



秦皇岛港股份有限公司

QINHUANGDAO PORT CO.,LTD.*

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

2023 CORPORATE SOCIAL RESPONSIBILITY REPORT



*For identification purposes only

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ABOUT THIS REPORT

This is the report published by Qinhuangdao Port Co., Ltd. for the eighth consecutive year to communicate with stakeholders about the Company's ESG concepts, work initiatives and performance, and to respond to their needs.

REPORTING PERIOD

From 1 January 2023 to 31 December 2023, the coverage of certain statements and data may go beyond the aforesaid period.

SCOPE OF REPORTING

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

SOURCES OF DATA

The financial data in the report were extracted from the 2023 financial report of Qinhuangdao Port Co., Ltd. which was independently audited by Ernst & Young Hua Ming LLP; other data were derived from relevant systematic statistics of the Company.

REFERENCES OF PREPARATION

The United Nations' 2030 Sustainable Development Goals (SDGs)

Guidelines to the State-owned Enterprises on Better Fulfilling Corporate Social Responsibilities by the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC")

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0) by Chinese Academy of Social Sciences

Guidelines on Sustainability Reporting Standards by Global Reporting Initiative (GRI Standards)

Appendix C2 "Environmental, Social and Governance Reporting Guide" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange")

The Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange

RESPONSE TO THE PRINCIPLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDANCES

Materiality: In order to prepare this report, the Company conducted a materiality assessment procedure on the subjects covered in the report to determine the contents disclosed in this report as well as the full and accurate contents of each subject area. Materiality analysis results for 2023 is presented in the "Materiality Assessment" section.

Quantitative: Quantitative data were disclosed in the report for both environmental and social categories to demonstrate indicators and performance.

Balance: This report objectively discloses positive and negative information to ensure the balance of the contents.

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

DESCRIPTION OF KEY TERMS

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

ACCESS TO THE REPORT

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

CHAIRMAN'S STATEMENT

The year 2023 is the first year for comprehensively implementing the spirit of the 20th National Congress of the Communist Party of China (the "CPC") by QHD Port as well as a year for starting a new undertaking and building a first-class enterprise by the Company after the reorganization and establishment of Hebei Port Group. In the face of the severe and complicated international and domestic situation and with the focus on the corporate target of building a world-class port enterprise for dry and bulk cargoes, QHD Port adhered to the principle of green transformation and effectively responded to various risks and challenges under the guidance of green transformation with system construction as support, achieving steady growth in operating results and the preservation and appreciation of corporate assets. In 2023, QHD Port was awarded the National Port Enterprise with "AAAAA Level Standardized Good Behavior", Top 20 at the First CRHC Cup • Golden Ox Award for ESG Governance, the May 1st Labor Award in Hebei Province, an Outstanding Organization on Voluntary Services in Hebei Province, an Outstanding Grass-roots Party Organization among state-owned enterprises under the systems of the Hebei SASAC as well as other honorary titles.

Improving management efficiency and effects and building first-class ports.

During the year, QHD Port followed the guidance of the spirit of the important instructions made by Secretary General Xi Jinping during his inspections on the ports in Hebei Province and resolutely fulfilled responsibilities in ensuring the sound supply and stable price of coals. It achieved total a coal throughput of 217 million tonnes, accounting for 30% of coals shipped from the Bohai Rim region, consolidating its core position as a pivot port for the "North-South coal transportation" and guaranteeing smooth energy transportation channels. It sped up in the construction of world-class ports and developed the "one center with three platforms" with the production scheduling and command center as the pivot with the integration of the intelligent environmental monitoring platform, the intelligent safety regulatory platform and the intelligent port management and control platform, resulting in more efficient production, more systematic management and more scientific decision-making. It solidly carried out the establishment of "six systems" on safety, risks, quality, budget, appraisal and remuneration and steadily improved the governance effectiveness. It comprehensively deepened the "double-hundred action" on the reform of state-owned enterprises and continuously boosted the vitality of the enterprise. It continuously advanced the special action on "stepping up to a new high in three years and enhancing the strength in five years", stepped up R&D efforts in scientific and technological programs and empowered the construction of "integrity, intelligent, efficient and green" ports with technological innovation. It practically focused on safety of production, implemented the new safety management model with "four colors and four regular actions" and successfully developed a Level-1 safety standardization enterprise under the Ministry of Transport. A new path promoting the transformation, upgrading and high-quality development of ports is speeding up in shaping.

Building a green hub and sharing the blue sea and sky.

During the year, QHD Port deeply practiced the concept of green development, implemented "carbon peaking and carbon neutrality" targets, improved the capabilities on identifying and responding to climate change risks and continuously upgraded the level of the intelligent environmental management and control. It comprehensively initiated the campaign on "mass entrepreneurship and innovation" and Phase 3, 4 and 5 of the coal terminals were successfully listed as the first "five-star" green port zone in the country. The industrial tourism area at Qinhuangdao Port successfully passed the review on the landscape quality by the Department of Culture and Tourism of Hebei Province and was included in the construction of AAAA scenic areas in the province. It innovatively carried out the activity on opening to citizens with the theme of "intelligent" port in the "green" future, demonstrating the new changes of the port and vividly displaying new achievements in the integration of ports with cities. The new quality productive forces on the transformation, upgrading and high-quality development of the port are gradually developing and expanding.

Fulfilling social responsibilities and creating a beautiful society together.

During the year, QHD Port steadily boosted efforts in performing social responsibilities and solidly advanced rural revitalization. With assistance through industry, consumption and health and in-village assistances, it consolidated and expanded results in poverty alleviation. It continued to carry out work such as offering coolness in summer and warmth in winter, education assistance in autumn and assistance to people with difficulties, developed platforms on the cultivation, practice and communications for young carders and continuously expanded channels for the comprehensive development of employees to enhance the sense of accomplishment, happiness and safety of employees. It actively displayed the role of public welfare activities and developed the brand of voluntary services with the characteristics of ports to bring warmth to and return the society with "blue ports" and "red voluntary services". The brand influence of QHD Port in fulfilling undertakings offers endless impetus to promote regional economic and social development.

In 2024, QHD Port will deeply implement the spirit of the important instructions made by Secretary General Xi Jinping during his inspections on the ports in Hebei Province, adhere to the general keynote of "seeking progress while maintaining stability, promoting stability with progress and building the new before discarding the old", focus on the overall requirements on the construction of an "integrity, intelligent, efficient and green" port, stay true to its original aspirations, firmly bear in mind its missions and speed up in facilitating the transformation, upgrading and high-quality development of the ports. It will strive to be an anchor in terms of the safety of energy transportation and pioneer in the sea-oriented development, further display its role in building a world-class port enterprise and make more contributions in building an economically strong and beautiful Hebei.

Zhang Xiaoqiang

Party Committee Secretary and Chairman of Qinhuangdao Port Co., Ltd.

STATEMENT OF THE BOARD

QHD Port has established an effective ESG management mechanism and governance mechanism, and the board (the “Board”) of the Company as the highest decision-making body on the Company’s ESG issues, assumes full responsibilities for the Company’s ESG strategy and reporting, and is responsible for considering and approving the Company’s sustainable development strategy, policies, objectives and risks, and reviewing the progress of ESG objectives to realize more independent, efficient and professional ESG management, ensuring the integration of its ESG concepts with the Company’s policies, and exploring a new sustainable development model combining ESG issues with the Company’s business operations. The ESG Working Group is composed of key responsible persons from all departments of the Company and periodically reports annual ESG related matters to the Board. The Company has arranged contact persons at the headquarters and all departments of branches and subsidiaries. Led by the Party Committee Work Department, it has established the ESG implementation group to specifically implement the work in areas of ESG or social responsibilities to promote the ESG management concept of the Company.

The Company attaches importance to the material impact that ESG risks may have on the Company. Based on the external social and economic macro environment and the Company’s development strategy, it periodically conducts the materiality assessment of ESG-related issues and submits the same to the Board for review. The Board discusses and determines the Company’s ESG risks and opportunities, regards the management and promotion of material issues as the key focus of ESG work, incorporates them into the overall strategy of the Company, and supervises the management of such issues and related performance. In 2023, the Company enhanced its ability to identify the risks and opportunities that climate change brought to the Company, and took actions to respond to such risks and opportunities. In the future, the Company will continue to strengthen its ability to manage and deal with climate risks and opportunities.

Upon the approval of the Board, the ESG implementation group is authorized to work on data collection and disclosure for ESG report of 2023. This report discloses in detail the progress and achievements of ESG work of QHD Port in 2023, which was considered and approved by the Board on March 2024. The Board and all directors of the Company guarantee that there are no false statements, misleading representations or material omissions in the content of this report, and assume individual and joint responsibility for the truthfulness, accuracy and completeness of the content.

A CLOSE LOOK AT THE QHD PORT

(I) COMPANY PROFILE

As a subsidiary of Hebei Port Group, Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司) (Stock Code: SH601326, HK03369) is the world's largest public port operator for large-scaled dry and bulk cargoes, which was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively in 2013 and 2017, and became the first state-owned enterprise in Hebei Province to lay out the A+H share dual capital platforms.

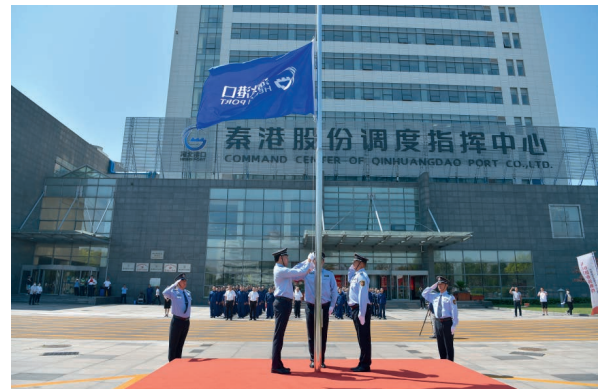
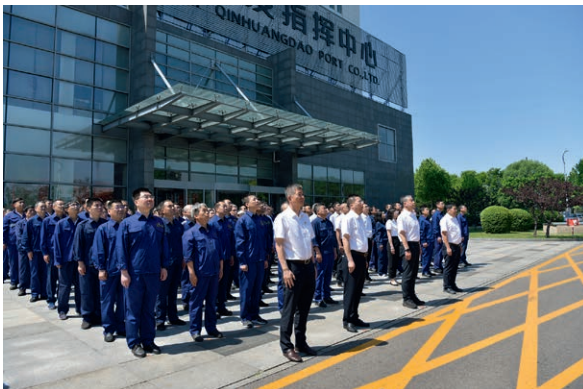
As a global leading public port operator for large-scaled dry and bulk cargoes, QHD Port mainly operates Qinhuangdao Port, Tangshan Caofeidian Port Zone and Cangzhou Huanghua Port Zone, including 73 modern professional berths in total, principally handles various types of cargoes including coal, metal ores, oil and liquefied chemicals, containers and general cargoes, has formed a chain system of port logistics covering basic services including stevedoring, stacking, warehousing, transportation and logistics, as well as freight forwarding and multimodal combined transportation, etc., and possesses a designed throughput capacity of 410 million tonnes per year. In 2023, the annual throughput capacity of QHD Port was 392 million tonnes, representing an increase of 2.12 percentage points over the previous year.



ZHANG Xiaoqiang, the secretary to the Party committee and the chairman of QHD Port, and NIE Yuzhong, the deputy secretary to the Party committee, the vice chairman, and the president of QHD Port, were inspecting the construction of “one center and three platforms”

(II) CORPORATE CULTURE

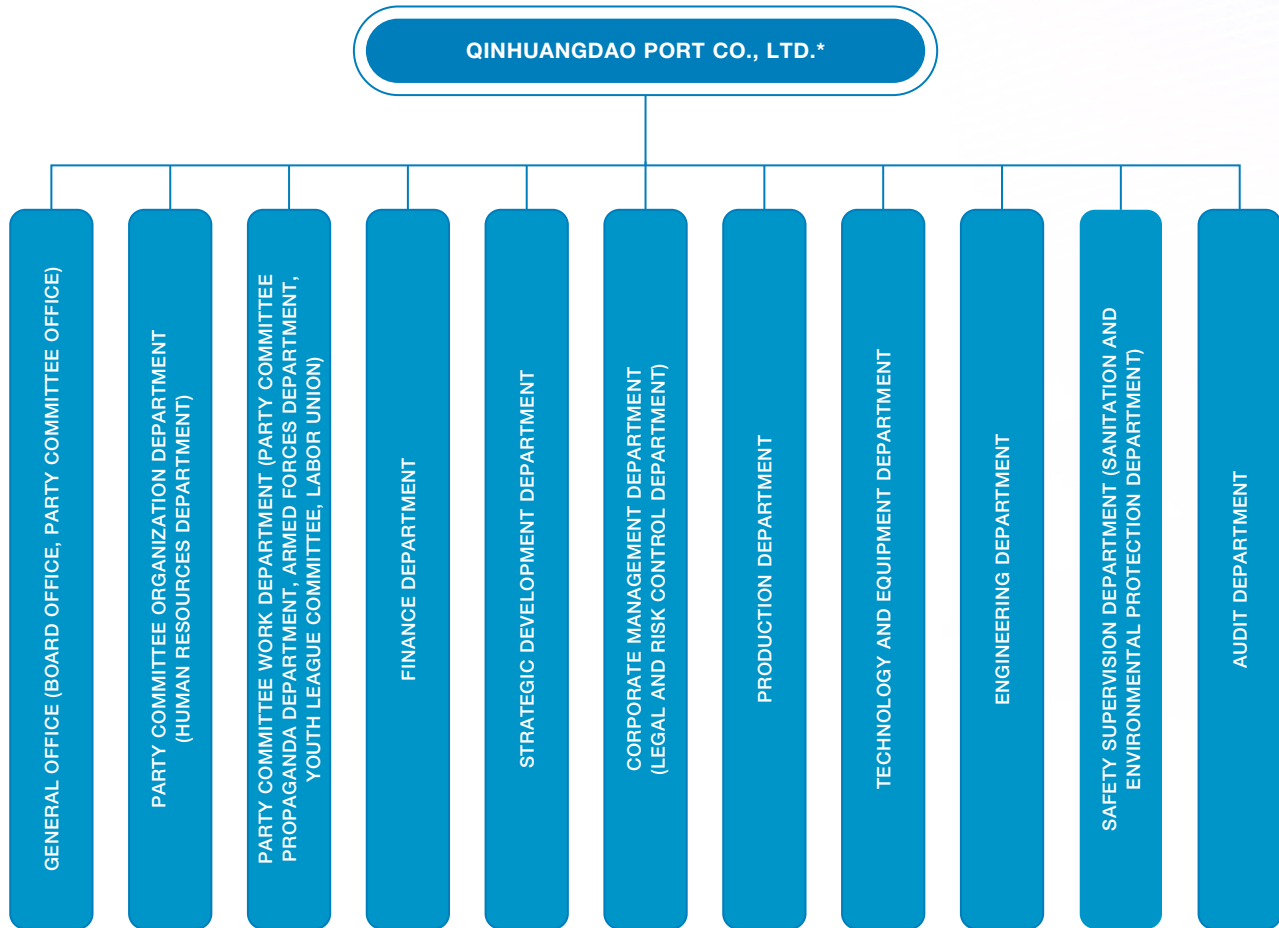
QHD Port closely focused on the significant development opportunities of the resource integration of the ports in Hebei Province, deeply cultivated the enterprise mission of “serving the CPC and the Country, assuming responsibilities, serving local communities, adhering customers first”, and scheduled a theme talk on enterprise core concept of “Thinking together to advance towards new Hebei ports”, to demonstrate the responsibilities of a state-owned enterprise; QHD Port unified its corporate identity system standing for the “one port and three districts”, and hold a theme exhibition with its slogan going “stay young for a century, rejuvenate the entrepreneurship for a brilliant prospect” and a flag-raising ceremony to celebrate the 125th anniversary of the opening of Qinhuangdao Port, speaking out the ambition of a large port zone with over a century-long history.



QHD Port held the flag-raising ceremony to celebrate the 125th anniversary of the opening of Qinhuangdao Port

A CLOSE LOOK AT THE QHD PORT

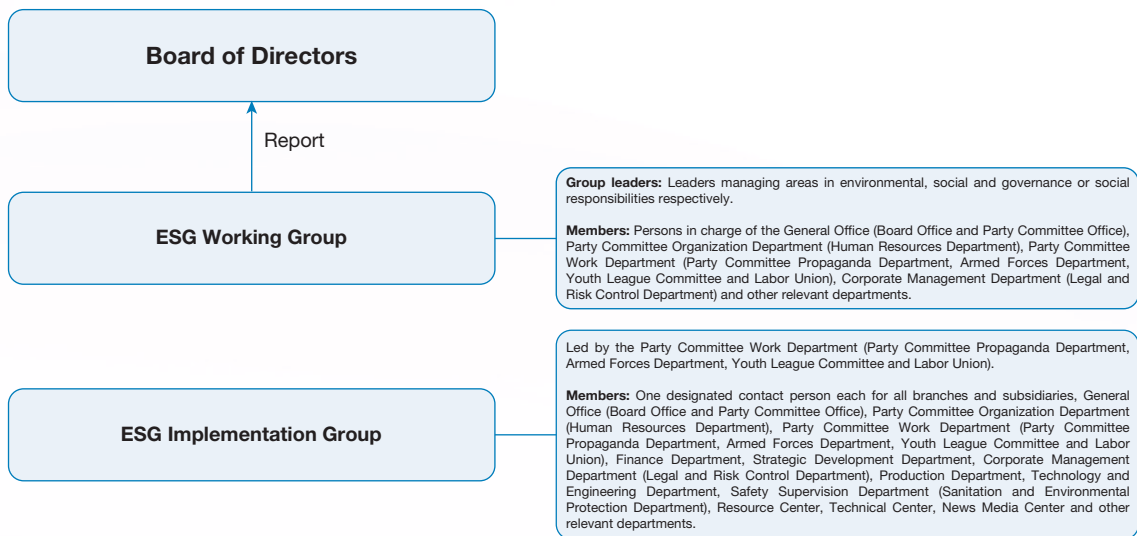
(III) ORGANIZATIONAL STRUCTURE



QHD Port adheres to the development goal of building “smart port, green port, efficient port and safe port”, gradually deepens the understanding of ESG governance, integrates ESG concept into the Company’s development strategy, continuously improves the ESG governance structure and operation mechanism, actively responds to the requirements and expectations of stakeholders, charges forward to assume social responsibilities, and demonstrates its feelings to the nation as a family for serving the country and the people.

(I) ESG GOVERNANCE STRUCTURE

Adhering to the corporate values of “contributing to the country, developing the enterprise, creating value for customers and fulfilling responsibilities for employees”, QHD Port keeps improving ESG governance structure and operation mechanism, and continuously enhances its sustainable development capability by strengthening internal management, actively responds to the requirements and expectations of stakeholders, and has become an industries model for fulfilling social responsibilities.



ESG GOVERNANCE

(II) ESG PRACTICE

In 2023, QHD Port actively implemented the ESG concept, and integrated the ESG concept into the overall process of enterprise management through measures such as issuing ESG reports and carried out trainings on social responsibilities/ ESG, so as to gradually realize the sustainable development of QHD Port. As of the year 2023, QHD Port has prepared and released the ESG reports for eight consecutive years.

Case: QHD Port started 2023 ESG work with high standards

On December 13, 2023, QHD Port held the annual ESG work kickoff meeting and business training session. The meeting required that all departments of the Company should attach great importance to the preparation of ESG report for 2023, do a good job in the submission of materials for ESG report, strengthen the understanding and cognition of the ESG work by sorting out problems and shortcomings, take the rectification as the roadmap and task book for the improvement of the ESG work in 2024, and promote the ESG work to a new level and achieve new breakthroughs with higher standards, more stringent requirements and more practical style.



QHD Port held the 2023 ESG work kickoff meeting and business training session

(III) COMMUNICATION WITH STAKEHOLDERS

QHD Port attaches great importance to communicating with stakeholders, fully listens to the opinions of all stakeholders, and actively communicates and exchanges with relevant institutions to continuously improve the quality of information disclosure, make targeted improvements in ESG performance of the Company and respond effectively to the requirements of all parties.

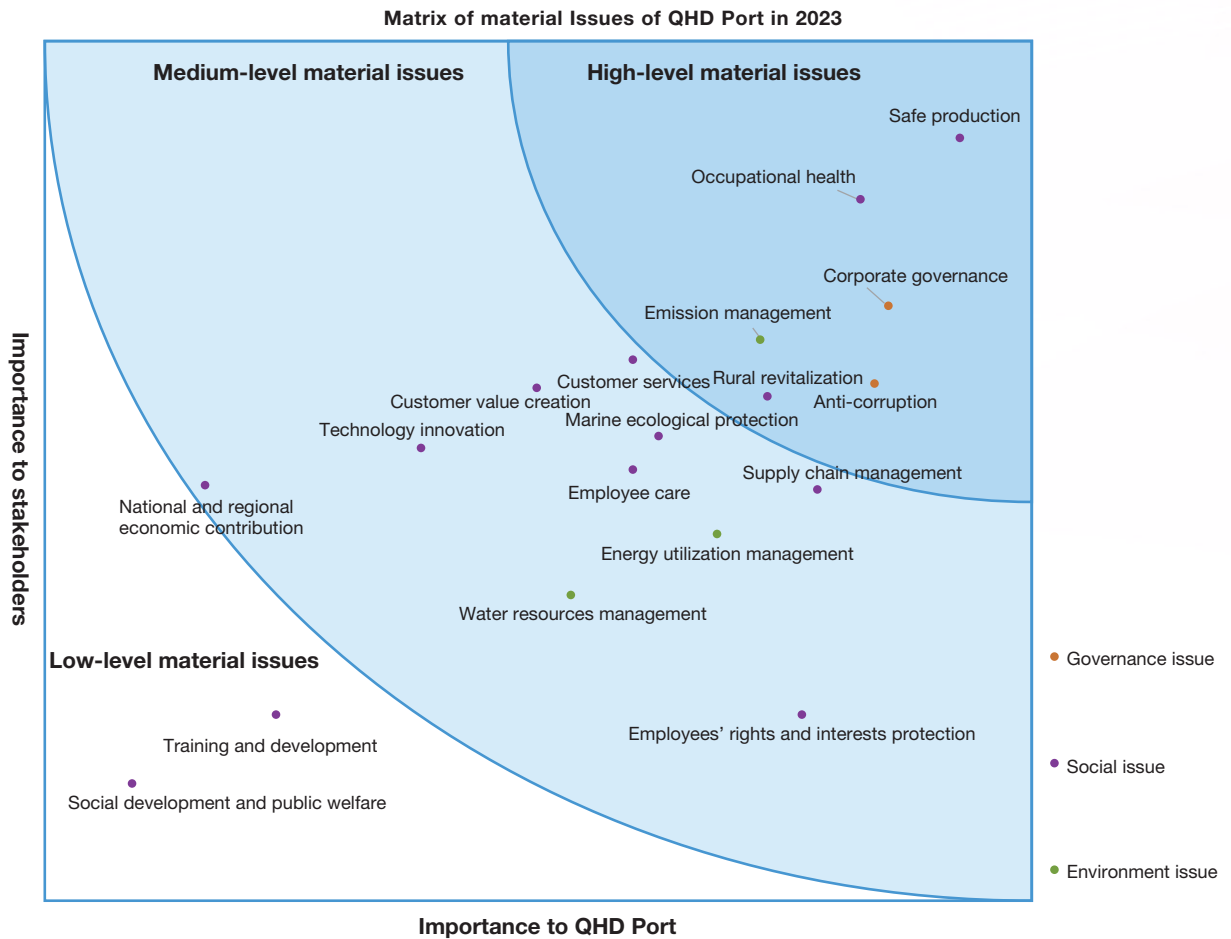
Stakeholders	Requirements and Expectations	Communication and Responses
Government	<ul style="list-style-type: none"> ➢ Compliance with laws and regulations ➢ Payment of taxes according to the law ➢ Supporting economic development 	<ul style="list-style-type: none"> ➢ Conducting business in compliance with relevant laws and regulations ➢ Paying taxes according to the law
Investors	<ul style="list-style-type: none"> ➢ Investment returns ➢ Growth of business and earnings ➢ Risk management ➢ Information disclosure 	<ul style="list-style-type: none"> ➢ Periodic disclosure of operational information ➢ General meetings ➢ Conference on operating results, roadshows ➢ Investor summits
Customers	<ul style="list-style-type: none"> ➢ Provision of quality products and services ➢ Meeting customers' diversified needs ➢ Creation of value for customers 	<ul style="list-style-type: none"> ➢ Assurance of service quality ➢ Protection of customer information ➢ Survey of customer satisfaction
Employees	<ul style="list-style-type: none"> ➢ Protection of employee's interests ➢ Sound development paths ➢ Protection of occupational health ➢ Work and life balance 	<ul style="list-style-type: none"> ➢ Provision of good remuneration and welfare ➢ Improvement of career development paths ➢ Implementation of employee training
Business Partners	<ul style="list-style-type: none"> ➢ Open, fair and equitable purchases ➢ Compliance with contracts 	<ul style="list-style-type: none"> ➢ Open tendering ➢ Performance of contracts according to the law
Environment	<ul style="list-style-type: none"> ➢ Energy savings and emission reduction ➢ Protection of ecological environment ➢ Response to climate change 	<ul style="list-style-type: none"> ➢ Managing emissions ➢ Increasing utilization efficiency of resources and energy ➢ Participation in charitable activities for environmental protection
Society and the Public	<ul style="list-style-type: none"> ➢ Engagement in community development ➢ Supporting public welfare 	<ul style="list-style-type: none"> ➢ Participating in charitable activities for Public welfare charity ➢ Volunteer services ➢ Rural revitalization

ESG GOVERNANCE

(IV) MATERIALITY ASSESSMENT

In 2023, QHD Port strictly complied with the requirements of the Environmental, Social and Governance Reporting Guidances issued by the Hong Kong Stock Exchange, maintained positive interaction and communication with stakeholders through various channels to understand their concerns and identified 18 ESG issues covering governance, society and the environment with reference to international by-recognised ESG initiatives and standards and the industrial ESG issues generally concerned. After the matrix of material issues is prepared and determined, it will be submitted to the Board for consideration and approval.

Based on the assessment of all social responsibility issues by stakeholders and senior management of the Company, the material issues for the Company's 2023 social responsibilities was determined as shown below:



(V) RESPONSIBILITIES AND HONOR



QHD Port was listed among the “ESG Pioneer 100 of State-owned Listed Companies”



QHD Port won the first CRHC Cup ESG Golden Bull Award for Top 20 of ESG Governance

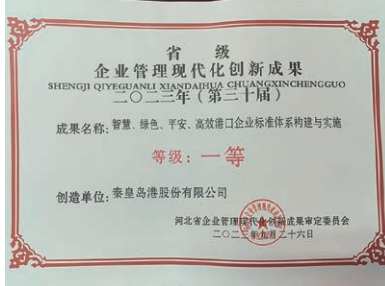


QHD Port won the “AAAAA Level Standardized Good Behavior Enterprise” certification in the port industry

ESG GOVERNANCE



QHD Port won the title of “Outstanding Grassroots Party Organization” among enterprises in SASAC system in Hebei Province



QHD Port won the first Prize of Hebei Province Enterprise Management Modernization Innovation Achievement in 2023 (the 30th session)



QHD Port won the title of “2023 Quality Management Group Activity Excellent Enterprise of Hebei Province” of Hebei Province SASAC system enterprises



QHD Port won the “Labor Day Award of Hebei Province”



QHD Port won the title of “Advanced Volunteer Service Organization of Hebei Province in 2022”

FOCUS ON RESPONSIBILITIES: ENSURING THERMAL COAL TRANSPORTATION AND SAFEGUARDING ENERGY SECURITY

Energy security and safety concern national economy and people's livelihood, and it is a "national priority" that cannot be neglected at any moment. The report of the 20th National Congress of the CPC explicitly proposed to strengthen the construction of systems of energy production, supply, storage and sales to ensure energy security. QHD Port actively responded to national calls, resolutely fulfilled tasks on ensuring smooth and ample supply of national energy and price stability, undertook the missions and responsibilities as a major pivot hub for transporting coal from the north to the south and implemented various "measure portfolios" on ensuring energy supply. It adopted various measures to enhance its capacity on guaranteeing energy security, vigorously ensured thermal coal transportation and made outstanding contributions to the safety of national energy transportation.

(II) SPEEDING UP VESSEL TURNOVER AT PORTS

Relying on the external "6+N" all-weather coordination mechanism on ensuring thermal coal transportation, QHD Port worked with key units in ensuring supply, developed "green channels" for energy and materials and strived to achieve "zero waiting" in entering and leaving the ports and "zero delays" in unloading goods. While guaranteeing safety and compliance, it effectively reduced the time of traffic restrictions. Internally, it made full use of the advantages of "anchorage", "two-way ring channel for entering and leaving the ports" and other navigation environment and strengthened the coordination of various production and operation units in the port through refined organization to shorten the berthing time of vessels.

Case: Seventh Company of QHD Port ensures thermal coal supply for the Asian Games

Relying on Daqin Railway, the Seventh Branch Company of QHD Port collects and distributes coal from Shanxi and other places through Qinhuangdao Port, and then transports it by sea to Eastern China, Southern China and other regions in China. As a unit for guaranteeing thermal coal supply for the Asian Games, the Seventh Branch Company of QHD Port set up an energy guarantee group for the Asian Games, opened a green channel for thermal coal transportation for the Asian Games, and initiated the coordination and command work of coal unloading, stacking and loading through the control room of the centralized control center. It guaranteed the prioritized entry, loading and departure of vessels for coal transportation for the Asian Games and contributed to the successful holding of the Hangzhou Asian Games.



Thermal Coal Transportation at Qinhuangdao Port



QHD Port Ensures Power and Energy Safety for the Hangzhou Asian Games (a Picture of Hangzhou Olympic Sports Center Stadium at Night)

FOCUS ON RESPONSIBILITIES: ENSURING THERMAL COAL TRANSPORTATION AND SAFEGUARDING ENERGY SECURITY

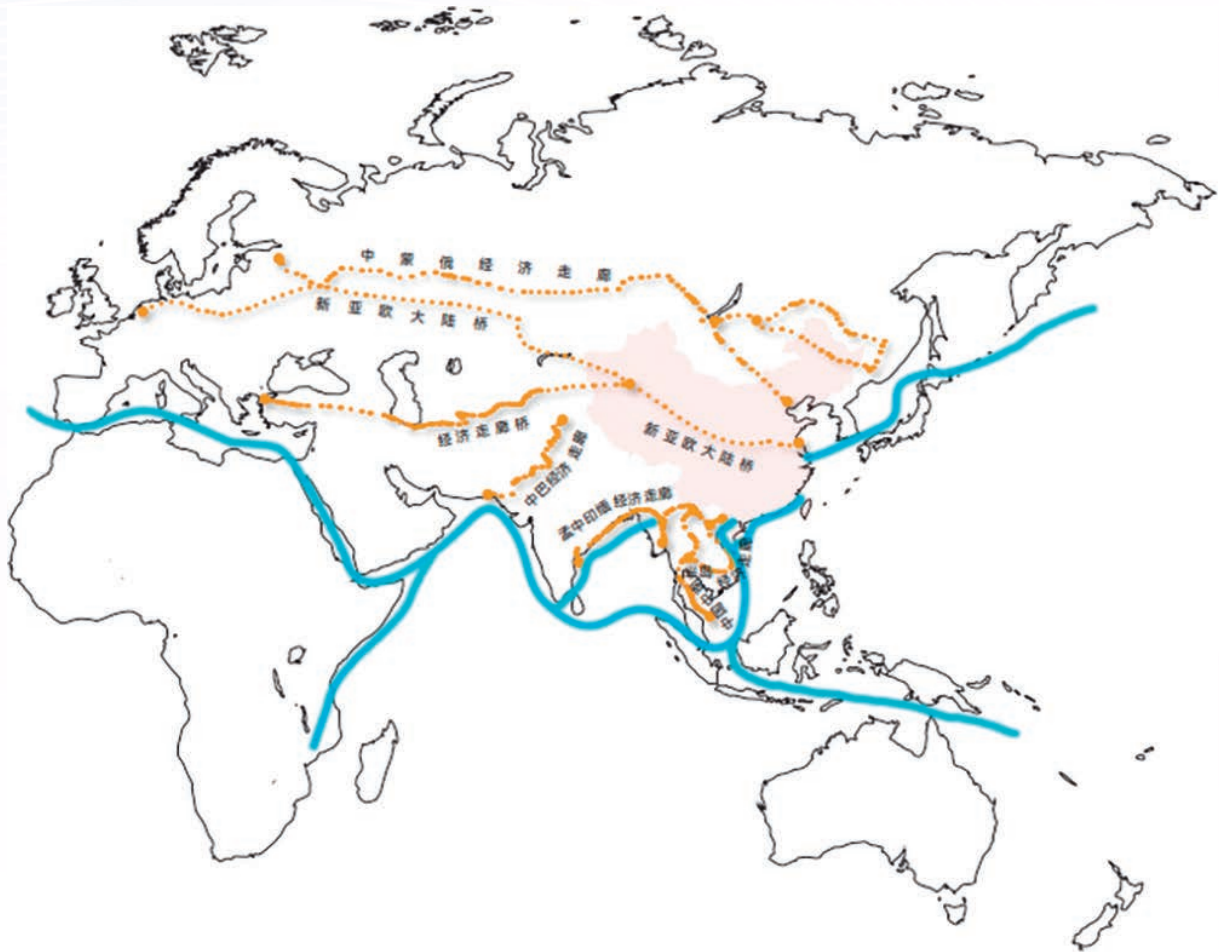
(II) ENSURING SMOOTH TRANSPORTATION CHANNELS

In response to the impact of inclement weather on production and operation at ports, QHD Port formulated the Emergency Plan for Coal Transportation Guarantee and strictly implemented the “four precautions” in production at ports to ensure smooth channels for coal supply. It took the initiative to visit downstream customers, focused on the daily consumption and production and operation of end customers and accurately estimated their demands. It jointly developed a weather warning system with the meteorological station of Tianjin Ocean Center, and dynamically adjusted the sequence of port operations based on the probability of closure warning information for the next 10 days and the precise weather forecast for the next 3 days. It has scientifically organized all production sections to enhance the scientific and forward-looking indoor deductions.

“Four Precautions”

Early warning	Pay close attention to the weather changes in the sea and land areas of ports, areas along railways, coal production areas and areas of coal consumption in the south regions, and provide accurate weather warnings and the status of frozen coal and frozen trucks, in order to save time for taking targeted countermeasures.
Prejudgment	Based on the information of coal storage and daily consumption of power plants in the southern regions, we can anticipate the trend of coal demand for heating and electricity, and provide accurate and rapid supply to the key areas.
Proposal	We strictly implemented the “Emergency Plan for Coal Transportation Guarantee” to ensure the smooth operation of the “four-in-one” working mechanism of production and operation, equipment protection, safe production, and hygiene and environmental protection.
Rehearsal	Through measures such as vessel pre-scheduling, berthing simulation and loading process rehearsal, it has scientifically scheduled vessel plans to enhance the efficiency of loading operations. We also conducted train unloading rehearsals for each section of the railroad, such as train requesting, train approval, train loading and in-transit trains, and carefully formulated unloading plans to maximize the unloading capacity of the ports.

FOCUS ON RESPONSIBILITIES: ENSURING THERMAL COAL TRANSPORTATION AND SAFEGUARDING ENERGY SECURITY



Major railway lines from upstream to QHD Port

Composition of **four** main national railway lines
Daqin Railway, Tianjin-Shanhaiguan Line, Beijing-Harbin
Line, Shenyang-Shanhaiguan Railway

- **Daqin Line** undertakes the railway-water transfer of coals in QHD Port;
- **Tianjin-Shanhaiguan Line and Beijing-Harbin Line** undertake the exchange and distribution of containers, bulk and general cargoes between QHD Port and Beijing-Tianjin-Hebei region, remote regions in the northwest of China;
- **Shenyang-Shanhaiguan Line** undertakes the exchange and distribution of containers, bulk and general cargoes between QHD Port and regions in the east of Shanhaiguan

Provinces of major coal customers from downstream

- **The North Regions:** Liaoning, Shandong
- **The South Regions:** Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, Guangxi, Hainan, Jiangxi, Hubei, Hunan, Chongqing

FOCUS ON RESPONSIBILITIES: ENSURING THERMAL COAL TRANSPORTATION AND SAFEGUARDING ENERGY SECURITY

(III) EMPOWERING INTELLIGENT PORTS WITH TECHNOLOGY

QHD Port insists on empowering development with technology, carries out active exploration and innovation and fully displays the role of Qinhuangdao Port as a super-large coal hub with full-process automation. It achieves all-weather efficient operation, real-time monitoring on full working conditions and full-process integrated operation to promote the transformation from “single intelligent points” to “full-process intelligence” in port production. With the implementation of centralized unloading and stacking control, centralized control of delivery and uploading, intelligent and centralized control on environmental protection and other technologies, it developed an intelligent framework system based on the centralized control of reclaiming, stacking, delivery and loading, consolidated the foundation of equipment protection and comprehensively enhanced the efficiency of thermal coal transportation.

Case: Empowering “World-Class” with an Intelligent Brain

QHD Port promoted low-carbon and high-efficiency operation of ports and developed the intelligent management system on “one center with three platforms” with the scheduling and command center, the remote centralized control platform, the environmental monitoring platform and the safety regulatory platform, resulting in more efficient production, more systematic management, more scientific decision-making and more considerate services.

- The scheduling and command center integrates five functions, namely, production command, operation scheduling, collaborative office, safety control and environmental monitoring, and leads the production and operation of “one port covering three regions”, and displays real-time and accurate data including without limitation inward and outward dispatching, site inventory information and railway transportation;
- The remote centralized control platform realizes all-weather efficient operation, real-time monitoring on all working conditions and integrated operation of all processes in the port, with 96% of businesses handled online;
- The environmental protection and intelligent control platform realizes real-time monitoring, unified collection and analysis of data and information on air, water, exhaust from mobile sources as well as road and environmental conditions, etc.;
- The safety monitoring platform integrates the functions of safety inspection, risk identification, detection and management of latent danger and on-site monitoring on key production operations and forms a closed-loop safety management.



Intelligent Management System on “One Center with Three Platforms”

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

We will improve the modern corporate system with distinctive Chinese features, encourage entrepreneurship, and step up to help Chinese companies become world-class outfits.

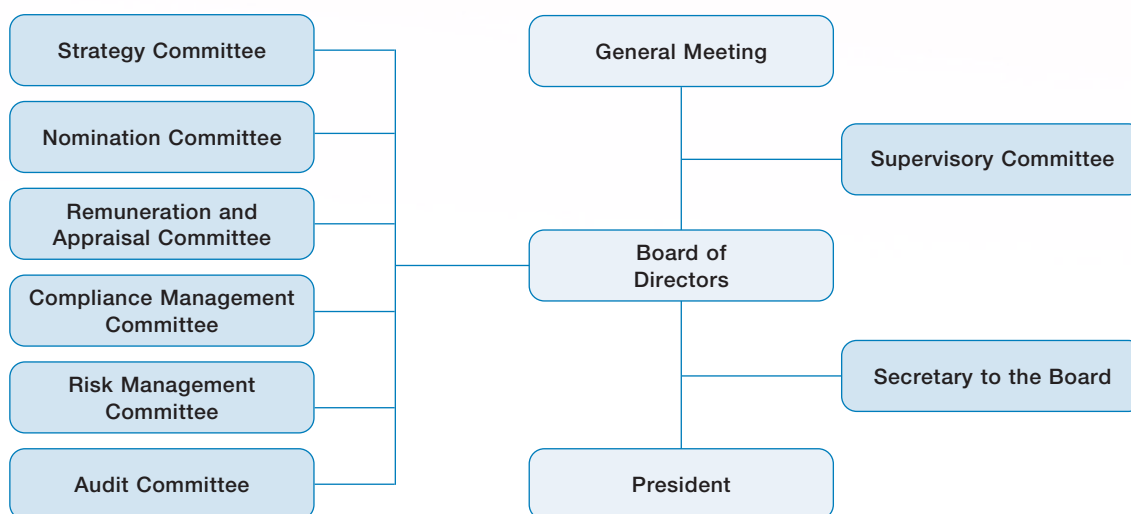
— Report to the 20th National Congress of the CPC delivered by Xi Jinping, the general secretary of the CPC, on 16 October 2022

QHD Port has established a scientific and standardized management system according to the modern enterprise system requirements and improved the effectiveness of corporate governance with the improvement of the governance system as drivers. It adhered to “two persistence”, integrated strengthening the Party’s leadership and improving corporate governance and developed the modern corporate system with distinctive Chinese features; It enhanced the awareness on safety production, resolutely undertook major political responsibilities in production safety and ensured the implementation of the subject responsibility on production safety of enterprises to guarantee the “life line” of production safety and accumulate strength for and empower high-quality development.



(I) Improving Governance System

QHD Port has strictly complied with the Company Law of the People’s Republic of China and other laws and regulations and regulatory requirements of the places where it is listed, and has continuously improved the governance structure of the Company. The general meeting, the Board of directors and its special committee, the supervisory committee, and the management of president responsibility have clear division of rights and responsibilities and are efficient in ensuring the stable operation of the Company.



Governance Structure of QHD Port

1. General Meeting

The general meeting is the Company’s supreme authority. The articles of association, the meeting rules and other requirements of the Company set forth the rules of procedure for the general meeting, clarify the Company’s supreme authority and its functions, provide legal guarantee for its operation in accordance with the law, and fully ensure that all shareholders are entailed equal status and can exercise their rights to know, participate, inquire and vote. In 2023, QHD Port convened four general meetings, with all 15 proposed resolutions being passed.

2. Board of Directors

The Board of directors is the permanent decision-making body of the Company and is responsible to the general meeting. The directors abide by the principles of diligence, integrity and pragmatism in favor of all shareholders, and fulfill duties conscientiously. The Board of directors of QHD Port is comprised of 9 directors, including 3 executive directors, 2 non-executive directors and 4 independent non-executive directors. With a diversified and balanced composition, the Board of directors can effectively make independent judgments. In 2023, QHD Port convened a total of 10 Board meetings, considered a total of 51 resolutions including the annual report and ensured that the Company’s work was carried out in an orderly manner.

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

(II) Safeguarding Stable Operation

QHD Port unswervingly upholds the leadership of the Party, continuously strengthens the Party's work in the Company and consolidates the "root" and the "soul"; focuses on improving the core competitiveness of itself as a state-owned enterprise and enhancing core functions, insists on comprehensively deepening reform and constantly unleashing the vitality of itself as a state-owned enterprise; boosts the competitive advantages of the enterprise in compliance with laws and regulations and safeguards the high-quality development of the enterprise with compliance management; insists on stable operation, abides by business ethics and keeps a "zero-tolerance" attitude on corruption; and strengthens communications with investors and protects the interests of medium and small investors to facilitate the stable operation of the enterprise.

1. Strengthening the leadership of Party's work

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, QHD Port conducts in-depth study, publicity and implementation of the spirit of 20th National Congress of the CPC, firmly grasps significant development opportunities in the integration of port resources in Hebei, gives full play to its leading role in setting the direction, managing the overall situation and ensuring implementation and leads Party members, cadres and staff to hold high the banner and forge ahead with cohesion and solidarity to lead the Company's high-quality development.

(1) Achieving results in thematic education

QHD Port launched in-depth learning and implementation of the thematic education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, firmly followed the general requirements on "learning thought, strengthening Party spirit, emphasizing practice and making new contributions". It has formulated and issued seven guiding documents, including the Implementation Plan for Thematic Education and the Investigation and Research Work Plan for Thematic Education, and has comprehensively adopted thematic learning, joint learning, thematic Party classes and advanced training courses, to consolidate the quality of learning and education. Adhering to the problem-oriented approach and focusing on scientific and technological innovation, green transformation, project construction and other key reform tasks, it has formed more than 90 high-quality research results and solved more than 100 major problems in the reform and development of the enterprise, and has achieved remarkable results in casting the soul by learning, increasing wisdom by learning, correcting the style by learning and promoting the work by learning.

Case: Studying, Implementing and Bearing the Instructions in Mind

In May 2023, Xi Jinping, the general secretary of the CPC, inspected Hebei and made important instructions on port development. QHD Port convened a thematic study seminar for the central group in the first time, focused on the spirit of the important speech made by Xi Jinping the general secretary of the CPC, studied measures for implementation, coordinated learning camps and learning platforms at all levels, and created an atmosphere of continuous learning across the Company.



"We will fully implement the spirit of the important instructions made by Xi Jinping the general secretary of the CPC, focus on the corporate target of building a world-class port enterprise for dry and bulk cargoes port enterprise, solidly push forward the construction of green ports, speed up the restructuring and upgrading of ports and achieve high-quality development of ports", indicated Zhang Xiaoqiang, the secretary to the Party Committee and the chairman of QHD Port, in an exclusive interview with Hebei TV.

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

(2) “Integration of Party work with industries” stimulates new vitality

QHD Port gives full play to the radiation and demonstration role of the brand of Party work, focuses on key points in production and operation and the difficulties in reform and development in Party work carries out the special campaign on “improving the integration of Party work with industries”, and achieves the value creation of “three first-class” in Party work through the implementation of “six integrations”; and deepen the construction of “one unit with one brand and one branch with one highlight”. It has developed 18 brand projects in Party-work, saved corporate costs by RMB13,395,800, increased revenue by RMB22,346,000, and has promoted a high compatibility between Party work and high-quality development of the enterprise.

Case: QHD Port Constructs a New Pattern of Party work and Co-construction

QHD Port has launched the activity of “Integration and Co-construction under the Leadership of Party work”, actively contacted and extensively liaised with upstream and downstream authorities and enterprises in external industrial chains, and explored the establishment of 26 pairs of Party work alliances in the business circle and industrial chains, so as to realize the sharing of Party building resources, technological resources and information resources. Relying on the mechanism on alliance building, it has improved the mechanisms on regular visits and questionnaires by upstream and downstream partners and relied on the “Customer Manager Responsibility System” to proactively solve problems for customers, laying the foundation for the Company to deeply implement the strategy on top customers and improve its capability on resisting market risks.

(3) Vigorously carrying out publicity of the main theme

QHD Port consciously undertakes the mission of upholding the banner, gathering people’s heart, educating new people, promoting culture and displaying its image. It upholds the main theme, gathers positive energy and focuses on typical cases such as ensuring the supply of thermal coal, “mass entrepreneurship and innovation,” green and smart development as well as and model workers and craftsmen. It has published more than 1,800 press releases in various central, provincial and municipal mainstream media such as People’s Daily, Xinhua News Agency, Workers’ Daily, Science and Technology Daily and Hebei Daily. The Company’s public account has published more than 500 pictures, texts and videos, depicting a magnificent picture of port reform in an all-round way, condensing the ideological consensus of observing justice and innovation, and actively advancing towards building the “big port zone with a history of 100 years”, which demonstrated the confidence and determination of QHD Port in building a world-class port enterprise for dry and bulk cargoes.

On 7 July 2023, a special edition of People’s Daily, “Action on Guaranteeing Power Supply in Peaking Season in Summer”, reported QHD Port as a vole model in quick responding to the demand of and guaranteeing the transportation of thermal coal.



Special edition of People’s Daily on “Action on Guaranteeing Power Supply in Peaking Season in Summer”

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

Case: Hebei TV and Other Mainstream Media Report Typical Cases of Advanced Model Workers of QHD Port on the Labor Day

On the Labor Day in 2023, mainstream media such as the websites of Hebei Provincial People's Government, Hebei Daily, Hebei Economic Daily, Hebei Workers' Daily, People.cn, hebei.com.cn, Jiyun and qhdnews.com, widely publicized and reported on the advanced deeds of Wang Xiao, the director of the Safety and Environmental Protection Department and the senior engineer of the Sixth Company of QHD Port. His advanced deeds were broadcasted 10 times in Hebei TV at prime time during the May Day holiday, demonstrating the dedication of port employees in fulfilling the mission of craftsmen and concentrating on scientific and technological research in technological innovation.



Advanced deeds of Wang Xiao, the director of the Safety and Environmental Protection Department and the senior engineer of the Sixth Company of QHD Port, broadcasted on Hebei TV

2. Comprehensively deepening the reform

QHD Port adheres to the concept of “seizing opportunities in the reform and promoting the Company to become stronger and better”, seizes the policy “opportunities” and grasps the “window period” of transformation. It deeply carried out the special campaign on deepening state-owned enterprise reform and continuously strengthened corporate governance and transformed relevant mechanisms to boost the high-quality development of enterprises.

QHD Port's Measures on Comprehensively Deepening the Reform:

- **Focusing on the annual excellence target, the Company made every effort to promote the reform of “Double Hundred Actions”.** QHD Port has conducted researches and formulated the “Double Hundred Action” 2023-2025 Comprehensive Reform Implementation Plan and the working ledger. With deepening the corporate governance structure, improving the market-based operation mechanism as well as incentive and restrictive mechanisms and speeding up in industrial upgrading as breakthroughs, it actively developed a local vole model with the characteristics of QHD Port in state-owned enterprise reform.
- **Taking the initiative to steadily push forward the work of “transforming branches to subsidiaries”.** QHD Port resolutely implemented the deployment of Hebei Port Group's on “transforming branches to subsidiaries” and has successively issued documents such as the “Implementation Plan on Transforming Branches to Subsidiaries”, “the Selection and Operation Plan on the First Batch of Targets Companies in Transforming Branches to Subsidiaries”. It has successfully completed the registration of the new subsidiaries, which effectively promoted the First Company to become an independent market entity with “self-operation, self-financing, self-restriction and self-development”.
- **Achieving new breakthroughs in promoting the reform of special business.** QHD Port continued to promote its affiliated companies to integrate the cleaning and coal cleaning business of the Sixth Company, the Seventh Company and the Ninth Company in the east port zone to achieve unified, standardized and professional management and achieve the goals of lowering costs and expenses, reducing safety risks, and improving the environmental surrounding management.

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

3. Strengthening compliance management

QHD Port has taken various measures to strengthen the compliance management, continued to improve the compliance system, and put the rule of law into practice. It has also carried out in-depth risk prevention and control and endeavored to prevent and dissolve various risks.

(1) Promoting corporate governance in accordance with relevant laws and regulations

In accordance with the “Measures for the Compliance Management of Enterprises under the Supervision of the State-owned Assets Supervision and Administration Commission of Hebei Province”, QHD Port continued to improve the compliance management and control model that focuses on prior supervision and in-process monitoring, and improved the compliance management system. It has conducted legal education and trainings within the Company and strengthened the publicity of laws, and created an atmosphere with everyone complying and initiatively abiding by laws. In 2023, QHD Port organized a total of 22 trainings on law-bidding and compliance.

(2) Strengthening risk prevention and control

QHD Port revised the “Measures for Comprehensive Risk Management”, established a reporting mechanism on major operational risks, and improved the “Management Measures for Legal Disputes”; optimized the “Contract Management Measures” and achieved a legal review rate of 100% on major proposals, systems and contracts. It also formulated the “Management Measures for New Business Expansion” to strictly prevent the risk potentially given rise to by new external businesses; effectively identified and prevented risks by launching comprehensive risk inspection and evaluation, comprehensively strengthened implementation and rectification and established long-term mechanisms.

4. Abiding by business ethics

QHD Port advocates the integrity in conducting business and requires business personnel to act in accordance with principles and regulations, not to use their powers and functions to solicit, take, hold, or ask for favors, not to practice favoritism in business acceptance, and not to accept money, goods or banquets from the counterparties. It has formulated and issued guiding documents related to thematic education, and launched special rectification of conduct and discipline within the Company; actively organized the Party members and cadres to participate in Hebei Port Group’s special trainings on Party’s disciplines and rules and regulations, carried out the publicity and education on integrity culture, and guided the Party members and cadres to build a strong line of defense on integrity and self-discipline. In 2023, the Company organized 28 anti-corruption trainings and recorded no major litigations in terms of corruption, bribery, extortion, fraud and money laundering.



QHD Port’s Micro Video “Original Aspirations”
on Integrity Culture



QHD Port’s Anti-corruption Micro-film
“Clear Water Tests our Heart”

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

5. Information disclosure

QHD Port fulfills its information disclosure obligations in strict compliance with the listing rules of the Shanghai Stock Exchange, the listing rules of the Hong Kong Stock Exchange and the articles of association and other internal and external regulations and establishes internal approval procedures on routine information disclosure to continuously improve the efficiency and quality of information disclosure and ensure the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure. QHD Port has not been punished for any violation of information disclosure requirements since its onshore and offshore listings.

6. Protecting the rights and interests of small and medium-sized investors

QHD Port actively practices the concept of “respecting, rewarding and protecting investors”, and continues to carry out investor exchanges, market communications, insurance and investment education. In 2023, the Company routinely held the annual results presentations, interim results presentations and third quarterly results presentations, and answered investors’ questions and responded to more than 100 investors’ suggestions through the investor hotline and SSE e-interaction to fully protect investors’ right to know and their right to make suggestions. Five investor protection and education activities were carried out throughout the year, including the “3.15 Investor Protection Themed Education Activity” and the fourth “Prevention of Illegal Securities and Futures Publicity Month”, to enhance the ability of small and medium-sized investors to protect their rights and interests by popularizing investment knowledge among the investors.

(III) Ensuring Production Safety

QHD Port has implemented various safety management measures such as system optimization, latent danger inspection and safety trainings, and made every effort to ensure the continuous stability of production safety. It has also launched an in-depth occupational health protection campaign to safeguard the occupational health of its employees. In 2023, QHD Port invested RMB123,771,200 in production safety and recorded no accidents in respect of production safety and no work-related death for three consecutive years.

1. Ensuring operation safety

QHD Port optimizes the production safety management system to promote the steady implementation of safety management; strengthens the inspection on latent dangers, reinforces emergency drills and resolutely fulfills the responsibility of production safety; strengthens trainings on safety skills for employees and related parties, publicizes safety production culture and strengthens the safety awareness.

(1) Strengthening safety management

QHD Port focused on advancing the construction of safe ports and preliminarily established the “33345” production safety management system; optimized the emergency rescue system of accidents and improved the response to extreme and severe weather emergencies; and completed the development and construction of the safety regulation platform and consolidated the defense line of safety risks through prevention with labor, materials and technology. QHD Port passed the annual review on Level-1 production safety standardization certificate for transportation.



Zhang Xiaoqiang, the secretary to the Party Committee and the chairman of QHD Port, chaired a special meeting on production safety before the Mid-Autumn Festival and the National Day

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

Case: QHD Port Launches Activities on the “Month of Production Safety”

In June 2023, QHD Port organized and launched activities on the “Month of Production Safety”. All units actively responded to and further implemented the requirements of the special action to promote the continuous and stable production safety of QHD Port.

- General Cargo Port Branch launched “Six Ones” activities such as one themed activity of the team and one accident case warning education activity during the “Month of Production Safety”.
- Railway Transportation Company of the Qinhuangdao Port Authority (“Railway Transportation Company”) strengthened “five steps” on emergency response under extreme weather conditions to ensure that the detailed implementation of the “Month of Production Safety”.
- Cangzhou Huanghuagong Mineral Port Co., Ltd. (“Cangzhou Mineral”) launched a publicity and consultation day for the “Month of Production Safety”, distributed a total of more than 500 copies of publicity brochures and materials and received more than 200 consultations from employees.
- Comprehensive Service Center and Material Center jointly conducted a joint drill on emergency response and fire rescue for oil and gas leakage, flammable and explosive fire accidents in gas stations in 2023.



Maintenance staff of General Cargo Port Branch inspect silo dust collection system

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS



Railway Transportation Company launched emergency drills on fire accidents



Cangzhou Mineral organizes the distribution of publicity materials on production safety and traffic safety



Fire rescue team of Comprehensive Service Center launches on-site fire-fighting and rescue drills

I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS

(2) Carrying out inspections on latent dangers

QHD Port actively promotes the normalized inspection on latent dangers and carries out special actions such as special inspection and rectification of major accidents and latent dangers, “resolutely implements grass-roots construction, safety management, safety hazard inspection and rectification”, fire safety inspections and rectification in this winter and next spring, and makes every effort to prevent production safety accidents. It strengthens the inspection and supervision on safety hazards, highlights the supervision and inspection of key fields, key areas and key periods, and improves the implementation of the rectification of latent hazards; set up incentives for reporting safety hazards, and promotes the participation of all employees in the inspection and management of latent hazards.

Latent danger inspections and rectifications carried out by branches and subsidiaries of QHD Port:

- Second Company carried out inspections on latent electrical dangers in summer and conducted inspections on electrical equipment.
- Sixth Company implemented special inspection and rectification on major risks and dangers and conducted inspections on operation with fire and electrical safety.
- Seventh Company carried out inspections on latent dangers on fire prevention in summer and found 29 fire hazards of various types, all of which have been rectified.
- Railway Transportation Company carried out inspections on latent dangers in power and fire protection, and found and rectified 12 hidden safety dangers.
- Cangzhou Mineral carried out special inspection actions on latent dangers in electric power, focused on fire protection and equipment inspection in the charging area for heavy trucks.

(3) Upgrading safety skills

QHD Port attaches importance to strengthening “labor defense”, and actively organizes trainings and assessment of employees on safety risks and control measures, so as to improve the employees’ level of “knowledge on risks and awareness on risks”, and to achieve the purpose of “control and avoidance of risks”. It utilizes the intelligent safety training center and the “Craftsman Academy in Ports” (河港工匠學苑) to provide education and training platforms and resources to the relevant parties to effectively enhance the safety attainment and skills of the relevant parties.

2. Safeguarding occupational health

In accordance with the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》, the Administrative Regulations on Employers’ Labor Protective Equipment 《用人單位勞動防護用品管理規範》, the Provisions on the Administration of Occupational Health at Work Sites 《工作場所職業衛生管理規定》 and other laws and regulations, QHD Port improves its occupational health management mechanism. The Company has set up occupational monitoring archives and occupational health management standing book for employees exposed to occupational diseases to keep records of the health conditions and the process of occupational disease prevention and control of employees. It implemented the subject responsibility on occupational health trainings, enhances the organization and management of trainings on occupational health and improves employees’ occupational health attainment and skills. It actively organized and carried out occupational health examinations for employees to protect their legitimate rights and interests.

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

We will speed up in the construction of a number of world-class enterprises with excellent products, outstanding brands, leading innovation and modern governance to realize greater development and play a greater role in comprehensively building a modernized socialist country and achieving the second centennial goal.

—Speech of Xi Jinping, the general secretary of the CPC, at the 24th Meeting of the Central Commission for Comprehensively Deepening Reform on 28 February 2022

With the target of building a world-class port enterprise for dry and bulk cargoes, QHD Port actively plays a supporting role in implementing major national strategies and advancing economic and social development, fully demonstrating the responsibilities and undertaking as a key state-owned enterprise. It focuses on principal responsibilities and businesses, continuously enhances the core competitiveness of the enterprise and promotes itself to be better and stronger. It enhances coordination and linkage, amplifies the combined effect, continues to lead the industry in innovation and builds the new industrial ecosystem together.

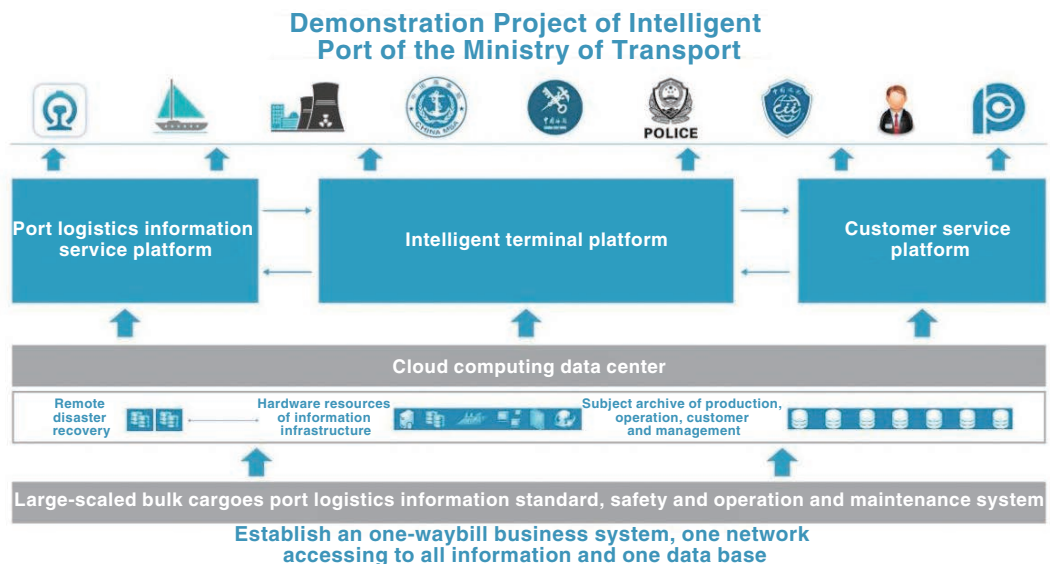


(I) Serving National Strategies

QHD Port practically enhances its political awareness, understands and grasps the requirements of Hebei Provincial Party Committee, the Provincial Government and the Hebei Port Group in terms of the strategy of Beijing-Tianjin-Hebei Coordinated Development and the logic of developing and strengthening towards the sea, and displays the new role in the practice of serving the construction of “Great Warehouse of China”, assisting in the development of adjacent industries and facilitating in the “Belt and Road” initiative, and promotes the deep and practical efforts in serving national strategies.

1. Promoting the Beijing-Tianjin-Hebei coordinated development

In accordance with the decisions and deployments of the Hebei Provincial Party Committee and the Provincial Government, QHD Port actively integrates itself into the strategy of the Beijing-Tianjin-Hebei coordinated development, gives full play to the comprehensive advantages as a pivot city in the Beijing-Tianjin-Hebei coordinated development, one-hour transportation circle and the opening of coastal areas. It attaches importance to the construction of the key platform in the Qinhuangdao Port Transformation and Development Demonstration Area to improve its receiving and carrying capacity. On the occasion of the 9th anniversary of promoting the Beijing-Tianjin-Hebei coordinated development, QHD Port’s “one-click” large-scaled dry and bulk cargo logistics demonstration project under the Beijing-Tianjin-Hebei Joint Development was awarded the second prize in Science and Technology Award by China Ports & Harbours Association in 2023.



Demonstration Project of Intelligent Port of the Ministry of Transport

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

2. Facilitating the “Belt and Road” initiative

Adhering to the concept of “joint construction, building and sharing”, QHD Port actively implements the strategy of the Hebei Provincial Party Committee and the Provincial Government on “promoting the province’s development in marine economy and building it into a marine power”, continuously optimizes the route layout, improves the sea-rail intermodal transportation network, and actively develops domestic and foreign trade markets to help Hebei Port Group better integrate into the “Belt and Road” initiative, demonstrate QHD Port’s undertakings and contribute QHD Port’s strength.

Case: “Baoding-Qinhuangdao-Incheon” Sea-Rail Intermodal Transportation Realizes Direct Train Delivery

The “Baoding-Qinhuangdao-Incheon” sea-rail intermodal transportation line is the first convenient multimodal transportation channel for foreign trade in Hebei Province. On 9 April 2023, the container train from Baoding Jinxiongbao International Intelligent Port directly arrived at the container terminal in Qinhuangdao Port and directly uploaded on the “New Tulip” vessel and shipped to South Korea through the Qinhuangdao-Incheon route, which effectively promoted the integrated customs clearance in Beijing-Tianjin-Hebei and improved the efficiency of logistics.



Direct Rail-Sea Intermodal Train Arrived at Container Terminal in Qinhuangdao Port

3. Facilitating the development of adjacent industries

QHD Port has effectively utilized the regional advantages of Qinhuangdao Port to significantly reduce the logistics cost of imported grains through the unique layout of “front port, middle warehouse and back factory”, attracting projects such as the grain reserve base at ports for Sinograin and the comprehensive processing park of Yihai Kerry (Qinhuangdao) grain and oil products. In 2023, QHD Port continued to promote the construction of the grain transportation corridor project in Qinhuangdao Port to provide grain transportation for the grain silo areas of Sinograin and Yihai Kerry, effectively safeguarding national food security and serving the development of adjacent industries.

Case: Grain Transportation Corridor Project in the East Port Zone of Qinhuangdao Port Officially Commenced

On 20 September 2023, the grain transportation corridor project in the East Port Zone of Qinhuangdao Port invested by QHD Port officially commenced construction. The grain transportation corridor directly connects the grain unloading operation area in Qinhuangdao Port with the grain silo areas of Sinograin and Yihai Kerry and develops a grain transfer, storage and processing system with seamless connection of “front port and back factory”. It can realize direct unloading of grain at the port, direct inspection upon unloading and efficient warehousing, which will significantly save grain transportation costs for enterprises, improve grain transportation efficiency and reduce inventory pressures.



Opening Ceremony of Grain Transportation Corridor in the East Port Zone of Qinhuangdao Port

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

(II) Focusing on the Principal Businesses of Ports

QHD Port continues to tap into principal businesses, boosts development vitality and improves its profitability and comprehensive competitiveness. Adhering to a customer-centered approach, it continues to improve service quality and strives to optimize customer experience to gain customers' trust and support and ensure the retention of its existing customers. It also continuously develops potential customers to bring continuous benefits to the enterprise.

1. Deeply exploring principal businesses

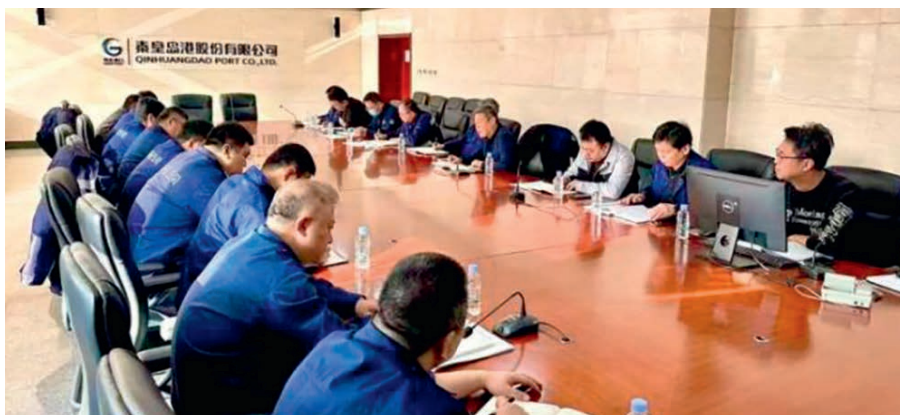
QHD Port continuously and deeply explores its existing principal businesses and has made continuous efforts in the transportation of coal, metal ores, general and other cargoes, containers, oil products and liquid chemicals. In 2023, QHD Port's annual throughput was 392 million tonnes, representing an increase of 2.12 percentage points as compared with the previous year.

(1) Coal transportation business

As a pivot hub as the transportation channel of China's domestic coal, QHD Port attaches great importance to precise marketing to expand cargo sources and continues to adhere to the strategy on major customers. It has launched special cooperation with 35 customers and adopted the cooperation mode of long-term lease to stabilize port throughput with a total contracted volume of 190 million tonnes. Adhering to the work philosophy of "working hard and cultivating high-quality customers", it has newly introduced a number of high-quality mineral and sales integrated supply sources. It also built a port business platform for its customers and provided customized services, which gained the trust and recognition of its customers. In 2023, QHD Port completed a coal throughput of 217 million tonnes.

Case: QHD Port Holds Special Meeting on Ensuring Coal Supply

In December 2023, QHD Port resolutely implemented the spirit of the meeting of Hebei Port Group on responding to heavy snowfalls and temperature plunge with the coals and equipment systems, promptly studied response measures in details on production organization, equipment guarantee and safety risks, and held a special deployment meeting to actively assume the political responsibility of ensuring coal supply and ensure smooth transportation on the Daqin line and sea transportation channels.



On-site Picture of QHD Port's Special Meeting on Ensuring Coal Supply

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

(2) Metal ore transportation business

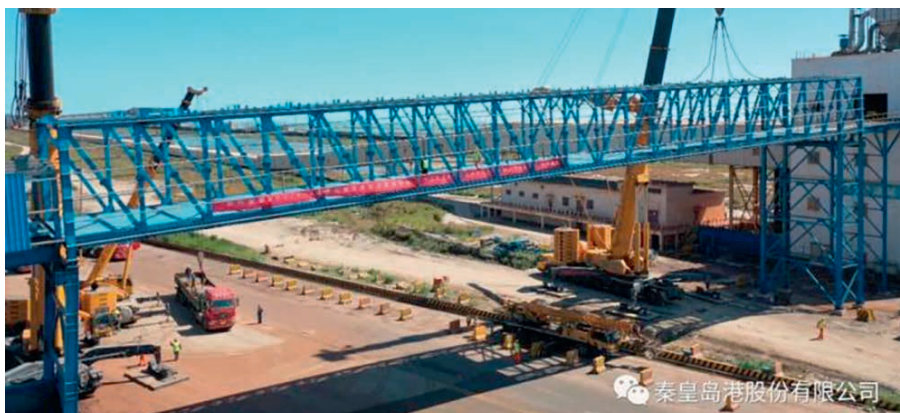
QHD Port continues to carry out transportation metal ores. By taking advantage of the railway transportation, it actively strives for long-distance cargo sources from hinterlands to increase its cargo supply. It further improves transportation efficiency and service quality to enhance corporate competitiveness. In 2023, QHD Port completed metal ore throughput of 132 million tonnes.

Metal Ore Transportation Business of QHD Port's Subsidiaries:

- Caofeidian Shiye boosted its marketing efforts towards ore customers, promoted the landing of the import vessels of Inner Mongolia Yaxin Iron & Steel for the first time during the year and the smooth arrival of the first import vessels of Baotou Steel.
- Relying on the favorable conditions of the first phase of the renewed berths, Cangzhou Mineral undertook the bauxite cargoes from Shanxi Dongfang Hope and Aokaida. Through the close cooperation with Caofeidian Shiye, it completed the trial operation of the water-to-water ore transfer business.

Case: Cangzhou Mineral Successfully Completes the Largest Direct Belt Trestle Hoisting

In September 2023, Cangzhou Mineral successfully completed the hoisting operation of the largest trestle in Phase 1 (expansion) of metal ores terminal project of Huanghua Port, realizing the direct belt delivery from “Unloading-Stacker-Customer” to “Unloading-Customer” and effectively reducing the logistics costs of customers.



Site of Cangzhou Mineral's Direct Belt Trestle Hoisting

(3) Transportation business for general cargoes and other goods

Leveraging on the “integrated” advantages of Hebei Port Group after integration, QHD Port has achieved significant progress in developing cargo sources in the hinterland by boosting efforts in attracting cargo supply in various port areas. In 2023, QHD Port achieved a throughput of 26.57 million tonnes of general cargoes and other goods.

In 2023, Qinhuangdao Port actively expanded its grain business and introduced new important cargo sources, achieving an annual grain throughput of 2.49 million tonnes. Among them, the east port zone completed the project application for the designated supervision project site for imported grains. The projects of changing the business area of the Customs Supervision Office in the C yard of the west port zone and the expansion of the designated supervision site for imported grains were approved by the local custom authority, effectively solving the problem of insufficient storage capacity of grains.

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

(4) Container transportation business

In 2023, domestic trade container routes such as “Qinhuangdao-Qingdao”, “Huanghua Port-Guangzhou”, “Huanghua Port-Quanzhou Port” and “Huanghua Port-Xiamen Port”, and foreign trade container routes such as “Huanghua Port-Japan” and “Huanghua Port-Russian Far East” have been opened one after another, realizing the interconnection of container transportation and the immediate delivery of inbound cargoes, thus providing more transportation routes for enterprises in the hinterland of Hebei. In 2023, QHD Port achieved a container throughput of 1,095,400 TEUs.



Opening Ceremony of the “Qinhuangdao-Qingdao” Container Route



Opening Ceremony of Huanghua Port-Russian Far East, Huanghua Port-Quanzhou and Xiamen Container Routes

(5) Transportation business for oil and liquefied chemicals

QHD Port has successfully completed the renewal of the “Certificate of Port for Dangerous Goods” to ensure the smooth development of the port’s oil products and dangerous goods business and built a solid barrier for the safety of oil transportation, storage and production. In 2023, QHD Port achieved a throughput of 1.99 million tonnes oil and liquefied chemicals.

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

2. Providing high-quality services

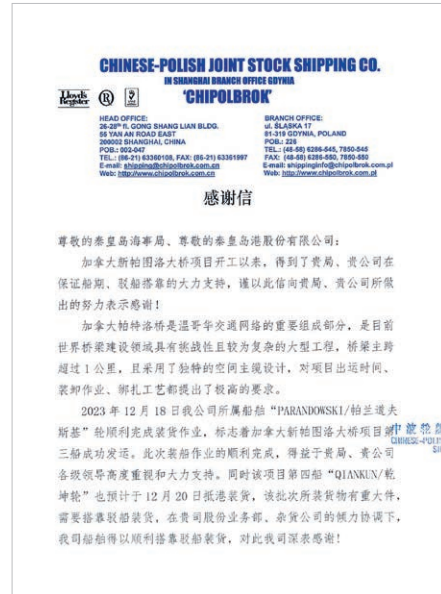
Adhering to the philosophy and goal of “improving service quality with customers as the center; seeking continuous improvement of services and surpassing customers’ expectations”, QHD Port actively explores new models of customer services and strives to improve services by enhancing service quality, optimizing customer experience and proactively responding to complaints in order to create value for customers and win their trust.

(1) Improving service quality

QHD Port continues to improve its service quality management, strictly abides by the “Ten Commitments on Service Quality” and other relevant systems, promotes the deepening and implementation of service quality management, so as to build up trust with its customers and realize mutual benefits and win-win result.

Case: QHD Port Actively Responds to Challenges and Successfully Completes the Third Batch of Loading Operation of China Railway Shanhaiguan Bridge

QHD Port signed a cooperation agreement with China Railway Shanhaiguan Bridge to ship bridge equipment worth more than RMB300 million to Vancouver, Canada in 8 batches, among which the third batch of loading was extremely difficult. During the period of operation, extreme and inclement weather in Qinhuangdao occurred frequently and the production operation faced major challenges. QHD Port actively faced the challenges and developed a customized loading plan and finally completed the operation with high quality and efficiency and received a letter of appreciation from Chinese-Polish Joint Stock Shipping Company.



Letter of Appreciation from Chinese-Polish Joint Stock Shipping Company

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

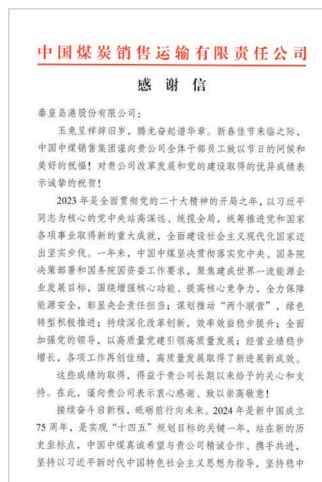
(2) Optimizing customer experience

QHD Port made continuous efforts in optimizing the port environment, scientific and coordinated scheduling, renovation of port facilities and improvement of data management, and is committed to providing professional and personalized services to customers and enhancing customer satisfaction.

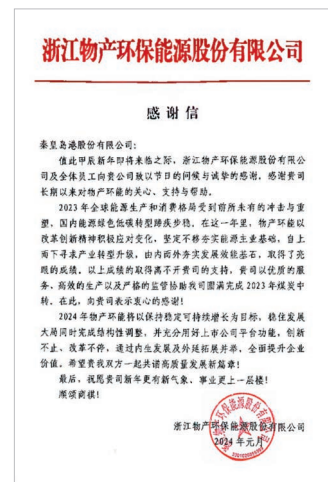
Optimizing the port environment	Continuing to deepen multi-departmental cooperation and smoothen communication and liaison channels to ensure the effective convergence of vehicles, vessels and cargoes; developing a new meteorological data application system to enhance early warning capability and minimize the adverse impact of severe weather; supervising shipping companies to formulate rules on duty operations under severe weather to enhance the continuity and safety of tugboat berthing and de-berthing operations.
Scientific and coordinated scheduling	Formulating an integrated docking plan for vessels of the Sixth Company, the Seventh Company and the Ninth Company, approving the pre-completion time of vessels through process rehearsal, adjusting and alleviating the situation of centralized docking in advance, and realizing gradual docking to minimize the centralized docking of vessels; giving full play to the advantages of the “three integrations” and coordinating the deployment of port resources under the principle of “relative fixity with flexible adjustment”; coordinating the equipment inspection and maintenance plan of all companies, and reasonably deploying manpower and machinery to create conditions for sustainable and efficient production on the basis of guaranteeing the quality of inspection and maintenance.
Renovation of port facilities	Steadily pushing forward the dredging project of 707#, 905#, 906# berths and 423# pontoon waters to improve the navigation capacity and reduce the risk on entering and leaving the port; accelerating the berthing demonstration of ultra-wide coal vessels from the sea to the river to alleviate the problem of vessel queuing.
Improving data management	Relying on the construction of “one center with three platforms”, continuously improving the capacity on remote monitoring of port production, safety and environmental protection; integrating the production data of Caofeidian Port and Cangzhou Port zones and Qinshan Chemical to provide data support for the subsequent development of the query service and function on production information for customers; timely releasing early warning information on severe weather such as strong winds, strong convection, and heavy rains, and using tides to solve problems of loading, unloading and entry and exit of large-draft vessels when conditions permit; and logging in for the online business with UKEY for business operation, ensuring the security of port customers' identity information and business information.

(3) Actively responding to complaints

QHD Port's freight service is subject to external supervision. Based on the Regulations on Coal Quality Management, Measures for the Administration of Quality Complaint Calls and Measures for the Administration of Quality Complaint Calls to President of Qinhuangdao Port Co., Ltd. and other rules and regulations, QHD Port has set up a president complaint hotline, which is networked with the 12345 service hotline, to properly handle complaints on service quality. In 2023, QHD Port's overall satisfaction score on customer service was 97.27, and the customer complaint rate was zero.



Letter of Appreciation from China Coal Sales Company



Letter of Appreciation from ZJMI Environmental Energy

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

(III) Gathering the Strengths of Multiple Parties

QHD Port adheres to achieving mutual benefit and win-win results, and continues to gather the strength of multiple parties to jointly build sustainable and responsible supply chains. It optimizes the management mechanism on strategic cooperation to maximize value creation; and participates in the research and formulation of industrial standards, learns the advanced experience of outstanding enterprises in the industry, and works with outstanding enterprises to achieve common innovation and development in the industry.

1. Building responsible supply chains

QHD Port comprehensively improved the intelligent management of materials, strengthened platform sharing, and created an intelligent procurement system with the "integration of factors". It strengthened management from all aspects such as supplier access and review, and integrated the concept and requirements of social responsibility into the whole process of supply chain management, continuously improved the ESG management system on supply chains and optimized the structure of supply chains.

(1) Promoting intelligent procurement

QHD Port accelerated the full coverage of intelligent procurement. In accordance with the requirements of the centralized procurement centre, QHD Port applied the material management system, promoted the material procurement platform, seamlessly integrated high-quality suppliers at the beginning, accurately met differentiated customer demands at the end, promoted the online platform for each unit, benefiting more units with high-quality, low-price and efficient e-commerce procurement. In 2023, intelligent procurement covered 23 units of the Company, with a coverage rate of 82%.

(2) Supplier management

Access: QHD Port reviews the qualifications of suppliers in strict accordance with the admission procedures, and verifies the authenticity and validity of supplier information through various channels such as Qichahcha* (企查查), official websites and phone call to manufacturers; issues the Supplier Operation Manual for newly admitted suppliers to facilitate suppliers to quickly understand business processes, platform operations, assessment rules, etc.; gives extra credits and priority to suppliers who have obtained the China Environmental Labelling Product Certification and are included in the national green manufacturing list; actively implements green procurement, guides supplier companies to give priority to energy-saving and environmentally friendly products, and encourages suppliers to continuously improve the energy-saving and environmentally friendly performance of supplied products. As at the end of 2023, QHD Port had a total of 706 suppliers.

Suppliers of QHD Port in 2023

Region	Within Hebei Province	Outside Hebei Province
Number (unit)	441	265

Evaluation and training: QHD Port actively carries out ESG review and evaluation of the supply chain, establishes and improves the risk warning mechanism of suppliers, identifies supplier risk points, and timely tracks or directly issues early warnings to avoid potential cooperation risks; sends the Notice Letter of Supplier Assessment and Disposal Results to help suppliers understand and solve problems, and effectively enhance their awareness of compliance performance. It organizes and carries out supplier social responsibility trainings to effectively improve the suppliers' awareness of social responsibility. In 2023, QHD Port reviewed 106 suppliers, and suspended cooperation with 31 suppliers, and rejected 24 potential suppliers due to non-compliance in social responsibility.

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

2. Deepening strategic cooperation

QHD Port closely follows regional policies and industrial development trends, actively carries out multi-party cooperation, continuously expands business space, gathers resources and forces, and realizes complementary advantages. It builds a mutually beneficial and win-win strategic cooperation mechanism and platform, improves cooperation efficiency, drives the coordinated development of upstream and downstream industrial chains and strives to ensure the smooth operation of industrial chains.

Government-enterprise Cooperation



QHD Port and Qinhuangdao Entry-Exit Border Inspection Station signed the Opinions on Implementation of Strategic Cooperation Agreement



QHD Port and Qinhuangdao Maritime Safety Administration signed a cooperation and co-construction framework agreement

School-enterprise Cooperation



QHD Port carried out theme exchange activity with Yanshan University



Railway Transportation Company of QHD Port carried out school-enterprise cooperation with Liaoning Railway Vocational and Technical College

Enterprise-enterprise Cooperation



QHD Port and Dalian Heavy Industry Equipment Group continued to deepen cooperation



The Ninth Company of QHD Port conducted business cooperation and exchange activity with Haishan Machinery

II. BUILDING FIRST-CLASS BRAND WITH DEVOTION

3. Promoting the development of the industry

QHD Port leveraged its comprehensive advantages, actively participated in the formulation of industry standards, continuously improved standardized work, and successfully applied for the pilot on national service industry standardization. The Company extensively participated in industry conferences, communicated with outstanding peer enterprises and jointly explored new development opportunities in the industry. In 2023, 1 local standard in Hebei Province and 2 group standards formulated under the leadership of QHD Port were released for implementation and 1 national standard with its participation in formulation was released for implementation.

Case: QHD Port Participates in 2023 Smart Port Conference

On 19 October 2023, the Smart Port Conference was held in Tianjin. Senior management of QHD Port delivered a speech and shared the Company's practice in comprehensively and deeply carrying out the construction of smart ports around the goal of building a world-class port enterprise for dry and bulk cargoes, and exchanged advanced experience with the leaders in scientific and technological innovation and professionals in the industry.



Senior Management of QHD Port Introduced Intelligent Practice of Qinhuangdao Port



Forum on High-quality Development of Coal Logistics Enterprises

III. BUILDING GREEN PORTS WITH SINCERITY

III. BUILDING GREEN PORTS WITH SINCERITY

China's economic and social development has entered a stage of high-quality development with accelerated green and low-carbon development, and the construction of ecological civilization is still in a critical period with pressures and heavy tasks. It is necessary to plan and promote the ecological and environmental protection work on the new journey with higher position, broader vision and greater efforts to write a new chapter in the construction of ecological civilization in the new era.

—Important speech delivered by Xi Jinping, the general secretary of the CPC, at the National Conference on Ecological and Environmental Protection on 17 July 2023

QHD Port adheres to the development concept of “building a green hub and sharing the blue sea and blue sky”, integrates green into the whole process of port planning, construction and operation, implements the “carbon peaking and carbon neutrality” strategy and demonstrates the firm determination of the Company to actively respond to climate change and take the path of green and low-carbon development. It continuously explores green production methods characterized by energy saving and carbon reduction, and develops unique green advantages of the enterprise. It carries out ecological and environmental protection, creates an atmosphere with all employees paying attention to environmental protection and participating in environmental protection in the Company, injecting green development momentum to achieve the common growth, prosperity and win-win results of ports, industries and cities.



(I) Practicing Low-carbon Operation

QHD Port anchors the “carbon peaking and carbon neutrality” targets, improves the system and mechanism, promotes the “14th Five-Year Development Plan on Green Ports” at a high level, and lays the solid foundation for green management. It improves the intelligent environmental monitoring and enhances accurate and scientific management and control. The Company carries out the identification of risks and opportunities in climate change, integrates climate change issues into its long-term development plan, and provides a strong guarantee for the construction of green and ecological ports.

1. Strengthening top design

With the target of “green, low-carbon and environmental protection”, QHD Port established an Environmental Protection Committee and a Leading Group on Energy Conservation and Emission Reduction with the chairman as the responsible person. In strict compliance with the Environmental Protection Law of the People's Republic of China and the Management Measures for Environmental Protection of Qinhuangdao Port Co., Ltd. 《秦皇島港股份有限公司環境保護管理辦法》, the Company formulated and released the Implementation Plan on the Construction of “Five-star” Green Ports 《“五星級”綠色港口建設實施方案》 and the Work Plan on the Construction of Green Ports in 2023 《2023年綠色港口建設工作方案》 to enhance the top design on the construction of green ports. QHD Port maintained scheduling and deployment on a weekly basis and convened a total of 21 special scheduling meetings on the construction of green ports and 5 scheduling meetings on environmental governance and on-site standardized management during the year. It carried out internal supervision and inspection to ensure the smooth operation of various environmental governance work. In 2023, the Company invested RMB324 million in environmental protection.

III. BUILDING GREEN PORTS WITH SINCERITY

Case: QHD Port Becomes the First Chinese Enterprise Passing On-site Review on “Five-star” Green Port Zone

With the strong support of the Municipal Party Committee and the Municipal Government of Qinhuangdao, QHD Port, under the leadership of Hebei Port Group, carried out the treatment of dust, sewage, solid waste and emissions, maintained daily summarization and monthly scheduling and continuously advanced innovation, achieving significant changes in the environmental level of phases 3, 4 and 5 of coal, green management as well as the appearance of the port zone.



Site of the Review Meeting

In October 2023, the Coal Terminal Phases 3, 4 and 5 of QHD Port successfully passed the review on “five-star” green ports by the Ministry of Transport and China Ports and Harbours Association and became the first Chinese enterprise passing the on-site review on “five-star” green port zone, which is currently the highest level of appraisal on green ports in China. It initiated the new model with the integrated development of green ecosystems of cities and ports, entered the new stage of intelligent empowerment on the construction of green ports, established the new channel of railway-water and sea-river green transportation, developed new experience conducive to promotion and duplication for dry and bulk cargoes in public ports and demonstrated the rich historical and cultural heritage as a century-old ports.

Specific Measures of QHD Port

- Researching and issuing the Implementation Plan for the Construction of “Five-star” Green Port Zone, and determining 35 key tasks for 8 major projects;
- Building an intelligent management system of “one centre with three platforms” to make production more efficient, management more systematic, decision-making more scientific and service more considerate;
- Self-designed and developed mobile filter cake making machines and two marine garbage removal devices to empower the construction of green port zone with the ingenuity of port employees;
- Promote the “five-step dust suppression method” for unloading operations, carry out the campaign of coal scattering treatment, build a comprehensive three-dimensional sewage discharge system, and open up the water storage sedimentation tank of the ore yard, so as to truly manage and treat dust and water;
- Take the lead in compiling the air pollutant emission list in the industry, identify key pollutants and main emission sources, and lead the development of the industry with the spirit of self-innovation;
- The Group completed the electrification transformation of the first retired internal combustion locomotive in China, built the first hybrid-power tugboat in Bohai Bay, and promoted the in-depth reform of the energy structure of the industry with the spirit of innovation.

III. BUILDING GREEN PORTS WITH SINCERITY



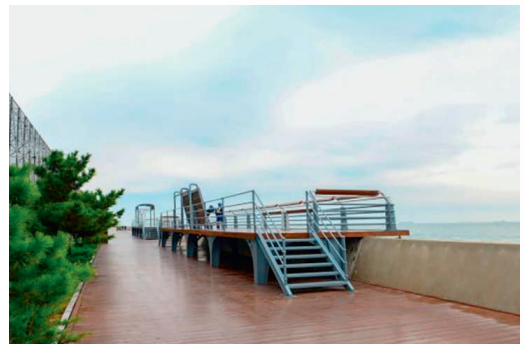
External view of the third phase of the coal turning machine room of QHD Port



Impression Cultural Corridor of QHD Port



Ore yard storage sedimentation tank



Platform for Sea View

2. Green and Intelligent Control

QHD Port vigorously promotes the construction of an intelligent monitoring platform of environmental protection, establishes an online environmental monitoring system, and realizes online monitoring of major pollutants, pollution traceability analysis, environmental risk warning and other functions. It took the lead in the establishment of the information system for management of pollution discharge permits, completed the data connection with the production system and the centralized control system on environmental protection and achieved the electronic management of pollution discharge permits.

III. BUILDING GREEN PORTS WITH SINCERITY

3. Responding to Climate Change

QHD Port is fully aware of the essential role of responding to climate change for the sustainable development of the Company and gradually considers the short-term and long-term impacts of climate change on the Company's business. In combination with national policies and industrial development trends, it identifies climate change risks and opportunities, sets environmental goals, integrates issues on climate change into the Company's long-term development planning, and takes measures to address climate change to mitigate and adapt to the potential impacts of climate change. The Company's total GHG emissions in 2023 was 240,179.59 tCO₂e, with a density of 0.57 tCO₂e/RMB10,000.

(1) Governance

QHD Port incorporates climate change-related issues such as scenario analysis, risk identification and opportunity management into the scope of supervision by the Board of directors, continuously improve its governance structure on climate change and identify potential impacts of climate change on operations, investments and other activity scenarios to ensure the orderly implementation of climate risk governance measures; carries out trainings related to climate change according to needs, organizes and implements knowledge sharing of the latest environmental policies and regulations, and consults external experts when necessary to ensure the professionalism and reliability of climate strategy, risk and opportunity management measures.

Governance Structure on Climate Change

Climate change management department	Responsibilities
Board of Directors	Responsible for the Company's response to climate change-related issues and managing the disclosure and release in respect of climate change work.
Environmental Protection Committee	<ul style="list-style-type: none"> ➢ Implementing guidelines, policies, laws, regulations and standards on ecological and environmental protection as well as requirements of superior authorities on ecological and environmental protection; ➢ Organizing the formulation of the Company's development strategy and working policies on ecological and environmental protection; ➢ Reviewing and approving the Company's management systems and working plans on ecological and environmental protection; ➢ Determining the management functions of relevant departments on ecological and environmental protection; ➢ Researching and solving major issues on ecological and environmental protection and making decisions; ➢ Reviewing and approving emergency plans on environmental emergencies and organizing the establishment of emergency response systems; ➢ Reviewing and approving the results of the Company's annual merit appraisal on ecological and environmental protection; ➢ Reviewing and approving the handling decisions and punishment on environmental pollution accidents (incidents)
Leading Group on Energy Conservation and Emission Reduction	Cooperating with all departments to carry out energy conservation and emission reduction and striving to achieve indicators and targets gradually.

III. BUILDING GREEN PORTS WITH SINCERITY

(2) Climate Risks and Opportunities

Based on the geographical location and business characteristics of the ports, QHD Port identifies the potential risks on the Company as a result of climate change from two dimensions, including physical risks and transition risks, and proposes a series of responding strategies to alleviate the impact of climate change on the Company.

Identification of Climate Risk on QHD Port

Type of risks	Impacts of risks	Countermeasures
Typhoon (Short-term)	Damaging unreinforced or high port structures, such as metal warehouses and port equipment with light weight and large surface area, reducing port capacity and increasing equipment maintenance costs.	<ul style="list-style-type: none"> ➢ Maintain close contact with all departments and promptly organize and arrange typhoon prevention measures after receiving the typhoon warning in weather forecast according to the Special Emergency Plan on the Prevention of Typhoons (《防颱風專項應急預案》); ➢ Set up sufficient anchoring devices and mooring cables near large equipment and take effective renovation and upgrading measures for facilities without typhoon prevention capabilities; ➢ Prepare typhoon prevention materials such as ropes and generator sets.
	<ul style="list-style-type: none"> ➢ Slowing down the loading and unloading of goods vulnerable to humidity such as grains and reducing the overall work efficiency; ➢ Due to transportation safety issues, the goods cannot leave the port on time, resulting in the stacking of goods at the port, affecting the delivery date and increasing the cost of payment of (liquidated) damages; 	<ul style="list-style-type: none"> ➢ Set up emergency plans for extreme precipitation weather; ➢ Pay attention to the weather forecasts and actively communicate with the consignees and suppliers to coordinate the time, increase manpower input before the extreme weather occurs, and complete the loading and unloading of goods in advance;
Physical risks	<ul style="list-style-type: none"> ➢ Some of the goods packaged in cartons or wooden boxes are damaged due to moisture, such as mildewing, rusting and oxidation, resulting in increases in the cost of claims; ➢ Heavy rainfall causes siltation in the waterway and delays cargo transportation, increasing additional dredging and transportation costs. 	<ul style="list-style-type: none"> ➢ Ensure that containers are tightly sealed, and inspect doors, walls and floors for obvious cracks or damage when exporting goods to ensure that containers are clean and dry; ➢ Manage goods against rain damage and moisture damage, use desiccant to absorb moisture in the air, and increase the amount of desiccant as appropriate for the goods packaged with wooden boxes, cartons and other moisture-prone packaging; ➢ Conduct daily maintenance of the waterways prone to siltation, regular scale, removal and dredging of waste and silt to ensure the smoothness of the waterways.
	Extreme precipitation (Short-term)	

III. BUILDING GREEN PORTS WITH SINCERITY

Type of risks	Impacts of risks	Countermeasures
Flood (Short-term)	<ul style="list-style-type: none"> ➢ Causing damages to infrastructure, buildings and equipment, suspension of substations due to short circuits and increasing maintenance costs; ➢ Flushing containers and other goods in open storage areas and affecting the basic needs of customers; ➢ Interrupting ground traffic and affecting steady operation. 	<ul style="list-style-type: none"> ➢ Alarm or monitor the arrival of floods in a timely manner, respond in an orderly manner and adopt appropriate emergency strategies according to the Special Emergency Plan on the Prevention of Floods (防汛专项应急预案); ➢ Carry out flood control drills to enhance responding capabilities in case of disasters; ➢ Promote the construction of flood prevention infrastructure, such as flood control dams and drainage network planning, and clean drainage pipes on a daily basis to maintain smooth drainage; ➢ Prepare sandbags, shovels and other materials to combat floods.
Extreme heat (Short-term)	<ul style="list-style-type: none"> ➢ Coal and other dangerous goods are affected by high temperature, resulting in explosions, fires and other accidents, affecting port safety; ➢ Affecting temperature-sensitive metal equipment, such as cranes, warehouses and other metal-made terminal equipment, reducing the service life of equipment. 	<ul style="list-style-type: none"> ➢ Equip with fire-fighting equipment, formulate emergency plans, immediately suspend operation and report to relevant departments in case of accidents and take appropriate measures; ➢ Add cooling devices for the equipment, working or warehousing environment and suspend the use immediately if any abnormality is identified.
Extreme cold weather (Short-term)	<ul style="list-style-type: none"> ➢ Low temperatures cause freezing, sedimentation or failure of liquid goods, increasing the cost of goods claims; ➢ Increasing load on the grid and equipment maintenance costs due to the failure or suspension of operation of some equipment caused by icing or insufficient power supply; ➢ The icy sea surface causes traffic control on ships and disrupts outbound shipments, affecting downstream users' replenishment needs and increasing the cost of compensation on delayed goods; ➢ Road icing affects road traffic safety and reduces transportation efficiency. 	<ul style="list-style-type: none"> ➢ Conduct research on the pattern of sea ice and improve emergency plans for sea ice disasters; ➢ Carry out strict thermal insulation treatment for liquid goods to make storage space airtight and isolate the external cold air from the internal air convection; ➢ Spray antifreeze on key parts of pipelines and equipment under operation in advance and keep them warm; ➢ Transport important goods out before the sea freezes and carry out research and development work to gradually improve the ice-breaking capacity of ships; ➢ Strengthen weather warning and preparation of emergency supplies, and pile up sandbags, snow-melting agent and other emergency supplies in advance in key ice-prone road sections to enhance the de-icing efficiency.
Rise of sea level (Long-term)	<ul style="list-style-type: none"> ➢ Long-term impact of seawater corroding shore-side metal devices and reduces the service life of devices; ➢ Passive relocation of business locations based on rising sea levels and increasing operating costs. 	<ul style="list-style-type: none"> ➢ Build floodgates to keep the tide out; ➢ Use anti-corrosive materials or coatings on the buildings or during equipment manufacturing; ➢ Carry out construction of ecological sponge port, such as creating rain gardens and ecological wetlands.
Climate change (Long-term)	<ul style="list-style-type: none"> ➢ Increasing probabilities of heat waves and fires, resulting in increased loss of goods and money; ➢ Mechanical equipment and control systems cannot work normally due to high temperatures, affecting operational efficiency and increasing operating costs; ➢ Possible changes in operating procedures and modes to ensure the safety of workers, increasing business uncertainties and resulting in unstable operating costs. 	<ul style="list-style-type: none"> ➢ Set targets of greenhouse gas emission, promote the transformation of energy structure, carry out energy-saving measures and accelerate the use of clean energy to reduce greenhouse gas emissions from various business activities; ➢ Call on upstream and downstream suppliers to carry out energy conservation and emission reduction measures, incorporate environment-related issues into the whole process management of suppliers, thereby driving carbon reduction in the whole industrial chain.

III. BUILDING GREEN PORTS WITH SINCERITY

Type of risks	Impacts of risks	Countermeasures
Policy and regulatory risks	<ul style="list-style-type: none"> ➢ In order to achieve the targets under the Paris Agreement, governments and relevant regulatory agencies have released environmental policies, such as canceling preferential policies for high energy-consuming industries and increasing the use of clean energy, to facilitate in promoting green and low-carbon transformation of all industries; 	<ul style="list-style-type: none"> ➢ Pay attention to the introduction and revision of environmental policies, laws and regulations, and adjust its businesses accordingly, and increase attention and financing to green projects such as energy-saving transformation and replacement of energy-consuming equipment;
	<ul style="list-style-type: none"> ➢ We need to pay additional costs to meet the impacts of the transformation of energy policies, such as the costs caused by write-off and scrapping of high energy-consuming equipment, energy-saving transformation of equipment, energy price fluctuations and the transformation of the energy structure; 	<ul style="list-style-type: none"> ➢ Actively adjust the energy structure of the ports, promote the application and trading of green power, and gradually participate in and adapt to the operation of the trading market while increasing the proportion of green power;
	<ul style="list-style-type: none"> ➢ Under the background of increasingly improved carbon trading market, if some operations with high energy consumption and high emissions fail to achieve rapid transformation, their business activities will incur substantial emission costs; 	<ul style="list-style-type: none"> ➢ Follow updates of the guidance and requirements of the stock exchanges to meet compliance requirements.
	<ul style="list-style-type: none"> ➢ In response to the requirements on the disclosure of environmental data in the capital markets, the cost of data monitoring and information disclosure increases, and there are compliance risks such as "greenwashing". 	
Transition risks	<ul style="list-style-type: none"> ➢ Energy structure transformation is the main approach to respond to climate change, and its process is affected by clean energy, energy storage equipment development, carbon capture and other new technologies. It requires certain investment in human and material resources and the development costs are relatively high. 	<ul style="list-style-type: none"> ➢ Engage professionals to carry out technological upgrades to meet the growing demand for technology; ➢ Explore ways to balance technological development and costs, and minimize costs while steadily innovating technology.
	<ul style="list-style-type: none"> ➢ Under the background of increasing awareness of customers on energy conservation and environmental protection, QHD Port's business volume in the supply of fossil energy such as oil and coal will gradually decline, resulting in a decrease in revenue sources; ➢ For products or projects that are not supported by the government during the period of the low-carbon transformation, it may increase the financing cost and affect the attractiveness to the capital markets. 	<ul style="list-style-type: none"> ➢ Expand business types, tap into its own location and technological advantages, and transform towards other businesses with focus on low-carbon and environmental protection.
Reputational risks	<ul style="list-style-type: none"> ➢ Under the background of the low-carbon economic transformation, if any of the Company's businesses has a great impact on the climate, such as water pollution, air pollution and other problems, it may lead to negative evaluation on the Company by stakeholders and affect the Company's market reputation; capital market rating directly reflects the Company's performance related to climate change, and the rating results affect stakeholders' evaluation on the Company. 	<ul style="list-style-type: none"> ➢ Establish the image of a responsible corporate, strengthen communication with stakeholders, focus on satisfying various needs during business activities and information disclosure and prevent the occurrence of environmental hazards through its internal management; ➢ Actively respond to the requirements of the capital markets and implement measures responding to climate change.

III. BUILDING GREEN PORTS WITH SINCERITY

QHD Port actively responds to national climate-related policies, explores opportunities in business development and service innovation brought by climate change, integrates climate change into business development strategies and strives to adapt to the climate development trend and promote the Company's green development through low-carbon actions, pollution control and other measures.

Type of opportunities	Impact of opportunities	Countermeasures
Investment opportunities	Under the background with increasing emphasis on responsible investment and climate change issues, investors tend to invest in green and low-carbon assets.	<ul style="list-style-type: none"> ➢ Relatively low financing costs due to the government's efforts in developing green projects; ➢ Promote the construction of green port zones and carry out research and deployment of clean energy such as distributed photovoltaic power generation and wind power generation.
Operational opportunities	Develop green port zones and improve energy efficiency.	<ul style="list-style-type: none"> ➢ Improve the energy consumption structure of ports, enhance the shore-based power supply capacity of ports and increase the utilization rate of shore power; ➢ Carry out the replacement of fuel-powered machinery and vehicles with new energy alternatives.

(3) Indicators and Targets

QHD Port implements relevant national, provincial and municipal requirements and actively carries out "carbon peak and carbon neutrality" work, conducts thorough investigations on the emission of the ports and formulates action plans on "carbon peak" and "carbon neutrality". It has issued the Action Plan for Fully Implementing the New Development Concept and Promoting the Construction of Green and Low-carbon Ports and proposed carbon emission reduction targets. Guided by the following targets, the Company continuously promote the adjustment of energy consumption structure and energy structure and strives to reduce the emission of greenhouse gas.

By 2030
<ul style="list-style-type: none"> ➢ To preliminarily establish an economic system with green, low-carbon and circular development and make breakthroughs in energy conservation and consumption reduction, green power application, environmental protection and other aspects; ➢ To achieve the emission peak.

III. BUILDING GREEN PORTS WITH SINCERITY

(II) Developing Green Advantages

QHD Port comprehensively benchmarks the standards of the “five-star” green port zone, adheres to the principle of “overall planning, distributed implementation, highlighting key points, coordination and balancing, performing respective duties, forming joint forces, based on the actual situation and moderately advancing”, focuses on energy saving and consumption reduction, and promotes the green and low-carbon transformation and upgrading of the ports. It focuses on the management of the three types of wastes, and promotes the “quantitative reduction”, “resource utilization” and “harmless treatment” of the three types of wastes. Adhering to the principles of giving priority to conservation, protection and natural restoration, the Company gradually created “zero-carbon terminals”, “zero-waste terminals” and “garden-style ports” and other outstanding labels.

1. Strengthening energy conservation and consumption reduction

QHD Port strictly abides by the Energy Conservation Law of the People’s Republic of China, the Water Law of the People’s Republic of China and other laws and regulations, and has formulated and issued the Management Measures for Energy and Water Conservation of Qinhuangdao Port Co., Ltd. 《秦皇島港股份有限公司節能節水管理辦法》. The energy conservation management leading group is responsible for organizing and leading the Company’s energy conservation and emission reduction work, strengthening energy conservation and water conservation management, and striving to build a green port zone.

(1) Energy saving management

QHD Port vigorously explores new approaches such as smart energy conservation, circular energy conservation and renewable energy conservation to further enhance the carbon reduction attributes of energy conservation. Through energy-saving technological transformation and promotion of the use of clean energy, it optimizes the energy structure and improved the efficiency of energy use. In 2023, the Company acquired 50 new-energy heavy trucks. The ships used shore power for 280 times with a total of 6,402 hours and an electricity consumption of 1,475,596kWh.

Achievement of “Dual Control” Targets

Indicators	Target for 2023	Actual data in 2023	Compared with target
Total energy consumption (tonne of standard coal)	61,000	56,628.60	Decrease by 7.17%
Energy consumption intensity (tonne of standard coal/RMB 0’000)	0.14	0.1346	Decrease by 3.86%

Energy-saving Initiatives of the Company

- We promoted green and low-carbon transportation means, purchased the first hybrid-power tugboat in the port cluster of the Bohai Rim, completed the pure electric transformation of the first idle internal combustion locomotive in China, updated and purchased new-energy mobile machinery, and carried out the upgrading and transformation of large-scale mobile machinery engines.
- The Company promoted the construction project of zero-carbon smart port railway, completed the test record report and use evaluation report of the pure electric transformation of the first internal combustion locomotive in China, completed the preparation and declaration of the proposal for the pure electric transformation project of the second DF5 locomotive, and the engineering feasibility research report passed the Company’s review.
- We carried out the electrification transformation of fuel port vehicles, eliminated old non-road mobile machinery, and purchased new energy mobile machinery and equipment to increase the proportion of new energy flow vehicles in the port. In 2023, the proportion of new energy mobile machinery in Qinhuangdao Port was 23.42%.
- We optimized the Company’s electricity consumption structure and carry out large-scale procurement of green electricity. In 2023, the Company used 192,710,000kWh of green electricity.
- We promoted energy-saving management and control, put into use the intelligent lighting system, and replaced high-pole lamps with intelligent control lamps.
- We completed the PLC transformation of the steam hot water heat exchange station in the port zone, effectively achieving energy saving and efficiency improvement.

III. BUILDING GREEN PORTS WITH SINCERITY



Launch of the first hybrid-power tugboat designed by QHD Port in the Bohai Rim



The first pure electric shunting locomotive transformed from an old diesel locomotive in China

(2) Water saving management

QHD Port promotes the daily inspection and maintenance of water equipment and key water-consuming parts, eliminates “running, spraying, dripping and leaking”, and implements energy and water management into all links of production and management to reduce energy waste and water consumption.

Case: Water Recycling Project of QHD Port

QHD Port has established water recycling plant to effectively improve water quality through technical improvement and increase the frequency of anti-cleaning, so as to provide high-quality recycled water for the construction of the Company’s “five-star” green port zone. In 2023, the Company consumed 1,883,600 tonnes of municipal tap water and 4,832,000 tonnes of recycled water, which greatly reduced the water pressure in the port zone and reduced the investment cost in environmental protection.



View of the Water Recycling Plant of QHD Port

III. BUILDING GREEN PORTS WITH SINCERITY

2. Strengthening the management of three types of wastes

QHD Port focused on key tasks such as dust pollution control, exhaust emission monitoring, water pollution prevention and control, and whole-process management of hazardous waste, established a long-term mechanism for the preparation of pollutant emission list and regularly released it to identify the main sources of main pollutants.

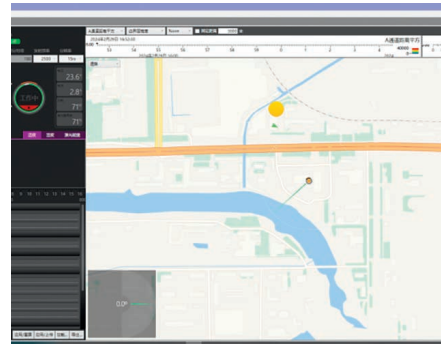
(1) Exhaust gas management

The Company strictly complies with the laws and regulations such as the Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》 and the Law of the People's Republic of China on Prevention and Control of Air Pollution 《中華人民共和國大氣污染防治法》, and has formulated systems such as the Measures of Qinhuangdao Port Co., Ltd. for the Prevention and Control of Mobile Source Pollution 《秦皇島港股份有限公司移動源污染防治管理辦法》 and the Measures of Qinhuangdao Port Co., Ltd. for the Prevention and Control of Dust Pollution 《秦皇島港股份有限公司揚塵污染防治管理辦法》 to actively promote its subsidiaries to carry out monitoring of environmental quality and pollutant emissions, promote the construction of dust control system, and reduce the impact on the surrounding environment during production and construction.

In response to the prevention and control of dust pollution, the Company carried out the upgrading and transformation of the whole-process treatment facilities for stacking, reclaiming and loading, and implemented the fine water distribution of the bottom layer of the dump machinery to suppress dust pollution at the source. It carried out the cleaning of the large arms and tail belt of the stacking machinery, the treatment of the drop-off point of the reclaiming machinery, and the spilling of the large arms of the loading machinery to solve the problems of dust and material entering the sea; and conducted special treatment of tower dust and overflow of flushing water to completely solve the dust problem of professional bulk cargoes. It carried out research and analysis on the application of dust suppressants in the conjunctives, and combined the use of conjunctives with intelligent sprinkling. In 2023, the annual average of PM2.5 and PM10 in Qinhuangdao Port reached the secondary standard of air quality, and the annual average of PM2.5 is better than the urban area where it is located. The water quality of sea areas has always reached the Level-1 water quality standard, which is better than the national requirements for the Level-3 water quality standard for port waters.

Case: Dust Pollution Monitoring System of the Sixth Company of QHD Port Achieves Full Coverage

In October 2023, the remote laser sensing system for dust detection of the Sixth Company of QHD Port was officially put into operation. The system can accurately detect the on-site distribution and concentration of dust in real time, provide data support for the sprinkling of water on the site, and realize the intelligent linkage between monitoring and sprinkler guns.



LiDAR dust pollution sensing system monitors the environment in the port zone in real time

III. BUILDING GREEN PORTS WITH SINCERITY

(2) Waste management

QHD Port strictly complies with the laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Management Measures for the Transfer of Hazardous Waste (《危險廢物轉移管理辦法》) and the Standard for Pollution Control on the Storage and Landfill of General Industrial Solid Waste (《一般工業固體廢物貯存和填埋污染控制標準》) and implemented the requirements of the Management Measures for the Prevention and Control of Hazardous Waste Pollution (《危險廢物污染防治管理辦法》). It prepares and reports the management plan for hazardous waste every year, continuously standardizes the whole process of disposal of hazardous waste, and is committed to ensuring environmental safety and harmless treatment.

Different Types of Waste Treatment Methods

Type of waste	Treatment methods
Production waste	Third-party or construction units handle the transfer by themselves
Household waste	Centralized collection and transfer to municipal waste transfer station
Hazardous waste	Timely transfer to professional hazardous waste receiving units

(3) Wastewater management

QHD Port strictly implements water pollution prevention and control measures, implements the blockage of sewage outlets in the sea, and collects, treats and reuses all dust-containing sewage in the production area. In 2023, the Company completed the upgrading and renovation project of the sewage treatment plant, the upgrading and renovation project of the dust-containing sewage treatment capacity of the storage yard and the construction project of the water storage sedimentation tank of the ore storage yard, realizing the preliminary collection and purification of rainwater in the storage yard, which is used for road cleaning and greening watering in the port zone, and improving the capacity to recycle dust-containing water. In 2023, Qinhuangdao port zone treated and reused 707,100 tonnes of dust-containing sewage throughout the year.

3. Ecological and environmental protection

QHD Port actively carried out ecological protection, and applied the concept of pocket park and sponge city into the green construction of the port zone by implementing green construction and improvement and transformation, volunteer actions on environmental protection, and repairing old and recycling waste, so as to further improve the functions of green land and the greening and beautification effect of the port zone. In 2023, the Company completed more than 34,000 square meters of green construction and renovation.

Deploying green ecology and building a "Garden-like" port zone

- The Company established an incentive and restraint mechanism for the construction of a green port zone, promoted the reform of the management model of coal yard cleaning and coal cleaning business, and improved the quality of coal cleaning and relevant business in the port zone.
- The Company implemented the greening landscape improvement and transformation project in the port zone, focusing on organizing and completing the greening of areas such as the east side of the ore yard, the dispatch command centre, the delta of the sightseeing road, the west auxiliary area of the Seventh Company, and the east section of the Donggan Road.
- Established the "Repair and Reuse Project Team" to create new works on waste machinery and accessories, and selected some excellent art and creative exhibits to beautify the landscape of the port zone.
- We strengthened the supervision of the sea environment of the "Bay Chief System", carried out the garbage removal and fishing in the port pools of Qinhuangdao port zone, and entrusted a professional team to be equipped with special garbage removal vessels.

III. BUILDING GREEN PORTS WITH SINCERITY

Case: The Ninth Company of QHD Port Upgrades Public Space into a “Pocket Park”

The Ninth Company of QHD Port transformed the public space on the east side of the idle production service department and the southwest side of the sightseeing road into the “Pocket Park”. The trees, shrubs and grasses were planted together to form a green land with flowers in three seasons and landscape in four seasons, creating a “small, beautiful, exquisite, excellent and dedicated” micro space to effectively optimize the environment of the port zone.



A Corner of the “Pocket Park”

(III) Creating Environmental Protection Culture

QHD Port advocates green office and smart office, and gradually forms a green and low-carbon lifestyle across the Company. It actively spread the concept of ecological civilization, vigorously carried out publicity and education on conservation culture and green life, and improved the ecological environment protection awareness, management and professional skills of management personnel and front-line employees.

1. Green office

QHD Port advocates the use of energy-saving lighting systems, energy-saving water-saving equipment and first-level energy-consuming air conditioners in office areas. It carries out paperless office, promotes the use of video conferences, reduces the cost of meeting attendance and improves communication efficiency. In 2023, the Company held a total of 2,306 video conferences, which improved the office efficiency of “three ports and four areas”.

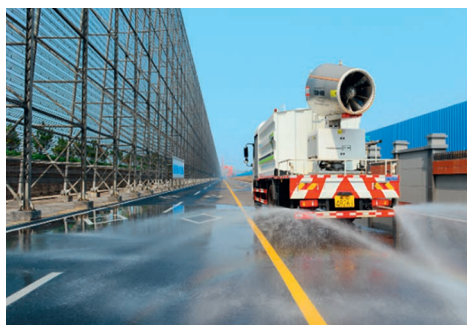
2. Green culture

QHD Port promotes all cadres and employees of the Company to accept environmental protection assessment horizontally and vertically. It regularly organizes and carries out relevant knowledge trainings covering all employees to form a strong ideological atmosphere for the construction of green port zone. By carrying out environmental protection trainings, environmental protection publicity week, environmental protection public welfare activities and other forms of cultural construction, we spread and publicize the concept of energy conservation and carbon reduction and green development, promote ecological culture, cultivate ecological ethics, and widely encourage all employees to participate in ecological and environmental protection. In 2023, more than 8,000 employees participated in environmental protection trainings, with a 100% on-the-job coverage rate.

III. BUILDING GREEN PORTS WITH SINCERITY

Case: QHD Port Carried out Collection Activity of Works of Art with the Theme of “I Act in Support of Green Ports”

The news and media centre of QHD Port publicly solicited relevant image works from all employees and the public, and used images to record the practical actions of employees to participate in ecological and environmental protection activities and practice the low-carbon lifestyle, which effectively demonstrated the achievements of QHD Port’s construction of a “five-star” green port zone, further encouraged all employees to participate in the creation of a “five-star” green port zone, and created a strong green cultural atmosphere.



Photos of the environment at the port zone taken by employees

Case: QHD Port Carried out Theme Publicity Activity of the “5 June Environment Day”

In 2023, QHD Port carried out the themed publicity activities on the Environment Day on 5 June, organized more than 2,300 people to participate in environmental protection knowledge quizzes, set up 29 environmental protection publicity boards, posted 148 publicity posters, and hung 49 environmental protection publicity slogans, so as to fully encourage employees to participate in ecological protection and enhance their consciousness, sense of responsibility and sense of mission.



QHD Port’s official account published a series of posters on green development concept

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

We will speed up in promoting the iteration and upgrading of key technologies and core products and the intelligent empowerment of new technologies to ensure national energy security and enhance the guarantee capacity.

—Important speech delivered by Xi Jinping, the general secretary of the CPC, during his inspections trip in Jiangsu on 6 July 2023

QHD Port strengthens the confidence and determination in “focusing on innovation is to focus on development, and seeking innovation is to seek the future”, integrates scientific and technological innovation resources, creates an innovation platform, promotes industry-university-research cooperation, and injects new momentum into scientific and technological innovation. The Company accelerated the development of scientific research projects, and achieved positive results in scientific and technological research and development, intellectual property protection, and the transformation of scientific and technological achievements, so as to fully promote the Company’s process in building smart ports and support the Company to achieve safe, efficient and intelligent development.



(I) Integrating Technological Innovation Resources

QHD Port implements the requirements of Xi Jinping, the general secretary of the CPC, on accelerating the formation of new quality productive forces, improves innovation management, continuously increases investment in innovation and R&D, continues to build innovation studios, strengthens industry-university-research cooperation in scientific research projects, combines the advantages of resources and technologies of both parties, activates high-quality development momentum with innovation and strives to build new competitiveness and long-lasting power for the Company’s development.

1. Improving innovation management

QHD Port insists on improving the scientific and technological innovation system and mechanism, solidly promotes scientific and technological innovation, and organizes and holds review meetings on the implementation results of the Company’s scientific research projects to ensure that significant results are achieved in R&D investment. In 2023, we invested RMB251,830,000 in research and development, and a total of 9 projects won major innovation awards throughout the year.

2. Building an innovation platform

QHD Port attaches great importance to scientific and technological innovation, strives to create an innovation platform with wide coverage and great influence, and focuses on carrying out the innovation studio alliance; The Company establish a “three-in-one” innovation studios with high standards, and an innovation practice centre of QHD Port integrating innovation of Party work, science and technologies and that of employees, so as to share technical resources and improve work efficiency. By the end of 2023, the Company has built 1 national innovation studio, 11 provincial innovation studios and 9 municipal innovation studios. In 2023, Wang Youbin, the leader of the “Wang Youbin Innovation Studio” of the Power Company, was awarded the “National Traffic Technical Expert” by the Ministry of Transport, Wang Xiao, the leader of the “Environmental Protection Innovation Studio” of the Sixth Company, was awarded the “2023 Hebei Master Craftsman Annual Figure”, and Li Fuyu Innovation Studio, by the “Design and Realization of a New Type of Material Capturing Machine Arm Protection Device”, was awarded the “Top Ten Innovation Achievements” of Qinhuangdao City.

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

Case: Building a Communication Platform and Integrating High-quality Resources

The Innovation Studio Alliance of the east port zone is one of the important platforms for QHD Port to implement regional technical cooperation, integrate high-quality resources and achieve talent exchange. It persistently focuses on improving employees' quality and professional level, promotes enterprise technological innovation, and cultivates more knowledge-based, skilled and innovative talents. In 2023, the Innovation Studio Alliance of the east port zone carried out special training on smart ports, and more than 30 key technical personnel learned from the "good suggestions" and "new ideas" in respect of construction of smart port.



The Innovation Studio Alliance of the east port zone carried out special training on smart ports

3. Strengthening industry-university-research cooperation

QHD Port continuously promotes industry-university-research collaborative innovation, and adheres to the combination of "internal innovation" and "external introduction". Relying on the post-doctoral workstation and two provincial-level scientific and technological innovation platforms, namely the provincial-level technical center, and Hebei Modern Port Coal Logistics Engineering Technology Research Centre, QHD Port cooperates with many universities and scientific research institutes to carry out various scientific research projects. In 2023, the "Smart Port Underwater Inspection Robot" project of the post-doctoral workstation won the bronze award at the Second National Post-doctoral Innovation and Entrepreneurship Competition in Hebei Province.

Case: The Innovation Studio of the East Port Zone and Yanshan University Held Thematic Exchange Activity

On 25 September 2023, the Innovation Studio Alliance of the east port zone and Yanshan University carried out a themed exchange activity of "deepening the university-enterprise collaboration for green development", and visited the Engineering Research Centre of the Department of Education of Intelligent Control System and Intelligent Equipment of Yanshan University and the Key Laboratory of Power and Electronics Energy Conservation and Transmission Control of Hebei Province, and discussed port-related scientific projects in depth to comprehensively improve the scientific research capabilities and standards of the studio members.



Members of the alliance visited the Engineering Research Centre of the Department of Education of Intelligent Control System and Intelligent Equipment of Yanshan University

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

(II) Strengthening Independent Research and Development

QHD Port closely follows the trend of digital and intelligent development and accelerates the progress of scientific research projects. It achieved remarkable results of innovation-driven development and created a number of technological innovation achievements. It attaches great importance to patent management and intellectual property protection, duly performs patent registration, and actively carries out intellectual property right protection for patent infringement, striving to continuously create value for the port industry.

1. Carrying out scientific research projects

QHD Port fully relies on digitalization and intelligence, and on the basis of ensuring the effectiveness of R&D investments, it leads the transformation of scientific research projects from being “small and scattered” to “systematic and comprehensive”.

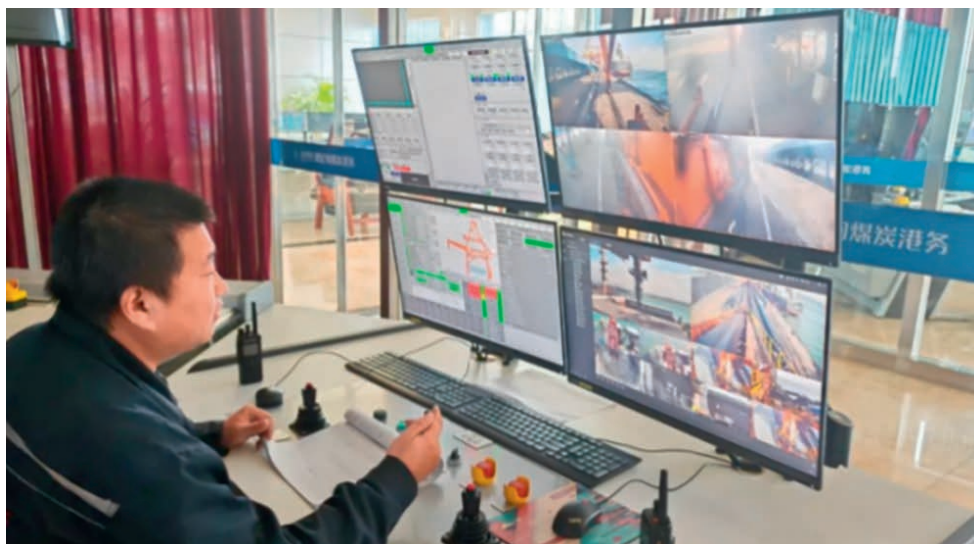
Final Rating of Evaluation Projects of Scientific and Technological Achievements in 2023

Project Name	Rating
The “one-click” smart logistics demonstration project for bulk cargoes under the coordination of the Beijing-Tianjin-Hebei region	International Advanced
Research and application of comprehensive protection and detection device for the operation safety of belt conveyor belt of bulk wharf	International Advanced
Optimization and application of the crane wheel and its unloading agency	International Advanced
Research and development and application of efficient intelligent operation technology in train loading stations	International Advanced
Research and development of automatic control system with optimized grip of bridge-type ship unloaders	International Advanced
Research and development of semi-automatic horizontal operation mode of stacking machine	International Advanced
Smart material collaborative management system for large-scale comprehensive ports	Domestic leadership
Research on the 24/7 environmental protection dust suppression funnel system	Domestic leadership
Coal Phase IV Comprehensive Data Intelligent Control Platform	Domestic leadership
Research and application of port high-voltage cable online monitoring technology	Domestic leadership
Research and development and application of key technologies of chain fighting machine	Domestic leadership
Research and development and application of green and environmental comprehensive dust suppression technology for port belt machines	Domestic leadership
Research and development and design of automatic two-way drop point adjustment system for reclaimers	Domestic leadership
Research and development of common rail operation mode and anti-interference technology for stacking and reclaiming of ore terminals	Domestic leadership

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

Case: Delivery and Acceptance of the Automation Transformation Project of Ship Loaders of Caofeidian Coal Company of QHD Port

On 28 November 2023, the automation transformation project of ship loaders of Caofeidian Coal Company of QHD Port successfully passed the handover acceptance. Through the transformation of the four ship loading systems, the project enables the ship loading machine to be automatically loaded under the conditions of remote control operation, automatic cabin transfer and large cabin capacity, and promotes the integration of the picking line according to the process, so as to realize the “one-position centralized control” of the reclaimer and the loader, and improve the uniformity and safety of the loading operation.



Remote control of ship loaders by an employee

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

2. Display of outstanding achievements

Focusing on the core business and emerging industries of the ports, QHD Port continued to make efforts in building “integrity, intelligent, efficient and green” ports, accelerated the intelligent and automated transformation, and formed a series of achievements such as the platforms of safety command center and the environmental protection command center. In 2023, four achievements of the Company won the 19th National Transportation Enterprise Management Modernization Innovation Achievement Award, among which, the Construction and Implementation of the “Six-in-One” Port Material Management Pattern Based on the “Integration” Model won the first prize, and the Construction of Intelligent Port Material Procurement System Driven by Digital Transformation, the Construction and Implementation of Supply Chain Management System in the Inventory Management of Spare Parts of Port Enterprises, and the Practice and Exploration of Leading High-quality Development of Enterprises with Talent Team Construction won the third prizes.

The safety command center platform: It has functions such as risk classification control, latent danger investigation and management, fire safety management, fire operation, key project management, etc., and dynamically supervises the safety management of all units and fields in one port and three regions, so as to improve the comprehensive safety management level of QHD Port.

The environmental protection command center platform: Relying on the intelligent environmental management and control system, through the environmental key information dashboard and the environmental management system dashboard, QHD Port can quickly, accurately, real-time and comprehensively master and view key environmental protection information, and through analysis and prediction, provide support and basis for precise management and control, and realize the interaction between data and pollutant control.



Safety and Environmental Protection Command Centre of QHD Port

IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP

Case: Intelligent Inspection Robot of the Ninth Company of QHD Port Officially Put into Use

In July 2023, the intelligent inspection robot developed by the Ninth Company of QHD Port was officially put into work. Through the combination of advanced technologies such as big data and intelligent sensors, the intelligent inspection robot can monitor multi-dimensional status such as light, temperature and sound, effectively replacing manual inspection for important parts and key locations in confined space, and fully ensure the safety, reliability and efficiency of energy transportation.



Intelligent patrol robot under operation

3. Protection of intellectual property rights

QHD Port continuously optimized the intellectual property management system, and successively completed the formulation and implementation of rules and regulations such as the Incentive Measures for Scientific and Technological Innovation of QHD Port 《秦港股份公司科技創新獎勵辦法》, the Patent Management Measures of QHD Port 《秦港股份公司專利管理辦法》, and the Software Copyright Management Measures of QHD Port 《秦港股份公司軟件著作權管理辦法》. The patents under application are related to many professional fields such as port electricity, machinery, information technology, environmental protection and energy conservation, and engineering technology, which further improve the ability to explore core technologies by independent innovation. In 2023, the Company obtained 26 software copyrights and 9 patents, including 1 invention and 8 utility models.

Grant of Patents obtained by QHD Port

Name	Date of grant	Category
Debris interception device for bulk material feeders (Invention)	2023.10.20	Invention
Dual-ship marine solid waste dynamic cleaning device with remote control function	2023.02.17	Utility model
A type of anti-leakage and volume-adding dual jaw grabbing bucket	2023.02.17	Utility model
A freeze coal cleaning device for the grate hopper grate	2023.06.20	Utility model
A modular electric heating system for groove pipes	2023.08.15	Utility model
A type of bulk loading equipment suitable for the frontier site of the terminal	2023.09.08	Utility model
A directional device for steel coils based on inertial wheel	2023.09.08	Utility model
An activity beam skew detection and automatic adjustment system	2023.09.12	Utility model
A heat dissipation device for high pole lamp ballast	2023.09.26	Utility model

V. CARING FOR GROWTH OF EMPLOYEES

V. CARING FOR GROWTH OF EMPLOYEES

The Party committees and governments at all levels shall fully motivate the enthusiasm, initiative and creativity of the public, effectively protect the legitimate rights and interests of the public and support and encourage the public to make contributions in the new era.

—Xi Jinping, the general secretary of the CPC, expressed his holiday congratulations and sincere wishes to the public across the country on the eve of the May 1st Labour Day on 30 April 2021

Employees are the driving force for corporate development. QHD Port adheres to the people-oriented core concept, and is committed to building a talent team in the new era, effectively protecting the legitimate rights and interests of employees, unblocking the promotion channels for employees, actively carrying out employee vocational trainings, providing employees with a platform for growth and development, implementing employee care and well-being, striving to achieve the common improvement of employees' personal value and corporate value, and jointly building and sharing corporate achievements with employees.



(I) Attaching Importance to the Rights and Interests of Employees

QHD Port strictly abides by the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other laws and regulations, revises the Personnel Management Measures, the Labour Employment Management Measures, and the Medical Period Management Measures for sick or non-occupational injury of employees, signs labour contracts with employees, specifies the responsibilities, rights and obligations of the Company and employees during the contractual period, and protects the rights and interests of employees to the greatest extent. In 2023, the signing rate of employees' labor contracts of QHD Port was 100%.

As at the end of 2023, QHD Port had a total of 9,826 employees. During the Reporting Period, 40 employees were recruited, details of which are as follows:

Employee composition	Indicators	2023 (Unit: person)
By age	30 or below	527
	31-40	2,675
	41-50	3,369
	51 or above	3,255
By education	Junior college or below	6,322
	Undergraduate	3,143
	Postgraduate	361
By gender	Male	8,156
	Female	1,670
By technical structure	Senior Technician	42
	Technician	182
	Senior workers	2,066
	Intermediate workers	1,850
By ethnicity	Junior worker	840
	Han	9,463
	Man	208
	Hui	120
	Other ethnic groups	35

V. CARING FOR GROWTH OF EMPLOYEES

In 2023, the employee turnover rate of QHD Port was 0.11%, details of which are as follows:

Employee composition	Indicators	2023 (Unit: person)
By gender	Male	8
	Female	3
By age	30-35	5
	36-40	4
	41-45	1
	46-50	0
	Above 50	1
By geographical region	Qinhuangdao region	6
	Caofeidian region	1
	Cangzhou region	4

1. Equal employment

The Company adheres to the principle of “openness and equality, competitive selection and job matching”, eliminates all forms of discrimination in recruitment, training, promotion and other matters, prohibits child labour, forced labour, harassment, bullying and other acts, and ensures that employees of different genders, religious beliefs and cultural backgrounds enjoy fair, just and open job opportunities; the Company boosts employment through multiple channels and methods, optimizes staffing, and focuses on privacy and confidentiality management in recruitment and assessment to ensure the security of employees’ personal information.

2. Remuneration and benefits

The Company continued to optimize the remuneration system, revised the Administrative Measures for the Remuneration of Middle-level Leaders (Trial) and the Administrative Measures for Total Wages (Trial), adjusted the distribution structure, and effectively stimulated the enthusiasm and creativity of all employees. The Company adheres to the goal orientation, and the performance appraisal results of middle management are closely linked to the annual performance salary, strengthening the rigid realization; adhering to the value orientation, the Company focused on key indicators such as throughputs, and provided targeted incentives for key personnel, and formulated remuneration incentive plans.

The Company made every effort to acquire the requisite insurances for employees, ensured that all benefits were paid on time and in full, handled supplementary medical insurance and personal welfare commercial insurance for employees, continued to implement enterprise annuity plans for in-service employees, and shared development achievements with employees. In 2023, the Company paid five basic social insurance premiums totaling RMB396 million for employees participating in the insurances, with a social insurance coverage rate of 100% and a per capita paid vacation of 12.81 days.

3. Democratic management

The Company continuously deepens the democratic management, establishes and improves the democratic management system of the enterprise, listens to the opinions and suggestions of employees when formulating rules and regulations concerning the vital interests of employees or deciding on major issues, fully protects employees’ right to know, participate and supervise, and cultivates employees’ sense of ownership.

In 2023, the Company adhered to the system of the staff representatives’ congresses, effectively utilized the role of the staff representatives’ congresses, and collected 36 proposals among which 33 proposals were taken into consideration; carried out the study and publicity of regulatory documents such as the Regulations on the Democratic Management of Enterprises in Hebei Province and the Regulations on the Supervision of Labour Laws of the Labour Union in Hebei Province to protect the democratic rights and interests of employees.

V. CARING FOR GROWTH OF EMPLOYEES

(II) Strengthening Team Building

QHD Port pays attention to the growth and development of employees, continuously optimizes the employee training system, strengthens cultivation of talents, builds a team of high-level personnel, and formulates reasonable promotion channels for employees, gives full play to the strategic and decision-making role of talented personnel in the process of enterprise development, and forms a virtuous cycle of career motivation and career achievement by talents.

1. Construction of cadre team

QHD Port persists in selecting and assigning strong middle-level leaders, and timely adjusts and optimizes the positions of leaders according to the status of the cadre team; improved the corporate governance structure of the invested enterprises, and orderly recommended directors and senior management to the invested enterprises, with a total of 51 person-times recommended; the Company innovated the management mode of middle management of affiliated units, revised the Administrative Measures for Middle-level Management of Affiliated Units (Trial), implemented hierarchical management, increased the selection criterion for excellent performance appraisal and grassroots work experience, promoted the scientific and reasonable flow of cadres, specified the role of appraisal of grassroots units, and gave full play to the initiative of employers; The Company will continue to strengthen the training and cultivation of young cadres, and further expanded the promotion channels for young cadres.

2. Strengthening employee training

According to the employee education and training management system, the Company focused on the Company's production and operation, reform and development, and transformation and upgrading, and continuously improved the system and mechanism of talent cultivation and development, held training courses for new employees, organized middle-level leaders to participate in the advanced training classes of Hebei Port Group, organized management personnel to participate in the first batch of training courses for interview experts with the theme of "Practical Skills of Interviewing People and Knowledge for Identifying Talents", organized production staff, professional technicians and business personnel to participate in external trainings such as skills of operation, production business and strategic management, and carried out special skills trainings such as PLC technology, 3D printing and centralized control operation for young employees. In 2023, the Company carried out various skills trainings, with 28,214 online and offline participants, and the employee training coverage rate reached 100%.

Average training hours per employee by category in 2023

By gender	(Unit: hour)
Male employees	41
Female employees	39
By employee category	(Unit: hour)
Managerial staff	40
Technicians	41
Production staff	42
Other personnel	37

V. CARING FOR GROWTH OF EMPLOYEES

Case: QHD Port Organizes Training for New Employees

On 4 September 2023, QHD Port held a training course for new employees in 2023, lecturing new employees on professional quality, career planning, basic information of Qinhuangdao Port, the “mass entrepreneurship and innovation” work currently carried out, safety management related regulations, etc., to guide new employees to understand the corporate culture, quickly adapt to the working environment, improve professional quality and vocational skills, and enhance their sense of belonging.



QHD Port organized training and outward development activity for new employees in 2023

3. Building development channels

The Company has set up a staff position evaluation committee to continuously carry out review for staff promotion, built a development channel for skilled talents, unblocked the “dual channels” for the promotion of front-line technicians, gradually built a talent training system, and expanded the Company’s high-level talent team. In 2023, 1 employee of the Company was awarded the title of National Traffic Technical Expert, 4 senior technicians were rated as the first batch of Special-grade Technicians in Hebei Province, 3 employees were awarded the title of Chief Technician of Hebei Port Group Corporation, 8 front-line loading and unloading technicians were promoted from Level 4 of the professional technical sequence to Level 5, 108 employees were promoted to intermediate positions, and 109 employees were granted with professional titles.

4. Provision of growth platform

The Company takes improving the professional quality of employees as the main line, adheres to the combination of labour competition with the actual production and job skills, takes the training of highly skilled talents as an important part of the strategy of strengthening the enterprise with talents, and carries out labour competition activities closely focusing on safe production, skill improvement, innovation and efficiency creation, so as to achieve the purpose of “promoting learning through competition, training through competition, and practicing through competition”, and lead employees to cultivate strong technical skills and grow into talents of their positions. In 2023, the Company deeply explored, cultivated and selected role models, selected 28 model teams and 20 experts through labour competition, and found a large number of advanced role models such as workers in Hebei Province and craftsmen in Hebei Province.



The Company hosted the competition of driver skills for mobile cranes and electric loading and unloading machines of HPG

V. CARING FOR GROWTH OF EMPLOYEES

(III) Creating a Happy Workplace

QHD Port protects the physical and mental health of employees by regularly organizing physical examinations for employees, setting up health huts for employees, and providing recuperation for employees and model workers. It carries out regular care and condolences, and organizes activities such as “sending warmth in winter”, “sending coolness in summer” and “golden autumn student assistance”. It continues to help employees in need, cares for female employees, and pays attention to the life of retired personnel. It organized a variety of cultural and sports activities such as table tennis competitions, photography and spring greetings, and strived to create a warm and humanistic workplace environment for employees. In 2023, the Company arranged health check-ups for all employees (including retired employees), with a health check-up coverage rate of 100%. It invested RMB88,500 in helping employees in need, and the employee satisfaction reached 100%.

Case: Significant Improvement in Sense of Belonging and Happiness of Port Employees

In 2023, QHD Port resolutely practiced the corporate value of fulfilling its responsibilities for employees, strived to provide a good working environment for employees, and organized plentiful cultural activities in spare time.



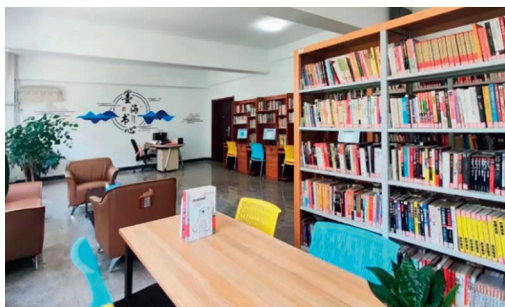
Zhang Xiaoqiang, the Secretary to the Party Committee and Chairman of QHD Port, visits frontline employees in hot days



Nie Yuzhong, Deputy Secretary to the Party Committee and President of QHD Port, visits employees



First “QHD Port Cup” employee badminton and table tennis competition



A Corner of Employee Library



Photographic Activity

VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART

VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART

We must ensure and improve the people’s wellbeing in the course of pursuing development and encourage everyone to work hard together to meet the people’s aspirations for a better life.

— Report to the 20th National Congress of the CPC delivered by Xi Jinping, the general secretary of the CPC, on 16 October 2022

QHD Port pays attention to the communication and cooperation with the government and the community, shoulders the responsibilities of a state-owned enterprise with a highly responsible attitude towards the Party and the people, uses the advantages and resources of the enterprise to create value for the society, solidly contributes to rural revitalization, enthusiastically supports public welfare undertakings, participates in volunteer services, conveys love and warmth with practical actions while maintaining stable business operations, and strives to contribute to the social development.



(I) Creating Industrial Scenic Spots

Case: Industrial Tourism Area of Qinhuangdao Port Successfully Passes 4A Scenic Spot Quality Review

The creation of a 4A-level industrial tourist attraction in Qinhuangdao Port area is a joint action of the Qinhuangdao Municipal Party Committee, the Municipal Government and HPG to implement the spirit of the important instructions made by Xi Jinping, the general secretary of the CPC, during his inspections on the ports in Hebei Province and implement the decisions and arrangements of the fourth plenary session of the tenth session of the Provincial Party Committee. It is also a specific measure for the integrated development of the port and the city and an inevitable requirement for the high-quality development of port transformation and upgrading. As the main entity for the creation and implementation of scenic spots, QHD Port has set up a leading group and a task force to ensure the solid progress of various creation work. On 12 January 2024, the official website of the Department of Culture and Tourism of Hebei Province announced that the industrial tourism area of Qinhuangdao Port passed the 4A scenic spot quality review and was officially included in the creation sequence of 4A scenic spots in the province.

Targeted on new goals and drew new blueprints. In accordance with the creation concept of “ancient and modern fellowship, international vision, co-prosperity of port and city, resource integration and green empowerment” and the design idea of “industrial style, port paradigm and fashion sense”, the Company takes the commercial port opened in the west port zone as the core, and the professional energy terminal and the modern container terminal as the two wings to create a landscape pattern of “one core and two wings”.



“Core” of the landscape pattern with “one core and two wings”
– View of the commercial port opened in the west port zone

VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART



“East Wing” of the scenic area – Industrial scenic view of the east port zone



“West Wing” of the scenic area – Industrial scenic view of the container port zone of the west port zone

Port and cities worked together to create the largest “concentric circle”. The Company joined hands with the Municipal Party Committee and the Municipal Government of Qinhuangdao to integrate advantageous resources through measures such as assigning cadres to each other and actively introducing foreign brain think tanks, and set up a special team to form a working mechanism for special personnel to connect and regularly communicate, so as to highly match the port development with the industrial positioning and strategic layout of Qinhuangdao, jointly create new advantages in transformation and development, and strive to achieve win-win cooperation in port and city.



Leaders of Qinhuangdao Municipal Party Committee and Hebei Port Group attended the meeting on encouraging “Mass Entrepreneurship and Innovation”

VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART

Working together to create “acceleration”. Qinhuangdao Port strengthened the humanised and landscape-based upgrading and transformation of relevant equipment and facilities. The intelligent management system of “one centre and three platforms” for the landmark project of “scientific green management and digital environmental protection” has been completed and fully put into use; The construction of the “QHD Port Impression” cultural corridor, the anti-wave sightseeing sea platform and the pocket park in the east port zone, the ore storage pool, and the “Xi Xiang Ji” service station at the container port area of the west port zone have been completed successively.



Clear sky and blue water at the east port zone of Qinhuangdao Port



A corner of the tourist service centre at the container port area of the west port zone

Promoting publicity with internal and external integration. Through the release of external publicity articles on mainstream media such as People’s Daily and Hebei Daily, the release of graphic videos on WeChat official account, the launch of a series of activities with the theme of “Industrial Tourism Area at Qinhuangdao Port in My Heart” and the collection of reasonable suggestions, the launch of online training courses on the creation of the 4A industrial tourism area and the innovative launch of opening day activities for residents, the Company played a vital role in the publicity of the work on the reform of the port.



The Company carried out the activity of opening day for the residents of Qinhuangdao Port with the theme of “intelligent” port in the “green” future



On the basis of successfully passing the scenic spot quality review, QHD Port will increase its efforts to create a national-level industrial tourism area in Qinhuangdao Port area in accordance with the Overall Development Plan on the Industrial Tourism Area at Qinhuangdao Port (2023-2035) issued by QHD Port, so as to welcome friends and guests from other regions.

VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART

(II) Devotion to Rural Revitalization

QHD Port resolutely implements the rural revitalization strategy, earnestly implements the Opinions on Continuously Selecting and Dispatching the First Secretaries and Working Teams to Key Villages, the Administrative Measures for the Selection and Appointment of Village Cadres for Rural Revitalization in Hebei Province, and the deployment of the Hebei Provincial Party Committee and the Provincial Government on the key tasks of comprehensively promoting rural revitalization in 2023, aims to consolidate and expand the achievements of poverty alleviation, focuses on strengthening the endogenous development momentum of the assisted villages and poverty alleviation groups, and explores the path of rural revitalization in Shimenzi Village, Guanchang Township, Qinglong Manchu Autonomous County, Yangshugou Village, Shanwanzi Township, Weichang County and other places, and further improves the quality of life and happiness of villagers by implementing industrial assistance, consumption assistance, health assistance and village assistance. In 2023, the Company invested a total of RMB1,174,200 and assisted in the employment of 25 villagers, and the per capita income increased by RMB1,200.

Case: Enhancing the Endogenous Development Momentum of Poverty Alleviation Groups, QHD Port Supports the Rural Revitalization of Qinglong County

QHD Port continued to consolidate the foundation of “not worrying about two things and ensuring three things” in Shimenzi Village, and continuously improved the vitality of poverty alleviation industry. With the goal of cultivating characteristic planting and processing industries, the village working team helped Shimenzi Village to cultivate characteristic planting industries such as pumpkin and sweet potato, and formed a stable industrial chain of production, processing and sales; QHD Port implemented consumption assistance. In 2023, QHD Port purchased a total of RMB478,200 of support products, helped to sell agricultural products of RMB440,000, and provided jobs for 25 villagers, which effectively promoted the development of characteristic industries in Shimenzi Village and the employment and income of the people lifted out of poverty.



Leaders of QHD Port visited the targets for preventing returning to poverty

Case: QHD Port Offers Health Assistance and Free Diagnosis

On 18 April 2023, QHD Port cooperated with the port hospitals to carry out free health assistance and consultation activities for the prominent problem that most of the monitoring households may return to poverty due to illness, and dispatched 25 medical staff to Shimenzi Village, Guanchang Township, Qinglong Manchu Autonomous County, Qinhuangdao City to conduct physical examination for villagers, focusing on explaining the prevention and treatment knowledge of coronary heart disease, hypertension, diabetes and other diseases and medication precautions, and distributing common medicines for villagers; QHD Port effectively connected with local township medical institutions to provide guidance and assistance for the construction of a sound medical and health system in rural areas.



Medical staff providing door-to-door medical services

VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART

(III) Dedication to Public Welfare and Charity

QHD Port has established and improved the working mechanism for volunteer services of civilization practice in the new era, and through carrying out public welfare activities, it returns to the society and benefits the people, and comprehensively promotes the coordinated and healthy development of community economy, culture and environment. In 2023, QHD Port enthusiastically participated in public welfare undertakings, made charitable donations of RMB696,000, carried out more than 210 volunteer service activities such as patriotism education, policy publicity, and respect for the elderly and children, and participated in more than 4,500 volunteer services. It was awarded the title of “Advanced Volunteer Service Organization in Hebei Province”, and 7 volunteer service models were commended as “Advanced Models of Advanced Volunteer Services in Qinhuangdao City”.

Case: Practicing Voluntary Services and Participating in Creation of a Civilized City

On 24 February 2023, more than 100 volunteer service team members of QHD Port went to the streets to clean the fallen debris, pick up the paper chips and the cigarette head, clean the road plate guardrail and other public facilities, pick up the street sundries, and clean up the waste garbage with a total of 30kg, contributing to the creation of a more civilized, cleaner and clean tourism city in Qinhuangdao with practical actions.



Volunteers cleaned the road bulletin boards



Volunteers picked up the street debris

Case: Lei Feng Spirit in QHD Port

In March 2023, on the occasion of the 60th Lei Feng Memorial Day, all units of QHD Port carried out volunteer service activities for civilization practice in the new era, advocating the new trend of social civilization with practical actions and promoting the spirit of Lei Feng.



Volunteers cleaned up beach garbage



Volunteers carried out volunteer services at the activity centre for the retired

PROSPECTS

History is created through struggling and practical work can create the future. Looking back to 2023, QHD Port focused on the strategic goal of building a world-class port enterprise for dry and bulk cargoes, vigorously carried forward the struggling spirit and the hard-working style, concentrated on promoting production, facilitating reform, advancing reform, speeding up in transformation, implementing strict management and preventing risks, and has achieved continuous results in the transformation, upgrading and high-quality development of the ports.

Looking ahead, the 75th anniversary of the founding of the People's Republic of China is forthcoming in 2024. QHD Port will deeply implement the spirit of the important instructions made by Secretary General Xi Jinping during his inspections on the ports in Hebei Province, carefully carry out the decisions and deployments of the Hebei Provincial Party Committee and the Provincial Government as well as the Party Committee of Hebei Port Group and closely focus on the overall requirements on the construction of "integrity, intelligent, efficient and green" ports. With the creation and construction of "5A industrial tourism areas" and the on-site standardized management as drivers, it will deeply, practically and carefully carry out the construction of six systems and consolidate the foundations for the production operation and risk control of the ports. It will advance the construction of green channels towards land and sea, boost green development, speed up in the construction of "five-star" green ports and 5A industrial tourism areas, strive to be an anchor in the safety of energy transportation and pioneer in the sea-oriented development and make more contributions in serving national economic development.

KEY PERFORMANCE STATEMENTS

	Indicator	Unit	2021	2022	2023
	Total assets	RMB100 million	277.77	279.41	280.26
	Operating revenue	RMB100 million	65.95	69.19	70.55
	Total profits	RMB100 million	12.81	16.63	18.83
	Total throughput of goods	100 million tons	3.79	3.84	3.92
	R&D investment	RMB 10 thousand	3,040.14	22,169.89	25,183.09
	Number of R&D staff	person	35	44	982
	Number of new patent grant	item	5	13	9
Economical responsibility	Number of new software copyrights	item	8	1	26
	Number of suppliers	person	595	655	706
	Reviewed suppliers during reporting period	person	160	116	106
	Potential denied suppliers due to non-compliance	person	32	26	24
	Suppliers whose cooperation was suspended due to non-compliance	person	10	13	31
	Training times of supplier's social responsibility	time	128	90	82
	Customer satisfaction	%	97.96	98	97.27

ANNEXES

	Indicator	Unit	2021	2022	2023
Social responsibility	Employees	person	11,070	10,583	9,826
	Employee turnover rate	%	0.33	0.13	0.11
	Physical examination coverage	%	100	100	100
	Labor contract signing rate	%	100	100	100
	Social security coverage	%	100	100	100
	Number of female managers	person	839	782	739
	Proportion of female managers in middle management	%	17.42	12.96	12.30
	Days of paid leave per employee	day	12.79	12.73	12.81
	Investment in job training	RMB'0,000	88.71	70.69	164.44
	Number of participants of job training	person-time	19,415	25,700	28,214
	Average training duration of job training	Hour/person	32	40	41
	Employee satisfaction	%	100	100	100
	Investment in production safety	RMB'0,000	4,462.28	3,825.32	12,377.12
	Persons attending the production safety training	person-time	34,253	62,492	77,359
	Production safety training duration	hour	1,255.5	662.25	1,181.25
	Production safety accidents	time	0	0	0
	Number of injured/died employee	person	0	0	0
	Number of newly added occupational patients	person	0	0	0
	Working day lost due to work-related injuries	day	0	0	0
	Total hours of volunteering services	hour	1,400	4,000	4,100
	Investment in supporting rural revitalization	RMB'0,000	361.03	292.15	117.42

	Indicator	Unit	2021	2022	2023
Environmental responsibility	Investment in environment protection	RMB100 million	-	2.50	3.24
	Comprehensive energy consumption	10,000 tonnes standard coal	19.08	9.06	7.97
	Total electricity consumption	10,000 kWh	30,985.83	55,478.00	46,316.14
	Consumption of municipal water supply	10,000 tonnes	106.86	244.57	188.36
	Total water consumption	10,000 tonnes	-	725.33	729.96
	Water consumption density	Tonne/RMB10,000	-	10.48	10.35
	Gasoline consumption	Tonne	67.29	185.00	138.45
	Diesel consumption	Tonne	5,483.03	6,182.00	5,857.83
	Water conservation	10,000 tonnes	-	14.00	-4.63
	Recycled water	10,000 tonnes	-	480.76	483.20
	The amount of wastewater	Tonne	0	0	0
	The amount of waste gas	10,000 m ³	65,314.76	86,247.00	67,775.54
	General industrial solid waste emissions	Tonne	21,900	26,000	21,600
	Density of general industrial solid waste emissions	Tonne/RMB10,000	0.03320	0.03758	0.03061
	Hazardous waste produced	Tonne	238.65	180.37	171.57
	Hazardous waste density	Tonne/RMB10,000	0.00036	0.00026	0.00024
	Waste recycling rate	%	100	100	100
	Total GHG emissions	tonnes of CO ₂ equivalents	516,517.41	378,911.56	240,179.59
	Direct GHG emissions (Scope 1)	tonnes of CO ₂ equivalents	305,596.84	20,006.02	16,723.38
	Indirect GHG emissions (Scope 2)	tonnes of CO ₂ equivalents	210,920.57	358,905.54	223,456.20
	GHG emissions density	tonnes of CO ₂ equivalents/ RMB10,000	0.78	0.55	0.57
	Environmental pollution incidents	item	0	0	0

INDEX TO INDICATORS

Environment, Society and Governance Indicators		Where the disclosure is made	
Environment	A1 Emission	General disclosure: in relation to air and greenhouse gas emissions, sewage to water and land, hazardous and non-hazardous waste generation: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	III. BUILDING GREEN PORTS WITH SINCERITY
		A1.1 The types of emissions and respective emissions data	(II) Developing Green Advantages
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	(II) Developing Green Advantages
		A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	(II) Developing Green Advantages
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	(II) Developing Green Advantages
		A1.5 Description of emissions target(s) set and steps taken to achieve them	(I) Practicing Low-carbon Operation (II) Developing Green Advantages
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	(II) Developing Green Advantages
	A2 Use of Resources	General disclosure: Policy in relation to use of resource (including energy, water and other raw materials) efficiently	III. BUILDING GREEN PORTS WITH SINCERITY
		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)	(II) Developing Green Advantages
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	(II) Developing Green Advantages
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	(I) Practicing Low-carbon Operation (II) Developing Green Advantages
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	(II) Developing Green Advantages
		A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A
	A3 Environment and Natural Resources	General disclosure: Policy in relation to minimizing the issuer's significant impact on environment and natural resources	III. BUILDING GREEN PORTS WITH SINCERITY
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	(III) Creating Environmental Protection Culture
	A4 Climate Change	General disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	III. BUILDING GREEN PORTS WITH SINCERITY
		A4.1 Description of the significant climate-related issues which have impacted, or those which may impact, the issuer, and the actions taken to manage them.	(I) Practicing Low-carbon Operation

Environment, Society and Governance Indicators			Where the disclosure is made
Society	B1 Employment	General disclosure: in relation to compensation and dismissal, recruitment and promotion, working hours, holiday, equal opportunity, diversity, anti-discrimination and other treatment and benefits: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	V. CARING FOR GROWTH OF EMPLOYEES
		B1.1 Total workforce by gender, employment type, age group and geographical region	(I) Attaching Importance to the Rights and Interests of Employees
		B1.2 Employee turnover rate by gender, age group and geographical region	(I) Attaching Importance to the Rights and Interests of Employees
	B2 Health and Safety	General disclosure: in relation to providing safe working environment and protect employees from occupational hazards: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	(III) Ensuring Production Safety
		B2.2 Lost days due to work injury	(III) Ensuring Production Safety
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	(III) Ensuring Production Safety
	B3 Development and Training	General disclosure: Policy in relation to improve the knowledge and skill of employees in fulfilling work duties. Describe training activities.	V. CARING FOR GROWTH OF EMPLOYEES
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	(II) Strengthening Team Building
		B3.2 The average training hours completed per employee by gender and employee category	(II) Strengthening Team Building

Environment, Society and Governance Indicators		Where the disclosure is made	
	B4 Labor Standard	General disclosure: in relation to avoid child or forced labor: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	V. CARING FOR GROWTH OF EMPLOYEES
		B4.1 Description of measures to review employment practices to avoid child and forced labor	(I) Attaching Importance to the Rights and Interests of Employees
		B4.2 Description of steps taken to eliminate such practices when discovered	(I) Attaching Importance to the Rights and Interests of Employees
	B5 Supply Chain Management	General disclosure: Environment and social risks policy for managing of supply chain	II. BUILDING FIRST-CLASS BRAND WITH DEVOTION
		B5.1 Number of suppliers by geographical region	(III) Gathering the Strengths of Multiple Parties
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	(III) Gathering the Strengths of Multiple Parties
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	(III) Gathering the Strengths of Multiple Parties
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	(III) Gathering the Strengths of Multiple Parties
	B6 Product Responsibility	General disclosure: in relation to health and safety, advertisement, labels and privacy matters for product and services provided as well as remedies (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	II. BUILDING FIRST-CLASS BRAND WITH DEVOTION IV. ADVANCING TOWARDS STRONG INTELLIGENT PORTS WITH CRAFTSMANSHIP
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A
		B6.2 Number of products and services related complaints received and how they are dealt with	(II) Focusing on the Principal Businesses of Ports
		B6.3 Description of practices relating to observing and protecting intellectual property rights	(II) Strengthening Independent Research and Development
		B6.4 Description of quality assurance process and recall procedures	N/A
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	(II) Focusing on the Principal Businesses of Ports

Environment, Society and Governance Indicators			Where the disclosure is made
	B7 Anti-corruption	General disclosure: in relation to the prevention bribery, extortion, fraud and laundering: (a) Policy; and (b) In compliance with relevant laws and regulations that have a significant impact on the issuer	I. DEPICTING DEVELOPMENT PROSPECTS WITH ORIGINAL ASPIRATIONS
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees	(II) Safeguarding Stable Operation
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	(II) Safeguarding Stable Operation
		B7.3 Description of anti-corruption training provided to directors and staff.	(II) Safeguarding Stable Operation
Community	B8 Community Investment	General disclosure: Policy in relation to understanding the need of the community where it operates via community participation and ensure that the interests of the community will be considered in its business activity	VI. CREATING A BEAUTIFUL SOCIETY WITH A WARM HEART
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	(II) Devote to Rural Revitalization (III) Dedication to Public Welfare and Charity
		B8.2 Resources contributed (e.g. money or time) to the focus area	(III) Dedication to Public Welfare and Charity

THE RATING OF THE REPORT

Feedback Questionnaire

Dear readers,

Hello! We are very grateful for you to read the 2023 ESG Report of Qinhuangdao Port Co., Ltd. The Company places great emphasis on and is expected to hear your feedback about sustainability management, practices and disclosures of QHD Port. Your advice and suggestions are an important basis for the Company to continuously promote the management and practice of sustainability. Looking forward to your reply!

Selective question (please tick the appropriate place)

1. Do you think whether this report can reflect the QHD Port's significant impact on economy, society and environment or not?
Yes Average No
2. Do you think whether stakeholders identified in this report and the analysis on relationship between them and QHD Port are accurate and comprehensive or not?
Yes Average No
3. Do you think whether the information provided in this report is comprehensive or not?
Yes Average No
4. Do you think whether the information provided in this report is readable or not?
Yes Average No
5. Open-ended question: Other advice and suggestions from you on the 2023 ESG Report of Qinhuangdao Port Co., Ltd. are welcome.

Your Contact Details

<p>Name:</p> <p>Employer:</p> <p>Telephone:</p> <p>Email:</p>
