

青岛港国际股份有限公司 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

2022 Sustainability Report



ABOUT THE REPORT

Reporting Introduction

Qingdao Port International Co., Ltd. ("Qingdao Port", "the Company" or "We") has issued annual Sustainability Report since the year 2017, which mainly outlines the concepts, practices and performance of sustainable development of the Company in environment, society and governance.

Reporting Period

From 1 January 2022 to 31 December 2022 and 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 No.1 Self-discipline Supervision Guideline on Standardization Operation for Listed Companies of the Shanghai Stock Exchange, the 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), with the base of industry background, highlighting the characteristics of the enterprise.

Reporting Language

The Report was published in simplified Chinese, traditional Chinese and English. In case of ambiguity, the 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

The year 2022 is an extremely important and extraordinary year in the development course of Qingdao Port. Facing the severe and complex external situation, we have joined hands with cooperation partners to adhere to innovation and exploration, transformation and development, and the performance as the king. We have made great progress in the aspects of production and operation, intelligence and green, benefiting for people and social service, showing a satisfactory performance to Shareholders and stakeholders.

Hold the banner of challenge to increase performance against the headwinds. Relying on the larger platform of Shandong Port, Oingdao Port holds hands with the carriers and traders to make concerted efforts to overcome difficulties and strive for continuous improvement in production and operation. In 2022, the Group completed cargo throughput of 627 million tons, representing an increase of 10.3% as compared to the same period in the prior year, among which, the container throughput reached 26.82 million TEUs, representing an increase of 13.1% as compared to the same period in the prior year. The Company's net profit attributable to shareholders of the Company was RMB4,525 million, representing an increase of 13.6% as compared to the same period in the prior year. The Company achieved earnings per share of RMB0.7, representing an increase of 14.8% as compared to the same period in the prior year. The Company is committed to efficient operations to bring more returns for society and create more value to the Shareholders.

Improve corporate governance to enhance endogenous power. We adhere to governance on the rule of law, continue to improve rules and regulations, advance the modernization level of management capacity. In accordance with corporate governance practices, we promote the operation of the three meetings, information disclosure and investor relationship at high standards. The power and responsibility of modern enterprise governance system with the shareholders' general meeting, board of directors, supervisory committee and senior management are clear and efficient. We built the first asset management system in the industry and completed the pilot construction task of financial sharing center, achieving a new level of refined management. We deepen the construction of internal control system, identify and controlled key risks, and promote the construction of system on compliance risk control system for all-staff. We abide by business ethics, attach importance to the reasonable demands of stakeholders, and build a good relationship of mutual benefit and harmonious development.

Focus on the innovation work to extend the service chain. In the overall situation of the country, we make overall plans for our own development and jointly build a transshipment network radiating ports group of Northeast Asian, with the route density ranking the first among ports in northern China. We make efforts on the container efficiency and service brand, expand multicargo business of two-way between the sea and land. We build inland ports in node cities along the Yellow River Basin and a logistical network "based on Shandong Province, serving the market of Yellow River Basin and connecting the country to the world", stimulating the economic development of nine provinces along the Yellow River. The amount of searail intermodal containers keeps the first in the country for eight consecutive years. The Company operates the only designated delivery warehouse for low sulfur fuel oil futures in northern China, and the first direct supply business from low sulfur fuel oil futures warehouse, achieving steady growth in ship-fueling business.

Serve the "dual-carbon" strategy to promote green development. The Company actively implements the concept of green development, promotes the construction of low-carbon energy consumption, green transportation mode, intensive resource utilization and smart management mode, and speeds up the construction of an international-leading intelligent and green port. In 2022, we researched and developed a completely independent and controllable intelligent control system (A-TOS), realizing the homemade core production system of the terminal. The average single operation efficiency of the bridge crane reached 60.18 units/hour, setting the world record for the ninth time. We built the first oil and power hybrid intelligent tugboats and started the construction of the first hydrogen refueling station in the port field, making the green development level to a new level. We continued to increase investment in environmental protection, add more dust removal equipment, and strengthen the comprehensive treatment and recycling of sewage, further improving our ability to treat the environment.

Adhere to people-orientation to share development results. We pay attention to the life safety and occupational health of employees, continue to build a strong safety "firewall", accelerate the mechanization, automation and intelligence of high-risk operations, and comprehensively build an intrinsically safe port. We strengthen the skills training, organize vocational skills competitions, carry out high-quality evaluation activities of model and outstanding workers, smooth the channels for employees' career development, continuously increase the salaries and welfare benefits of employees, realizing to share fruits, build a homeland and promote development together. We regularly carry out practical activities of "I do practical things for the people", adopt real measures and achieve real results. By holding a variety of artistic performances, the spiritual and cultural life of employees are more enriched, and the sense of gain, happiness and security of employees are further improved.

Bravely shoulder social responsibilities to demonstrate the responsibility of state-owned enterprises. We know that the development of the enterprise is benefited from the harmonious and stable social environment and the era of forging ahead. The Company always regards giving back to the society as an important responsibility and carries out public welfare activities such as community assistance and voluntary services to promote harmonious social development. In 2022, in the case of congestion in the international container hub port, Qingdao Port always maintains efficient operation and shows strong service resilience, making important contribution to the smooth and stable international logistics supply chain. The Group has participated in emergency handling tasks such as rescuing ship with broken cables and stranding, fire fighting and rescuing in logistics park, organized and raised "One-day Charity Donation", funded "Chunlei Girl" charity donation and other activities, and actively donated materials to Qingdao Charity Federation and Weihai Charity Federation to pass on positive energy and promote the harmonious development of society with practical actions.

2023 is a crucial and connecting year for the implementation of the 14th Five-Year Plan. Empowering by the policies such as the OBOR, RCEP, Shandong Free Trade Zone, promotion of energy transformation and green, low-carbon and high-quality development of Shandong Province, the development advantages of integration reform of Shandong Port are gradually enlarging. The Company will focus on the work concept of "overcoming difficulties, leading in innovation and striving for first-class", seize strategic opportunities, continue to deepen reforms, develop emerging industries, improve the level of intelligent and green development, enhance business performance and corporate governance efficiency, and accelerate the construction of Northeast Asia International shipping hub.

In the new year, we will inherit the excellent cultural genes and excellent entrepreneur spirit of Qingdao Port, actively deal with the challenges of global environmental and social issues. We will work hand in hand with all stakeholders to achieve steady and longterm progress, so as to contribute to the sustainable development.

> SU Jianguang Chairman April 2023

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 the main board of the Shanghai Stock Exchange on 21 January 2019, respectively. The Company is a primary operator of the Port of Qingdao and operates five port areas, including Qianwan Port Area, Huangdao Oil Port Area, Dongjiakou Port Area, Dagang Port Area and Weihai Port Area. It is mainly engaged in stevedoring and ancillary services for different types of cargoes such as containers, metal ore, coal, crude oil, logistics and port value-added services, port ancillary services and financial services.

As of 31 December 2022, the Group operated 108 berths, which included 68 special berths dedicated to handling a single type of cargo and 40 general berths capable of handling metal ore, coal and other general cargo. Leveraging natural deep-water capacity and industry-leading facilities and equipment, the Group 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 2022, the gross berth productivity of Maersk ships in Qingdao Port continued to rank first in the world. The fully automated container terminal of the Group recorded the world average single-machine operating rate with 60.18 units per hour, and the single-machine loading and unloading maximum rate for iron ore continued to maintain at 3,200 tons per 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 meetings and one management" including shareholders' general meeting, board of directors, supervisory committee and senior management, among which, the board of directors and the supervisory committee contained employee representatives, effectively ensuring that employees enjoy full rights in corporate governance. The "three meetings and one management" 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 promoted the construction of modern enterprise system, established and maintained reasonable and effective risk management and internal control systems, formulated and implemented a set of management systems to practice, including *Internal Control Management System*, *Comprehensive Risk Control System* and *Internal Audit System*, etc.

In 2022, the Company organized the revision and update of the *Internal Control Manual* and *Risk Management Manual*, to identify key risks by business segments and densify the key risk defense lines. The Company strengthened the implementation of the internal control system, improved the long-term mechanism, cultivated the internal control culture, issued two *Case Analysis of Enterprise Internal Control* every month, promoted the integration of internal control management into daily work, and promoted the unification of system regulations and work implementation. The Company carried out regular inspection and supervision activities, realized the linkage cooperation between inspection and audit, and gave full play to the efficiency of supervision services. The Company carried out multi-dimensional, deep-level and comprehensive internal control audits and special evaluations, addressed the source of problems, continued to improve our ability to prevent and control risks, and promoted the effective operation of the internal control system.

In 2022, the Company strengthened management innovation, carried out production management information audit, and explored the digital transformation of internal audit. The Company organized and carried out internal control system construction and evaluation training, exchanged typical experience, and improved the quality of supervision and service. Relying on the audit center, the Company cultivated the auditing force at the grassroots level, accelerated the construction of the auditing team, and provided a strong organizational guarantee for the auditing work.



Qingdao Port 2022 In 2022, the audit department of the Company was awarded the honorary title of "Advanced Group of Internal Audit" by Shandong Internal Audit Association, which was the only award-winning unit of port enterprises in Shandong Province.



In June 2022, the Company held an exchange activity of internal control evaluation work experience, introduced excellent cases of internal control management, and promoted good practices and experiences of internal control management.

(III) Honesty

Incorruptible employment

The Company strengthened the honest employment management of all employees, implemented the requirements of laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*, formulated and implemented the *Implementation Opinions on Establishing and Improving the Coordinated Supervision Mechanism (Trial)* and other rules and regulations, and strengthened the supervision of the power operation process. The Company organized and held the Party conduct and anti-corruption work conference, integrity policy and warning education conference on Party. Employees from all levels of the Company signed the *Responsibility Certificate for Comprehensively and Strictly governing the Party*, organized and carried out the activities of reporting the responsibility and clean government, perfecting the clean archives, and comprehensively improving the quality and efficiency of honest employment of all employees. The Company highlighted education on Party discipline and laws and regulations, and organized the management to learn General Secretary Xi Jinping's words on exercising full and strict governance over the Party and laws and regulations and regulated documents about incorruptible employees training to build a faithful, clean and responsible management team. In 2022, the Company's employee integrity education coverage rate achieved 100%.

The Company strengthened 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 and purchasing, engineering construction, key links and posts to avoid integrity risks. The Company hired external supervisors for construction of the Party conduct and a clean government to improve the supervision from the public.

The Company actively promoted the construction of "Incorruptible Port", and conducted warning education regularly. The Company published *Weekly Cases* and compiled typical cases of violations of law and discipline to enhance the awareness of honesty risk prevention and control of all staff. In 2022, the Company organized middle-level management to visit Qingdao Honest Education Center, organized employees to visit various honest government education bases, and shot a warning educational film "Out of Control Procurement". The Company carried out the "online + offline" three-dimensional promotion of honest employment, build the column of "Qingdao Port Honest Atomosphere", published weekly honesty information, and educated all staff to stay away from the red line of corruption.





Integrity policy and warning education conference on Party

Assessment on work report conference and accountability and integrity report conference



Visit Qingdao Integrity Governing Education Center

Party co-construction at integrity education bases

In 2022, the Company's "Case of Innovative Construction of Stereoscopic Port Characteristic Clean Culture" was selected as the national outstanding case of clean culture construction in transportation by China Communications Press Association. Qingdao Port Commission for Discipline Inspection. Together with the Commission for Discipline Inspection of Qingdao Free Trade Zone and the Commission for Discipline Inspection of Huangdao Customs, the Company launched the collection of works on clean culture of "Celebrating the 20th CPC National Congress and Promoting Integrity among FTZ, the Customs and the Port", which was widely welcomed.

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 relevant requirements, strictly manages the fund payment process, and prevents corruption, money laundering and other illegal risks. In 2022, there were no corruption lawsuits filed against the Company and its employees that have been concluded.



Honest operation

The Company adheres to the principles of willingness, fairness, equal compensation, honesty and creditability in business activities, abides by social morality and business ethics, and accepts the supervision of the government and the public. The Company does not make exaggerated publicity and false advertising, or seek illegitimate benefits through bribery, smuggling and other illegal activities. The Company respects other people's property, intellectual property rights and other legitimate rights and interests, and does not engage in unfair competition, and maintain normal social and economic order.

We have established a sound financial operation and supervision mechanism, strictly abide by the state's fiscal and financial laws and regulations, and guard against various financial risks. We always keep paying taxes according to law in mind, fulfil statutory obligations and timely pay taxes in full. Since the establishment of the Company, it was rated as "A-level taxpaying enterprise" every year, and the tax amount paid by the Company ranked top among the companies in Qingdao, contributing a lot to local economic and social development.

We strictly abide by the *Civil Code of the People's Republic of China*. We strictly comply with and perform our contract commitments. In the process of contract signing, implementation and management, the Company, through equal consultation, 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 mutual benefit, and abides by the *Price Law of the People's Republic of China, Law of the People's Republic of China on Ports, Anti-Monopoly Law of the People's Republic of China, Port Charges and Billing Measures* and other laws and regulations and provisions on related policies. We 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 January 2022, the Company was awarded three honorary titles by the China Enterprise Reform and Development Research Institute, including "Top 500 Credit Chinese Enterprise of 2021", "Top 500 Credit Chinese Listed Company of 2021" and "Top 100 Credit Chinese Service Enterprise of 2021".





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Services for shareholders

The Company puts the protection of shareholders' legitimate rights and interests in a prominent position, and has formulated and implemented a series of rules and regulations, such as *Information Disclosure Management System*, *Information Disclosure Management Measures*, *Investor Relations Management System*, *Implementation Rules for Investor Relations Work*, and *Investor Relations Archives Management Measures*, etc. Through continuous improvement of the governance system, the Company guarantees that all shareholders could exercise their rights fairly equally and effectively, and well upholds legitimate rights and interests of minority and medium investors. In 2022, the Company allocated approximately 50% of the profits available for distribution of the year 2021, with a total cash dividend of RMB1,664.3180 million (RMB0.2564 per share, tax inclusive), to return shareholders with real money.

The Company continues to strengthen the construction of a high-level board of directors, gives play to the leading role of the board of directors in governance, and promotes the standardized and efficient operation of the Company. The Company regularly prepares and submits *Weekly Capital Market Trends*, *Directors' Reference Information*, and *Regulatory Information of Listed Companies* to timely transmit information on capital market trends, regulatory rules, and issues concerned by investors to the Company's management.

The Company regards information disclosure as an important part of maintaining good corporate governance, adheres to disclosing information in an authentic, accurate, complete, timely and fair manner, and continuously improves the quality of information disclosure. In 2022, The Company has fulfilled the obligation of information disclosure in accordance with the listing rules of the place where the stock was listed. It has been awarded the A-class evaluation of information disclosure by Shanghai Stock Exchange, and won the "Best Information Disclosure Award" of the Sixth China Excellent IR Award.

The Company collects, adopts, and responds to the suggestions and opinions of investors through various online and offline channels such as Shanghai Stock Exchange E-interaction, the special line for the board secretary, the hotline for investors, the WeChat, Microblog and the Company's official website, so as to safeguard the legitimate rights and interests of investors. In 2022, the Company published various company information through the Company's website, Oriental Fortune, Straight Flush and other platforms, effectively enhancing the Company's attention and influence in the capital market.

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A股股价互动	2021	2.564	39.64	42%	2022-08-26	2 生产旺、业绩红、铆足干劲满堂红 湿氮(1) 基金(1) 商品(2)
H股股价互动	2020	2.622	38.42	44.30%	2021-08-26	2 2022年即將接近尾岸,在決胜全年"調螢红"的收售阶段,青岛港全力以赴推进各 其他(29)	
派意记录	2019	2.003	37.90	34,3%	2020-08-05	2 项生产指标, 排出闪亮业绩, 青岛港前海集装箱码头 (QQCT) 全线颗红, 3条 2022-12-28 339 1月(2) 2月(2)	2022 *
业务概况							
集装稿板块	2018	3.797	35,93	33.56%	2019-07-16	2 4月66 5月(1 7月07) 8月05	
干散货板块	2017	0	30.43	41.37%	2019-07-16	2	
液体散货板块 物流板块	2016	1.648	21.86	36.84%	2017-08-10	2 量发展上市公司"	
配套板块	2015	1.391	19.05	34.52%	2016-08-05	2 2022年12月20日,第十二届香港国际金融论坛暨中国证券金索刑奖颁奖典礼在書 热门文章	
金融板块	2014	0.619	15.86	18.64%	2015-07-28	2 退举行,背起港(601298.5H, 06198.HK)先值卓趋的业绩表现荣获本届年度标 2022-12-20 944 13190万乐幅	

Investor relation column at the official website of the Company

"Enterprise" column of Qingdao Port at the website of Oriental Fortune



The Company regards investor relations management as a long-term systematic project. The Company has established a communication team with the chairman, general manager, chief financial officer and secretary of the Board as the core, and has established a working mechanism for investor relations led by the board office, complemented by functional departments and subordinate units to communicate closely with investors. In 2022, guided by regulatory requirements and investor needs, the Company established and improved basic information such as roadshow databases and investor relationship files, and conducted high-quality investor exchange activities. It was awarded the "Best Hong Kong Stock IR Team Award" at the third Cailianshe Board Secretary Summit Forum.

In 2022, the Company has carried out a series of investor service work:

- ♦ Participated in the online collective reception day for investors in Qingdao, held 3 performance briefings, and the management knew the investor concerns and listened to their voices;
- ☆ Shared work experience of investor protection with listed companies in Qingdao as the representative of advanced units in investor protection work;
- Diversified and improved investor exchange groups, and held 43 exchange activities through various forms such as video, SSE E-interaction, the special line for the secretary of the Board, and one-on-one chats; and
- ♦ Held exchange meeting with the theme of "Intelligent and Green Port" and the activity of "World Investors Week" activities, inviting field investigation for analysts and investors.



Online Collective Reception Day for Investors

Share investor protection work experience



Participate in offline strategy meeting of Zheshang Securities

Participate in "World Investor Week" in 2022



(IV) Honors of the Company



Qingdao Port won the title of "Most Social Responsibility Listed Company" in the activity of "12th China Listed Company Reputation List of 2022", which was organized by domestic financial and economic daily newspaper *Daily Economic News*.

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In January 2022, Qingdao Port won the "Best Infrastructure and Public Utility Company" award in the ceremony of Sixth Annual Golden Hong Kong Stock Award. In April 2022, Zhang Liangang was awarded the "National Labor Medal of May Day" by the All-China Federation of Trade Unions.



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In May 2022, Xu Haoran, an employee of QQCTN, was awarded the honorary title of "National Outstanding Member of Communist Youth League" by the Central Committee of the Communist Youth League.



In May 2022, Sun Rixin is an employee of Dagang Branch. Her family was named "National Five Good Family" by All-China Women's Federation.



In July 2022, the Company's digital transformation case was rated as "Typical Case of Digital Transformation of Listed Companies" by China Association for Public Companies.

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In June 2022, Liu Qi, an employee of QQCT, was awarded the honorary title of "The Most Outstanding Port Workers" by the Ministry of Transport.



In September 2022, Zhang Changjiang, an employee of QQCTN, was awarded the honorary title of "National Youth Worker Pioneer" by the Central Committee of the Communist Youth League and the Ministry of Human Resources and Social Security.





In September 2022, the second phase and third phase of container terminal at the Qianwan port area were rated as "Four-star China Green Port" by the China Ports Association. In November 2022, the Company's investment team won the "Best Hong Kong Stock IR Team Award" in the Third Cailianshe Board Secretary Summit Forum.



In December 2022, Qingdao Port won the "China's Top 100 Enterprises Award" and "China's Top 100 Enterprises with Special Contribution Award" at the 22nd China's Top 100 Listed Companies Summit Forum. In December 2022, Qingdao Port won the "Best Information Disclosure Award" in the 6th ceremony of China Excellent IR Award. In December 2022, in the 12th ceremony of China Securities Gold Bauhinia Award, Qingdao Port won the "Most Valuable Listed Companies with High Quality Development".

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Sustainable Development Strategy and Governance

The Company, adhering to the development concept of "innovation, coordination, green, openness, and sharing", pays focus on port business, continues to deepen reforms, and makes continuous efforts in aspects including emerging **business** formats, intelligent green, and corporate to comprehensively improve business management performance and management efficiency. While pursuing economic benefits, the Company actively fulfills its social responsibilities, regulates operations in accordance with the law, strengthens environmental protection, cares for employees, supports social welfare, actively contributes to the society, and promotes 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 with the participants of management, various functional departments and subsidiaries. The Board takes responsible to set sustainable development strategy of the Company, makes decisions on and manages major issues. Management, various functional departments and subsidiaries are responsible for the specific implementation of all aspects of security, production, employees, environment and society. We have put in place a linkage mechanism among headquarters, 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 economic transformation 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

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

Туре	SDGs	Practice and performance		
Corporate governance	16 PEACE JUSTICE AND STROHG INSTITUTIONS	 The Company built a high-level risk management and internal control system. The Company was rated as "A-level taxpaying enterprise" for 8 consecutive years. The Company's coverage ratio of employee integrity education was 100%. In 2022, the Company won the China Securities Gold Bauhinia Award "Most Investment Value of High-quality Development of Listed Companies", "China's Top 100 Enterprises Award", "China's Top 100 Enterprises Special Contribution Award" and other honors. The Company was awarded the honorary titles of "2021 Top 500 Chinese Enterprise Credit", "2021 Top 500 Chinese Listed Company Credit" and "2021 Top 100 Chinese Service Enterprise Credit" by China Enterprise Reform and Development Research Institute. 		
Quality services	PROBATIVISTIC	 According to the <i>Comprehensive Evaluation Report of</i> <i>World-class Ports (2022)</i> jointly released by China Economic Information Society and Water Transport Research Institute of the Ministry of Transport, Qingdao Port ranked in the forefront of world-class ports. The port of Qingdao won the first place in the business environment assessment of the top ten shipping container ports in 2022, and won the highest level of four-star. The berth efficiency of Maersk Ships in Qingdao Port continued keeping the first in the world. The average single-machine operation efficiency rate of the fully automated container terminal reached 60.18 units/hour, setting a world record for the ninth time. The stevedoring efficiency of single-machine for iron ore continued keeping maximum efficiency at 3,200 tons per hour. The Company promoted the structural reform of the port service supply side, and provided the "door-to-door" whole- process logistics service. The Company won 15 science and technology awards at the level of Shandong Port and above, 152 domestic and foreign patents and 28 software copyrights. The Company formulated service quality management system, established standardized customer service process, and guaranteed customer service quality. 		

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Туре	SDGs	Practice and performance		
		The Company conducted multi-level customer visits and customer symposiums every year, extensively sought for customer opinions to respond to customer concerns.		
Supply chain	17 rear heavans	 The Company set up supplier service line to open 24 hours customer service telephone. The Company put the whole process for tendering and bidding online, greatly improving the procurement efficiency. The Company 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. The Company established a sophisticated mechanism for daily management, regular evaluation and annual review of suppliers, built whole-process supplier management system. 		
Environment	Image: State of the state	 The Company built a wind proof and dust controlling wall at bulk cargo and installed automatic spraying systems at bulk cargo and ports to prevent dust pollution. The Company built a network system to monitor environmental air quality, implemented intelligent environmental control, and realized real-time air quality monitoring. The Company carried out oil and gas recovery and transformation work at oil loading terminals, and strengthened the ability to control volatile organic compounds. The Company built a power station at the port area and introduced electric car rental team. The Company used "oil and electricity hybrid" intelligent tug to reduce carbon emissions. The Company built "wind-photovoltaic power integration" demonstration project, increased green electricity sources, optimized the energy structure. The Company vigorously promoted the use of clean energy, built the first hydrogen refueling station at domestic ports, and introduced three hydrogen energy collection cards for pilot application. Shore power berth coverage of ships reached 100%. The Company took various measures to conserve water resources and recycled dust-contained sewage after it was collected and processed to meet the recycle standard. The second and third phase of container terminals at the Qianwan port area were rated as "Four-star China Green Port". 		

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Туре	SDGs	Practice and performance		
Employees	5 ECTORY 8 DECINI WHY AND Image: Stream of the s	 The Company improved the democratic management system and guaranteed the democratic rights of employees. The Company established a scientific and fair employee compensation and welfare system and strived for welfare policies for employees. The Company passed ISO45001 Occupational Health and Safety Management system certification, occupational health check rate reached 100%. The Company formulated a scientific man-hour management system to ensure balance between work and life. The Company set up a comprehensive talent training and promotion system. The Company reached an employee training coverage rate of 100% and annual average training duration no less than 88 hours. The Company valued humanistic care for employees and carried out diverse recreational and sports activities. There were a number of industry and even the national pioneers of the Group. 		
Society	2 CAU SSS 11 Mar Dowenners SSS 10 REUCED 1 Norther 1 Norther	 Youth volunteer service team of the port participated actively in various public welfare activities such as social assistance, environmental protection, civilization advocacy and disaster relief all year round. 40,000 sets of medical protective suits were donated to the Qingdao Charity Federation. The Company donated RMB300,000 to "Shandong Provincial Public Security Police Special Fund for Border Police Gatekeeping". The Group collected a total of RMB864,000 of personal donations, which were donated to Qingdao Charity Federation. Qingdao Port Emergency Rescue Center actively participated in marine rescue, fire rescue, emergency drill and other activities, which has been recognized by superior authorities and praised by all sectors of society. Tugboat Branch gave full play to its advantages in maritime operations, and has participated in waterway clearing and patrol duty work for more than 5,000 hours free of charge. Participated in such emergency rescue tasks as the oil tanker "Azuey" with broken cable and the unpowered ship "Tianchanghe", and completed 50 rescue operations of various kinds. 		



(III) Communication with stakeholders and evaluation of material topics

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

The Company launched the "Sound Voice Hotline Service Platform", which has broadened communication channels between the Company and stakeholders. Stakeholders can directly raise questions and make comments and suggestions to the Company through this platform. Relevant departments of the Company will handle and respond 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 Create jobs and pay taxes
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
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. Chairman and general Manager's mailbox	Continue to improve service quality Safeguard the legal rights of customers Ensure just and fair treatment Handle complaints timely
Employees	Safety production Legal rights and interests of employees Remuneration incentive and welfare Sound working environment Opportunities for training and development	Employee Representative Conference Website, Weibo, WeChat, etc. Incentive mechanism for employee evaluation Regular training Chairman and general Manager's mailbox	Create a safe and harmonious working environment Protect employees' legal rights and interests Stick to the openness of factory affairs and democratic management 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 Chairman and general Manager's mailbox	Integrity, credit, fairness and clean Mutual beneficial and win-win cooperation Open and transparent, fair competition and equal opportunities Adhere to contracts and act faithfully

Qingdao Port

Stakeholders	Concerns	Communication mechanism	Performance of communication
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 Chairman and general Manager's mailbox	Provide high-quality products and services Support activities for social welfare Conserve 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:



The Company's board of directors approved the implementation of the annual work plan for the sustainable development report. The Company solidly implemented the plan, improved the work mechanism, and continued to optimize the report content. In October 2022, we invited stakeholders to take part in the materiality assessment of ESG issues. In order to achieve low-carbon and environmental protection policy, we made the questionnaire online and collected 703 effective questionnaires. External stakeholders such as customers, suppliers, investors, regulators, associations, news media and the public accounted for about 50% of the total participants. We identified and confirmed the materiality of each ESG issue through statistical analysis of data and determined the key issues to be disclosed in the 2022 Sustainability Report based on evaluation results.







Sticking Integrity and Innovation to Build an Intelligent Port

The Company accelerates the construction of a world-class marine port, actively promotes innovation-driven, transformation and upgrading and consolidates the competitive advantage of the main business of stevedoring, vigorously develops comprehensive logistics services and promotes coordinated development of industries, and continuously optimizes service quality, improves customer satisfaction and creates good returns for shareholders of the Company.

(I) Constructing an intelligent port

The Company seized the opportunity of "Intelligent Port Construction Pilot" of "Boosting Country by Transportation" in Shandong Port to accelerate the construction of a world-leading intelligent and green port. The Company applied the technologies of artificial intelligence, industrial Internet, 5G, Big Data and etc., promoted intelligent operation, diversified service, visual digital information, consolidated the leading advantages of the construction of intelligent port, to achieve high-quality development by digitalization and intelligence.

Upgrading intelligence

In 2022, the Group highlighted the enterprise innovation as the main position and promoted high-level technological self-reliance and self-improvement. Fully applying the fully automated container terminal intelligent management and control system (A-TOS), achieving the localization of the core production system of the terminal, and overall achieving the international leading level in system performance, the system has won the first prize of the China Institute of Navigation Science and Technology Progress Award. The national key research and development plan undertaken - ubiquitous perception project has successfully passed the mid-term inspection and built a digital twin system for three types of cargo (container, dry bulk and oil) terminals.



Intelligent control system (A-TOS)

Digital twin system for terminal

The Group promotes the automation transformation of professional dry bulk cargo equipment, conducts advanced equipment testing and application such as remote excavators, unmanned horizontal transfer vehicles, and unmanned cleaning vehicles, and takes the lead in building a leading whole-process fully automated dry bulk cargo terminal in China. The Group also accelerates the application of high-tech, assists in production acceleration, and puts into operation the first oil electric hybrid intelligent tugboat in China.



Whole-process automated dry bulk terminal

Intelligent tugboat with oil and electricity hybrid



The Company upgraded refined management, completed the task of pilot construction of financial sharing center, and created the demonstration application of integrating industry and finance. The Company built an application asset management system to continuously deepen the full-cycle visual management of port assets, and the port industrial Internet platform has been fully launched to promote system integration and data sharing to facilitate coordinated port operation. A total of 129 5G base stations have been built at the port, optimizing the transmission equipment for the backbone port network, achieving ultra-high-speed connectivity of port networks, and playing a supporting role in facilitating the intelligent upgrading and upgrading of traditional terminals.

With the help of the Global Shipping Business Network (GSBN), the Company strengthens the collaborative relationship with other members, implements the paperless cargo release mode, and improves the port operation efficiency. Business processes, such as the supply of materials for ships on international voyages, container export return, and bulk cargo pick-up, have realized paperless declaration and electronic documents, continuously optimized the business environment at ports, and upgraded the construction of intelligent inspection platforms to a new level.

Science and Technology achievements

The Company adheres to the guidance of science and technology, focuses on the overall layout of building a world leading intelligent and green port, carries forward the innovative spirit of "Liangang Innovation Team", and makes remarkable achievements in innovation and innovation. In 2022, it has won 15 science and technology awards at the level of Shandong Port and above, among which, "Key Technologies of Earthquake Damage Prevention and Control and Resilience Improvement of High Pile Terminal in Liquefaction Site" won the first prize of Shandong Science and Technology Progress Award, and "Research and Application of Key Technologies of Whole Process Automation and Intelligent Control of Dry Bulk Terminal" won the grand prize of China Port Association.



Weili Innovation Team

"Weili Innovation Team" of Qiangang Branch was organized in March 2020, which is an information-innovating team with high-level, high-quality and highly technologies. The team overcame over 600 industry challenges with less than two and a half years, comprehensively transformed a traditional dry bulk cargo stevedoring terminal that had been in operation for more than 30 years into the first intelligent and green dry bulk cargo terminal in China operated automatically with full process, full yard and full machines. In June 2022, the dry bulk intelligent terminal was officially put into operation, and all efficiency and benefit indicators exceeded those of traditional manual dry bulk terminals. In December 2022, "Weili Innovation Team" was awarded the honorary title of "Pioneer of Island City" in Qingdao.



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, strengthens management and protection for its own intellectual property, and respects and protects the intellectual property rights of other parties. The Company obtained 152 domestic and foreign patents (including 7 international patents and 145 national patents) and 28 software copyrights throughout the year.

The Company strictly abides by the norms of scientific ethics, respects the spirit of science, carries out scientific and technological innovation in accordance with the law, and avoids research, development and use of science and technology that endanger the natural environment, life and health, public safety, and ethics.

(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" to improve its comprehensive service capabilities continuously. In 2022, the Company implemented the purpose of serving customers in combination with the practice activity of "I do practical things for the masses". According to customer feedback and demands, the Company added service sites for outside drivers and launched online inquiry services for vehicles entering the port.

Improving the functions of port services

In order to further meet customer needs and enhance the port's competitiveness, the Company extends the port's industry chain and service chain and continuously improves service function of the port. The Company promotes infrastructure construction and enhances the hard power of infrastructures. The Group has built the world's most advanced automated container terminal, 400,000-ton ore terminal, 300,000-ton crude oil terminal, 200,000-ton bulk cargo terminal and storage tanks, yards, warehouses and other ancillary facilities. In 2022, the Company accelerated the construction of the Northeast Asia international shipping hub, and realized the re-optimization of route layout, the re-improvement of service capacity, the re-innovation of service measures, and the re-upgrading of market expansion. A number of new engineering projects, such as the crude oil terminal and liquid chemical terminal at the Dongjiakou port area, were completed and put into use, further improving basic service capabilities and meeting customers' transportation needs.

The Company deepens cooperation with major shipping companies, adheres to the principle of "customer first", and creates personalized service plans according to the needs of shipping companies. We actively seek more policy support, rely on smart empowerment, innovate more efficient operation modes to reduce operating costs for shipping companies. We focus on the research on the operation mode of sea-rail combined transportation, radiate to the deeper hinterland, and build a comprehensive logistics service channel with the lowest cost, the best service and the highest efficiency for customers, so that Qingdao Port has always become the most reliable partner of the majority of shipping companies.



The Company conducts multi-level customer visits and customer symposiums every year guided by customer needs as orientation, extensively seeks for customer opinions, responds to customer concerns, continuously improves service quality, and intensifies cooperations. In 2022, management of the Company led teams to visit more than 100 major customers and launched full logistics, liner transportation and other businesses to enhance new momentum for development.





In July 2022, the Company held the earnest talks with oil business customers, exchanging in-depth market information with major refining and chemical enterprises, to promote the cooperation of the whole industry chain for oil and gas. The Company has extensively consulted customers to understand customer needs, consolidated and deepened the strategic partnership.



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 feedback 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 employees participate the activities to improve service quality and enhance the service standards.

On 1 February 2022, the Company officially opened a comprehensive service hotline to further enhance port service capabilities, improve service efficiency and customer satisfaction. Guided by customer needs and innovating service quality, in the first customer satisfaction survey of Shandong Port in 2022, Qingdao Port took a lead in terms of hardware facilities, brand reputation and brand image, and came out top in terms of customer satisfaction

Customer Service Measures

- ♦ The Company set up a customer service center and opened a comprehensive service hotline of 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", the Company assigned high quality and highly competent personnel with excellent professional skills to offer professional services to customers.
- ♦ The Company implemented first inquiry responsibility system for customer service to solve customer needs and improve service efficiency.
- ☆ The Company established customer service key performance indicators system (KPI). implemented quantitative management, comprehensively evaluated customer service work performance and improved customer service work quality.



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Improving Customer Service Measures

In 2022, QQCTN put forward the service slogan of "Don't let the customers down", standardizing the service process and improving customer experience. Throughout the year, QQCTN conducted 231 sessions of special training on service terms, business processes, customer service skills, etc., and established a good reputation for service by solving 326 unexpected problems from customers and receiving 19 letters of thanks and 2 banners, and established a good reputation for service.





In October 2022, due to the limitation of ship conditions, a batch of exported cars could not be directly driven on board, and the customer urgently asked West United for help. West United immediately mobilized and worked overtime to develop a new type of special lifting gear for cars. The stevedoring task was completed quickly and efficiently, and the goods were delivered on time. The customers called at the company to give a banner to express their gratitude.

In the process of service promotion and introduction, the Company strictly abides by the *Advertisement Law of the People's Republic of China*, the *Trademark Act of the Peoples Republic of China* and other laws and regulations, without making false propaganda and advertising. In 2022, the Company did not receive administrative penalties for false advertising and consumer fraud.

Service efficiency management

The terminal efficiency is one of the key service indicators that cargo owners and global shipping companies put great emphasis on. The Company scientifically arranges production plans, optimizes business processes, improves operation efficiency, reduces berthing time for ships, and provides customers with efficient services in whole-process. The Company has been taking the lead in the industry in terms of stevedoring efficiency, and the handling efficiency of containers and the iron ore maintain the top in the world. High-quality and high-efficiency services of the Company are highly recognized by domestic and overseas customers.

By means of standardized operation training, skill training and multiple ways, the Company continuously improves the technical skills and practical ability of operating personnel. The Company organizes vocational skills competition every year to improve the employees' 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.



Arranging production plans

The Company develops reasonable and scientific production plans and assessment indicators, and strictly controls and makes necessary adjustments in time during the operation process. Deploying production organizations

The Company plays the pivot role of management as the 'production dispatch and command center". implements "integrated" coordination and deployment of production resources in the whole port, and fully explores the production potential of each port area, forming a synergetic development mode with all port areas complementing and cooperating with each other, so as to improve the port's overall production organization efficiency.

Optimizing business processes

The Company vigorously promotes online services of intelligent port, through which customers can enjoy 24-hour self-service business online. Through online services, container trucks can save about 90 minutes of invalid running time per trip. At the same time, we can realize data sharing among relevant parties of port logistics via online services, so as to ensure the full-process traceability of imported containers.

Improving operation efficiency

The Company coordinated and rectified the obstacles influencing navigation. In 2022, the navigable guarantee rate of the main channels of Oingdao Port was 100%. The Company takes advantage of the small-target radar monitoring network system, electronic upgrade of AIS navigation marks and various technological innovations to improve the efficiency of operations in the port area.

The management team of the Company has been engaged in the port industry for many years, and has rich management experience. The Company has built the service brand of "Cooperate with the whole world", created the enterprise culture with unique characteristics of Qingdao Port, and cultivated a large number of advanced workers and high-quality and highly skilled staff represented by the "Gold Medal Worker" Xu Zhenchao, the "Model of the Times" "Liangang Innovation Team", which have laid the foundation for the Company's innovative development and sustainable development.



On 28 June 2022, the average single-machine efficiency rate of fully automated container terminal reached 60.18 units/hour at Qingdao Port, for the ninth time to break the world record.

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STATEMENT OF EXCELLENT PRODUCTIVITY

On June 27th 2022, during the handling operation of M/V "SHIMIN", QQCTN achieved the average productivity of ship-to-shore crane 60.18 boxes/hour and the highest productivity of ship-to-shore crane 67.76 boxes/hour, which extremely shocks us in an astounding way. Please allow me to express our most sincere gratitude on behalf of all SHIMIN crew members for your excellent operating ability.

Yours Truly,



The Company comprehensively upgrades the whole-process operation efficiency standard, implements the quantitative service measures of "four commitments and eight guarantees", and actively builds an internationally leading "Fast Efficiency Port" by improving the efficiency of ship arrival and departure, port operation efficiency, inspection operation efficiency, and sea-rail intermodal cargo operation efficiency. According to the assessment results of the business environment of the ten shipping ports released at the "2022 China Customs Affairs Development Conference", the port of Qingdao ranked first in the total score and won the highest level of four-star for two consecutive years.

In August 2022, Wang Zhaojun and Liu Xinjie, employees two of Qingdao Shihua, won the first place among the fluid handling workers at the grand final of 13th National Transportation Industry Skills Competition, showing good professional level and professionalism.



Complaint management

The Company highly values the opinions and feedback from customers, identifies deficiencies in services through satisfaction surveys, customer visits, etc., and continuously improves service quality. We published a service hotline for public supervision and a complaint hotline to extensively and timely collect and understand customer demands. We formulated and implemented comprehensive customer complaint management measures, and arranged special personnel to handle customer complaints and clarify the acceptance responsibility and handling efficiency. In response to customer complaints, we continue to track and implement a closed-loop management system, reaching 100% of the complaint completion rate.

The following is the statistics of customer complaints received and handled by the Company's headquarters through the formal appeal mechanism in 2022 (excluding subsidiaries, joint ventures and associates):

Number	Complaint type	Number of complaints
1	Number of customer complaints	23
2	Number of invalid complaints	3
3	Number of the handled complaints	20
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 customers' information and privacy. We established a comprehensive customer information protection system, and strictly implemented confidentiality requirements in accordance with the contracts or agreements between both parties. We managed all kinds of customer information confidentially, set up limitations of access and use to customer information and signed confidentiality agreements with employees as required to strictly protect customer information and private information. In the event of the betrayal of customer information, we will immediately take remedial measures and report to the customer in time.



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

The Company has implemented laws, regulations and normative documents, such as the *Environmental Protection Law of the People's Republic of China*, the *Management Regulations of Shore Power Supply for Ports and Ships* and the *Management Regulations on the Pollutant Discharge Permit*, issued and implemented the *Management Regulations for Identification and Evaluation of Environmental Factors* and the *Management Regulations for Identification and Evaluation of Environmental Factors* and the *Management Regulations for Energy (Trial)*, continuously improved the environmental protection management system, and formulated *Key Points of Construction on Green Port* to clarify specific tasks, promoting the construction of green and low-carbon port.

Building an ecological dry bulk cargo terminal

In order to deal with the dust from bulk cargo operations, the Company actively explored and introduced new technologies and new crafts, deeply implemented the dust-proof policy in terminal operation, implemented the sprinkler renovation of the heads of the stacker and picker to realize accurate control of dust source in the process of stacker and picker. The Company built new automatic washing pool for cars and washing equipment at the Dongjiakou port area to meet the needs of cleaning bulk cargo transport vehicles. The Company began to use micro-air quality monitoring stations in the port area, established a long-term mechanism of monthly notification management for air quality, strengthened the management of air pollutants to ensure that air quality meets standards.



In 2022, the Project of Intelligent and Green Terminal for Dry Bulk Cargo, which was constructed by Qiangang Branch, stood out from nearly 2,000 cases and was successfully selected as an excellent case of digital production in Qingdao. The intelligent and green terminal for dry bulk cargo of Qingdao Port was developed and constructed by "Weili Innovation Team" and officially put into operation in June 2022. The machinery and equipment of the project are all made by China and with intelligence, helping to build an intelligent and green port with "blue sky and water, harmonious port and city, intelligence and connectivity, and coordinated multi-party linkage".

Optimizing the logistics and transportation structure

In order to effectively resolve the port logistics pressure brought by automobiles and solve the problems of exhaust emissions and mineral powder leakage pollution, the Company vigorously promotes clean transportation methods such as road-to-railway, road-to-waterway and road-to-pipeline. In 2022, the clean transportation of ore and other bulk goods by "rail + water" accounted for more than 90% and 70% at the Qianwan port area and the Dongjiakou port area, respectively. The volume of containers by sea-rail intermodal transportation continued to keep growing, and the clean transportation of imported crude oil through "pipeline+railway + waterway" accounted for more than 85% and greatly reduced the number of diesel trucks entering the port.





Pipelines transportation for oil

Sea-rail intermodal transportation for dry bulk cargo

Building a green and safe oil port

The Company strives to build a green and safe 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 installed oil and gas recovery devices for oil loading lines and the newly-built loading terminal, and built oil and gas recovery projects at oil loading terminals with 10,000-ton and above. The Company accelerated the deployment of online equipment to monitor volatile organic compounds (VOCs) at the terminals, warehouses and other places, and establishes an interactive mechanism for the production exceeding the limit to control the volatilization of oil and gas during the loading process.

Strengthening the prevention and treatment of ocean pollution

The Company takes effective measures to prevent and deal with sea pollution during the handling process of the port. Each handling companies of the Company has signed an agreement with the third-party companies qualified on receiving and disposing of ship pollutants to provide support for the emergency disposal of ship pollutants. The cargo of oil shall be handled only after oil booms are laid as required to avoid leakage of cargo and miscellaneous goods into the harbor. The Company implements daily clearing of floating objects and intertidal zone rubbish in the port area to keep clean and prevent pollution.

Building an international sanitation port

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The Company actively creates an international sanitation port. The Company enhances the environmental control on production and operation process and works hard to create a green ecological environment to minimize the impact of production operation on the environment. In 2022, according to the construction plan of port area, some large green spaces and seedlings were relocated from the Dagang port area to the Dongjiakou port area, keeping stable in overall number of seedlings. Approximately 710,000 seasonal flowers were newly planted throughout the year to improve the port environment.

The Company continues to enhance sanitation management, carries out in-depth environmental inspections and sanitation improvement, further improving the environment of the port area. In 2022, the Group carried out a cumulative application of 30.07 million square meters of disease vector elimination in the port area. The efforts of sanitation work were recognized by the government authority.

(II) Creating a green ecosystem to promote resource conservation

Based on the actual production of the port, the Company has actively focused on resource conservation, implemented environmental protection projects including energy-saving technology transformation, energy structure upgrading, reclaimed water resources recycling and etc., strengthened exploration of management potential, promoted practicing economy, and improved resource utilization efficiency.

Energy-saving technology transformation

In 2022, the Company actively innovated in energy-saving technological transformation, increased the use of new energy, and gradually promoted the upgrading of equipment in production lines to achieve efficient use of energy.

The Company continued to promote the hybrid power transformation of tire crane and battery transfer to reduce fuel consumption. The Company expanded the application scale of permanent magnet motor and frequency conversion energy storage equipment, innovated the operation mode of belt system in production, implemented process transformation, and effectively reduced the production energy consumption.



Frequency conversion energy storage equipment in the cold container storage yard

Permanent magnet motor in belt process

Energy structure upgrading

The Company actively optimizes the energy supply structure, forms a clean energy supply system with power as the core and multiple energy as the complementary, and reduces carbon emissions. The Company promoted clean energy replacement for equipment and vehicles, preferred choosing clean energy for forklifts with small tonnage, tractors, empty container stackers, patrol vehicles and etc., continued to carry out the transformation of electric stackers, the pilot application of electric loaders and container front cranes, completed the construction of port power stations, introduced the rental fleet of electric trucks, and completed the construction of the first oil-electric hybrid tug. The normal application of high voltage shore power in the inter-provincial roll-roll berths with passengers, reducing fuel consumption in the port area. In 2022, the Company built the first hydrogen station at a domestic port and introduced three hydrogen container trucks for test operation, laying the foundation for the application of hydrogen energy at ports.



Hydrogen station at the Qianwan port area

Automatic container front cranes





The using of photovoltaic power on the top of buildings

Small wind machines were built at port areas

The Company actively promoted the pilot application of new energy, implemented the demonstration project of "wind-photovoltaic power integration" at the automatic container terminal, carried out the project of photovoltaic power using on the top of bridge crane operating rooms, warehouses, building and other places, and began to construct the large wind machine at the port areas, increasing sources of green power for ports to reach 6 million kwh of annual power capacity.



Power Supply Company accelerated the replacement of fuel-powered vehicles with new energy, completed 10 sets of charging piles and added 5 electric vehicles in 2022. It is estimated that each vehicle can reduce fuel consumption by 1.2 tons per year, which can significantly reduce carbon emissions.

The street lamps with wind and photovoltaic power complemented each other at QQCTU are put into operation, using wind and solar power to supply lighting lamps to achieve selfsufficiency in lighting electricity.

Recycling of water resources

The Company makes full re-utilization of reclaimed water resources, and all the dusty sewage at each port area is collected for reuse if it reaches the standards after its disposal. The subsidiaries use rainwater collection ponds and other facilities flexibly to collect rainwater for dust suppression at the port areas. In 2022, reclaimed water from the operation of domestic sewage treatment plants at the Qianwan port area and the Dongjiakou port area was used for watering roads to control the dust, spraying water on bulk cargo operation, etc., saving a lot of drinking water resources.


Waste water recovery and reusing

(III) Highlighting environmental factors to respond to climate changes

In order to cope with the challenges of climate change, the Company actively implements the national goal of "carbon peaking, carbon neutrality", pays attention to the impact of global climate change on port operation, adheres to the concept of green and low-carbon development, reduces pollutant emission and the impact of development on the environment. Combined with climate change scenarios, the Company analyzes the risks and opportunities of climate change that it faces, assesses related impacts, and formulates coping strategies.

		Risks	Measures
Entity risks	Acute risks: Typhoon, storm, drought, flood and other extreme weather	 Damage docks and related facilities, cargo ships or cargo, resulting in damage and 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 	 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 development of diversified businesses and develop terminal and comprehensive logistic services
	Chronic risks: Sea level rise and growing foggy weather, last high temperature	 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 	 Scientifically arrange production plans, carefully deploy production organizations, improve operation efficiency

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		Measures	
		season, which affects operation efficiency	
	Policy and legal risks	 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 	 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
Transitional risks	Technical risks	The use of renewable energy, new technologies and equipment for energy saving and emission reduction makes original technologies and facilities outdated and depreciated	 Continuously study the feasibility and economic benefits of applying new technologies and equipment
	Market risk and reputation risk	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	Accelerate the construction of a green and intelligent port, improve the efficiency of resource recycling and utilizing, and achieve a leading position in sustainable development industry

(IV) Environmental key performance indicators

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The Company regularly checks the implementation of environmental protection policies and the environmental protection systems, corrects behaviors that do not conform to the Company's environmental protection policies and systems, and takes corresponding remedial measures. In 2022, the Company, Qiangang Branch and important subsidiaries, such as Qingdao Port Logistics and Shandong Port Lianhua were listed as key pollutant discharging units by the government of Qingdao. For the Company's pollution discharge information, construction and operation situations of facilities on pollution prevention and control, environmental impact assessment of construction projects and other environmental protection administrative licenses, emergency plans for environmental emergencies, environmental self-monitoring plans and other environmental information that should be disclosed, please refer to the 2022 annual report disclosed on the website of the Shanghai Stock Exchange for details.

Name	Unit	Statistical data
Total greenhouse gas emissions ⁽²⁾ (Scope 1 and Scope 2) ⁽³⁾	Ton	727,922
- Direct greenhouse gas emissions (Scope 1):	Ton	143,893
- Indirect greenhouse gas emissions (Scope 2):	Ton	584,029
Greenhouse gas emissions per 10,000-ton throughput (Scope 1 and Scope 2)	Ton/10,000-ton throughput	11.61
Total hazardous waste produced	Ton	2,764
Hazardous waste per 10,000-ton throughput	Ton/10,000-ton throughput	0.04
Compliance rate of hazardous waste disposal	%	100
Total non-hazardous waste produced	Ton	17,400
Non-hazardous waste per 10,000-ton throughput	Ton/10,000-ton throughput	0.28

Statistical data of emissions (1) in 2022

Statistics on the consumption of natural resources (including energy) in 2022

Resource type	Unit	Statistical data
Total comprehensive energy consumption ⁽⁴⁾	MWH	1,562,280
1. Direct energy consumption	MWH	570,492
(1) Petrol consumption	MWH	7,866
(2) Diesel consumption	MWH	548,600
(3) Natural gas consumption	MWH	14,026
2. Indirect energy consumption	MWH	991,788
(1) Electricity consumption	MWH	820,390
(2) Steam consumption	MWH	171,398
Total comprehensive energy consumption per 10,000-ton throughput	MWH/10,000- ton throughput	24.92
Total water consumption ⁽⁵⁾	1,000-ton	4,940
Including: Circulating water	1,000-ton	2,250
Comprehensive water consumption per 10,000-ton throughput	1,000-ton /10,000-ton throughput	0.08

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 of greenhouse gas emissions refers to those directly from operations of the Company, while Scope 2 refers to indirect greenhouse gas emissions from internal consumption of (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.

Target on tota	l emissions in 2023
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Name	Unit	Target data
Carbon emission per 10,000-ton throughput	Ton	≤1.86
Comprehensive energy consumption per 10,000-ton of production	MWH	≤19.53

In 2023, the Company will take measures to reduce emissions and energy consumption including:

(1) Carry out special treatment for standardization of pollutant discharge permits. We will strictly implement the requirements of the *Regulations on the Administration of Pollution Discharge Permits*, update relevant information in a timely manner, and implement key issues such as records, execution reports, self-monitoring, and information disclosure.

(2) Strengthen the exhaust gas treatment of fuel machinery and equipment. We will solidly finish the dynamic adjustment of the registration for non-road-mobile machinery, and regularly carry out annual exhaust emission monitoring.

(3) Strengthen the control of solid waste pollution. We will strictly implement the requirements of the new *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, to identify the types of solid waste in ports, and standardize the collection, archive and disposal.

(4) Promote the construction of "carbon neutral" pilot demonstration area. We will actively carry out the creation of zero-carbon operating areas, zero-carbon terminals, and zero-carbon port areas, and encourage the purchase of green electricity to offset the indirect carbon emissions generated by purchased electricity.

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Uniting Employees and Safety to Construct a Safe Port

The Company vigorously improves the safety production system on safety production management, carries out a series of special activities to rectify major hidden dangers in safety production, and works hard on detailed and practical work of safety production strictly, continuously promoting the construction of a safe port.



2022山东省港口危险货物集装箱泄漏火灾事故应急演练

(I) Cementing safety management

The Company strictly abides by the Safety Production 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 Shandong Province Safety Production Regulations, the Shandong Province Production Safety Accident Emergency Response Measures and other laws and regulations, as well as normative documents, implements the accountability of enterprise entity for safety production in all respects, improves the safety production system, and deepens the inspection and management of safety hidden dangers to improve the intrinsic safety management level.

The Company strengthens the implementation of safety regulations. The Company organizes all employees to deeply study the important expositions of General Secretary Xi Jinping on safety production by means of basic safety training and weekly safety brief reports, and watch the feature film "Life is more important than Mount Tai", and constantly strengthens the awareness of safety and risk prevention and control.

The Company enhances the safety production responsibility system. The Company revised and improved the safety production responsibility list of all employees, and built up a fully coverage safety responsibility system from the management of the Company to the employees in front line. The Company cleared and improved the safety production responsibility system of all employees at each level, signed the target responsibility certificate of safety production at each level, and assigned the safety director according to the requirements.

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, ensuring that the Company's safety management and safety production work based on the evidence to achieve upgrading of safety management level. In 2022, the Company formulated and implemented 9 rules and regulations such as "Safety Production Meeting Management Regulations", "Safety Inspection Management Measures" and etc., and continued to improve the level of basic safety management.

(II) Preventing safety risks

The Company establishes a safety technology support and guarantees system to reduce or eliminate the safety risks arising from "human-machine cooperation, human-machine interaction", and creates 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 key areas such as dangerous 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.

The Company implements regular supervision and inspection of potential safety risks. The Company has set up a safety supervision team to implement all-weather and seamless safety supervision and inspection, investigate safety responsibilities, and urge the implementation of safety systems and safety measures. In 2022, the Group issued 66 *Safety Brief Report* to expose 304 typical problems, seriously assessed and called to responsibilities for the problems investigated, promoting the effective implementation of safety supervision responsibilities.

The Company continues to strengthen safety management in key areas. In 2022, the Company conducted regular physical examination inspections on key units, and strictly supervised the whole process. The Company highlighted the safety management of dust explosion, long pipeline transportation and crude oil storage tank, organized special actions such as long-haul pipeline and dust explosion-related, organized third-party professional organizations to carry out special inspections, and investigated and corrected 137 problems. The Company organized and carried out special actions to review hidden dangers, contract contractors, and road traffic. During the action, 20 typical problems corrected were assessed in accordance with the *Measures for Investigation and Assessment of Responsibility for Hidden Dangers in Safety Production*.



OO CASE

Qiangang Branch develops an intelligent operation system to clear cabin for ships, installs intelligent control center for loaders and excavators to realize remote control of them. The operating drivers' working place changes from the cabin to remote control operation room, reducing personnel safety risks.



According to the characteristics of liquid bulk cargo operation, Oil Port Company adopts "AI+personnel positioning" and other technologies to carry out safety management reform in ultra-long operation area of liquid bulk cargo, forming a set of systematic safety control system.



(III) Promoting emergency response capability

The Company established the emergency organization system, formulated and implemented contingency plan to support safety production in the port. Based on the completion of the emergency rescue command platform in the early stage, the Company further upgraded and added functional modules such as "data statistical analysis, video recognition technology, human-computer interaction research and judgment" to continuously improve the level of intelligent emergency response. In 2022, Qingdao Port Emergency Rescue Center actively participated in maritime rescue, fire rescue, emergency drills and other activities, which were recognized by superior authorities and praised by social units.



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Qingdao Port Emergency Rescue Center has trained a qualified team to contribute to port risk prevention and control and containment of accidents. In 2022, we participated in emergency rescue tasks such as rescuing stranded vessel of "ARZOYI", disposing the oil spilling of the vessel of "A SYMPHONY", and rescuing in Intelligent Logistics Industrial Park, 2022 Qingdao Port Security Joint Exercise, emergency drill about the fire accident rising by the leakage of dangerous cargo containers and other activities.



Daily trainings

Nightly patrols



Conduct fire drills

Carry out rescue missions

The Company's emergency rescue center and the nearby full-time fire rescue forces established the mechanism with the service force and the linkage to gradually improve the three-dimensional emergency response network by sea and land.



(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 promotion of safety concept, the Company cements the foundation of cultural construction and builds the atmosphere of safety production.

The Company strengthens the safety training on work to improve employees' safety skills. The Company has formulated a comprehensive safety training system, stipulating that the training hours for general management and operation personnel are no less than 12 learning hours per year, and the management and operation personnel of the key post in units are no 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 labors.

In 2022, the Group put the intrinsic safety actions as the main line to consolidate safety infrastructure, and has completed more than 600 sessions and more than 30,000 safety education trainings. The coverage rate of the chief, safety management employees and special operation employees with certificates in the Group's production and business units reached 100%, and the safety training rate of all employees reaches 100%, further enhancing the safe development of the port.

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.



Benchmarking learning and improving activities

Debate competitions themed with safety production



Monthly activities of safety production

"First class" on safety at the company





OD CASE

According to the actual production and operation scenarios, Dagang Branch has built a comprehensive safety learning and education training base - "VR Safety Training Center", which integrates site construction, VR equipment and virtual reality software system. By setting up typical port operation scenes, the center puts experiencers in the actual port production operations and hypothetical virtual scenes of potential accidents. Under the premise of ensuring personal safety, they can conduct high simulation and interactive simulation training, so as to obtain VR immersive simulation experience and achieve better training effects.



(V) Employee occupational health

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The Company strictly follows the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, adheres to the occupational disease prevention and control guideline of "prevention first and integration of prevention and control", formulates and implements the *Management Measures for Prevention and Control of Occupational Diseases*, the *Management Measures of Physical Examination for Staff Health*, and other management systems, continues to improve management mechanisms including warnings and notifications, declarations, training and publicity, protective equipment management, hazard monitoring and evaluation, etc., which constantly improves the level of occupational health management and effectively protects 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, 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.

The Company provides physical examination for staff annually, carries out occupational health examination for employees during the period of pre-the-job, on-the-job and off-the-job to occupational disease hazards, and establishes employee occupational health files. If the employee's health status is inconsistent with the post requirements, we will transfer him to another post in time to avoid the risk of occupational disease or suspected occupational disease. In 2022, the coverage rate of employee occupational health examination was 100%.

The Company has passed ISO 45001 occupational health and safety management system certification. All subsidiaries of the Company involved in occupational disease hazard factors entrust third-party testing agencies to conduct regular occupational disease hazard factor testing, and issue the "Workplace Occupational Disease Hazard Factor Testing Report" to ensure that the operating environment meets the requirements.

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 2020	0 (person)	0%
Number and ratio of work-related fatalities in 2021	1 (person)	0.01%
Number and ratio of work-related fatalities in 2022	0 (person)	0%
Number of days delayed due to work injury in 2022	648 (working days)	-

Note: ratio of work-related fatalities = number of work-related fatalities / Number of employees.



Joining Hands to Achieve Winwin Development

The Company actively integrates into the national development of the "OBOR", accelerates to build a worldclass marine port. Through more cooperation with the other 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) Creating a sustainable supply chain

The Company abides by the *Bidding Law of the People's Republic of China* and other laws and regulations, standardizes bidding and procurement management activities, practiced 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 protecting the legitimate rights and interests of the Company and suppliers.

The Group implements the centralized procurement policy, vigorously implements the "sunshine procurement" project, and sets up a full-time department material and equipment bidding procurement center (hereinafter referred to as the "**Procurement Center**") to uniformly purchase the cargo, service and projects based on the principles of openness, fairness, justice and transparency. The implementation of the "sunshine procurement" project has played the advantages of large-scale and specialization of procurement, strengthened the risk control of the procurement process, effectively prevented the risks of procurement fraud and commercial bribery, and promoted cost control and capital saving. The Procurement Center innovates supplier management, takes the dynamic evaluation, selecting the good and abandoning the bad, efficiency and systematics as principles, forms a sound supplier management mechanism of daily management, regular evaluation and annual audit, and builds a supplier management system covering the event before and the event after the event.

The Group realizes the online operation of the whole bidding process, publicly recruits suppliers with advanced technology and efficient operation to the whole society through the Sunshine Procurement Bidding Platform, continuously optimizes the supply chain and maintained the leading level and competitive vitality of suppliers. We make every effort to promote the upgrading of the procurement platform, realize the online payment of bid bond and agency fee through the data exchange between Sunshine Bidding and Procurement Platform and E-bank, realizing the online handling of procurement business more convenient. We further normalize the standardized deposit management, exempt the deposit for small projects, and reduce the transaction cost of suppliers. We lower the entry threshold and strive to create a sound and relaxed business environment.



Supplier review process on the Sunshine Procurement Bidding Platform



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The Company regards suppliers as important partners, abides by policies and commitments to suppliers, and advocates the establishment of a business environment of fair competition, equality and mutual benefit. The Company has set up a supplier service hotline and opened a 24-hour customer service hotline to help suppliers solve problems and answer questions. In 2022, it answered tens of thousands of consultation and answer calls, effectively enhancing the guarantee of supplier service.



Supplier Service Line

Accept purchased materials and put into storage

The Company is committed to maintaining a fair and just procurement order, setting up a supervisory department to accept complaints from suppliers, encouraging the society and suppliers to report suspicious corrupt behaviors, and severely cracking down on violations of laws and regulations such as favoritism and black-box operations in the procurement process, so as to protect the legitimate rights and interests of both parties. Procurement Center regularly supervises and publicly reminds the incorruptible procurement, signs the Integrity Commitment Certificate with suppliers, issues a Letter to Suppliers on the bidding procurement platform, practicing the concept of open, shared and win-win supplier cooperation and opposing any form of unfair competition.

The Company concentrates on the performance of suppliers in terms of sustainable development. In the procurement process, we give priority to equipment and materials with reliable quality, energy saving, high efficiency and environmental protection, and prohibit the purchase of outdated products that are explicitly eliminated by the state. 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.

Procurement Center carries out quantitative evaluation of suppliers' points and blacklisting management. In 2022, 416 suppliers were deducted with 1,029 points and 183 suppliers made the blacklist. The Company extensively attracted powerful suppliers, and increased 482 suppliers for the year, effectively improving the quality and efficiency of centralized procurement.

Distribution area of suppliers	Number of suppliers in 2020	Number of suppliers in 2021	Number of suppliers in 2022
Qingdao City	1,011	1,136	1,193
Shandong Province (excluding Qingdao)	359	537	575
Outside Shandong Province	691	751	1,138
Total	2,061	2,424	2,906

Geographical distribution of major partner suppliers in recent 3 years



(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 and domestic 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.

The Company continues to expand and consolidate overseas joint venture and cooperation projects. We jointly invested in the construction of the Abu Dhabi terminal project in the United Arab Emirates with COSCO SHIPPING Ports, and cooperated with CNPC and other partners to strengthen the management of overseas projects such as Kyaukpyu Made Island in Myanmar and Vijay Port in Guinea. We actively and prudently responded to unfavorable factors such as changes in the political and economic environment, and took multiple measures to maintain the safety and stability of overseas operating projects.

In 2022, the Company focused on the upstream and downstream industrial chain, gave full play to the advantages of port resources, drove the development of the port-related industry, coordinated and accelerated the construction of the ore and grain at the Dongjiakou port area and other port-related industries, and promoted the coordinated development of the industry and the port. The Company continued to deepen friendly exchanges and cooperation with international ports, and held anniversary celebrations of sister ports with Long Beach of the United States and Wilhelmshaven of Germany to deepen friendship and promote cooperation.



In October 2022, the chairman of the Company went to Kazakhstan and Uzbekistan for exchange with the delegation of Qingdao Municipal Government, and carried out special promotion in the two countries, respectively. In December 2022, the Company connected with relevant parties in Kazakhstan to promote the construction of Central Asia logistics channel at Qingdao Port, crossborder trade and other business cooperation.

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In August 2022, the network activity themed with "Flowing Ten Thousand Miles from Vibrant Port" was launched at the automated container terminal of Qingdao Port. Nearly 30 online media, including People's Daily Online, Xinhua Net and China Central Television, gathered in Qingdao to create stories of endeavor, development and reform that emerged in the development of national ports.



The Company strengthened exchanges and interactions with the industry and various professional fields, and actively participates in the innovation and development of the industry. We complied with the industry self-discipline rules, formulated and implemented the *Administrative Measures for Participating in Association Organizations*, and improved the code of conduct for participating in industry organizations. As at the end of the Reporting Period, the Group has joined a number of industry organizations such as the China Ports Association, and served as the chairman, vice-chairman or director unit of some industry organizations, playing an active role in strengthening internal and external communication and coordination in the industry and promoting the sound development of the industry.

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Adhering to People-orientation to Promote Outstanding Employees

Talents are the foundation for the development of the Company. Adhering to the "people-orientation and talent-rich port", we are committed to building harmonious labor relations. We attract talents, build a platform for growth, protect the rights and interests of employees, benefit employees' lives, help employees' careers, and promote the common growth of employees and enterprises.

(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 laws. In the recruitment process, the Company forbids and eliminates all forms of discrimination regarding ethnicity, race, gender, age, family status, etc. to attract talents for the construction of world-class marine ports. As at 31 December 2022, the Company hired 3,313 employees, with its major subsidiaries employing 6,973 employees. The number of employees was relatively stable.

In 2022, 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 professional technical team The Company actively seizes the opportunity of policies, develops the full potentials of employees to improve their skills. Hence, 1,077 employees have been supported to pass the independent identification at five occupational levels, resulting in a stronger professional talent team.

As at 31 December 2022, the Company and its main subsidiaries had 2,628 professional and technical personnel, among them, there were 341 persons with senior titles, 1,281 persons with intermediate titles and 1,006 persons with junior titles. The Company had 4,404 skilled personnel, including 478 senior technicians, 1,057 technicians, 1,662 senior workers, 600 intermediate workers and 607 junior workers.

As at 31 December 2022, 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	3,313			
Number of in-service employees in major subsidiaries	6,973			
Total number of in-service employees	10,286			
By gender				
Male employees	8,806			
Female employees	1,480			
By age				
Under 30	2,010			



30-50	6,083
Above 50	2,193
By profession	
Production personnel	7,103
Sales personnel	174
Technical personnel	920
Finance personnel	286
Administrative personnel	1,569
Other personnel	234
By education	
Postgraduate and above	395
Undergraduate	1,919
Junior college	4,432
Below junior college	3,540

Statistics of employment and loss of employees in 2022 was as follows:

Statistical classification	Classification breakdown	Number of new appointment (person)	Number of loss (person)	Employee Turnover ratio (%)
	Under 30	361	21	1.0
By age	30-50	21	16	0.3
	Above 50	0	219	10.0
	Postgraduate and above	51	8	2.0
By education	Undergraduate	31	30	1.6
29	Junior college	296	59	1.3
	Below junior college	4	159	4.5
By gender	Male	334	221	2.5
	Female	48	35	2.4

Notes: 1. Number of losses 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.
- 3. As the Company currently operates in Qingdao, 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.

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(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 *Civil Code of the People's Republic of China*, 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*, the *Provisions on Management of Rewards and Punishments for Employees (Trial)* and other management system to effectively protect the legitimate rights and interests of employees. We continuously 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 department to report and rectify the problems found in a timely manner. In 2022, 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, labor union 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.

The Company cares about and attaches importance to the reasonable needs of employees. We support the labor union to carry out its work according to law, and listen to the opinions of employees through democratic forms such as employee congress and labor union congress on matters involving the vital interests of employees, such as wages, welfare, labor safety and health, social insurance, etc.



Annual summary and commendation meeting of the labor union

The Company lays stress on the demands of employees, constantly upgrades the communication and feedback mechanism. We adhere to relying on employees wholeheartedly, widely solicit public opinion through 15 democratic channels such as labor research, chairman / general manager mailbox and support hotline, and report the work situation every month, collect and handle a total of 3,703 opinions and suggestion from employees. In 2022, the Group carried out the activity of putting forward suggestions at all levels to guide employees to open up ideas and take an active part in port reform and development.



The Company actively builds a democratic management system with reasonable procedures and complete structure to ensure that employees' opinions to be learned and suggestions to be implemented. The Company builds the Labor Law Supervision Committee of Labor Union, further exerting the supervision and inspection role of labor unions in labor protection and safeguarding the rights and interests of employees.



Employee representative meeting of the Company

Grass-roots companies hold employee representative meeting



Public column about factory affairs in gross-roots units



Information publicity in grass-roots groups



Discussions with grass-roots employee representatives

The management of the Company participate in the labor survey

The Group organized the annual employee satisfaction survey in 2022, and the comprehensive employee satisfaction reached 97%. The Group collected 662 open-ended opinions and suggestions, providing accordance of suggestions for comprehensively improving employee services. In 2022, Qingdao Port was awarded the Outstanding Unit for Democratic Management of Factory Affairs in Shandong Province, the trusted Home of the Top Ten workers in the New Era of Qingdao, and the harmonious labor relations were affirmed by the higher labor unions.



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 and exemption, housing subsidy for new employees, etc. for eligible employees.

Statistical classification	2020	2021	2022
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 (%)	0.49	0.52	0.53
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

Employee rights protection performance indicators

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 payment 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 time off. In addition, the Company still retains positions for employees returning to work according to maternity leave/nursing leave regulations.



Staff 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		
Nursing leave	15 days		
Nursing leave (caring for parents)	10 days for only child, 7 days for non-only child		
Parental leave (accompanied delivery)	12 days		
Breastfeeding leave	For children are less than one-year old, female employees have 1 hour leave per day		
Marriage leave	3 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		

Staff holidays

Note: The above staff holidays are subject to compliance with relevant laws, regulations and company rules.

(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. The Company carries out democratic recommendation, competition for employment, recommendation and evaluation, etc., 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.



The Company pays attention to talent training and development and vigorously promotes talent training plan. In 2022, the number of the Company who newly obtained national high, medium and primary professional and technical titles reached 303, who newly obtained super technicians, senior technicians and technicians reached 174. The educational background, knowledge and ability structure of management personnel, technical workers and other key positions have changed to high-skilled and high-quality aspects, providing talent guarantee for the development of the Company.

Employee training

New improvements have been made in the construction of learning-oriented employees and learning-oriented organizations in the Company. The Company also provides targeted improvement training for employees of different businesses and levels, employees of different job types, grades and genders have equal opportunities to participate in training, so as to give strong talent support and knowledge reserve for accelerating the construction of a world-class marine port.

Overview of employee training data	Duration or ratio
Average training hours	No less than 88 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 88 learning hours
Average training hours of female employees	No less than 88 learning hours
By employee category	
Management (%)	100%
Non-management (%)	100%
Average training hours of management	No less than 88 learning hours
Average training hours of non-management	No less than 88 learning hours

In 2022, the Company's overall situation of employee training is as follows:

Focusing on the four major projects including management talent training, innovative talent empowerment, professional talent improvement, and full-staff job promotion, the Company organizes and implements training by combining online and offline, practice and theory, and centralization and decentralization. We organized and carried out 158 training sessions, such as staff ability improvement training and newly appointed middle level management training, through offline key training and online learning training. The Group's coverage rate of employee training reached 100% through online training on professional skills by Zhiniao platform for all employees, and the average annual training length no less than 88 hours. We accelerate business and comprehensive ability training through ideological and political education, quality development, visiting outside and job-rotation training.





The Company built a mobile learning platform named "Zhiniao" and promoted a convenient and flexible learning model, to provide a more convenient and comprehensive learning channel for employees. The platform has multiple modules such as skills training, legal lectures, and online testing, providing a wealth of learning content to meet the diverse learning needs of employees.



Capacity improvement training for management





Professional training

Training for new employees



Trainings held by the industry and association



The chairman of the Company had a heartful talk with the new employees face to face and inquired opinions and suggestions earnestly, improving the new employees' understanding of the corporate labor culture, rules and regulations and safety system, helping them quickly adapt to positions and the port.



Employee talents

The Company strives to build a team of high-quality industrial workers who have ideals and beliefs, master technology and innovation, and dare to take responsibility and dedication. We vigorously promote the spirit of labor, model workers, and craftsmanship, build a broad stage for employees to train skills and become talents, and create a strong atmosphere of respecting labor, knowledge, talents and creation.



On September 2022, the Company held the 34th Vocational Skills Competition. 1,108 employees from various business positions of the Company competed fiercely in 52 competitions. Through the technical training and competition of all employees, the majority of employees are encouraged to improve their professional skills with higher enthusiasm.



The Group builds a big stage for employees to grow into talents and forge a high-quality and high-skilled workforce. With a good training mechanism and learning environment, many pioneers of the Group have successfully emerged in the industry and even in the whole country. In 2022, Zhang Liangang was elected to the representative of the 20th CPC National Congress, and appeared on the "Party representative channel"; Wang Jiaquan of Dagang Branch won the "National Technical Expert"; Wang Zhaojun and other 2 employees of Oil Port Company won the title of "Chief Technician of Qilu"; Zhang Zixiao and other 10 employees of Tugboat Branch won the title of "Technical Expert of Shandong Province"; Sun Rixin of Dagang Branch was awarded "the 17th National Advanced Individual of Employee Professional Ethics Construction"; Xu Haoran of QQCTN was rated as "National Outstanding Communist Youth League Member"; Zhao Weili of Qiangang Branch was awarded the honorary title of "Qilu Women's Scientific and Technological Innovation Star".

(IV) Creating a healthy and happy workplace

The Company pays attention to the humanistic care for employees, solidly carries out the practice activity of "I do practical things for the public", regards employee satisfaction as the starting point and end point of the work, and adheres to the principle of "sincere intentions, real money, real measures, real effects", continuously innovates methods and to help employees with practical things and solve problems, improving employees' sense of gaining and happiness.

The Company regularly carries out a series of suggestion activities of "I love the port, I have suggestions, I want to speak", listens to the employees' voices in time by smooth "employee voice hotline" to understand the employees' sentiment and opinion and serve the employees sincerely.

Ensuring employee health

The Company adheres to the development concept of people-orientation, and cares for the health and life of employees with practical benefits. The Company organizes employee to do physical examination every year with the coverage rate of 100%. The Company built health cabins for employees, carries out health education activities, and regularly invites medical experts to hold health lectures and carry out free clinic activities to meet the health needs of employees.



Employees physical examination

Holding health lectures

In 2022, the Company organized 2,865 employees to carry out the recuperation activity, and continued to carry out visiting activities for caring frontline production employees, among which, by the activity of "delivering coolness in summer", the Company visited more than 20,000 in total and distributed things of cooling protection from heat with a worth of RMB2.25 million.





Delivering coolness in summer

Delivering warmness in winter



Staff recuperation activities

Team building activities

Employee cares

The Company has formulated and implemented the Work System of Normal Care for Various Special Groups to provide help for overseas employees, employees with difficulties, single young people from other places and other special groups, so as to build a harmonious and happy port family.



Company leaders visited employees and retired comrades



The Company strengthened the service guarantee for frontline employees and visited 2,742 employees at key positions, paid attention to the ideological trends of employees, held answer activities about science knowledge with prizes to do a good job in staff education. On the eve of the Spring Festival, the Group launched the New Year Warm Heart Action to distribute caring goods to the frontline employees and their families.



Visiting to the frontline employees

The Company implements the "Seven-one" contact assistance mechanism. The Company's management contacts a grass-roots Party Branch, a grass-roots team, an old member of the Party, a member of the Party with difficulties in life, an employee with difficulties in life, an excellent talent and an overseas employee's family, offering caring and assistance to counterparts. Through visits, discussions and exchanges, asking the people for their needs and plans, understanding the situation of the port, answering questions and solving doubts to convey the Company's care, we consolidate the minds of the people, strengthen policy transmission, and help grass-roots development.

Employee activities

The Company organizes labor unions in accordance with the *Labor Union Law of the People's Republic of China*, conducts labor union activities, and safeguards the legitimate rights and interests of employees. The Company pays attention to strengthen the ideological and political guidance of employees, organizes and carries out a variety of celebration activities on International Women Day of 8th March, International Labor Day of 1st May, Party's Day of 1st July, National Day of 1st October and other important days, enlarging the typical demonstration effect, to guide employees to adhere to their ideals and beliefs, improve moral cultivation, personal sentiment and cultural taste, and to promote the construction of a harmonious enterprise.

In 2022, the Company paid attention to the physical and mental development needs of employees, introduced 10 measures about "Care for female workers and build harmonious family", implemented single youth fellowship activities and formed a long-term mechanism, established the second Dongjiakou night school lesson for employees, organized a series of cultural and sports activities such as open-air movie-watching, chess, ball games, walking, tug-of-war, collective rope skipping, and theatrical performances to enrich employees' spare time life and enhance corporate cohesion.



OC CASE



Dancing competition for employees



Theatrical performance for employees



Night school for employees



Guessing lantern riddles at the Lantern Festival



Fellowship activities for single young employees



Activities for the week of sports



I

Repaying the Society to Shoulder 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 regional development

The Company actively undertakes social responsibilities, fulfills corporate citizenship obligations, pays attention to the public interest demands, and promotes the harmonious development of society. The Company implements the development idea of "closer relationship with the local Party committee and government, deeper integration into local economic and social development, and more prominent contribution to local economic growth", pays attention to and participates in the construction of local communities, develops in coordination with local logistics, warehousing, commerce, trade, manufacturing, finance and other industries, provides employment opportunities for local communities and increases tax sources to promote regional economic prosperity and social stability.

The labor union of the Company takes the lead to widely publicize the "one-day charity donation" activity, carrying forward the traditional virtue of the Chinese nation to help the poor and creating a good atmosphere for everyone to contribute love. In 2022, the Group raised a total of RMB864,000 of personal donations to Qingdao Charity Federation and Weihai Charity Federation, respectively.

In 2022, in order to encourage the public security police to better maintain social development and stability and make greater contribution to serving the local economic development, the Company donated RMB 300,000 to "Special Fund of Guarding Country by Frontier Inspection Police of Shandong Provincial Public Security Police Special Care Foundation" and 40,000 sets of medical protective suits to Qingdao Charity Federation.

OD CASE

The Group organizes employees to participate in the urban civilization construction of Qingdao. During the holiday of National Day in 2022, we carried out environmental cleaning and charming community action to create a warm and festive holiday atmosphere for National Day.



On the Tree Planting Day of 2022, the Group organized young volunteers to carry out voluntary tree-planting activities, planting a total of 162 green plants, covering 3,000 square meters of green space.



The Company attaches great importance to communication with the local government and community residents to enhance understanding and trust, and form a win-win situation of harmonious coexistence and common



development. The Company strengthens the co-construction and sharing of local communities, and promotes the prosperity and development of regional economy and society through various means such as attracting local people to employment and participating in sports events.

(II) Contributing to social welfare

The Company continues to carry out community public welfare activities such as poverty alleviation and donation for students, and encourages and guides employees to serve the community and contribute to the society. In 2022, the Company actively contributed into social welfare, and demonstrated the mission of state-owned enterprises in urgent and difficult tasks such as emergency rescue and cleaning enteromorpha prolifera.

OD CASE

In 2022, Tugboat Branch gave full play to its advantages in maritime operations, and participated in voluntary waterway clearing and patrol work for more than 5,000 hours. Tugboat Branch participated in the emergency rescue tasks of stranded oil tanker with broken cable and unpowered damaged ship, and completed 50 rescue operations of various kinds, reducing the losses of shipowners and cargo owners. Tugboat Branch mobilized key crew members to clean the enteromorpha prolifera for 17 consecutive days with more than 7,000 tons, effectively guaranteeing the navigation environment of the port.



Execute emergency missions

In 2022, Tugboat Branch carried forward the fine style of "field army at sea" and rescued fishermen who fell into the water, people suffering from sudden illness at sea and injured sailors for many times. We have received letters of thanks and commendation from Zhuhai Maritime Search and Rescue Center, CNOOC Installation Branch and other units, and our commitment to serving the society has been recognized by all circles.

Clean enteromorpha prolifera



Rescue the wounded

The Company advocates the volunteer spirit of dedication, fraternity, mutual help and progress, and encourages employees to participate in community public welfare and charitable donation activities. To innovate voluntary service models, guide grassroots league organizations to set up joint volunteer service teams with municipal and district volunteer associations and other units to carry out in-depth and practical service projects such as youth caring and youth growth.



<u>olo</u> CASE



On the occasion of World Environment Day, the youth volunteer service team of our Group came to the Bailang River to clean up household garbage and carry out public publicity activities on environmental protection.

During the National Disabled Day, our youth volunteer service team visited some families of disabled people.



The Group's young volunteers went into the community to carry out voluntary service activities, cleaned up small advertisements around communities, regulated environmental health, distributed posters to create civilized cities, sent heat-prevention and cooling items to sanitation and security workers, and strived to be the maintainer of beautiful environment and the advocate of civilization creation.



The volunteer service team of the Group visited the assisted children of "Hope House" on the spot, continuously paid attention to their improvement in life and study, and sent them school gift packages, milk and other learning and living supplies.



OO CASE

In 2022, the Group's voluntary service team carried out activities of voluntary blood donation and became an important force for local voluntary blood donation.



We believe that an enterprise cares their employees, serve customers, protect the environment, give back to society and create value can win the respect of society and build the foundation of sustainable development. In the future, the Company will actively fulfill its corporate social responsibility, join hands with the public, pass on its humanistic care, and make efforts tiretlessly to promote social development 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. SU Jianguang (as at 31 December 2022)

5. REGISTERED CAPITAL: RMB6,491,100,000 (as at 31 December 2022)

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) stock code of H share: 06198.HK (2) stock code of A share: 601298.SH

9. BOARD SECRETARY: Ms. SUN Hongmei (as at 31 December 2022)

10. TELEPHONE: 86-532-82982157

11. FACSIMILE: 86-532-82822878

12. EMAIL: qggj@qdport.com

- 13. WEBSITE: http://www.qingdao-port.com
- 14. Scope of Business: Readers can query through the National Enterprise Credit Information Publicity System which is https://sd.gsxt.gov.cn/index

Index for Standards

(I) Environmental, Social and Governance Reporting Guide Content Index

Subject areas	Contents and indicators	Corresponding chapter
	A. Environmental	
	 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
Aspect A1: Emissions	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
Emissions	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
	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
Aspect A2: Use	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Environmental key performance indicators
of Resources	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	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Walking the walk to build a green port
and Natural Resources	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
Aspect A4: Climate	General Disclosure Policies on identifying and responding to material climate-related matters that have and may have an impact on the issuer.	Highlighting environmental factors to respond to climate changes
Changes	A4.1 Description of climate-related matters that have and may have an impact on the issuer and the actions taken to manage them	Highlighting environmental factors to respond to climate changes



Subject areas	Contents and indicators	Corresponding chapter
	B. Social	
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
	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.	Uniting employees and safe to construct a safety port
	B2.1 Number and rate of work-related fatalities for past three years	Uniting employees and safe to construct a safety port
	B2.2 Lost days due to work injury	Uniting employees and safe to construct a safety port
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Uniting employees and safe to construct a safety port
Aspect B3:	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Facilitating employee career development
Development and Training	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	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
Standards	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
	General Disclosure Policies on managing environmental and social risks of the supply chain.	Creating a sustainable supply chain
Aspect B5: Supply Chain Management	B5.1 Number of suppliers by geographical region	Creating 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	Creating a sustainable supply chain
	B5.3 Description of practices relating to identify environmental and social risks at every stage of the supply chain, and how they are implemented and monitored	Creating a sustainable supply chain
	B5.4 Description of practices relating to promote the use of environmental protection products and services when selecting suppliers and how they are implemented and monitored	Creating a sustainable supply chain

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Subject areas	Contents and indicators	Corresponding chapter
	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 relating to products and services provided and methods of redress.	Rendering quality services
Aspect B6: Product	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
Responsibility	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	Sticking integrity and innovation to build an intelligent 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
	B7.3 Description of anti-corruption training for directors and staff	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 regional development Contributing to social welfare
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Supporting regional development Contributing to social welfare
	B8.2 Resources contributed (e.g. money or time) to the focus area	Supporting regional development Contributing to social welfare

This report has been prepared in accordance with the principles of materiality, quantification and consistency in the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange. The work plan and contents of this report have been reviewed and approved by the board of directors of the Company. Please refer to the "Sustainable Development Strategy and Governance" of this report on the management policies and strategies for the environment, society and governance of the Board.

Gingdao Port

(II) Global Reporting Initiative (GRI) Content Index

	Standard number and description	Corresponding chapter
	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
1. Organization	102-6 Markets served	Company profile
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	Creating 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
	102-14 Statement from senior decision-makers	Chairman's statement
2. Strategy	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
	102-18 Governance structure	Corporate governance
	102-19 Delegating authority	Governance structure for sustainable development
	102-20 Executive-level responsibilities for economic, environmental, and social topics	Governance structure for sustainable development
	102-21 Consulting stakeholders on economic, environmental, and social topics	Communication with stakeholders and evaluation of material topics
	102-22 Composition of the highest governance body and its committees	Corporate governance
	102-23 Chair of the highest governance body	Corporate governance
	102-25 Conflicts of interest	Honesty
4. Governance	102-26 Role of highest governance body in setting purpose, values, and strategy	Governance structure for sustainable development
4. Governance	102-27 Collective knowledge of highest governance body	Governance structure for sustainable development
	102-29 Identifying and managing economic, environmental, and social impacts	Communication with stakeholders and evaluation of material topics
	102-30 Effectiveness of risk management processes	Corporate governance
	102-31 Review of economic, environmental, and social topics	Communication with stakeholders and evaluation of material topics
	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
	102-34 Nature and total number of critical concerns	Communication with stakeholders and evaluation of material topics

	Standard numbe	r and description	Corresponding chapter
	102-40 List of sta	skeholder groups	Communication with stakeholders and evaluation of material topics
5. Stakeholder	102-42 Identifying and selecting stakeholders		Communication with stakeholders and evaluation of material topics
Engagement	102-43 Approach	to stakeholder engagement	Communication with stakeholders and evaluation of material topics
	102-44 Key topic	s and concerns raised	Communication with stakeholders and evaluation of material topics
	102-45 Entities statements	included in the consolidated financial	Report coverage
	102-46 Defining	report content and topic boundaries	Communication with stakeholders and evaluation of material topics
	102-47 List of ma	aterial topics	Communication with stakeholders and evaluation of material topics
6. Reporting	102-49 Changes	in reporting	Report introduction
Practice	102-50 Reporting	, period	Reporting period
	102-52 Reporting	g cycle	Publication cycle
	102-53 Contact p	oint for questions regarding the report	Appendix: Readers' Feedback
	102-54 Claims of Standards	f reporting in accordance with the GRI	Reference standard
	102-55 GRI conte	ent index	Global Reporting Initiative (GRI) Content Index
GRI 201: Economic	GRI 103: Manage	ement approach disclosures	Chairman's statement
	Topic-specific disclosures	201-1 Direct economic value generated and distributed	Company profile
Performance	disclosures	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	GRI 103: Management approach disclosures		Supporting regional development
Economic Impacts	Topic-specific disclosures	203-1 Infrastructure investments and services supported	Supporting regional development
GRI 204: Procurement Practices	GRI 103: Manago	ement approach disclosures	Create a sustainable supply chain
	GRI 103: Manage	ement approach disclosures	Honesty
GRI 205: Anti- corruption	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
GRI 206: Anti-	GRI 103: Manage	ement approach disclosures	Corporate governance
competitive Behavior	Topic-specific disclosures	206-1 Legal actions for anti- competitive behavior, anti-trust, and monopoly practices	Honesty
	GRI 103: Manage	ement approach disclosures	Creating a green ecosystem to promote resource conservation
GRI 302: Energy	Topic-specific disclosures	302-1 Energy consumption within the organization	Environmental key performance indicators
		302-3 Energy intensity	Environmental key performance indicators



Image: space section (Section (Sec		Standard numbe	r and description	Corresponding chapter
RRI 303: Water approach disclosures GRI 103: approach approach disclosures 03-1 Interplay between the cources of water (as shared approach disclosures) resource conservation resource conservation 1 03-1 Interplay between the disclosures Creating a green conservation 1 1 1 1 1 03-1 Water withdnawal Faiviormental key performance indicators 1 1 1 1 1 1 03-3 Water consumption Environmental key performance indicators Environmental key performance indicators 1 0-1 3 3 2 2 1 0-2 2 2 2 2 1 0-2 2 2 2 2 1 0-2 2 2 2 2 1 0-2 2 2 2 2 2 1 0-2 2 2 2 2 2 1 0-2 2 2 2 2 2 2 2 2 2 2<				
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	Standard number	r and description	Corresponding chapter
	401-3 Parental leave		Protecting employees' legitimate rights and interests
GRI 402: Labor/Management Relations	GRI 103: Manage	ement approach disclosures	Protecting employees' legitimate rights and interests
	GRI 103: Management	403-1 Occupational health and safety management system	Uniting employees and safety to construct a safe port
	approach disclosures	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
GRI 403: Occupational Health and Safety		403-6 Worker's health promotion	Uniting employees and safety to construct a safe port Creating a healthy and happy workplace
		403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Uniting employees and safety to construct a safe port
	Topic-specific disclosures	403-8 Workers applying occupational health and safety management system	Uniting employees and safety to construct a safe port
		403-9 Occupational injury	Uniting employees and safety to construct a safe port
		403-10 Work-related health issues	Uniting employees and safety to construct a safe port Creating a healthy and happy workplace
	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
GRI 404: Training and Education		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
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: Manage	ement approach disclosures	Protecting employees' legitimate rights and interests

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GRI 409 Forced or Compulsory Labor	GRI 103: Management approach disclosures		Protecting employees' legitimate rights and interests
GRI 410: Security Practices	GRI 103: Management approach disclosures		Uniting employees and safety to construct a safe port
	GRI 103: Manage	ement approach disclosures	Protecting employees' legitimate rights and interests
GRI 412: Human Rights Assessment	Topic-specific disclosures	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Protecting employees' legitimate rights and interests
GRI 413: Local Communities	GRI 103: Management approach disclosures		Repaying the society to shoulder responsibilities
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GRI 414: Supplier Social Assessment	Topic-specific disclosures	414-1 New suppliers that were screened using social criteria	Creating a sustainable supply chain
		414-2 Negative social impacts in the supply chain and actions taken	Creating a sustainable supply chain
		415-1 Political contributions	Contributing to social welfare
GRI 417:	GRI 103: Manage	ement approach disclosures	Rendering quality services
Marketing and Labelling	Topic-specific disclosures	417-1 Requirements for product and service information and labelling	Rendering quality services
GRI 418: Customer Privacy	GRI 103: Management approach disclosures		Rendering quality services
GRI 419: Socioeconomic Compliance	GRI 103: Management approach disclosures		Honesty

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I. 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	

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

III. Your contact details:

Name:	Phone Number:	Email:	
Address:			

You can contact us in the following ways: Address: No. 7 Gangji Road, Shibei District, Qingdao, Shandong Province, the PRC Postcode: 266011 Telephone: 86-532-82982157 Fax: 86-532-82822878 Email: qggj@qdport.com



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