



**WE CONNECT
THE WORLD**

2020

Environmental, Social
and Governance Report



招商局港口控股有限公司
CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED

Stock Code: 00144



Environmental, Social and Governance Report

ABOUT THE REPORT

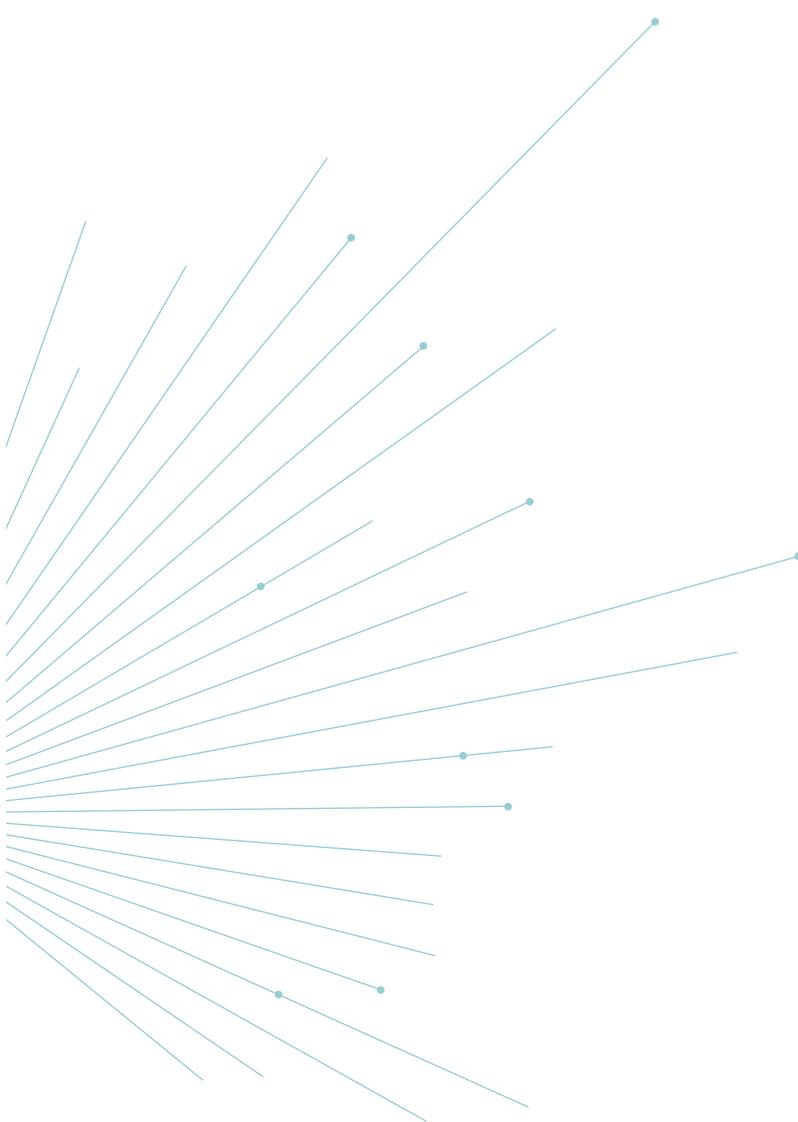
This Environmental, Social and Governance Report (the “**ESG Report**”) aims to review the Group’s management strategies, actions and achievements in the area of sustainable development in 2020, while also focuses on addressing the concerns of key stakeholders on the Group’s sustainable development. To provide a comprehensive overview of the Group’s environmental, social and governance (“**ESG**”) performances, the ESG Report shall be read in conjunction with the section headed “Corporate Governance Report” in the Annual Report.

百年企业



Reporting Scope

The ESG Report describes the sustainable development performance of businesses that are financially and operationally significant to the Group, as well as entities that have a significant impact on the Group’s ESG performance. The social data performance in the ESG Report covers the Group’s overall business scope, while the environmental data performance covers the Group’s subsidiaries in ports operation and bonded logistics operation. Unless otherwise stated, the reporting period is from 1 January 2020 to 31 December 2020.



Environmental, Social and Governance Report

Reporting Guidelines

The Group has prepared the ESG Report in accordance with the *Environmental, Social and Governance Reporting Guide (2016 Edition)* (the “**ESG Guide**”) under Appendix 27 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”). The ESG Report complies with the “comply or explain” provisions of the ESG Guide and adheres to the four reporting principles, which are “materiality”, “quantitative”, “balance” and “consistency” as the basis for preparation of the ESG Report.

Materiality	Quantitative	Balance	Consistency
After the Group has conducted materiality assessment and collected stakeholders’ feedback, the importance levels of various sustainable development issues to the Group and stakeholders in 2020 were assessed, thus serving as the disclosure focus of the ESG Report.	The Group optimised the environmental and social data collection tools during the year. Meanwhile, the ESG Report strengthens the disclosure of environmental and social performance data, demonstrating the Group’s commitment to managing the environmental and social performance. In order to present the Group’s performance changes over the years, the ESG Report also presents some historical data of the Group.	The ESG Report discloses the Group’s progress and challenges in sustainable development management, so as to fully demonstrate the Group’s sustainable development performance.	The statistical methods used in the ESG Report are generally consistent with those used in previous years, and explanation is provided on any changes in relevant factors, such as statistical methods or key performance indicators.

Reporting Statement

The Board is fully responsible for the ESG strategies formulation and related reporting. The ESG Report is published in two languages: Traditional Chinese and English. Should there be any discrepancy in the understanding of the content, the Traditional Chinese version shall prevail.

ABOUT THE GROUP

Renowned for its remarkable history as well as strategic vision and foresight, the Group has established an unrivalled position in the ports industry in both the PRC and worldwide. We are the flagship company of China Merchants Group Limited and its subsidiaries (“**CMG Group**”), the longest standing and the most renowned shipping company in the PRC. The ports and logistics operation of CMG Group had expanded across the PRC as far back as in the 19th century. The Group is now a global leading port developer, investor and operator, with a comprehensive port network across the hub locations along coastal China. The terminals, which the Group became the controlling shareholder of or those the Group has interest in, are located in hub locations across Shenzhen, Hong Kong, Shanghai, Ningbo, Qingdao, Tianjin, Dalian, Zhangzhou, Zhanjiang, Shantou and Taiwan, as well as in South Asia, Africa, Americas, Oceania, Europe and Mediterranean Sea, amongst others.

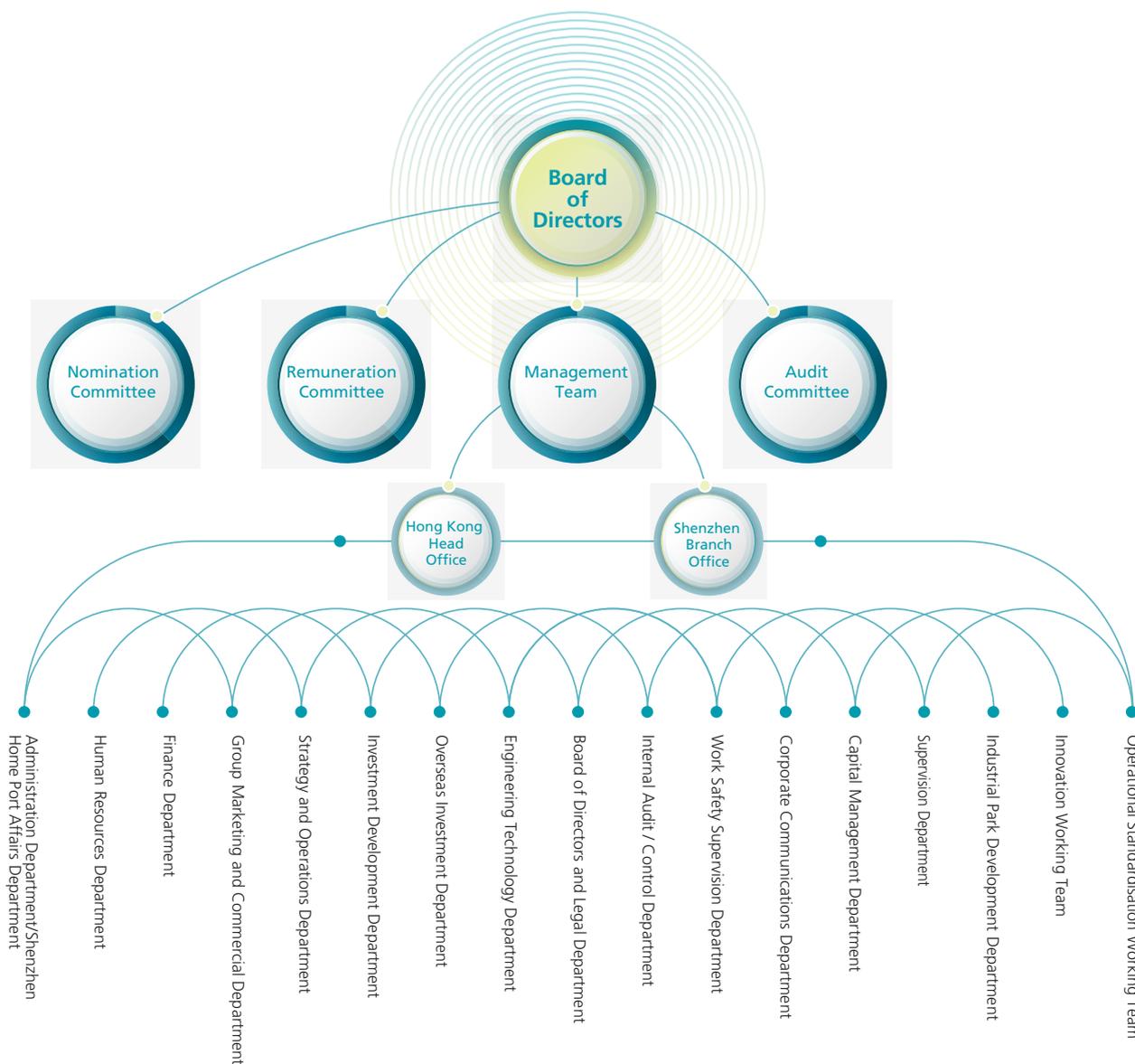
At the end of 2020, the Group has invested in 41 ports located at 25 countries and regions and the container throughput handled during the year amounted to 120.52 million TEUs. The Group has earned itself a reputation across the industry, leveraging on the professional management experience accumulated for years, its self-developed global leading ports operating system and integrated logistics platform for import and export, its extensive maritime logistics support system, the modern and all-rounded integrated logistics solutions it offers, its quality engineering management, and the outstanding and reliable services it provides. The Group’s vision is “to be a world’s leading comprehensive port service provider”. Through implementation of domestic, overseas and innovation strategies, the Group continues to achieve world-class level on various fronts, including container throughput of global ports, market share, comprehensive port development, operational management capabilities, resource utilisation, labour productivity and brand name, etc.

RESPONSIBILITY MANAGEMENT

Corporate Governance

Comprehensive Governance Structure

The Group is committed to upholding a robust and high-standard corporate governance. The Group has established standardised, transparent, open and efficient corporate governance structure and corporate governance rules in accordance with the straight compliance of prevailing laws, regulations and relevant requirements and its own production and operational practices. The duties and authorities regarding various aspects, including decision, execution and supervision, are clearly defined, thus forming a mechanism with highly effective division of responsibilities as well as checks and balances. The Group executes various policies pursuant to the laws and regulations under the supervision of the Board. The Board has established the Audit Committee, Nomination Committee and Remuneration Committee. The terms of reference of each committee is clearly set out in written form with its relevant powers and responsibilities, and the Board is assisted by each committee for discharging its duties and strengthening effective management, thereby achieving healthy and sustainable development of the Group as a whole through a professional, standardised and transparent approach.



Members of the Board

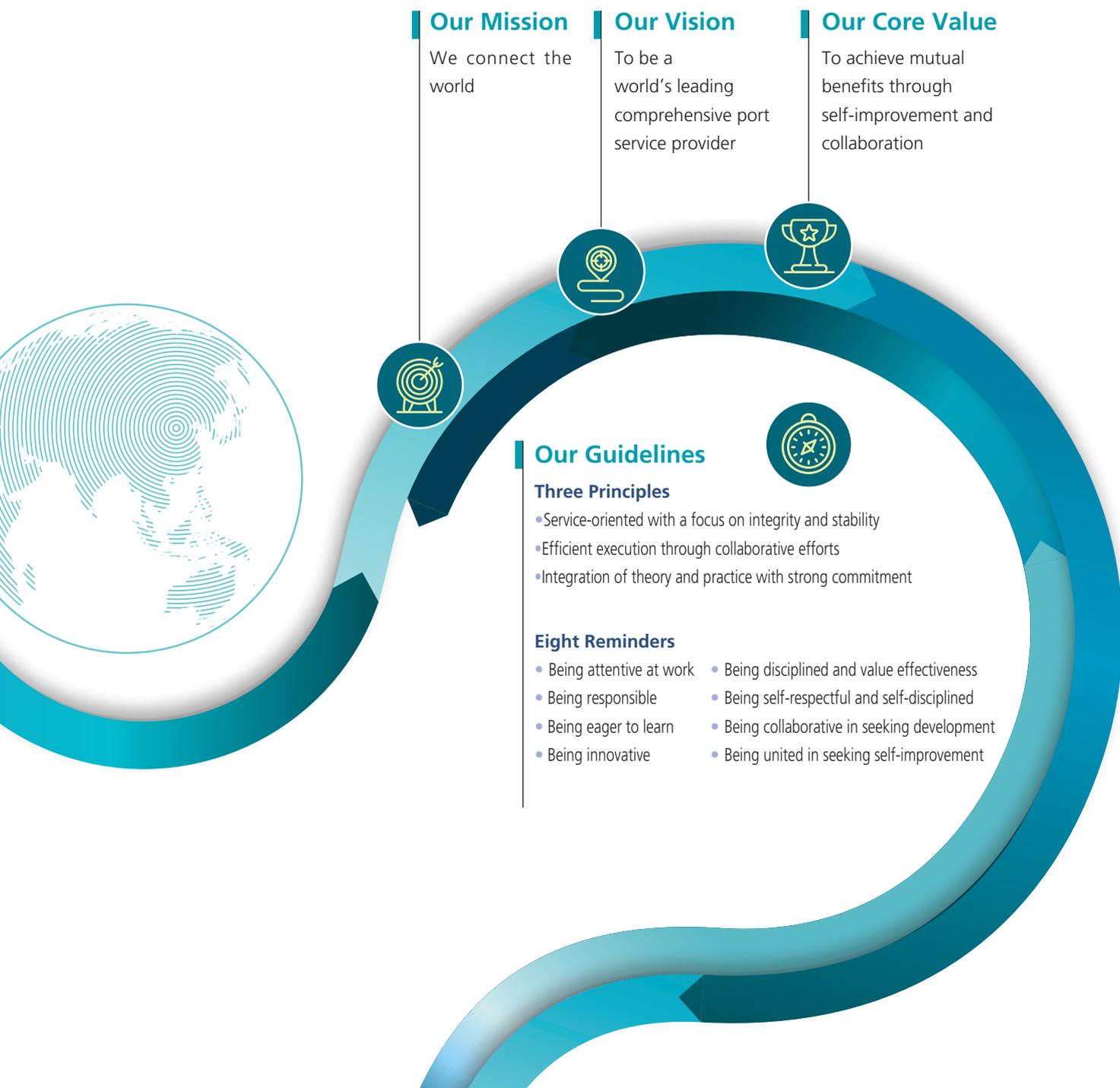
The Board members are fully committed to their roles and have acted in good faith to maximise shareholders' value in the long run, and aligned the Group's goals and directions with the prevailing economic and market conditions, to protect the long-term value and interests of shareholders and stakeholders. (For detailed information related to the Company's governance, please refer to the section headed "Corporate Governance Report" in the Annual Report.)



Environmental, Social and Governance Report

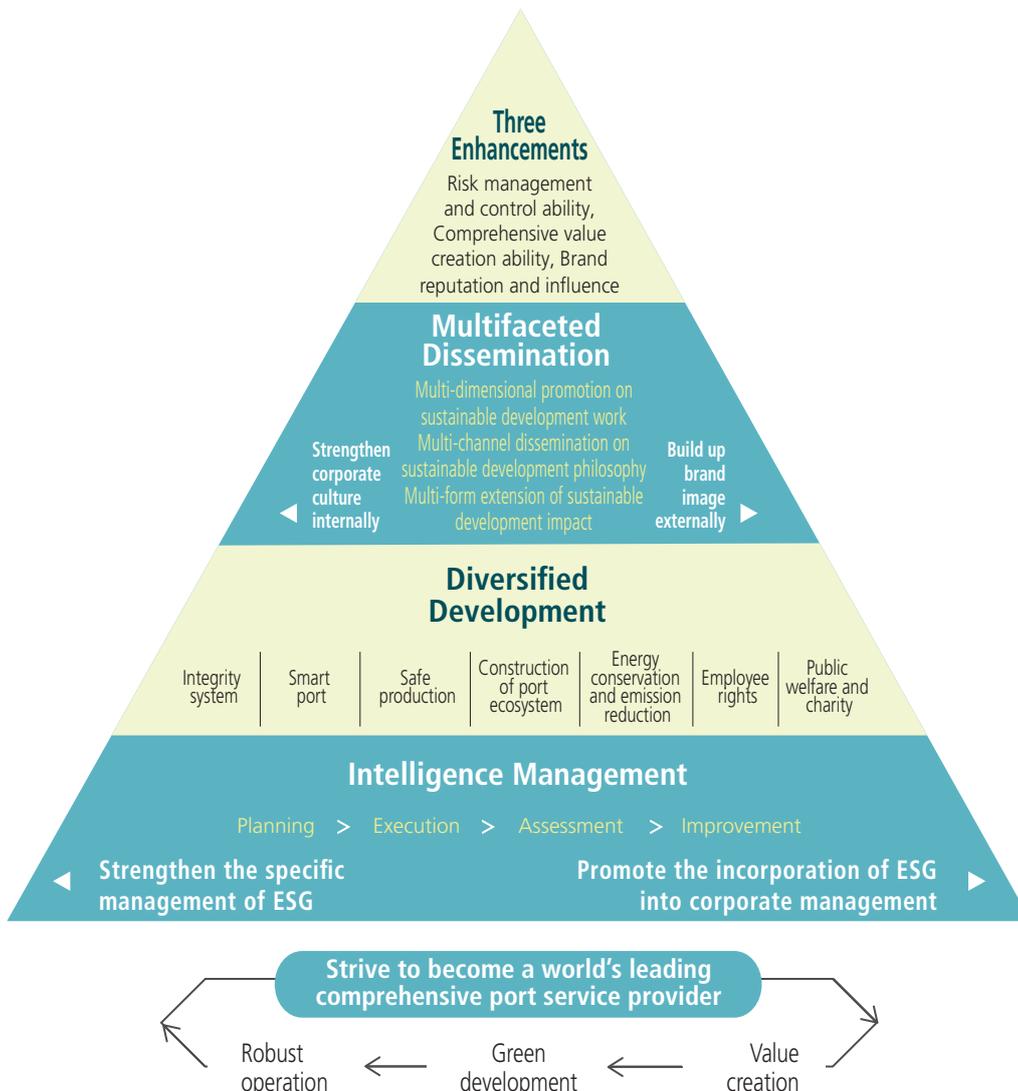
Sustainable Development Management

Adhering to the principle of sustainable development, the Group establishes its sustainable development concept system with responsible corporate mission, vision, core values, philosophy and corporate spirit, and strives to achieve value sharing and mutual benefit and promote a healthy, sustainable, stable and harmonious social development.



The Group strongly believes robust corporate governance and effective sustainable development management are important safeguards for an enterprise to realise its corporate vision and mission and to achieve business sustainability. With a focus on strengthening the ability of achieving sustainable development, the Group continues to reinforce sustainable development in coordination with business operation policies, while proactively facilitating the integration of sustainable development elements into functional departments' daily work and business processes. The Group also actively assumes corporate social responsibility to create integrated values for its stakeholders, including shareholders, the government, customers, employees and business partners, with the aim of promoting sustainable development of both the entity and the society.

The Board formulates the overall strategy of the Group and maintains effective supervision over the management, and is responsible for reviewing and approving annual ESG report. The Group has established a working network regarding sustainable development that involves deep engagement of the management, horizontal collaboration of professional departments and vertical communication of employees at different levels and has formed a "mission-oriented" sustainable development promotion model. Under the supervision of the management, the Group's sustainable development duties can be carried out jointly by various functional departments and promoted to various subsidiaries for implementation, and to implement specific works and regularly summarise the performance of sustainable development efforts, laying the foundation for the systematic implementation of sustainable development actions. In 2020, the Group used digital platform to conduct the work on managing ESG information. Each department and each subsidiary makes use of the digital platform to record relevant ESG information and data, striving to improve the management of sustainable development performance.



Risk Management and Control

A proper risk management and control mechanism is of paramount importance for managing risks and seizing opportunities. The Group has established a comprehensive risk management system in accordance to *Measures for Risk Management* (《風險管理工作辦法》), to ensure the elements for efficient implementation of internal control and risk management, including the establishment of a risk management functional system, the formulation of risk management strategies, the implementation of regular material risks assessment, the identification of material risks and allocation of responsibilities, so that the potential risks in business environment can be prevented and controlled.

With the basis of the existing risk management and response mechanism, the Group conducted an ESG risk assessment in 2020. Through performing the megatrends analysis, the sustainable development megatrends and potential ESG risks related to the port industry are predicted, and potential ESG risks are further selected and prioritised based on “severity of potential negative impacts” and “possibility of occurrence” to identify ESG risks related to the Group. The results of the ESG risk assessment will assist the Group to develop more proactive ESG management strategies and to better manage and control the ESG risks. In 2020, the Group identified 1 high-level ESG risk, 1 moderate-level ESG risk and 8 low-level ESG risks.

High-level risks	Moderate-level risks	Low-level risks
<ul style="list-style-type: none"> • Disruption of supply chain 	<ul style="list-style-type: none"> • Compliance and business ethics risks 	<ul style="list-style-type: none"> • Environmental compliance risks • Climate change risks • Loss of natural resources and biodiversity • Occupational health and safety production risks • Shortage in talent reserve • Human rights and labour practices • Technological innovation and digital transformation • Information security and cyber incidents

The Group has formulated corresponding risk response strategies targeting high-level and moderate-level risks, and implemented relevant risk management and control measures in daily duties by various departments to prevent the occurrence of major risk events. Meanwhile, the Group also continuously monitors and controls low-level risks to protect business development.

Disruption in Supply Chain	Compliance and Business Ethic Risks
<ul style="list-style-type: none"> • Potential impacts: disruption in supply chain when facing unexpected events (e.g. natural disasters, infectious diseases, political risks etc.) may affect interconnected logistics, information and capital flow between corporates, which may cause interruption in operations and directly affect the achievement of corporate's strategic objectives. • Response measures: compile and implement the <i>Overall Emergency Response Plan</i> (《突發事件總體應急預案》) to comprehensively standardise the procedures for handling natural disasters, accidents, public health and social security incidents, in order to enhance the ability to prevent and handle emergencies, minimise and prevent casualties and property losses caused by emergencies, and organise the resumption of corporate production activities in a timely manner. 	<ul style="list-style-type: none"> • Potential impacts: changes in external legal political environment and inconsistent regulatory requirements across the region may cause an increase in corporate's compliance risks, and exposure to penalties or legal disputes, resulting in financial and reputational losses to the corporate. • Response measures: enhance the development of legal compliance organisational system and professional capability, and keep track of changes in the external law environment, develop compliance risk inventory and compliance risk checklist, formulate corresponding risk projection and mitigation plan based on the category and level of risks, carry out compliance inspection in the key areas with high compliance risks, as well as implement daily supervision mechanism such as legal review.

RESPONSIBILITY COMMUNICATION

Stakeholders Engagement

Establishing a close relationship with stakeholders through continuous communication is the key to the Group's sustainable development. The Group maintains good communication with stakeholders through different channels, to continuously enhance the transparency of the business operations and to fully understand the concerns and expectations of various stakeholders towards the Group and thus formulating sustainable development plan and management strategies accordingly. The following table summarises the communication channels and methods between the Group and stakeholders, stakeholders' expectations and demands as well as the Group's responses:

Stakeholders	Communication channels and methods	Expectations and appeals	Our response
 Shareholders and investors	<ul style="list-style-type: none"> Information disclosure General meetings Work meetings Exchanges and visits 	<ul style="list-style-type: none"> Transparent financial information disclosure Strengthen risk management and control Create economic value Maintain and increase the values of state-owned assets 	<ul style="list-style-type: none"> Refine corporate governance and management of investor relations Maintain growth of business and profitability, and continue to enhance its position in the industry Enhance operational transparency
 Government and regulatory authorities	<ul style="list-style-type: none"> Daily reporting and communication Meetings and exchange activities 	<ul style="list-style-type: none"> Compliance operation and tax payment in accordance with the laws Support local development Protect local environment 	<ul style="list-style-type: none"> Implement policies and pay tax in accordance with the laws Optimise the management of its terminals and actively implement corporate social responsibility
 Customers	<ul style="list-style-type: none"> Information disclosure Responses to and handling of customers' feedback Customer satisfaction survey 	<ul style="list-style-type: none"> Provide quality service Safeguard information security 	<ul style="list-style-type: none"> Satisfy customer's needs and improve customer satisfaction Develop smart ports by innovating the form and content of our services Protect customer information
 Partners	<ul style="list-style-type: none"> Project cooperation Work meetings Daily communication 	<ul style="list-style-type: none"> Transparent cooperation with integrity Mutual support and win-win development 	<ul style="list-style-type: none"> Establish responsibility supply chain Seek for comprehensive development partnership opportunities
 Employees	<ul style="list-style-type: none"> Regular meetings Standardised trainings Exchange activities 	<ul style="list-style-type: none"> Secure basic rights Smooth career development path Work-life balance 	<ul style="list-style-type: none"> Protect worker's legal rights Provide market comprehensive salaries and benefits, as well as trainings and employee caring activities Create safe and healthy working environment
 Environmental charitable organisations	<ul style="list-style-type: none"> Environmental information disclosure Environmental protection campaigns 	<ul style="list-style-type: none"> Reduce environmental impacts caused by operating activities Lead the industry to enhance its green development capability 	<ul style="list-style-type: none"> Strengthen environmental management and enhance environmental awareness Commence green operation and conduct energy conservation transformation Promote green development of the industry
 Community	<ul style="list-style-type: none"> Charitable events Volunteering services Information disclosure 	<ul style="list-style-type: none"> Promote regional development Support public welfare and charity 	<ul style="list-style-type: none"> Promote the development of countries and regions where it operates Establish the charity brand "Shaping Blue Dreams Together (C-Blue)" Encourage employees to participate in volunteering activities

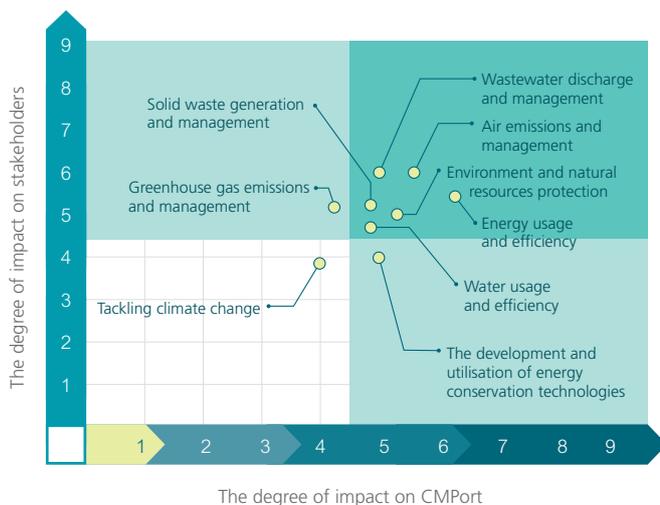
Materiality Assessment

In 2020, To further understand the key concerns of the Group’s stakeholders and to confirm the scope of key disclosure of the ESG Report, the Group conducted the materiality assessment through survey, detailed procedures of which are as follows:

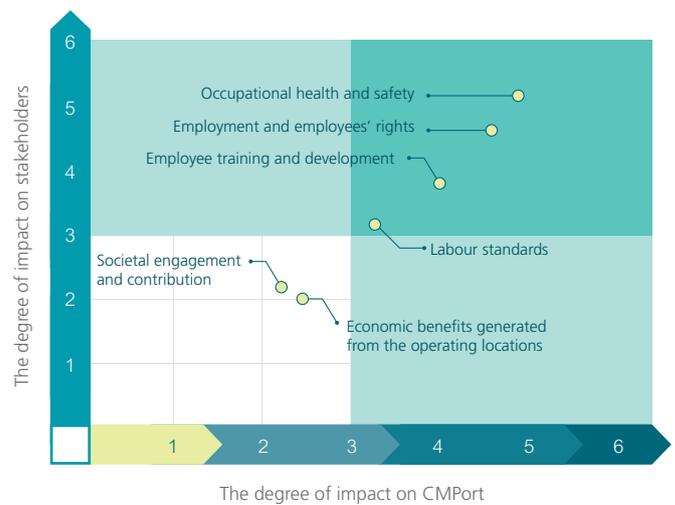
<p>01 Identification</p> <p>The Group communicated with major stakeholders to understand their expectations. With combination of references made to the ESG Guide, industry peer benchmark analysis and corporate development characteristics, a total of 24 sustainable development issues (including 9 from environmental aspect, 6 from social aspect and 9 from operational aspect) were shortlisted, and the Group’s sustainable development issue pool was created.</p>	<p>02 Ranking</p> <p>The Group invited internal and external stakeholders, including the Directors, management, shareholders and investors, general employees, customers, suppliers and business partners, to participate the assessment in form of online questionnaires. Internal and external stakeholders ranked each sustainable development issue from the issue pool according to the degree of concern. A total of 1,544 valid questionnaires were received.</p>
<p>03 Assessment</p> <p>The Group has examined the materiality of each issue based on two dimensions, namely “the degree of impact on CMPort” and “the degree of impact on stakeholders”, 6 issues in environmental aspect, 4 issues in social aspect and 4 issues in operational aspect were identified as 1st tier issues respectively.</p>	<p>04 Review</p> <p>The Group reviewed the selected material issues and confirmed their importance to the Group’s stakeholders, and then disclosed specifically in the ESG Report.</p>

The results of the materiality assessment are shown in the following diagrams:

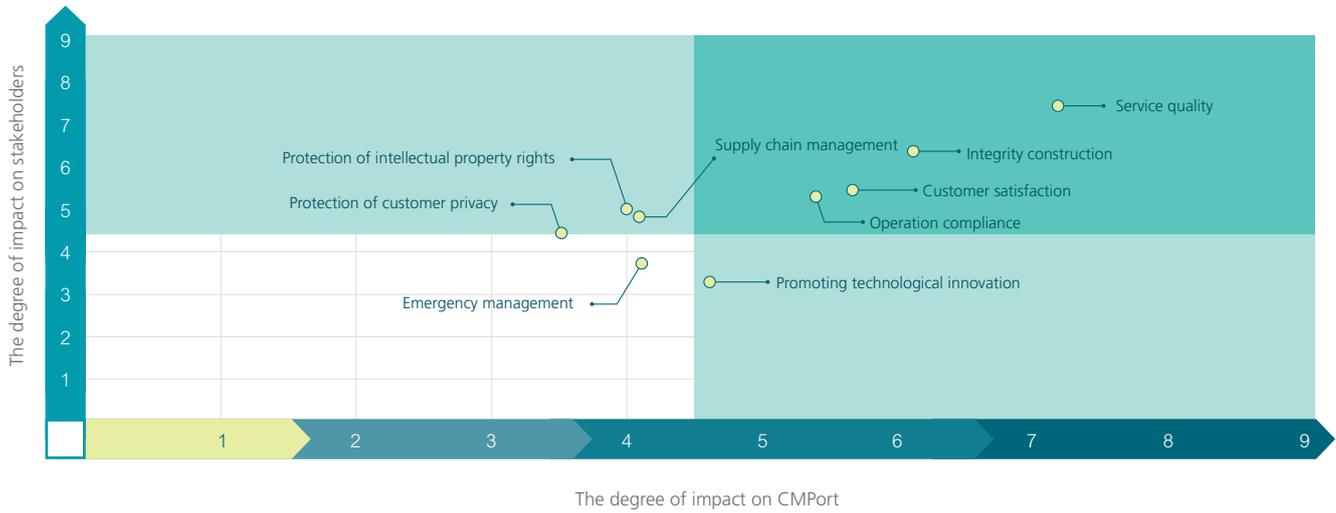
Materiality Matrix - Environmental Aspect



Materiality Matrix - Social Aspect



Materiality Matrix - Operational Aspect



Material Issues	Environmental Aspect	Social Aspect	Operational Aspect
<p>1st Tier Issues¹ (Issues distributed in the dark blue area of the materiality matrix)</p>	<ul style="list-style-type: none"> • Air emissions and management • Wastewater discharge and management • Energy usage and efficiency • Solid waste generation and management • Environment and natural resources protection • Water usage and efficiency 	<ul style="list-style-type: none"> • Occupational health and safety • Employment and employees' rights • Employee training and development • Labour standards 	<ul style="list-style-type: none"> • Service quality • Integrity construction • Customer satisfaction • Operation compliance
<p>2nd Tier Issues² (Issues distributed in the light blue area of the materiality matrix)</p>	<ul style="list-style-type: none"> • Greenhouse gas emissions and management • The development and utilisation of energy conservation technologies 	<p>—</p>	<ul style="list-style-type: none"> • Protection of intellectual property rights • Supply chain management • Protection of customer privacy • Promoting technological innovation
<p>3rd Tier Issues³ (Issues distributed in the white area of the materiality matrix)</p>	<ul style="list-style-type: none"> • Tackling climate change 	<ul style="list-style-type: none"> • Societal engagement and contribution • Economic benefits generated from the operating locations 	<ul style="list-style-type: none"> • Emergency management

¹ 1st Tier Issues: Details about strategies and practices are stated in the ESG Report as responses.

² 2nd Tier Issues: Relevant practices are included in the ESG Report as responses.

³ 3rd Tier Issues: Ongoing attention.

COMPLIANT OPERATION, CONSTRUCTING AN ENVIRONMENT WITH INTEGRITY

Upholding Anti-corruption and Integrity

The Group conscientiously applies the principles of operation integrity, and strictly complies with the laws and regulations and requirements from regulatory authorities in the regions where the Group operates, including but not limited to regulations such as *Anti-Monopoly Law of the People's Republic of China* (《中華人民共和國反壟斷法》), the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and *Prevention of Bribery Ordinance* (《防止賄賂條例》) of Hong Kong. The Group has implemented the *Administration Measures on the Investigation, Prevention and Control of Integrity Risk Points (Trial)* (《廉潔風險點排查防控管理辦法(試行)》) to establish an integrity risk investigation mechanism and regularly conduct risk investigation in key operational processes and sections for the formulation of practical anti-corruption measures. The Group has also formulated policies such as *Administration Measures on Compliance in Souvenirs and Hospitality* (《紀念品與接待合規管理辦法》), *Administration Measures on Compliance in Donations and Sponsorships* (《捐贈與贊助合規管理辦法》), *Administration Measures on Compliance in Business Partnerships* (《商業夥伴合規管理辦法》) to regulate employees' integrity and self-discipline behaviour internally and to strengthen compliance control over business partners such as suppliers, customers and investors externally, to prohibit any unlawful acts against business ethics, and to continuously enhance the standard of corporate governance. The Group also complies with the national policies such as *Guidance on Compliance Management for Central Stated-Owned Enterprises (Trial)* (《中央企業合規管理指引(試行)》), at the same time refers to external standards such as the *World Bank Group Integrity Compliance Guidelines* (《世界銀行合規指南》), OECD Council's *Good Practice Guidance on Internal Controls, Ethics, and Compliance* (《內控、道德與合規最佳實踐指南》) in an effort to maintain operation compliance.

Moreover, the Group has established an extensive and open whistleblowing channel and amended the *Administration Measures on Managing Problematic Clues and Cases* (《問題線索處置及案件管理辦法》) to clearly specify the responsible scope and handling procedures, encouraging whistleblowers to use methods such as phone call, email, fax, letter, WeChat, SMS or interview to report on any organisations' and individuals' illegal and undisciplined misconduct. After receiving the report, the Supervision Department shall verify the problem clues, conduct examinations and investigations for reports that fulfil the case initiation requirements, and transfer the suspected non-compliance case to the procuratorate. The Group accepts anonymous reports but advocates reporting in real names and ensures the whistleblower's personal information and problem clues are kept strictly confidential. In 2020, the Group did not identify any illegal and non-compliance incidents relating to bribery, extortion, fraud and money laundering.

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Promoting Anti-corruption Education

The Group continued to organise anti-corruption education for employees during the year, such as trainings on discipline, warning education and conferences to strengthen their awareness of self-discipline. Besides, in order to enhance all employees' integrity and self-discipline awareness, the Group carried out daily integrity education and delivered regulations and case studies on integrity practices, anti-corruption, anti-laundering etc. through platforms including OA, email, WeChat etc., to strengthen employees' awareness of integrity practices.

Implementing Transparent Procurement

Regarding the potential risks along the supply chain, the Group has made the full use of the trading platform to implement procurement activities and required the close relatives or specific personnel of related parties in key positions such as purchasing and tendering to proactively declare and withdraw. At the same time, the Group resolutely resists commercial bribery and prohibits the acceptance of funds or banquet invitations in any forms from suppliers or their associated units/persons to strictly prevent any risks of corruption in business activities.

PURSUIT OF EXCELLENCE, SUSTAINING A ROBUST DEVELOPMENT

Promoting Port Construction

In 2020, the Group has further promoted the improvement in quality and efficiency, and accelerated the digital transformation and upgrade of ports. Through the in-depth incorporation of new digital technologies, new development models of port production automation, management intelligence and service customisation are achieved to continuously increase the Group's competitiveness.

In terms of fostering the automation of port operation, the Group is currently using Mawan Smart Port as the carrier to create the first automatic and smart port in Guangdong-Hong Kong-Macau Greater Bay Area. The Mawan Smart Port Project is centring on a total of nine intelligence elements, which are "CMCore", "CM ePort", artificial intelligence, application of 5G network, Beidou high-precision positioning

Case Study

Launching the Anti-corruption Warning Education Activity

In November 2020, the Group organised an anti-corruption warning education conference, in which typical cases were analysed to achieve "interpreting disciplines with cases, explaining regulations with cases" and to further strengthen the sense of responsibility, a total of 120 participants attended the conference.



system, automation, smart customs, blockchain as well as green and low carbon operation, striving to enhance the operation level and provide high quality services.

In respect of creating a "smart management" platform, the Group will use business operation, management and information technology standardisation as the basis to improve the digital operations management system of the Group's head office and subsidiaries, implement smart operations management analysis and supervision, increase the Group's decision-making and management ability, with a view to enhancing the Group's intelligent management comprehensively.

Creating Customer Value

With the development philosophy of “customer first”, the Group comprehensively explores customers’ needs and strives to provide one-stop, all-rounded, high efficiency products and services to customers, as well as continues to communicate effectively with customers to build good relationships.

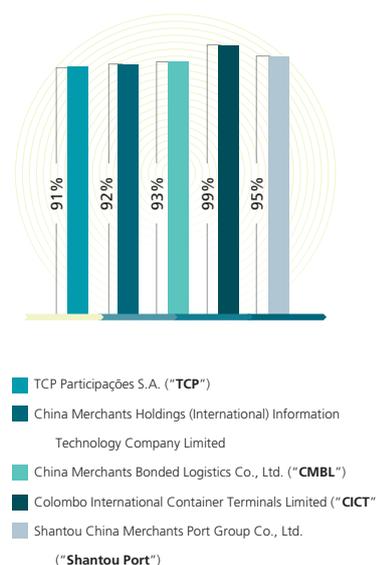
Maintaining Customer Satisfaction

In 2020, the Group further optimised the “CM ePort” customer service platform, to support the external customer services of ports, terminals and parks and to enhance the efficiency of external services so as to improve customer experience. New functions such as electric bills of lading, senseless billing service through face recognition and paperless goods importation process were launched based on customers’ demands, which substantially reduced the operating costs as well as increased the logistic efficiency and realised an innovative business model, hence facilitating the enhancement of quality and efficiency for the Group and customers within the port ecosystem, and further promoting trading convenience.

In order to regulate the quality of customer services, the Group followed up on customer feedback and handled customer complaints and suggestions in a timely manner through effective communication with customers in its daily work, continuously improved the service quality to enhance the level of customer satisfaction. Through the promulgation and implementation of the customer service improvement mechanism under the *Administration Measures on Business Market (Provisional)* (《市場商務管理辦法(暫行)》), subsidiaries are required to formulate customer complaint handling procedures or systems, to record relevant information including the contents of customer complaints, complaint handling plans and progress etc., and to handle customer complaints and suggestions promptly. In case of more serious customer complaints, the head office will assist and supervise the subsidiaries to rectify the situation in a timely manner. In 2020, the Group did not receive any significant product and service-related complaints that escalated to the head office level. In addition, the Group and its control units communicated with customers through regular or irregular meetings and visits in their daily work, and collected feedback from customers through industry exhibitions, customer appreciation sessions and related industry events, swiftly taking corresponding actions to resolve problems based on the feedback information in a timely manner to enhance customer satisfaction practically.

During the COVID-19 pandemic, the Group actively played its role as a port enterprise in the transportation of supplies during the pandemic prevention and control, by providing a green path for vessels loading with supplies for pandemic prevention and containment. In addition, the Group’s subordinate ports offered concessions on storage fees, port facility security fees and cargo port charges to tide over the difficult times together with customers.

Level of Customer Satisfaction of Certain Subsidiaries in 2020



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Protecting Customer Privacy

The Group places great emphasis on safeguarding on information security. During the year, the Group compiled the *Administration Measures on Business Contracts* (《商務合同管理辦法》) to further standardise the confidentiality work procedures of business contracts and the transmission mechanism for confidential documents. To protect the privacy of our customers, dedicated personnel responsible for the management of contract files are assigned and designated equipment for information confidentiality are installed, and unauthorised access to or copying of relevant information is strictly prohibited. The Group has strengthened its publicity on confidentiality to enhance the awareness and capability of information confidentiality. In addition, the Group has classified customer information into various levels based on the degrees of confidentiality, formulated corresponding confidentiality measures to clarify the obligations and penalties for information leakage in order to prevent leakage of customer information and effectively protect the security of customer information. The Group stringently complies with the laws and regulations in relation to services on advertising, privacy matters and related remedies. There were no non-compliance incidents that had a significant impact on the Group in 2020.

Respecting Intellectual Property Rights

The Group complies with the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and relevant laws and regulations and formulated the *Administration Regulations on Intellectual Property Rights* (《知識產權管理規定》) to standardise the management and protection of intellectual property rights such as patents, copyrights, and trademarks. The Group organised publicity and trainings on intellectual property compliance to create an atmosphere of intellectual property protection within the Group and to foster the understanding and compliance awareness among all employees. The Group has implemented a registration and management system for office computers, purchased genuine software and implemented a regular and routine compliance check mechanism. Moreover, the Group has established an infringement inspection mechanism to prevent infringement of third-party copyright.

To achieve responsible promotion and publicity, the Group complies with relevant laws and regulations including the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) to ensure the compliance and accuracy of its content. During exhibitions and event promotions, the Group strictly follows internal guidelines and procedures in events curation to avoid any copyright issues while actively promoting the brand image.

Sustainable Supply Chain Management

Persisted in win-win cooperation with its partners of the supply chain, The Group continuously improves its procurement process and supplier management system. The Group has formulated the *Implementation Rules for Supplier Management (Trial)* (《供應商管理實施細則(試行)》) in compliance with the supply chain management systems and standards of China Merchants Group, as well as the *Administration Measures on Engineering and Equipment Tenders* (《工程與設備招標管理辦法》) and the *Administration Measures on Goods and Services Tenders* (《貨物與服務招標管理辦法》), and to establish standardised regulations on supplier classification and grading, evaluation and incentives, and supplier withdrawal processes.

Facilitating Growth of Suppliers

During the tendering process, the procurement units investigate and verify the supplier's qualifications, credit background, production and operation site conditions as well as other performance on compliance and obligations associated to their business activities. In case of corrupt practices, information leakage, dishonesty, deficiencies in product or service qualities, falsification of materials or identities of the suppliers, they will be suspended, cancelled, or permanently disqualified from the selection process according to the degrees of severity and damage, ensuring that the products and services provided by the selected suppliers meet the Group's environmental and social standards. Supplier management departments at all levels conduct annual assessment and evaluation for suppliers with contract performance activities during the evaluation period to assess or adjust the supplier's rating based on the evaluation results.

- **Conducting Classification Management**

The Group implements a categorisation and classification management for suppliers, pursuant to which suppliers are classified into four classes, namely A, B, C and D. Classes A, B, C and D represent "Excellent Supplier", "Good Supplier", "Average Supplier" and "Disqualified Supplier", respectively.

- **Encouraging Responsible Suppliers**

In order to facilitate the growth of suppliers, the Group evaluates suppliers from the aspects of comprehensive corporate strength, transactional behavior, performances of contracts and other management. Under the same conditions, procurement units may give priority consideration to invite class A suppliers within relevant professional sectors for participation in tendering/procurement projects within their competence.

- **Promoting Interactions with Suppliers**

The Group regularly interacts with original equipment manufacturer (OEM) suppliers, distributors and project contractors through various channels such as mails, phone conversations and interviews, aiming to grow together with suppliers.

Number of Suppliers ⁴	2020
Total	928
By Geographical Region	
Mainland China	720
Hong Kong, Macau, Taiwan and Other Countries	208
Number of Suppliers with Assessment Conducted	477
Number of Unqualified Suppliers Eliminated	2

⁴ The number of suppliers does not include the data of CICT and Lomé Container Terminal S.A. ("LCT"), which will be further disclosed in the future.

Fostering Green Supply Chain

To achieve the goal of building a green supply chain for port operation, the Group requires the suppliers to strictly carry out civilised and environmentally friendly construction of projects without any valid complaints, and encourages suppliers to effectively implement measures to prevent pollution at construction sites so as to ensure a favourable environment at construction sites. The Group also incorporates sustainability requirements into the entire procurement process of the head office and subsidiaries, including supplier certification, product selection, procurement performance and supplier withdrawal, etc., and encourages the prioritisation of environmentally friendly equipment procurement and motivates suppliers to fulfil their environmental responsibilities.

Environmental, Social and Governance Report

Production Safety Management

Safety management is an important part of maintaining a sound development of the Group. The Group strictly complies with relevant laws and regulations relating to health and safety matters and remedies in the services provided including the *Law of the People's Republic of China on Production Safety* (《中華人民共和國安全生產法》), *Law of the People's Republic of China on Response to Emergencies* (《中華人民共和國突發事件應對法》). In 2020, the Group did not receive any incidents that violated the above laws and regulations that had a significant impact on the Group's operations. The Group and its subsidiaries have formulated the *Administration Regulations on Safety Production* (《安全生產管理規定》) and adopted a dynamic cycle of "planning, implementation, inspection and improvement", adhering to the concept of "safety first, prevention foremost and comprehensive management" to continuously improve production safety and refine the safety production system, and requiring each subsidiary to establish management system covering all safety production risks in line with the actual situation.

In accordance with the *Safety Production Performance Management Regulations* (《安全生產績效管理辦法》), the safety performance assessment results of the person-in-charge of the subsidiaries are correlated with incentives such as performance pay, and the Group signs the *Safety Production Management Targets Responsibility Letter* (《安全生產管理目標責任書》) with its subsidiaries every year, specifying the annual safety production management targets, safety production highlight tasks and safety production education training plans of the subsidiaries, and conducts regular assessment on the safety production performance of the subsidiaries, striving to eradicate work-related accidents, mechanical accidents, facility damage accidents, cargo damage accidents, traffic accidents and fire and explosion accidents.

		
Shantou Port set and successfully achieved the production safety management targets including 0 accidents with serious injury and above and 100% safety training coverage by 2020.	TCP set a series of health and safety targets for 2020, including a 10% reduction in accident rates compared to 2019.	CMBL signed the Occupational Health and Safety Responsibility Letter with all employees in 2020.

In addition, the Group has established and continuously improved the emergency management mechanism by formulating emergency management policies including comprehensive emergency plans, specific emergency plans and on-site handling plans, including *Specific Emergency Plan for Production Safety Incidents* (《生產安全事故專項應急預案》), *Specific Emergency Plan for Typhoon Prevention* (《防颱專項應急預案》). On top of this, each subsidiary is responsible for the prevention and handling of emergency incidents within its management area so as to effectively respond to various potential safety incidents. The Group also requires its subsidiaries to establish the potential hazards investigation mechanism, conduct analysis and assessment of the identified hazards and formulate management plans based on the evaluation results in order to prevent the occurrence of incidents.

Case Study

Measures to Cope with Adverse Weather Conditions at Terminals

In times of typhoons, temporary buildings and warehouses, construction works in progress, terminal equipment and cargoes may be blown down due to insufficient wind resistance, terminal operations may also be easily affected. On the basis of ensuring the safety of the operators, all subsidiaries have formulated typhoon and flood prevention plans and taken corresponding measures, including the installation of typhoon protection devices and typhoon warning devices for quayside container cranes, regular inspection and maintenance of equipment, and inspection of equipment rain-proof cloths to ensure the safety of cargoes.

PEOPLE-ORIENTED, SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS

Employment Policies and Benefits

The Group has always regarded its employees as valuable assets for corporate development and has been adhering to the management philosophy of "people-oriented, talent-first". The Group is committed to building the core competitiveness through outstanding human resources and creating a fair, healthy and safe working environment with development potential for employees. The Group strictly complies with the laws and regulations that have a significant impact on the Group in respect of remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other treatment and benefits, such as the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and the *Employment Ordinance* (《僱傭條例》) of Hong Kong. Meanwhile, the Group has established rules and policies such as the *Human Resources Management System* (《人力資源管理制度》) to safeguard the legitimate rights and interests of its employees. In 2020, the Group did not receive any incidents of non-compliance in relation to the aspects.

Employment



Recruitment and Promotion

The Group always adheres the principles of equal employment that ensures fairness, impartiality and openness of recruitment, recruits outstanding talents globally and promotes localisation overseas. To ensure the talents selection process and standards are standardised and transparent, the Group observes the *Administration Regulations on China Merchants Port Employment* (《招商局港口員工管理規定》), and recruits talents through multiple channels such as online recruitment, media recruitment, campus recruitment and external recommendations. In the recruitment process of Mainland China, the Group only assesses the comprehensive quality, working ability and experiences of the candidates, strictly forbids any discrimination due to factors including gender, age, nationality, ethnicity, health status, religion and marital status etc., and strives to create an equal and diverse working environment. The Group also insists on the rules of relative avoidance and does not employ employees' relatives in principles to ensure an impartial and fair recruitment.

Moreover, the Group has formulated the *Measures on Employees Performance Appraisal* (《員工績效考核辦法》) to conduct regular performance appraisal of the employees and to determine the promotion of the employees based on the performance, ability and attitude, thus ensuring an equal promotion mechanism and extensive room for development.

Dismissal

Regarding employee dismissal, the Group strictly conforms to relevant laws and regulations. Apart from the relevant stipulated circumstances (such as termination of employment contract or labour contract in accordance with the *Administration Regulations on China Merchant Ports Employment* (《招商局港口員工管理規定》) if an employee seriously violate the regulations), the Group strictly prohibits any unfair or unjust dismissals, thus protecting employees' rights from violation.

Labour Standards

The Group requires candidates to provide proof of identity and relevant identification documents for abiding and working in Hong Kong (such as working visa) during the recruitment process, and strictly prohibits the employment of child labour. The Human Resources Department can verify employee's basic information such as age via the human resources system to ensure there is no employment of child labour. As stated in the *Administration Regulations on China Merchant Ports Employment Employees* (《招商局港口員工管理規定》), the Group signs employment contracts with the new employees once being employed, clarifying the employment relationship and eliminating forced labour. In 2020, the Group insisted on employing legal employment and management in accordance with the law and there is no case of child labour and forced labour.

Working Hours and Holiday



The Group has a humane leave system with the *Administration Measures on Employee Attendance and Holiday* (《員工考勤及假期管理辦法》) formulated, clearly stipulating the working and resting hours of employees. The Group has implemented the 5-day work system and 40-hour standardised weekly working hour in office, the Group encourages employees to complete their tasks efficiently within the prescribed working hours and requires employees to seek approval from department managers and Human Resources Department for overtime work under special circumstances, employees who work overtime are compensated with overtime pay or holiday and the Group does not force employees to work overtime. Other than statutory holiday, employees are entitled for annual leave, sick leave, personal leave, maternity leave, marriage leave, funeral leave etc.

Remuneration and Benefits



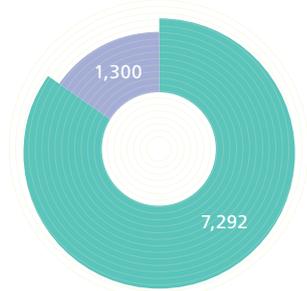
In order to achieve the long-term corporate development goals and objectives of the Group, to encourage and retain excellent employees, the Group has continued to improve its remuneration and benefits system adhering the principles of "prioritising efficiency while giving consideration to fairness", "stratified management with diversified rewards" and "satisfying industry standard and surpassing market performance".

Through the formulation and implementation of the *Administration Measures on Employee Remuneration and Benefit* (《員工薪酬及福利管理辦法》), the Group has determined the remuneration of employees based on their positions and rankings, and implemented a comprehensive remuneration incentive mechanism that is market-oriented, matches the economic efficiency of the enterprise and is linked to the labour productivity. The Group has provided opportunities to adjust the remuneration of some of the employees based on the results of the annual performance appraisals, and reviewed the remuneration system and employee's remuneration levels with reference to the market's remuneration level in order to provide employees with a competitive remuneration package. The Group strives to provide comprehensive welfare protection for employees, including benefits such as paid annual leave, regular health check-ups, corporate annuity plan etc. on the basis of strict implementation on the social insurance mechanism in the regions where it operates, in order to increase the sense of belonging and wellbeing of employees.

Environmental, Social and Governance Report

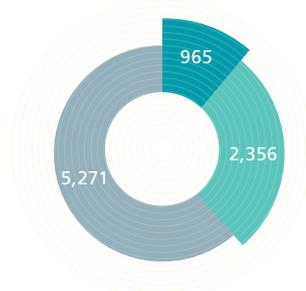
In 2020, the total number of employees of the Group is 8,592, which 100% is full-time employees. Below are the specific data:

Total number of employees by gender



- Male
- Female

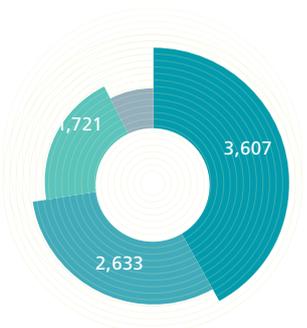
Total number of employees by employee category



- Operation and management talents
- Talents with professional skills
- Skilled talents

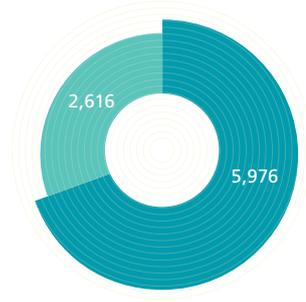


Total number of employees by age



- Aged 35 and below
- Aged 36-45
- Aged 46-54
- Aged 55 and above

Total number of employees by geographical region



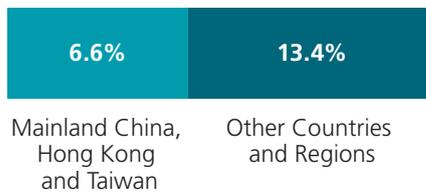
- Mainland China, Hong Kong and Taiwan
- Other countries and regions

Employee Turnover Rate (2020)

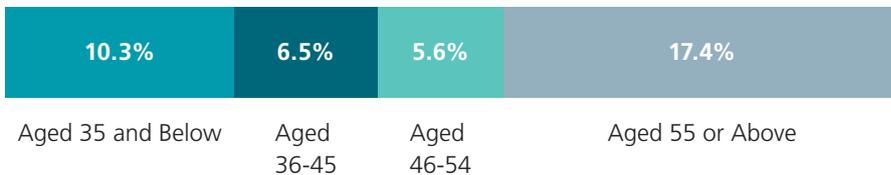
By Gender



By Geographical Region



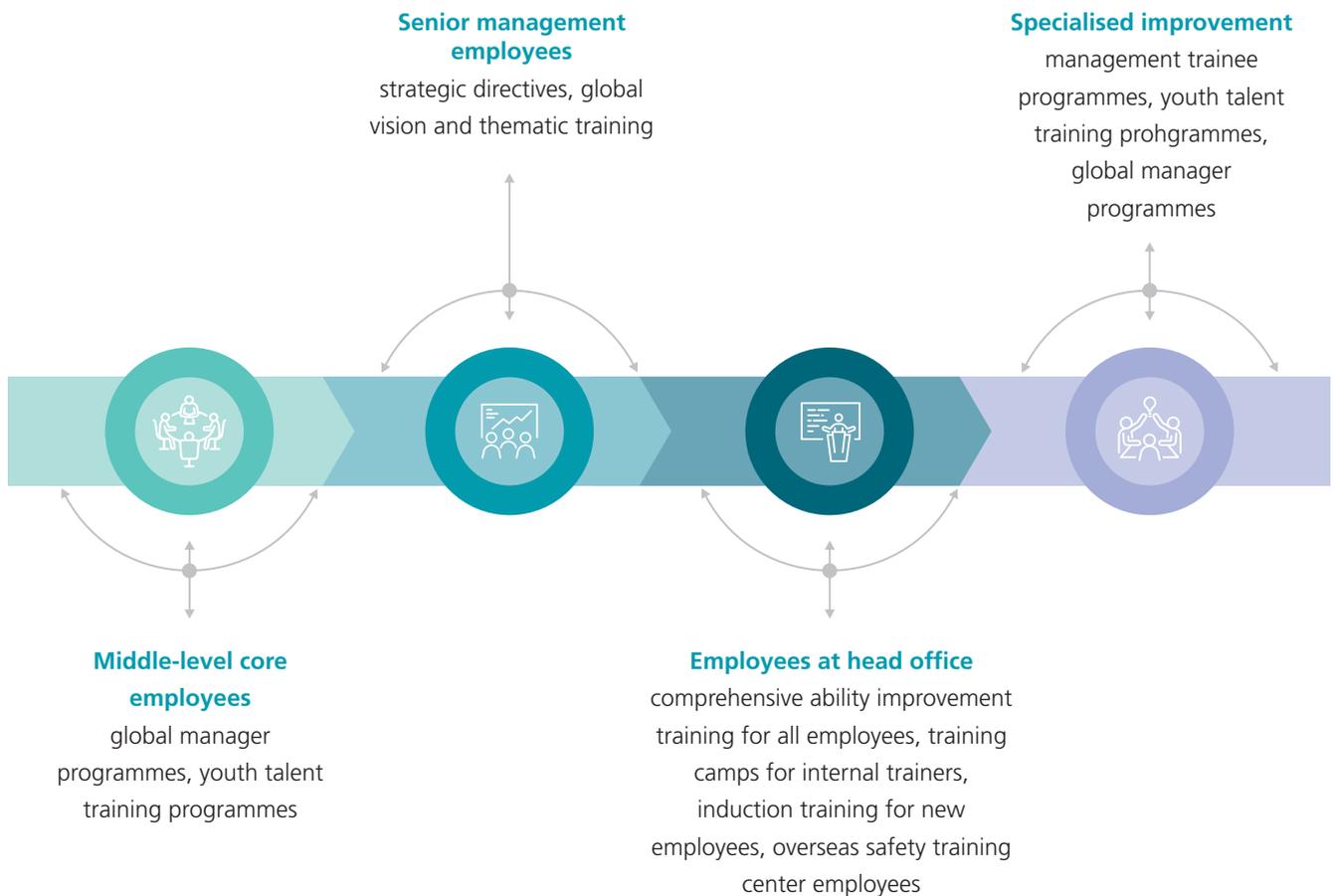
By Age Group



Employee Training and Development

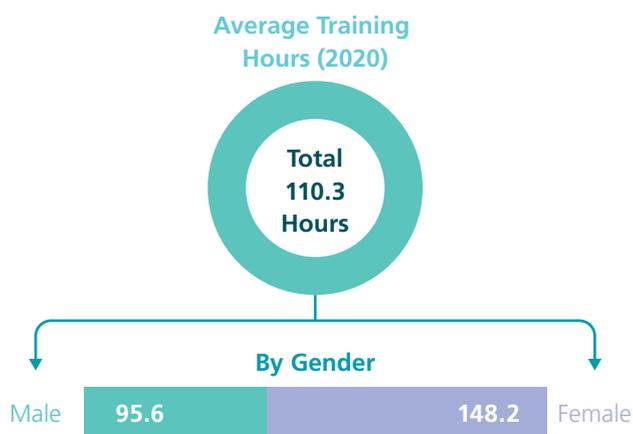
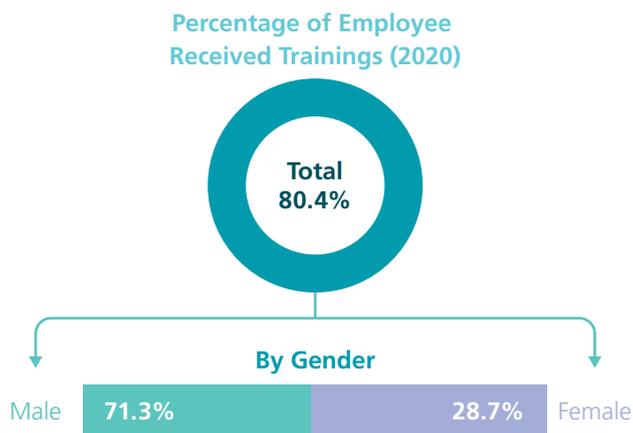
With the mission of “building a world-class port talent team”, the Group strives to create value for its employees while realising the mutual growth and development of the employees and the enterprise, and continues to follow the “1234” human resources strategy, covering 1 platform (manpower management platform), 2 developments (institutional development and capacity development), 3 major projects (marine project, academy project and incentive project) and 4 teams (leading talent team, senior management talent team, professional talent team and overseas talent team).

The Group has formulated and implemented policies such as the *Administration Regulations on Employee Training* (《員工培訓管理規定》) and *Administration Regulations on New Employee Training* (《新員工培訓管理辦法》) to systematically promote the construction of a talent team so that human resources are better allocated to meet the development needs of the Group. The Group has formulated the *Administration Measures for Internal Training Instructors* (《內部培訓講師管理辦法》) and *Administration Measures for Internal Courses* (《內部課程管理辦法》) which clearly specify the application, selection, requirements and assessment of internal trainers, so as to effectively enhance the management standard of the team of internal trainers, thereby improving the quality of training and the learning effectiveness of the employees. The Group continued to conduct diversified and multi-level trainings according to the career development needs of employees at different levels and business categories, including:



Environmental, Social and Governance Report

In addition, the Group took the opportunity of developing an intelligent personnel management platform (“HR-Max”) to further improve and strengthen its training management system. The platform provides flexible learning channels for employees and broadens their development opportunities. In the first half of 2020, the Group focused on online learnings, offering courses on pandemic prevention and control, professional knowledge, current affairs and news, humanities and geography through the learning platform, and conducting trainings and learnings through online live streaming. In the second half of the year, the Group launched various types of training, including in-house trainings, public courses offered by external professional consulting organisations, management trainee trainings and induction trainings for new employees, to help employees to develop and enhance their personal values. Specific training figures are as follows⁵:



⁵ Employee training data includes employees at the Group's head office.



The Group smoothly organised open class training on Financial Presentation and Training Skills

Case Study

International School — Martime Silk Vocational College was Listed and Operated

The Group continues to explore more opportunities for talent development. In 2020, the International College—Martime Silk Vocational College was officially launched and operated, as well as successfully held the Martime Silk Elite Program (Phase II) and organised outstanding young talents to participate in a two-month training, which included business English, the “Belt and Road” policy documents, cross-cultural communication skills, etc.



Occupational Health and Safety

The Group attaches great importance to the health and safety of employees and is committed to creating a safe and healthy working environment for the employees. The Group strictly complies with the *Production Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Prevention and Control of Occupational Diseases Law of the People's Republic of China* (《中華人民共和國職業病防治法》), *Technical Specifications for Occupational Health Supervision Surveillance* (《職業健康監護技術規範》) and *Occupational Safety and Health Ordinance* (《職業安全及健康條例》) of Hong Kong and relevant laws and regulations relating to occupational health and safety. The Group has formulated and implemented the *Occupational Health Management System* (《職業健康管理制度》) to regulate the occupational health management of workers and to strengthen the prevention and control of occupational hazards in workplaces.

Based on establishing a comprehensive production safety system, the Group has continued to conduct safety education and trainings for all employees to raise their awareness on safety and cultivate safety skills. Workers are required to undergo pre-placement qualification checks and pre-placement safety education and trainings to ensure that they are equipped with the knowledge and ability of safety production. The Group also conducted fire safety trainings to enhance employees' awareness on fire safety.



In 2020, the Group conducted a series of

safety trainings with a total of

225,026 participants, and the

subsidiaries also conducted **1,613**

emergency drills with

a total of **21,351** participants.



The Company organised a fire drill on 23 June 2020

Environmental, Social and Governance Report

The Group cares for its grassroots and frontline employees at home and abroad and attaches great importance to the physical and mental health of the employees. In the face of the COVID-19 pandemic, the Group has provided medical masks, sanitisers, and other pandemic prevention materials to employees at its head office and subsidiaries in a timely manner. The Group has provided employees with remote medical treatment and knowledge on pandemic prevention through video coaching, webcasting and the HR-Max integrated human resources management platform. Besides, the Group helped employees to relieve their psychological stress during the pandemic through seminars and psychological counselling services, showing its care for them through practical actions.



Employees at West Shenzhen Port Zone measured their body temperature before work



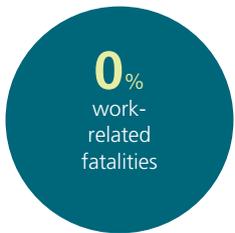
Regular and thorough disinfection of terminal vehicles in the terminal area



CICT distributed masks and disinfectant to employees



The Group distributed vaccination information through its online platform



Employee Care and Communication

The Group advocates work-life balance for the employees. The Group organised a wide variety of employee activities and its subsidiaries organised a series of “Corporate Day” activities to enhance team cohesion and further promote corporate culture. To enrich employees’ spare time and to promote a healthy lifestyle, the Group organised a variety of sports and cultural activities as well as group activities such as badminton competitions, basketball competitions, swimming activities and book reading sessions to help relieve employees’ work pressure, promote friendship among employees and create a positive atmosphere.



The union badminton team won the championship in badminton team competition



The union basketball team participated in the 5th “Yuehai Genzon Cup” basketball tournament



China Merchants Port Service (Shenzhen) Co., Ltd. celebrated the “Corporate Day” with cultural and sports activities

The Group adheres to its “people-oriented” management philosophy and continues to improve the construction of employee representative councils, labour unions and other mass organisations, enhancing communication between employees and management through various channels, including emails, employee suggestion mailboxes, face-to-face meetings and labour unions, etc. The Group strives to protect employees’ rights to know, participate and supervise, guides and encourages employees to fully participate in the Group’s operation and management. To enhance employees’ sense of belonging and to maintain a stable, harmonious and healthy labour relationship, and in line with the fundamental objective of safeguarding the legitimate rights and interests of both the enterprise and the employees, representatives of the labour union signed collective labour contracts with the Group to protect the legitimate rights and interests of employees in various aspects, including labour contracts, labour remuneration, leave, insurance and welfare, safety and training.

Labour union membership rate of Mainland China employee

100%

COMMUNITY CONTRIBUTION, MOVING TOGETHER FOR THE FUTURE

Committed to Public Welfare and Volunteering

The Group is committed to fulfilling its social corporate responsibilities and endeavours to understand and meet the needs of the community in the course of steady corporate development and growth, working together with investors, employees, customers, the community and other partners to bring a positive impact on society. In accordance with the relevant requirements of the China Merchants Foundation, the Group implemented the *Administrative Regulations on External Donations* (《對外捐贈管理規定》) and other relevant policies to strengthen the management of external donations and to ensure the smooth operation of external donation activities.

In 2020, The Group continued to build up the “C-Blue” public welfare brand, and actively integrated with the local culture of the regions where it locates to foster cultural interactions and blending through a series of branded public welfare projects in the PRC and overseas. Taking the volunteering service as an opportunity, the Group has set up a team of “C-Blue” volunteers composed of employees to provide strong support for the continuous development of corporate charitable activities and to continue to focus on areas such as talent training, education and healthcare, livelihood assistance and children’s care, with a view to realising the public welfare objective of “not only providing them with resources, but also enabling them to be self-sufficient”.

Case Study

“C-Blue” Training Programme

The Group continued to organise the “Shaping Blue Dreams Together — 21st Century C Blue Training Programme”. Sponsored by China Merchants Foundation, hosted by CMPort and co-organised by professional institutions, the programme is an advanced comprehensive port and shipping training project targeting young talents in countries along the “Belt and Road”. For the past five years, the Group has successfully organised eight phases of “C-Blue” Training Programme, nurturing a total of 188 talents from 21 countries.

In 2020, the Group successfully organised the 2020 Programme Frontier (Djibouti-specific class) of “C-Blue” Talent Programme to provide 13 sessions of high-end port and maritime online training courses to 25 local postgraduate students in Djibouti, covering the history of port and maritime industry development, e-commerce development trends and smart port solutions, etc. Through the diversified and open training programmes, the Group aims to provide more overseas trainees with a platform for learning and exchange, and at the same time to build up a talent pool for the Group and the global port and maritime industry.



Case Study

“C-Blue” Children’s Enrichment Camp

The Group concerns about the physical and mental health as well as educational growth of children left behind in rural areas, and has been carrying out caring activities for left-behind children over the past six years. In 2020, the Group launched a new and upgraded “C-Blue” Children’s Enrichment Camp under the theme of “Volunteering Blue, Accompanying Children” (志願藍 伴童行), which combined the topics of care for left-behind children and poverty alleviation in rural areas, through designing a total of 12 courses including painting class, Beijing Opera class and critical thinking class, renovating classrooms and planning activities to form a three-day enrichment camp. The programme not only provided support with teaching facilities to 135 children in Qiling Township, Wuhua County, Meizhou City, Guangdong Province, but also provided them with living and educational care, cultivating their self-awareness to develop their dreams and strive for self-improvement.



Case Study

“China Merchants Silk Road Hope Village” Project

In order to further integrate into the local community where it operates, and to assist the underprivileged, the Group continued to propel on the “China Merchants Silk Road Hope Village” project. On 23 June 2020, the ground-breaking ceremony was held to officially launch the first project in Sri Lanka. The project was initiated by CICT to assist in the construction of a community centre in the Pannila village in southern Sri Lanka in order to improve the living conditions of the villagers and to give back to the local community. The community centre will benefit more than 4,000 villagers in Pannila village and neighbouring villages, facilitating their daily gatherings, activities, and learning.



Environmental, Social and Governance Report

Carrying out Voluntary Services

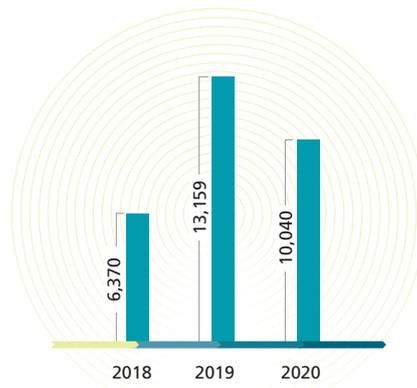
As a responsible corporate, the Group takes the initiative to understand the needs of the community and disadvantaged groups in the region where it operates, and organises its employees' volunteers to carry out community charitable activities. With the guidance and support of the China Merchants Foundation, the volunteer team has carried out a number of voluntary service projects in recent years, which have brought positive impacts on the education and livelihood of the local community and poor mountain areas.



"CMICT Volunteers' Union" from Ningbo Daxie China Merchants International Terminals Co., Ltd. organised the elderly care service campaign

Voluntary Service Hours

Unit: hours



Pandemic and Disaster Relief Efforts

In view of the suddenness of the COVID-19 pandemic and its extent of impact on society, the Group actively supports the pandemic prevention and control work of the communities in the regions where it operates, and donated facial masks, protective clothing and other anti-pandemic supplies to Sri Lanka, Djibouti, Bangladesh and other countries, with a cumulative amount of RMB 2.6 million.



In April 2020, representatives of Hambantota International Port Group (Private) Limited ("HIPG") donated anti-pandemic and living supplies to community residents



CICT provided financial donation to the government of Sri Lanka to purchase nucleic acid testing equipment and reagents

EMBRACING THE BLUE SEA AND BUILDING PORTS WITH LOW CARBON

Environmental Management Strategies

The Group attaches great importance to environmental protection, strictly complies with relevant laws and regulations related to energy conservation and ecosystem protection in the countries and regions where it operates, and strives to reduce the environmental impacts in the course of its operations. Throughout the years, the Group has taken “energy conservation and efficiency enhancement” as its development objective and “technological innovation” as its driving force, to unremittingly contribute its effort in pushing forward ecological civilisation and devote to promoting the construction of green port.

Management System and Goals

The Group has formulated the *Administration Regulations on Energy Conservation Environmental Protection* (《節能環保管理規定》) to clarify the work content and mechanism of comprehensive supervision and management of energy conservation and environmental protection, establishing and improving the energy conservation, emission reduction and environmental management system to integrate green ecological development philosophy and practice throughout the project lifecycle, and strengthens green production operational management through innovative green development model, at the same time, encourages subsidiaries to formulate specific programmes and regulatory policies for energy conservation and environmental protection. Moreover, the Group has implemented energy conservation management through innovative operating models, monitoring high energy consumption areas, regularly conducting energy conservation promotion and integrating them into daily work.

Energy Conservation, Emission Reduction and Environmental Management System			
Goals	To become an environmentally friendly port company		
Strategies	Planning for energy conservation and emission reduction	Establishing technical indicators for energy conservation and emission reduction	Implementing the statistic monitoring system for energy conservation and emission reduction
Organisational System	Management Level	Organisational Level	Implementation Level
	Head office of the Group is responsible for formulating environmental protection principles, planning system, evaluation methods and standards.	Environmental groups or organisational institutions for energy conservation and environmental protection were established by the Group to make plans for energy conservation and emission reduction, whereas such plans are included in daily operational management and control mechanism.	All subsidiaries deploys management personnel with energy conservation and emission reduction capabilities to execute the relevant work, draw up statistics, analysis and carry out monitoring and inspection.
Security System	<ul style="list-style-type: none"> Environmental performance is linked to annual appraisal A comprehensive monitoring and information reporting system for energy conservation and emission reduction was built 		

In order to establish an effective energy conservation and environmental protection mechanism, the Group has implemented *Administration Measures on Energy Conservation and Environmental Protection Performance Assessment* (《節能環保績效考核管理辦法》) in 2020 to stipulate the main responsibilities of subsidiaries in energy conservation and environmental protection work. It also includes energy conservation and environmental protection indicators in the annual assessment for the purpose of eliminating major environmental pollution incidents and jointly contributing to the Group’s environmental management work, and will continue to refine the management indicators and conduct quantitative assessments in the future.

Environmental, Social and Governance Report

In 2020, the Group has set sustainable development targets for more effective implementation of sustainable development work across the Group, working towards the environmental protection approach of “Energy Conservation and Emission Reduction, Low Carbon and Environmental Protection”.

Aspects	Sustainable Development Targets	Action Plans
Emission	Reduce air pollutants and greenhouse gas emissions	<ul style="list-style-type: none"> Continue to expand the application of new energy conservation technologies and products including “substation of fuel-powered equipment with electricity-powered equipment”, “shore-powered supply for vessels”, “RTG Remote Control” and “solar energy storage” Increase the usage ratio of electrical machinery Increase the investment in dust removal facilities and purchase qualified dust removal equipment Regularly inspect the outfall of dust removal equipment to ensure efficient operation Increase the investment of sprinklers, and minimise the usage and management of sprinkler facilities to suppress dust emission Conduct regular on-site inspections of port operations, inspect the operating flow of operational vehicles and mobile machinery Encourage energy substitution and diversification, reduce the use of fossil fuels and increase the use of low sulphur fuel
	Further improve the pollution prevention and control system	<ul style="list-style-type: none"> Develop pollutant emission reduction plans, and keep track of progress of the plan Each subsidiary regularly conducts environmental risk identification and assessment through the evaluation organisations and executes graded management of the identified risks, to ensure that the risks are well-managed
Waste Reduction	Reduce the production of solid waste	<ul style="list-style-type: none"> Ensure each type of solid waste is legally divided, transported, stored, disposed and transferred Develop a solid waste management file to increase the recycling rate of used and waste equipment Reduce the production of hazardous waste, entrust qualified and professional waste management companies to legally and properly handle and transfer the waste
Energy Use Efficiency	Reduce energy consumption	<ul style="list-style-type: none"> Advocate green office and encourage employees to save office electricity use and reduce paper use Use clean energy, run trials and further promote the use of liquified natural gas (LNG) tow truck or electric tractors
Water Efficiency	Reduce water usage	<ul style="list-style-type: none"> Follow the regulations in using each type of sprinkler and dust suppression equipment (e.g. production machinery sprinklers, sprinkler trucks, washing facilities) Utilise alternative water sources Repair and build water storage facilities to recycle fresh water and reduce freshwater consumption Increase investment in wastewater treatment and install additional wastewater management facilities, strengthen monitoring of the process to ensure efficient operation of the facilities, thus wastewater can be treated and meets the standards for recycling and reuse

Tackling Climate Change

Climate change is closely related to the Group's production and operations. The Group continues to strengthen its environmental risk assessment and management. In 2020, the Group identified the impacts of major climate risks on port loading and unloading stage, transportation stage, marketing or ordering stage, formulated and implemented specific countermeasures, to continuously drive the Group towards green, low carbon development.

Type/Scope of Risks	Risk Description	Potential Impacts Analysis
Physical Risks		
Acute Physical Risks	Increase in severity of typhoons	<ul style="list-style-type: none"> Causing significant damage to port facilities, and resulting in loss of assets In times of heavy typhoon, the port will not be able to accept loading or unloading Temporary cancellation of calls by vessels will cause a reduction in business demand, and delayed calls by vessels will lead to berth congestion and busy operations for a period of time after the typhoon
	Increase in severity of flooding	<ul style="list-style-type: none"> Resulting in the waterlogging of cargos
	Increase in severity of other extreme weather incidents	<ul style="list-style-type: none"> Sudden and strong wind can cause damage to large equipment at ports The ports cannot operate normally: foggy weather may affect the safety of vessels calling at the port or vehicles transporting in the ports; Extreme weather or thunderstorms may cause damage to machinery, equipment and personnel onsite
Chronic Physical Risks	Changes in amount of rainfall and extreme fluctuation of weather patterns	<ul style="list-style-type: none"> If operational personnel feel unwell, physical injury incidents would easily be caused An increase in extreme weather such as fog, thunderstorms, and typhoons will reduce the overall operating hours of the ports Crops yields may be affected, which can affect the regional export volumes
	Increase in average temperature	<ul style="list-style-type: none"> High temperature conditions can cause discomfort to frontline workers, which will affect the working efficiency and easily lead to physical injury incidents
	Rise in sea level	<ul style="list-style-type: none"> Submersion of goods in yard during the overlapping of the rising sea levels, high tides and typhoons
Transition Risks		
Political Risks and Legal Risks	Increase the greenhouse gas emission pricing	<ul style="list-style-type: none"> Increase in operating costs and reduce in profitability
	Requirements and monitoring for current products and services	<ul style="list-style-type: none"> Increase in compliance costs due to restrictions on the sulphur emissions of global marine fuel oils and the implementation of environmental protection policies
	Litigation for violations of environmental regulations	<ul style="list-style-type: none"> Possible civil, administrative and criminal liability resulting in damages to the corporate reputation

Environmental, Social and Governance Report

Type/Scope of Risks	Risk Description	Potential Impacts Analysis
Technical Risks	Higher costs of substituting the existing products and services with low-emission options	<ul style="list-style-type: none"> • Increase in operating costs of applying new energy saving technologies and products, such as using clean and low-carbon electricity to substitute fuels-driven one
	Failed investment in new technology and front-end cost of transition to low-emission technology	<ul style="list-style-type: none"> • Increase in research and development costs for developing methods such as multimodal transport, shore-powered supply for vessels to promote energy conservation and emission reduction, as well as new and clean energy application in port and maritime industry
Marketing Risks	Everchanging customer behaviour	<ul style="list-style-type: none"> • Customers are more inclined to partner with corporates which are concerned about environmental protection
	Increase in the costs of raw materials	<ul style="list-style-type: none"> • Change in fuel prices and increase in application costs of new energy technology
Reputational Risks	Stakeholders' increasing concern with negative feedbacks	<ul style="list-style-type: none"> • Increasing demand from customers for corporates that are concerned with environmental changes and environmental protection, encourage trade facilitation, expand the upstream and downstream service supply chain

Refining Emission Management

The Group strictly complies with the environmental laws, regulations and industrial standards in the regions of operation, including but not limited to *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), *Environmental Impact Assessment Law of the People's Republic of China* (《中華人民共和國環境影響評價法》), *Law of the People's Republic of China on 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》), *Law of the People's Republic of China on Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), *Atmospheric Pollution Prevention and Control Law of People's Republic of China* (《中華人民共和國大氣污染防治法》), *Environmental Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》) etc. During the year, there were no violations of laws and regulations relating to air and greenhouse gas emissions, water or land pollution and hazardous or non-hazardous waste which had a significant impact to the Group.

The Group consistently manages and controls the energy conservation and environmental protection work of its subsidiaries, while also practices green development concepts throughout the process of project planning and design to service operation process, to prevent ecological pollution caused by emissions in the course of the corporate's operation as far as possible. The Group regularly conducts assessments and control of different emission sources to fulfil local emission standards. In 2020, HIPG officially commenced the fuel oil bunkering service for vessels, so as to supply low-sulphur fuel oil to cargo ships and ocean-going fishing vessels, reducing the environmental impacts from vessels' emissions while expanding the business.

Emissions	Management Measures
Air pollution	<ul style="list-style-type: none"> Carry out energy conservation and technological transformation through "substation of fuel-powered equipment with electricity-powered equipment" and use clean energy such as LNG Install sprayer, building dust removal tower, remote sprayer or dust-proof mesh cloth etc. to prevent dust produced from operations Reduce the idling time of machinery and equipment to save fuel and reduce emissions
General solid waste	<ul style="list-style-type: none"> Entrust qualified units to collect and handle wastes, recycle materials such as waste steel ropes, waste steel and cardboard, and transfer other wastes to local legal dumpsites for disposal
Hazardous waste	<ul style="list-style-type: none"> Collect and store hazardous wastes in accordance with the operating location's requirements and entrust units with qualifications of handling relevant hazardous wastes for disposal Improve the management system of hazardous wastes and strengthen the supervision and management of hazardous waste treatment process
Wastewater	<ul style="list-style-type: none"> Build sewage collection and treatment facilities and discharge or recycle such sewage upon meeting relevant standards Strengthen the daily cleaning of sewage pipes
Noise	<ul style="list-style-type: none"> Undertake pollution control at the source of noise, including the equipment procurement and production process design, to ensure compliance with relevant legal and regulatory requirements Minimise noise generation (e.g. reduce speed, control sirens, etc.) during operation Strengthen the repair and maintenance of various types of vehicles and machinery equipment

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The Group proactively researches and uses new energy conservation technology and products, and replaces fuels with clean, low carbon electricity to effectively improve energy efficiency rate and fuel consumption, which can reduce air and greenhouse gas emissions, ultimately achieving a low carbon transformation.

Shore-powered Supply for Vessels

Shore-powered supply for vessels means that terrestrial power supply is used for power rather than using generating units in vessels during the docking period, which can reduce the use of fuel oil. In 2020, the Shantou Port Guang'ao Phase I shore-powered supply project was completed, which has satisfied the electricity needs of different types of electrical equipment on vessels while reducing the air emissions when the vessels are at berth. In addition, the shore-powered supply project in the West Shenzhen Port Zone and the Haixing shore-power system construction are both progressing on schedule. It is estimated that a single berth will reduce the emissions of 365 tonnes of carbon dioxide, 4.6 tonnes of sulphur dioxide and 4.57 tonnes of nitrogen oxides per year.

"Substation of Fuel-powered Equipment with Electricity-powered Equipment" Technologies

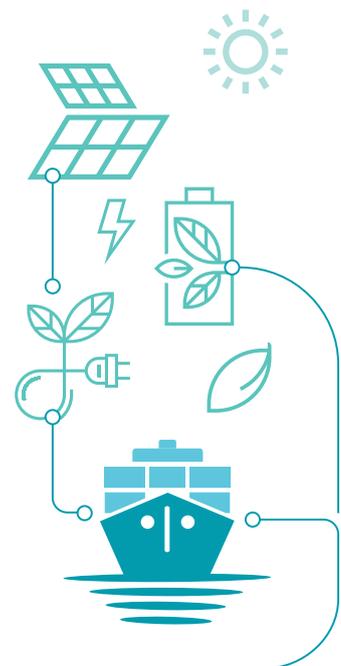
Referencing to the successful cases of "Substation of fuel-powered equipment with electricity-powered equipment" technological transformation on equipment such as gantry crane and reach stacker by Zhangzhou China Merchants Port Co., Ltd., Guangdong Yide Port Limited and CICT etc., other subsidiary terminals are gradually replacing traditional diesel-powered machinery with more efficient electricity-driven machinery. Shantou Port commenced the transformation project of bridge crane during the year, replacing fuel oil with clean, low-carbon electricity to achieve zero-air emission equipment and increase energy efficiency rate.

Clean Energy

In line with the requirements of the regulatory authorities, subsidiaries have stepped up the phasing out of energy-intensive and emission-intensive facilities and prioritised the use of environmental protection equipment, which includes adopting solar energy, purchasing reach stacker with higher emission standards, using electric forklift truck instead of traditional fuel oil forklift truck. By the end of 2020, the West Shenzhen Port Zone has replaced 66 electric forklift trucks.

Capital investment
for energy
conservation and
environmental
protection RMB

145million



Air Emissions^{6, 7, 8}	Unit	2020	2019
Nitrogen oxides (NO _x) emissions	Tonnes	215.13	34.26
Sulphur oxides (SO _x) emissions ⁹	Tonnes	0.21	5.19
Carbon monoxide (CO) emissions	Tonnes	162.18	—

GHG Emissions	Unit	2020	2019
Scope 1 emissions ^{10, 11}	Tonnes CO ₂ e	53,880.49	34,303.00
Scope 2 emissions ¹²	Tonnes CO ₂ e	118,786.16	83,765.90
Total GHG emissions	Tonnes CO ₂ e	172,666.65	118,068.90
GHG emissions intensity ¹³	Tonnes CO ₂ e/TEU	1.09 × 10⁻²	1.13 × 10 ⁻²

Wastewater Discharge	Unit	2020	2019
Wastewater discharged	Tonnes	438,868.00	—
Wastewater treated to standard for reuse	Tonnes	23,215.00	580,000.00

Hazardous Waste¹⁴	Unit	2020	2019
Waste batteries generated	Tonnes	10.27	17.97
Waste batteries generation intensity	Tonnes/TEU	6.48 × 10⁻⁷	1.72 × 10 ⁻⁶
Waste sludge and oil residue production generated	Tonnes	50.04	307.87
Waste sludge and oil residue generation intensity	Tonnes/TEU	3.15 × 10⁻⁶	2.94 × 10 ⁻⁵
Waste mineral oil generated	Tonnes	203.59	154.28
Waste mineral oil generation intensity	Tonnes/TEU	1.28 × 10⁻⁵	1.47 × 10 ⁻⁵
Oily wastewater generated	Tonnes	4,988.85	452.00
Oily wastewater generation intensity	Tonnes/TEU	3.14 × 10⁻⁴	4.32 × 10 ⁻⁵

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Non-hazardous Waste ¹⁵	Unit	2020	2019
Scrap metal generated	Tonnes	990.25	3,099.14
Scrap metal generation intensity	Tonnes/TEU	6.24×10^{-5}	2.96×10^{-4}
Production waste generated	Tonnes	17,082.47	2,962.91
Production waste generation intensity	Tonnes/TEU	1.08×10^{-3}	2.83×10^{-4}
Waste tire generated	Tonnes	308.44	—
Waste tire generation intensity	Tonnes/TEU	1.94×10^{-5}	—
Scrap steel rope generated	Tonnes	1,219.03	—
Scrap steel rope generation intensity	Tonnes/TEU	7.68×10^{-5}	—
Waste office consumables generated	Tonnes	104.43	142.77
Waste office consumables generation intensity	Tonnes/TEU	6.58×10^{-6}	1.36×10^{-5}

⁶ To better reflect the Group's ESG performance, the Group has expanded the reporting boundary of environmental performance data, and has included the subsidiaries overseas into the scope of disclosure, therefore the value of 2020 key performance indicators may differ significantly from those of previous years.

⁷ The air pollutants are generated from the use of vehicles and machinery. The calculation and related emission factor are referenced from the *First National Pollution Source Census Industrial Pollutant Emission Coefficient, Technical Guide for the Development of Air Pollutant Emission Inventories for Road Motor Vehicles (Trial)* and *Technical Guidance on the Development of Air Pollutant Emission Inventories for Non-road Mobile Sources (Trial)* published by the Ministry of Ecology and Environment of the People's Republic of China and 2019 EMEP/EEA Air Pollutant Emission Inventory Guidebook published by European Environmental Agency.

⁸ Air pollutant emission statistics do not include vehicle emission data of HIPG and the machinery emission data of LCT and TCP, relevant data will be further improved and disclosed in the future. In addition, natural gas-fired heavy cargo vehicles at Shekou Container Terminals are also excluded due to limitations in the calculation methodology.

⁹ The statistics recorded by the Group in 2019 are sulphur dioxide emissions.

¹⁰ The greenhouse gases are generated from the direct greenhouse gas emissions from the fuels consumption of the vehicles and machinery, and the calculation methods and relevant emission factors are referenced from the *Guidelines for Calculation Method and Reporting Guidance on GHG Emissions for Other Industrial Enterprises (Trial)* and the *Guidelines for Calculation Method and Reporting Guidance on GHG Emissions for On-road Transportation Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC, and the *Appendix 2: Reporting guidance on Environmental KPIs* published by the Hong Kong Stock Exchange.

¹¹ Scope 1 GHG emission statistics do not include machinery emission data of LCT, relevant data will be further improved and disclosed in the future.

¹² The greenhouse gases are generated from the indirect greenhouse gas emissions from purchased electricity, and the calculation methods and relevant emission factors are referenced from the *Notice Regarding Carbon Emissions Reporting and Verification and Emissions Monitoring Program for the years 2018* published by the Ministry of Ecology and Environment of the People's Republic of China, the *Sustainability Report 2019* published by CLP Holdings Limited and the *Emission Factors from Cross-Sector Tools* published by GHG Protocol.

¹³ The Group has updated the intensity data for 2019, which is based on the Group's total container throughput of 10.46 million TEUs handled by the Group in Mainland China and Hong Kong during 2019.

¹⁴ Please refer to footnote 13 for the calculation of hazardous waste intensity.

¹⁵ Please refer to footnote 13 for the calculation of non-hazardous waste intensity.

Enhancing Resource Efficiency

In order to improve energy efficiency, the Group has continued to promote green office and fully integrated green concepts into its daily operations. In addition to enforcing the setting of air-conditioning temperature at 26° C in summers, the Group has also prepared posters and signage on “water conservation” to encourage employees to conserve electricity, water and paper in the office. The Group has also reduced office consumables and improved resource utilisation through the continued development of automated systems and paperless customs clearance to achieve efficient production and operation. A number of the subsidiary terminals of the Group have retrofitted their yards and office buildings with energy-saving LED lightings to reduce energy consumption.

In order to improve water efficiency, the subsidiary terminals have continued to improve the wastewater collection and treatment facilities, increasing their collection capacity and treatment capabilities so that wastewater can be recycled more effectively; continued to increase the use of water-efficient equipment to reduce the amount of water used for equipment flushing; and monitored the use of large amount of water during operations. In 2020, Brazil was facing a serious water shortage crisis. In order to manage strained water resources more effectively, TCP has taken the initiative to set water consumption targets for 2021 and has installed a rainwater harvesting system which utilise the collected rainwater for purposes such as cleaning equipment, hence reducing the freshwater consumption. The Group has no difficulties in sourcing water that is fit for the purpose in other operating locations.

Use of Resources ^{16, 17}	Unit	2020	2019
Total water consumption	m ³	2,001,654.00	1,644,310.00
Total water consumption intensity	m ³ /TEU	0.13	0.16
Total Amount of purchased electricity	MWh	263,788.81	137,298.63
Purchased electricity consumption intensity ¹⁸	MWh/TEU	1.66 × 10⁻²	1.31 × 10 ⁻²
Total petrol consumption	MWh	1,612.70	2,350.36
Petrol consumption intensity	MWh/TEU	1.02 × 10⁻⁴	2.25 × 10 ⁻⁴
Total amount of diesel consumption	MWh	195,774.79	238,435.19
Diesel consumption intensity	MWh/TEU	1.23 × 10⁻²	2.28 × 10 ⁻²
Total natural gas consumption	MWh	3,453.04	4,258.66
Natural gas consumption intensity	MWh/TEU	2.18 × 10⁻⁴	4.07 × 10 ⁻⁴

¹⁶ The density of energy consumption is referenced from the *CDP Technical Note: Conversion of fuel data to MWh* published by CDP.

¹⁷ The Group adjusted the units of gasoline, diesel and natural gas consumption density from GJ/TEU to MWh/TEU during the year.

¹⁸ Please refer to footnote 13 for the calculation of purchase electricity consumption intensity.

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Striving for Environmental Protection

The Group has always attached great importance to the protection of ecological resources, recognises the impact of emissions from its business activities on neighbouring communities and marine ecology, encourages its subsidiaries to undertake energy system certification as well as provides guidance and support. The subsidiaries have also taken appropriate measures to minimise the environmental impacts of their operations. In particular, subsidiaries including Mega SCT, Zhangzhou China Merchants Port and TCP have obtained ISO14001 environmental management system certification.

The subsidiaries have formulated contingency plans for environmental emergencies as required by the *Administration Regulations on Energy Conservation and Environmental Protection* (《節能環保管理規定》), such as the *Emergency Plan for Vessel-Induced Pollution to the Marine Environment* (《船舶污染海洋事故應急預案》) and the *Emergency Plan for Oil Spill Incidents* (《溢油事故應急預案》), to properly control the risks and to take precautionary measures for oil spill incidents and to reduce the impact of the project construction and operation on the marine ecological environment. During the construction period of the project, the Group arranged the work schedule and construction time reasonably, and avoided the spawning period of major aquatic organisms during the dredging to protect the reproduction of natural organisms. At the same time, the Group strengthened supervision during the construction process by setting up anti-pollution barriers around the construction sites and prohibited direct discharge of construction wastewater and rubbish into the sea, thus preventing pollution to the surrounding ecology.

In addition, the Group actively brings the concept of environmental protection into its daily operations, drawing the attention of the community to issues such as marine protection and nature conservation, and encourages employees to participate in various environmental protection activities in order to reduce or eliminate the impact of its operations on the environment in the long run.



TCP has obtained the ISO14001:2015 environmental management system certification



China Merchants International Container Terminal (Qingdao) Co., Ltd. participated in the "National Low Carbon Day" by printing slogans and hanging banners

APPENDIX: INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Disclosure	Chapter/Remark
Environmental				
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	✓	Refining Emission Management
	A1.1	The types of emissions and respective emissions data.	✓	Refining Emission Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	✓	Refining Emission Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate intensity (e.g. per unit of production volume, per facility).	✓	Refining Emission Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	✓	Refining Emission Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	✓	Management System and Goals
	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.	✓	Management System and Goals
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	✓	Enhancing Resource Efficiency
	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).	✓	Enhancing Resource Efficiency
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	✓	Enhancing Resource Efficiency
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	✓	Management System and Goals
	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.	✓	Management System and Goals
	A2.5	Total packaging material used for finishing products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to principal business	
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	✓	Striving for Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	✓	Striving for Environmental Protection

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Aspect	KPI	Content	Disclosure	Chapter/Remark
Social				
B1 Employment and Labour Practices	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	✓	Employment Policies and Benefits
	B1.1	Total workforce by gender, employment type, age group and geographical region.	✓	Employment Policies and Benefits
	B1.2	Employee turnover rate by gender, age group and geographical region.	✓	Employment Policies and Benefits
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	✓	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	✓	Occupational Health and Safety
	B2.2	Lost days due to work injury.	✓	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	✓	Occupational Health and Safety
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	✓	Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	✓	Employee Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	✓	Employee Training and Development
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	✓	Employment Policies and Benefits
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	✓	Employment Policies and Benefits
	B4.2	Description of steps taken to eliminate such practices when discovered.	Not applicable as there is no incidents related to child or forced labour	

Aspect	KPI	Content	Disclosure	Chapter/Remark
Social				
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	✓	Sustainable Supply Chain Management
	B5.1	Number of suppliers by geographical region.	✓	Sustainable Supply Chain Management
	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.	✓	Sustainable Supply Chain Management
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	✓	Creating Customer Value (Information related to labelling is not applicable to principal business)
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to principal business	
	B6.2	Number of products and service related complaints received and how they are dealt with.	✓	Creating Customer Value
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	✓	Respecting intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Not applicable to principal business	
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	✓	Creating Customer Value
B7 Creating Customer Value	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	✓	Upholding Anti-corruption and Integrity
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	✓	Upholding Anti-corruption and Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	✓	Upholding Anti-corruption and Integrity
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	✓	Committed to Public Welfare and Volunteering
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	✓	Committed to Public Welfare and Volunteering
	B8.2	Resources contributed (e.g. money or time) to the focus area.	✓	Carrying out Voluntary Services



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