</li> <li>improvement of career development paths</li> <li>implementation of employee training</li> </ul>
Partners	<ul style="list-style-type: none"> <li>open, fair and equitable purchase</li> <li>compliance with contracts</li> </ul>	<ul style="list-style-type: none"> <li>performance of contracts according to law</li> <li>open tendering</li> <li>project cooperation</li> </ul>
Environment	<ul style="list-style-type: none"> <li>energy saving and emission reduction</li> <li>protection of ecological environment</li> </ul>	<ul style="list-style-type: none"> <li>managing emissions</li> <li>increasing efficiency of resources and energy used</li> <li>participation in environmental protection welfare</li> </ul>
Society and the Public	<ul style="list-style-type: none"> <li>engagement in community development</li> <li>support for public welfare</li> </ul>	<ul style="list-style-type: none"> <li>public welfare charity</li> <li>volunteer services</li> <li>poverty alleviation</li> </ul>

# UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

## 1.3 Materiality Assessment

QHD Port prudently assesses social responsibility issues mostly concerned by stakeholders. In 2019, through various interactions and communications with all kind of stakeholders, learning about issues concerned by stakeholders and benchmark analysis of issues disclosed in sustainability reports of enterprises in the same industry, we identified 16 social responsibility issues this year covering five aspects including sound operations, value chain management, environmental responsibilities, employee responsibilities and social contributions strictly according to the requirements of HKEx Appendix 27, the Environmental, Social and Governance Reporting Guide. We determined the extent and scope of disclosures in the form of questionnaires so as to ensure a more accurate and complete disclosure of information relating to operation and management. In 2019, we totally recovered 26 questionnaires from senior management of companies and 1,516 questionnaires from stakeholders, and also gathered opinions and suggestions from various stakeholders on social responsibility management work of companies as an important basis and guiding direction for the Company's future social responsibility management. Based on the assessment of all social responsibility issues by stakeholders and senior management of companies, we finally determined the matrix of material issues for the Company's 2019 social responsibilities as shown below:





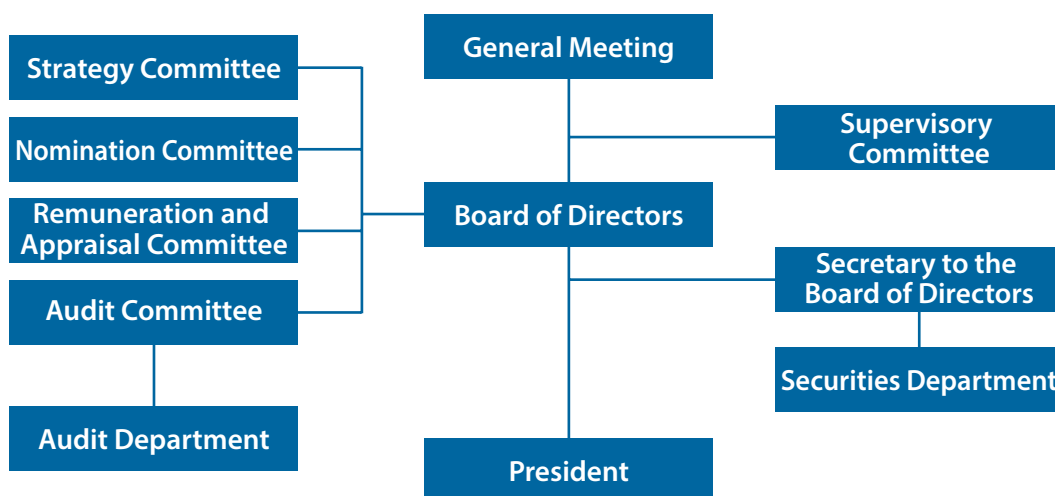
# ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

## 2 ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

QHD Port established a sound corporate governance system to guarantee the stable operation and sustainable development of the Company. Through strengthening the construction of risk management system and implementing compliance operation and management, the Company enhanced the implementation of anti-corruption to build an efficient and stable modern enterprise.

### 2.1 Improving Corporate Governance

In 2019, QHD Port held a total of 8 Board meetings, 7 meetings of the Supervisory Committee, 6 working meetings of the Audit Committee, 1 working meeting of the Nomination Committee, 1 working meeting of the Remuneration and Appraisal Committee and 1 working meeting of the Strategy Committee; and we held the annual general meeting for the year 2018 and the first extraordinary general meeting in 2019. The Company strengthened communication with external directors and shareholders, fully reviewed the advices from relevant parties regarding the resolutions, and passed all the resolutions by voting.



In 2019, the Company continued to improve the compliance governance and maintained stable and efficient communications with substantial shareholders and investors. Throughout the year of 2019, the Company completed the filing of 236 announcements and documents on domestic and overseas information disclosure platforms and accepts visits of substantial shareholders, investment institutions and investment banking analysts and arranged over 100 relevant telephone meetings. Facing the huge number of investor groups, the Company actively conducted online receptions of investors and non-transaction roadshows, providing investors with convenient channels to fully understand the corporate governance, corporate governance, development strategies, operation conditions, sustainable development and other concerns. In addition, the Company invited representatives of shareholders and investors to participate in offline communications and conducted face-to-face communications with the senior management of the Company to answer their concerns and confusions, which showed the sound image of the Company in the capital market. To respond to the requirements on securities regulation, practically strengthen investors protection and enhance the risk prevention awareness of investors, the Company carried out relevant work of investor protection and education through multiple ways such as opening education columns in its official website, using WeChat official account for promotion as well as serialized internal news. It organized and launched the "May 15" publicity and protection day for national investors, the "Here Comes the Shareholders" and other series of activities.

# ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

## 2.2 Strengthening Risk Management and Control

The Company always implemented risks management throughout the entire process of business development, adhering to the principle of equal emphasis on strategic direction and risk management, scientifically handled the relationship between business development and risks management, actively constructed core risks management systems for including strategic risk, financial risk, investment risk, security risk and legal risk, making the sound risk management system an important guarantee for the Company to achieve sustainable development.

## 2.3 Adhering to Compliance Management

Compliance operation is the cornerstone for the sound development of the enterprise. We adhered to the basic principles of corporate governance according to laws and punishment on violation of laws and followed the changes in policies and regulations to ensure that the Company achieves a 100% legal review rates for important operation decisions, rules and regulations as well as major contracts. Based on the requirements of the *Guideline on Regulating the Compliance Management of Enterprises of the Provincial SASAC (For Trial Implementation)*, the Company advanced the construction of high-standard corporate compliance management systems, streamlined and improved rules and systems, identified compliance risks and specified responsibilities and divisions on compliance management. Active efforts are made on publicity and education for rule of law within the Company to gradually build the concept that everyone shall comply with law at its own initiative (人人合规、主动合规).

QHD Port abides by and implements the *Supervision Law of the People's Republic of China*, the *Certain Standards on Integrity Governance of CPC Members, Leaders and Cadres*, the *Rules on Supervision and Law Enforcement by Supervisory Authorities* and other relevant laws and regulations, established complete policies and systems on building a clean and honest party and anti-corruption and implemented them in practice. In 2019, the Company issued and implemented the *Measures for Implementation of Integrity Talks*, the *Rules on Confidential Work in Discipline Inspection and Supervision* and *Details Rules on Implementation of Discipline Enforcement and Inspection*, which specified systematic and scientific work guidelines and methods for the supervision and inspection, review and investigation and tour inspection of the Company and significantly enhanced the capability of the Company in corporate governance according to laws and compliance management.

In 2019, QHD Port actively responded to the advocacies of the CPC Central Committee and prioritized political supervision as the central task. Focusing on specifying the political disciplines and rules of the Party and strengthening political supervision, the Company intensified the supervision and inspection on political life of the Party and conducted special supervisions and inspections on "three meetings and one lecture" and democratic appraisal on CPC members. It practically implemented on-site supervision and paid close attention to the core businesses and major risks of the subsidiaries and integrated supervision into production and operation, reform and development, Party Building and other sectors. It deeply carried out special inspections on the management of land and fixed assets, the operation of large-amount capitals and the work on the "Bay Chief System". Focusing on strict Party governance and "six disciplines", the Company conducted routine tour inspections on 13 departments, including the General Office and the Human Resources Department; steadfastly advanced anti-corruption work, rectified "four undesirable work styles", strictly investigated violations of regulations and disciplines and deepened rectifications based on lessons from cases to promote governance from the source; and strictly and practically enhanced self construction, highlighted cadres education and management and enhanced accountability in work evaluation.

In 2019, the Company continued to enhance the building of integrity culture and organized educational activities with the theme of "three learnings, three emphasizing and three beings". Through watching documentaries, holding alarming meetings, group discussions and themed trainings on Party disciplines, the Company continuously carries out anti-corruption educations. During the activities, the Company arranged medium-level leaders to watch such feature films as *Enforcing Disciplines from the Bottom* and *Advancing in Alarming* and highlighted the integrity education on leaders. It also pushed articles on integrity education through new media; conducted routine political warning educations, issued over 260 copies of *Learning Materials for Responsible Entities* and conducted over 10 trainings with the theme of disciplinary regulations on the Party with the participation of over 600 Party carders. The Company guaranteed smooth supervision channels, publicized the telephone, email and other convenient reporting methods, conducted more thorough investigations and carried out supervisions and inspections on the contents of "ten prohibits" to restlessly follow disciplines.

In 2019, the Company investigated 28 disciplinary cases and there was no legal proceeding regarding corrupt practices within the Company.

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## 3 UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

QHD Port actively responded to state strategies of building a shipping power and consistently optimized the functions of ports to improve the core competitiveness of the Company, speed up in transformation and upgrading and advance the high-quality development of ports; enhanced the strategic connection to advantageous resources and promoted the integrated development of the port, the industry and the city; conducted scientific layouts on the “Belt and Road” initiatives and steadily promoted the development of overseas projects; and fully upgraded customer services and actively built a “service port”.

### 3.1 Promoting High-quality Development of Ports

As the world's leading operator of public ports for dry bulk cargoes, QHD Port mainly operates a total of 71 modern professional berths in Qinhuangdao Port, Tangshan Caofeidian Port Zone and Cangzhou Huanghua Port Zone and handles various types of cargoes including coal, metal ores, oil and liquefied chemicals, containers and general cargoes and has established a port logistics chain with stevedoring, stacking, warehousing, transportation, logistics and other fundamental services as well as freight forwarding and multimodal transport. In 2019, the Company deepened corporate transformation and upgrading, sped up in high-quality development and maintained stable production and operation. In 2019, the Company recorded a throughput capacity of 374 million tonnes.

#### Coal Transportation Business

As one of the biggest coal export ports in the world, Qinhuangdao Port serves as resource allocation hub. QHD Port is devoted to ensuring stable energy supply, consolidating the coal throughout capacity of the port and serving people's livelihood. In 2019, to accurately meet market demands, we intensified the collection, summarizing and analysis of market data and learnt about information on coal production and import, the demand for thermal coal, cement and coals, the orientation of national policies and the changes in railway transportation in a timely and accurate manner. In order to ensure scientific and orderly port transportation, we consolidated the fundamental work and improved the existing rules, systems and management measures to guarantee that the handling of coal businesses according to rules and the orderly coal transportation. We enhanced motor sites management, made scientific site layout and improved the storage capacity of static sites. In order to optimize the structure of cargo source and improve the transshipment efficiency, we conducted cooperation with scaled enterprises in the coal logistics chain on coal with long-term benchmarking price and we also adjusted the berthing rules for ships and tried its best to meet the berthing demands of ships of medium and small customers. To improve the freight quality, we attached great importance to coal measurement and sampling work to ensure the stability and accuracy of rail weighbridges (軌道衡), belt scales (皮帶秤) and other measurement equipment. We also conducted regular maintenance to ensure the normal use of sampling equipment.

In 2019, the Company recorded a coal throughput of 232.62 million tonnes.



Operation Sites for Coals

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## Metal and Iron Ore Transportation Business

In 2019, QHD Port actively explored in the iron ore transportation business market and newly introduced the transportation of manganese ores with water, hot briquetted iron, calcined coke and other new cargoes, explored in Shanxi bauxite market, successfully opened the new channel for the transportation of bulk bauxite and other cargoes from Africa to Huanghua Port. It explored the rail transportation channel for cargoes in western areas through Shuozhou-Huanghua Railway and established direct business partnership with the biggest four overseas mines. In addition, in order to optimize the transportation structure and facilitate the sustainable development of the ecosystem and environment in Beijing-Tianjin-Hebei, the Company vigorously promoted the “transformation from road haulage to rail-freight transport” and sped up in the construction of special railway line to guarantee the smooth unloading and distribution of iron ores in the ports.

In 2019, the Company recorded an iron ore throughput of 106.02 million tonnes.



Operation Sites for Iron Ores

## Container Business

For the container business, QHD Port consolidated its current businesses, deeply explored external resources and boosted market development. It continued the Qinhuangdao-Erenhot cross-border sea-rail transportation business, actively advanced the sea-rail construction and opened green sea-rail channels. Throughout the year of 2019, Shuozhou-Huanghua Railway operated 383 sea-rail trains, quadrupling that of 2018. The Company also successively established “Changli Dry Port”, “Shuozhou Inland Port”, “Zhangjiakou Inland Station for Containers”, “Xinjiang Central Asia Jingu Inland Port” and “Ulanqab Northern Inland Port”, expanding the reach of the hinterland and boosting the influence of ports. In addition, the Company focused on the improvement of service quality and the ship time efficiency was improved from 60-80 containers/hour to 120 containers/hour and the operation time of the centralization and distribution port was shortened from 4 hours to 2 hours, significantly improving the loading and unloading efficiency. In 2019, the total volume of the container business of the Company reached 1,165,700 TEUs.



Operation Sites for Containers

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## General Cargoes Transportation Business

For the general cargoes transportation business, the Company tapped the market and extensively solicited source of cargoes and recorded significant increase in copper concentrates, river sand, sodium carbonate, wind turbine blades and other businesses. In 2019, the Company entered into a three-party strategic cooperation agreement with Tangshan Freight Center and Yanshan Iron & Steel and expanded the sea-rail transportation for coil steel of Yanshan Iron & Steel. It closely coordinated with railway authorities and successfully completed the urgent transportation of fertilizers. In addition, as one of China's first designated ports for importing grains, the Company firmly grasps its first-mover advantage and leverages the stable demands of port-side and surrounding processing enterprises to full play our own advantages of bulk grain storage silos to promote cooperation in projects on grain ports.

In 2019, the Company recorded a general cargoes throughput of 16.19 million tonnes.



Operation Sites for General Cargoes

## 3.2 Promoting the Integrated Development of the Port, the Industry and the City

QHD Port fully displays the overall resources advantages of Qinhuangdao, Tangshan and Cangzhou ports, seizes the opportunity of the establishment of Hebei Free Trade Zone and follows the Beijing-Tianjin-Hebei Coordinated Development, the construction of Xiong'an New Area and other key national strategies and coordinates and plans the functional layouts of Qinhuangdao, Tangshan and Cangzhou ports. It actively follows government plans and consistently expands the "circle of friends" in multi-field cooperation to promote the integrated development of the port, the industry and the city.

The Company actively participates in regional plans led by the government and deeply studied the *Integrated Planning on Traffic in the Beijing-Tianjin-Hebei Coordinated Development* and the *Overall Planning on Qinhuangdao Port* and made its suggestions to the construction of ports. In 2019, to fully meet the demands for dumping dredged materials from the dredging works in the maintenance of Qinhuangdao Port, the Company proposed amendment suggestions to the *Planning of National Dumping Areas (2019-2025) (Draft for Soliciting Opinions)*. In addition, it also proposed suggestions to the planning on the anchorage ground in Qinhuangdao Port in the *Planning on Layout of Coastal Anchorage Grounds in Tianjin and Hebei*, laying foundation for optimizing the layout of waters in Qinhuangdao Port and creating a broader policy and space environment for the high-quality development of the Company.

Meanwhile, QHD Port actively seeks advantageous resources and strategic cooperation to establish a strategic alliance with coordinated development and win-win cooperation as the core. The Company enhanced cooperation with Tianjin Port Group in container transportation and green logistics and planned to cooperate with the Landbridge Group in ports and logistics. It also vigorously discussed with COSCO Shipping (Tianjin), Goldwind Sci & Tech, Hebei Construction and Investment and other companies on joint development of distributed wind power generation projects.



# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## 3.3 Conducting Scientific Layouts on the “Belt and Road” Initiatives

Following the basic concept of “seeking overseas exploration together and complementing each other’s advantages to achieve common development”, QHD Port actively established cooperation mechanisms between the Company and central enterprises in overseas businesses to broaden international horizon, gradually expand overseas markets and seek new breakthroughs in deep integration with the ‘Belt and Road’ construction and achieving cross-regional transformation and development.

In 2019, the Company conducted connections and researches on the PPP project of the Payra coal port in Bangladesh, the acquisition of ports in Turkey and Montenegro, the PPP project of the Songkhla Port in Thailand, the bauxite port project in Guinea, the ancillary iron mine port project in Sierra Leone, the construction of laboratories organized by SOYUZEXPERTIZA CCI RF (SOEX) under the Chamber of Commerce and Industry of the Russian Federation as well as other overseas projects and accelerated in advancing the internationalization pace of the Company.

### Case study: QHD Port visits Newcastle Port in Australia

In order to implement the national strategy of “Belt and Road” and promote the friendly communications between international ports, the Company visited Newcastle Port, the second biggest port in Australia, in January 2019 and conducted on-site inspections on Newcastle Port. Both parties conducted deep communications on the construction of port facilities, port operation, the loading and unloading of coals and development plans of ports, which further consolidated the traditional friendship between the two ports.



Representatives of QHD Port visit Newcastle Port in Australia

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## 3.4 Fully Upgrading Customer Services

QHD Port adheres to the “customer first, service-oriented” service concept and strives to improve customer service functions and service quality. The Company strictly abides by relevant laws and regulations such as the *Contract Law of the People's Republic of China* (《中華人民共和國合同法》), the *Railway Law of the People's Republic of China* (《中華人民共和國鐵路法》), the *Procedures for Railway Freight Transportation* (《鐵路貨物運輸規程》) and the *Administrative Measures for Special Railway Lines and Special Purpose Railways* (《鐵路專用線、專用鐵路管理辦法》). It formulated and implemented the *Ten Commitments for Service Quality* to regulate standards of service quality. It closely followed customers' demands, provided gridding and accurate services and practically achieved “creating value for customers”.

### Quality Month Activity

In September 2019, the Company carried out the Quality Month activity with the theme of “Improving Services and Eliminating Hidden Quality Hazards”. It collected customer feedbacks through self-rectification and self-inspection, symposiums with customers, directly seeking suggestions, anonymous online evaluations and other ways and achieved the targets of “following the orientation of issues of customers, solving outstanding problems and completing self-renewal”. In the Quality Month activity, a total of 50 suggestions were collected, 44 of which have been rectified. The remaining 6 are under orderly progress as they involve the transformation of technical equipment. Based on the evaluation on the Quality Month activity, the average points on port services and customer managers were above 99.16.



Customer manager of the Production Department negotiates with customers

### Developing Personalized Contract Terms and Logistics Solutions

Based on the number of self-owned coal mines and the stations controlled by resources customers, the Company conducted comprehensive appraisal on the shipment, transshipment and delivery as well as other factors in recent years and developed personalized terms of contracts on special sites for customers. The Company effectively locked the volume of cargos transferred in all ports and transferred out from special sites to guarantee the cargo capacity of ports. It also developed personalized marketing measures and logistics solutions for customers to promote smoother connection between ships and cargos and further enhance efficiency of port evacuation.

### Promoting Heavy Traffic at the New 215 Ship Channel

In the face with the huge traffic pressures on the 150 ship channel affecting the efficiency of ships in arriving and leaving the port, the Company actively communicated with the maritime authorities to advance the opening of the 215 ship channel for heavy traffic and developed a dual-lane traffic model, which significantly improved the efficiency of ships in arriving and leaving the port, reduced the duration of stay in ports and effectively enhanced the comprehensive services at the ports.

### Improving Supplier Management

We know well that a complete supplier management system is the important guarantee and effective way to improve the quality of customer services. Therefore, we strictly control the selection, assessment and appraisal of suppliers, continuously improve supplier management standards and develop all-dimensional appraisal and assessment systems on suppliers to ensure the sustainable development of the industrial chain. In 2019, the Company revised the *Regulations on Management of Material Suppliers* (《物資供應商管理實施細則》). For the inspection and access of suppliers, we not only care about of the products quality of suppliers comply with state laws and regulations and related standards but also take the environmental protection, safety and performance of other social responsibilities of suppliers into consideration. In addition, we adopt dynamic management methods on suppliers, irregularly conduct all-dimensional inspections on suppliers and established a supplier management pattern with “loose access, strict management, openness and fairness”.

In 2019, the Company had a total of 621 suppliers.

# KEEP PACE WITH THE TIMES, BUILDING AN INTELLIGENT PORT

## 4 KEEP PACE WITH THE TIMES, BUILDING AN INTELLIGENT PORT

Innovation is the first driving force for development. Relying on digitalization and intelligence, QHD Port has focused on building an intelligent port, upholds on its independent research and development, and encourages innovative research. QHD Port actively accepts tasks to undertake national-level demonstration projects, and keep pace with the times, fully leverage on technological innovation and informationization functions to comprehensively build an intelligent port.

### 4.1 Encouraging Innovative Research

The Company insists on promoting transformation and upgrading through technological innovation, protecting intellectual property rights and patents. It has formulated the *Patent Management Measures* in accordance with the *Patent Law of the People's Republic of China*, the *Implementation Rules of the Patent Law of the People's Republic of China* and the *Company Law of the People's Republic of China*, which clearly provides the ownership of patents, patent application procedures, technology development of patents, patent transfer and implementation licensing, patent protection, and corresponding rewards and punishment measures. In 2019, the Company has 3 invention patents and 3 utility model patents authorized by the State Intellectual Property Office.

In 2019, the Company held a meeting for digital work promotion, fully deployed the digital development plan, actively carried out various digital application research and practice, and achieved fruitful innovative and technological achievements. Among them, the "large-scale bulk port digital application research and practice" project achievements were rated as the international advanced level. The "Super Large Coal Port Intelligent Logistics System Integration and Innovation" was awarded the second prize of the Science and Technology Award by China Federation of Logistics & Purchasing, the "Large Bulk Port Digital Application Research and Practice" was awarded the second prize of Science and Technology Progress Award by China Ports & Harbours Association. The "New Energy-saving Transformation of the Plate-type Three-way Coal Transfer System", the "Research and Application of Energy-saving Technology of Port Belt Conveyors Based on Intelligent Servo Permanent Magnet Directly-driving Technology" and the "Improvement and Renovation of Overall Performance of Dust Collectors for Bulk Grain" was awarded the third prize of the Science and Technology Progress Award by China Ports & Harbours Association. The achievements of two key projects for the integration and development of Internet and advanced manufacturing in Hebei Province, namely the "Internet + Online Handling Platform for Coal Handling Business" and "Internet Platform for Online Detection of Coal Moisture Content in Ports", was successfully passed the acceptance of the Department of Industry and Information Technology of Hebei Province. The project achievement of "Research on Port-Coal-Logistics Supply Chain Service Model Based on Sharing Concept" was awarded the third prize of the excellent subject by China Society of Logistics.

In addition, QHD Port focus on strengthening industry exchanges, actively participating in the formulation of industry standards and the formulation or revision of national, provincial, and ministerial standards to help improve the overall progress and development of the industry. In 2019, the Company presided over the preparation of the *Technical Standards for Repair of Port Dumper System*, an industrial standard issued by the Ministry of Transportation, the *Technical Standards for Environmental Protection of Port Coal Loading and Unloading Systems*, a local standard issued by Hebei Province and the *Standards for Port Coal Transportation Services*, a group standard issued by the China Ports & Harbours Association.

### 4.2 Undertaking National Demonstration Projects

Seizing the strategic opportunities in the midst of the historic streak of development, QHD Port proactively undertook the construction of national demonstration project, and continuously Upgrading the intelligence level of the port.

#### Beidou-based application demonstration project of global sea transportation

As an important part of transportation network, sea transportation is an important link of logistics supply chain. Employing the Beidou satellite navigation system-which is developed by our country-as an important platform for information perception and transmission, the Beidou-based application demonstration project of global sea transportation will play an important role in the transformation and upgrading of modern maritime industry. Therefore, as one of the five ports undertaking the construction of the demonstration project, QHD Port have been vigorously promoting the normalized application of Beidou equipment in the shipping system. The Company strive to make technological breakthroughs in high-precision ship positioning, high-precision timing of production links, terminal deformation monitoring, made in-depth integration of the Beidou-based technology and the business of the port to realize artificial intelligence applications such as tugboat positioning in the port operation, prevention of large machinery collision, digitization of sites, etc., which have improved the intelligence level of the port in an all-round manner, put precise management into place and laid the foundation of unified and smart allocation of the port and logistics resources in the future, thereby greatly improving the operation efficiency of the port. As at the end of 2019, the feasibility review, preliminary design review, subsidies application and other phased works of the project have been completed.

# KEEP PACE WITH THE TIMES, BUILDING AN INTELLIGENT PORT

## Intelligent Port demonstration project of the Ministry of Transport

In order to implement the *13th Five-year Plan for the Development of Transportation Informatization* (《交通運輸信息化“十三五”發展規劃》), give full play to the leading and supporting role of informatization, speed up the development of information-based and intelligent ports, and improve the quality and performance and upgrade of ports, the Ministry of Transport issued the *Notice of the Ministry of Transport on the Construction of the Intelligent Port Demonstration Projects* (《交通運輸部關於開展智慧港口示范工程的通知》) in 2017, deciding to carry out the smart port demonstration projects. In 2019, QHD Port completed the overall construction of the intelligent port demonstration project and successfully passed the review and acceptance of the Department of Transport of Hebei Province. On the one hand, the project innovates the operation mode of port logistics and constructs a new service model that integrates the “one waybill system (一單制)” online processing and the “one network access (一網通)” for information for the business of coal, one of the national key strategic materials, giving full play to the enthusiasm and initiative of each port, promoting the organic combination of upstream and downstream industrial chains of port logistics as well as the integration of information and technology business. While realizing the complex information-based management of production and business processes of different ports and goods, it also breaks the information barrier between the port and maritime, railway and other port units, greatly improving the business efficiency. In addition, the project has established a port safety management information system and a provincial port safety regulation information platform for dangerous goods, making innovation to the safety management and supervision model and realizing the intelligent management and regulation in this regard.

### 4.3 Facilitating the Digitalization Development

QHD Port was committed to building a digital, intelligent and information-based smart port, empowering the development of the port with information technologies such as “Big Data, Artificial Intelligence, Mobile Internet, Cloud Technology and Internet of Things (大智移雲物)”, promoting the in-depth integration of emerging information technology and the management of production business, customer services, intelligent operation and security management. By adopting new ideas and benchmarking advanced peers, we constantly improved the construction of information-based platform, and leveled up the logistics operation efficiency of the port, achieving the collection and sharing of information in all segments of the port. In 2019, QHD Port strengthened its strategic cooperation with Baidu, ZTE and other large science and technology companies and give full play to their respective advantages to jointly build an information platform through complementary resources and technologies.

#### Cloud computing data center

The establishment of the cloud computing data center marks the official beginning of an era of cloud services of QHD Port. The center not only greatly improves the port's efficiency of production and operation, but also the level of digitalization, informatization and intelligence. Moreover, it can also offer customized network and computing services for each port, truly achieving on-demand dynamic allocation, realize data sharing and save operating costs, and greatly improves the security and reliability of the system.



Cloud computing data center

# KEEP PACE WITH THE TIMES, BUILDING AN INTELLIGENT PORT

## Digital application in large bulk port

In 2019, the research and practice on the digital application in large bulk port conducted by QHD Port has achieved fruitful results. The large bulk port business model and data model were built, and the data element standard of the dry bulk cargo information was compiled, which improves the standardization of the business data of the port. The Beidou-based differential positioning, UAV and image processing technology realized the stocktaking of large-scale open site and the automatic multi-point recognition and calculation of outboard surveyors of large bulk freighter. The “one key communication” information service platform of bulk cargo port is established to realize the logistics data exchange and business collaboration between port, railway and maritime. In addition, the “Push-To-Talk” information service platform was developed to exchange logistics data and make business coordination from the port and railway and maritime transport.



UAV for collecting detailed coal pile data by Phase 2 of Caofeidian Coal Terminal

## 5G network-based visual management of production site using

5G network-based visual management project is an innovative project for QHD Port to promote the digital transformation and upgrading and build an intelligent port. By fully leveraging the performance advantages of high-speed, less delay, low cost, large capacity and large-scale equipment connection of the 5G network, the Company has successfully integrated the 5G technology into the construction of intelligent port, realizing 5G transmission of more than 100 high-definition video signals on the production sites to the production dispatching center of the port, solving the problems of high investment, long construction period and slow rate under the traditional transmission pattern.

## Integration and innovation of intelligent logistics system of super coal port

QHD Port has made research and innovation of the intelligent logistics system of super coal port. The industry standard of data element of port dry bulk cargo information system was compiled to cover three categories of port infrastructure equipment, production and operation, and means of transport, which fills in the blank of the data element of port dry bulk cargo in the industrial standards set by the *Underlying Data Element of Transport Information* (《交通信息基础数据元》). Through the study of cross-sector data exchange and business process collaboration, a new working pattern of port coal logistics was proposed, which is based on the collaboration of the port and railway office, as well as the port and maritime offices. A new service model of port logistics was created by offering information and news, information inquiry, service guidance, supervision and evaluation concerning port coal logistics and forwarding and recommending personalized information to customers. The Company also adopted new data collection and analysis technology related to port coal logistics to realize the visualization of data, procedure and data processing results of port coal logistics.

## “Qincaocang” integrated online business hall and e-commerce platform

The platform is a remarkable technological innovation achievement of QHD Port in optimizing business environment. It has realized the whole process of online business processing of coal, ore, groceries and containers in Qinhuangdao, Caofeidian and Cangzhou. Customers can handle port business, follow up operation progress and keep abreast of goods circulation through intelligent terminals at all times and places. With the continuous improvement and upgrading of the platform, in 2019, the online business hall and e-commerce platform accepted and handle a total of 15,218 cases of online business, with the online payment reached RMB3,768 million, effectively improving the efficiency of port business and reducing the customers’ costs of business processing.



# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

## 5 PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

The Company attaches great importance to the construction of a green and ecological port and regards environmental protection as the lifeline of the enterprise; actively advocates the philosophy of “environmental protection in essence (本質環保)” and promotes the institutionalization and standardization of environmental management; resolutely fights to win the battle of preventing and controlling air and water pollution, and reasonably develops and utilizes resources and implements energy conservation and emission reduction. We focus on the construction of “green hub (綠色樞紐)” and “new ecological harbor (生態新港灣)” to improve the afforestation of the port area, and energetically improve the ecological environment of land and sea areas to boost the harmonious integration of port and city environment.

### 5.1 Putting in Place Better Environmental Management

QHD Port strictly abide by laws, regulations and provisions such as the *Environmental Protection Law of the People's Republic of China* 《中華人民共和國環境保護法》, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* 《中華人民共和國大氣污染防治法》, *Water Pollution Prevention and Control Law of the People's Republic of China* 《中華人民共和國水污染防治法》, *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* 《中華人民共和國固體廢物污染環境防治法》, *Marine Environment Protection Law of the People's Republic of China* 《中華人民共和國海洋環境保護法》, and strengthens environmental management. In 2019, the Company updated the *List of Applicable Environmental Protection Laws and Regulations and Other Requirements* 《適用性環境保護法律法規及其他要求清單》 by adding 37 applicable environmental protection laws and regulations. Furthermore, the Company modified and issued the *Environmental Emergency Response Plan* 《突發環境事件應急預案》 and the *Emergency Response Instruction for Heavy Pollution Weather* 《重污染天氣應急響應操作方案》 to further improve the emergency management and emergency response capacity.

The company implements the responsibility system of environmental protection objectives and the exposure mechanism of environmental problems, includes the environmental protection performance in the annual work objectives and assessment system of the person in charge, and organizes and carries out routine inspection on working days, increase the frequency of inspection on holidays, and make night inspection on peak tourist seasons and heavily polluted weather. On-site inspection records or rectification notices with clarified rectification responsibility and time limit shall be kept during the inspection and on-site environmental inspection assessment on specific problems shall be carried out in a quarter manner, with assessment results being notified for general information. In 2019, the Company launched a total of 155 times of inspection, and was inspected by competent departments of governments at all levels for 51 times, thereby guaranteeing the operation of the environmental protection mechanism of self-regulation, self-supervision and self-evaluation.

Launched 155 times of inspection; inspected by competent departments of governments at all levels for 51 times throughout the year; completed 759 person-time trainings throughout the year

In 2019, aligning with the needs of environmental protection of the port, the Company strengthened trainings in relevance to environmental protection, broadened the positions and levels of participants to include staffs from departments of environmental protection, technology, engineering, materials, production and other fields, and completed 759 person-time trainings in total, further reinforced the environmental protection and management awareness of our employees. Besides, the Company compiled and distributed learning materials related to atmospheric environment protection, so as to help our employees to form their faith of environment protection and improve their on-site environmental management.

### 5.2 Protecting Clear Water and Blue Sky

In 2019, which marked the 70th anniversary of the founding of PRC, government authorities at all levels have put forward higher requirements for environmental protection, and continuously strengthened their efforts in supervision and inspection. The Company's transformation and upgrading is also undergoing a critical period. As a result of these, the Company has strengthened its arrangements for implementation in pollution prevention and management requirements, emergency response, in order to protect the clear water and blue sky.

In year 2019, the Company compiled the *2019 Comprehensive Air Pollution Control Work Plan*, *2019 Sanitation and Environmental Protection Work Plan in Tourism Boom Period* and *2019 Major Points of Annual Environmental Emergency Management* to rely on to introduce practical work measures. In the year, the Company's industrial wastewater was treated by the oily wastewater treatment plant and then transferred to the municipal wastewater treatment plant by Qinhuangdao Drainage Co., Ltd for reprocessing. The emissions of COD were 0.0223 tonnes and the petroleum were 0.0021 tonnes.

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

According to the work arrangements of air pollution control in Qinhuangdao in 2019, the Company has strengthened the management of mobile pollution sources by carrying out special maintenance and repair work for non-road mobile machinery, updating and eliminating those old non-road mobile machinery, conducting special rectification of machinery exhaust, and self-owned diesel trucks meeting State III emissions standard. At the same time, the Company, taking advanced domestic and foreign professional terminals of the same kind as models, has constantly improved the dust prevention and control system, developed and transformed self-owned large fog cannon trucks used for dust suppression; promoted maintenance and renovation projects like the transfer tower high-pressure micro-mist technology, the transformation of sprinkler from the bottom of dumper, belt washing technology and the construction of isolation piers in storage yards; equipped itself with mobile dust removal equipment such as fog cannon trucks, vacuum trucks, and sprinkler trucks; and carried out research on the visual automatic control of the sprinkler system in the open air storage yard of bulk cargoes, so as to comprehensively improve comprehensive air pollution effect.



Sprinkling water in coal yard



Dust suppression with dry fog of dumper

Last year, the Company promoted the establishing of a joint defense organization for the prevention and control of pollution from ships. It took the lead in organizing the signing of an agreement on the maintenance of emergency equipment and materials of the organization, coordinated with the relevant organizations to complete the storage of equipment and materials, improved the relevant management system, and realized the professional management of the main equipment stock.

In 2019, the Company strengthened the supervision of the entire process of hazardous waste to achieve their safe and stable transfer. 388.6946 tonnes of hazardous wastes were safely transferred throughout the year; 26,370 tonnes of general industrial solid wastes were generated.

In addition, the Company further perfected the port's intelligent monitoring system to allow it to carry out regularly statistical analysis of the monitoring data, and targeted on-site supervision in combination with the weather and other conditions, thus effectively improving the environmental management. It also integrated various hazardous waste storage sites to reduce management difficulty and environmental risks, and installed hazardous waste intelligent monitoring systems in all storage sites. Meanwhile, 4 sets of environmentally friendly intelligent monitoring systems were installed at the door to share relevant data with motor vehicle management platform of the city's ecological environment department. While the installation of video surveillance and PM10 online monitoring equipment in the port area guided the environmental management according to the monitoring data.

## 5.3 Extensively Exploring Energy-saving Possibilities

In 2019, the Company adopted a series of energy-saving and consumption-reducing measures to optimize the energy structure of the port area, with the total annual energy consumption of 57,289.02 tonnes of standard coal making a year-on-year decrease of 3.76%, the energy consumption per unit of output value of 0.12 tonnes of standard coal per RMB10,000 making a year-on-year increase of 1.35%, both of which have completed the dual control assessment tasks set out in the *Thirteenth Five-Year Plan* issued by the Municipal Development and Reform Commission. The water consumption was 1.19 million cubic meters, meeting the requirement issued by the Municipal Water Saving Office. In 2019, the Company's total greenhouse gas emissions were 53,400.98 tonnes of carbon dioxide equivalent, and the greenhouse gas emissions per unit of production value of 10,000 yuan were 0.08 tonnes of carbon dioxide equivalent/10,000 yuan.

The Company has actively developed and implemented energy-saving technical transformation projects to reduce energy consumption. In terms of energy conservation, in 2019 the Company invested a total of RMB4.7942 million yuan to carry out more than 20 energy-saving projects, saving 4.2919 million kWh of electricity annually. In July 2019, the energy-saving technology "Intelligent Servo Permanent Magnet Direct Drive Technology Applied in Port Belt Conveyor System" developed by the Company was selected as the "Key Energy-saving and Low-Carbon Technology in the Transportation Industry" by the Ministry of Transport and was included in its *Catalogue of Key Energy-Saving and Low-Carbon Technologies in the Transportation Industry (2019)*. In terms of water saving, the Company invested a total of RMB9.4 million to carry out projects such as dry fog, micro fog, fog cannon transformation, intelligent watering, and bath IC card transformation, saving 340,000 cubic meters of water a year.

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

Broke down the 13th Five-Year Assessment Tasks, formulate implementation plans;

Increased investment in energy saving and water saving, and actively carried out technological transformation;

Used energy-saving technology to improve energy efficiency;

Made efforts in becoming a water-saving company;

Formulated energy conservation standards and promoted management with standards;

Set planning as an outline to promote the construction of green port;

Drived development of green ports with the help of new platforms;

Strengthened publicity and training to raise energy saving awareness.

## Energy and water saving measures

### 2017- 2019 Energy and water consumption of the Company

Energy type	Absolute energy/water consumption			Energy/water consumption per RMB10,000 Output Value		
	2017	2018	2019	2017	2018	2019
Raw coal	377.84 tonnes	Fully gave up coal-fired boilers and no use of coal		0.54 kg/ RMB10,000	-	-
Gasoline	116.36 tonnes	101.00 tonnes	78.71 tonnes	0.17 kg/ RMB10,000	0.15 kg/ RMB10,000	0.12 kg/ RMB10,000
Diesel	7,198.55 tonnes	6,867.59 tonnes	6,295.7 tonnes	10.24 kg/ RMB10,000	9.99 kg/ RMB10,000	9.36 kg/ RMB10,000
Electricity	323.7935 million kWh	318.4886 million kWh	302.3385 million kWh	0.05 kWh/ RMB10,000	0.046 kWh/ RMB10,000	0.045 kWh/ RMB10,000
Steam	50,477 tonnes	51,366 tonnes	61,733 tonnes	71.77 kg/ RMB10,000	74.70 kg/ RMB10,000	91.82 kg/ RMB10,000
Closed-circuit supply of hot water	155,821 GJ	158,055 GJ	147,240.87 GJ	0.22GJ/ RMB10,000	0.23GJ/ RMB10,000	0.22GJ/ RMB10,000
Municipal water	1,436,608 tonnes	1,497,222 tonnes	1,190,006 tonnes	/	2.18 tonnes/ RMB10,000	1.77 tonnes/ RMB10,000
Reclaimed water	/	2,318,726 tonnes	2,539,945 tonnes	/	3.37 tonnes/ RMB10,000	3.78 tonnes/ RMB10,000

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

## 5.4 Building Green Ports

The Company attached great importance to green ports development, and has consistently implemented the requirements and adhered to the plans of the state and respective ministries or commissions on green development. We have always kept in mind green development concept, implemented green initiatives and constructed green development management system. We focus on green development effects and work hard to build green ports characterized by low energy consumption, low pollution, low emission, high efficiency and high effectiveness.

The Company actively initiated the initiative to build the Beijing-Tianjin-Hebei Green Port Technology Innovation Alliance. Based on the principles of mutual support, resource sharing, advantage complementing, and common development, the Company exchanged experiences with other alliance members to promote resource conservation and ecological environment protection. At the same time, the Company participated in the preparation of the *Beijing-Tianjin-Hebei Regional Green Port Development Report* to enhance the sharing of innovative technology information between ports. The Company also took advantage of the professional and technical advantages of the alliance's scientific research institutes to discover new energy-saving technologies and new projects, provide strong support for promoting energy-saving innovation, and promote the construction of green ports in a scientific, systematic and orderly manner.

The Company has followed the concept of “clean production and green development”, to formulate the *Green Ecological Port Construction Plan*. It also vigorously promoted key tasks including the construction of dust prevention and control systems, as well as the applications of clean energy, new energy and energy-saving technology, environmental information platform building, improved the environmental management system and mechanism construction, coordinated with others as a whole, and actively implemented the requirements for the construction of green ecological ports. Combining the needs of port pollution prevention and control, it compiled environmental monitoring system demand plans; gave full play to the advantages of scientific research in universities, cooperated with relevant universities to develop the design and research of the construction plan of the environmental monitoring system of green ecological ports, so as to ensure the environmental monitoring system construction was scientific and comprehensive.

## 5.5 Strictly Implementing the Requirements of “Bay Chief System”

In September 2017, the State Oceanic Administration proposed to carry out pilot bay chief system in Qinhuangdao City, Hebei Province. In January 2018, Qinhuangdao issued the *Work Plan for Pilot “Bay Chief System”* to further strengthen the marine environmental protection of coastal areas, the protection and restoration of coastal beaches, and build a long-term management system to comprehensively promote the construction of marine ecological civilization. 2019 was the second year for the Company to implement “Bay Chief System”, in which it formulated and issued the *2019 Key Points for “Bay Chief System”* in accordance with the principle “Land-Sea Coordination, River-Sea Coordination, Territorial Management, and Collaborative Governance”, explored new models of marine environmental governance, and actively carried out environmental sanitation cleaning along the coast, pre-control of oil pollution from docks and ships, hazardous waste in special weather, sewage management, and pre-control of oil pollution. It also carried out regular cleaning every Friday, organized the cleaning and remediation of the docks, harbors, dikes, tidal flats, beaches, and green areas along the coast, successively completed the laying of 5,000 square meters of dense mesh on the exposed land at the front of the dock, and cleaned up more than 10 tonnes of garbage and debris along the coast, repairing the broken dam of Nanshan No. 1 Yard, etc. In 2019, the Company totally cleared 250 tonnes of marine garbage, thereby improving the environmental quality along the coast of the port.



Effectively improved environment along the coast of the port

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

## 5.6 Strengthening Ecological Construction

In 2019, the Company has exerted its part of efforts in the greening and beautification of the port area and invested more than RMB5.8 million in the greening and upgrading of Longyuan Avenue and Jinma Road. Around the key areas and roads of the port area, more than 30,000 square meters of areas have been renovated to comprehensively improve the “green scene”, create a beautiful environment in the port area and actively promote the construction of a green ecological port and a green port environment.

In order to promote the green and safe development of the port and drive ecological progress greatly in the new era, in 2019, the Company launched a series of publicity activities on green ecological port construction, organized safety and environmental protection knowledge contests, and green ecological port construction writing competition. Based on the construction goals ideas and requirements of green ecological ports, it has set up green ecological port construction exhibition boards, columns and open public accounts on environmental protection to promote the achievements of green ecological port construction.



Build a green port

### Case: QHD Port organized a voluntary tree planting

On April 4, 2019, the Company organized a centralized and voluntary tree planting activity, planting more than 1,100 trees and shrubs of various types, adding a new green area of about 5,000 square meters, which will not only play a role in dust prevention and suppression, but also be integrated as part of the urban landscape. In addition, the Company also carried out voluntary tree planting publicity, in order to show the importance of afforestation in multiple forms and all respects.



Participated in voluntary tree planting activities for all citizens



# PROTECTING PORT SAFE AS FIRST PRIORITY

## 6 PROTECTING PORT SAFE AS FIRST PRIORITY

We in QHD Port adhere to the principle of safe production management featuring “CPC Committee and Administration Sharing the Same Responsibility with One Post Undertaking Both Responsibilities, Joint Management with Concerted Efforts, and Accountability for Dereliction of Duty (黨政同責、一崗雙責、齊抓共管、失職追責)”, valuing the safety production highly, constructing the safety culture continually, and promoting safety visualization and standardized label management actively. Through training, education and publicity activities, the Company creates a good atmosphere of safety culture coupled with preventive efforts made in production, such as emergency drills and hidden hazards screening, which is conducive to the accomplishment of its target of “zero accident in production”.

### 6.1 Strengthening Safety Management

In accordance with the laws and regulations such as the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Port Law of the People's Republic of China* (《中華人民共和國港口法》) and the *Law of the People's Republic of China on Road Traffic Safety* (《中華人民共和國道路交通安全法》), QHD Port formulated and constantly optimized its own *Production Safety Accountability System* (《安全生產責任制》) and the other 39 production safety rules, regulations and administrative measures under the principle of “unified leadership, well-defined responsibility, hierarchical management, and whole-company participation”. In accordance with the *Management Measures for Production Safety featuring CPC Committee and Administration Sharing the Same Responsibility with One Post Undertaking Both Responsibilities* (《安全生產黨政同責、一崗雙責管理辦法》), the *Implementation Plan for Gridded Management of Production Safety* (《安全生產網格化管理實施方案》) and the *Emergency Rescue Plan for Production Safety Accidents* (《生產安全事故應急救援預案》), the Company enhanced the production safety accountability system in the principle of “the CPC Committee to promote safety, administration to take control of safety, production department to implement safety, equipment department to ensure safety and supervisory departments to supervise safety”, creating an intrinsically safe port.

The Company strictly implemented the *Regulations on Safety Production Risk Control and Hidden Dangers Control in Hebei Province* (《河北省安全生產風險管控與隱患治理規定》) and the *Plans for Implementing the Construction of the Dual Prevention Mechanism for Furthering Safety Production Risk Hierarchical Management and Hidden Danger Screening and Control in Hebei Province* (《河北省深入推進安全生產風險分級管控和隱患排查治理雙重預防機制建設工作實施方案》), in a way of establishing a dual prevention and control mechanism which integrates risk hierarchical management and hidden danger screening and control to effectively manage safety risks. Meantime, the Company formulated the *Guide to Safety Production Risk Management* (《安全生產風險管控工作指南》) to standardize the entire process of managing safety production risks, reduce safety production risks, eliminate hidden dangers of various accidents, and prevent production safety accidents.

#### Case: Company's leader commanded work against typhoon and flood on site

On 12 August 2019, under the influence of typhoon Lichma, continued strong winds and heavy rainfall hit the QHD Port. Cao Ziyu, the party secretary and chairman of the Company, came to phase IV and phase V coal terminals despite the rain to inspect and command the first-line flood prevention work on site, guarding the port safe.



Company's leader commanded work against typhoon and flood

# PROTECTING PORT SAFE AS FIRST PRIORITY

## 6.2 Ensuring Production Safety and Operation

In 2019, the Company organized a series of activities such as safety risk identification, hidden danger screening and control, emergency rescue rehearsals, and risk control. Through a closed-loop management from risk identification to rectification of hidden dangers, the Company aimed to achieve comprehensive control and reduction of various risks. Thanks to the joint efforts of all our employees, the Company recorded no general or more serious production safety accidents throughout the year.

### Road traffic safety

In order to further maintain road traffic safety and ensure smooth road transport inside the port, the Company formulated its own *Supervision and Management Measures for Road Traffic Safety in the Port* (《港口道路交通安全監督管理辦法》) in accordance with the *Law of the People's Republic of China on Road Traffic Safety* (《中華人民共和國道路交通安全法》) and the *Regulations on the Implementation of the Law of the People's Republic of China on Road Traffic Safety* (《中華人民共和國道路交通安全法實施條例》). The Company is devoted to regulating the management of motor vehicles and duty drivers of respective units and maintaining road traffic facilities and traffic signs in good conditions in the port, with efforts made in publicity and education on traffic safety regulations and implementation of the “three inspections” system for motor vehicles, thus laying a solid foundation for making our port a safe one with smooth traffic.

#### Case: QHD Port hosted the 29th Winter Road Traffic Safety Competition and Auto Driver Technical Competition

On 2 April 2019, the 29th Winter Road Traffic Safety Competition and Auto Driver Technical Competition were hosted by QHD Port in the parking lot on the south side of port distribution bridge. There were two events, i.e. pickup truck operation and dump truck operation in this competition. 42 pickup truck drivers and 14 dump truck drivers from 24 units were engaged in fierce competition in their respective events. Through this competition, contestants' awareness of safety work has been further enhanced, which also stimulated the go-ahead spirit of “learning skills, practicing skills, and showing skills” of the employees.



Auto Driver Technical Competition

# PROTECTING PORT SAFE AS FIRST PRIORITY

## Fire prevention

In accordance with the *Law of the People's Republic of China on Fire Prevention* (《中華人民共和國消防法》), and the *Regulations on Fire Prevention for Governmental Departments, Entities, Enterprises, and Institutions* (《機關、團體、企業、事業單位消防安全管理規定》) issued by the Ministry of Public Security, the Company formulated and improved its own *Supervision and Management Measures for Fire Prevention* (《消防安全監督管理辦法》) and the *Administrative Measures for Fire Prevention Archive* (《消防檔案管理辦法》). It implemented a fire-prevention strategy featuring "prevention-prioritized with combination of prevention with elimination", fulfilled its responsibility for fire prevention as an enterprise to strengthen fire safety supervision and management and ensure safety. The Company conducts fire risk screening every quarter, and requests its frontline units to do so once a month, operation squads every ten days and the individual teams once a week, with inspection records documented properly. It strictly approves the use of fire to implement safety precautions at the site of fire use. The Company beefs up fire safety education for employees for increasing the "four abilities" of employees in fire protection. The Company organizes assessment on fire safety and rectifies problems found in the fire safety assessment.

### Case: QHD Port held "119" firefighting skill competition

On 22 November 2019, the Company organized 128 employees from 23 units to participate in the annual firefighting skills competition, including women's 50-meter oil drum fire extinguishing, men's 50-meter oil pan fire extinguishing, men's single two-pan hose connection and other events. As an important part of the "119" series of activities, this competition effectively improved employees' fire safety awareness and firefighting ability.



"119" firefighting skill competition

# PROTECTING PORT SAFE AS FIRST PRIORITY

## 6.3 Leading by Safety Awareness

With the goal of creating an intrinsically safe enterprise, the Company adheres to the policy of “people-oriented, safety first, prevention-prioritized and comprehensive governance”, and implements its safety concept of “safety is the greatest welfare of employees”. On a constant basis, the Company carries out safety culture construction, diversifies channels for employees to learn safety knowledge, improves their internal quality and safety awareness, so as to create a good safety culture environment, and form a working atmosphere with a strong sense of learning, stressing, practicing and keeping safety by everyone. In 2019, the Company produced videos on safety production propaganda, compiled and printed series of books on production safety, carried out production safety solicitation activities, and set up a special column of “Night Talk of Safety”. It also carried out the “Safe Production Month”, safety knowledge competition and other production safety specific activities to promote employees to learn safety knowledge and improve the construction level of safety culture.

The Company enhances safety education and training by organizing special training on safety operation skills such as lifting operation, high-altitude operation, and fire use operation. It carries out training on backup operation personnel for key positions, providing a safety technician reserve for transformation and upgrading and high-quality development. The Company focuses on the safety education of young employees through the launch of “Young Worker Safety Month” activities as well as various safety education-related activities among youngster safety production demonstration posts at all levels. In 2019, a total of 5,625 employees participated in various safety and occupational health-related trainings, where 1,439 employees were granted relevant certificates, of which 15 obtained safety certificates.



Safety education and training for staff

## 6.4 Protecting Occupational Health

The Company strictly abided by the relevant laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Regulations of the People's Republic of China on the Prevention and Control of Pneumoconiosis* (《中華人民共和國塵肺病防治條例》) and the *Measures for the Supervision and Administration of Grass-root Units' Occupational Health Surveillance* (《基層單位職業健康監護監督管理辦法》), formulated the *Measures for the Supervision and Administration of Occupational Health Surveillance* (《職業健康監護管理辦法》) to further standardize the Company's occupational health surveillance and strengthen occupational health surveillance management. In accordance with the *Administrative Regulations on Employers' Protective Equipment of Labor* (《用人單位勞動防護用品管理規範》), the Company formulated and improved the *Administrative Measures for Protective Equipment of Labor* (《勞動防護用品管理辦法》), strengthening the management of protective equipment of labor to ensure the safety of employees' production operation. The Company organized amendments to the *Administrative Measures for Workplace's Occupational Health Supervision* (《工作場所職業衛生監督管理辦法》), which standardized management of occupational health, effectively prevented and controlled occupational hazards in the workplace.

The Company set up occupational health surveillance archive for its employees, required all employees exposed to hazardous environment to take part into the checkups, and recorded the results in the archives. All grass-root units were required to set up occupational health surveillance archive and went through dynamic management. The archive should be updated timely in case of staff turnover, changes in the type of hazards causing occupational disease, completion of each checkup or occurrence of accidents of urgent occupational hazards. The Company routinely organized employees who were exposed to noise, dust, welding fumes, benzene, gasoline and other hazardous substance to attend pre-job and in-job medical examinations. In 2019, the Company had no record of occupational diseases, and the occupational health checkup rate of the employees who are exposed to occupational hazards was 100%. The Company had no occurrence of occupational diseases on employees.

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

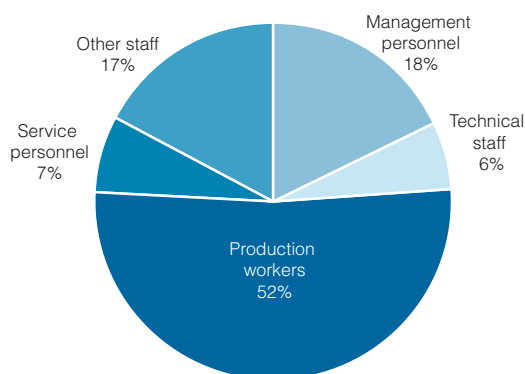
## 7 BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

QHD Port respects the rights and interests of employees, ensures equal pay for equal work, cares for vulnerable groups, helps employees in need, deepens corporate democratic management, provides smooth channels for complaints, carries out education and training for employees and builds harmonious labor relation.

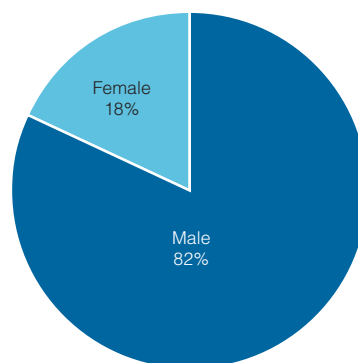
### 7.1 Safeguarding Rights & Interest of the Employees

In strict compliance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulations on the Implementation of the Labor Contract Law of the People's Republic of China* and other national laws and regulations, the Company comprehensively implemented the *Administrative Measures for Labor Contract* (《勞動合同管理辦法》), *Administrative Measures for Employee Recruitment* (《員工招聘管理辦法》) and the *Administrative Measures for Personal Matters* (《人事管理辦法》), entered into labor contracts with employees in accordance with the law, prohibited child labor and forced labor, adhered to the principle of fair employment, strengthened the workforce construction, standardized employee recruitment and labor contract management and promoted the rational allocation of employees to ensure the sustainable development of the Company's business with harmonious and stable labor relations. By the end of 2019, the Company had 11,304 employees, and the labor contract coverage reached 100%.

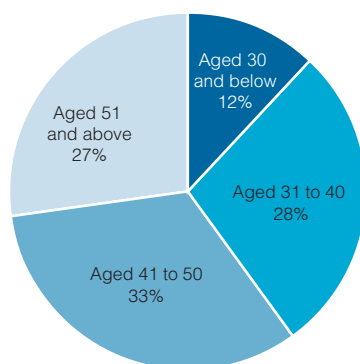
Number of Employees by Type



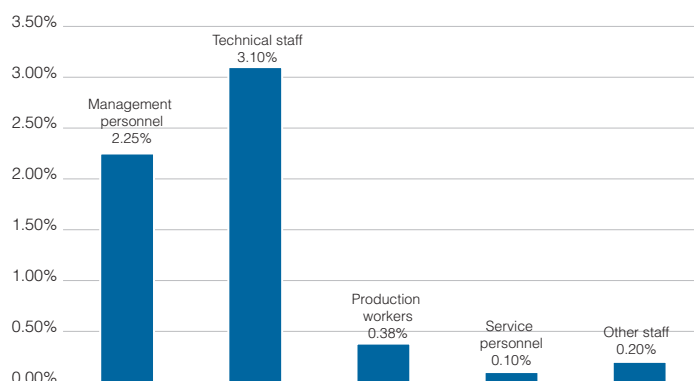
Number of Employees by Gender



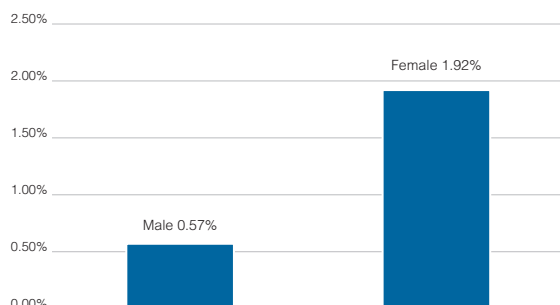
Number of Employees by Age



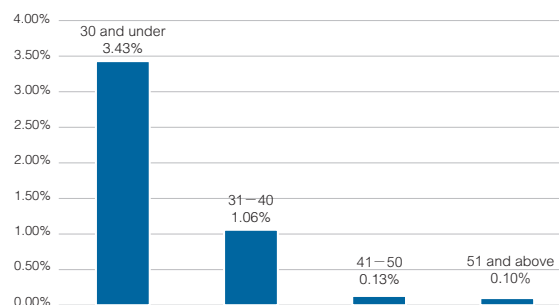
Employee Turnover Rate by Type



Employee Turnover Rate by Gender



Employee Turnover Rate by Age



Composite of Employees and Turnover Rates



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

With respect to employee compensation, the Company strengthened efficiency orientation, optimized the salary structure and distribution pattern, established and improved the incentive and restraint mechanism for middle management personnel, and revised and refined the *Administrative Measures for Employee Compensation* (《員工薪酬管理辦法》) and the *Total Salary Management Method* (《工資總額管理辦法》), steadily built a salary and efficiency linkage mechanism that coordinates salary and efficiency, and combines incentives with constraints to promote enterprise development. The Company, through the implementation of employee performance management system, matched the total salary, annual salary of middle management personnel with responsibilities, risks and contribution, linked to operation performance and coordinated with enterprise operation and development, so as to strengthen the timeliness and effectiveness of compensation incentives.

## 7.2 Supporting Career Development

In 2019, the Company reformed the traditional career development paths, comprehensively carried out career planning management, and formulated a review plan for the smooth connection and transition between the initial position identification and the current position of employees according to the *Administrative Measures for Employee Positions* (《員工職位管理辦法》) and *Administrative Measures for Employee Job Evaluation Committee* (《員工職位評審委員會管理辦法》) and other systems, so as to ensure the stability of the workforce and promote the initial position identification of employees in a smooth and orderly manner. In addition, QHD Port, from the perspective of its own reality, focused on the operation and development of the Company, envisaged internal resources advantages and conducted education and training programs integrating focus, multi-level and effectiveness by taking service, production and operation training as the foothold, and improved the stability, flexibility and integrity of the human resources team at the reform stage, to make training become a new driving force to unleash the vitality of talents. In 2019, the Company trained a total of 22,285 employees throughout the year. The average training hours per employee were 32 hours/person, among them, the average training hours for male employees were 26 hours/person and the average training hours for female employees were 6 hours/person. The average training hours per employee by employee category were: 6 hours/person for management personnel, 2 hours/person for technical staff, 17 hours/person for production workers, 2 hours/person for service personnel and 5 hours/person for other staff.

In 2019, in strict compliance with the *Administrative Measures for Staff Education and Training* (《員工教育培訓管理辦法》), the *Administrative Measures for Funding of Employee Education and Training* (《教育培訓經費管理辦法》) and other related systems, the Company built a talent team with superior ability and quality by centering on production. The Company organized a training work meeting for port transformation talents to discuss the market-oriented transformation of education centers and accelerated training of transformation talents, and formulated a plan for facilitating the education and training for port transformation staff with education centers; organized compliance and risk control training class for key personnel and a quality improvement training class featuring “body building, style practicing and strict discipline” for all staff. The Company constantly made innovations in training forms to promote the transformation and development of the Company to match with the structure of its talent team.

At the same time, the Company carried out the certification work for internal trainers recruitment and selection, offered training camp training for internal trainers, and passed on the teaching skills of internal trainers through the systematic teaching, demonstration, exercise and “one-to-one” guidance of professional lecturers to build an internal trainer team with sufficient quantity, complete expertise, and meeting the Company’s strategic development needs to effectively help all employees improve their work performance.



Quality improvement training for general management personnel



High-skilled seminars of “Grand Port Artisans” education center

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Innovation studios

In order to further improve the overall quality of the backbone team of innovation studios and promote the in-depth development of employee innovation activities, in May 2019, the Company organized an innovation studio construction, training, observation and exchange activities, with a total of more than 30 leaders from 16 grassroots innovation studios participated the activity.



Innovation studios activities

## Skills competition

In order to vigorously strengthen the construction of talent team, improve the overall quality of the workforce, and provide talent guarantee for the Company's transformation and upgrading as well as high-quality development, the Company carried out a series of activities in combination with actual production practice, including work competitions, staff skills competitions and post training, fostered a good atmosphere for employees to learn technology and to compete with each other, and made the competition performance an important basis for the promotion of employees' levels of skills, and fully mobilized the enthusiasm of employees to participate in technological transformation and innovation.



Staff skills competition



Comprehensive service of cable untying technology competition



Electrician skills competition



Motor vehicle driver skills competition

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Youth innovation and efficiency enhancement

The Company vigorously carried out youth innovation and efficiency enhancement projects. In 2019, the Company completed a total of 33 youth technology innovation projects and achievements in small inventions, small creations, small innovations, small designs and small suggestions, resulting in direct or indirect economic benefits of more than RMB2 million. In terms of skills training, the Company focused on the work of serving the youth and cultivating the youth, and launched the skills demonstration contest of “forging new skills for the youth and making a new journey for meritorious service transformation” to contribute to the Company’s high-quality development.

In addition, the Company focused on the cultivation and publicity of advanced youth models, vigorously promoted the collective construction of the “Youth Civilization”, deeply excavated the advanced deeds and outstanding models of young employees, and launched the appraisal and commendations of “Hebei Youth Star”, “Youth Instructor Group”, “Youth Post Star” and “Youth Post Expert” and other awards, inspiring young employees to keep making progress and striving for success.



Young employees skills competitions



Young employees carrying out technological innovation



English Contest of “Forging a new business engine and boosting international tourism port”

## 7.3 Democratic Management and Communication with Employees

The Company continuously deepened its corporate democratic management and protected the democratic management rights of employees. It convened a congress of employees annually, organized employee representatives to submit proposals, feedback the processing status to employees within the prescribed time limit, and regularly selected outstanding proposals to fully mobilize the enthusiasm, initiative and creativity of employees for building a harmonious and stable labor relationship. In order to further broaden the channels for employees to participate in management, the Company delegated material decision-makings involving employees’ own interests and corporate development to the joint meeting of the Company’s employee congress. In 2019, the employee representatives submitted a total of 51 proposals, focusing on the hot issues in the Company’s operation and management, corporate development, and key issues related to employees’ own interests.



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## 7.4 Caring for Employees' Life

The Company has adhered to the purpose of serving the employees wholeheartedly, organized a series of cultural and sports activities to enrich the spare time of employees, encouraged employees to increase their physical fitness, promoted the construction of corporate culture and spiritual civilization to further enhance the cohesion and centripetal force of its employees. In 2019, the Company carried out an essay activity under the theme of “praising new China, eulogizing new era”, holding art training classes for its employees, organizing an employees’ calligraphy and art photography exhibition for celebration of the 70th anniversary of the founding of New China, and a national calligraphy and painting photography exhibition for employees in transportation. In addition, the Company organized its employees to participate in the second employee badminton competition of Qinhuangdao City, and the employees’ speech competition under the theme of “Building Dream by Working” etc.



Marine sailing group building activity



Giving Spring Festival couplets away



Three-person basketball game



Badminton competition



Beach Flash Event



Classic Red Song Event

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Case: “Staying true to our founding mission” theme educational speech contest

On the occasion of the 70th anniversary of the motherland, the Hebei Province State-owned Assets Supervision and Administration Commission and its branches hosted “the educational speech contests under the theme of “70 years of magnificence, striving for a new state-owned enterprise” with “Staying true to our founding mission” at Qinhuangdao Port Club. A total of 29 players from 18 companies participated in the contest with a total of more than 800 employees attended the contest event together. The advancing contestants vividly reproduced the story and course behind the glorious achievements of the state-owned enterprises in Hebei since the founding of New China, centering on seven themes of “building dreams by working”, “original intention of founding the CPC” and “pillar of a great power “.



70th founding anniversary of PRC thematic educational speech contest

## Helping employees in need

In order to further consolidate the foundation of the Company's targeted assistance work, by combination with the actual work, the Company helped the employees in need to get rid of their difficulties and prevent poverty from returning to poverty. The Company also carried out the charity and caring activities with a total donations of RMB555,000; completed the reimbursement for basic-level difficulties at the grass-roots trade unions, with a total expenditure of RMB1,200,000; launched the 2019 “Golden Autumn Student Aid” activity to help 34 children of employees in need realize their dreams of studying at school. The total payment of assistance fund was RMB23,500.



Caring for employee in need

## Caring for employee health

The Company provides multiple insurances such as medical insurance for serious illness and family property insurance for employees to maximize the protection of employees' legitimate rights and interests. The Company contacted the Social Security Center and the Municipal General Service Center for Staff to complete the municipal mutual medical insurance renewal work for 10,977 employees, with a total expenditure of RMB548,900; finished the work of applying for and distributing subsidies for workers with disability every six months; and renewed employees' family property insurance.

The Company systematically arranged and deployed annual psychological counseling work, carried out special training and group training, built online and offline spiritual stations, and formed a work pattern in which psychological counseling and employees' ideological work are integrated and promoted mutually. In 2019, the Company invested RMB190,000 to purchase 6 types of psychological counseling equipment and devices, and built the first psychic coaching station; carried out 32 psychological counseling training sessions, trained 1,769 person-times, and launched an online psychic coaching station at which 4 special micro-classes for psychological counseling were uploaded. In addition, 110 employees participated in the theme group building activity of “starting the new west port to build a dream of becoming strong port” and experienced the “spiritual station” decompression and relief equipment.



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Protection of female employees' rights

The Company pays attention to the physical and mental health of female employees, safeguards the rights and interests of female employees, and listens to the demands of female employees. On the occasion of the International Women's Day in 2019, the Company carried out a vigorous walking activity for female employees under the theme of "enhancing environmental awareness and building a better home" which is aimed to organize female employees participate in collective walking, and guide female employees to focus on their own health through sports and fitness. The Company also organized female employees to participate in activities such as baking and flower arranging, which effectively relieved the psychological pressure of female employees and enriched their spare time.



Baking activities



Walking activities



Flower arranging activities

# BUILDING IN HARMONY, BEING A CHARITABLE PORT

## 8 BUILDING IN HARMONY, BEING A CHARITABLE PORT

QHD Port actively used its own professional and resource advantages to assume social responsibilities and devotes itself to public welfare, served local communities with practical actions, vigorously carried out public welfare activities such as poverty alleviation and volunteer services, improved the livelihood of the society, implemented targeted poverty alleviation, and continued to deliver our care and warm.

### 8.1 Implementing Targeted Poverty Alleviation

The Company carefully planned the deployment of poverty alleviation work, deeply implemented the strategic decision of “targeted poverty alleviation and targeted poverty assistance”, by combination of its own advantages and the actual situation in poor areas, it devoted itself to poverty alleviation work in Shimenzi Village, Guanchang Town, Qinglong County. Through various caring activities such as “poverty alleviation by consumer purchasing rather than donations” to activate the “hematopoietic muscle energy” of the village collective economy, stimulate the sustainable development of the village collective economy, and help the poor households get out of poverty for a long time.

In 2019, the Company donated RMB150,000 for Shimenzi Village’s “strengthening the construction of grassroots party committee and developing village collective enterprises” assistance project to help it form large-scale industries, and build “village collective economic consolidation and upgrading project”. The Company actively promoted the establishment of the village collective enterprise – Hongyu Agricultural Development Co., Ltd. (宏宇農業開發有限公司), which is mainly engaged in agricultural machinery contracting and leasing, agricultural product acquisition, processing and sales, and the Company invested RMB71,000 in the village collective enterprise for the purchase of small tractors and water pumps, etc. The poverty alleviation work is “rooted and sprouted” to solve the problems of continuous operation and subsequent development of village enterprises. At the same time, the Company carried out trial planting of miscellaneous grain crops, actively contacted leading enterprises to explore the profit linkage mechanism of poor households + collective enterprises + leading enterprises, and create a stable support for poverty households to get rid of poverty. The Company constantly explores the path and method of poverty alleviation in the village industry, so that the poverty alleviation industry can be rooted and developed to help poverty alleviation.



Poverty Alleviation Team preached the poverty alleviation work



Repairing communication broadcasting system



Poverty alleviation supervision



The village working team visited the village household

## BUILDING IN HARMONY, BEING A CHARITABLE PORT

### **Case: The volunteers visited the households who have filed for registration**

QHD Port's 24 employees established a paired support relationship with 97 poor households in Shimenzi Village who have filed for registration. The Company conducts dynamic management according to the changes of poor households and the beneficiaries, and produced and released "public signs" (公示牌) and "connected cards" (连心卡) for paired households. The volunteers strictly fulfilled the requirement of visiting once every two months. In 2019, such visiting activities were made in 6 phases, totaling 135 person-times. They visited 94 poor households and donated materials valuing more than RMB20,000. The volunteers had repaired the roof of the village house for the village committee from time to time, repaired power lines, agricultural equipment and home appliances, carried out voluntary haircuts and donated clothes; organized charitable donations, free clinics and other activities, donated RMB30,000 to the village primary school, more than RMB3,500 to the sick poor households and more than RMB2,000 drugs to the villagers; helped the poor households to clean up, and gave school supplies to the middle school students of the poor households; in addition, the volunteers also helped the poor households sell their agricultural products such as millet, eggs and walnuts.



The volunteers visited the poor family

# BUILDING IN HARMONY, BEING A CHARITABLE PORT

## 8.2 Building a Harmonious society

The Company actively fulfilled its social responsibilities, used its own professional and resource advantages to carry out volunteer service activities, serve local communities with practical actions, and inherit caring and responsibility, and promote the construction of a harmonious society. In 2019, the Company's volunteer service reached 10,828 hours.

In 1999, the Company established a youth volunteer association covering all the young employees of the Company, with the guiding ideology of "serving society, serving the overall situation, serving young people" and the service objective of "based on the port area and serving the society", the association carried out a wide range of voluntary activities in port production and operation and social welfare to give full play to the exemplary role of young volunteers. In 2019, the Company carried out more than 70 volunteer activities with more than 900 young volunteers providing such services.

In 2019, the Company launched the spring voluntary tree planting activity, planting over 100 saplings; in the summer tourist season, the Company established the summer volunteer service station in the name of "Port City Pioneer • Red Volunteer" (港城先鋒•紅色義工) at the Qinhuangdao Railway Station to provide services for passing tourists and citizens; actively participated in the "Qinhuangdao City Patriotic Health and Urban and Rural Environmental Cleanup Action", under which cleaned and volunteered publicity of old communities, beaches, streets, bus stops, etc. in Daonan; carried out the "Caring for the Elderly" (寸草心愛老敬老活動) activities, under which organized volunteers to the nursing home, medical care centers, retired staff service stations and other places where the elderly are concentrated every month to provide voluntary services such as sanitation cleaning, psychological caring, and repair of small household appliances.



Repair small appliances for citizens



Promote safe electricity usage for young children

### Case: Young volunteers cares for special groups

In 2019, the Company took the opportunity of Lei Feng Memorial Day and World Volunteer Day to carry out two youth volunteer service month activities, organizing volunteers to carry out sanitation cleaning and free clinics at places where elderly widows, autistic children and poor students are lived, and provide care to them.



Young volunteers visited the elderly apartment



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<b>B1 : Employment</b>		
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<b>B1.1</b>	Total workforce by gender, employment type, age group and geographical region	P27
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region	P27
<b>B2 : Health and Safety</b>		
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<b>B2.1</b>	Number and rate of work-related fatalities.	P26
<b>B2.2</b>	Lost days due to work injury	P26
<b>B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P23-26
<b>B3 : Development and Training</b>		
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<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P28
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<b>B4 : Labour Standard</b>		
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<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour	P27
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered	N/A
<b>Operation Practices</b>		
<b>B5 : Supply Chain Management</b>		
<b>General Disclosure</b>		P14
<b>B5.1</b>	Number of suppliers by geographical region	P14
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P14
<b>B6 : Product Responsibility</b>		
<b>General Disclosure</b>		P14
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
<b>B6.2</b>	Number of products and services related complaints received and how they are dealt with.	P14
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	P15
<b>B6.4</b>	Description of quality assurance process and recall procedures.	N/A
<b>B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A

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<b>B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees	P9
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<b>Community</b>		
<b>B8: Community investment</b>		
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# FEEDBACK QUESTIONNAIRE

Dear readers,

Thank you very much for taking time out of your busy schedule to read the 2019 Corporate Social Responsibility Report of Qinhuangdao Port Co., Ltd.. We sincerely expect your opinions and suggestions about this report and our work. You may send by post, e-mail a scanned copy or fax the completed feedback questionnaire to us, or you can directly call us to put forward your precious opinions. Thank you!

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1. What kind of stakeholders of Qinhuangdao Port Co., Ltd. does your employer belong to?  
☐ Shareholder   ☐ Employee   ☐ Supplier   ☐ Customer   ☐ Government   ☐ Community  
☐ Academic Institution   ☐ Others (Please specify)
2. Have you ever read the Corporate Social Responsibility Report or Sustainability Report of Qinhuangdao Port Co., Ltd. (If your answer is No, please skip Questions 3, 4 and 5):  
☐ Yes   ☐ No
3. If yes, have you read a paper version or electronic version?  
☐ Paper version   ☐ Electronic version
4. Do you expect to read a paper version or electronic version?  
☐ Paper version   ☐ Electronic version
5. Your comprehensive evaluation on 2019 Corporate Social Responsibility Report:
  - Readability (Popular and easily understood expression, beautiful design, attractive content, and easy to find the desired information)  
☐ 3 (Good)   ☐ 2 (Average)   ☐ 1 (Poor)
  - Creditability (The reporting information is authentic and reliable)  
☐ 3 (Good)   ☐ 2 (Average)   ☐ 1 (Poor)
  - Information Integrity (Both the positive and negative information is considered, and your need for information can be satisfied)  
☐ 3 (Good)   ☐ 2 (Average)   ☐ 1 (Poor)

Apart from the information already disclosed in the report, what else information do you expect more to read?

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April 2020