

# CHAPTER 7 CARING FOR OUR PEOPLE





An excellent team of talent is the cornerstone of business operations and sustainable development. The Company strives to uphold the people-oriented principle by creating a harmonious, inclusive, fair and safe working environment for employees. The Company continues to improve its talent management while recruiting talent from all over the world, and provides them with abundant training resources and diversified development opportunities, thereby keeping employees and the Company moving forward together.

The Company's focus areas in Caring for our People:

Attracting talents	Adhere to the recruitment principles of fair selection and recruitment, and attract talent from diverse channels
Staff benefits	Proactively safeguard employees' rights and interests, and provide competitive remuneration packages and benefits
Talent training	Provide diversified training to assist employees in skill enhancement, and set up systematic progression pathways
Diversity and inclusiveness	Promote equality and diversity, and foster an inclusive corporate culture
Open communication	Encourage internal communication and increase staff engagement to facilitate harmonious employer-employee relations
Occupational safety and health	Continuously optimise the safety management mechanism based on the principle of "safety first, prevention-oriented"

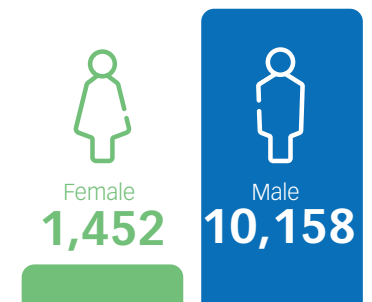
## PERFORMANCE HIGHLIGHTS IN 2022

The Company and the terminals within the reporting scope had a total of 11,610 employees in 2022, which were distributed as follows:

### Total Workforce by Employee Category



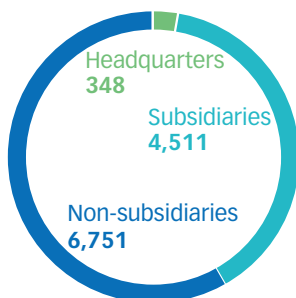
### Total Workforce by Gender



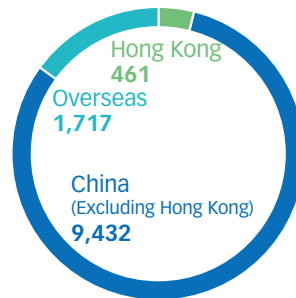
During the year, the total training hours of employees amounted to

**403,665 hours**

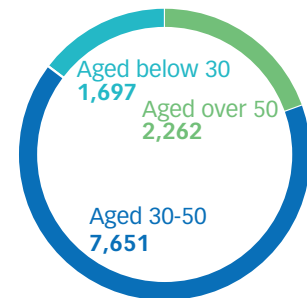
### Total Workforce by Workplace



### Total Workforce by Geographical Location



### Total Workforce by Age Group



For details on employee statistics, please refer to the section headed "Appendices – Key Performance Indicators" set out in Chapter 12 of this report.

## MANAGEMENT APPROACH

The Company complies fully with the laws and regulations<sup>5</sup> in relation to labour force, employment, diversity, occupational safety and health in the regions where we operate to protect the basic rights of employees. In 2022, the Group was not convicted of any cases of non-compliance with relevant laws and regulations, which had significant potential impacts on the Group, relating to discrimination, child labour, forced labour or other related matters.

The Company has developed the Human Resources Management Policy and the Staff Handbook to manage human resources and staff conduct. These policies set out the Company's expectations on its employees' ethics, as well as the ethical norms and procedures they should follow in their daily work to uphold high level of ethical standards and conduct. The Staff Handbook stipulates that the employment practices of the Company and the Subsidiaries must be consistent with local laws and regulations, strictly prohibiting the use of child labour or forced labour during business operations.

## ATTRACTING TALENT

The Company proactively builds and retains an excellent team of talent to ensure effective implementation of its development strategy. In the process of talent recruitment and selection, the Company follows the principles of fair selection, comprehensive assessment, and merit-based recruitment, and attracts talent based on assessment indicators such as personal abilities, experience, qualifications, expertise, vision, and performance.

In order to maintain market competitiveness and recruit excellent talent, the Company reviews its recruitment strategy from time to time to continuously improve business performance and keep abreast of socioeconomic conditions and industry development. The Company continues to expand channels to introduce outstanding talent, including internal selection and market-based recruitment.

## STAFF BENEFITS

The Company offers competitive remuneration and benefits packages based on the performance and experience of its employees, including paid leave, statutory social insurance, and medical insurance. The Company also provides education grants for its employees to subsidise the tuition fees for accredited courses to encourage continuous learning and improvement of professional knowledge and personal skills.

In terms of talent management, the Company amended the Management Policy on Staff Performance Appraisal and further improved the performance appraisal system during the year. The Company adheres to the principles of fairness, openness and impartiality and conducts comprehensive annual assessments on the performance and competence of its employees and supports employees in improving their overall performance and setting work targets based on the appraisal results. All employees of the Company are required to undergo one performance appraisal each year.

Results of performance appraisal are adopted as an important basis for the implementation of human resources planning, such as year-end bonus payment, pay adjustment, staff selection and promotion. The Company proactively promotes and nurtures employees with excellent performance, strengthens development of the talent pool, and closely integrates the Company's strategic development objectives with the performance of individual employees to promote high-quality development. In addition, the Company has a share option incentive scheme, and will also implement special incentive plans in line with its business development needs to boost employee motivation. During the year, the Company amended the Management Policy on Employee Remuneration to further highlight the remuneration-based incentives, encouraging its employees to make unremitting efforts for the long-term development of the Company.

In 2022, the employee turnover rate of the Company and the Subsidiaries within the reporting scope was 2.3% and 2.7%, respectively.

5 Including, but not limited to, the Labour Law of the People's Republic of China, the labour legislation of Hong Kong and the laws applicable to overseas terminals.

## TALENT TRAINING

The external environment is changing rapidly, and the ports industry is undergoing continuous development. The Company continues to invest heavily in training resources to support self-improvement of its staff. During the year, the Company launched an internal mentorship programme to bring together the talented staff from different positions with excellent business expertise in the Company and the Subsidiaries to pass on their experience, knowledge and skills to other staff, providing an important impetus for business development.

In 2022, the Company organised or participated in training for 21,689 hours and the total number of participants reached 198. The Company provides diversified training courses catering for the needs and interests of staff in various positions, including, but not limited to, those relating to thinking and leadership, team management, target management, digital safety, information security, operations management model, corporate safety culture building, interpretation of safety production laws, enterprise risk management, human resource management and training, as well as workplace stress response.



*In July 2022, Guangzhou South China Oceangate Terminal organised training for new young employees on its management policies, production process and corporate culture.*

## DIVERSITY AND INCLUSIVENESS

The Company attaches great importance to a diverse and inclusive corporate culture and strives to create a harmonious working environment. We emphasise equal employment opportunities to all job seekers and current employees, and do not tolerate any employment discrimination or unfair treatment suffered by the potential or existing employees because of age, gender, race, religion, nationality or other factors. We are committed to ensuring equal treatment for all employees.

To improve workplace gender diversity and inclusivity, the Company has set a quantifiable target regarding gender diversity of the Board, and commits that the Board shall not be composed solely of members of the same gender, with the aim of promoting the spirit of gender diversity from the leadership level. In respect of the Subsidiaries, the Company embraces digitalisation and the trend of smart and automated terminal development, and has established more remotely-operated job positions as well as female work teams in the Subsidiaries to empower female career development. During the year, the proportion of female employees in the Company and the Subsidiaries within the reporting scope continued to increase, reaching 28.2% and 14.4%, respectively.



*The female workforce of Xiamen Ocean Gate Terminal carries out remote operations.*



*In March 2022, Piraeus Terminal offered gifts to thank female employees for their contribution.*

## OPEN COMMUNICATION

The Company firmly believes that a transparent and open internal communication mechanism will further unite its staff. The Company has made lots of efforts to strengthen the two-way communication between the management and staff, proactively understand the suggestions and expectations of the staff, and encourages the staff to express their views and put forward proposals for the Company's long-term development. The Company regularly shares the latest developments and information of the Group with its staff through meetings, social media platforms and internal publications. The management of the Company also makes official visits to the Subsidiaries to understand their specific situations and enhance communication.



*COSCO SHIPPING Ports organised the suggestion review program named "Golden Idea" to encourage staff to share their ideas and suggestions.*



*The management of COSCO SHIPPING Ports made an official visit to Xiamen Ocean Gate Terminal.*

The Company has an open communication mechanism in place, whereby employees who encounter any difficulties or questions at work can raise the same with the management or the heads of relevant departments or provide feedback to the labour union. To reinforce ethical norms and professional conduct, the Company has established a whistleblowing system whereby all members of the Company or other parties dealing with the Company can report any illegal, unethical or irregular conduct existed in the operations of the Company. The Company's Whistleblowing Management Policy clearly outlines the reporting channels, acceptance procedures and confidentiality measures and undertakes not to dismiss, demote, suspend, threaten, harass or in any other way discriminate against whistleblowers.

## OCCUPATIONAL SAFETY AND HEALTH

The Company highly values the safety of its employees and is dedicated to creating a safe and healthy working environment. We strictly implement safety management-related measures to minimise the risk of safety accidents. During the year, the Company has not experienced any work-related injuries, and there was no accident of safety responsibility for Subsidiaries which should be reported to the competent authorities. There were a total of 54 cases of work-related injuries involving our employees, with a total of 1,787 working days lost.

## SAFETY PRODUCTION MANAGEMENT

The Company is in strict compliance with applicable laws and regulations<sup>6</sup> in China and the places where it operates, and establishes sound management policies for various terminal operations and frontline positions. The Company amended the Management Policy on Safe Production Responsibility during the year, which clearly determines the principal responsibility and liability for safe production. The Company has established a safety production committee to guide its Subsidiaries to formulate their own safe production policies, operating procedures and accident emergency plans based on the actual operating conditions, so as to implement the policies on safe production, labour protection, pollution prevention, environmental protection and health.

The Company convenes safe production work meetings and safety project meetings on a regular basis to enable exchange of safety works among its Subsidiaries, summarising the overall safe production status and the deficiencies identified during safety assessments, and gives guidelines on the safety works to be performed in the next stage so as to further improve safety management.



*In February 2022, the Company convened a meeting to discuss works relating to safe production, ecological and environmental protection and pandemic prevention and control for 2022, and the meeting of the safety management committee.*



*The Company convened the safety project meeting and the fourth quarter meeting of the safe production committee.*

During the year, the Company issued the Safety Management Policy on Dangerous Goods to regulate the operation, supervision and management of dangerous goods by the Company and its Subsidiaries in China that are engaged in the storage and operation of dangerous goods, to prevent and reduce accidents caused by dangerous goods and to protect safety of life and corporate property.

The Company complies with the Standards for Safe Production of Bulk Cargo (Container) Terminal Enterprises in Ports issued by the Ministry of Transport of the People's Republic of China, aiming to achieve Class-1 standard. During the year, among the Subsidiaries in China, six of them have been qualified as Class-1 enterprises and one is a Class-2 enterprise.

<sup>6</sup> Including, but not limited to, the Production Safety Law of the People's Republic of China, the Dangerous Chemicals Safety Management Regulations issued by the State Council of China, the national standards under the Port Safety Operating Codes for Container Stockyards for Dangerous Goods of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Occupational Diseases as well as the Workplace Occupational Health Regulations.



## OCCUPATIONAL HEALTH MANAGEMENT

During the year, the Company formulated the Occupational Health Management Policy to regulate the formulation of prevention and control plans and implementation plans in relation to occupational health and safety hazards by its Subsidiaries in China, as well as the establishment of occupational health management systems and operational procedures. The Company requires the Subsidiaries in China to provide workers with protective gears that comply with national occupational hygiene standards and to arrange for regular detection of potential occupational disease hazards by technical service providers with appropriate qualifications for occupational health, giving top priority to the health and safety of the workforce.

In relation to construction projects that may generate occupational hazards, the Company requires the relevant terminals to carry out pre-evaluation of occupational health and safety hazards and design of protective facilities, evaluate and assess accordingly the effectiveness of their efforts to prevent occupational health and safety hazards, organise examination and acceptance of protective facilities, and improve the health and safety level of the on-site operating environment.

The Company encourages the terminals to seek for third party certifications to maintain the highest standards of occupational health and safety:

Certification Received	Terminals
ISO 45001 Occupational health and safety management	Lianyungang New Oriental Terminal
	Xiamen Ocean Gate Terminal
	Tianjin Container Terminal
	Guangzhou South China Oceangate Terminal
	Guangzhou Nansha Stevedoring Terminal
	CSP Valencia Terminal
	CSP Bilbao Terminal
	CSP Abu Dhabi Terminal
	Kumport Terminal

## POTENTIAL SAFETY HAZARDS IDENTIFICATION AND RECTIFICATION

The Company continues to strengthen safety risk management. During the year, the Company amended the Management Policy on the Identification and Rectification of Safe Production Accidents and Potential Hazards to direct its Subsidiaries to thoroughly identify potential hazards, optimise risk identification and implement hierarchical management of safety risks, thus reducing the potential safety risks in production and operation.

For major potential safety hazards identified during the inspection by the Subsidiaries, the Company shall fully guide the responsible departments to organise and formulate rectification plans and take safety precautionary measures during the rectification period. Upon completion of the rectification, the relevant terminal should appoint a safety evaluation agency with appropriate qualifications or organise internal technical personnel and experts of the terminal to evaluate the rectification, and where the evaluation result is positive, the terminal shall immediately submit a written report to the local authority responsible for supervision and administration of safe production for further review. The potential safety hazard shall be written off once the review is passed, ensuring no potential safety hazard would be neglected.



*The safety supervision team of the Company conducted a comprehensive supervision at Quan Zhou Pacific Terminal in respect of safe production, ecological and environmental protection, and pandemic prevention and control.*



*The safety supervision team of the Company conducted a safety inspection at Jinjiang Pacific Terminal.*

## ACCIDENT INVESTIGATION

To reinforce safety risk management, the Company has established the Policy on the Reporting and Investigation of Production Safety Accidents to regulate the procedures followed by the Subsidiaries in prompt reporting of production safety accidents, so as to reduce the loss arising therefrom to the largest extent.

Upon occurrence of an accident, the Company will instruct the relevant terminal to arrange personnel with such knowledge or expertise as required for conducting accident investigation or appoint professionals to carry out a rigorous investigation into the cause of the accident on a prompt and accurate basis, and implement mitigation measures to minimise the impact of the accident. At the same time, the terminal shall formulate corresponding preventive measures to avoid similar accidents from recurring.

## SAFETY MANAGEMENT OF SUBCONTRACTORS

During the year, the Company issued the Management Policy on the Safety of Subcontractors to regulate the Subsidiaries to assume the principal responsibility for the safe production management of subcontractors and incorporate the safety management of subcontractors into its safety management system, so as to establish sound management structure, procedures and systems to enhance the overall level of safe production.

The Subsidiaries are responsible for reviewing the qualifications and conditions of subcontractors and continuously tracking the safety performance of subcontractors in order to select appropriate candidates and determine proper scope of cooperation, under which, priority is given to quality subcontractors with sound safety management systems and good safety management record in recent years. Upon confirmation of cooperation, the Subsidiaries will sign safety management agreement with the subcontractor and are responsible for providing training on safety and emergency response to the subcontractor's staff prior to commencement of operation, and arranging the subcontractor's staff to participate in the emergency response drills organised during the operation. In addition, the relevant terminal will carry out daily supervision at the subcontractors' operation sites and regularly organise subcontractors to identify potential safety hazards, including the defects and problems in the maintenance, use and management of equipment and tools, and supervise subcontractors to rectify them in a timely manner so as to strengthen safety management. During the year, Quan Zhou Pacific Terminal organised emergency fire drills for its employees and outsourced workers and conducted fire equipment training to raise the awareness of terminal workers on fire prevention in the warehouse and in the course of production, and to strengthen their emergency response capability in handling emergencies.

In order to strengthen the supervision and management of subcontractors, the Subsidiaries will conduct regular safety assessments on subcontractors and report the results to the Company. Subcontractors who fail to pass the assessment will be "blacklisted" and will not be engaged again.



*Quan Zhou Pacific Terminal organised emergency fire drills for its staff and outsourced workers.*

## ASSESSMENT OF SAFE PRODUCTION PERFORMANCE

The Company continued to strengthen on-site management at the terminals and amended the Policy on Safe Production Performance Assessment during the year to regulate the management system covering supervision and operation, accountability and performance assessment of safe production works, and set specific targets for its Subsidiaries in respect of safe production management.

If a safety incident occurs, the Company will pursue responsibility and impose penalties subject to the severity of the incident in accordance with the assessment policy. In the event of withholding, misreporting, omission of information or late reporting of safe production incidents which are required to be reported, performance related bonus will be deducted as a penalty according to the corresponding penalty clauses.

### SAFE PRODUCTION TRAINING

The Company attaches great importance to cultivating employees' awareness of safety and requires its Subsidiaries to organise and implement various safety education and training and emergency drills for their staff through the Management Policy on Safety Education and Training, so as to enhance their safety operation skills and self-protection awareness, prevent occurrence of accidents involving personal injury and fatality, reduce occupational hazards, and promote the safe and stable development of the terminals.

In 2022, the number of participants of safety education and training in the Company and its Subsidiaries in China were 21,080, with a total of 56,644 training hours, safety training investment of RMB461,900 and a training rate of 98.5%. The number of full-time safety management personnel trained was 401, with training investment of RMB94,000 and a training rate of 100%.



*Xiamen Ocean Gate Terminal invited lecturers to analyse the causes of the most typical accidents in terminal operations by combining them with hidden operating danger. Participants were guided by the lecturers to share their experiences and correct any errors in the course of operation.*



*Quan Zhou Pacific Terminal conducted an emergency drill for vessels carrying dangerous goods calling at the terminal. The staff on duty activated the emergency response procedures in accordance with the company's disposal plan and conducted on-site command, rescue and evacuation.*



*CSP Wuhan Terminal organised fire-fighting training and emergency evacuation drills.*



*Tianjin Container Terminal publicised and promoted the laws and regulations related to safe production, and conduct emergency drills to improve emergency handling capabilities.*

## PANDEMIC PREVENTION AND CONTROL

Amid the spread of the pandemic, health protection of employees has been particularly essential. The Company has taken comprehensive and prompt responses in the early stage of pandemic outbreak to minimise the impact thereof on its staff. In response to the requirements of the places where we operate, the local governments and COSCO SHIPPING, the Company's leading group and working group for pandemic prevention and control have coordinated to regulate the preventive measures for the Company and the Subsidiaries to curb the spread of the pandemic, so as to ensure the steady and orderly operation of the Company and the terminals.



*Quan Zhou Pacific Terminal and Jinjiang Pacific Terminal made reasonable personnel arrangements for office work and safe production in accordance with the development of the pandemic to reduce the impact arising therefrom on safe production at the ports.*



*Guangzhou South China Oceangate Terminal underwent the supervisory inspection relating to pandemic prevention and control in the prevention measures for Hong Kong and Macau barges and separate disposal of pandemic-prevention related waste.*



*Tianjin Container Terminal implemented specific pandemic prevention and control requirements for vessels and required its staff to take proper personal protection.*



*Jinzhou New Age Terminal provided its staff with pandemic prevention materials such as alcohol sprays, face masks, disinfectant foam balls to protect the health of its employees.*

## IMPROVING EMPLOYEES' PHYSICAL AND MENTAL HEALTH AND WELL-BEING

The Company places great emphasis on its employees' physical and mental health, promotes work-life balance, discourages working overtime and proactively organises different kinds of internal and external recreational activities in spare time to help employees release work pressure, improve their health and well-being, and meanwhile increase their sense of belonging and cohesion by allowing employees opportunities to get along with each other.



*The Company organised a leather product making activity and invited instructors to teach the female staff to make accessories.*



*Guangzhou Nansha Stevedoring Terminal and Guangzhou South China Oceangate Terminal organised the staff retreats which covered ethnic integration, outdoor development and health therapy.*



*Lianyungang New Oriental Terminal organised its female employees to take part in fun activities to relax and unwind.*



*Quan Zhou Pacific Terminal offered a summer care class to provide free care for over 60 children of its staff.*