



青島港國際股份有限公司

QINGDAO PORT INTERNATIONAL CO., LTD.*

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

Stock Code: 06198.HK 601298.SH

2020

SUSTAINABILITY REPORT



***For identification purpose only**

ABOUT THE REPORT

Reporting Introduction

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

Reporting Period

From 1 January to 31 December, 2020, certain statements and data have exceeded the above period.

Reporting Coverage

This report covers the Company, its branches, holding subsidiaries, certain joint ventures and associated companies.

Reporting Publication Cycle

This report is published annually.

Reporting Data Explanation

The data disclosed in this report comes from internal statistics of the Company or manual sorting. Unless otherwise stated, the amount of money involved in this report is denominated in RMB.

Reporting Reference Standard

This report refers to the *Guidelines on Environmental Information Disclosure for Listed Companies* of the Shanghai Stock Exchange, the *Guidelines for Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited (“HKEx”) and *Sustainability Reporting Standards* of the Global Reporting Initiative (GRI), which are based on the industry background, highlighting the characteristics of the enterprise.

Reporting Language

The Report was published in three languages: simplified Chinese, traditional Chinese and English. In case of ambiguity, the simplified Chinese version will prevail.

Access to the Report

This report is available in electronic form and you can download this report at the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the HKEx (www.hkexnews.hk) or the website of the Company (www.qingdao-port.com).

Related Instructions

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

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

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Chairman's Statement

2020 saw a magnificent and quite extraordinary development history of Qingdao Port. This year, Qingdao Port went through ups and downs brought by COVID-19, ensured the well-being and witnessed a strong motherland and a thriving seaport. In order to build an intelligent and green port, we kept breaking new ground and establishing pilot sites to lead the development of ports. On our way to make Qingdao Port a logistics hub, we jointed the sea-and-rail transportation, and achieved growth in this hard time with our perspiration and confidence. "Liangang Innovation Team" as "Role Model of the Times" and other honors embody craftsmanship spirit of Chinese, our sci-tech service to the country and charm of Qingdao Porters.

During this tough time, Qingdao Port overcame the challenges faced and achieved growth in its operating performance. Leveraging the resources and business collaboration under a large platform of Shandong ports, we constantly improved our whole industry chain services, enhanced sustainable development capacities of ports and made steady growth in business performance to actively respond to the challenges posed by the complex and volatile international, domestic and industrial situations as well as the epidemic. In 2020, the Group completed cargo throughput of 540 million tons and the container throughput reached 22.01 million TEUs, representing an increase of 4.5% and 4.7% respectively as compared to the same period in the prior year. The Company's net profit attributable to shareholders of the Company was RMB3.842 billion, representing an increase of 1.36% as compared to the same period in the prior year. The Company was committed to efficient operations to bring returns to the shareholders and created value for our society.

The Company consolidated the governance and strengthened compliance operations. We insisted on our compliance with governance rules, enforcing governance according to the law and integrity management. The Company strictly abided by business ethics and was committed to building compliance systems in many fields such as commercial corruption, project and financial fraud, tax dodging, infringement of IP rights, and

strengthened risk control in such fields. The Company continued to develop a culture of compliance. Through training, publicity, assessment and other methods, the Company continuously strengthened the compliance awareness of management and employees and raised the compliance management level. We also valued communication with investors, customers, suppliers and other stakeholders to respond to their reasonable demands and consolidated the mutually beneficial and harmonious development relationship with various stakeholders.

We accelerated transformation and expanded our development. We jointed the sea-and-rail transportation. In terms of seaway, we combined sea ports to create a transfer network covering Northeast Asia ports and opened up north-to-south domestic trade transfer channels; in terms of railway, we optimized the layout of inland ports, added sea-rail combined freight trains and sped up the transformation from a gateway port to a hub port. The Company took full play of the advantages as an integrated hub in logistics chain, commodity flow, capital flow, information flow and others, to coordinate ports and other social resources and build an "end-to-end" global logistics supply chain. The Company provided comprehensive services for clients, expanded new models and new spaces, for the maintenance of a sustainable development for the port operation performance, accelerated the transformation of our port from a logistics port to a trade port. The Company highlighted the control of service quality and launched online service processing channels to achieve high efficiency and customer satisfaction.

We promoted the green development and guarded our sapphire sky and coast. Centering on green development, we formulated middle- and long-term plans to build green ports and took actions covering energy conservation and consumption, optimization of collection and distribution modes, intelligent construction and pollution control to build a world-class smart and green port. Climate change is a global concern and a high focus of the Company. To cope with the climate change issues, we

improved energy service efficiency by means of advanced technology, sophisticated management and big data analysis, and reduced greenhouse gas emissions by optimizing energy structures, using more clean energies instead of traditional ones. The Company continued to increase investment in environmental protection. We built wind proof and dust suppressing walls, added dust removal equipment, completed wastewater treatment and recovery to minimize pollution in running the operations of our ports.

We respected our employees and shared them with achievements. Employees are the most valuable resources of the Company, and their safety and occupational health are the most concerned. We always put our employees first and ensure their safety. In addition, we promoted intrinsically safety management and took precise measures for the epidemic control to construct a safety port. The Company has made a sound employee training system to improve technical skills and comprehensive quality of our employees, paved their ways for vocational development for a bright future. The Company protected employees' legitimate rights and interests and cared for their lives. In addition to the statutory contributions, the Company provided supplementary medical insurance for employees, as well as other various benefits and entertainment activities to promote a sense of belonging and happiness for our employees.

The Company insisted on giving back to society. We always remember that if there are no supports from all sectors of the community, Qingdao Port will not succeed. It's our duty to give back to the society. In 2020, we followed the national policy of "win the battle against poverty" and implemented targeted poverty alleviation to drive the regional economic development. We concerned about the demands of surrounding communities and took an active part in public service activities, such as marine rescue and community assistance, to make full use of our resources and show our responsibilities. The Company advocated and encouraged volunteer groups and individuals in the Company to participate in social activities, deliver positive energy, and promote the harmonious development of the Company and society.

Looking forward to 2021, the Company will focus on the vision of building a world-class marine port, always follow the Company's strategy and take major strategic opportunities like "SCO Economic and Trade Demonstration Zone", "Shandong Free Trade Zone" and the signing of *Regional Comprehensive Economic Partnership Agreement* (RCEP). In addition to centering on main services of port, we will continue to reform and invest more in development of emerging trends, improvement of industrial chain and layout of supply chain, and accelerate the construction of a world-class logistics hub port, and a smart and green port. The Company will comprehensively improve business performance and management efficiency, build an international shipping hub in Northeast Asia, and continue to promote a high-quality development of the port.

It is the right time for us to stride a new journey and vigorously develop our business. The goal of accelerating the development of a world-class marine port embodies the sweat, wisdom, longing and dreams of generations of Qingdao Porters. We will inherit the cultural genes and good traditions of Qingdao Port, and insist on the new development concepts of "innovation, coordination, green, openness and sharing". We will explore a sustainable development model suitable for the Company, face challenges from global environmental and social issues, work together with all stakeholders to create a brighter future and make contributions to goals of the 2030 United Nations ("UN") sustainable development goals (SDGs).

Jia Funing
Chairman
April 2021



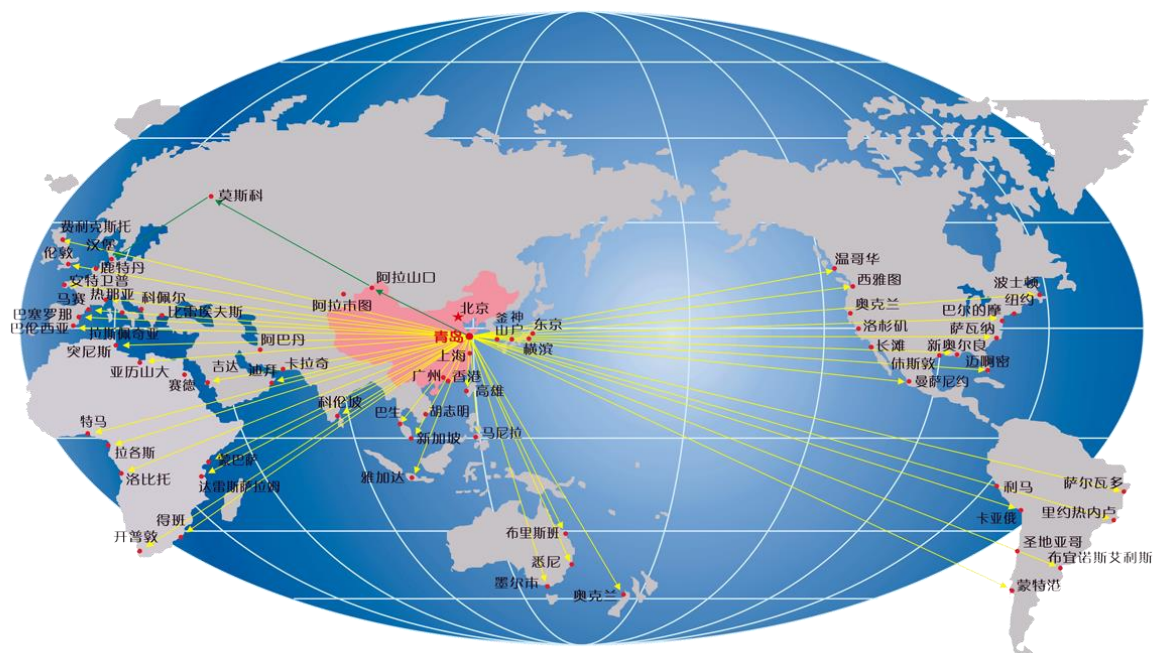
About Us

(I) Company profile

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

The Company, established on 15 November 2013, was listed on the main board of the HKEx on 6 June 2014 and was listed on the main board of the Shanghai Stock Exchange on 21 January, 2019. The Company is a primary operator of the Port of Qingdao and operates four port areas in Qingdao, including Qianwan Port, Huangdao Oil Port, Dongjiakou Port and Dagang Port. It is mainly engaged in the provision of stevedoring of various cargoes such as containers, metal ore, coal, crude oil and the ancillary services, logistics and port value added services, port ancillary services and financial services.

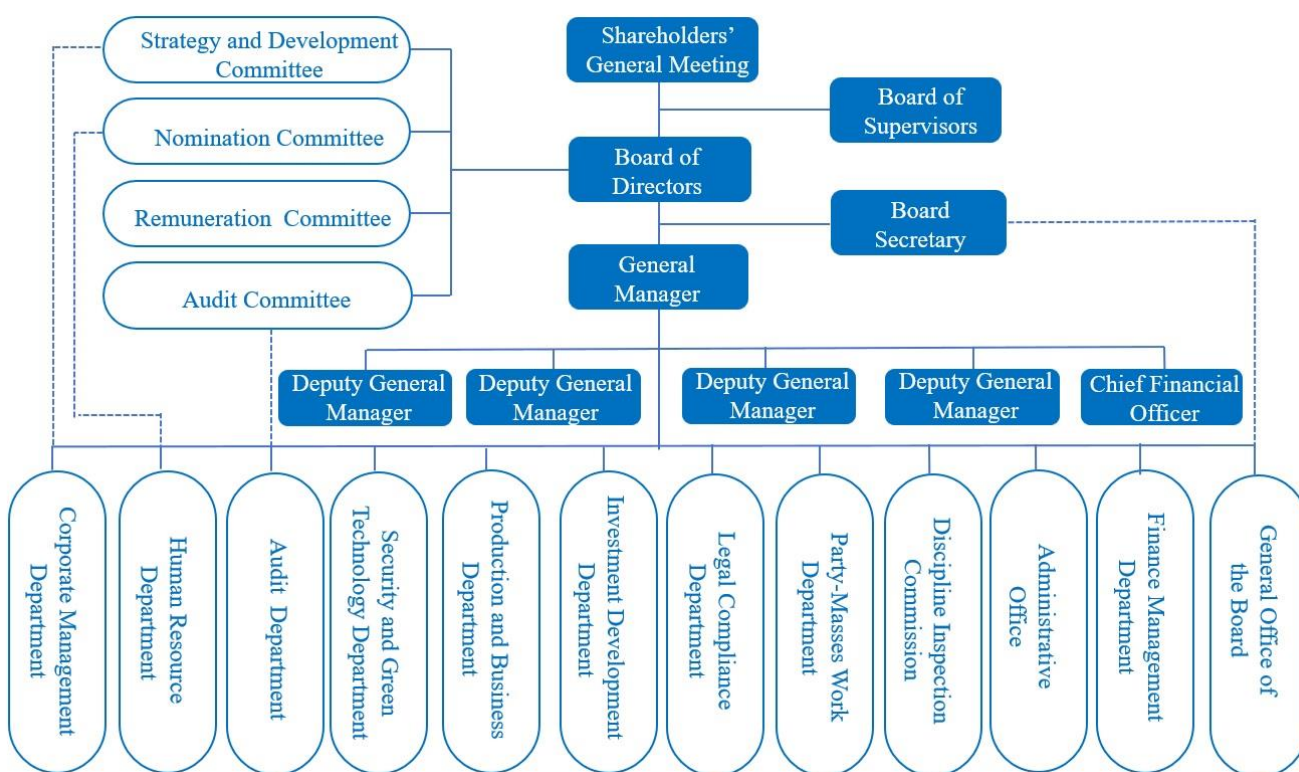
As of 31 December 2020, the Company operated 90 berths at the Port of Qingdao, which included 60 berths dedicated to handling a single type of cargo and 30 general berths capable of handling metal ore, coal and other general cargo. Leveraging natural deep-water advantage and industry leading facilities and equipment, the Company can accommodate the world's largest container vessels, iron ore vessels and oil tankers. The Company took full advantages of its port resources, reasonably planned its investment portfolio, and established a diversified enterprise group covering terminal, logistics and financial businesses. In 2020, the gross berth productivity (GBP) of Maersk ships in Qingdao Port continued to rank first in the world. Our fully automated container terminal set a world record with the average unit operating efficiency of 47.6 units/hour, and the unit handling efficiency of iron ore was kept at its maximum of 3,200 tons/hour.



(II) Corporate governance

Governance structure

We firmly believe that a favorable governance structure is the strong guarantee for sustainable development of the Company. The Company has established a governance structure with “three boards and one senior management” including shareholders’ general meeting, board of directors, supervisory committee and senior management, which undertakes their designated responsibilities independently and concertedly to fully perform duties. As of the date of this report, the Company’s governance structure is as follows:



Risk management and internal control

The Company made great efforts in realizing and perfecting the construction of modern enterprise system, made a complete set of management systems, including *Internal Control Management System*, *Comprehensive Risk Control System* and *Internal Audit System*, and established and maintained an effective risk management and internal control system.

In 2020, the Company took a specific action on “identify risks, enhance internal control” to identify internal/external risks, summarize critical risk factors and make risk assessment one by one. By doing this, rules and regulations and internal control measures were improved, and the steady running of the Company was guaranteed. The Company carried out self-evaluation on internal control, commissioned a third-party audit agency to conduct internal control audits, and continued to enhance risk prevention and control capabilities. Moreover, we further completed the evaluation information system of internal control, updated functions of report sending, viewing and filing of historical information, so as to check timely the evaluation results of internal control, track correcting progress of internal control defects and improvement internal control.

In 2020, the Company focused on strengthening internal control and establishment of internal audit team. We built an audit center and strictly controlled the financial audit. In order to improve comprehensive quality of management, we invited third parties to conduct training on internal control management and organized related personnel to attend the training conducted by provincial or municipal Institute of Internal Auditor. The Company urged subordinate companies to carry out training on internal control and internal audit, so as to comprehensively strengthen internal control at all levels of the Company and internal auditors’ working ability,.

In 2020, the Company organized a series of training on corporate governance. The training was designed for directors, supervisors, senior management, middle management, key personnel of business and management of related disciplines and made in stages addressing requirements of laws and regulations, regulatory rules for listing and governance systems and raising compliance awareness of all employees.

In February 2020, the Company carried out a training on listing compliance governance to enable the securities regulatory requirements clear to directors, supervisors, senior management, middle level management, and elaborate their duties & obligations and to enhance their awareness of governance.





In July 2020, the Company carried out a training on related transaction management practice under listing rules. This training was designed to improve the ability of relevant management to understand and perform the related transaction regulatory requirements under listing rules.

In August 2020, the chairman of the company, Mr. Jia Funing, met with the investigators of the China Securities Regulatory Commission and reported the Company's work in regulating the governance of listed companies.





In August 2020, the Company carried out the training on internal control and invited internal control experts from external professional agency to give instructions. Middle level management and internal control supervisors of the Company attended this training.

(III) Honesty

Incorruptible employment

The Company attaches great importance to the incorruptible employment of the management at all levels. The Company abides by the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and other relevant laws and regulations, formulates and implements management methods including *Measures for Implementing "Three Majors and One Greatness" Decision-making System (Trial)* and the *Integrity Risks Prevention and Control Management Implementation Plan* to enhance the supervision of power operation process. The Company organizes management at all levels and employees to sign *Document to Exercise Full and Strict Governance over the Party*, to fully strengthen integrity supervision over them. The Company highlights education on Party discipline and laws and regulations and organizes Party members and management to learn President Xi Jinping's words on exercising full and strict governance over the Party and laws & regulations and regulated documents about incorruptible employment by means of Learning of Theoretical Central Group of Party Committee, Monthly Law Study by Middle Management and above, "the system of holding Party branch general meetings; meetings of Party branch committees; Party group meetings; and Party lectures", to build a faithful, clean and responsible management team. In 2020, all our employees had received the integrity education, with a coverage of 100%.

The Company attaches great importance to management of anti-corruption and anti-money laundering and formulates *Measures for Administration of Examination and Approval of Payment* which standardizes all kinds of fund payment procedures, approval authority and related requirements, strictly manages the fund payment process, and prevents corruption, money laundering and other illegal risks.



CASE



Meeting on Construction of the Party Conduct and a Clean Government



Signing of Document to Exercise Full and Strict Governance over the Party

The Company strengthens construction of a “clean port” to prompt warning education on a regular basis. The Company collects typical cases regularly and reminds our employees to keep honesty in mind all the time and raise their awareness of integrity risks. In 2020, the Company held meetings on warning education, organized employees to watch films concerning Construction of the Party Conduct and a Clean Government and warning education, such as “*Staying True to the Original Aspiration*” and made a tour to Warning Education Centre of Shandong Port. To lay the roots of integrity in heart of Qingdao Porters, we opened tender for warning education videos on “Learn from cases, keep ringing the alarm bell”, launched “Integrity with Me” and “Clean Qingdao Port” activities.



CASE



Warning Education Thematic Meeting



Tour in Warning Education Centre of Management

The Company invested more in supervision and inspection of incorruptible employment, and opened reporting channels such as mailbox for letters, oral report, call in and the Internet, to timely handle reporting cases. Supervisions were given to key fields like bidding & purchasing, engineering construction, key links and posts to avoid integrity risks. In 2020, the Company hired external supervisors for Construction of the Party Conduct and a Clean Government to improve the supervision capability of the public. In 2020, there was no corruption lawsuit that is either filed or concluded against the Company and our employees.

Honest operation

The Company adheres to the honest operation principle to launch a business and always follows the public order and good morals, and respects the property right, IP right and other legitimate rights and interests of all enterprises, organizations and individuals concerned to maintain social and economic order.

We always keep paying taxes according to law in mind, fulfil statutory obligations and timely pay taxes in full. Since 2017, the Company was rated as “A-level taxpaying enterprise” for consecutive 4 years, and the tax amount ranked ahead of the companies in Qingdao City, contributing a lot to local economic and social development.

We strictly abide by *Contract Law of People’s Republic of China*, which is now covered in the *Civil Code of the People’s Republic of China* implemented on 1 January 2021, abide by contract commitments and perform contracts. In the process of contract signing, implementation and management, the Company, through equal consultation, communication and coordination, guarantees the interests of itself and its customers or suppliers and tries our best to achieve win-win cooperation.

The Company insists on participating in market competition with the method of fairness, justice, equality and mutually benefit, and abides by the *Price Law of the People’s Republic of China*, *Law of the People’s Republic of China on Ports*, *People’s Republic of China Anti-Monopoly Law*, *Anti-monopoly Regulation* and other laws and regulations and provisions on related policies. We actively implement anti-monopoly measures, standardize operation activities in ports and ensure clients’ rights to select services by their own choice. Moreover, we share information with others to push forward the market opening.

The Company attaches great importance to the credit construction, obeys credit business rules, and pays attention to the legitimate rights and interests of creditors. In 2020, Dagong Global Credit Rating Co., Ltd., evaluated the Company’s main credit rating and bond credit rating as “AAA”.

Responsibilities of shareholders

The Company earnestly performs its obligation of information disclosure, adheres to disclosing information in an authentic, accurate, complete, timely and fair manner to ensure that the information disclosed is free from false records, misleading statements or major omissions, and continuously improves the quality of information disclosure. The Company regards the investor relation as an important part of management and governance of a good enterprise. Board secretary is generally responsible for overall coordinating and arranging investor relations. The General office of the Board is responsible for the implementation of the specific work and wholeheartedly provides thoughtful and meticulous services to investors. In 2020, the Company disclosed 98 A share announcements and 82 H share announcements in total, fulfilling information disclosure obligations as required.

In recent years, we continued to maintain steady growth in operating performance to create good returns for investors. The Company allocates no less than 40% of the profits available for distribution to cash dividends each year and has paid out cash dividends of about RMB6.2 billion since its listing to provide favorable returns for shareholders. The Company values a lot the protection of legitimate interests of minority and medium shareholders. After soliciting opinions and suggestions from minority and medium shareholders, we revised the *Articles of Association*, in which minority and medium shareholders can act as collectors and clients for shareholder voting rights. The *Articles of Association* would be officially implemented after approval by the Shareholders’ General Meeting. In addition, the Company constantly improved rules and regulations on information disclosure, and formulated a complete set of management systems, such as Administrative Measures for Information Disclosure, Rules for Implementation of Investor Relations and Rules for Implementation of Related Transactions Management. The sophisticated governance systems guarantee that all shareholders, including minority and medium shareholders, exercise their rights fairly, equally and effectively, and well upheld their legitimate rights and interests.

The Company regards the investor relations as a long-term systematic work and builds a link with investors. Through regular publications like *Trends of Capital Market* and *Information for Directors*, management of the Company can get such information as trends of capital market, supervision rules, business situation and investors’ concerns in time. We will timely disclose important meetings, decisions, arrangements and other key matters to the public according to the listing rules of Shanghai Stock Exchange and HKEx and information disclosure requirements, to answer the concerns of the capital market and expectations of investors, and deliver

our governance concept. By building a bi-directional information exchange channel among the Company, investors and regulators, it keeps the Company's business open and transparent and improves the management quality of investor relations.

In 2020, the Company updated the special column of investor relations on the website and accommodated well-known financial terminals such as Eastmoney, Royal-Flush Finance and other platforms. The Company published visual reports which were reprinted by many domestic and foreign media, such as Global Finance and Qingdao Daily, increasing attention and influence of the Company in capital market.



Updated column of investor relations

“Enterprise” column of Qingdao Port

In 2020, due to limitation of epidemic prevention and control, we communicated with investors by many ways, such as online reception day of investors in Qingdao, net roadshow, e-platform, teleconferencing, investor hotline and company's email, and conducted in-depth exchange with more than 50 investment organization and 100 investors and analysts through 37 investor teleconferencing, promoting communication with investors.



Attending the online collective reception day for investors

(IV) Honors

In January 2020, QQCTN won the “Courage to Innovate Award” issued by the Shandong Provincial Party Committee and the Shandong Provincial People’s Government.



In January 2020, Guo Lei, an employee of the Company got the title of honor “Mount Tai Industrial Experts Program” issued by the Shandong Provincial People’s Government.

In January 2020, Du Yong, an employee of West United Company got the title of honor “National Excellent Migrant Workers” awarded by the Leading Group for Migrant Workers of the State Council.

In February 2020, QQCTN and Qingdao Shihua were awarded as “Shandong Advanced Collective for Transportation System” by the Human Resources and Social Security Department of Shandong Province and the Shandong Provincial Department of Transport.



In March 2020, Qingdao Port Tongan Security Service Co., Ltd., a wholly owned subsidiary of the Company, was awarded as “Advanced Collective in Epidemic Prevention and Control” by Shandong Provincial State-owned Assets Supervision and Administration Commission.



In April 2020, QQCTN and Qingdao Shihua won the “May 1 Labor Medal of Shandong Province” issued by the Shandong Federation of Trade Unions.



In May 2020, Zhu Lin, an employee of QQCTN, was awarded as “National Youth Post Experts (Pacesetters)” by the Central Committee of the Communist Young League and Ministry of Human Resources and Social Security of the People’s Republic of China.

In May 2020, the Youth League Branch of Mobile Machinery Team in Dagang Branch was awarded as “May 4 Red Flag Youth League Branch” by the Central Committee of the Communist Young League.



In June 2020, Zhang Liangang, the leader of “Liangang Innovation Team”, was awarded as “Labor Model of National Transportation System” by the Ministry of Human Resources and Social Security of the People’s Republic of China and the Ministry of Transport of the People’s Republic of China.

In July 2020, Gao Lei, an employee of Qiangang Branch, was awarded as “National Youth Post Experts” by the Central Committee of the Communist Young League and the Ministry of Human Resources and Social Security of the People’s Republic of China.

In August 2020, the “Liangang Innovation Team” was awarded as “Model of the Times in Qilu” by the Publicity Department of the CPC Shandong Province Committee.

In August 2020, total 3 achievements including “Online Monitoring and Control System of Heavy-duty Equipment Status in Ports” were awarded as “First Prize of National Equipment Management and Technology Innovation Achievements” by the China Association of Plant Engineering.

In September 2020, the “Liangang Innovation Team” was awarded as “Annual Characters in Transportation Industry Touched by Shandong” by the Shandong Provincial Department of Transport.

In October 2020, the QQCT Chinese Communist Youth League Committee was awarded as “Shandong May 4 Red Flag League Organization” by the Shandong Provincial Committee of the Communist Youth League.

In October 2020, the West United Company was awarded as “Advanced Collective in Fight against COVID-19 of National Transportation System” by the Ministry of Transport.



In November 2020, Li Yongcui, a core member of “Liangang Innovation Team” and Sun Rixin, an employee of Dagang Branch, were awarded as “March 8 Red Flag Bearer” by Shandong Women’s Federation.

In November 2020, the Company was awarded as an advanced unit in the 11th “2020 100-day Forum on Investors Education and Protection” activity in Qingdao Province.

In November 2020, the Company was awarded the “China Business Top 100 in 2020” by the summit forum of China Business Top 100 for listed companies.

In November 2020, Wang Jiaquan, an employee of the Company, won the title of “2020 National Model Worker”.

In December 2020, QQCTU was awarded as “AAAA China Green Port” by the China Port Association.



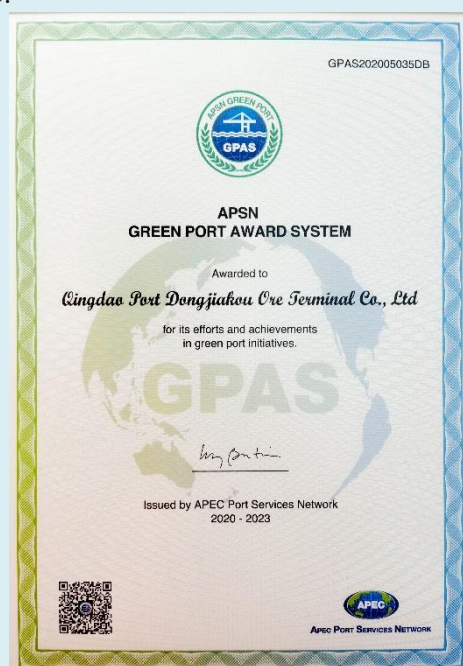
In December 2020, Du Yong, an employee of the Company, won the honorary title of “Qilu Craftsman” issued by the Shandong Federation of Trade Unions.

In December 2020, the Company was awarded as “The Golden Bauhinia - the Best Listed Companies”.

In December 2020, the Youth League Committee of Qingdao Ocean Shipping Tally Company was awarded as “the Best Voluntary Service Organization” in the Qingdao Learning From Lei Feng Voluntary Service by the Qingdao Office of Spiritual Civilization.

In December 2020, the “Liangang Innovation Team” won the honorary title of “Role Model of the Times” issued by the Publicity Department of CPC.

In January 2021, QDOT was awarded the “Asia Pacific Green Port” by the Asia Pacific Port Service Organization.



In January 2021, the Company won the “Best Infrastructure and Public Utility Company” award on the Golden Hong Kong Stocks.

In January 2021, the Company was selected as “2020 China Top 500 Listed Company Brands” by China-Asia Economic Development Association.

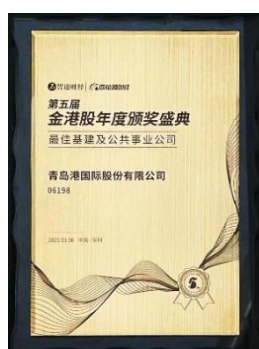
In March 2021, Li Yongcui, a core member of “Liangang Innovation Team” won the honorary title of “March 8 Red Flag Bearer in 2020” issued by All-China Women’s Federation.

Best Infrastructure and Public Utility Company

In January 2021, the Company won the “Best Infrastructure and Public Utility Company” award on the “Fifth Golden Hong Kong Stocks Annual Awards Ceremony”. The award aims to commend the Company that have a healthy corporate governance structure, a prominent industry position, and a good main business that can provide investors with continuous and stable value returns.

China Business Top 100 in 2020

In November 2020, the 20th Summit Forum of China Business Top 100 and the 6th Forum on Comprehensive Development of China Cities Top 100 were held in Beijing. The Company was awarded the “China Business top 100 in 2020” for its development quality and excellent profitability.



2020 China Top 500 Listed Company Brands

In January 2021, the Company was selected as “2020 China Top 500 Listed Company Brands” in the Brand Equity Evaluation jointly launched by Asiabrand Group, Brand Management Committee of China-Asia Economic Development Association, Asiabrand Web and ABAS Committee.

2020 Golden Bauhinia Awards

In December 2020, the Company was awarded “The Golden Bauhinia”, the Best Listed Companies for its outstanding performance on the 10th Hong Kong International Financial Forum and China Securities “Golden Bauhinia Awards” Ceremony. This award aims to recognize the companies that have made outstanding contributions to the national economic development.

An aerial photograph of a large, busy port. In the foreground, there are stacks of colorful shipping containers (blue, red, green, yellow) and several red gantry cranes. The middle ground shows more cranes and ships docked at the pier. The background features a clear blue sky and a distant city skyline across the water.

Sustainable Development Strategy and Governance

Sustainable development concept

The Company, as the main operator of the port and one of the world's largest comprehensive ports, will adhere to the new development concept of "innovation, coordination, green, openness and sharing" and go deeper in reformation. In addition to main business of the Company, we will put more efforts into emerging models, smart and green development and enterprise management to improve business performance and management efficiency. Moreover, we will focus on the vision of building a world class marine port and build an international shipping hub in Northeast Asia at full steam. In pursuing economic benefits, we value a lot in the fulfillment of social responsibility, compliance operation, environmental protection, employee care, support of public welfare and contribution to society. We are committed to promoting the sustainable development of enterprises, employees, society and the environment.



(I) Governance structure for sustainable development

We have set and optimized a sustainable development management system to push forward work concerning sustainable development. Relying on the existing management structure, we have built a governance structure led by the Board of Directors with the participants of management, various functional departments and subsidiaries. The board of directors of the Company makes decisions on and manages major issues related to the sustainable development strategy. Management, various functional departments and subsidiaries are responsible for the specific implementation of all aspects of the sustainable development, such as security, production, employees, environment and society. We have put in place a linkage mechanism among headquarter of the Company, each of its branches, holding subsidiaries and joint ventures to fully coordinate the sustainable development of all units.

Development Vision

Building a world-class marine port with "connecting the world by sea and land and gaining a worldwide reputation"

Development Mission

Serve the national development strategies
 Serve the high-quality development of Shandong Province
 Serve shareholders, customers and employees



Core Values

Unite and work as one
 Devoted and faithful
 Innovation and development
 Strive for excellence



Development Concepts



Innovation, coordination, green tech, openness and sharing



Development Principles

Focus on main operations,
 Prioritise business performance,
 Efficiency first,
 Safety foremost

(II) Action on implementation of UN sustainable development goals (SDGs)

| Type | SDGs | Practice and performance |
|----------------------|---|---|
| Corporate governance |  | <ul style="list-style-type: none"> ◆ The Company built a high-level risk management and internal control system; ◆ The Company was rated as “A-level taxpaying enterprise” for continuous 4 years; ◆ All our employees had accepted the integrity education, with a rate of 100%; ◆ The Company was selected as “China Top 500 Valuable Brands” issued by World Brand Lab; ◆ The West United Company was awarded as “Advanced Collective in Fight against COVID-19 of National Transportation System” by the Ministry of Transport; ◆ The Company was awarded the “China Business Top 100 in 2020” for listed companies issued by the 20th Summit Forum of China Business Top 100, “The Golden Bauhinia - the Best Listed Companies” awarded by <i>Ta Kung Pao Newspaper</i>, and the “Best Infrastructure and Public Utility Company” issued by Zhitong Finance and Royal-Flush Finance; ◆ Qingdao Shihua Company won the “Benchmarking Enterprise for Equipment Full Life-cycle Management” issued by the China Association of Plant Engineering. |
| Quality services |  | <ul style="list-style-type: none"> ◆ “Liangang Innovation Team” built the world’s first “Hydrogen energy + 5G” smart ecological terminal and the world’s leading fully automated container terminal through independent innovation, the single crane operation efficiency of the bridge crane reached 47.6 units/hour, which broke the world record of automated terminal handling held by itself for the 6th time; ◆ We made a structural reform at service supply-side reform of ports and provided customers with comprehensive “door-to-door” logistics services; ◆ The Group completed a total of 530 sci-tech projects and applied for 2 international patents and 95 national patents including 7 invention patents. In addition, the Company got 10 Science and Technology Awards issued by China Institute of Navigation and China Port Association; ◆ The settlement rate for customer complaint was 100%; ◆ We made a service quality management system and established a standardized customer service process to ensure the customer service quality; ◆ The leaders of the Company visited the customers, held various customer seminars, widely solicited opinions and suggestions from customers to respond to customer concerns; ◆ Publicity Department of CPC published the advanced deeds |

| Type | SDGs | Practice and performance |
|--------------|---|---|
| | | <p>of Qingdao Port “Liangang Innovation Team” and awarded them the honorary title of “Model of the Times”. This team also got the “Outstanding Team of Science and Technology Contributions” and other awards issued by China Institute of Navigation;</p> <ul style="list-style-type: none"> ◆ The “Online Monitoring and Control System of Heavy-duty Equipment Status in Ports” and the other 3 projects were awarded as “First Prize of National Equipment Management and Technology Innovation Achievements” by the China Association of Plant Engineering; ◆ QQCTN won the 17th Golden Reel Award for Freight Transport - “the Best Smart Service Container Port” issued by the China Shipping Gazette. |
| Supply chain |  | <ul style="list-style-type: none"> ◆ Put the whole process for tendering and bidding online, greatly improving the procurement efficiency; ◆ Strictly checked supplier’s information and required suppliers to issue letters of good faith commitments to avoid risks of corruption and bribery during the procurement; ◆ Established a sophisticated mechanism for daily management, regular evaluation and annual review of suppliers. |
| Environment |  | <ul style="list-style-type: none"> ◆ Built a wind proof and dust controlling wall and installed automatic spraying systems at bulk cargo yards and ports to prevent dust pollution; ◆ Established a network system to monitor the ambient air quality in real time for smart control of environment; ◆ Installed fully enclosed crane pipes and oil gas recovery equipment during loading of crude oil and applied two-stage purification process of “copious cooling + activated carbon adsorption”, realizing an oil gas processing efficiency over 97%; ◆ Improved hybrid power of tyre crane and replaced the original high-power oil-fired generator set with “high-capacity lithium battery pack + low-power oil-fired generator set” to reduce energy consumption for production; ◆ Carried forward trial application of new energy and built a PV power generation project covered 6,000 m² on roof of the refrigeration house, with an annual energy output of over 800 thousand kWh; ◆ Expanded the application of clean energy and applied hydrogen-powered automatic rail crane + hydrogen-fueled container trailer in pilots; ◆ Provided shore-based power supply facilities at all berths, with a coverage of 100%, further improving the use of green energy; ◆ Recycled dust-contained sewage after it was collected and |

| Type | SDGs | Practice and performance |
|-----------|---|---|
| | | processed to meet the recycle standard. |
| Employees |  | <ul style="list-style-type: none"> ◆ Improved the democratic management system and guaranteed the democratic rights of employees; ◆ Established a scientific and fair employee compensation and welfare system and strived for welfare policies for employees; ◆ Occupational health check rate reached 100%; ◆ Formulated a scientific man-hour management system to ensure balance between work and life; ◆ Set up a comprehensive talent training and promotion system; ◆ Reached an employee training coverage rate of 100% and annual average training duration over 32 hours; ◆ Valued humanistic care for employees and carried out diverse recreational and sports activities; ◆ Organized employees to vaccinate against COVID-19 and distributed condolence money for employees on the front-line of epidemic prevention. |
| Society |  | <ul style="list-style-type: none"> ◆ Carried out targeted poverty alleviation and assisted in rural revitalization in poverty-stricken areas, such as Pingdu of Qingdao City, Sanjiang Dong Autonomous County of Guangxi Zhuang Autonomous Region; ◆ QQCT and Barge Branch were involved in tasks such as marine rescue, emergency rescue and picking up the sick and the wounded many times; ◆ Organized employees to carry out community volunteer service and take part in public benefit activities, such as “An island of youth, An ocean of love”; ◆ Qingdao Port Tongan Security Service Co., Ltd., a wholly owned subsidiary of the Company, was awarded as “Advanced Collective in Epidemic Prevention and Control” by Shandong Provincial State-owned Assets Supervision and Administration Commission; ◆ Donated RMB1 million in cash to a government-designated charity. |

(III) Communication with stakeholders and evaluation of material topics

The Company kept effective communication with stakeholders via many channels, learnt their top concerns and raised the management level of sustainable development to meet their needs.



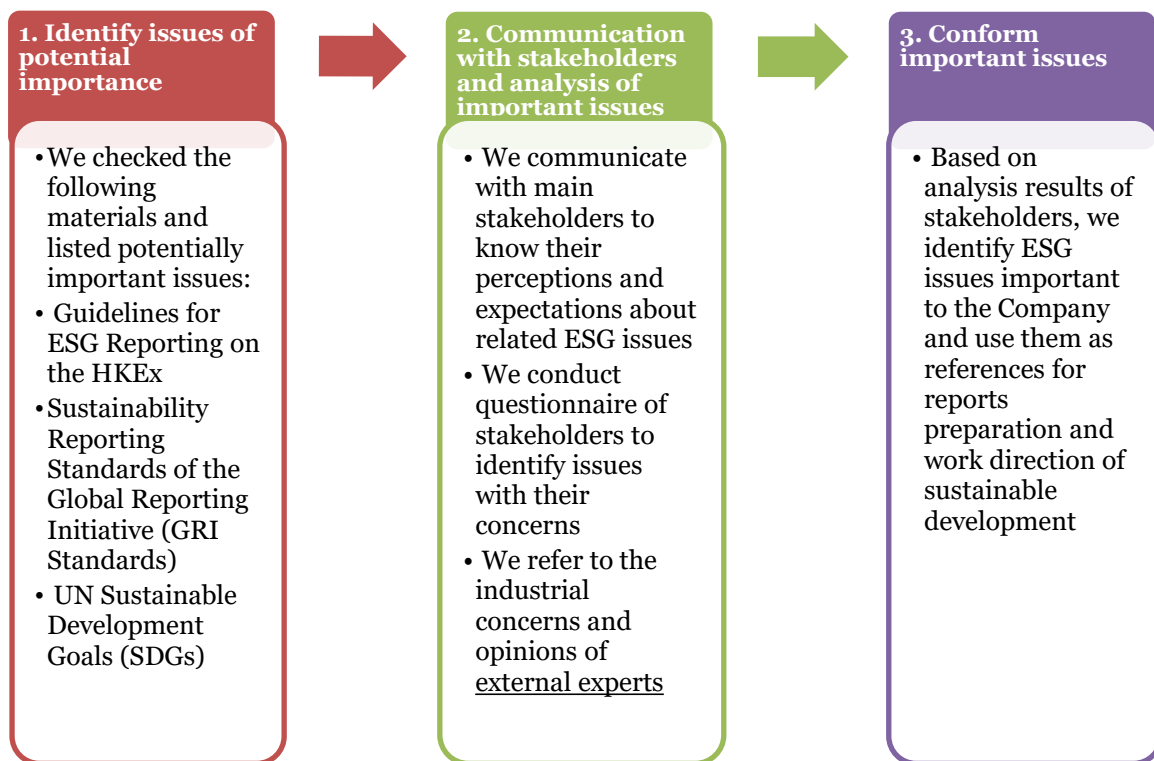
In August 2020, the Company held the 2020 sustainability report special training, invited Sustainability and Climate Change Professional Institution experts to give on-site lectures to enhance the communication skills of management staff and stakeholders.

The Company launched the “Sound Voice Hotline Service Platform”, which has broadened communication channels between the Company and stakeholders. Stakeholders can directly report questions and make comments and suggestions to the Company through this platform. Relevant departments of the Company will handle and response to such issues in a timely manner.

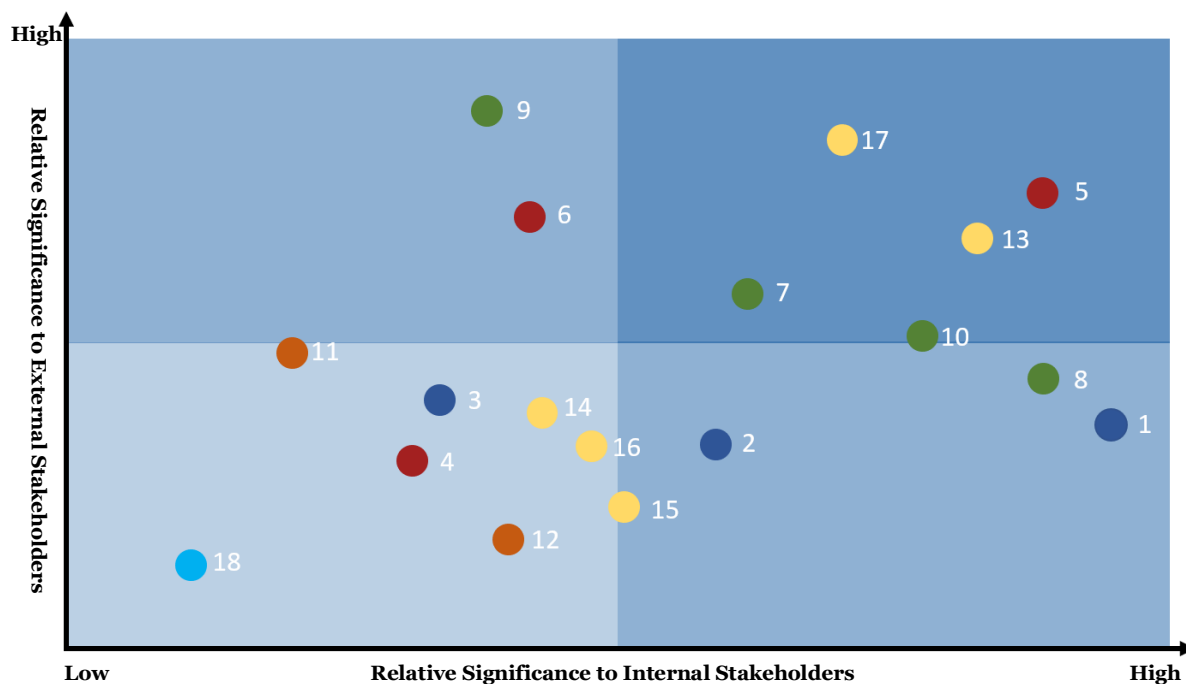
| Stakeholders | Concerns | Communication mechanism | Performance of communication |
|--------------------------------------|---|---|--|
| The government and regulators | Execution and implementation of the laws, regulations and policies Give momentum to regional economic development Corporate governance and compliance operation | Abidance by laws, regulations and policies Daily communication and report Meetings and special researches | Comply with the laws, regulations and the Listing Rules Operate in accordance with the laws and in good faith and accept to be supervised and administered Creating jobs, paying taxes, etc. |
| Shareholders /investors | The safety, preservation and appreciation of assets Protect shareholder interests Earnings and returns Information disclosure in a normative and effective way | Regular reports and temporary reports Shareholders' general meeting Investor meeting of exchange Results presentation, roadshows, etc. | Carry out standard corporate governance to guarantee asset safety Intensify risk management and internal control Information disclosure in a normative and effective way Good development prospects and profitability |

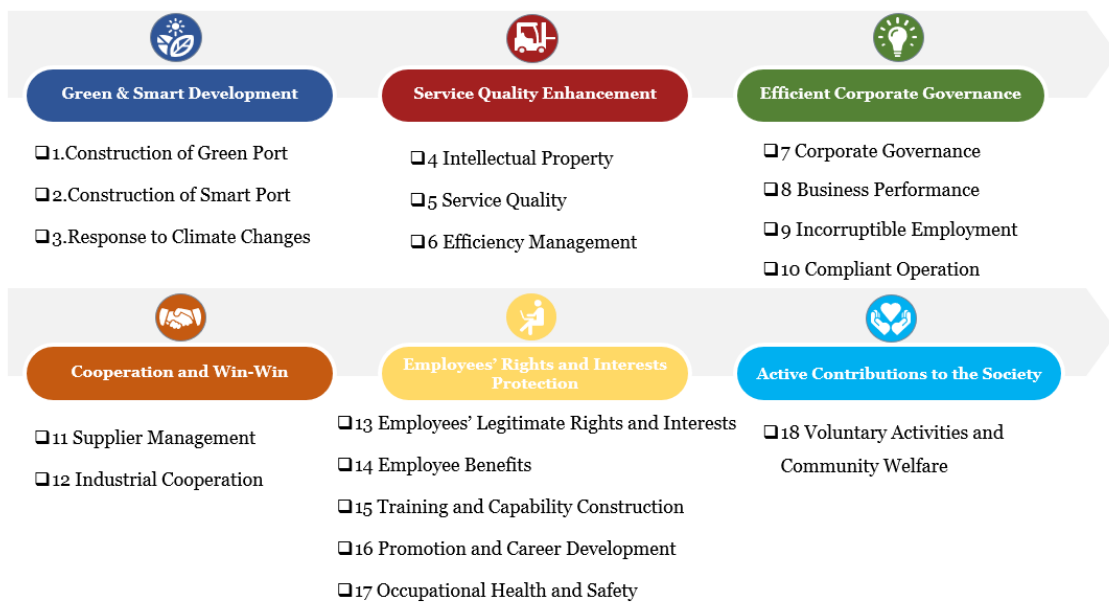
| Stakeholders | Concerns | Communication mechanism | Performance of communication |
|----------------------|---|--|--|
| Clients | High quality services Legal rights and interest of customers Treat customers in a just and fair manner Complaints to be dealt with without delay | Customer service center Customer service hotline Website, Official Weibo, WeChat, etc. General Manager's mailbox | Continue to improve service quality Safeguard the legal rights of customers Ensure just and fair treatment Handle complaints timely |
| Employees | Legal rights and interests of employees Remuneration incentive and welfare Sound working environment Opportunities for training and development Work safety | Employee Representative Conference Website, Weibo, WeChat, etc. Incentive mechanism for employee evaluation Regular training General Manager's mailbox | Protect employees' legal rights and interests Stick to the openness of factory affairs and democratic management Create a safe and harmonious working environment Provide a sophisticated compensation incentive mechanism Offer good training opportunities Provide a solid platform for development |
| Suppliers | Honesty and credibility Payment in time Transparency in information Equal opportunities | Sunlight procurement website Bidding activities Centralized purchasing General Manager's mailbox | Honest, credible, justify and clean Mutual beneficial and win-win cooperation Open and transparent, fair competition and equal opportunities Adhere to contracts and act faithfully |
| Communities | Community development Community charity | Community activities Mass media Website, Weibo, WeChat, etc. | Maintain a close relationship with the communities Support community development Organize activities for community charity |
| Port industry | Industry development Win-win cooperation Fair competition | Participation in industry associations Learn from and exchange with other companies Synergy and communication mechanism | Strengthen exchanges and achieve win-win cooperation Respect business ethics and compete fairly Push forward with the development and progress of the industry together |
| The public | Performance of social responsibilities Resources conservation Ecological protection | Website, Weibo, WeChat, etc. Press media General Manager's mailbox | Provide high-quality products and services Support activities for social welfare Preserve resources and protect the ecological environment |

We identify and review environmental, social and governance (ESG) issues that have a material impact on our business and stakeholders by the following ways and develop a materiality assessment matrix:



In September 2020, we invited stakeholders to take part in the materiality assessment of ESG issues. In responses to low-carbon and environmental protection policy, we made the questionnaire online and collected over 700 effective questionnaires. In the questionnaire, external stakeholders such as customers, suppliers, investors, regulators, associations, news media and the public account for about 50% of the total. We identified and confirmed the materiality of each ESG issue through statistical analysis of data and determined the emphasis to be disclosed in the *2020 Sustainability Report* based on evaluation results.





Responsibility Focus 1:

Cooperation to Fight against COVID-19

To cope with the outbreak of COVID-19, we took our social responsibilities and actions to fight against the epidemic together with all Chinese, to fight adversity in close solidarity. We set up and launched an emergency command group in the shortest time, and coordinated work of all departments and mobilized resources to cope with the challenge. In addition, we took actively part in fighting against the epidemic, including safeguarding our employees, providing continuous and stable services and supporting epidemic prevention of the communities.



(I) Remain vigilant at all times to safeguard our employees

The Company put health and safety of employees at first in the epidemic prevention work, made and implemented administrative measures such as the *Special Contingency Plan in Epidemic*, *Work Plan for Epidemic Prevention and Control in Autumn and Winter*, to guide and normalize the epidemic prevention and control. Meanwhile, the Company established a linkage mechanism for epidemic prevention and control and implemented measures fully in system guarantee, personnel control, materials guarantee, logistics support, publicity and information investigation, to guarantee health & safety of employees and promote smooth work development at the same time.

In addition, the Company took a series of measures to guarantee the safety and hygiene at work place, such as carrying out disinfection in office building, workshop, dining hall and other public places and gathering places; cleaning, disinfecting and ventilating the workplace regularly; encouraging employees to take meals and take showers in different time periods to reduce crowding.

CASE

During the epidemic, the Company timely provided masks, exposure suits and other epidemic prevention supplies and purchased grains, oils, vegetable and other living materials, and had sufficient reserves.



Counting epidemic prevention materials



Disinfection at work place



Queuing up to vaccinate at designated places

We covered all employees with COVID-19 insurance and organized employees to get the COVID-19 vaccine. As at the end of reporting period, we had organized more than 4,000 employees to vaccinate, safeguarding the health of operators in port.



The Company had organized activities many times to console employees on the front-line of epidemic prevention, temperature measuring employees, cold chain box handlers and overseas employees and issued consolation money of RMB320 thousand in total to over 1,200 employees, so as to express our care & respect to front-line employees, and warmth & love to Qingdao Porters.

(II) Working together for stable production

In order to ensure the normal and smooth production of the port, the Company focuses on three key tasks of optimizing production organization plan", "motivating all staff to take targeted prevention and control measures" and "strengthening scientific epidemic prevention measures" to guarantee the production of the port in a stable and orderly way.

Optimizing production organization plan

To actively respond to the outbreak of COVID-19, the Company has formulated and issued the *Emergency Plan for Public Health Emergencies*, and its subsidiaries have also revised 36 emergency plans. Practical emergency exercises under different scenarios, such as production sites, terminal and ship side, are carried out to continuously improve the capabilities of prevention and control and emergency response.

When dealing with epidemic prevention and control emergencies, the Company and related departments respond quickly, take effective measures, and implement appropriate prevention and control measures to minimize the impact of COVID-19. In order to implement epidemic prevention and control requirements from the higher authorities, the Company has organized more than 20 inspection activities, such as motion tracking of people from medium and high-risk regions and cargo flow tracing. The Company properly handled 15 ship emergencies throughout the year. With the assistance of relevant units at Qingdao Port, we completed more than 5,500 crew shifts, assisted in the treatment of over 70 injured and sick crews, and helped confirmed crews seek medical treatment.



The Company thoroughly implements the requirements of anti-epidemic deployment from the higher authorities, strengthens the control during the whole chain of cold box operation, and actively prevents and controls the risk of epidemic transmission via cold-chain logistics transportation. The Company has issued the *Notice on Further Intensifying Epidemic Prevention and Control of Containers for Cold Storage and Refrigeration* and other requirements, requiring disinfection of cold boxes when they are transported into and out of the port and disinfection of outside staff if they touch cold boxes, so as to optimize the procedures of cold box operation and strictly implement epidemic prevention and control measures during the whole process including loading and unloading, transportation, storage, dismounting and container cleaning.

All staff taking targeted prevention and control measures

The Company strictly practices the nucleic acid testing principle of “conducting thorough tests of all suspected patients”, innovatively establishes a “pre-management” model for epidemic prevention and control, sets up a two-level review system for major ships to determine and classify ship risks, and formulates special prevention and control measures throughout the process. We strictly carry out nucleic acid testing in accordance with the regulations for operators of containers for cold storage and refrigeration, and operators who board international vessels, so as to build a strong line of defense against COVID-19 at the port.



Temperature measurement at the gate of the port



Sampling and monitoring on ship operators

Based on the principle of serving customers, the Company has established a third-party testing mechanism jointly with the customs office and signed an agreement with a qualified third-party testing agency. Nucleic acid testing can be performed for customers at the nearest port area, effectively reducing the waiting time for nucleic acid testing results and greatly improving the efficiency of customs clearance.



CASE: Remain vigilant against any potential inbound transmission and forge a powerful maritime defense against the virus

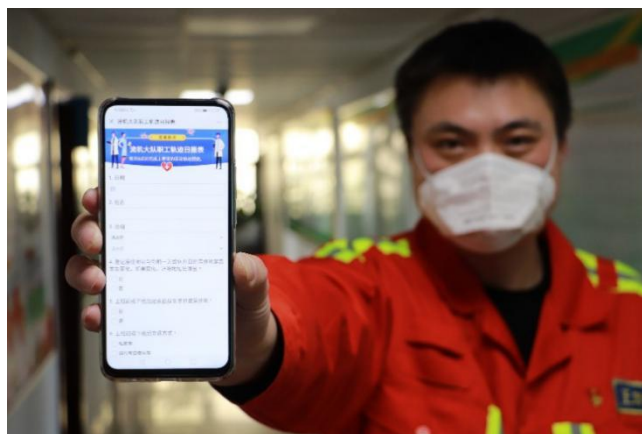
In order to better isolate tugboat staff and those to be tested, the Company specially set up three “tugboats for epidemic prevention and control purpose”, and customized epidemic prevention rooms of steel structure on each boat. Each epidemic prevention room is equipped with an air conditioner, tables, chairs and disinfection items, which makes it more convenient for inspection and quarantine. In doing so, the maritime epidemic prevention is carried out effectively, thus forging a powerful maritime defense against the virus.



Ship disinfection

Strengthening scientific epidemic prevention measures

The Company actively promotes the automation and informatization of epidemic prevention and control and makes full use of information technologies such as Internet of Things and big data to keep traces of people inside and outside the port. We improve our nucleic acid testing management system to enable the real-time early warning for the testing period, ensuring that “all those asked to be tested can be tested immediately and as appropriate”. The Company adopts mobile video surveillance, law enforcement recorders and other technical means to strengthen the monitoring of underdeck operation of a ship. We promote the application of automated disinfection devices to enhance the effectiveness of ship disinfection and build a smart line of defense for precise implementation of epidemic prevention and control measures for ship operations.



Staff's tracking code system



CASE: Automated disinfection channel

The Company transformed the guard and isolation booths near the ship and independently developed a “fully automatic disinfection channel”. When the crews getting on and off a ship enter the disinfection channel, the infrared sensor will be automatically activated, and the disinfectant will be atomized at high pressure under the action of a pressure pump to form tiny water mist particles and achieve 360-degree disinfection without dead ends in a narrow space of 3 square meters, effectively blocking the spread of the virus.



Induction and control device of fully automatic disinfection equipment

(III) Staying together to support front-line responders

The Company fulfills its mission as a large state-owned enterprise and supports the front-line COVID-19 epidemic prevention and control in various regions. In response to national policy requirements, the Group reduced the charging standards for harbor dues cargo and facility security fees during the relevant period, and actively reduced or exempted part of cargo storage fees to help downstream customers effectively respond to the epidemic. The Group actively organizes employees to carry out activities such as donating money and anti-epidemic materials, and unblocks maritime rescue channels, so as to fully guarantee the transportation of anti-epidemic materials and ensure that the front-line epidemic prevention and control can be timely and effectively supported. At the beginning of the COVID-19 outbreak in 2020, the Company immediately offered support to front-line epidemic prevention and donated RMB1 million in cash to the government-designated charity organization, demonstrating our strong desire and determination to fight against COVID-19 together.

Responsibility Focus 2

Liangang Innovation Team

We have built the world's largest terminal, which has set a world record in automated efficiency, but this is far from enough. We must construct the most advanced automated container terminal and build a technologically powerful port, and this will be a revolution in the transformation of the traditional terminal to an intelligent port!



“Liangang Innovation Team” is an innovative team created for the construction of Qingdao Port Fully Automated Container Terminal led by Zhang Liangang. The team is committed to implementing General Secretary Xi Jinping’s important instructions of “building a world-class green and smart port”. Adhering to the ambition of serving the country with science and technology and the concept of independent innovation, it works with solidarity and coordination, pools wisdom to tackle a series of technical problems, and establishes a full set of technical standards to build a fully automated container terminal with independent intellectual property rights. Qingdao Port Fully Automated Container Terminal has proven successful in terms of industrial Internet application in a port scenario, providing "China Experience" and "China Plan" for the construction and operation of a smart port.

On 30 December 2020, the Publicity Department of the Communist Party of China declared the exemplary deeds of “Liangang Innovation Team” in public and granted the team with the honorary title “Role Model of the Times”.



The awarding of the certificate of honor “Role Model of the Times”

(I) Independent innovation

A fully automated container terminal, representing the highest level of container handling in marine ports, is the embodiment of the comprehensive scientific research capabilities and modernization level of a country’s ports.

During the construction of Qingdao Port Fully Automated Container Terminal, “Liangang Innovation Team” independently designed a full set of operation procedures, planned a realistic, advanced and reasonable overall layout for the terminal, and established a rational indicator system and technical specifications, forming an overall integrated plan and operation strategy for the construction of an automated container terminal. During the specific operation process, “Liangang Innovation Team” overcame more than ten global technical problems and spent three years building Asia’s first fully automated container terminal, breaking new ground by creating a safer and fully intelligent automated container terminal with low cost, short cycle, high efficiency and zero emission in Asia. In addition, the terminal’s single operation efficiency has continued to rewrite a world record.



Bird's eye view of the automated container terminal



Unmanned automated guided vehicles (AGVs)

(II) Continuous upgrading

The completion and operation of Qingdao Port Fully Automated Container Terminal (Phase I) is never the end of the efforts of “Liangang Innovation Team”. The team has continued to optimize the production control system according to the actual production of the automated container terminal. As at August 2020, the main system of the terminal was upgraded more than 170 times in total, and over 2,000 functions were optimized. Through multiple optimizations and upgrades, the automated container terminal's procedure management and control system has been trained to be a “super port brain” with soul that can think, make intelligent decisions and conduct system management.

- On 11 May 2017, Qingdao Port Fully Automated Container Terminal was put into operation with the single quay crane efficiency reaching 26.1 units/hour, setting a world record in automated efficiency at the time when an automated container terminal began operation.
- On 3 December 2017, “ZIM CHICAGO” berthed at the automated container terminal, of which the average single efficiency was over 39.6 units/hour, fully beyond the efficiency of a terminal under manual operation.
- Qingdao Port Fully Automated Container Terminal has become a “breaker” of world records of single operation efficiency. As at the end of 2020, the operation efficiency of a single quay crane reached 47.6 units/hour, breaking the world record for six consecutive times.



“Liangang Innovation Team” was studying to tackle key problems



Loading and unloading operation at the automated container terminal

Currently, Qingdao Port Fully Automated Container Terminal has become the first choice for the security and correction of international container routes, and it is a synonym of “China Speed” and “China Efficiency” in the world port and shipping industry.

(III) Hydrogen energy + 5G

The starlight does not ask travelers, and our pursuit of innovation is endless. When the “Liangang Innovation Team” launched the construction of Fully Automated Container Terminal (Phase II), the team leader Zhang Liangang set the goal of “surpassing the terminal of the first phase in an all-round way and leading the development trend of the world’s automated container terminal construction”. After scientific demonstration, the team took “Hydrogen energy + 5G” model as the main direction for the Fully Automated Container Terminal (Phase II).

The team worked with top domestic companies, such as Shanghai Zhenhua Port Machinery, Huawei, China Unicom and Aerospace Science and Technology to storm a strategic pass and launched 6 world-first technological achievements of independent research and development and integrated innovation. “China Plan” was once again created through our wisdom and intelligence, which could benefit the global port and shipping industry with the Fully Automated Container Terminal Technology. In addition, the world welcomes the first independently innovated “Hydrogen energy + 5G” smart ecological terminal.

“World records are created by us”. As at the end of 2020, 124 patents related to the Fully Automated Container Terminal developed by the “Liangang Innovation Team” were accepted and authorized, 14 software copyrights related to the terminal were obtained, and more than 70 papers about it were published. And the first “standard system for automated container terminals” in China was built. Furthermore, the Terminal won over 20 awards, including first prize of the Science and Technology Award issued by the China Institute of Navigation and special prize of the Scientific and Technological Advancement issued by China Ports and Harbors Association.

The exemplary deeds of the “Liangang Innovation Team” have been widely recognized by all sectors of society. People throughout the country are vigorously encouraged to take the “Liangang Innovation Team” as an example to promote and practice the spirit of scientists, entrepreneurs, model workers, laboring people and craftsmen in the new era, boost technological innovation, persist in serving the country with industries, and bravely shoulder the responsibilities of the times, striving to win a new victory in building a modern socialist country in all respects and realize the great rejuvenation of the Chinese nation.





Running as Planned to Promote Smart Technologies

The Company accelerates the construction of a world-class marine port, actively promotes innovation-driven transformation and upgrading, and consolidates the competitive advantages of the main loading and unloading business while vigorously developing integrated services of terminal, logistics and finance to achieve coordinated industrial development; the Company also continuously optimizes service quality and improves customer satisfaction. In 2020, the Company's operating performance continued to maintain steady growth, creating good returns for shareholders.

(I) Constructing a smart port

In 2020, the Company seized the opportunity of trial construction of a world leader in transportation and smart ports to accelerate the building of a smart port. High-quality ports are actually needed. Against this backdrop, the Company adhered to the development model driven by technology and innovation, continued to apply cutting-edge technologies and advanced business models to the port development, so as to achieve a deep integration of the port's businesses and information technology.

Intelligent development

The Company adopted a technical route combining independent innovation and technology introduction. By adopting high-tech technologies such as the Internet of Things, cloud computing, big data and BeiDou navigation, the Company aimed to accelerate the construction of a world-class smart port with the goal of intelligent loading and unloading production, paperless business documents, service coordination platform, digital decision management and port supervision integration.

With the arrival of the global 5G technology wave and demands of shipowners and cargo owners on higher efficiency, the Company accelerated the construction of "a smart port", continuously upgraded the automated container terminal, and applied 5G communication technology to solve the communication problems of the auto equipment for port. In February 2020, the Company's Fully Automated Container Terminal was successfully built. The control of the automatic shore crane was operated based on 5G connection, which was the world's first 5G remote crane operation in an actual production environment. After integrating 5G and remote control technology and continuously optimizing the system functions of the automated container terminal, the average operating efficiency of a single quay crane remained above 36 units/hour, and the highest efficiency reached 47.6 units/hour, refreshing the world record for 6 consecutive times.

In 2020, the Company joined the Global Shipping Business Network on Block-chain Platform (GSBN) through capital cooperation with industry-leading shipping companies and terminal operators to further strengthen the digital sharing and cooperation between ports and shipping companies. GSBN would provide the Company with a safe and reliable data exchange platform and introduce a variety of innovative services and applications to simplify operating procedures, improve the overall efficiency, and accelerate the digital transformation of the industry.

Scientific achievements

Adhering to being innovation oriented, the Company focuses on the creation of an overall layout of building an internationally leading smart and green port, and carries forward two spirits of "Liangang Innovation Team" - the spirit of struggle, namely bravely shouldering heavy burdens and overcoming difficulties, and the spirit of innovation, namely forging ahead and setting new records. The whole staff's participation in innovation and effectiveness has achieved remarkable results. In 2020, the Company invested RMB62,135,100 in scientific and technological research and development, completed 530 science and technology projects, applied for 17 scientific progress awards above the municipal level, and applied for 125 national patents including 36 invention patents and 2 international patents.

Unit: Item

| Indicators | 2018 | 2019 | 2020 |
|--|------|------|------|
| The Company's key innovation projects | 477 | 527 | 530 |
| Scientific progress awards above the municipal level | 15 | 16 | 17 |
| Patents applied | 114 | 121 | 125 |
| Including: Invention patents | 33 | 35 | 36 |
| Utility model patents | 81 | 86 | 89 |



The Company adheres to being innovation oriented, and the whole staff's participation in innovation and effectiveness has achieved remarkable results. Many achievements of the Company have been recognized by national and industry associations.



CASE

In January 2020, the project of “Fully Automated Container Terminal Key Intelligent Supervision Technology Research and Practice” by QQCTN made up the gap in the supervision of the Fully Automated Container Terminal, and won the “first prize of the Science and Technology Award” issued by the China Institute of Navigation.



Ten innovative achievements of Qingdao Port, such as *Research and Application of Port and Shipping Logistics Cloud Service Platform*, won “Science and Technology Awards” issued by China Ports and Harbors Association in 2020.

The Company earnestly implements the *Patent Law of the People's Republic of China* and other relevant laws and regulations related to intellectual property rights protection and continues to strengthen management and protect its own intellectual property. At the same time, the Company also respects and protects the intellectual property rights of other parties from infringement.

(II) Offering high-quality services

The Company regards service quality as the lifeline of enterprise survival, adheres to customer first, and focuses on the service concept of “I will respond to all your needs” and improves its comprehensive service capabilities continuously.

Improving the functions of port services

In order to further meet customer needs and enhance the port's competitiveness, the Company makes use of the advantages of resources gathering and business collaboration under the policy of “integrated reform and development of ports in Shandong” to enhance functional advantages of the port as a hub, extend the port's industry chain and service chain and continuously improve functions of port services.

Orienting to the needs of customers and the market, the Company makes solid efforts to promote supply-side structural reform of port services and customizes comprehensive “door-to-door” logistics services for customers. It is committed to providing customers with integrated “port + logistics + finance + trade” services of “highest efficiency, best service, safest operation, and most cost efficiency”.

The Company improves the hard power of infrastructure, such as the construction of terminals and oil pipelines. The Company has built the world's most advanced automated container terminal, 400,000 ton-class ore terminal, 300,000 ton-class crude oil terminal, 200,000 ton-class bulk cargo terminal and



storage tanks, yards, warehouses and other ancillary facilities. In 2020, a number of new engineering projects, such as Dongjiakou's crude oil terminal and oil pipelines, were completed and put into use, further improving basic service capabilities and meeting customers' transportation needs.

Service quality management

The Company has formulated a number of management measures such as the *Freight Quality and Service Quality Management Measures* and established standardized customer service process to ensure the service quality to customers. The Company attaches great importance to customers' reasonable suggestions, and insists on analyzing their suggestions, giving feedbacks and improving existing practice accordingly in a timely manner. We carry out special activities such as "quality month" with various activity themes for every year. All staff participate the activities to improve service quality and enhance the service standards.

Customer service measures



✧ The Company has set up a customer service center and opened an comprehensive service hotline 1010-0532 to provide 24/7 "one-stop" manual services integrating on-site service and the market service, forming an interconnected pattern of "responding with one telephone number" covering the whole port, and further optimizing the port's customer service hotline management model.



✧ With the concept of delivering attentive, considerate, enthusiastic, focus and reassuring services and the commitment of "keeping a smooth hotline and never refusing a request", we assign high quality and highly competent personnel with excellent professional skills to offer professional services to customers.



✧ We implement first inquiry responsibility system for customer service to solve customer needs and improve service efficiency.



✧ We establish customer service key performance indicators system (KPI). We implement quantitative management, comprehensively evaluate customer service work performance and improve customer service work quality.

CASE



In December 2020, the Company held the Dongjiakou Port Area's Promotion Meeting for Win-win Container Development. During the meeting, the Company had a face-to-face discussion with more than 20 domestic and foreign shipping companies, sincerely solicited opinions and suggestions, and launched "six service commitments", which were highly recognized by the participants.

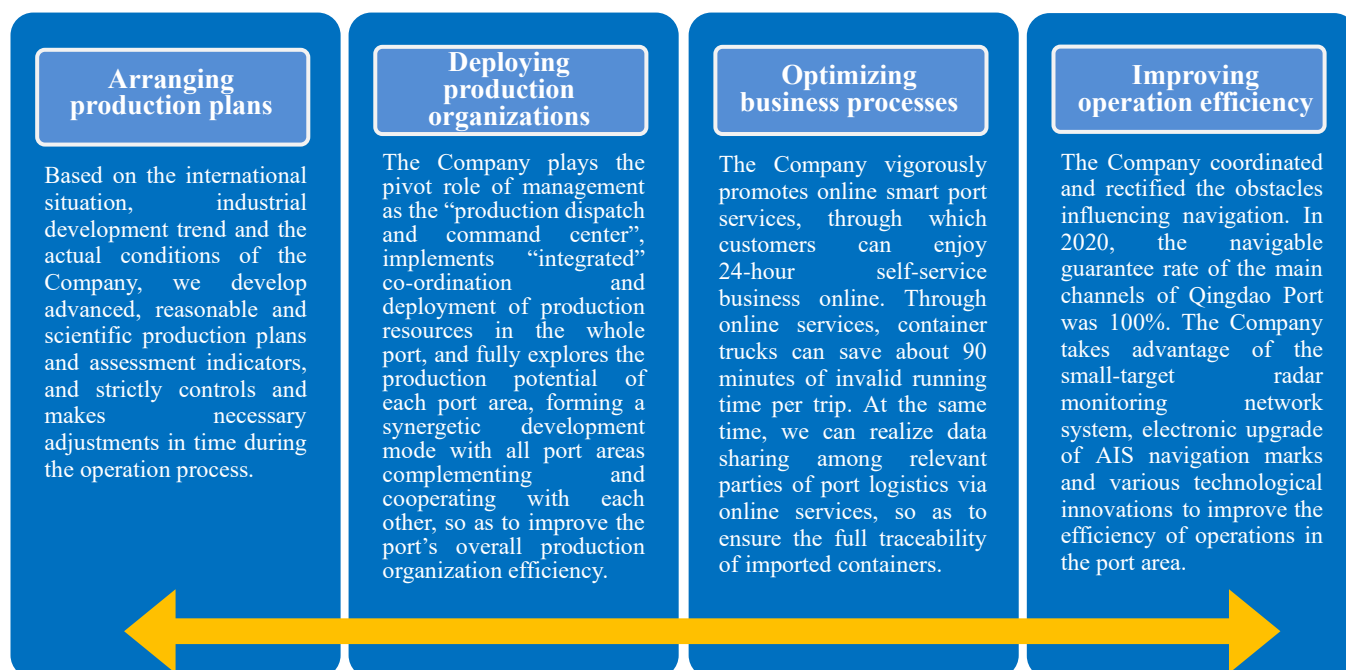
Guided by customer needs, the Company carries out multi-level customer visits and customer seminars every year, asking for customers' opinions extensively and responding to their concerns, so as to continuously improve service quality and keep closer cooperation with customers.

In the process of service promotion, the Company strictly abides by the *Advertisement Law of the People's Republic of China*, the *Trademark Law of the Peoples Republic of China* and other laws and regulations, without making false propaganda and advertising. In 2020, the Company did not suffer administrative penalties for false advertising and consumer fraud.

Service efficiency management

The terminal efficiency is one of the key performance indicators that cargo owners and global shipping companies' put great emphasis on. The Company scientifically arranges production plans, carefully deploys production organizations, optimizes business processes, improves operation efficiency, reduces time of ship berthed in port, and provides customers with full-process and efficient services. Stevedoring efficiency of the Company has been taking the lead in the industry, and the container stevedoring efficiency and the iron ore unloading efficiency maintain the leading position in the world. High-quality and high-efficiency services of the Company are highly recognized by domestic and overseas customers.

The management team of the Company has been engaged in the port industry for many years with rich management experience. It has created the service brand of "sincerely embracing the world" and the concept of "considering service, quality and efficiency as the lifeline of the port development" and built corporate culture with unique characteristics of Qingdao Port. It has cultivated a group of advanced workers and an employee team of high quality and high skills represented by Xu Zhenchao - "Golden Worker", "Liangang Innovation Team" - "Role Model of the Time", Wang Jiaquan - "National Model Worker", Guo Kai - "National Outstanding Communist Party Member" and Pi Jinjun - Representative of the 18th and 19th National Congresses of the Communist Party of China, laying a solid foundation for the Company's innovative and sustainable development.



By means of standardized operation training and skill training, the Company continuously improves the technical skills and practical ability of operating personnel. The Company organizes safety technology competition every year to improve the staff's work proficiency and skill levels. The Company continuously improves employees' business skill and builds a team of high-quality industrial workers, which establishes the foundation for the Company to maintain industry-leading production efficiency.



CASE

On 8 November 2020, “Marit Maersk” was securely moored at the berth of QQCT. The total volume of cargo transferred was 8,548 TEU with a ratio of heavy containers accounting for 84.3%, making the operation extremely difficult. The unloading was successfully completed at QQCT with a vessel efficiency of 333.7 units/hour and a berthing efficiency of 309.9 units/hour, setting two global records in European ship routes of 2M Alliance and gaining high recognition from the shipper.

Complaint management

The Company values the opinions and feedback from customers. We have published a service hotline for public supervision and a complaint hotline to extensively and timely collect and understand customer demands. We have formulated and implemented complete customer complaint management measures, arrange special personnel to handle customer complaints, and clarify the responsibility and handling duration. In response to customer complaints, we continue to track customer complaints and implement a closed-loop management system, so as to ensure all complaints are handled appropriately. We carry out satisfaction surveys to identify the deficiencies in our services and continue to improve the quality of our services. The following is the statistics of customer complaints received and handled by the Company’s headquarters through the formal appeal mechanism in 2020 (excluding affiliated companies, joint ventures and associates):

| Serial number | Complaint type | Number of complaints |
|---------------|------------------------------------|----------------------|
| 1 | Number of customer complaints | 27 |
| 2 | Number of invalid complaints | 0 |
| 3 | Number of the handled complaints | 27 |
| 4 | Number of complaints to be handled | 0 |

Customer privacy protection

While providing customers with considerate and meticulous services, the Company pays attention to protecting customer information and privacy. We have established a complete customer information protection system, and strictly implement confidentiality requirements in accordance with the contract or agreements between both parties. All types of customer information are managed in a confidential manner. We set strict limits on access to and usage of customer information, and sign confidentiality agreements with employees as required to strictly protect customer information and privacy. In the event of the leakage of customer information, we will immediately take remedial measures and report to the customer in a timely manner.





Walking the Walk to Build a Green Port

Since building a green port is an important part of the Company's development strategy, it practices the sustainable development concept of preventing environmental pollution, reducing resource waste and advancing energy transformation, and actively identifies and responds to climate change risks, so as to promote the harmonious development between economic growth and ecological environment.

(I) Enhancing environmental protection to safeguard the blue sea and clear sky

According to the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, the *Measures for the Management of Shore Power Supply for Ports and Ships*, the *Technical Specifications for Applying for and Issuing a Pollutant Discharge Permit (Terminal)* and other laws and regulations and regulatory documents, the Company has formulated an overall plan for green development under the *Guiding Opinions on Building Qingdao Port into a World-class Intelligent and Green Port*. We actively push forward major ecological environment projects, build an intelligent ecological environment management and control platform, and propel the construction of a smart and green port.

Building a dry bulk cargo terminal

In order to deal with the dust from bulk cargo operations, the Company increases capital investment, implements dust control policy for operations at the terminal, and adopts various measures, such as isolating the stacking yards by dust proof walls, spraying of the yards, operation in confined space, covering the goods stack at stacking yards, flushing the vehicle and building up a monitoring system, to effectively reduce the dust at the yards. We install real-time air quality monitoring equipment to strengthen air quality supervision and ensure air quality standards.

Optimizing the logistics and transportation structure

In order to effectively resolve the traffic pressure brought by cargo concentration in and evacuation from the port by automobiles and solve the problems of exhaust emissions and mineral powder leakage pollution, the Company vigorously develops cargo transportation by railway. The Company has successively built 18 inland ports in major logistics hubs, such as Jinan, Taian, Linyi, and Dongying. Connecting with railway lines, the Company has created a rail-ocean transport mode to boost the rapid development of cargo transportation from “highway to railway”. As at the end of the reporting period, among the Company’s three-way transportation of ore and other bulk cargo, “railway + waterway” transportation accounted for more than 75%, and the volume of containers by sea-railway combined transportation ranked first among the Country’s coastal ports for many consecutive years. According to preliminary calculations, the mode of sea-railway combined transportation reduces the number of diesel trucks entering the port by approximately 2.1 million each year.

Build a green and safe “odorless” oil port

The Company strives to build an “odorless” oil port, and is actively working on oil and gas recovery, reduction of oil and gas volatilization, and oil and gas monitoring. By increasing its investment, the Company has installed fully enclosed crane pipes for crude oil loading cranes and oil and gas recovery devices, and equipped Dongjiakou Port Area’s new crude oil terminal with oil and gas recovery devices with a condensation and adsorption system to increase recovery of oil and gas during the loading process through a two-step purification technology of “deep condensation + activated carbon adsorption”, by which the oil and gas treatment efficiency reaches above 97%. The Company introduces disposable sealing materials for the bladder-type oil tanks with a three-core structure to make the materials stick close to floating plates, effectively inhibiting the volatilization of oil and gas. The Company also introduces an online monitoring system for volatile organic compounds (VOCs) in liquefied gas storage farm and establishes an interactive mechanism for the production exceeding the limit to control the volatilization of oil and gas during the loading process.

Preventing ocean pollution

The Company takes effective measures to prevent and deal with sea pollution during the loading and unloading process of the port. The Company’s subordinate terminal companies signed agreements with qualified third-party companies. These third-party companies provided support for emergency disposal of ship pollutants. When the Company operates oil products, the oil fence should be set up before the operation according to relevant requirements to avoid the leakage of goods and sundries into the harbor. Operators clean up floating objects on the sea and garbage in the intertidal zone daily to keep the waters in the port area clean and prevent pollution.

Building an international health port

The Company actively creates an international health port in accordance with the requirements of the *International Health Regulations*. We enhance the environmental control on production and operation process to minimize the impact of production operation on the environment. We work hard to create a green ecological environment. In 2020, there were 1,336 arbors, over 200,000 shrubs, 33,000 square meters of lawns and more than 700,000 seasonal flowers newly planted in the four port areas of the Company.

The Group continues to enhance health and epidemic-prevention management. In 2020, in response to the requirements for the construction of a hygienic city in Qingdao, the Group carried out in-depth environmental inspections and sanitation improvement, and the environment of the port area was further improved. The Group carried out a cumulative application of 36.36 million square meters of disease vector elimination in the port area. The sanitation and anti-epidemic efforts were recognized by the government authority.

(II) Creating a green ecosystem to promote resource conservation

Based on actual production of the port, the Company has formulated and implemented the *Environmental Protection Management Regulations (for Trial Implementation)* and relevant regulations and systems, sparing no efforts to underscore resource conservation, and conduct environmental protection projects, including energy-saving technology transformation, energy structure upgrading and recycling of reclaimed water resources. We strengthen management, find out possible measures and practice strict economy to improve the efficiency of resource utilization.



Energy-saving technology transformation

In 2020, the Company positively made innovations in energy-saving technology transformation, upgraded and transformed the original equipment with high energy consumption, and increased the use of new energy to gradually promote the upgrading of production line equipment to achieve efficient use of energy.

The Company accelerated the hybrid power transformation of tire cranes, replaced the original high-power fuel generator set with “large-capacity lithium battery pack + low-power fuel generator set”, and studied and propelled the application of advanced energy-saving and environmental protection technologies, such as potential energy recovery and transformation, use of permanent magnet motor, energy storage technology, effectively reducing production energy consumption. The Company promoted the construction and application of shore power facilities and provided shore power supply at all berths with a rate of 100%, further improving the level of usage of green energy.

Energy structure upgrading

The Company takes active steps to optimize the energy supply structure to form a clean energy supply system with electricity as the core and multiple complementary energies. In order to boost the infrastructure construction, we have built over 30 sets of electric vehicles charging piles in the parking lot of the port area, providing infrastructure guarantee for the promotion of electric vehicles. In addition, there were two liquefied natural gas (LNG) stations newly built in the port area in 2020. We encouraged the vehicle fleets signing transportation agreements with the port to change their vehicles into LNG vehicles.

The Company actively promotes the trial application of new energy. We have installed photovoltaic power generation equipment of 6,000 square meters on the top of the refrigeration house, with an estimated annual power generation of more than 800,000 kWh. At the same time, wind-solar complementary technology and other technologies have been put into trial application in the port area. The Company pushes the application of air source heat pumps and adopts air source heat pumps to meet the heat use demands of shower rooms, dining hall and offices of the port area to greatly save energy and reduce consumption by multiple measures.

According to technical maturity and actual on-site production, the Company promotes the use of clean energy in newly purchased machinery, and has experimentally applied new energy machinery, such as hydrogen fuel container trailers and hydrogen powered automatic rail cranes, which are running well.



CASE



Trial application of hydrogen container trucks



Photovoltaic power generation equipment installed on the top of the refrigeration house



Trial application of hydrogen powered rail cranes



New LNG station in the south Qianwan Port Area

Recycling of reclaimed water resources

The Company makes full re-utilization of reclaimed water resources, and all the dusty sewage in each port area is collected for reuse if it reaches the standards after its disposal. Each subsidiary flexibly uses the collection tanks and other facilities to collect rainwater for dust suppression in the port area. In 2020, reclaimed water from the operation of domestic sewage treatment plants in Qianwan Port Area and Dongjiakou Port Area was used for watering roads to control the dust and spraying water on bulk space, saving a lot of drinking water resources.



CASE



Facility for collection, disposal and recycling of rainwater and dusty sewage

(III) Highlighting environmental factors to respond to climate changes

It is a shared goal for the Chinese government and other countries in the world to address the challenge of climate change and accelerate the transition to a low-carbon economy. The Company understands the increasingly obvious impact of global climate change on the port operation. While practicing green and low-carbon operations, we analyses our own climate change risks and opportunities in combination with climate change scenarios, evaluate related impacts, and develop a response strategy.

| Risks | | | Measures |
|--------------|--|--|--|
| Entity risks | Acute risks: Typhoon, storm, drought, flood and other extreme weather | <ul style="list-style-type: none"> Damage docks and related facilities, cargo ships or cargo, resulting in loss of assets Extreme weather causes a ship to deviate from its original route, making it difficult to arrive at the port on time Affect the smooth passing of a shipping lane and need dredging Crop failure leads to a decrease of cargo quantity, affecting a port's throughput | <ul style="list-style-type: none"> Formulate emergency response plans for natural disasters, such as the <i>Implementation Plan for Emergency Response under the Heavy Pollution Weather</i>, and constantly improve the natural disaster emergency response mechanism Promote diversified business development and develop integrated services covering terminal, logistics and finance |

| | | | |
|--------------------|--|--|--|
| | Chronic risks: Sea level rise and growing foggy weather, unusually high temperature | <ul style="list-style-type: none"> Sea level rise and growing foggy weather affect a ship's route and the sailing schedule of a shipping company As the temperature rises, the terminal needs to be equipped with more refrigeration equipment to meet the needs of relevant customers; employees may not be able to work outdoors for a long time in the hot season, which affects operation efficiency | <ul style="list-style-type: none"> Scientifically arrange production plans, carefully deploy production organizations, improves operation efficiency |
| Transitional risks | Policy and legal risks | <ul style="list-style-type: none"> The government launched stricter policies and regulations to mitigate climate changes and increase compliance requirements of corporate operation China's trading pricing mechanism for carbon emissions is gradually improved, increasing business operational cost Lawsuits and claims related to climate risks | <ul style="list-style-type: none"> Pay close attention to changes in environmental laws and regulations and respond in a timely manner Actively carry out energy saving and emission reduction and increase the proportion of clean energy |
| | Technical risks | <ul style="list-style-type: none"> The use of renewable energy, new technologies and equipment for energy saving and emission reduction makes original technologies and facilities outdated and depreciated | <ul style="list-style-type: none"> Continuously study the feasibility and economic benefits of applying new technologies and equipment |
| | Market risk and reputation risk | <ul style="list-style-type: none"> Customers have increased demand for low-carbon services and green terminals, and they are more inclined to cooperate with companies with excellent performance in sustainable development | <ul style="list-style-type: none"> Accelerate the construction of a green and smart port, improve the efficiency of resource recycling and utilizing, and achieve a leading position in sustainable development industry |

(IV) Environmental Key Performance Indicators

Statistical data of emissions ⁽¹⁾ in 2020

| Name | Unit | Statistical data |
|--|---------------------------|------------------|
| Total greenhouse gas emissions ⁽²⁾ (Scope 1 and Scope 2) ⁽³⁾ | Ton | 644,417 |
| – Direct greenhouse gas emissions (Scope 1): | Ton | 157,824 |
| – Indirect greenhouse gas emissions (Scope 2): | Ton | 486,593 |
| Greenhouse gas emissions per 10,000 ton throughput (Scope 1 and Scope 2) | Ton/10,000-ton throughput | 11.93 |

| | | |
|---|---------------------------|--------|
| Total hazardous waste produced | Ton | 776 |
| Hazardous waste per 10,000ton throughput | Ton/10,000-ton throughput | 0.01 |
| Compliance rate of hazardous waste disposal | % | 100 |
| Total non-hazardous waste produced | Ton | 21,124 |
| Non-hazardous waste per 10,000 ton throughput | Ton/10,000-ton throughput | 0.39 |

Statistics on the consumption of natural resources (including energy) in 2020

| Resource type | Unit | Statistical data |
|--|--|------------------|
| Total comprehensive energy consumption ⁽⁴⁾ | MWh | 1,297,630 |
| 1. Direct energy consumption | MWh | 606,342 |
| (1) Petrol consumption | MWh | 7,730 |
| (2) Diesel consumption | MWh | 576,910 |
| (3) Natural gas consumption | MWh | 21,703 |
| 2. Indirect energy consumption | MWh | 691,289 |
| (1) Electricity consumption | MWh | 683,511 |
| (2) Steam consumption | MWh | 7,778 |
| Total comprehensive energy consumption per 10,000 ton throughput | MWh/10,000-ton throughput | 24.03 |
| Total water consumption ⁽⁵⁾ | Kilo m ³ | 4,900 |
| Including: Circulating water | Kilo m ³ | 2,400 |
| Comprehensive water consumption per 10,000 ton throughput | Kilo m ³ /10,000-ton throughput | 0.09 |

Notes:

(1) Based on the nature of the Company's business, the emissions mainly include greenhouse gases. Since the Company is not a key pollutant emission unit, the importance of emissions data other than greenhouse gases is low, so it has not been disclosed. In addition, based on the nature of the Company's business, the packaging material data is not applicable to the Company.

(2) Greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which mainly arise from purchased electricity and consumption of fossil fuel. Greenhouse gas emissions are measured by carbon dioxide equivalents and calculated based on the *2019 Baseline Emission Factors for Regional Power Grids in China* issued by the Ministry of Ecological Environment and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 version)* issued by the Intergovernmental Panel on Climate Change (IPCC).

(3) Scope 1 greenhouse gas emissions refer to those directly from operations of the Company, while Scope 2 are those arising from internal consumption of indirect greenhouse gas emissions (purchased or acquired) - electricity and steam.

(4) Refer to the *General Principles of Calculation for Comprehensive Energy Consumption* (GB/T2589-2008), the National Standard of the People's Republic of China, for accounting.

(5) In view of the nature of operations, the major water consumption results from production and office operations and is mainly for domestic use. The water the Company uses comes from municipal water supply, so there is no problem in obtaining suitable water sources.



Pursuing Safe Development to Construct Safety Defense

The Company adheres to the overall idea of “planning guidance, problem orientation and target management”, vigorously improves the safety production organization and safety management system, implements intrinsically safety management, creates intrinsically safety environment, and cultivates intrinsically safety employees to build up a safety defense and construct a safety port.

(I) Consolidating safety management

The Company strictly abides by the *Production Safety Law of the People's Republic of China*, *Emergency Response Law of the People's Republic of China*, the *Special Equipment Safety Law of the People's Republic of China*, the *Regulations on Production Safety in Shandong Province*, the *Regulations of Shandong Province on Emergency Response* and other laws and regulations, as well as normative documents, implements the responsibilities of enterprise safety production entity in all respects, upgrades the safety production system and deepens the inspection and regulation of safety hidden dangers to improve the intrinsic safety management level.

The Company enhances the safety production responsibility system. Focusing on the safety production principles of “bottom line thinking, legal sense and responsibility awareness”, the Company pushes forward the construction of “specialized management organization, compliant supervisory institution, list-based staff responsibilities, and systematic performance evaluation” to build a safety production responsibility chain that everyone and each post shall hold responsibility.

The Company improves the safety management system. The Company continues to improve the four major systems of “post safety responsibility system, safety management rules and regulations, post safety operating procedures and emergency plans for accidents”, which have been implemented at all levels under supervision. In doing so, the Company can ensure that solid foundation has been laid for the safety management and safety production work to raise the safety management level. On the basis of the integration of systems in teams, each team sets up a system to improve the mutual safety protection mechanism and build an intrinsically safe team.

(II) Preventing safety risks

We establish a safety technology support and guarantee system to reduce or eliminate the safety risks arising from “human-machine cooperation, human-machine interaction”, and create an intrinsically safe environment through information technology, tool innovation and other means. In the fields of hazardous chemicals and others, we utilize industrial robots and remote-control technology to reduce the number of personnel and operations in dangerous posts. In 2020, the Company completed automation transformation of 21 rail cranes, 8 bulk cargo yard equipment, along with the power supply system safety upgrade and transformation project as planned. In key areas such as hazardous workplaces, crude oil storage tanks and food systems, we promote the implementation of automatic detection of safety status and intelligent risk warning to raise the level of intrinsic safety and overall control of key safety risks.



CASE



The liquid ammonia refrigerant in the cold storage of Cold Chain Centre of Qingdao Port Logistics, a wholly-owned subsidiary, had a hidden danger of leakage, which was a major hazard source. Hence, Qingdao Port Logistics conducted the “ammonia-to-fluorine” project. As at the end of the reporting period, the special construction team completed the transformation of 44 cold storage equipment, eliminating safety risks from the source.

Due to the long-time operation of unmanned automatic guided vehicles (AGVs) in depopulated zones, tire bulges are difficult to be detected, causing a potential safety hazard. QQCTN invented the “large tire safety detection device” to detect tire deformation quantity through the laser sensor by applying laser scanning and intelligent algorithms. When exceeding the threshold, the system will automatically alarm, effectively avoiding safety hazards caused by abnormal tires, thereby improving the safety and reliability of field equipment.



Leveraging supervisory institutions at all levels, the Company organizes and implements supervision and inspection on hidden safety hazards. The Company establishes a safety supervision team and sets up full-time safety supervisors to carry out seamless safety supervision and inspection all around the day. Besides, the Company issues the *Safety Briefings* to expose typical problems on a regular basis, investigates the responsibility for safety accidents, and urges the implementation of the safety system and measures. The Company treats safety hazards as accidents. Through setting up a double assessment mechanism for safety hazards, as well as an “incentive fund for discovering and reporting safety hazards”, the Company guides employees to actively involve themselves in the investigation and rectification of safety hazards, so as to prevent safety risks in an all-round way.

(III) Promoting emergency response capability

The Company comprehensively refines the emergency organization system, emergency plan system and responsibilities of the emergency rescue center, formulates and implements emergency preparation assessment and expert technology consultation system to build an overall safety production emergency rescue linkage command guarantee system, so as to support safety production in the port.

QQCT innovatively proposes and implements the competition mechanism of “emergency response drill of hazardous goods” to motivate inherent drives of employees to actively improve their emergency response capabilities. In 2020, QQCT organized 4 emergency competitions regarding hazardous goods, from the aspects of “information reporting, chemical protective clothing dressing, leak sealing, emergency kits use”, etc., aiming at comprehensively enhancing employees’ emergency response capabilities for handling hazardous chemicals.



Under the combination of desk exercise and on-site practice, the Company improves emergency response plans, purchases emergency equipment and organizes various emergency drills on risk factors such as fire on large equipment, personnel falling into the sea, and instantaneous strong wind at the production site, strengthening emergency response capabilities of employees in all respects.

(IV) Safety culture construction

Promoting the construction of corporate safety culture is an important approach for the Company to raise its safety management level. Based on safety trainings, safety month activities and daily advertising campaign of safety concept, the Company solidifies the foundation for the construction of safety culture and creates an atmosphere for safe production.

The Company strengthens the work safety training to improve employees' safety skills. The Company has formulated a complete safety training system, stipulating that the training hours for general management and operation personnel are not less than 12 learning hours per year, and the management and operation personnel of the unit where the key safety parts are located are not less than 20 learning hours per year. According to the needs of safety management, the Company formulates and implements safety production training work plans annually, conducting safety education and training on all on-job employees, new employees (including intern students), renters, renter-related personnel and temporary external labor personnel. The rate of the main person in charge, safety management personnel and special operation personnel with certificates in the Company's production and business units reached 100%, and the safety training rate of all employees reaches 100%. They gave a more stable foundation for the safe development of the port.



CASE

Qingdao Shihua established an employee safety training base, which includes 5 indoor training rooms, 1 outdoor training area, 1 multimedia classroom, 1 emergency exercise area etc., covering all aspects of on-site production. The Company regularly organizes all employees to the training base for post safety skills training. For employees of different needs, types of posts and skill levels, training is carried out at different levels. In addition, concentrated training is changed into long-term, uninterrupted daily training in rotation, while classroom theory teaching is changed into practice teaching.



The Company persists in the promotion of safety culture to enhance employees' awareness of safety. We adhere to the normalized warning education of accident cases, and actively carry out theme activities such as "Production Safety Month", "119 Fire Control Publicity Month" to continuously improve employees' safety cultural literacy and awareness of safety risk prevention and control.





Theme Consultation Day activity in the
Production Safety Month



Safety-related comics tour

(V) Employee occupational health

The Company strictly follows the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and adheres to the occupational disease prevention and control guideline of “prevention first and integration of prevention and control”, establishing and improving the responsibility system for the prevention and control of occupational hazards. The Company formulates and implements the *Management Measures for Prevention and Control of Occupational Diseases*, the *Management Measures of Physical Examination for Staff Health*, the *Regulations on the Management of Three Simultaneous System regarding Project Safety Facilities and Occupational Disease Protection Facilities Construction* and other management systems, continue to improve management mechanisms including warnings and notifications, declarations, training and publicity, protective equipment management, hazard monitoring and evaluation, etc., which has constantly improved the level of occupational health management and effectively protected employees' occupational health.

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

According to actual needs, the Company has installed necessary alarm devices, ventilation devices, monitoring devices, etc. in the workplace to detect and deal with possible occupational hazards in time; first aid supplies are provided on site and relevant signs are set up for easy access by employees.

The Company provides physical examination for staff annually to ensure health and establishes staff occupational health archives. If an employee's health condition is inconsistent with the post requirements, we will conduct post transfer in a timely manner to reduce the risk of suffering from occupational diseases or suspicious ones. In 2020, the coverage rate of employee occupational health examination was 100%.



Occupational hazard notification

The Company has passed ISO 45001 occupational health and safety management system certification. All subsidiaries of the Company involving in occupational disease hazards have entrusted third-party testing organizations to regularly conduct occupational hazards testing and issued a *Workplace Occupational Hazards Test Report* to ensure that the operating environment meets the requirements.

The Company focuses on the occupational disease prevention and control work. We have organized related key units to carry out online declaration of occupational hazard factors, provided all the employees with notices, training and health physical examinations on the safety of occupational hazard factors to strengthen the management of occupational health foundation.

The Company's statistics of employee health and safety are as follows:

| Health and safety indicator | Amount | Ratio |
|---|--------------------|-------|
| Number and ratio of work-related fatalities in 2018 | 1 (person) | 0.01% |
| Number and ratio of work-related fatalities in 2019 | 0 (person) | 0% |
| Number and ratio of work-related fatalities in 2020 | 0 (person) | 0% |
| Number of days delayed due to work injury | 920 (working days) | 0.04% |



Cooperating with Others to Achieve Win-win Situation

The Company actively integrates into the national development of the Belt and Road, accelerates the pace of internationalization under the ambition to build a world-class marine port. Through more cooperation with the world ports, upstream and downstream industries and suppliers, the Company strives to achieve regional quality resource sharing and boost regional coordinated development and win-win cooperation.

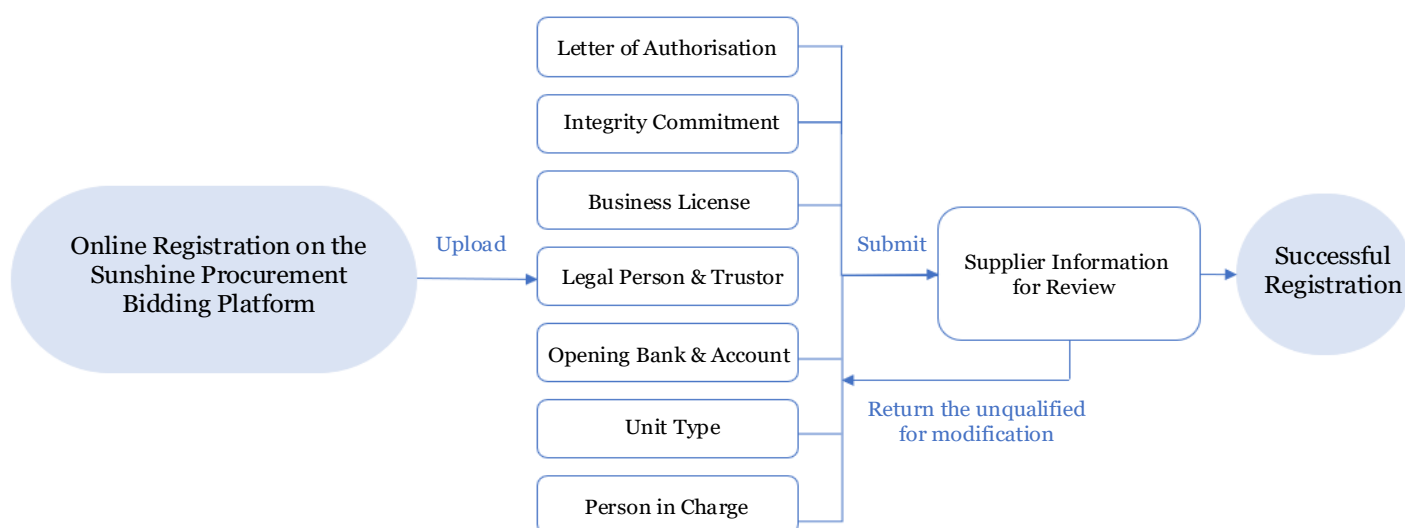
(I) Advancing responsible procurement to create a sustainable supply chain

Regarding suppliers as important partners, the Company is committed to pushing forward collaborative development of the industry on the basis of perfect supplier management.

In order to make supplier management more standardized and promote supplier's supply quality, production and delivery capacity to meet the Group's requirements, we have revised the *Centralized Procurement Management Measures*, the *Supplier Management Measures*, the *Management Measures for Evaluation Experts* and other management systems, further clarifying the division of business and process, regulating employee behavior, reducing the impact of human factors, and improving supply chain management capability.

The Group realizes the whole process of bidding online, effectively increasing procurement efficiency. Adhering to the principles of openness, fairness, justice and transparency, we publicly recruit different types of suppliers in the whole society through the "Sunshine Procurement" and "Sunshine Procurement Bidding Platform". In addition, we strictly review supplier related materials and require suppliers to issue integrity commitment to prevent risks of corruption and bribery in the procurement process.

Supplier review process on the Sunshine Procurement Bidding Platform



The Company has formed a sound management mechanism for suppliers' daily management, periodic evaluation and annual audit. By such means, we eliminate unqualified suppliers in time, constantly introduce suppliers with advanced technology and efficient operation and continuously optimize the supply chain to maintain the leading level of suppliers and competitiveness.

The Company concentrates on the performance of suppliers in the field of sustainable development. In the procurement process, we focus on the priority selection of equipment and materials that are reliable, energy-efficient, and environmentally friendly, and prohibit the procurement of outmoded products obsoleted by official government order. We also attach importance to whether suppliers have legal or moral risks in protecting the ecological environment, obeying labor standards, and protecting human rights. Moreover, we deliver the concept of sustainable development and management requirements to our suppliers and motivate them to fulfil their environmental and social responsibilities consciously.

Geographical distribution of major partner suppliers in recent 3 years

| Distribution area of suppliers | Number of suppliers in 2018 | Number of suppliers in 2019 | Number of suppliers in 2020 |
|---|--------------------------------|--------------------------------|--------------------------------|
| Qingdao City | 499 | 927 | 1,011 |
| Shandong Province (excluding Qingdao City) | 119 | 216 | 359 |
| Outside Shandong Province | 255 | 532 | 691 |
| Total | 873 | 1,675 | 2,061 |

(II) Cooperating with partners to seek common development

The high-quality development of enterprises benefits from a sound industry ecology. We actively carry out cooperation among international ports and join various industry association activities to promote industrial innovation and keep a harmonious relationship with enterprises in the same industry, so as to cooperate with partners to seek common development.

In January 2020, Mr. Jia Funing, Chairman of the Company, participated in the Convention between Carriers and Ports for OCEAN Alliance held in Boao, Hainan Province. The Convention is an annual conference for conversation, exchange and cooperation between China's major ports and world-renowned terminal operators organized by COSCO SHIPPING and OCEAN Alliance. In the Convention, the Company actively participated in industry exchanges, and expressed opinions on expanding the integrated development of the port and shipping industry and contributed to the deepening of cooperation and win-win fruits in the industry.

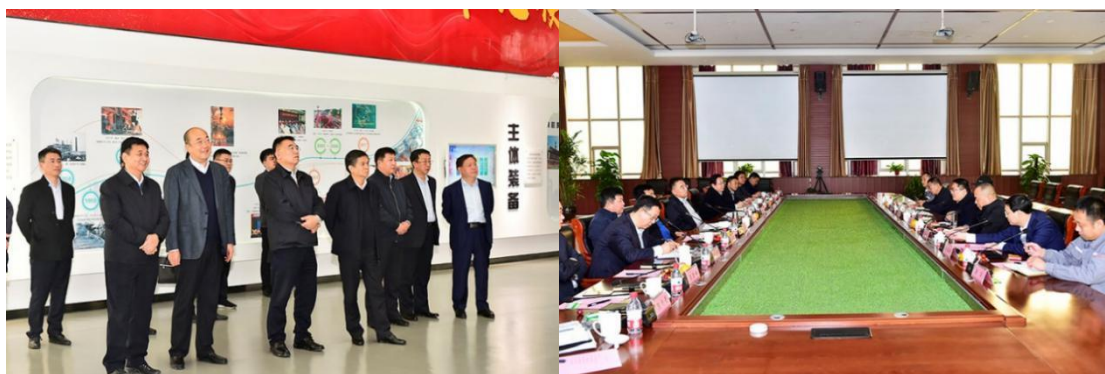


The Convention between Carriers and Ports for OCEAN Alliance



On 22 October 2020, the chairman of the Company, Mr. Jia Funing, attended the district, customs and port joint meeting to jointly unveil the “District, customs and port joint research center”. In order to further strengthen cooperation, since June 2020, the Qingdao area of Shandong Free Trade Zone, Huangdao Customs, and the Group have established a joint meeting mechanism between the district and the port, which has effectively promoted the progress of various work.

In November 2020, the chairman of the company, Mr. Jia Funing and his entourage visited Anyang Iron and Steel Group, Yuhua Iron and Steel Group and other customers, solicited customer service needs, and maintained a closer cooperation relationship with clients.



As at the end of the reporting period, the Company had joined dozens of industry associations and served as president, vice president, director, etc. in some of the industry associations, and actively participated in activities of industry associations. Some of the industry associations the Group has joined are shown below:

| Serial number | Association name | Serial number | Association name |
|---------------|---|---------------|--|
| 1 | China Ports and Harbors Association (中國港口協會) | 9 | Shandong Institute of Internal Auditors (山東省內部審計師協會) |
| 2 | China Association of Port-of-Entry (中國口岸協會) | 10 | Qingdao Quality Development Promotion Association (青島市質量發展促進會) |
| 3 | Qingdao Chamber of Commerce of China Chamber of International Commerce (中國國際商會青島商會) | 11 | Qingdao Association of Listed Companies (青島市上市公司協會) |
| 4 | China Water Transportation Construction Association (中國水運建設行業協會) | 12 | Qingdao Association for Science and Technology (青島市科學技術協會) |
| 5 | China Tally Association (中國理貨協會) | 13 | Qingdao Institute of Internal Auditors (青島市內部審計師協會) |
| 6 | Cross-Straits Shipping Exchange Association (海峽兩岸航運交流協會) | 14 | Qingdao Service and Trade Association (青島市服務貿易協會) |
| 7 | The Hong Kong Institute of Chartered Secretaries (香港特許秘書公會) | 15 | Qingdao Association of Enterprises (青島市企業聯合會) |
| 8 | Shandong Province Port and Shipping Association (山東省港航協會) | 16 | Qingdao Association of Standardization (青島市標準化協會) |

Putting People First to Make Employees Succeed

Talents are the foundation for the development of the Company. Adhering to the “people-oriented, boosting Qingdao Port through talents”, we are committed to building harmonious labor relations. We attract, train and retain talents, protect the rights and interests of employees, facilitate employee development, care for employees, and work together to achieve mutual growth.



(I) Building a first-class talent team

The Company strictly complies with the *Labor Law of the People's Republic of China* and other relevant laws and regulations on employment of employees, and establishes and implements procedures for employment and resignation of employees in accordance with the requirements of laws, regulations as well as rules of the Company. In the recruitment process, the Company forbids and eliminates all forms of discrimination regarding ethnicity, race, gender, age, family status, etc. Through attracting, training and retaining talents, the Company provides a talent pool for building a world-class marine port. As at 31 December 2020, the Company hired 4,419 employees, with its major subsidiaries employing 4,562 employees. The number of employees was relatively stable.

In 2020, the Company went a step further in team building, pursued cadre management reform, and expanded the scale of professional technical personnel, to guarantee talent reserve for the development of the port.



Construction of
the management
team

The Company promotes the management model reform of managers by implementing the tenure system and contractual management, and formulating the *Contractual Management Work Plan for Managers* and *Interim Measures for Remuneration Management and Performance Evaluation of Management Members* to stimulate the initiative and enthusiasm of the managers, and further improve the management capability.



Construction of
the professional
technical team

Actively seizing the opportunity of Shandong Province to set up the first batch of pilot units for independent evaluation of skilled talents in enterprises, the Company develops the full potentials of employees to improve their skills. Hence, more than 900 personnel have been supported to pass the independent identification at five occupational levels, resulting in a stronger professional talent team.

As at 31 December 2020, the Company and its main subsidiaries had 2,653 professional and technical personnel, among them, there were 391 persons with senior titles, 1,229 persons with intermediate titles and 1,033 persons with junior titles. The Company had 3,729 skilled personnel, including 404 senior technicians, 851 technicians, 1,777 senior workers, 303 intermediate workers and 394 junior workers.

As at 31 December 2020, the overall composition of the Company's staff is as follows:

| Type of employees | Number of employees |
|--|---------------------|
| Number of in-service employees in the parent company | 4,419 |
| Number of in-service employees in major subsidiaries | 4,562 |
| Total number of in-service employees | 8,981 |
| Number of retired employees that the parent company and major subsidiaries are required to assume expenses | 7,594 |
| By gender | |
| Male employees | 7,792 |
| Female employees | 1,189 |

| By age | |
|--------------------------|-------|
| Under 30 | 1,857 |
| 30-50 | 5,360 |
| Above 50 | 1,764 |
| By profession | |
| Production personnel | 5,817 |
| Sales personnel | 248 |
| Technical personnel | 1,418 |
| Finance personnel | 239 |
| Administrative personnel | 1,062 |
| Others | 197 |
| By education | |
| Postgraduate and above | 322 |
| Undergraduate | 1,467 |
| Junior college | 3,706 |
| Below junior college | 3,486 |

Statistics of employment and loss of employees in 2020 was as follows:

| Statistical classification | Classification breakdown | Number of new appointment (person) | Number of loss (person) | Employee Turnover ratio (%) |
|----------------------------|--------------------------|------------------------------------|-------------------------|-----------------------------|
| By age | Under 30 | 316 | 37 | 2.0 |
| | 30-50 | 14 | 70 | 1.3 |
| | Above 50 | 0 | 219 | 12.4 |
| By education | Postgraduate and above | 55 | 9 | 2.8 |
| | Undergraduate | 33 | 26 | 1.8 |
| | Junior college | 239 | 68 | 1.8 |
| | Below junior college | 3 | 223 | 6.4 |
| By gender | Male | 273 | 274 | 3.5 |
| | Female | 57 | 52 | 4.4 |

Notes: 1. Number of loss includes retired staff, “under” means the number itself is not included while “above” includes.

2. Employee turnover ratio = number of loss in this category / total number of employees in this category as of the end of reporting period.

As the Company currently operates in Qingdao City, Shandong Province with fewer employees working outside the city, the number of employees and its turnover ratio by regions have no significant impact on the Company. Therefore, the Company makes no statistics and disclosure on these indicators.

(II) Protecting employees' legitimate rights and interests

The Company attaches great importance to and effectively protects the legitimate rights and interests of employees. We strictly abide by laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law* and the *Prohibition of Child Labor Regulations of the People's Republic of China* and normative documents, establish a labor employment system based on contract system, formulate and implement the *Labor Rules and Regulations*, to effectively protect the legitimate rights and interests of employees. We ceaselessly strengthen the supervision and inspection of compliance with labor laws and regulations on subsidiaries and joint stock companies, identify potential employment risks, and urge the responsible departments to immediately rectify. In 2020, there was no illegal behavior such as employment of child labor, forced labor and labor discrimination found in the Company.

Democratic rights

The Company is committed to building harmonious labor relations. We continue to improve the democratic management system including the workers' congress, the association of the workers' congress and the democratically appraised managers, deepen implementation of the mechanism of open and democratic management of the factory, to effectively guarantee the employees' right to know, participate and supervise.



CASE



Workers' congress



Association of the workers' congress

Laying stress on the demands of employees, the Company constantly upgrades the communication and feedback mechanism. With the active implementation of the system of online express of public opinion, employees can give feedback through seven channels including the "Employee Voice Hotline". By various ways, we understand the focus of employees, and clarify the key points of democratic management in a timely manner, so as to keep on deepening the democratic management.





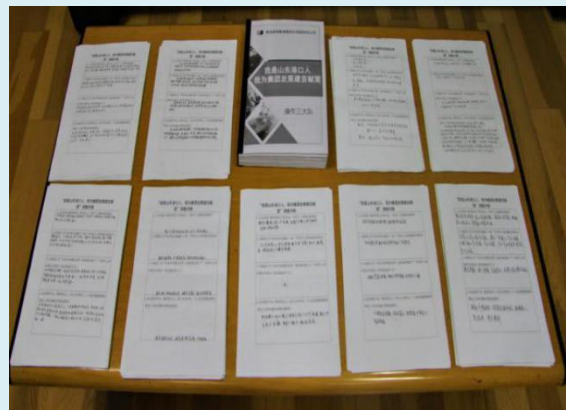
The grassroots company holds the Workers' congress



Employees check public information



Employees provide advice and suggestions on the Company's development



Employees propose reasonable suggestions

Remuneration and welfare policies

The Company has formulated a scientific and fair employee remuneration system, under which, the growth of remuneration is determined based on employee work performance, economic environment and supply and demand of human resources market in accordance with the principle of “synchronizing with the growth performance of the Company and the improvement of labor productivity”.

The Company pays pension, medical care, unemployment, work-related injuries, childbirth and other social insurances for the employees, and provides the employees with high temperature subsidies, heating subsidies and other welfare benefits. We establish an enterprise annuity plan for employees to protect their rights and long-term interests. We set up a supplementary medical insurance of medical aid for serious disease system to provide guarantee for employees with critical illness, so as to reduce their worries.

Closely following the latest national policies, the Company strives for welfare such as refund of subsidy for post stability, one-time employment subsidy, medical insurance fee cut and exemption, housing subsidy for new employees, etc. for eligible employees. During COVID-19, the Company rigorously safeguarded the salaries of employees who were quarantined and delayed in work resumption and implemented the remuneration guarantee for resumed rural migrant workers and interns in an all-round way.

Employee rights protection performance indicators

| Statistical classification | 2018 | 2019 | 2020 |
|--|------|------|------|
| Collective contract coverage (%) | 100 | 100 | 100 |
| Enterprise annuity coverage (%) | 100 | 100 | 100 |
| Notice of significant events (%) | 100 | 100 | 100 |
| Democratic supervision coverage (%) | 100 | 100 | 100 |
| Percentage of employees participating in labor union (%) | 100 | 100 | 100 |
| Percentage of minority employees (%) | 0.47 | 0.50 | 0.49 |
| Occupational training coverage (%) | 100 | 100 | 100 |
| Occupational health check rate (%) | 100 | 100 | 100 |
| Social insurance coverage (%) | 100 | 100 | 100 |
| Physical examination and health coverage (%) | 100 | 100 | 100 |

Working hour management

Strictly abiding by the laws and regulations related to the working hours of employees, the Company conducts working hour management by formulating a scientific working hour management system and setting up shifting systems for different types of posts. The Company will pay overtime pay or arrange for the transfer of rest to employees who work overtime.

Employee holidays

The Company safeguards the legitimate rights and interests of employees for taking normal leave and ensures that employees could enjoy public holidays and paid leave benefits. In addition, the Company still retains positions for employees returning to work according to maternity leave/nursing leave regulations.

Employee holidays

| Name of holidays | Number of vacation days |
|---------------------|---|
| Statutory holidays | New Year's Day, Spring Festival, Qingming Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, National Day, etc., implementing the national standards |
| Paid leave | According to the accumulated years of working, the employees could enjoy leave for 5 days, 10 days and 15 days |
| Maternity leave | 158 days (compliance with relevant laws and regulations as a prerequisite) |
| Nursing leave | 7 days |
| Breastfeeding leave | For children are less than one-year old, female employees have 1 hour leave per day |
| Marriage leave | 3 days |

| Name of holidays | Number of vacation days |
|---|-----------------------------------|
| Funeral leave | 1 to 3 days |
| Home leave to visit spouse leave | 30 days |
| Home leave to visit parents leave (unmarried) | 20 days / year; 45 days / 2 years |
| Home leave to visit parents leave (married) | 20 days / 4 years |

(III) Facilitating employee career development

The Company strives to create a stage for employee development and unblock employees' career development channels. The Company firmly believes that as long as employees are willing to learn and work hard, everyone can become a talent. The Company respects people, cultivates people, brings up people, and uses advanced culture to unite people, uses flexible mechanism to motivate people. The Company creates conditions, builds a platform, encourages its employees to show their talents, gives a position to those who are promising, and promotes the comprehensive development of employees, so as to achieve a harmonious and win-win situation between the enterprise and employees.

Employee promotion

The Company establishes a comprehensive talent development management system and sets up four types of professional development sequences for management staff, professional technicians, skilled workers, and operating workers, to ensure that all employees can achieve development in their own fields. Internally, the Company expands the models of open competition and organizational selection, strengthens the post certification of technical qualification, and puts more efforts in completing the incentive mechanism in the employee promotion system. Furthermore, we carry out the employment recruitment and selection work in all respects to inspire rural migrant workers to improve their work abilities and performance, and to provide employment protection for the production needs of employers.

Employee training

New improvements have been made in the construction of learning employees and learning organizations in the Company. The Company also provides targeted improvement training for employees of different businesses and levels, so as to give strong talent support and knowledge reserve for accelerating the construction of a world-class marine port. In 2020, under the premise of well-prepared prevention and control for COVID-19, the Company's headquarters organized a total of 20 training sessions in 10 categories. Based on the combination of offline key training courses and online mobile learning training, employee training is conducted in a smooth manner. The coverage rate of employee training reaches 100%, and the average annual training time for employees is more than 32 learning hours.

习近平
主持召开中央全面深化改革委员会第十八次
会议强调完整准确全面贯彻新发展理念

集团动态 基层视窗 青港官网 公司培训 制度政策

“连钢创新团队”荣膺“时代楷模”专栏

媒体报道
资源数44

基层学习
资源数12

学党史 明初心 | 党史百年天天读

学党史 明初心

“连钢创新团队”荣膺“时代楷模”专栏

办公综合管理-2021版
组织推课 选修

企业标准化-2021版
组织推课 选修

形势任务教育-2021版
组织推课 选修

上市公司规范治理-2021版
组织推课 选修

通用安全教材-2021版

“走在前列 高昂龙头”主题思想教育专栏

主题教育出实招 学干结合见成效 QQCT扎实推进“走在前列”
来源：党群工作部 2021.02.25

认识再提高、思想再发动 前港公司主题教育火热推进...
来源：党群工作部 2021.02.22

实华公司紧扣主题、创新载体

股价信息

青岛港A股信息
来源：外部

青岛港H股信息
来源：外部

信息披露

A股信息披露

H股信息披露
来源：外部

学习是一种生活
欢迎开启AI学习新时代

必修

考试

专题

培训班

课程专题

直播

学习地图

讨论圈

优选推荐

人工智能多大程度上改变了人类生活（2集）
4.8分 1.7万人

战略管理
资源数10

团队管理
资源数10

领导力
资源数4

项目管理
资源数10

职场加油站

专题

专题

“Zhiniao” mobile learning platform

We are committed to providing employees with more convenient and comprehensive channels for learning. In 2020, the “Zhiniao” mobile learning platform was launched online. The platform has multiple modules, such as skills training, legal lectures, etc., enriching the learning contents. We regularly hold online tests on related topics to check the learning results of our employees. In the future, the Company will persistently enhance the construction of “Zhiniao” platform to popularize convenient and flexible learning models, so as to create a new online learning ecosystem.

New employee training

From July to August 2020, actively responding to the Company's training system named the "Young Eagle Plan", QQCT organized trainings for new employees, guiding them to understand the corporate culture, labor rules and regulations, safety systems, etc. In doing so, new employees, transiting from students to professionals, quickly integrated into the port, and enhanced the sense of belonging and identity.



Technical safety competition

In order to test the learning results of employees and effectively enhance the team's practical skills, in September 2020, the Company organized the "Technical Safety Competition" activity, covering the assembly and dis-assembly of safety equipment, remote control of rail cranes, technical inspections of excavators, hazardous chemicals treatment and other competition items. The competition effectively enhanced employees' motivation in activity participation. Employees could find out practical technical problems and strengthen awareness of safety operation, so as to bring about the continuous improvement of their technical capabilities.



Assembly skill with eyes covered

Treatment on leakage of hazardous chemicals in transportation tank

In 2020, the Company's overall situation of employee training is as follows:

| Overview of employee training data | Number of hour or ratio |
|--|--------------------------------|
| Average training hours | No less than 32 learning hours |
| Percentage of employees trained (%) | 100% |
| By gender | |
| Male employees who received training (%) | 100% |
| Female employees who received training (%) | 100% |
| Average training hours of male employees | No less than 32 learning hours |
| Average training hours of female employees | No less than 32 learning hours |
| By employee category | |
| Management (%) | 100% |
| Non-management (%) | 100% |
| Average training hours of management | No less than 32 learning hours |
| Average training hours of non-management | No less than 32 learning hours |

(IV) Creating a healthy and happy workplace

The Company pays attention to humane care for employees and is committed to building a happy and harmonious port together with them. We conduct in-depth research every year to understand the staff's actual needs, formulate solutions in time, announce to employees, and accept employees' supervision.

Ensuring employee health

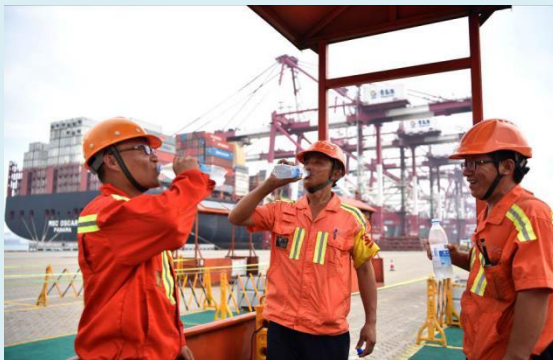
The life, physical and mental health of employees are our concerns. In order to effectively satisfy employees' requirement for physical examination, the Company provided employees with a variety of physical examination packages to meet their diverse needs in 2020.



Adhering to the people-oriented development philosophy, the Company gives close attention to the health protection measures for grassroots employees. It holds public courses and activities including health lectures and continues to carry out activities such as delivering coolness in summer and warmth in winter.



Special training on anti-drug education - "Cherish Your Life, Far from Drugs"



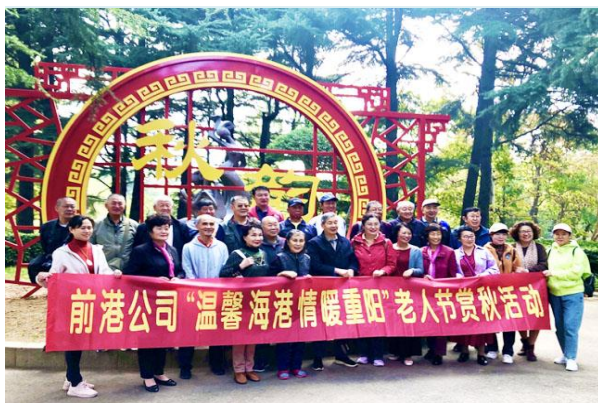
"Delivering coolness in summer"



Staff at the terminal equipped with cold-proof fleece

Employee condolences

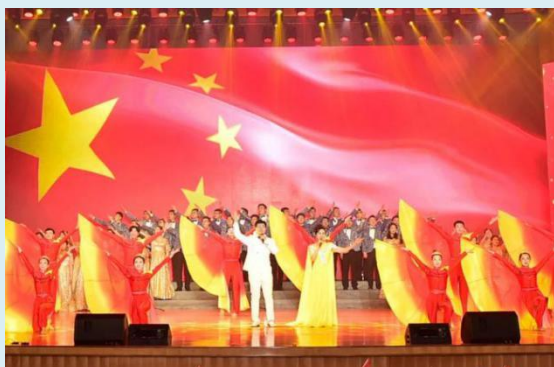
In light of the actual situation, the Company, in the Spring Festival, Labor Day, Mid-Autumn Festival and other traditional festivals, visits the model workers, widows of model workers, the employees suffering family difficulties due to special accidents and the old comrades to deliver the Company's kind care.



At the time of the Double Ninth Festival in 2020, the Group organized various visits and condolences to the old comrades, expressing its concern and respect. The old comrades enjoyed a happy and peaceful festival in the affectionate warmth and care of the port family.

Employee activities

In 2020, out of the concern for the physical and mental development of employees, the Company organized a number of cultural and sports activities, such as art performance, International Women's Day celebration, brisk walking, football games, table tennis games, sports carnivals, etc., to enrich employees' spare time and enhance corporate cohesion.



Festival performance



The Party's Day Celebration Activities

On major festivals such as the "Labor Day", "Party's Day", "Mid-Autumn Festival" and "New Year's Day", the Company organizes employees and carries out colorful festival activities with the festival as the theme. While delivering blessings and condolences to employees, the Company guides its employees to stick to ideals and beliefs, improve moral quality and cultural taste to give an impetus to the construction of a harmonious enterprise with concerted efforts.



Celebration activity - “Women’s Fight against Pandemic through Post Contributions”



Sports Carnival - “Fashion Harbor, Power Your Future”



Football games for friendship



Employee’s Brisk walking



Table tennis games



A corner of Staff Home

Giving Back to the Society to Shoulder our Responsibilities

The Company actively responds to the call of the country, assists rural revitalization, leverages industry advantages, implements maritime rescue, organizes voluntary services, facilitates community development, continues to give back to the society for its support to the company's development, and realizes the common development of the company and society.



(I) Supporting rural revitalization

In 2020, the Company took poverty alleviation as a vital channel for the fulfillment of our social responsibilities. In active response to the national calls for targeted poverty alleviation, the Company earnestly implemented the national work deployment in this regard. We provided continuous and solid assistance to poor areas including Pingdu of Qingdao, Shandong Province, and Sanjiang Dong Autonomous County in Guangxi Zhuang Autonomous Region, donating funds for local education and reducing poverty through the development of local industries, which was widely recognized throughout the society.



CASE

In 2020, the Company, in active response to the call of the Shandong Province Committee of the Communist Youth League, organized and donated RMB360,000 (of which RMB192,000 was donated by the Company and RMB168,000 by our employees) for poor areas to support the construction of “House of Hope”, aiming to create a good living and learning environment for children in need.



“House of Hope” before and after renovation



Opening Ceremony of the Large Cherry Demonstration Park of Qingdao Port

In 2020, in the implementation of poverty alleviation through supporting the development of local industries, the Company assigned specialized employees to poor villages of Yunshan Town, Pingdu in Qingdao to participate in the construction of the Large Cherry Demonstration Park of Qingdao Port, acting as a leading example in local cherry industry and promoting local agricultural development.

In 2020, the Company donated materials worth RMB270,000 to poor villagers in Sanjiang Dong Autonomous County of Guangxi Zhuang Autonomous Region to improve local living standards.

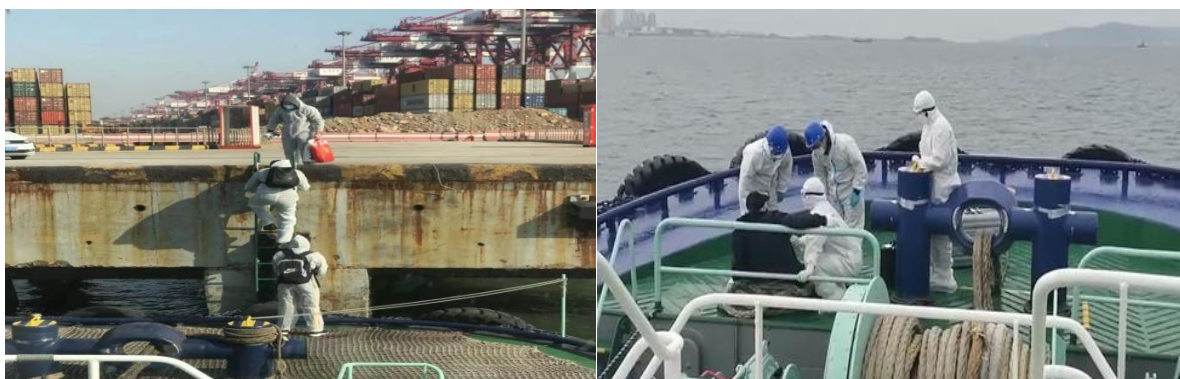




(II) Contributing to social welfare

In 2020, the Company continued to regard repay the society in a variety of ways. While creating economic value for the society, the Company actively participated in maritime rescues and community voluntary services, to further reinforce exchanges and communications with local communities and contribute to the community development.

QQCT and the tugboat branch company take advantages in maritime activities, assume social responsibilities, and participate in various maritime emergencies, rescues and transfers of the sick and wounded. In the mid-night on 1 June 2020, the captain of the Italian ship “Kalen” suffered a sudden illness. After receiving the help message, the QQCT Production Dispatching Command Centre immediately reported to the epidemic prevention team and formulated a rescue plan. It only took 2 hours for the rescuers to send the patient to the hospital, securing precious time for the rescue. While fulfilling self-protection, rescuers excellently accomplished the task through multi-party cooperation and quick and effective response, enabling timely treatment for the captain.



Maritime Rescue by the Company's Epidemic Prevention Team

The Company advocates the volunteer spirit of dedication, fraternity, cooperation and progress, and encourages employees to participate in social welfare and charitable donations.

CASE



Voluntary Blood Donation of “Blood Donation for My Youth”

The Company actively engaged in public welfare activities in Qingdao such as “Island of Youth, Ocean of Love” and “Love for the City! Warmth for You”. On 13 March 2020, during the activity of “Love for the City” in Qingdao, the Company set up a “Love Station” in QQCTU to provide milk, chocolate, mineral water and masks, etc. to truckers from all over the country.



Warmth for Truckers at the “Love Station”

At the Double Ninth Festival, the Company organized League members to visit the Ankang Nursing Home in the West Coast New Area for seven consecutive years, donating money for epidemic prevention materials procurement and delivering our cares to the senior.

The Company carried out the volunteer activity of “Constructing a Civilized City together with the Youth”. Young volunteers cleaned passageways and roads in communities, to create a clean and tidy living environment for residents and contribute to the construction of a national civilized city.



Meanwhile, the Company's young volunteers team carried out the civilization supervision activity, for which, they dressed as the Brown Bear to distribute masks and disinfectant wipes to children in the Second Experimental Primary School of Qingdao Economic and Technological Development Zone, safeguarding the children's road to school.



It is our belief that an enterprise that cares its employees, serves its customers, protects the environment, contributes to the community, and creates value can win respect of the society and build a solid foundation for its sustainable development. In the future, we will proactively fulfil our social responsibilities, join hands with the public and charity and deliver our humanistic cares, making unremitting efforts to promote social development and progress and create a better future for human civilization.

Appendix:

Corporate information

- 1. CHINESE NAME OF THE COMPANY:** 青島港國際股份有限公司
- 2. ENGLISH NAME OF THE COMPANY:** Qingdao Port International Co., Ltd.
- 3. REGISTERED OFFICE:** No. 12 Jingba Road, Huangdao District, Qingdao, Shandong Province, the PRC
- 4. LEGAL REPRESENTATIVE:** Mr. JIA Funing (as at 31 December 2020)
- 5. REGISTERED CAPITAL:** RMB6,491,100,000 (as at 31 December 2020)
- 6. PLACE AND DATE OF LISTING:**
 - (1) Main Board of the Stock Exchange of Hong Kong Limited, 6 June 2014
 - (2) Main Board of the Shanghai Stock Exchange, 21 January 2019
- 7. ABBREVIATED STOCK NAME:** Qingdao Port
- 8. STOCK CODE:** (1) H stock code 06198.HK (2) A stock code 601298.SH
- 9. BOARD SECRETARY:** Mr. LIU Yongxia (as at 31 December 2020)
- 10. TELEPHONE:** 86-532-82982133
- 11. FACSIMILE:** 86-532-82822878
- 12. EMAIL:** qggj@qdport.com

Index for Standards

(I) Environmental, Social and Governance Reporting Guide

Content Index

| Subject areas | Contents and indicators | Remarks |
|---|---|---|
| A. Environmental | | |
| Aspect A1: Emissions | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Enhancing environmental protection to safeguard the blue sea and clear sky |
| | A1.1 The types of emissions and respective emissions data | Environmental Key Performance Indicators |
| | A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Environmental Key Performance Indicators |
| | A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Environmental Key Performance Indicators |
| | A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Environmental Key Performance Indicators |
| | A1.5 Description of measures to mitigate emissions and results achieved | Enhancing environmental protection to safeguard the blue sea and clear sky |
| | A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved | Enhancing environmental protection to safeguard the blue sea and clear sky |
| Aspect A2: Use of Resources | General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. | Creating a green ecosystem to promote resource conservation |
| | A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | Environmental Key Performance Indicators |
| | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility) | Environmental Key Performance Indicators |
| | A2.3 Description of energy use efficiency initiatives and results achieved | Creating a green ecosystem to promote resource conservation Environmental Key Performance Indicators |
| | A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved | Environmental Key Performance Indicators |
| | A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | Not applicable |
| Aspect A3: The Environment and Natural Resources | General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources. | Walking the walk to build a green port |
| | A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Walking the walk to build a green port |
| B. Social | | |

| Subject areas | Contents and indicators | Remarks |
|--|---|--|
| Aspect B1: Employment | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Building a first-class talent team |
| | B1.1 Total workforce by gender, employment type, age group and geographical region | Building a first-class talent team |
| | B1.2 Employee turnover rate by gender, age group and geographical region | Building a first-class talent team |
| Aspect B2: Health and Safety | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Pursuing safe development to construct safety defense |
| | B2.1 Number and rate of work-related fatalities | Pursuing safe development to construct safety defense |
| | B2.2 Lost days due to work injury | Pursuing safe development to construct safety defense |
| | B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored | Pursuing safe development to construct safety defense |
| Aspect B3: Development and Training | General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Facilitating employee career development |
| | B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | Facilitating employee career development |
| | B3.2 The average training hours completed per employee by gender and employee category | Facilitating employee career development |
| Aspect B4: Labor Standards | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. | Protecting employees' legitimate rights and interests |
| | B4.1 Description of measures to review employment practices to avoid child and forced labor | Protecting employees' legitimate rights and interests |
| | B4.2 Description of steps taken to eliminate such practices when discovered | Protecting employees' legitimate rights and interests |
| Aspect B5: Supply Chain Management | General Disclosure Policies on managing environmental and social risks of the supply chain. | Advancing responsible procurement to create a sustainable supply chain |
| | B5.1 Number of suppliers by geographical region | Advancing responsible procurement to create a sustainable supply chain |
| | B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | Advancing responsible procurement to create a sustainable supply chain |
| Aspect B6: Product Responsibility | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters | Rendering quality services |

| Subject areas | Contents and indicators | Remarks |
|--|---|---|
| | relating to products and services provided and methods of redress. | |
| | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons | Not applicable |
| | B6.2 Number of products and service-related complaints received and how they are dealt with | Rendering quality services |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights | Constructing a smart port |
| | B6.4 Description of quality assurance process and recall procedures | Not applicable |
| | B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored | Rendering quality services |
| Aspect B7: Anti-corruption | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Honesty |
| | B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | Honesty |
| | B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored | Honesty |
| Aspect B8: Community Investment | General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests | Supporting rural revitalization Contributing to social welfare |
| | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) | Supporting rural revitalization Contributing to social welfare |
| | B8.2 Resources contributed (e.g. money or time) to the focus area | Supporting rural revitalization Contributing to social welfare |

Explanation: The total amount of packaging materials used in finished products have no practical significance for the Company due to less physical production of the Company.

(II) Global Reporting Initiative (GRI) Content Index

| | Standard number and description | Remarks |
|---------------------------------|--|--|
| 1. Organization Profile | 102-1 Name of the organization | Appendix: Corporate information |
| | 102-2 Activities, brands, products, and services | Company profile |
| | 102-3 Location of headquarters | Appendix: Readers' Feedback |
| | 102-4 Location of operations | Appendix: Corporate information |
| | 102-5 Ownership and legal form | Appendix: Corporate information |
| | 102-6 Markets served | Company profile |
| | 102-7 Scale of the organization | Company profile |
| | 102-8 Information on employees and other workers | Building a first-class talent team |
| | 102-9 Supply chain | Advancing responsible procurement to create a sustainable supply chain |
| | 102-10 Significant changes to the organization and its supply chain | Not applicable |
| | 102-13 Membership of associations | Cooperating with partners to seek common development |
| 2. Strategy and Analysis | 102-14 Statement from senior decision-makers | Chairman's statement |
| | 102-15 Key impacts, risks, and opportunities | Chairman's statement |
| 3. Ethics and Integrity | 102-16 Values, principles, standards, and norms of behavior | Strategy and governance for sustainable development |
| | 102-17 Mechanisms for advice and concerns about ethics | Honesty |
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| | 102-27 Collective knowledge of highest governance body | Governance structure for sustainable development |
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| Standard number and description | | | Remarks |
|------------------------------------|---|--|--|
| | 102-32 Highest governance body's role in sustainability reporting | | Governance structure for sustainable development |
| | 102-33 Communicating critical concerns | | Communication with stakeholders and evaluation of material topics |
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| | | 201-2 Financial implications and other risks and opportunities due to climate change | Highlighting environmental factors to respond to climate changes |
| GRI 202: Market Presence | GRI 103: Management approach disclosures | | Chairman's statement Company profile |
| GRI 203: Indirect Economic Impacts | GRI 103: Management approach disclosures | | Supporting rural revitalization |
| | Topic-specific disclosures | 203-1 Infrastructure investments and services supported | Supporting rural revitalization |
| GRI 204: Procurement Practices | GRI 103: Management approach disclosures | | Advancing responsible procurement to create a sustainable supply chain |
| GRI 205: Anti-corruption | GRI 103: Management approach disclosures | | Honesty |
| | Topic-specific disclosures | 205-2 Communication and training about anti-corruption policies and procedures | Honesty |
| | | 205-3 Confirmed incidents of corruption and actions taken | Honesty |

| Standard number and description | | | Remarks |
|---|--|---|--|
| GRI 206: Anti-competitive Behavior | GRI 103: Management approach disclosures | | Corporate governance |
| | Topic-specific disclosures | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Honesty |
| GRI 302: Energy | GRI 103: Management approach disclosures | | Creating a green ecosystem to promote resource conservation |
| | Topic-specific disclosures | 302-1 Energy consumption within the organization | Environmental Key Performance Indicators |
| | | 302-3 Energy intensity | Environmental Key Performance Indicators |
| | | 302-4 Reduction of energy consumption | Creating a green ecosystem to promote resource conservation |
| | | 302-5 Reductions in energy requirements of products and services | Creating a green ecosystem to promote resource conservation |
| GRI 303: Water and Effluents | GRI 103: Management approach disclosures | 303-1 Interplay between the organization and water (as shared resources) | Creating a green ecosystem to promote resource conservation |
| | | 303-2 Management of impacts related to water discharge | Walking the walk to build a green port |
| | Topic-specific disclosures | 303-1 Water withdrawal | Environmental Key Performance Indicators |
| | | 303-2 Water discharge | Enhancing environmental protection to safeguard the blue sea and clear sky |
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| GRI 304: Biodiversity | GRI 103: Management approach disclosures | | Walking the walk to build a green port |
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| GRI 305: Emissions | GRI 103: Management approach disclosures | | Walking the walk to build a green port |
| | Topic-specific disclosures | 305-1 Direct (Scope 1) greenhouse gas emissions | Environmental Key Performance Indicators |
| | | 305-2 Energy indirect (Scope 2) greenhouse gas emissions | Environmental Key Performance Indicators |
| | | 305-4 Greenhouse gas emission intensity | Environmental Key Performance Indicators |
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| GRI 306: Waste | GRI 103: Management approach disclosures | 306-1 Waste generation and waste-related significant impacts | Enhancing environmental protection to safeguard the blue sea and clear sky |
| | | 306-2 Management of waste-related significant impacts | Enhancing environmental protection to safeguard the blue sea and clear sky |
| | Topic-specific disclosures | 306-3 Waste generated | Environmental Key Performance Indicators |
| | | 306-4 Waste transferred from disposal | Enhancing environmental protection to safeguard the blue sea and clear sky |
| | | 306-5 Waste for disposal | Enhancing environmental protection to safeguard the blue sea and clear sky |
| GRI 307: Environmental Compliance | GRI 103: Management approach disclosures | | Enhancing environmental protection to safeguard the blue sea and clear sky |
| | Topic-specific disclosures | 307-1 Non-compliance with environmental laws and regulations | Enhancing environmental protection to safeguard the blue sea and clear sky |
| GRI 308: Supplier | GRI 103: Management approach disclosures | | Advancing responsible procurement to |

| Standard number and description | | | Remarks |
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| | | 308-2 Negative environmental impacts in the supply chain and actions taken | Advancing responsible procurement to create a sustainable supply chain |
| GRI 401: Employment | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
| | Topic-specific disclosures | 401-1 New employee hires and employee turnover | Building a first-class talent team |
| | | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Protecting employees' legitimate rights and interests |
| | | 401-3 Parental leave | Protecting employees' legitimate rights and interests |
| GRI 402: Labor/Management Relations | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
| GRI 403: Occupational Health and Safety | GRI 103: Management approach disclosures | 403-1 Occupational health and safety management system | Pursuing safe development to construct safety defense |
| | | 403-2 Hazard identification, risk evaluation and incident investigation | Consolidating safety management Employee occupational health |
| | | 403-3 Occupational health services | Employee occupational health |
| | | 403-4 Occupational health and safety affairs: Workers engagement, consultation and communication | Employee occupational health |
| | | 403-5 Workers' occupational health and safety training for workers | Employee occupational health |
| | | 403-6 Worker's health promotion | Pursuing safe development to construct safety defense Creating a healthy and happy workplace |
| | | 403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships | Pursuing safe development to construct safety defense |
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| | | 403-9 Occupational injury | Pursuing safe development to construct safety defense |
| | | 403-10 Work-related health issues | Pursuing safe development to construct safety defense Creating a healthy and happy workplace |
| GRI 404: Training and Education | GRI 103: Management approach disclosures | | Facilitating employee career development |
| | Topic-specific disclosures | 404-1 Average hours of training per year per employee | Facilitating employee career development |
| | | 404-2 Programs for upgrading employee skills and transition assistance programs | Facilitating employee career development |
| | | 404-3 Percentage of employees receiving regular performance and career development reviews | Facilitating employee career development |
| | | Management approach for diversity and equal opportunity | Building a first-class talent team |

| Standard number and description | | | Remarks |
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| GRI 405: Diversity and Equal Opportunity | GRI 103: Management approach disclosures | | Building a first-class talent team |
| GRI 406: Anti-discrimination | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
| | Topic-specific disclosures | 406-1 Incidents of discrimination and corrective actions taken | Protecting employees' legitimate rights and interests |
| GRI 407: Freedom of Association and Collective Bargaining | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
| GRI 408: Child Labor | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
| GRI 409 Forced or Compulsory Labor | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
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| GRI 412: Human Rights Assessment | GRI 103: Management approach disclosures | | Protecting employees' legitimate rights and interests |
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| GRI 413: Local Communities | GRI 103: Management approach disclosures | | Giving back to the society to shoulder our responsibilities |
| GRI 414: Supplier Social Assessment | GRI 103: Management approach disclosures | | Advancing responsible procurement to create a sustainable supply chain |
| | Topic-specific disclosures | 414-1 New suppliers that were screened using social criteria | Advancing responsible procurement to create a sustainable supply chain |
| | | 414-2 Negative social impacts in the supply chain and actions taken | Advancing responsible procurement to create a sustainable supply chain |
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| GRI 419: Socioeconomic Compliance | GRI 103: Management approach disclosures | | Honesty |

Readers' Feedback

Dear readers:

Thank you very much for reading *Sustainability Report of 2020 of Qingdao Port International Co., Ltd.* We sincerely invite you to put forward suggestions for the report, so as to help us continuously improve the quality of the report. Please fill in the following feedback form and send it to us by mail, fax or email. Thank you for your valuable advice.

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

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

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2. Your comments and suggestions on this report and the report for the next year (attached pages allowed):



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We will sincerely consider your comments and suggestions and properly protect your personal information.

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