



招商局港口控股有限公司

CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED

Stock Code: 00144

# WE CONNECT THE WORLD

2022

Environmental, Social  
and Governance Report



30<sup>th</sup> Anniversary of CMPort's IPO  
SEHK Stock Code: 00144



# Contents

- 4** About this Report
- 6** About the Group
- 17** Sustainable Development Management
- 22** Operation with Integrity and Compliance
- 31** Construction of Green and Ecological Ports
- 53** Maintaining a Safe Working Environment
- 62** Enhancing Operation Management Performance and Efficiency
- 68** Growing Together with Employees
- 79** Creating Harmonious and Happy Communities Together
- 85** Appendix: Index of the ESG Reporting Guide

# About this Report

## OVERVIEW

This Environmental, Social and Governance Report (the **“Report”**) is published by China Merchants Port Holdings Company Limited (the **“Company”** or **“CMPort”**) and its subsidiaries (collectively referred to as the **“Group”** or **“we”**). The Report aims to disclose the Group’s management strategies, actions and achievements in the area of sustainable development in 2022 to internal and external stakeholders, while it also focuses on addressing the concerns of key stakeholders on the Group’s sustainable development. This Report shall be read in conjunction with the section headed **“Corporate Governance Report”** in the Company’s *Annual Report 2022* for a comprehensive understanding of the Group’s environmental, social and governance (**“ESG”**) performance.

## REPORTING GUIDELINE

This Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (2022 Edition) (the **“ESG Reporting Guide”**) under Appendix 27 of the Rules Governing the List of Securities (the **“Listing Rules”**) on the Stock Exchange of Hong Kong Limited (the **“HKSE”**). This Report complies with the mandatory disclosure requirements and the **“comply or explain”** provisions of the ESG Reporting Guide, and adheres to the four reporting principles of **“Materiality”**, **“Quantitative”**, **“Balance”** and **“Consistency”**. The preparation of this Report also refers to the Task Force on Climate - Related Financial Disclosure (TCFD) Task Force on Climate - Related Financial Disclosure Recommendations Report, and responds to issues of concern to the United Nations Sustainable Development Goals (SDGs) and MSCI ESG ratings.

MATERIALITY	QUANTITATIVE	BALANCE	CONSISTENCY
The Group has determined the important ESG issues to the Group and its stakeholders through materiality assessment with the engagement of stakeholders, so as to identify the disclosure focuses of this Report. Please refer to the section headed <b>“Stakeholders Engagement”</b> for more details.	In order to comprehensively evaluate the Group’s ESG performance during the Reporting Period, the Group disclosed quantitative key performance indicators in the ESG Reporting Guide, including relevant measurement standards, methods, assumptions and calculation references, and the sources of conversion factors used.	The Report has disclosed the Group’s progress and challenges in sustainable development management, so as to comprehensively demonstrate the Group’s sustainable development performance.	The preparation methods used in this Report are consistent with those used in the previous years, and changes in statistical methods, key performance indicators and other relevant factors are described in detail.

## REPORTING SCOPE

The Report discloses the sustainable development performance of the Group, in which the social data and environmental data performances cover the Group's overall business scope. The detail information on the major subsidiaries contains in Note 41 of the consolidated financial statements in the 2022 Annual Report of the Group. Unless otherwise stated, the Reporting Period is from 1 January 2022 to 31 December 2022 (the **"Reporting Period"**). In order to comprehensively report the Group's sustainable development performance, some content is appropriately traced forward or extended.

## REPORTING LANGUAGE

This Report is made available in Traditional Chinese and English for your reference. The electronic version of this Report is published on the websites of the HKSE (<http://www.hkexnews.hk>) and the Company (<http://www.cmport.com.hk>). Should there be any discrepancies in the understanding of the content, the Traditional Chinese version shall prevail.

## CONTACT US

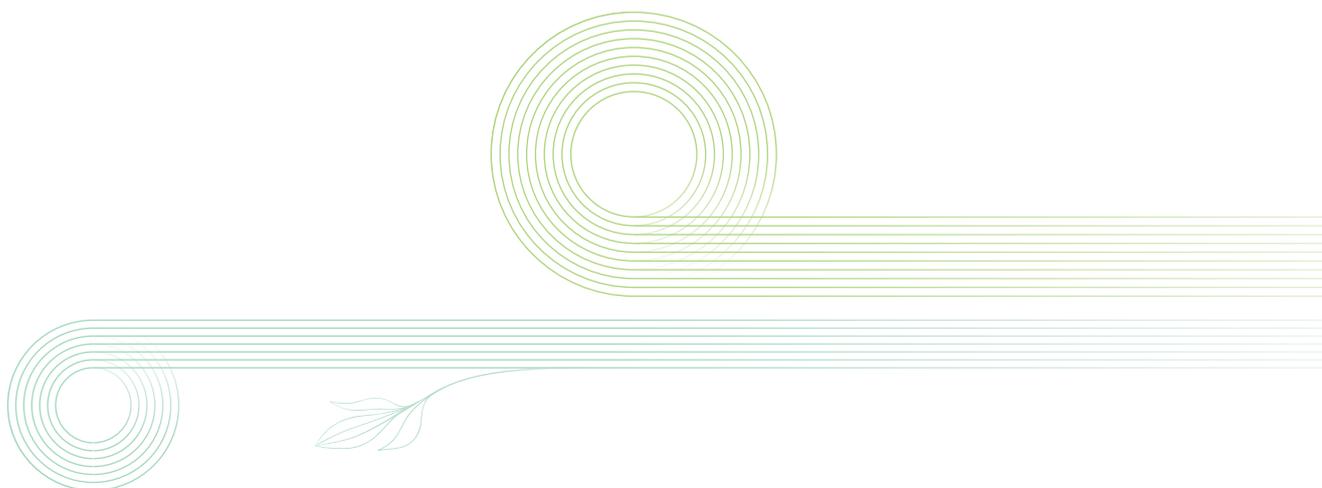
The opinions of stakeholders are essential to the Group's businesses and sustainable development. If you have any doubts or suggestions regarding this Report, please feel free to contact us through the following means:

Address: 38/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Hong Kong

Tel: 2102 8888

Fax: 2851 2173

E-mail: [relation@cmhk.com](mailto:relation@cmhk.com)



# About the Group

## STEADY OPERATION

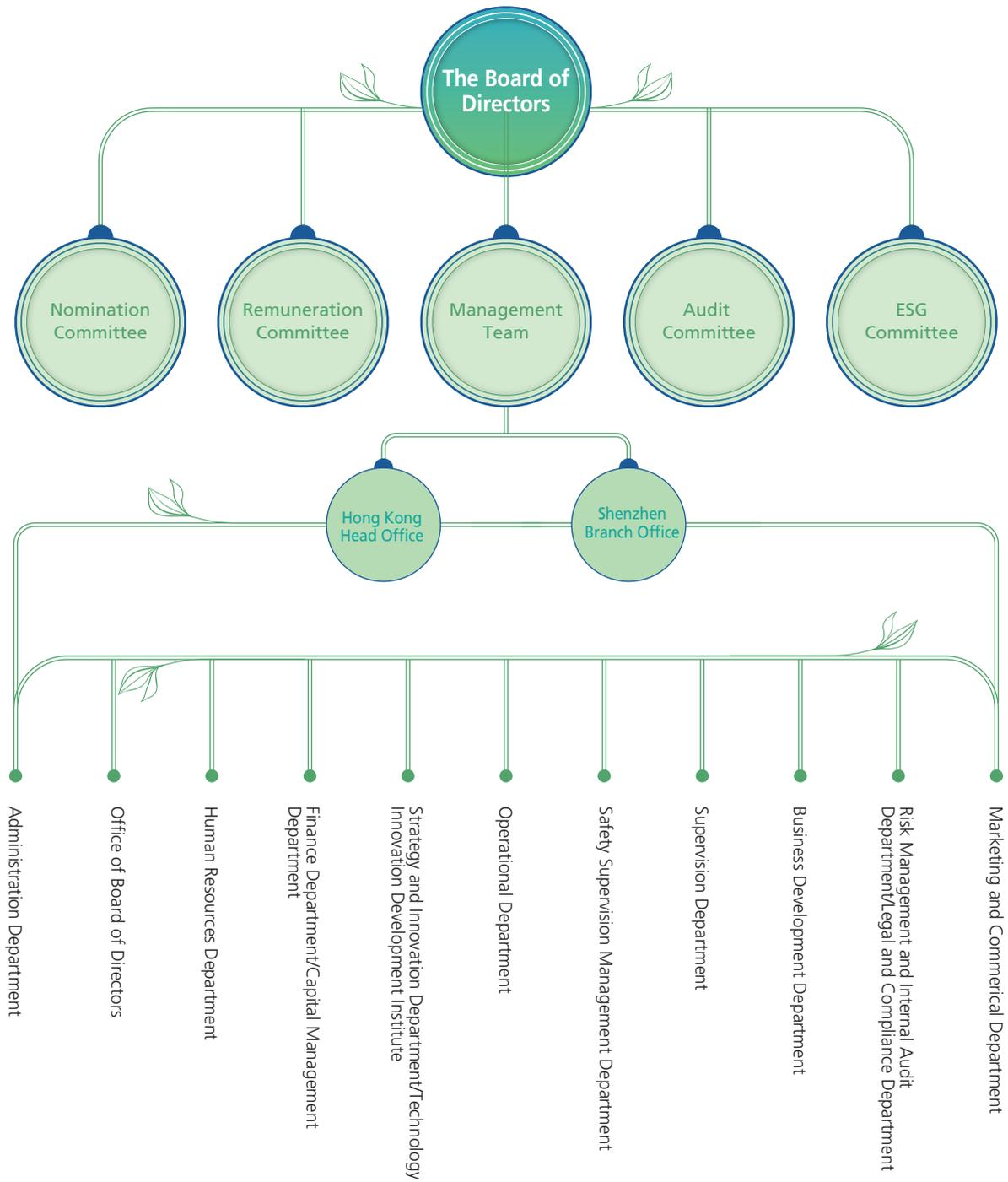
As a global leading port developer, investor and operator, the Group constantly insists in and has achieved sustainable and steady operation. The Group is now the largest public port operator in China, with a comprehensive port network across the hub locations along coastal area of China. The terminals which the Group invested in and/or managed are located in hub locations across Hong Kong, Taiwan, Shenzhen, Ningbo, Shanghai, Qingdao, Tianjin, Dalian, Zhangzhou, Zhanjiang and Shantou, amongst others. The Group also has growing presence in Southeast Asia, Africa, Europe, the Middle East, North America, South America and Oceania. During the Reporting Period, the Group expanded its presence in 42 ports of 25 countries and regions, and generated a total container throughput of 136.53 million TEUs.

To achieve the strategic goal of becoming a “world-class comprehensive port service provider with high quality” by the dual-wheel drive model of “endogenous growth” and “innovation and upgrade”, the Group continues to achieve world-class level on various fronts, including container throughput of global ports, market share, smart port solution delivery, comprehensive port development, operational management capabilities, resource utilization, productivity, brand building, etc.

## CORPORATE GOVERNANCE

### Corporate Governance Structure

In order to uphold robust and high-level corporate governance standards, the Company has established a standardized, transparent and specialized corporate governance structure and governance rules, defined the responsibilities and authorities regarding various aspects including decision making, execution and supervision, and formed a mechanism with a highly effective decision of responsibilities as well as checks and balances in strict accordance with the current laws, regulations and relevant provisions, as well as Corporate Governance Code under Appendix 14 of the Listing Rules on the HKSE. The Company implements various policies in accordance with the rules under the supervision of the Board of Directors (the “**Board**”). The Board of Directors has an Audit Committee, a Nomination Committee, a Remuneration Committee and an Environmental, Social and Governance Committee (“**ESG Committee**”). Each committee has clearly specified its terms of reference in writing and defined its relevant powers and responsibilities to assist the Board in performing its duties and strengthening effective management, so as to promote the healthy and sustainable development of the Group in a professional, standardized and transparent manner.



## About the Group

### Board Diversity Policy

The Company believes that board diversity is conducive to improving corporate governance performance and sustainable development management. The Company has formulated a *Board Diversity Policy*, providing that: in designing the Board composition, comprehensive consideration will be given to various aspects such as gender, age, ethnicity, cultural and educational background, professional experience, skills, knowledge and length of service, etc. During the Reporting Report and up to the date of this report, two female directors were added. The Company will gradually implement the plan of achieving gender diversity of the Board to continuously enhance the overall effectiveness of sustainable business operations and shareholder value.

### Internal Control and Risk Management

#### *Risk control structure*





<p>Risk Control &amp; Compliance and Non-compliance Accountability Management Committee (<b>"Risk Control Leading Group"</b>)</p>	<p>The Risk Control Leading Group is a permanent organizational body for the self-assessment of comprehensive risk management and internal control system (the "Risk Control"). This Leading Group is composed of the Group's Chief Executive Officer (CEO) acting as the group leader, Vice GM (in charge of risk control) acting as executive deputy leaders, other executives of the Group acting as deputy leaders, as well as general managers of departments and general managers of the Group's subsidiaries serving as group members.</p>
---	---

<p>Risk Control Working Group</p>	<p>The Risk Control Leading Group established the Risk Control Working Group which is a permanent organization body. The Risk Control Working Group includes: group leader, deputy leaders, and group members, which are filled by the general manager of the Risk Management and Internal Audit Department/Legal and Compliance Department, subsidiaries' leaders in charge of risk control, and personnel from the Head Office departments and subsidiaries. Both the functional departments of Head Office and the subsidiaries designate Risk Control Specialists.</p> <p>The Risk Management and Internal Audit Department/Legal and Compliance Department is a functional department of risk control, which is supported by full-time roles responsible for assisting the Risk Control Working Group, including:</p> <ul style="list-style-type: none"> <li>- Coordinating the division of labor among functional departments to execute various specific tasks of risk management and internal control management;</li> <li>- Be in charge of the department's risk management and internal system construction evaluation;</li> <li>- Promoting communication and coordination with the parent organizations and subsidiaries.</li> </ul>
-----------------------------------	---

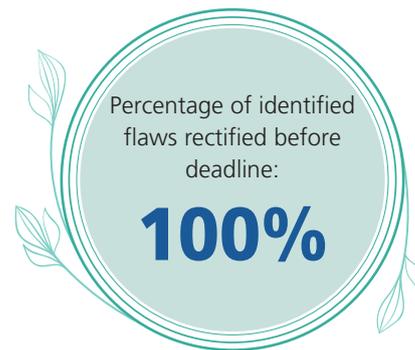
<p>Functional Departments</p>	<p>The Group's functional departments are responsible for implementation of risk management and internal control evaluation. The Group request each of its subsidiary shall designate an officer in charge of risk control and an internal control specialist, design its organizational structure of risk control depending on its actualities, carry out risk control within the organization in line with the Group's risk control work plan and requirements, and give reports of work results and matters on risk control to the Risk Control Working Group of the Group in a timely manner.</p>
-------------------------------	---

### Risk control system

Administration Measures for Risk Management	It defines the responsibilities of routine risk management to ensure the smooth implementation of all risk control tasks.
Risk Control Guide	As an action guide for risk control, it explains in details the risk control methods, tools, standards and processes, including: Risk identification methods, risk description standards, list of key risks, risk assessment standards, risk assessment questionnaire, assessed risks prioritizing, risk mapping, schedule of major risk response plans, summary of major risk responses and conditions, top five risks tracking record, accident judgment standards, accident tracking record, risk control matrix, summary of internal control flaws, etc.
Management Rules for Operational Risk Events	It specifies the grading standards and reporting processes for various risk events, including standard management process, identification, analysis and summary reporting process, response and disposal process, monitoring and inspection process, and analysis and summary process, to strengthen and enhance the Group's major risk reporting mechanism.
Internal Control Procedures	Clearly define the Group's main business processes and the distribution of powers and responsibilities, and regulate the key control links such as the internal department setup, the powers and responsibilities of important roles and the approval procedures in an effort to help all departments and subsidiaries properly perform their functions and carry out business activities. Meanwhile, with reference to these Procedures, the Group's subsidiaries at all levels regularly conduct internal control self-assessment, internal audit and other supervision and inspection of principal businesses, perform "design effectiveness" and "execution effectiveness" tests of internal control system as well as random inspection of critical control activities to identify and rectify internal control flaws and continuously improve the internal control system.

### Internal audit and control

In the past three years, independent auditors were engaged to carry out internal control audits of the Group, and all of them issued unqualified internal control audit reports upon closure of the audits. The Company and its 25 subsidiaries under the Group were included in the construction of the internal control system in 2022; if classified by legal entity, 63 entities (including the Company) completed the construction of internal control system, including 25 companies from Level 3 business entities and 38 companies from Level 4 business entities. During the Reporting Period, the Group's 25 business units performed 4,468 sample tests for 198 processes and 5,708 control activities covering key risk areas such as capital and overseas operations. As provided for in the "three-year full coverage" supervision and inspection programme, the Group completed internal control supervision and inspection of 24 of the 25 subsidiaries, with 100% cumulative rectification of identified flaws due for rectification.



### STAKEHOLDER ENGAGEMENT

#### Stakeholder Identification

The Group believes that the support of stakeholders can help us achieve the sustainable development goals. According to the business and operation characteristics, the Group identified key stakeholders, designed two dimensions for analysis on “impact on CMPort” and “impact on stakeholders”, and invited the following key stakeholders to participate in ESG materiality identification to maintain timely and effective communication with and feedback from stakeholders.

Dimension	Name of Stakeholder
Impact on CMPort	Directors
	Management
Impact on stakeholders	Shareholders and investors
	Employees
	Customers
	Suppliers
	Partners

#### Communication with Stakeholders

The Group believes that the feedback of stakeholders is the key to the steady operation of a corporate. Therefore, the Group always keeps good communication with stakeholders in different channels and ways, fully understands the expectations and requirements of stakeholders, and takes into full consideration the opinions of stakeholders in daily operations and decisions, so as to promote harmonious and win-win cooperation with stakeholders, and further enhance the Group’s sustainable development management and performance.

Stakeholder Group	Communication Channels	Expectations and Appeals	Our Response
 <b>Shareholders and investors</b>	Information disclosure Shareholders' Meeting Work meetings Exchanges and visits	Transparent financial information disclosure Strengthen risk management and control Create economic value Maintain and increase the values of assets	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
 <b>Government and regulatory authorities</b>	Daily reporting and communication Meetings and exchange activities	Compliant operation and tax payment in accordance with the laws Support local development Protect local environment	Implement policies and pay tax in accordance with the laws Optimize the management of its terminals and actively implement corporate social responsibility
 <b>Customers</b>	Information disclosure Responses to and handling of customers' feedback Customer satisfaction survey	Provide quality service Safeguard of information security	Satisfy customer's needs and improve customer satisfaction Develop smart ports by innovating the form and content of our services Protect customer information
 <b>Partners</b>	Project cooperation Work meetings Daily communication	Transparent cooperation with integrity Mutual support and win-win development	Establish a responsible supply chain Seek comprehensive development partnership opportunities
 <b>Employees</b>	Regular meetings Standardized training Exchange activities	Secure basic rights A smooth career development path Work-life balance	Protect worker's legal rights Provide market comprehensive salaries and benefits, as well as training and employee caring activities Create a safe and healthy working environment
 <b>Environmental charitable organizations</b>	Environmental information disclosure Environmental protection campaigns	Reduce environmental impacts caused by operating activities Lead the industry to enhance its green development capability	Strengthen environmental management and enhance environmental awareness Commence green operation and conduct energy conservation transformation Promote green development of the industry
 <b>Community</b>	Charitable events Volunteering services Information disclosure	Promote regional development Support public welfare and charity	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

## About the Group

### Materiality Assessment

In order to further understand the key concerns of stakeholders and effectively manage and report issues that have a significant impact on both the Group and its stakeholders, the Group continued to carry out materiality assessment and analysis during the Reporting Period. Materiality assessment and analysis were conducted by identifying, prioritizing, assessing and reviewing ESG issues as detailed below:



#### IDENTIFICATION 01

By exploring the development of port industry at home and abroad, referring to the ESG Reporting Guide published by the HKSE, United Nations Sustainable Development Goals (UNSDGs) and industry peer benchmark analysis, and combining with the corporate development characteristics, the Group reviewed and shortlisted a total of 26 ESG issues (including 10 from environmental aspect, 6 from social aspect and 10 from operational aspect) closely related to the Group, and 2022 ESG issue pool was created.



#### RANKING 02

The Group invited internal and external stakeholders, including the Directors, management, shareholders and investors, employees, customers, suppliers and business partners, to participate in ESG materiality identification in form of online questionnaires by ranking each ESG issue from the issue pool according to the degree of concern. A total of 808 valid questionnaires were received, up to what the Company expected.



#### ASSESSMENT 03

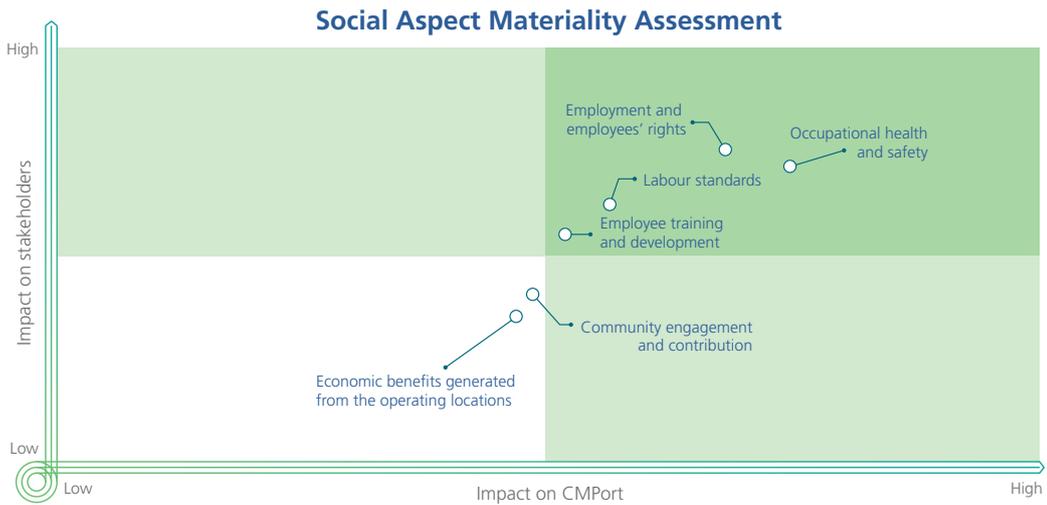
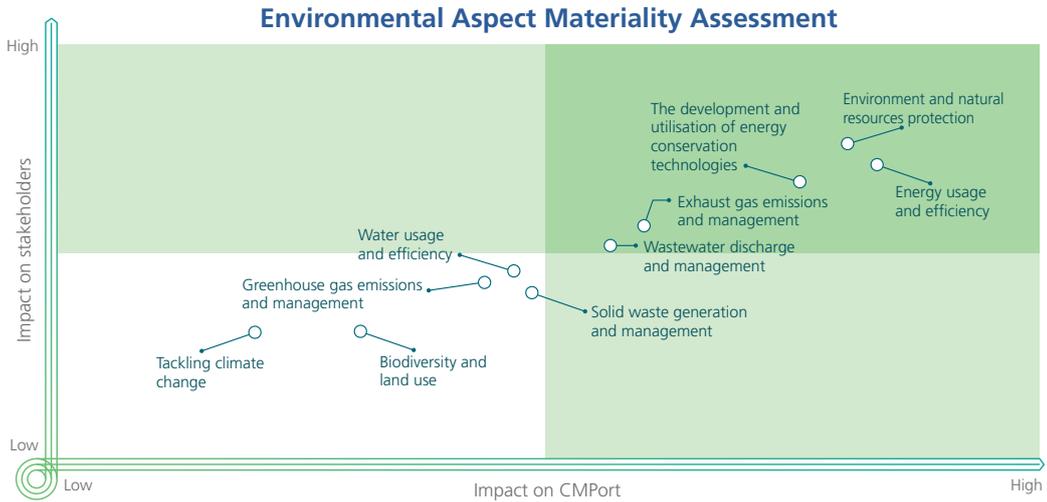
The Group examined the materiality of “operational”, “environmental” and “social” ESG issues from two dimensions, namely “the degree of impact on CMPort (including directors and the management)” and “the degree of impact on stakeholders (including shareholders and investors, employees, customers, suppliers and partners)”, and established the issues that scored half or more on both dimensions (scored 5 or above out of 10 on each dimension) as material issues. 5 issues in the environmental aspect, 4 issues in the social aspect and 6 issues in the operational aspect were identified as material issues respectively.

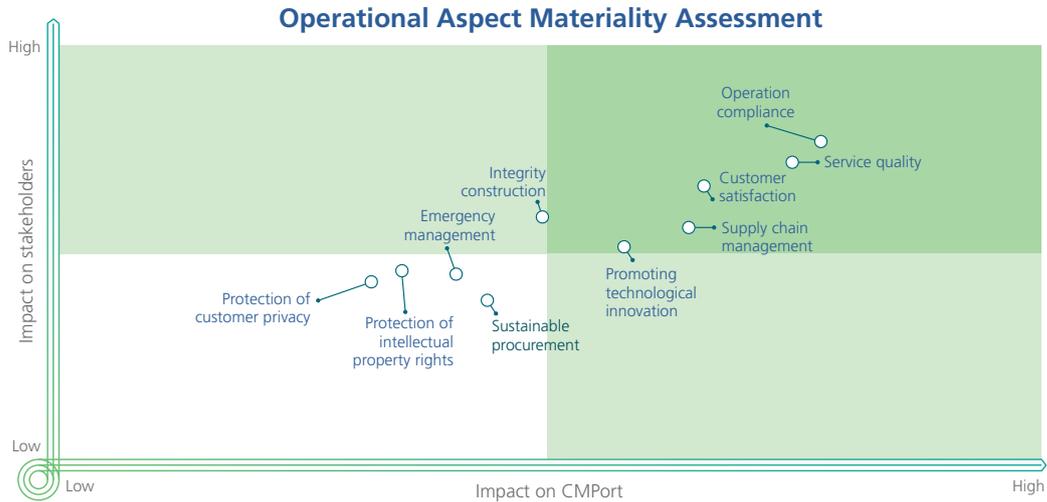


#### REVIEW 04

The Board of the Group reviewed the assessed material issues and confirmed that they were of higher importance to the Group and its stakeholders for the year compared with other issues shortlisted into the Group’s ESG issue pool, so as to disclose them specifically in this Report and take relevant issues into full consideration in business development.

The materiality assessment results are shown in the following diagrams:





#### Material Issues

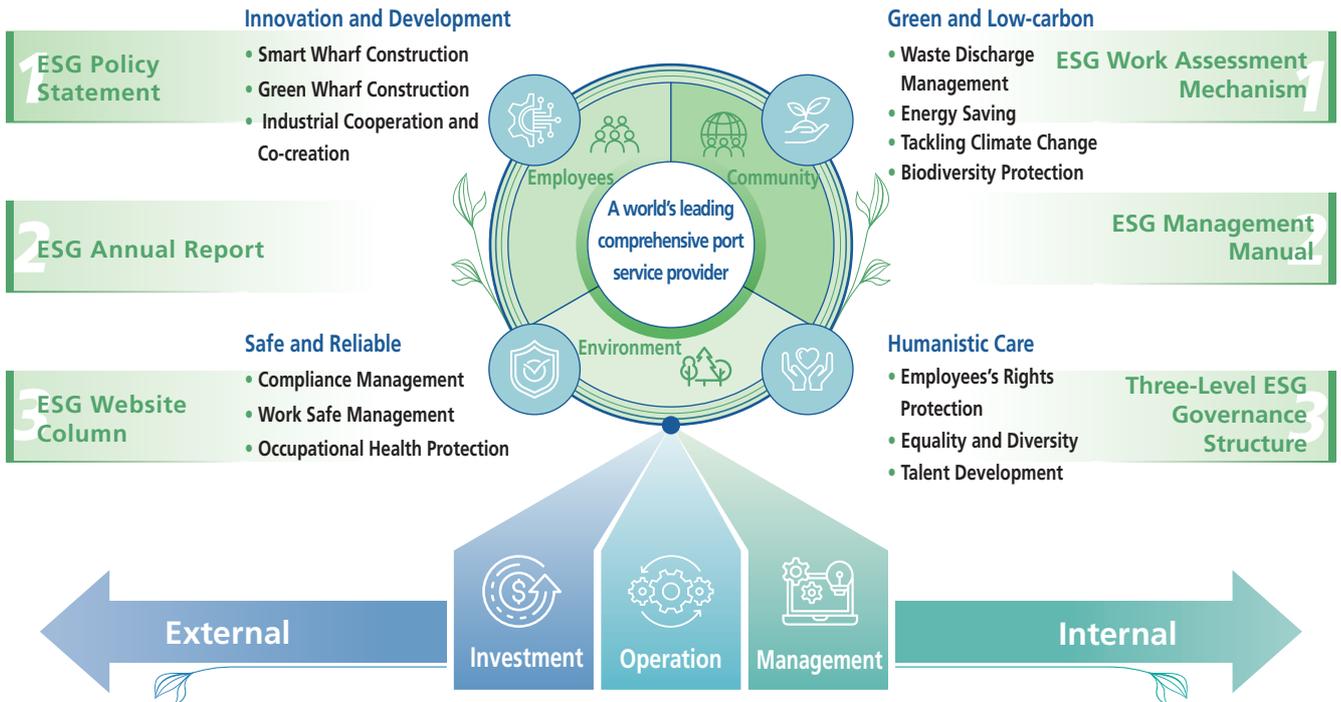
Environmental Aspect	Environment and natural resources protection, Energy usage and efficiency, Development and utilization of energy conservation technologies, Exhaust gas emissions and management, Wastewater discharge and management
Social Aspect	Occupational health and safety, Employment and employees' rights, Labor standards, Employee training and development
Operational Aspect	Operation compliance, Service quality, Customer satisfaction, Supply chain management, Promoting technological innovation, Integrity construction

# Sustainable Development Management

Sustainable development has become an inseparable part of the Group’s daily operations. With focus on the sustainable development capacity and in combination with corporate practice, the Group continuously strengthens sustainable development management, and integrates the sustainable development strategy into business operations, so as to create comprehensive value for shareholders, governments, customers, employees, partners and other stakeholders, and promote the joint and sustainable development with the society.

In 2022, the Group established the strategic importance of ESG management and further integrated ESG concepts and practices into all aspects of day-to-day operation and management, striving to improve the overall management level and sustainable development capability. In addition, the Group worked out an ESG management system graph to effectively integrate ESG ecosystem with daily practices. In terms of corporate governance, in 2022, the Group launched a comprehensive ESG strategy upgrading program to establish sustainable development strategies, formulate the ESG management system, improve the ESG governance structure, and incorporate ESG indicators into the overall performance assessment framework, so as to realize the normalized operation of ESG management system while promoting the implementation of ESG strategies. In terms of information disclosure, CMPort drew up new ESG policies and systems including, among others, the *Ecological and Environmental Protection Policy Statement*, *Code of Business Conduct*, *Occupational Health and Safety Statement*, *Human Rights Policy Commitments*, *Supplier Code of Conduct*, *Sunshine Procurement Principles*, and made specific disclosures in the “Sustainable Development” section on the official website.

The Group’s ESG management system graph:



### SUSTAINABLE DEVELOPMENT STRATEGY

#### ESG Vision and Mission

Vision of Sustainability: Strive for a world-class eco-friendly and smart comprehensive port service provider

- Mission of Sustainability:
- Become a leader in the port industry and a facilitator of sustainable development advocating green and low-carbon development, safety and reliability, innovative development and humanistic care
  - Continuously create positive economic, social and environmental values for stakeholders and communities in the regions where we operate
  - Build a sustainable ecosystem together with peers along the supply chain

#### Board Statement

The Board is responsible for coordinating, leading and supervising the Group's sustainable development management and ESG information disclosure.

The Board leads the Group's sustainable development, identifies the sustainable development trends of the industry, guides its ESG Committee to set and achieve sustainable development goals and strategies, clarifies the ESG management focus of the Group at the strategic level, and maintains effective supervision of sustainable development.

The Board regularly listens to the report of the ESG Committee on important ESG issues and ESG work progress, in order to understand the current situation of ESG management, identify ESG management risks, procure full implementation of the Group's sustainable development strategy, and contribute to the achievement of ESG objectives. On an annual basis, the ESG Committee proposes key ESG issues to the Board, reports the impact of issues on the Company's business, and clarifies the materiality matrix of key ESG issues to the Board through the investigation and analysis of shareholders' material issues. Upon the review and confirmation by the Board, the materiality matrix of key ESG issues will serve as the basis for the annual optimization of sustainable development strategy, the management of ESG work and the preparation of ESG reports.

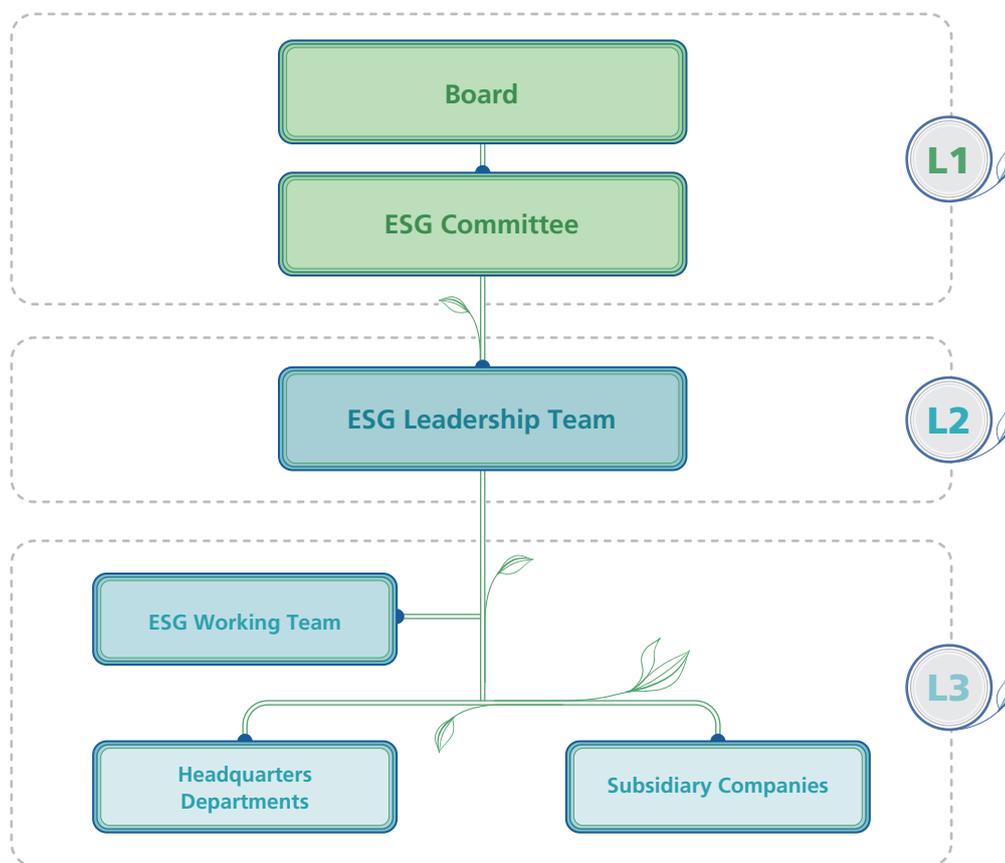
The Group defines the responsibilities of all employees at different levels and all departments and subsidiaries in ESG management, urges all departments and subsidiaries to meet the requirements of ESG management, and ensures that all ESG issues and related ESG risks are properly managed. Through the three-level ESG governance structure consisting of the Board level, management level and executive level, ESG work process will be regularly reported to the Board level. The Board will review the overall progress and performance in the realization of ESG-related objectives, and make overall planning for future ESG work.

The Report fully discloses the Group's practical progress and results in ESG management, and the relevant results were reviewed and approved by the Board in March 2023.

## SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

### Three-Level ESG Governance Structure

Upholding the new development concept of innovation, coordination, green, openness and shared benefits, the Group further improves the ESG management policies and strategies and promotes the fulfillment of key ESG tasks, thus laying a solid foundation for sustainable development. During the Reporting Period, the Group formulated the *ESG Management Manual* and established a three-level ESG governance structure consisting of the Board level, management level and executive level, to ensure that all ESG work is under unified leadership, decision-making, and implementation. The Group's ESG governance structure is as follows:



Working Mechanism	Reporting Mechanism
<p>The Board leads the Group’s sustainability efforts, identifies ESG development trends, and guides the ESG Committee in developing and implementing sustainable development goals and strategies.</p>	<p>The Board is debriefed on important ESG issues and work progress by the ESG Committee on a regular basis to ensure that the Group implements its sustainable development strategy and to continuously promote the achievement of ESG goals.</p>
<p>The ESG Committee is composed of the Board members who serve as the subjects of guidance and decision-making for ESG efforts, and reports to the Board. Under the leadership of the Board, ESG Committee shall discharge the following responsibilities:</p> <ul style="list-style-type: none"> <li>- Review, make decisions and provide guidance on the Group’s ESG strategy and action plans</li> <li>- Ensure that the work of other committees is consistent with the basic principles of ESG governance and aligned with the Group’s ESG development strategy</li> </ul>	<p>The ESG Committee meetings are held once a year. The reporting responsibilities of ESG Committee are as follows:</p> <ul style="list-style-type: none"> <li>- Be debriefed on the ESG results and work planning</li> <li>- Check the progress and performance against ESG goals</li> <li>- Examine and approval annual ESG</li> </ul>
<p>The ESG Leadership Team is made up of the Group CEO, the heads of relevant departments and the principals of the Group’s subsidiaries. As the leading and coordinating body of ESG work, the ESG Leadership Team shall discharge the following responsibilities:</p> <ul style="list-style-type: none"> <li>- Organize and steer the development of ESG strategy and drive its implementation</li> <li>- Examine key ESG trends and risks and opportunities</li> <li>- Assess ESG compliance of business and architectural models</li> </ul>	<p>The ESG Leadership Team meetings are held twice a year. The reporting responsibilities of the ESG Leadership Team are as follows:</p> <ul style="list-style-type: none"> <li>- Be debriefed on the ESG results and work planning by all departments concerned;</li> <li>- Deliberate on the established ESG policies and organize policy updates;</li> <li>- Grant honors and awards to outstanding departments/subsidiaries, ESG demonstration cases, ESG projects and individuals</li> </ul>
<p>The ESG Working Team, headquarters departments and subsidiaries are the main execution bodies. Its responsibilities are to define the ESG-related management responsibilities and promote the implementation of ESG projects; all departments and subsidiaries are responsible for supporting the discharging of the ESG work responsibilities and ensuring the integration of ESG issues in businesses.</p>	<p>The ESG Working Team, headquarters departments and subsidiaries are responsible for reporting on and submitting to the ESG Leading Group the ESG work-related statistics, ESG project progress, difficulties and updated results of ESG practices; all headquarters departments concerned shall share ESG work experience in the course of day-to-day operation and achieve cross-departmental cooperation on ESG work through communication.</p>

### ESG Management Manual

Aware of the importance of sustainable development practices, the Group has formulated the *CMPort ESG Management Manual* as the basis and important guidelines for the implementation of its ESG work, for the purpose of promoting the Group’s sustainable development with a professional, standardized and transparent management approach. This Manual explains the closed-loop ESG management system, including ESG strategic planning, governance process, business integration, internal and external communication, performance evaluation and capacity building, forming the basis for the Group to effectively carry forward ESG practices and improve ESG management performance.

## ESG Policy Statement

In response to increasing external expectations for Group's sustainable development and improving our competitiveness of sustainable development, the Group planned an ESG system of policies and showed our strategic determination of sustainable development to all stakeholders by drawing up a package of public ESG systems and policies during the Reporting Period.

Policies	Highlights
<i>Ecological and Environmental Protection Policy Statement</i>	The Group endeavors to fulfill its vision of building green and ecological ports, strictly observes the laws and regulations on environmental protection, attaches great importance and take actions to reduce the impact of business operations on the environment and natural resources. The Group pledges to regularly disclose its ecological and environmental protection performance and accept public supervision, and is committed to becoming a model of green development in the port industry.
<i>Code of Business Conduct</i>	The Group attaches great weight to the impact of business ethics on the Group itself and its stakeholders. The Group is committed to managing its business practices in a more proactive manner, disclosing its outcomes in managing business ethics in a more transparent fashion, and accepting public scrutiny, striving to become a model of operating with integrity in the port industry.
<i>Occupational Health and Safety Statement</i>	The Group sticks to the concept of people-oriented and safe development, always putting employees' life safety and health first, fulfilling its responsibilities of occupational health and work safety as an enterprise implement in an all-round way, and striving to become a model of healthy and safe development in the port industry.
<i>Sunshine Procurement Principles</i>	In the procurement management, the Group has been adhering to the principle of "transparent procurement", following the principles of openness, fairness, equity and efficiency in the bid invitation, bid opening and evaluation, and complaint handling, and accepting the supervision of suppliers and customers to protect the interests of all parties. The Group regulates the whole process of the supply chain and incorporates ESG standards into relevant systems to avert related risks on the one hand and expand sustainable development influence on the other.
<i>Supplier Code of Conduct</i>	The Group is committed to complying with high standards of business ethics and integrity and expects all suppliers to do business in an ethical manner and to take proactive actions to ensure compliance with all applicable laws and regulations, the requirements of the Supplier Code of Conduct.
<i>Human Rights Policy Commitments</i>	The Group firmly believes that safeguarding human rights is fundamental to sustainable business development. The Group has drawn up the Human Rights Policy Commitments to strengthen its protection of the human rights of employees and stakeholders, eradicate infringement and violation of human rights, and ensure that all employees are treated properly with respect.

## ESG Performance Assessment Mechanism

In order to effectively advance its sustainable development tasks, the Group has set ESG assessment standards, whereby ESG performance is assessed at two levels: for the year, and for the tenure. The yearly assessment indicators are designed according to the annual ESG strategic plan, while the tenure-specific assessment indicators are designed on the basis of the long-term ESG strategic plan. By setting quantifiable ESG assessment indicators, the Group makes compensation contingent on ESG performance and encourages all departments and subsidiaries of the Group to make remarkable progress in ESG performance by introducing an incentive mechanism that grants honors and awards to outstanding departments/subsidiaries, ESG demonstration cases, ESG projects and individuals.

# Operation with Integrity and Compliance

UNSDGs responded in this section:



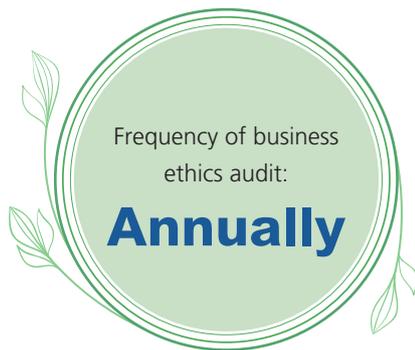
## COMBATING CORRUPTION AND UPHOLDING INTEGRITY

### Integrity Management System

The Group regards honesty and integrity as the foundation of its business operations. Therefore, the Group conscientiously complies with the laws and regulations such as the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of People's Republic of China, the Company Law of People's Republic of China and the Prevention of Bribery Ordinance of Hong Kong, and improves its management systems and countermeasures according to the latest regulatory requirements. The Group also complies with national policies, such as the Guidance on Compliance Management for Central State-Owned Enterprises (Trial) and refers to external standards such as the World Bank Group Integrity Compliance Guidelines and OECD Council's Good Practice Guidance on Internal Controls, Ethics and Compliance, in an effort to maintain compliant operations. We comprehensively review and appropriately revise the Group's anti-corruption policies and business conducts standards every year to ensure that the relevant management systems can be in accord with the requirements of existing laws and regulations.

The Board attaches great importance to business conducts and anti-corruption work. It has established the Supervision Department as a functional department to implement and monitor integrity construction work, and set up a management system involving the Board, the management, function departments and subsidiaries. In addition, it has also built a working mechanism connecting such departments as Human Resources Department, Administration Department, Finance Department, Risk Management and Internal Audit Department/Legal and Compliance Department and Inspection Department, which is used for the mechanism construction, implementation, supervision and violation handling of the Code of Conduct, in an effort to advance integrity institutional arrangements and enhance its ability of corporate governance according to law and ability to manage the code of business ethics.

In order to further improve its “code of business conduct” system, the Group formulated the *Code of Business Conduct* applicable to all employees during the Reporting Period. The Code of Business Conduct defines the Disciplinary Supervision Committee as the leading organ for management of the *Code of Business Conduct*, which is responsible for the full implementation of the *Code of Business Conduct* within the Company and for supporting and deciding the punishments against violations. The Group performs annual integrity investigation of business areas prone to corruption, such as engineering, procurement, investment and finance, and conducts internal audits on the *Code of Business Conduct* and other business conduct standards, policies and systems, continuously updates and revises the business conduct standards, policies and systems, regulates the fair competition and other business practices of the Company and its partners, and prevents employees and partners from bribery, fraud and other violations of business ethics. In 2022, the Group’s Headquarters and subsidiaries totally reviewed and updated 86 policies regarding discipline inspection and supervision in total.



## Operation with Integrity and Compliance

The *Code of Business Conduct* formulated during the Reporting Period specifies the following policies and systems regarding business ethics compliance.

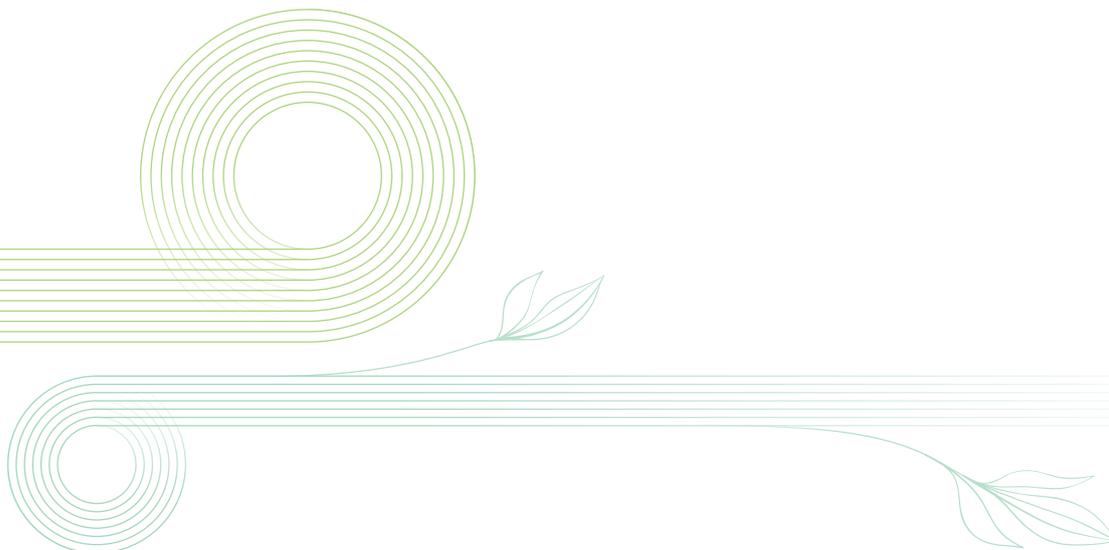
### *Policies and systems regarding business ethics compliance*

Anti-monopoly and anti-unfair competition	<p>The Group has formulated anti-monopoly and anti-unfair competition policies to regulate fair competition practices.</p> <p>The Group strictly reviews all M&amp;A transactions to ensure the legal compliance of commercial transactions, specifies the anti-monopoly compliance management requirements and compliance guidelines, and improves all employees' awareness of anti-monopoly compliance and compliance ability by virtue of internal mechanisms such as annual compliance inspection, compliance training and compliance assessment.</p>
Anti-corruption and anti-bribery	<p>The Group is committed to prohibiting all forms of corruption and bribery, and requires all employees to abide by its anti-bribery and anti-corruption regulations and the anti-bribery and anti-corruption laws of the regions where it operates. The Group has formulated anti-corruption and anti-bribery policies, in an effort to uphold integrity and insist on honest and law-abiding operation. Meanwhile, the Group has formulated policies such as the <i>Administration Measures on the Compliance of Souvenirs and Hospitality</i> and <i>Administration Measures on the Compliance of Donations and Sponsorships</i>, pursuant to which employees are strictly prohibited from participating in or assisting in any bribery, corruption or money laundering through souvenirs, hospitality, donation and sponsorship activities, so as to strengthen compliance management.</p>
Anti-money laundering	<p>The Group has formulated anti-money laundering policies (such as <i>Code of Business Conduct</i>), pursuant to which the Group promises not to participate in or assist in any money laundering and to regulate the management system for compliance of anti-money laundering and anti-terrorism financing. The scope of management covers all business activities and management processes.</p>
Tax compliance	<p>The Group has formulated Administration Measures for taxation to specify relevant matters such as the establishment and responsibilities of its tax management organization, daily tax-related issue management and tax risk management, and regulate tax registration and declaration.</p> <p>The Group undertakes to strictly comply with tax laws and regulations, carefully analyze tax risks, actively disclose tax information, declare and pay taxes on time and put an end to tax evasion.</p>

### *Requirements for integrity of business partners*

The Group has formulated the *Administration Measures on Compliance in Business Partnerships*, the *Code of Business Conduct* and other anti-corruption policies and systems to regulate the behaviors of suppliers and other business partners, which requires business partners to abide by the laws and regulations related to business ethics and not to engage in any form of corruption, bribery or commercial bribery in the course of cooperation. By signing compliance and integrity agreements with suppliers, or requiring them to issue specific compliance commitments, and explaining compliance management requirements to suppliers, the Group supervises and urges suppliers to fulfill their compliance obligations in anti-corruption, anti-bribery, integrity transactions, compliance with fair competition and anti-monopoly laws, anti-money laundering and other relevant aspects. Besides, the Group communicates the importance of integrity and anti-corruption to suppliers, and strengthens supplier training on the standards of business ethics to ensure full coverage of integrity education and training for suppliers. It also implements classified management of compliance risks by conducting credit investigation and compliance investigation on business partners such as suppliers, customers and investment partners, aiming to supervise and guide business partners to perform their obligations within integrity and eliminate corruption and bribery. Specifically, the Company takes the following measures, among others:

- (I) Investigate business partners' ability and trustworthiness to autonomously fulfill their relevant contractual obligations or commitments, such as investigating their assets, liabilities, operating profits, cash flow and other financial positions, and the performance of major contracts;
- (II) Investigate the ability of business partners to perform their compliance obligations and the performance of their compliance obligations, e.g., tax payment, legal employment, labor safety protection, compliance with fair competition and anti-monopoly laws, etc.;
- (III) Establish a compliance risk management and control mechanism for business partners, implement classified management, dynamic management and closed-loop management on business partners, and take different compliance management measures according to the type of cooperation and the level of compliance risk;
- (IV) Realize contract-based management and standardization of compliance obligations, agree upon the relevant code of business ethics and integrate it into the contracts signed with business partners as compliance clauses or representation and warranty clauses, and provide for the liability for breach of such agreements or commitments by business partners.



## Operation with Integrity and Compliance

### *Supervision and whistleblowing channels*

The Group has established an extensive and open whistleblowing channel and implemented the *Measures for Handling of Problem Clues and Management of Cases*, clearly specifying the scope of acceptance and handling procedures and encouraging whistleblowers to report on any illegal and undisciplined misconduct by phone call, email, fax, letter, WeChat, SMS, interview, etc. The Group improves the information protection mechanism for whistleblowers, accepts anonymous reports but advocates reporting in real names, and strictly implements the confidentiality management of information storage devices to ensure that the personal information of the whistleblowers and are kept strictly confidential, prohibiting retaliation against the whistleblowers. Upon receipt of the report, the Group verifies the whistleblowing information, conducts examinations and investigations for reports that fulfill the case initiation requirements and transfers the suspected non-compliance case to the procuratorate.



### *Whistleblower protection mechanism*

The Group has also set up a whistleblower protection mechanism:

- (I) Strictly implement the rules of recusal. If the investigators or judges are the immediate relatives of the investigated or the whistleblower, witnesses or interested parties of the case, or there are other circumstances that may affect the impartial investigation and trial of the case, such investigators or judges shall not participate in the investigation and trial.
- (II) Strictly control the access scope and time of information about the examination and investigation. It is prohibited to retain without permission, conceal, access to, create excerpts out of, reproduce and carry safety supervision information and case data, or to disclose information about the examination and investigation. Exercise strict control over storage device security management, and perform security control of the confidential information related to reported matters and cases.
- (III) Strictly abide by the disciplines of case handling. There must be at least two persons who participate in investigation and evidence collection. No one is allowed to intercede for the parties involved by taking advantage of his position, or alter, conceal, forge, steal or intentionally destroy evidence materials.

If there is evidence that the whistleblower and his immediate relatives may be retaliated against by the whistleblower through capitalizing on his power or influence, the Group will respond to that in accordance with the relevant provisions. Corresponding sanctions shall be imposed upon those who retaliate or cause others to retaliate against whistleblowers and their immediate relatives, in strict accordance with applicable laws and disciplines. Whistleblowers and their immediate relatives who suffer from personal injury, defamation or property loss due to retaliation shall be supported to recover their losses according to the laws.

### Integrity risk investigation mechanism

The Group implements the *Administration Measures on the Prevention and Control of Integrity Risk Points (Trial)* to identify violations in a wider range and improve the integrity risk investigation mechanism. In addition, the Group investigates the integrity risk points in key business processes, links and key positions every year. Based on the forms, causes, probability of occurrence, possible hazards and impact of risks, the integrity risk points are evaluated as three risk levels including high, medium and low, forming an integrity risk management information database, thereby adopting feasible preventive and monitoring measures to effectively prevent corruption behaviours.

#### Case Study:

##### Special Conference on Integrity Risk Prevention and Control of Overseas Institutions

In June 2022, the Group held the second collaborative work conference on upholding integrity and fighting corruption, which focused on providing guidance on the prevention and control of overseas integrity risks and investigating the integrity risk points of 5 key overseas subsidiaries. Eventually, 24 integrity risk points and 15 vulnerabilities were identified, 35 corrective measures were drawn up and 4 provisions of systems and policies were revised. The Group summarized the experience and effect of integrity risk prevention and control, found 5 problems, made a list of problems, defined the responsible departments and corrective measures, and continued to follow up and implement the measures.



#### Case Study:

##### Conducting “Embedded” Investigation of Integrity Risks

From September to November 2022, the Group carried out an investigation of internal integrity risk points and continued to promote the construction of an “embedded” integrity risk prevention and control mechanism, focusing on investigating the integrity risk points in key areas such as financial funds, engineering construction, project approval, state-owned ownership transaction, scientific research management, tendering and procurement, overseas investment and management, etc. We investigated and analyzed the integrity risk points item by item according to the business processes, made integrity risk assessment lists and built an integrity risk management information database, thereby improving the integrity risk prevention and control system.

## Operation with Integrity and Compliance

### Promotion of Integrity Culture

The Group firmly believes that anti-corruption education can strengthen the integrity and self-discipline awareness of all employees. Therefore, the Group has formulated the *Administrative Regulations on Employee Integrity Education* and carried out various anti-corruption education and training activities under the theme of business ethics for employees, such as special training, lectures, warning education and visits. The Group requires all new employees to receive integrity training on standards of business ethics, and all directors and executives to take part in a range of activities such as awareness education conference on combating corruption and upholding integrity organized by China Merchants Group Limited ("CMG") or the Group. Also, the Group carries out integrity education and delivers regulations and case studies on integrity practices, anti-corruption, anti-laundering, etc. in the course of day-to-day operations through platforms including internal communication system, email, WeChat, etc., to strengthen the integrity and self-discipline awareness of all employees and achieve full coverage of employee education and training on standards of business ethics. In 2022, the Group held a total of 61 Anti-corruption Warning Education Conferences, with a total of 2,519 participants; launched 39 Anti-corruption and Integrity theme activities in total; delivered 57 Anti-corruption and Integrity special training sessions in total, with a total of 38,713 participants. During the Reporting Period, there was no corruption-related lawsuits involving the Group.



## Case Study:

### Anti-corruption Warning Education Conference

In October 2022, the Group held an annual anti-corruption warning education conference of overseas business units, and a total of more than 300 managers attended the conference.



## Case Study:

### Integrity Culture Publicity Week

In November 2022, the Group held the annual "Discipline Inspection and Supervision Cadre Learning Week and Integrity Culture Publicity Week" to carry out discussion and study based on the "Warning Record of Corruption Cases of State-owned enterprises", exchange the experience in "embedded" investigation of integrity risk points.



### INFORMATION SECURITY

#### Protecting Customer Privacy

The Group attaches great importance to customer privacy, and regards “security”, “transparency” and “compliance” as the foundation of the privacy protection policy. The Group strictly abides by the laws and regulations on privacy in the regions where it operates, and has formulated and implemented the *CMPort Provisions on Confidentiality*, the *Interim Provisions on the Protection and Management of Trade Secrets*, and the *Administration Measures for Secret-related Computers and Ancillary Equipment of the Head Office* to safeguard its legitimate rights and interests. Besides, the Group has formulated the *Administration Measures for Business Contracts* to further standardize the confidentiality work procedures of business contracts such as the borrowing process, prescribed authority and confidential transmission mechanism of business contracts; strictly implemented the *Customer Information Security Policy* and formulated protection measures according to the security level of customer information to effectively prevent customer information leakage. Designated personnel are responsible for the management of contract files, and dedicated equipment is installed for information confidentiality. The Group strictly prohibits unauthorized copying of or access to relevant information to resolutely protect customer privacy. In addition, the Group implements confidentiality classification for customer information, formulates corresponding confidentiality measures and specifies the responsibilities and penalties for information leakage to prevent customer information leakage. The Group also improves the education of confidentiality to further strengthen employees’ awareness of privacy protection.

The Group makes customer privacy a shared responsibility of all employees and strengthens the security of internal information through the following specific initiatives:

- Deploy a new data ferrying system for approval and audit of development code transmission outside of the organization;
- Deploy new heterogeneous WAF firewall to enhance web application protection;
- Install a situation awareness platform to provide visualized network security monitoring and management.

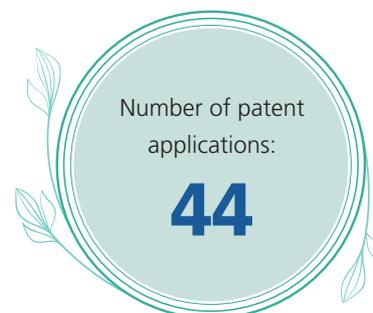
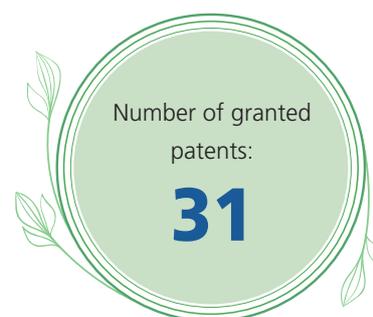
During the Reporting Period, the Group successfully prevented many overseas cyber-attacks, and there was no security incident related to customer privacy.

#### Protecting Intellectual Property Rights

The Group adheres to the intellectual property management principle of “encouraging innovation, promoting utilization and insisting on protection according to law”, complies with the *Trademark Law of the People’s Republic of China*, the *Patent Law of the People’s Republic of China* and other laws and regulations, and has formulated the *Administrative Provisions on Intellectual Property Rights* and the *Intellectual Property Compliance Manual* to carry out overall management on the creation, declaration, utilization and protection of intellectual property rights. Meanwhile, the Group has developed an intellectual property management system to further urge its subsidiaries to regularly review the validity of respective intellectual property rights and take appropriate measures to safeguard relevant rights.

In daily operations, the Group not only safeguards its own intellectual property rights, but also strives to prevent infringement upon others’ intellectual property rights. The Group requires all subsidiaries to check whether there is any risk of intellectual property infringement and apply to local competent authorities for necessary intellectual property protection in time when entering the international market. The Group has also conducted a study on the protection of patent right applications abroad for some of its subsidiaries. During the Reporting Period, there was no infringement on intellectual property rights by or against the Group.

#### During the Reporting Period:

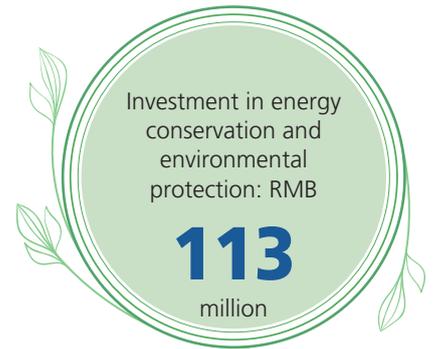


# Construction of Green and Ecological Ports

UNSDGs responded in this section:



The Group endeavors to fulfill its vision of building green and ecological ports, and strictly abides by the *Environmental Protection Law of People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other relevant laws and regulations, in an effort to reduce the impact of business operations on the environment and natural resources. In order to achieve the development goal of "Energy Conservation and Efficiency Enhancement", the Group implements an environmental management system that complies with ISO14001 requirements, and promotes green and low-carbon development from various aspects such as energy conservation and emission reduction projects and ecological conservation measures with "Technological Innovation" as the driving force.



Shekou Container Terminals Ltd. was awarded the title of Green Port in China (first batch).



Shekou Container Terminals Ltd. was awarded the title of Asia-Pacific Green Port.

The Group is committed to building national green and low-carbon demonstration ports, Shekou Container Terminals Ltd. has been awarded the titles of Four-Star Green Port in China (first batch) and Asia-Pacific Green Port.

### STRENGTHENING ENERGY CONSERVATION AND EMISSION REDUCTION

#### Reduction of Greenhouse Gas Emissions

As a responsible enterprise, the Group has set its emission reduction targets and drawn up its action plans with “Carbon Reduction” as an important strategic direction. In addition, the Group has made overall plans for the “5+2+2+1” “Carbon Peak” and “Carbon Neutral” actions, i.e., 5 carbon reduction actions, 2 social service actions, 2 low-carbon management actions and 1 green investment action to help the Group achieve Carbon Peak in 2028 and Carbon Neutral in 2060. During the Reporting Period, the Group launched 55 carbon emission reduction programs, and issued a letter of responsibility to each subsidiary to define the indicators of total carbon dioxide emissions and emission density of each subsidiary. During the Reporting Period, the Group achieved the set objectives.

The Group strictly implements the *Energy Conservation Law of the People’s Republic of China*, and has formulated rules and regulations such as the *Regulations on Energy Conservation and Environmental Protection*, the *Administration Measures on Statistical Monitoring for Energy Consumption and Carbon Emissions*, and the *Administration Measures on Energy Conservation and Environmental Protection Performance Assessment*, so as to improve energy use efficiency. Based on the current status of energy conservation and consumption reduction, the Group has scientifically set the objectives of energy measurement management, continuously expanded the application of new energy-saving technologies and products, given priority to environmentally friendly and efficient equipment, and replaced fuel with clean and low-carbon electricity to effectively improve energy use efficiency and reduce fuel consumption.

5+2+2+1 actions of carbon peak and carbon neutrality



In order to strengthen the monitoring of environmental risks and improve the level of environmental governance, the Group made a test run of the energy conservation, emission reduction and environmental protection system during the Reporting Period to carry out unified data collection throughout the Group, regulate the calculation standards and data statistics, and improve the disclosure of environment-related data. This year's data about ecological environment in this Chapter are disclosed according to the statistical requirements of CMG. Due to the inconsistency between this year's data and past data in the statistical method, statistical indicators and statistical coverage, the past data and this year's data are not comparable.

Greenhouse gas emissions	Unit	2022 <sup>*1</sup>	2021	2020
<b>Scope 1 emissions<sup>*2</sup></b>	Tonnes CO <sub>2</sub> e	219,784	61,898.33	53,880.49
<b>Scope 2 emissions<sup>*3</sup></b>	Tonnes CO <sub>2</sub> e	70,584	156,075.32	118,786.16
<b>Total greenhouse gas emissions</b>	Tonnes CO <sub>2</sub> e	290,367	217,973.65	172,666.65
<b>Greenhouse gas emission density<sup>*4</sup></b>	/	13.94 tonnes CO <sub>2</sub> e/10,000 tonnes <sup>*5</sup>	1.06 x 10 <sup>-2</sup> tonnes CO <sub>2</sub> e/TEU	1.09 x 10 <sup>-2</sup> tonnes CO <sub>2</sub> e/TEU

\*1 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection this year. Due to changes in the statistical method and statistical coverage, the past data is not comparable to this year's data.

\*2 Scope 1 GHG emissions here are the direct GHG emissions from fossil fuels consumed by vehicles and machinery. The carbon dioxide emission factor of fossil fuels adopted is the calculation factor issued by the local government or authority.

\*3 Scope 2 GHG emissions here are the indirect GHG emissions from purchased electricity. The carbon dioxide emission factor of electricity adopted is the calculation factor issued by the local government or authority.

\*4 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and changed the calculation method of GHG emission density this year. As the Group's business is not limited to container business, "tonnes CO<sub>2</sub>e/TEU" is no longer used as the unit of GHG emission density.

\*5 1TEU is converted to 8 tonnes, the same below.

## Construction of Green and Ecological Ports

### Waste Emission Management

The Group strictly abides by the laws and regulations related to wastes in the regions where it operates, including but not limited to the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and has formulated the *Regulations on Investigation and Treatment of Environmental Pollution Hazards* and the *Specific Emergency Plan for Environmental Pollution Incidents*. The Group takes targeted management measures for different emissions in order to avoid ecological pollution caused by emissions in business operations. In addition, the Group regularly inspects and controls various pollution sources to meet the emission standards in the regions where it operates.

Emissions	Management Measures
Air Pollutants	<ul style="list-style-type: none"> <li>- Advocate energy conservation, adopt energy conservation and emission reduction technologies such as the "oil-to-electricity" technology, promote the application of clean energy, and fundamentally control air pollutant emissions</li> <li>- Optimize production technologies, install spray devices, dust removers, remote mist sprayers, dust screen and other equipment to control and prevent dust generated in the production process</li> </ul>
General solid waste	<ul style="list-style-type: none"> <li>- Advocate green production, practice intensive production, and reduce the production of general solid waste</li> <li>- Entrust a third party to collect and process waste steel wire ropes, waste steel, pallets and other materials in accordance with laws and regulations, and entrust the third party to recycle</li> <li>- Transfer other wastes to local legal dumpsites for disposal</li> </ul>
Hazardous waste	<ul style="list-style-type: none"> <li>- Advocate green production, take energy-saving measures to reduce battery consumption, and gradually replace fluorescent lamps containing mercury vapor with LED lamps to reduce the generation of hazardous waste</li> <li>- Improve the hazardous waste management system and strengthen the monitoring and management of the hazardous waste treatment process</li> <li>- Establish hazardous waste storage facilities in accordance with applicable standards and specifications, collect and temporarily store hazardous waste as required, and regularly engage qualified units for compliant disposal through the government platform</li> </ul>
Wastewater	<ul style="list-style-type: none"> <li>- Advocate green production and life style, and use water-saving devices to reduce the generation of waste water</li> <li>- Construct sewage collection and treatment facilities, and implement maintenance, repair and cleaning of the facilities as required</li> <li>- Conduct monitoring of the reclaimed water, and discharge or recycle only when meeting relevant standards</li> </ul>
Noise	<ul style="list-style-type: none"> <li>- Undertake pollution control at the sources of noise, such as the equipment procurement and production process design, to ensure the compliance with relevant laws and regulations</li> <li>- Minimize noise generation during operation (e.g. reduce driving speed, control sirens, etc.)</li> <li>- Provide earplugs and other PPEs for workers exposed to noise hazards</li> </ul>



Waste emission	Indicators	Unit	2022 <sup>*6</sup>	2021	2020
<b>Wastewater</b>	Wastewater discharge	m <sup>3</sup>	570,358.71	296,130.00	438,868.00
	COD emissions <sup>*7</sup>	Tonnes	24.63	/	/
	NH3-N emissions <sup>*8</sup>	Tonnes	3.92	/	/
	Quantity of wastewater treatment facilities	Set	13	/	/
	Wastewater treatment capacity	Tonnes/Year	650,791	/	/
	Quantity of wastewater recycled after treatment <sup>*9</sup>	Tonnes	/	63,191.00	23,215.00
<b>Solid waste<sup>*10</sup></b>	General solid waste utilization rate	%	35.1	27.3	/
	General solid waste utilization capacity	Tonnes	2,586	1,837	/
	General solid waste production	Tonnes	7,364	6,731	/
	Hazardous waste disposal rate	%	96.65	91.57	/
	Hazardous waste disposal capacity	Tonnes	353	601	/
	Disposal capacity of solid waste in stock	Tonnes	6	32	/
	Hazardous waste production	Tonnes	359	621	/

\*6 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection this year. Due to changes in the statistical method and statistical coverage, the past data is not comparable to this year's data.

\*7 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the wastewater discharge indicators this year: add the statistics of "COD emissions" to realize comprehensive data disclosure.

\*8 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the wastewater discharge indicators this year: add the statistics of "NH3-N emissions" to realize comprehensive data disclosure.

\*9 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the wastewater discharge indicators this year: replace the statistics of "quantity of wastewater recycled after treatment" with "wastewater treatment capacity" and "quantity of wastewater treatment facilities".

\*10 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the solid waste emission indicators this year: make integrated statistics of the general solid waste (harmless waste) and hazardous waste (harmful waste) production, add the statistics of utilization rate, and remove further subdivision. As a result, the past data is not comparable to this year's data.

## Construction of Green and Ecological Ports

Air pollutant emissions	Unit	2022**11	2021	2020
<b>NO<sub>x</sub> emissions</b>	Tonnes	38.28	167.70	215.13
<b>SO<sub>2</sub> emissions**12</b>	Tonnes	0.30	0.81	/
<b>SO<sub>x</sub> emissions**13</b>	Tonnes	/	0.20	0.21
<b>CO emissions**14</b>	Tonnes	/	120.05	162.18

### Case Study:

#### Centralized Management Station of Solid Waste

The Group's Centralized Management Station of Solid Waste classifies the waste by recyclability, and conducts classified storage and centralized management of solid waste.



- \*11 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection this year. Due to changes in the statistical method and statistical coverage, the past data is not comparable to this year's data.
- \*12 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the air pollutant emission indicators according to its business features this year: add the statistics of "SO<sub>2</sub> emissions" to realize comprehensive data disclosure.
- \*13 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the air pollutant emission indicators according to its business features this year: delete the statistics of "SO<sub>x</sub> emissions".
- \*14 The Group used the energy saving, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the air pollution emission indicators according to its business features this year, and delete the statistics of "CO emissions".

## Energy Use Efficiency

The Group strictly implements the *Energy Conservation Law of the People's Republic of China*, and has formulated rules and regulations such as the *Regulations on Energy Conservation and Environmental Protection*, the *Administration Measures on Statistical Monitoring for Energy Consumption and Carbon Emissions*, and the *Administration Measures on Energy Conservation and Environmental Protection Performance Assessment*, so as to improve energy use efficiency. Based on the current status of energy conservation and consumption reduction, the Group has scientifically set the objectives of energy measurement management, continuously expanded the application of new energy-saving technologies and products, given priority to environmentally friendly and efficient equipment, and replaced fuel with clean and low-carbon electricity to effectively improve energy use efficiency and reduce fuel consumption.

Shore-powered supply for vessels	In 2022, Zhangzhou China Merchants Port Co., Ltd. (" <b>Zhangzhou Port</b> ") deployed a 2MW shore-powered supply system at 7# berth with an aim to expand the effect of power substitution, so as to promote energy conservation, emission reduction, low-carbon and green development of the port area. By the end of 2022, the Group's subsidiaries had built 27 sets of shore-powered facilities.
Revolve container machine	Zhangzhou Port's revolve container machine is driven by mains power instead of diesel, which not only reduces energy consumption, but also reduces carbon emission and noise pollution, saving energy and preventing environmental pollution. It is estimated that the yearly fuel consumption reduced in revolve container machine operations would reach 48t, which is equivalent to 108 t cut in yearly carbon emission.
Clean energy	In line with the requirements of the regulatory authorities, subsidiaries gradually phase out energy-intensive and emission-intensive facilities, and prioritize the use of environmentally friendly equipment, including the purchase of reach stacker with higher emission standards, the adoption of electric forklifts to replace traditional fuel forklifts, the trial use of "hydrogen" fuel trailers, and gradually explore the application of renewable energy in the parks and port areas.

## Construction of Green and Ecological Ports

Energy consumption	2022 <sup>*15</sup>	2021	2020
<b>Total gasoline consumption<sup>*16</sup></b>	269 Tonnes	1,941.53 MWh	1,612.70MWh
<b>Gasoline consumption density<sup>*17</sup></b>	0.0129 Tonnes/10,000 Tonnes	9.40 x 10 <sup>-5</sup> MWh/TEU	1.02 x 10 <sup>-4</sup> MWh/TEU
<b>Total diesel consumption<sup>*18</sup></b>	22,141 Tonnes	239,724.52 MWh	195,774.79 MWh
<b>Diesel consumption density<sup>*19</sup></b>	1.0631 Tonnes/10,000 Tonnes	4.18 x 10 <sup>-2</sup> MWh/TEU	1.23 x 10 <sup>-2</sup> MWh/TEU
<b>Total natural gas consumption<sup>*20</sup></b>	153,283m <sup>3</sup>	2,306.97 MWh	3,453.04 MWh
<b>Natural gas consumption density<sup>*21</sup></b>	7.36 m <sup>3</sup> /10,000 Tonnes	1.12 x 10 <sup>-4</sup> MWh/TEU	2.18 x 10 <sup>-4</sup> MWh/TEU
<b>Total purchased electricity consumption</b>	336,716.994 MWh	355,670.15 MWh	263,788.81 MWh
<b>Purchased electricity consumption density<sup>*22</sup></b>	16.168 MWh/10,000 Tonnes	1.72 x 10 <sup>-2</sup> MWh/TEU	1.66 x 10 <sup>-2</sup> MWh/TEU

\*15 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection this year. Due to changes in the statistical method and statistical coverage, the past data is not comparable to this year's data.

\*16 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. In order to improve data accuracy and conform to the characteristics of the port industry, the Group changed the unit of gasoline consumption to "Tonnes". As a result, the past data is not comparable to this year's data.

\*17 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. In order to improve data accuracy and conform to the characteristics of the port industry, and since the Group's business is not limited to the container business, the Group changed the unit of gasoline consumption density from "MWh/TEU" to "Tonnes/10,000 Tonnes" (1TEU is converted to 8 tonnes, the same below).

\*18 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. In order to improve data accuracy and conform to the characteristics of the port industry, the Group changed the unit of diesel consumption to "Tonnes". As a result, the past data is not comparable to this year's data.

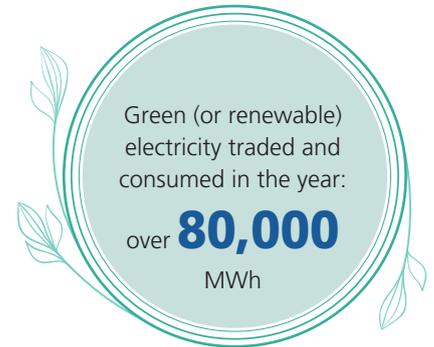
\*19 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. In order to improve data accuracy and conform to the characteristics of the port industry, and since the Group's business is not limited to the container business, the Group changed the unit of diesel consumption density from "MWh/TEU" to "Tonnes/10,000 Tonnes".

\*20 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. In order to improve data accuracy and conform to the characteristics of the port industry, the Group changed the unit of natural gas consumption to "m<sup>3</sup>". As a result, the past data is not comparable to this year's data.

\*21 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. In order to improve data accuracy and conform to the characteristics of the port industry, and since the Group's business is not limited to the container business, the Group changed the unit of natural gas consumption density from "MWh/TEU" to "m<sup>3</sup>/10,000 Tonnes".

\*22 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the energy consumption indicators according to its business features this year. Since the Group's business is not limited to the container business, the Group changed the unit of purchased electricity consumption density from "MWh/TEU" to "MWh/10,000 Tonnes".

In order to keep abreast with the industry's green development trend, the Group has been actively exploring green electricity trading. It consumed more than 80,000 MWh green electricity in 2022. Among them, the domestic subsidiary Zhangzhou Port started to participate in green electricity trading in 2022, and purchased and consumed over 1,300 MWh green electricity; the overseas subsidiary TCP Participações S.A. ("TCP") purchased green electricity through the I-REC registered EDP SMART ENERGIA LTDA, and signed the I-REC Certification Agreement; TCP consumed 81,151 MWh green electricity in 2022.



Clean energy	Indicators	Unit	2022	2021	Year-on-year increase (%)
<b>Solar PV</b>	Total installed capacity	KWh	4,631	4,500	2.91%
	Self-consumed electricity	KWh	308,177	167,146	84.38%
<b>Green electricity</b>	Green electricity purchased	KWh	81,151,100	0	/

### Utilization of Natural Resources

The Group is committed to building green office, and reducing the consumption of office consumables through continuous development of automation systems and paperless customs clearance to improve the resource utilization rate and minimize the environmental impact of its operations. The Group also fully integrates the "green" concepts into all aspects of daily office operations, and posts posters and signs to encourage employees to save electricity, water and paper in the office.

Energy consumption	Indicators	2022 <sup>*23</sup>	2021	2020
<b>Water resources</b>	New water consumption	2,101,286 m <sup>3</sup>	2,709,038.26 m <sup>3</sup>	2,001,654.00 m <sup>3</sup>
	Recycled water consumption <sup>*24</sup>	20,603 m <sup>3</sup>	/	/
	Water consumption intensity <sup>*25</sup>	100.89 m <sup>3</sup> /10,000 Tonnes	0.13 m <sup>3</sup> /TEU	0.13 m <sup>3</sup> /TEU

\*23 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection this year. Due to changes in the statistical method and statistical coverage, the past data is not comparable to this year's data.

\*24 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the water resource consumption indicators according to its business features this year: add the statistics of "recycled water consumption" to realize comprehensive data disclosure.

\*25 The Group adopted the energy conservation, emission reduction and environmental protection system for unified data calculation and collection, and adjusted the water resource consumption indicators according to its business features this year. Since the Group's business is not limited to the container business, the Group changed the unit of water resource consumption intensity from "m<sup>3</sup>/TEU" to "m<sup>3</sup>/10,000 Tonnes" (1TEU is converted to 8 tonnes).

### Case Study:

#### Condensate Recovery

Colombo International Container Terminals Limited ("CICT") adopted water-saving measures to better manage the limited water resources. 1,625 tonnes water can be saved yearly by collecting, storing and recycling the condensate water from the central air conditioners installed in the office building.

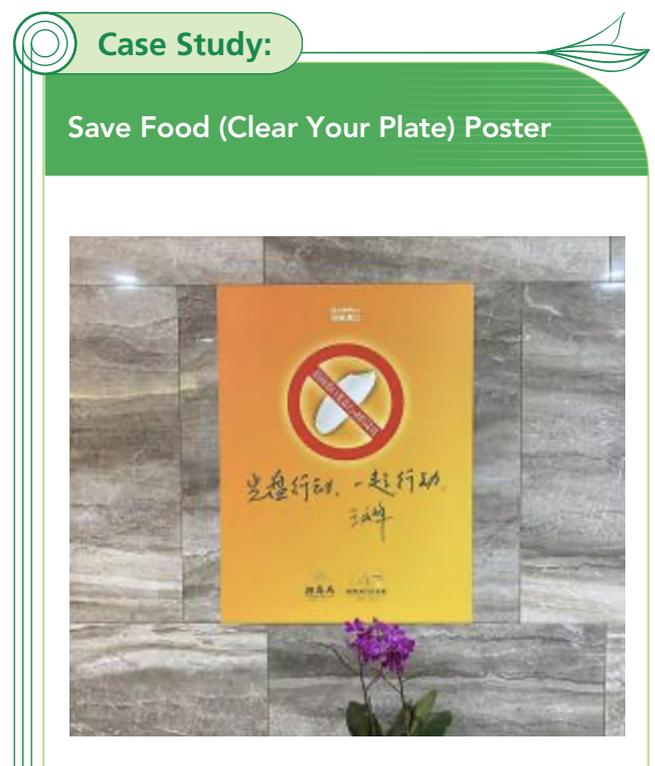


### Case Study:

#### Water Efficient Fog Cannon

In 2022, Zhangzhou Port erected a water efficient fog cannon to spray across the job site of the yard, resulting in a significant cost cut by saving about 4,500 tonnes water.





## PROTECTING THE ECOLOGICAL ENVIRONMENT

### Biodiversity Protection

The Group places great emphasis on the protection of ecological diversity and takes various measures to minimize the impact of its operations on the surrounding communities and marine ecology. The Group is committed to building a green and ecological port that is symbiotic with nature and actively explores different ways to reduce or eliminate the environmental impact of its business in the long run. During the Reporting Period, the Group drew up the *Ecological Environment Protection Policy Statement*, promising to:

- Do business in compliance with laws, regulations and standards regarding ecological and environmental protection.
- Develop and implement effective targets, plans and measures for air, wastewater and waste management, as well as energy and water use to minimize adverse environmental impacts of port and logistics park operations.
- Protect and restore environment zones affected by port operations.
- Establish an effective mechanism of information exchange and negotiation with internal and external stakeholders.
- Pursue continuous improvement and active disclosure of environmental performance to accept supervision from investors and the public.

## Construction of Green and Ecological Ports

In order to fulfill the above promises, the Group has taken the following measures to protect the ecological environment:

- Set the phased objectives of ecological environment protection according to its business development.
- Conserve and realize efficient use of energy and natural resources, give priority to production technologies and materials producing zero or minor environmental impact. Encourage subsidiaries to make technological innovations and process improvements, take effective measures to reduce the emissions of wastewater, waste gas and greenhouse gas, minimize solid wastes, and form a whole-process control mechanism of source reduction, intermediate control and end treatment.
- Strengthen water resource management and take effective water-saving measures to improve water utilization and reuse; prevent negative impacts on water resources in the port and logistics park areas and surrounding areas.
- Pay attention to the protection of ecosystems (wetlands, etc.) according to the general requirements of the *Convention on Biological Diversity* of the United Nations, the Kunming Declaration and the *Opinions on Further Strengthening Biodiversity Conservation* jointly issued by the General Office of the CPC Central Committee and General Office of the State Council, refraining from carrying out production activities in ecologically sensitive areas such as nature reserves and ecological red lines; protect rare plants and animals and their natural habitats, perform biodiversity investigation and assessment before launching a new project, and formulate diversified measures such as “prevention, mitigation, compensation and protection” based on the assessment results, so as to minimize the impact of port operations on the ecosystem at the project site and its surrounding areas and help practice the *Post-2020 Global Biodiversity Framework*.
- Protect the biodiversity of the project site by actively and continuously carrying out ecological compensation and restoration activities in all disturbed areas as required by the *Technical Guidelines for Marine Ecological Restoration*, etc. Carry out breeder releasing, protect the ecological environment of the waters, continue to improve the control of maritime invasive alien species, strengthen the investigation, monitoring, early warning, control, assessment, removal and ecological restoration of invasive alien species in wetlands, near-shore waters and other key sites. Recover the land and ecological habitats affected by port operations, where necessary, following a comprehensive assessment, improve the utilization of land resources, and protect the biodiversity of ecological habitats.

### Case Study:

#### Marine Ecological Environment Protection Learning Event

CICT organized employees to study the local environmental protection regulations, in a hope to spread the concept of ecological and environmental protection, and improve the employees’ awareness of marine ecological protection.



## Case Study:

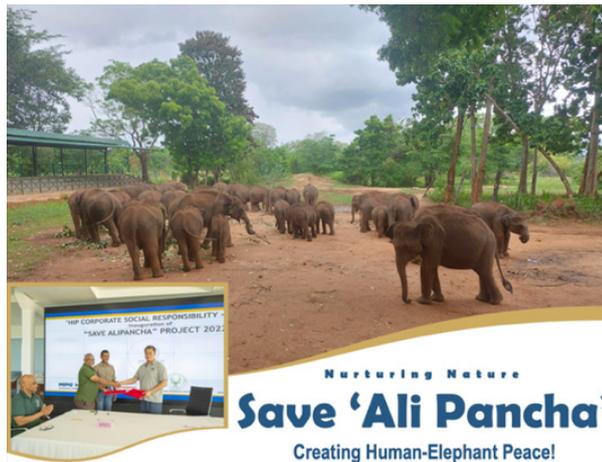
### “Human-Elephant Peace” Project in Sri Lanka



Human-Elephant Conflict Research Fieldwork



Completion Ceremony of the “Human-Elephant Peace” Project (Phase-1) in Tamanawa Village



Signing Ceremony of “Saving Elephants” Program

The Group launched the “Human-Elephant Peace” Charity Project, aiming to protect the local ecological environment where elephants live in Sri Lanka and contribute to maintaining the ecological diversity of regions where it operates. As an extension of the “Human-Elephant Peace” Project, Hambantota International Port Group (Private) Limited (“HIPG”) cooperated with Sri Lanka Department of Wildlife Conservation in the “Saving Elephants” event in 2022, in an effort to foster and protect elephants before they are released into the nature. HIPG donated funds for food and other necessities for the baby elephants at the elephant staging area with an aim to better maintain the stability and growth of the elephant population.

### Case Study:

#### Tree Planting Activity



HIPG carried out several tree planting activities in the port area and community to protect the ecological diversity of local community



Xia Men Bay China Merchants Terminals Co., Ltd. ("Xiamen Bay China Merchants Terminals") organized a voluntary tree planting activity.

### Case Study:

#### Green Plants at the Premises of China Merchants Port Service (Shenzhen) Co., Ltd. ("CMPS")



## Environmental Impact Assessment

In accordance with the *Law of the People's Republic of China on Environmental Impact Assessment*, the Group formulated the *Administration Measures on Statistical Monitoring for Energy Consumption and Carbon Emissions in 2022*. According to these measures, the Group's subsidiaries shall conduct environmental impact assessment before project construction, undertaking investigation and analysis on environmental impact and public opinions in respect of water, ecology, sound, solid waste, and atmosphere to identify potential environmental and social impacts and formulate mitigation measures; avoid the spawning period of major aquatic economic organisms during project construction to protect the reproduction of natural organisms; take ecological compensation measures after the construction period of the project, such as the implementation of restocking and release of marine environment fishery resources by Shantou China Merchants Port Group Co., Ltd. ("Shantou Port"), the implementation of 24 regular environmental and social monitoring and actions by TCP, etc., to effectively protect biodiversity.

During the Reporting Period, the Berth Reconstruction Project of Haixing Terminal in Shenzhen Mawan Port Zone completed the marine ecological monitoring investigation. The investigation was conducted on chlorophyll a and primary productivity, phytoplankton, zooplankton, benthos organisms, and nekton at 3 survey stations in the ecological environment to accurately assess the impact of the project on the marine ecology.

## TACKLING CLIMATE CHANGE

### Governance:

Climate change has caused irreversible damage to the human ecosystem. In this context, the Group incorporates climate change into its overall risk assessment and management system to further improve the climate control framework, in active response to the goal of the *Paris Agreement* and China's "Carbon Peak" and "Carbon Neutral" policy. In accordance with the suggestions of the Task Force on Climate Related Financial Disclosure (the "TCFD"), the Group carries out risk change identification and provides full support for the global climate action with perfect climate risk prevention strategies. Besides, the Group coordinates and supervises all matters related to climate risks, discusses and reviews them as specific issues, and will establish a sound climate risk management mechanism and system.

Attaching great importance to climate change, the Board of the Group and management have set up a Leading Group for Energy Conservation and Environmental Protection, which is responsible for establishing a new concept to tackle climate change, continuously promoting the reduction of pollution and carbon emissions, and enhancing the Group's ability to adapt to climate change. Under the Leading Group for Energy Conservation and Environmental Protection, there is an Energy Conservation and Environmental Protection Office, which cooperates with all departments to implement the strategic plan for tackling climate change, promote the implementation of the "Carbon Peak" and "Carbon Neutral" action plan, set the goal of pollution and carbon reduction, regularly conduct supervision and inspection in various forms, organize training related to climate change, carry out advanced experience exchange and promotion, and evaluate the fulfillment of targets by each business unit on an annual basis.

## Construction of Green and Ecological Ports

### Strategies:

The Group is well aware that climate change will bring physical risks and transformation risks and opportunities in the course of its operation. Hence, the Group has defined the key measures to coordinate and strengthen the response to climate change and protection of ecological environment on the fronts of strategic planning, institutional system, pilot demonstration, industry cooperation, etc.:

1. Step up efforts to tackle climate change: set the Carbon Peak goal by 2028, strive to achieve Carbon Neutrality in 2060, and establish an accountability mechanism for tackling climate change;
2. Promote the use of new energy and clean energy in port area: increase investment in the application of new energy technologies such as photovoltaic power generation, wind power generation, and energy storage technology. Fortify control over the acquisition of equipment and vehicles, exercise strict control over the acquisition of fuel-fired equipment, and give priority to electric equipment for new purchases;
3. Strengthen energy conservation and energy efficiency improvement: In order to further strengthen the fulfillment of the targets and responsibilities of energy conservation and energy efficiency increase, the Group carries out dual control of energy consumption intensity and total consumption, sets the energy consumption intensity and total consumption targets for each subsidiary, and supervise and evaluate the fulfillment of the targets. In addition, we further promote port production automation and intelligence, and promote the application of advanced energy-saving technologies for loading and unloading equipment;
4. Promote the economical and intensive use of natural resources: exert great efforts in conservation and intensive use of resources, give enough thought to the limit of shoreline, land and other resources, and improve the utilization of shoreline and land through resource integration and layout optimization; recycle used tires, steel wire ropes, bearings and other vulnerable parts; continuously strengthen water conservation initiatives and improve water reuse;
5. Play its role in building a green and low-carbon transportation system: We further promote the development of container rail-water transport and waterway-waterway transit, and push forward the "bulk-to-container" transformation of such goods as grain and highly processed grain products and the "package-to-container" transformation of such goods as steel and building materials, so as to improve the efficiency of the whole logistics chain and the level of ecological environment protection; and
6. Continue to advance asset structure optimization: Focusing on the strategic deployment, the Group pushes forward the dual drive model of "asset management + capital operation", and improves the capital operation plan and optimizes asset allocation in line with the direction of "asset-heavy to asset-light" and "quantity to quality", in an effort to oil the wheel of high-quality sustainable development, put into practice the concept of green development, promote endogenous growth, and continuously improve the return of asset value.

### Energy Conservation, Emission Reduction and Environmental Protection System

<b>Strategies</b>	Draw up the energy conservation and emission reduction plan	Set the technical indicators of energy conservation and emission reduction	Implement the statistical monitoring system for energy conservation and emission reduction
<b>Organizational system</b>	<i>Management level</i>	<i>Organization level</i>	<i>Executive level</i>
	The Group establishes the concepts, planning systems and evaluation methods and standards of environmental protection	The Group sets up a working group or organization for energy conservation and environmental protection, works out energy conservation and emission reduction plans, and incorporates them into daily operation and management	The Group's subsidiaries appoint energy conservation and emission reduction managers to carry out implementation, statistics, analysis, supervision and inspection of energy conservation and emission reduction
<b>Supporting system</b>	<ul style="list-style-type: none"> <li>• Make annual assessment contingent on environmental performance</li> <li>• Establish a sound statistical monitoring system and information distribution system for energy conservation and emission reduction</li> </ul>		

## Risk Control:

The Group continues to strengthen climate risk assessment and management, and identify the impacts of major climate risks on port loading & unloading stage, transportation stage, marketing stage or ordering stage, so as to implement specific countermeasures.

Risks	Potential Impact Analysis	Measures Adopted in 2022
<b>Physical Risks<sup>*26</sup></b>		
<b>Increase in the severity of typhoons</b>	<ul style="list-style-type: none"> <li>- Significant damage to port facilities and loss of assets;</li> <li>- The ports will be unable to accept loading or unloading;</li> <li>- Temporary cancellation of vessels calls will result in a reduction in business volume; delay of vessels calls will cause congestion and busy operation of berths for a period of time after the typhoon.</li> </ul>	<ul style="list-style-type: none"> <li>- Formulate typhoon and flood prevention plans and other emergency response plans, and regularly conducts emergency drills;</li> <li>- Improve the capability of large equipment to resist extreme weather via the installation of typhoon protection devices and typhoon warning devices for quayside container cranes, regular inspection and maintenance of equipment, intensified equipment inspection, etc. to ensure the normal operation of relevant brake equipment;</li> <li>- Mobilize and allocate terminal resources to organize the resumption of production in a reasonable and efficient manner.</li> </ul>
<b>Increase in the severity of flood</b>	<ul style="list-style-type: none"> <li>- Direct economic losses caused by the waterlogging of cargos.</li> </ul>	<ul style="list-style-type: none"> <li>- Formulate material storage plans, such as storing goods in warehouses, silos, etc. during rainy seasons.</li> </ul>
<b>Increase in severity of other extreme weather incidents</b>	<ul style="list-style-type: none"> <li>- Cause significant losses to the port's production, operation, assets or supply chain, and increase operating costs;</li> <li>- The ports will be unable to operate normally: foggy weather may affect the safety of vessels calling at the port or vehicles transportation; extreme weather or thunderstorms may cause damage to machinery, equipment, and personnel on-site.</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen the berthing and unberthing management in extreme weather, including the parking of large terminal equipment in strict accordance with the berthing requirements, turning on berthing signs, and real-time communication between instructors and pilots;</li> <li>- Reasonably arrange operating hours, including preparing loading and unloading plans and arranging personnel to rest in advance during the period of vessels departing from the port to avoid extreme weather; suspend on-site operation under extreme weather; add operation lines according to the plan after the extreme weather is lifted to improve the operation efficiency and shorten the time of vessels in the port.</li> </ul>

\*26 Physical risk refers to the potential impact of climate change on enterprises, including acute risk (e.g., the risk caused by extreme weather conditions) and chronic risk (e.g., the risk caused by sea level rise or sustained high temperature) directly related to enterprises arising from climate change.

## Construction of Green and Ecological Ports

Risks	Potential Impact Analysis	Measures Adopted in 2022
<b>Physical Risks<sup>*26</sup></b>		
<b>Changes in rainfall and extreme fluctuations in weather patterns</b>	<ul style="list-style-type: none"> <li>- Workers are prone to physical injury incidents when they are feeling unwell;</li> <li>- Shorten the overall operating hours of ports;</li> <li>- Crop yield may be affected, which in turn affects the export volume in the region.</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen the physical examination of workers before and during work, and improve the berthing and unberthing management in extreme weather, including the parking of large terminal equipment in strict accordance with the berthing requirements, turning on of berthing signs, and real-time communication between instructors and pilots;</li> <li>- Reasonably arrange operating hours, including preparing loading and unloading plans and arranging personnel to rest in advance during the period of vessels departing from the port to avoid typhoons; suspend on-site operation under extreme weather; add operation lines according to the plan after the typhoon is lifted to improve the operation efficiency and shorten the time of vessels in the port;</li> <li>- Pay attention to the subsequent impact of extreme climate change continuously and conduct relevant market research to reduce the impact of adverse factors on orders.</li> </ul>
<b>Increase in average temperature</b>	<ul style="list-style-type: none"> <li>- Working in hot environment can cause discomfort to frontline workers and affect work efficiency;</li> <li>- Affect work safety and reduce working hours.</li> </ul>	<ul style="list-style-type: none"> <li>- Strictly follow the management regulations for hot seasons, increase the frequency of breaks and distribute cool drinks.</li> </ul>
<b>Rise of sea level</b>	<ul style="list-style-type: none"> <li>- Submersion of cargo in yard.</li> </ul>	<ul style="list-style-type: none"> <li>- Store cargo in places such as warehouses and silos during rainy seasons to reduce the amount of stacking on the site; and take actions against flooding in the yards.</li> </ul>
<b>Transition Risks<sup>*27</sup></b>		
<b>Increase the greenhouse gas emissions pricing</b>	<ul style="list-style-type: none"> <li>- Increase in operating costs (including carbon tax, carbon trading, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>- Track and control the energy conservation and environmental protection work of its subsidiaries, while also practicing green development concepts throughout the process of project planning and design to service operation process, so as to avoid ecological pollution caused by emissions as much as possible.</li> </ul>
<b>Requirements and supervision for products and services available</b>	<ul style="list-style-type: none"> <li>- Increase in compliance costs due to restrictions on the sulphur emissions of global marine fuel oils and the implementation of environmental protection policies.</li> </ul>	<ul style="list-style-type: none"> <li>- Identify relevant emission requirements in a timely manner, formulate and improve internal policies of pollution prevention and control, and strictly enforce emission requirements.</li> </ul>

\*27 Transition risks refer to the risk associated with various changes in policies, laws, technologies and markets resulting from the transition to a low-carbon economy.



Risks	Potential Impact Analysis	Measures Adopted in 2022
<b>Transition Risks<sup>*27</sup></b>		
<b>Litigation for violations of environmental regulations</b>	<ul style="list-style-type: none"> <li>- Potential civil, administrative, and criminal liabilities resulting in damages to the corporate reputation and corresponding penalties.</li> </ul>	<ul style="list-style-type: none"> <li>- Strictly comply with the environmental laws, regulations, and industry standards of the regions where we operate;</li> <li>- Strengthen the monitoring and control of various pollution sources.</li> </ul>
<b>Higher costs of substituting the existing products and services with low-emission options</b>	<ul style="list-style-type: none"> <li>- Increase in operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Keep updated about low-carbon technologies;</li> <li>- Continue to carry out energy conservation technological transformation, explore the application of clean energy and gradually increase the proportion of new energy and clean energy use</li> </ul>
<b>Failed investment in new technology and front-end cost of transition to low-emission technology</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen identification of laws and government supportive policies;</li> <li>- Investigate key issues of ecological protection, and increase relevant facilities and equipment.</li> </ul>
<b>Changing of customer behaviour</b>	<ul style="list-style-type: none"> <li>- Customers are more inclined to cooperate with corporates that are concerned about environmental protection, and corporates need to invest capital to update to a more environmentally friendly model.</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on environmental protection and value customer feedback.</li> </ul>
<b>Uncertainty in the market signals</b>	<ul style="list-style-type: none"> <li>- Changes in customer preferences may result in the lower demand for goods and services.</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to pay attention to changes in customer needs, actively communicate with customers, and adjust the service mode in a timely manner.</li> </ul>
<b>Increase in cost of raw materials</b>	<ul style="list-style-type: none"> <li>- Changes in fuel prices and increases in application costs of new energy technologies.</li> </ul>	<ul style="list-style-type: none"> <li>- Pay attention to the impact of changes in fuel prices and the application of new energy technologies on the market.</li> </ul>
<b>Increasing concerns about negative feedback from stakeholders</b>	<ul style="list-style-type: none"> <li>- Negative information of the company may bring negative impact on corporate image.</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on environmental protection, continuously optimize the business environment, encourage trade facilitation, and expand the upstream and downstream service supply chain;</li> <li>- Actively incorporate environmental protection concepts into daily operations, and drive the society to pay attention to issues such as marine protection and ecological protection.</li> </ul>

### Case Study:

#### China Merchants International Terminal (Qingdao) Company Ltd. ("CMT Qingdao")'s Efforts in Typhoon and Flood Prevention

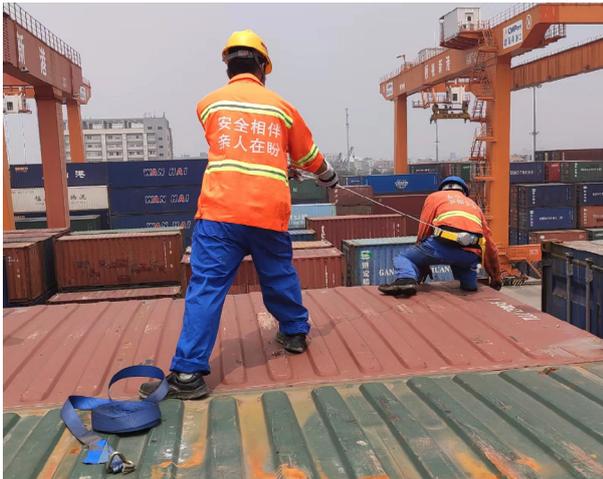
In May 2022, CMT Qingdao carried out a 4-month special inspection for typhoon prevention, during which it conducted a comprehensive self-inspection of wind safety devices installed for protecting equipment and facilities throughout the organization. The scope of self-inspection covered the whole process of wind safety device management, and specialists were designated to inspect all large equipment, machinery and construction facilities to locate the hazards of wind guarding and eliminate blind spots and loopholes in management.



### Case Study:

#### Guangdong Yide Port Limited (Yide Port)'s Anti-typhoon Reinforcement Drill

In April 2022, Yide Port carried out an anti-typhoon reinforcement drill in the AHU area to help new and old employees get familiar with or consolidate the anti-typhoon reinforcement process and improve efficiency, so that reinforcement work in the AHU area can be completed in time in case of typhoon warning to reduce risks.

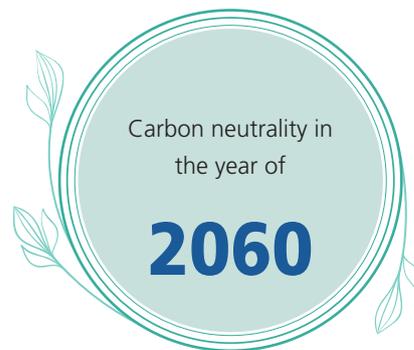
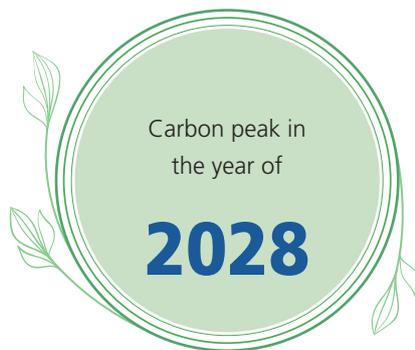


## Targets and Action Plans

The Group actively responds to China's energy security and low-carbon transformation strategy, steps up efforts to promote green and low-carbon development of investment, operation and management based on technological innovation, accelerates the development of an industrial structure and production model that can save resources and protect the environment. By referring to China's 3060 Target, the Group has established climate-related indicators, targets and transformation plans to accelerate the progress towards achieving net zero emissions.

### Targets:

Year	Targets	Carbon reduction results
2022-2025	Carbon intensity per TEU increases by 4.6% over 2021. New energy and clean energy container trucks in the international container ports at hub locations account for 60% of the truck fleet.	Energy structure gets optimized; Adjustment of transportation structure is accelerated; The pollution and carbon emission are significantly reduced; There is an increasing number of green energy applications; The green investment concept has taken shape; Continuous improvement of management system and mechanism is achieved.
2026-2030	Carbon peak in 2028	The intelligent management capability is remarkably enhanced; The green and low-carbon operation system of ports and parks is substantially established; The green investment concept is substantially developed.



## Construction of Green and Ecological Ports

### Action Plans:

#### Port terminals:

- 2022: increase 1.1MW installed solar PV capacity; electrically transform 5 sets of E-RTG cranes; transform the electric control systems of 4 cranes; install one portal crane in the energy feedback system; replace 125 high-pole lamps with LED lamps.
- 2023: deliver and put into service 66 pure electric container trailers, and replace 3 fuel-powered fork lift trucks with newly purchased electric ones;
- 2023-2025: transform 2 fuel-fired RTG cranes into E-RTG cranes, and deliver more than 400 electric container trailers;
- 2023-2030: launch new photovoltaic power generation projects, with a planned increase of 11.8MW installed capacity;
- 2023-2030: launch new wind power generation projects, with a planned increase of 41.5MW installed capacity.

#### Logistics parks:

- 2022: replace 6 sets of lighting equipment with LED lamps;
- 2023-2025: launch new photovoltaic power generation projects, with a planned increase of 3MW installed capacity; replace 1 piece of fuel-powered equipment with an electric one.

## ENGAGING IN GREEN CHARITY

The Group advocates bringing the concept of environmental protection into daily operations, continues to organize diverse types of energy conservation and environmental protection activities, and encourages employees to participate in multiple green charity events to jointly build green and ecological ports.

### Case Study:

#### Beach Clean-up Program in Sri Lanka

By the end of the Reporting Period, HIPG has launched several beach cleanup programs in Hambantota to protect the marine ecosystem, covering the Hambantota Fishing Port and the surrounding coastal areas. HIPG installed garbage collectors in the fishing port community, carried out marine pollution publicity activities in the communities around the fishing port, and also donated funds for Marine Environment Protection Authority (MEPA) to carry out the beach ecology protection plan.



# Maintaining a Safe Working Environment

UNSDGs responded in this section:



The Group sticks to the concept of people-oriented and safe development, always putting the employees' life safety and health first and striving to become a model of healthy and safe development in the port industry. In 2022, the Group drew up the Occupational Health and Safety Statement, committing to develop and implement effective goals, plans and measures regarding occupational health and work safety, and make every effort to minimize the adverse impact of production activities on occupational health and work safety; continuously improve and proactively disclose its occupational health and work safety performance, and accept the supervision of investors and the public.

## WORK SAFETY MANAGEMENT

The Group strictly complies with and thoroughly implements the laws, regulations and standards related to health and safety issues and remedial methods in the regions where it operates, including the Work Safety Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China, etc. During the Reporting Period, there was no production safety accident of Level II or above specified by the Group, and the work safety management objectives were fully achieved.

### Safety Management and Control System

The Group has established a Work Safety Management Committee (the "Safety Committee") which is responsible for the overall management of work safety, and an office of the Safety Committee which is responsible for the daily work. Besides, the Group has formulated health and safety policies such as the *Administrative Regulations on Work Safety* applicable to the whole Group (including its contractors), and adopted a dynamic cycle of "Plan, Do, Check and Act" (PDCA) to standardize the work safety management process and define the work safety responsibility. The Group has also established a management system covering all work safety risks, and encourages all subsidiaries to obtain international certification.

The Group's subsidiaries continued to obtain domestic and international certifications related to work safety. Among them, Shekou Container Terminals Ltd. has obtained the ISO28000 supply chain security management system certification, and HIPG has obtained the ISO45001 occupational health and safety management system certification, and also the ISO9001:2015, ISO14001:2015 and ISO45001:2018 integrated management system certification, becoming the first port company in Sri Lanka to obtain the certification.

### Case Study:

#### HIPG and HIPS Integrated Management Certification

HIPG successfully obtained the ISO9001:2015, ISO14001:2015 and ISO45001:2018 Integrated Management System Certification issued by the Bureau Veritas, becoming the first port company in Sri Lanka to obtain the certification.



### Safety Performance Assessment

The Group has formulated the *Administrative Regulations on Work Safety Performance*, and signed the *Work Safety Management Targets Responsibility Letter* with its subsidiaries, which specifies the annual work safety management targets, key tasks of work safety and work safety education and training plans. In addition, the Group conducts annual assessment on the work safety performance of the subsidiaries every year. During the Reporting Period, the Group set the annual targets and issued the annual Work Safety Management Targets Responsibility Letter. The Group explicitly requires the safety performance assessment results of subsidiaries and their persons in charge of work safety to be correlated with performance pay and other incentives. Performance scores will be deducted for work safety accidents, while rewards will be given for outstanding safety performance to ensure the effective implementation of work safety targets and eradicate work-related accidents, machinery damage accidents, facility damage accidents, cargo damage accidents, traffic accidents, and fire and explosion accidents. In 2022, there was no work safety accident of Level II or above specified by CMG or cases of occupational diseases associated with exposure to dust, radioactive substances, toxic and hazardous substances in the course of production and operation, and the work safety management objectives were fully achieved.

#### Health and safety management measures

#### Target (2022)

#### Completion (2022)

Work safety accidents with 3 or more persons suffering from serious injury	0	Completed
Work safety accidents with 1 or more fatalities	0	Completed
Work safety accidents with property loss of RMB2 million or more	0	Completed
Cases of occupational diseases associated with exposure to dust, radioactive substances, toxic and hazardous substances in the course of production and operation.	0	Completed

## Potential Risk Investigation

The Group regularly carries out work safety hazard identification and assessment to identify various hazards that affect the work safety and occupational health of employees and the respective risk levels, and has a potential hazard investigation mechanism in place to analyze and evaluate the identified potential hazards. The Group works out solutions based on the evaluation results, and organizes regular or irregular safety inspections to work out rectification plans for identified hazards to prevent accidents.

### Case Study:

#### CICT organized risk identification and potential hazard investigation training

From May to October 2022, CICT carried out 3-day IOSH training consisting of two sessions for the on-site staff of all departments at the middle level or below, in cooperation with an external organization. The training mainly focused on potential hazard investigation and risk identification. A total of 31 persons participated in the training and passed the certificate examination.



## Maintaining a Safe Working Environment

### Safety Emergency Management

In order to effectively respond to various potential safety accidents, the Group constantly improves the emergency management mechanism by drawing up emergency management plans including *Integrated Emergency Plan for Work Safety Incidents*, *Specific Emergency Plan for Typhoon Prevention* and *Management Plan for Fire Accident Scene*, regulates the prevention and handling of emergency incidents, and guides the development of integrated emergency plans, specific emergency plans and on-site handling plans. In addition, the Group has established an emergency command platform with its domestic subsidiaries to strengthen the coordination and linkage at different levels and ensure quick response and efficient handling of emergencies.

#### Case Study:

### Fire Emergency Evacuation Drill

In April 2022, Zhangzhou Port carried out a fire emergency evacuation drill, with an aim to address the potential safety hazards and safety management vulnerabilities in crowded places such as staff quarters, and prevent all kinds of safety accidents.



#### Case Study:

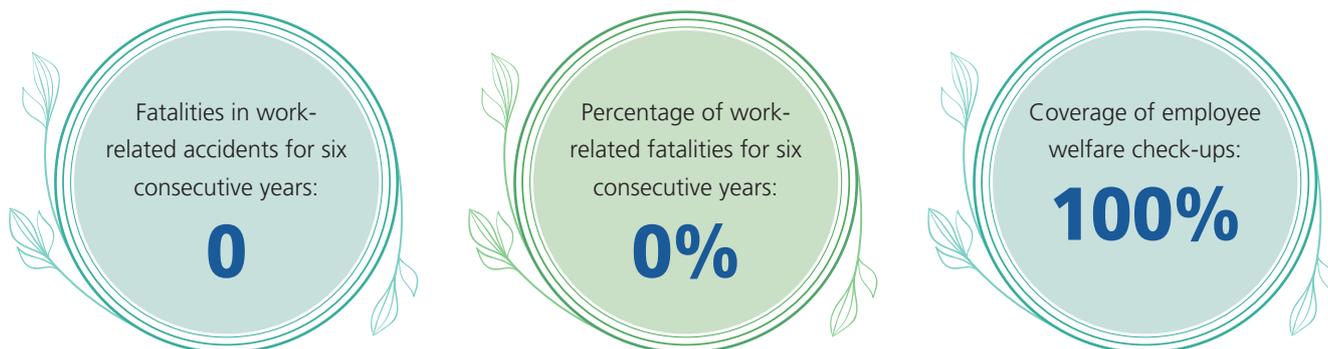
### Anti-terrorism and Emergency Evacuation Drill

In October 2022, Port de Djibouti S.A. ("PDSA") organized an anti-terrorism and emergency evacuation drill.



## SAFEGUARDING EMPLOYEES' HEALTH

The Group attaches great importance to the health and safety in workplaces, and hopes to create a safe working environment with employees to achieve “zero casualty” in business operations. Meanwhile, the Group strictly complies with the laws and regulations that are related to occupational health and safety in the regions where it operates and have significant impacts on the Group, including the *Law of the People’s Republic of China on Prevention and Control of Occupational Diseases*, *Technical Specifications for Occupational Health Surveillance*, *Occupational Safety and Health Ordinance of Hong Kong*, etc.



Occupational health and safety data	Unit	2022	2021	2020
Number of deaths due to work	Persons	0	0	0
Rate of death due to work	Per 200,000 working hours	0	0	0
Number of work-related injuries	Persons	9	6	6
Rate of work-related injuries	Per 200,000 working hours	0.10	0.07	0.07
Number of working days lost due to work-related injuries	Days	342	81	30
Rate of working days lost due to work-related injuries	%	14.9 x 10 <sup>-5</sup>	3.84 x 10 <sup>-5</sup>	1.40 x 10 <sup>-5</sup>
Number of occupational disease cases	Cases	0	0	0

## Maintaining a Safe Working Environment

### Prevention and Control of Occupational Diseases

The Group has formulated and implemented the *Administration Measures for Prevention and Control of Occupational Hazards and Occupational Diseases* to regulate the occupational health management of employees, strengthen the prevention and control of occupational hazards in workplaces and provide annual physical examinations and occupational health examinations for employees. In order to better protect the occupational health rights of employees, the Group has made extensive analysis on the major occupational health problems of the port operators and their influencing factors, and is organizing the preparation of the *Guidelines for Occupational Health Management of Port Employees*, striving to make it a national standard and develop and continuously optimize the health management system suitable for the posts.

In order to better protect employees' rights and obligations in occupational disease prevention and control, the Group continued to promote occupational disease prevention and control:

- Set up work safety and occupational health management units, and equip them with full-time work safety and occupational health managers; establish a sound safety and occupational health management system, and urge employees to strictly implement it; identify and evaluate work safety risks and occupational hazards, and work out protective measures;
- Draw up annual work safety plans and occupational disease prevention plans; supervise and inspect the prevention and control of occupational hazards and potential work safety hazards, and eliminate occupational hazards and potential accident hazards in time;
- Carry out regular occupational health examinations against heat, X-ray, noise, arc light, etc., and create occupational health files and worker health monitoring files as per laws and regulations;
- Detect occupational hazard factors such as heat, X-ray and noise on a regular basis, and publish the detection results;
- Organize occupational health and safety publicity, education and training on a regular basis;
- Post occupational hazard and safety warning signs;
- Provide employees with personal protective devices and articles for occupational hazard prevention;
- Pay high-temperature allowance according to regulations;
- Inform employees in writing of the occupational hazard factors, risks and security measures of their respective posts.

Case Study:

Popularizing Preventive Measures for Common Occupational Diseases

In June 2022, CMT Qingdao invited experts in safety and health education to deliver a lecture on occupational health and safety knowledge, with an aim to help employees establish a correct concept of health and create a good atmosphere that everyone pays attention to and cares for health.



Case Study:

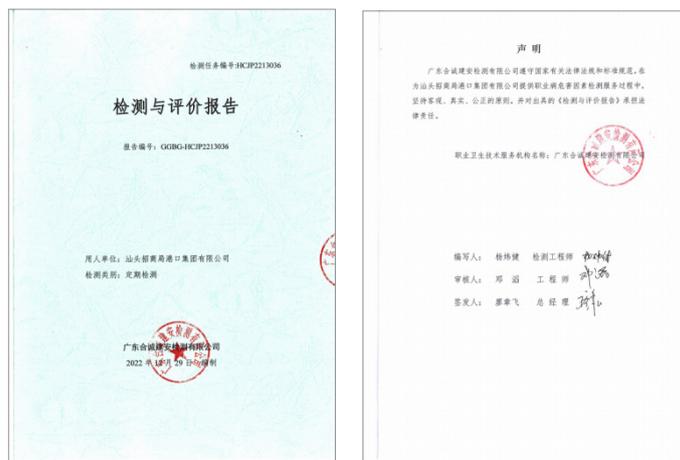
Ningbo Daxie China Merchants International Container Terminal Co., Ltd. ("Ningbo Daxie") Created a Bulletin Board for Occupational Disease Prevention

**职业病防治信息公告栏** 宁波大榭招商国际码头 NINGBO DAXIE CONTAINER TERMINALS

<b>职业病危害应急救援与管理制度</b>		<b>岗位操作规程及职业病危害因素检测结果</b>								
<p>1. 目的：为规范职业病危害应急救援与管理工作，防止发生职业病危害事故，最大限度地减少职业病危害事故造成的损失，保障员工的生命安全和身体健康，特制定本制度。</p> <p>2. 适用范围：适用于本码头所有从事职业病危害作业的员工。</p> <p>3. 职责：本码头安全管理部门负责本制度的制定、修订、培训和考核；各作业班组负责本制度的落实和执行。</p> <p>4. 管理内容：本码头应建立健全职业病危害应急救援组织，配备必要的应急救援器材、设备和物资，并定期进行检查和维护。一旦发生职业病危害事故，应立即启动应急预案，采取有效措施，防止事故扩大，并及时报告有关部门。</p> <p>5. 培训：本码头应定期对员工进行职业病危害应急救援知识的培训，提高员工的应急救援意识和能力。</p> <p>6. 考核：本码头应定期对员工进行职业病危害应急救援知识的考核，考核合格后方可上岗作业。</p>		<p><b>岗位操作规程</b></p> <p>1. 上岗前：作业人员应接受过专门的安全培训，并经考核合格后方可上岗作业。上岗前应穿戴好个人防护用品，并检查设备是否正常。</p> <p>2. 作业中：作业人员应严格按照操作规程进行操作，不得擅自改变作业程序。作业时应保持注意力集中，严禁酒后作业、疲劳作业。</p> <p>3. 作业后：作业结束后应及时清理现场，将工具、设备归位。如发现异常情况，应立即停止作业，并报告管理人员。</p> <p><b>职业病危害因素检测结果</b></p> <p>检测项目：噪声、粉尘、高温、辐射等。</p> <p>检测结果：符合国家标准要求。</p>								
<b>机修员职业病危害及防护措施</b>		<b>高温</b>	<b>防辐射</b>							
<table border="1"> <tr> <th>岗位</th> <th>职业病危害因素</th> <th>健康危害</th> <th>防护措施</th> </tr> <tr> <td>机修员</td> <td>有毒气体、电焊烟尘、电焊弧光</td> <td>1. 有毒气体：长期吸入可导致中毒、窒息、甚至死亡。 2. 电焊烟尘：长期吸入可导致尘肺病、支气管炎、肺气肿等。 3. 电焊弧光：长期接触可导致电光性皮炎、白内障、视网膜病变等。</td> <td>1. 佩戴防毒面具、防护眼镜、电焊面罩等个人防护用品。 2. 保持作业场所通风良好，及时清理焊渣。 3. 避免长时间在高温环境下作业，注意休息和补水。 4. 作业时保持安全距离，避免直视电焊弧光。</td> </tr> </table>	岗位	职业病危害因素	健康危害	防护措施	机修员	有毒气体、电焊烟尘、电焊弧光	1. 有毒气体：长期吸入可导致中毒、窒息、甚至死亡。 2. 电焊烟尘：长期吸入可导致尘肺病、支气管炎、肺气肿等。 3. 电焊弧光：长期接触可导致电光性皮炎、白内障、视网膜病变等。	1. 佩戴防毒面具、防护眼镜、电焊面罩等个人防护用品。 2. 保持作业场所通风良好，及时清理焊渣。 3. 避免长时间在高温环境下作业，注意休息和补水。 4. 作业时保持安全距离，避免直视电焊弧光。	<b>职业健康管理</b> 工作小结	<b>防噪音</b>
岗位	职业病危害因素	健康危害	防护措施							
机修员	有毒气体、电焊烟尘、电焊弧光	1. 有毒气体：长期吸入可导致中毒、窒息、甚至死亡。 2. 电焊烟尘：长期吸入可导致尘肺病、支气管炎、肺气肿等。 3. 电焊弧光：长期接触可导致电光性皮炎、白内障、视网膜病变等。	1. 佩戴防毒面具、防护眼镜、电焊面罩等个人防护用品。 2. 保持作业场所通风良好，及时清理焊渣。 3. 避免长时间在高温环境下作业，注意休息和补水。 4. 作业时保持安全距离，避免直视电焊弧光。							

### Case Study:

#### Shantou Port Occupational Hazard Factor Detection and Evaluation



### Safety Education and Training

The Group has invested a lot of resources and time to carry out various safety training activities, in order to safeguard the health and safety of employees. During the Reporting Period, the Group delivered a series of training, with a total of 231,728 participants, and carried out various organized 3,092 health and safety emergency drills, with a total of 36,645 participants.



## Case Study:

### Accident Warning Education

In April 2022, Ningbo Daxie organized an accident warning education to raise employees' awareness of accident prevention.



# Enhancing Operation Management Performance and Efficiency

UNSDGs responded in this section:



## SUSTAINABLE SUPPLY CHAIN

The Group is committed to cooperating with and building a long-term mutually beneficial cooperation relationship with suppliers that pursue business ethics and have obtained environmental quality certification, so as to jointly achieve the sustainable development goals. In accordance with the relevant laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Administration Measures of China Merchants Group for Procurement (2020)*, the Group has formulated regulations such as the *Administration Measures on Engineering and Equipment Tenders*, the *Administration Measures on Goods and Services Tenders* and the *Implementation Rules for Supplier Management (Trial)*. In addition, the Group establishes standards for the classification and grading, evaluation and incentive, withdrawal and other processes of all suppliers, and continuously improves the supplier management system and procurement process.

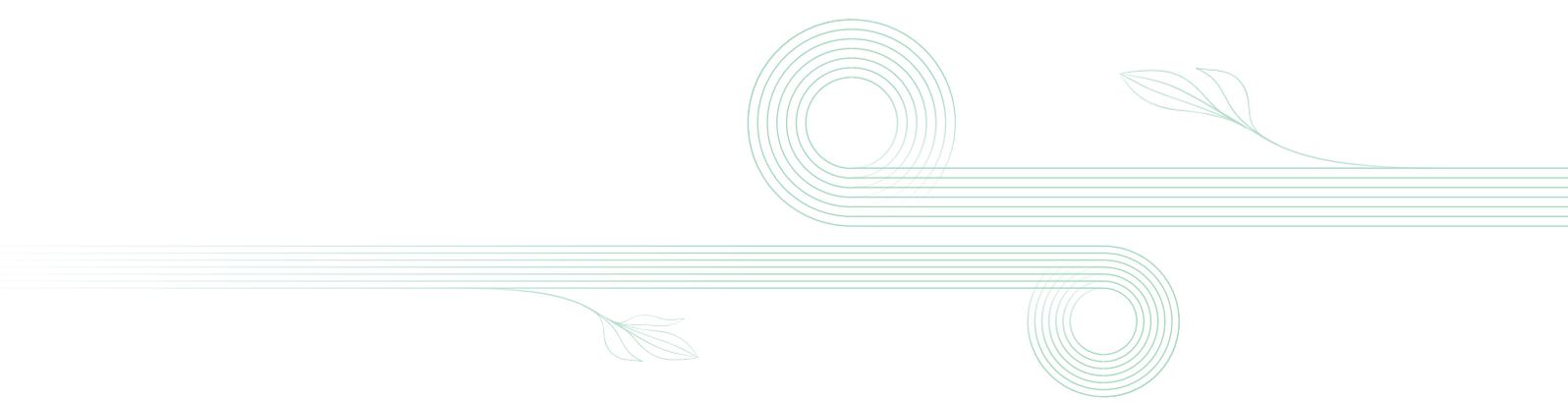
### Sustainable Supplier Management

In order to urge suppliers to fulfill their social responsibility and environmental management responsibility, the Group has formulated the *Supplier Code of Conduct*, which requires all suppliers who provide products or services for the Group to comply with the following provisions:

1. Operate in line with the requirements of national and local laws, regulations as well as international organizations;
2. Protect human rights: respect dignity, privacy and other personal rights of individuals, and never force them to work against their will; prohibit any sexually intrusive, coercive, threatening, humiliating or exploitative behaviors, including postural, verbal and physical contact;
3. Comply with labor standards: prohibit employment discrimination, child labor and forced labor, respect employees' rights to freedom of association and collective bargaining, and provide fair and reasonable compensation and benefits to employees;
4. Guarantee safety: strictly follow health and safety laws and regulations in the countries and regions where we operate, and provide a safe, healthy, environmentally friendly and comfortable workplace for all employees;
5. Protect the environment: take appropriate measures to save resources and energy, reduce waste, exhaust gas and wastewater discharges, ensure efficient use of energy and resources, and seek to recycle waste, prefer pollution-free and biodegradable materials or recyclable materials for the purpose of environmental protection, reduce the impact of production and business activities on the environment and people; and
6. Comply with business ethics: prohibit any form of extortion or bribery, and do business in a manner consistent with business ethics.

In response to the potential risks along the supply chain, the Group require suppliers to sign compliance and integrity agreements or issue specific compliance commitments when signing contracts with the Group in accordance with the *Administration Measures on Compliance in Business Partnerships* and the *Implementation Rules for Supplier Management (Trial)*, and communicates the compliance management requirements to suppliers and urge suppliers to fulfill their compliance obligations in anti-corruption, anti-bribery, integrity transactions, compliance with fair competition and anti-monopoly laws, anti-money laundering and other relevant aspects to prohibit any forms of financial bribery and banquet invitation received from suppliers or their associated entities and personnel. Suppliers with collusion, or bribery should be included in the integrity blacklist to resolutely resist commercial bribery.

Meanwhile, the Group continuously improves its sustainable supplier management system, gradually deepens the risk management of suppliers in ESG, requires suppliers to carry out civilized and environmentally friendly project construction and avoid valid complaints, and encourages suppliers to take effective measures to prevent pollution at the construction site, so as to maintain a good environment at the construction site. The Group implements categorized and classified management of 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. The supplier management departments at all levels conduct dynamic assessments and reviews on suppliers with contractual activities during the evaluation period every year, and evaluate or adjust the rating of suppliers based on the assessment results, so as to minimize the environmental and social risks in the supply chain.



## Enhancing Operation Management Performance and Efficiency

**Supplier qualification verification:** During the tendering process, the procurement units may conduct information and on-site verification on the suppliers' qualifications, credit background, production and operation site conditions, and performance of compliance obligations (including the provision of qualified products and services, work safety, environmental protection, legal employment, tax payment according to law, fair and honest transactions, etc.).

**Supplier evaluation:** In order to encourage responsible suppliers, the Group evaluates suppliers in terms of their comprehensive corporate strength, transaction behaviour, contract performance and other aspects. Under the same conditions, procurement units may give priority to inviting Grade A suppliers to participate in the tendering/procurement projects within their competence.

**Supplier communication:** The Group interacts with original equipment manufacturers (OEM), distributors, and project contractors on a regular basis by multiple means such as e-mails, phone conversations, and interviews.

In case of corrupt practices, information leakage, dishonesty, deficiencies in product or service quality, or falsification of materials or identities of the suppliers, the Group undertakes measures such as suspension, cancellation, and permanent disqualification of suppliers according to the severity and harm, thus ensuring the products and services provided by the selected suppliers meet the Group's environmental and social standards.

Number of suppliers	Unit	2022	2021
Total	Suppliers	5,976	3,433
Mainland China	Suppliers	2,368	3,138
Hong Kong, Macau, Taiwan, and other countries and regions	Suppliers	3,608	295
Number of suppliers rated	Suppliers	4,041	2,579
Number of disqualified suppliers eliminated	Suppliers	116	3

### Transparent Procurement

In the procurement management, the Group has been adhering to the principle of "transparent procurement", and integrated the requirements of sustainable development into the whole procurement process, including supplier certification, product selection, procurement performance, supplier withdrawal, etc. Besides, the Group encourages priority given to environmentally friendly equipment (LED energy-saving lamps, electric fork trucks, etc.) and urges suppliers to fulfill their environmental protection responsibilities. The Group follows the principles of openness, fairness, equity and efficiency in the course of bidding, bid opening and evaluation, and complaint handling, and accepts the supervision of suppliers and customers to protect the interests of all stakeholders. The Group has formulated the *Transparent Procurement Principles*, continuously improved the management mechanism and operating procedures, and incorporated ESG standards into relevant systems to avert relevant risks on the one hand and expand the Group's sustainable development influence on the other hand. According to the *Transparent Procurement Principles*, the cooperation between purchasers and suppliers and all related business activities must follow the principle of honesty and the code of business ethics; the procurement information and the business information of suppliers and other business partners must be kept in confidence; purchases must be conducted in a fair, just and open manner.

## DIGITAL TRANSFORMATION

In order to promote the improvement of quality and efficiency, the Group has accelerated the digital transformation and upgrading of ports, and developed a new model of port production automation, management intelligence and service customization. Meanwhile, the Group has formulated *CMPort Measures for Innovation Management* to support the transformation into digital ports and digital office operation.

### Smart Port Construction

Focusing on nine elements, namely "CMCore", "CM ePort", automation, smart customs, application of 5G network, blockchain, Beidou system, AI technology, and green and low-carbon operation, the Group has successfully built Mawan Smart Port by using the self-developed world-class container terminal operating system ("CTOS"), which is the first automatic terminal upgraded from a traditional terminal in China. In addition, Mawan Smart Port combines the application of 5G and automatic drive, making itself the largest unmanned container truck fleet in a single terminal in China and even the world, and setting a new record for the largest unmanned container truck fleet in a single terminal across China. The operation efficiency of the terminal has been significantly improved compared with the traditional terminal after the intelligent upgrade: the number of on-site personnel decreased by 80%, the operation efficiency increased by 30%, potential safety hazards decreased by 50% and carbon emissions have been greatly reduced.

Efficiency improvement of Mawan Smart Port:



## Enhancing Operation Management Performance and Efficiency

Important measures taken by the Group to help ports realize digital transformation by high-tech means:

- 1. E-Port platform**

This platform enables the interconnection of ship owners, ship agencies, customs brokers, freight forwarders, trailer drivers, customs declarers, customs (including inspection and quarantine authorities), border inspection stations, maritime affairs authorities, banks and other relevant units in the port area, which can not only realize paperless customs clearance, but also reduce the travel needs of enterprises and customs brokers in most cases. Trailer drivers can notify the terminal to mobilize equipment and personnel in advance through the online appointment and registration system, thus avoiding waste of equipment and personnel and reducing traffic jams to some extent.
- 2. Remote technical transformation**

With the help of remote technology transformation, the terminal operators can manipulate shore and bridge cranes remotely from the office, which greatly improves the working environment of the operators, changes the tradition that workers can only operate the machinery in the overhead cabin, and enhances the job safety.
- 3. Automatic drive**

Under the specific working conditions of the terminal, Mawan Smart Port realized unmanned operations by using the mature automatic drive technology and intelligent dispatching system, thus gradually liberating terminal drivers.



### Smart Office Operation

The Group continues to improve the “smart management platform” and optimize the digital operation and management system. Based on business, management and information standardization, this platform enables online daily management and knowledge sharing of all departments, saves printing paper and improves office efficiency; realizes automatic extraction and calculation of management indicators, reduces manual submission and lowers labor input; enables digital business analysis and improves the ability of decision-making and management.

## EXCELLENT CUSTOMER SERVICES

Adhering to the development philosophy of “Customer First”, the Group is dedicated to listening and responding to customer needs, and continues to improve its service capabilities, striving to provide customers with one-stop, all-round, high-quality and efficient services and create value for customers.

The Group has formulated and implemented the *Administration Measures on Customer Satisfaction Survey* and the *Administration Measures on Marketing and Business*, established a sound service quality management system, and improved the service level. During the Reporting Period, the Group continued to update the “CM ePort” customer service platform to provide customers with 24h online customs clearance services and achieve one-stop operations including time reservation, online container collection, online settlement and electronic data transmission, so as to improve the customer service level of all ports, terminals, and parks. The Group has launched functions such as electronic bills of lading, billing service through contactless facial recognition and paperless goods importation process according to customers’ needs, which substantially reduced the operating costs, increased the logistic efficiency and realized 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 addition, the Group communicates with customers effectively through regular or irregular meetings and visits in daily work, collects customer feedback through industry exhibitions, customer appreciation meetings, and related industry activities, and takes corresponding actions to solve problems based on the feedback information, so as to continuously improve service quality and enhance customer satisfaction. The Group also requires subsidiaries to formulate customer complaint handling processes or measures, record relevant information such as the time and content of customer complaints, and complaint handling plans and progress, follow up customer opinions and handle complaints in a timely manner. In case of serious customer complaints, the Head Office will assist and supervise the subsidiary involved to make timely rectification. During the Reporting Period, the Group did not receive any significant complaints related to products and services that were escalated to the Head Office level. In 2022, the Group conducted an annual customer satisfaction survey, and the customer satisfaction rating is “Satisfied”.

Customer satisfaction of certain subsidiaries in 2022	Score
Ningbo Daxie	99
CICT	91
PDSA	94
Shantou Port	97
China Merchants Bonded Logistics Co., Ltd. (“CMBL”)	90
CMPS	99

# Growing Together with Employees

UNSDGs responded in this section:



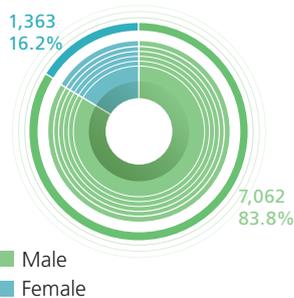
## PROTECTING EMPLOYEES' RIGHTS

The Group firmly believes that employees are the key to the survival and development of a corporate. Therefore, it has been adhering to the philosophy of "People-oriented, Talent-first" for many years to lay a solid foundation for sustainable operation. The Group continuously optimizes the human resources management system, provides employees with career development opportunities, and strives to create an equal and harmonious working environment with great development potentials for employees.

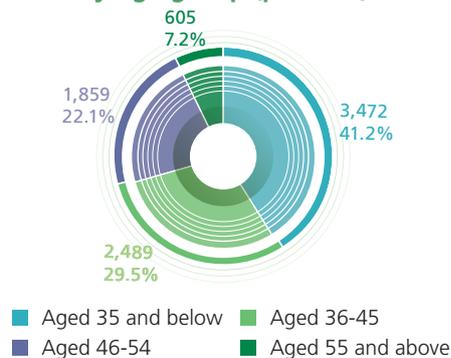
The Group strictly complies with the employment-related laws, regulations and international practices applicable in the regions where it operates, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Employment Ordinance of Hong Kong (Cap 57)*, and has formulated policies and rules related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and prevention of child labor or forced labor, so as to effectively safeguard employees' basic rights and interests. During the Reporting Period, the Group insisted on legal employment and management, and did not receive any incidents of non-compliance related to the above aspects.

During the Reporting Period, the Group had a total of 8,425 employees, detailed as follows:

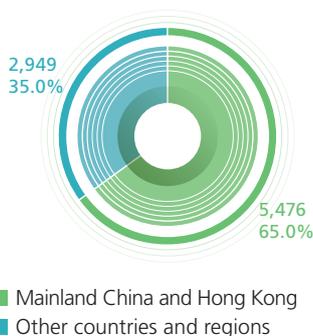
**Total number of employees by gender (persons)**



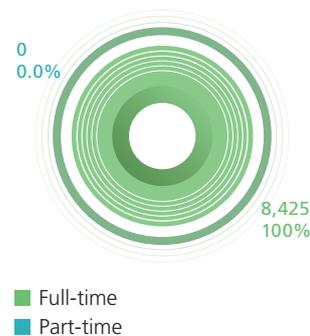
**Total number of employees by age group (persons)**



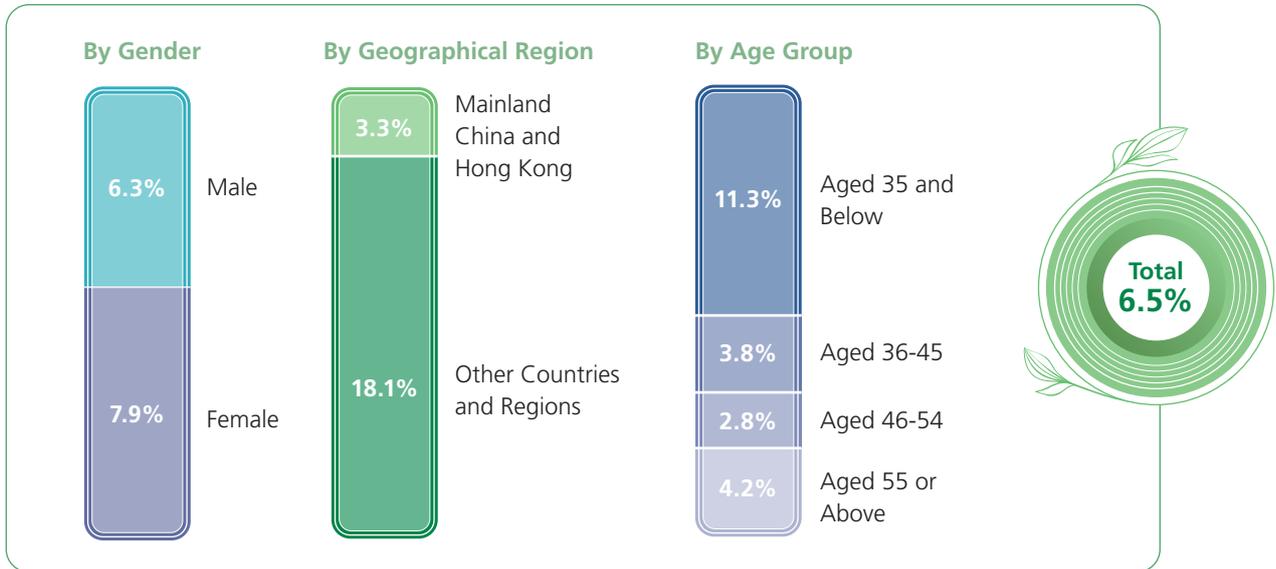
**Total number of employees by geographical region (persons)**



**Total number of employees by employment type (persons)**



### Employee Turnover Rate (2022)



### Employment Management

The Group adheres to the recruitment principles of “Legal and Regulatory Compliance”, “Fairness, Impartiality and Openness” and “Matching People and Positions”, and has formulated the *Regulations on Employee Management* to standardize the talent selection process and continuously improve the recruitment information channel management, recruitment procedures, induction and probation management, and talent pool management. In addition, the Group deals with termination issues and standardizes the termination management process in strict accordance with relevant laws and regulations and the internal policies, thereby prohibiting unfair or unjust dismissals and effectively protecting employees’ legitimate rights and interests in the stage of termination.

The Group strictly implements the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Protection of Minors* and other relevant laws and regulations, and resolutely prohibits the employment of child labor and any form of forced labor. The Group states in *CMPort Regulations on Employee Management* that candidates should be at least 18 years old, and that candidates’ identity documents and work permits for legal residence in Hong Kong (e.g., work visas) should be verified during the recruitment process to ensure compliance with the age restrictions in employment. In case of any non-compliance with the employment conditions, the Group shall terminate the employment relationship with the employees involved. During the Reporting Period, there were no incidents of child labor or forced labor within the Group.

## Growing Together with Employees

### Working Hours and Rest Periods

The Group abides by the requirements of relevant laws and regulations on working hours, rest periods and public holidays, and has formulated the *Administration Measures on Employee Attendance and Holiday* to regulate the working hours and rest periods of employees. Based on the characteristics of our main business, we currently implement the standard working hours system which has five working days per week (no more than 40 hours per week). Employees who apply for overtime work under special circumstances and obtain required approval are granted overtime pay or compensatory leave. The Group tracks the information about the updates and revisions of related leave policies in the regions where it operates to ensure that the leave entitlement of our employees is fully enforced. Apart from statutory holidays, employees are also entitled to paid annual leave, sick leave, personal leave, maternity leave, marriage leave, funeral leave and other holidays.

### Remuneration and Benefits

In order to attract and retain outstanding employees, the Group attaches great importance to the employee remuneration and benefit guarantee system, continuously improves policies and systems such as the *Administration Measures on Employee Remuneration and Benefit* and strives to establish and improve the remuneration and benefit system. The Group provides some employees with opportunities to adjust their remuneration according to the market value of posts and the annual performance appraisal results of employees, with an aim to offer a fair, reasonable and competitive remuneration package. In terms of employee benefits, apart from strictly following the social insurance mechanism in the regions where the Company operates, the Group also endeavors to provide employees with a diversity of benefits including paid annual leave, regular health check-ups, corporate annuity plan, etc.



### Performance Management and Promotion

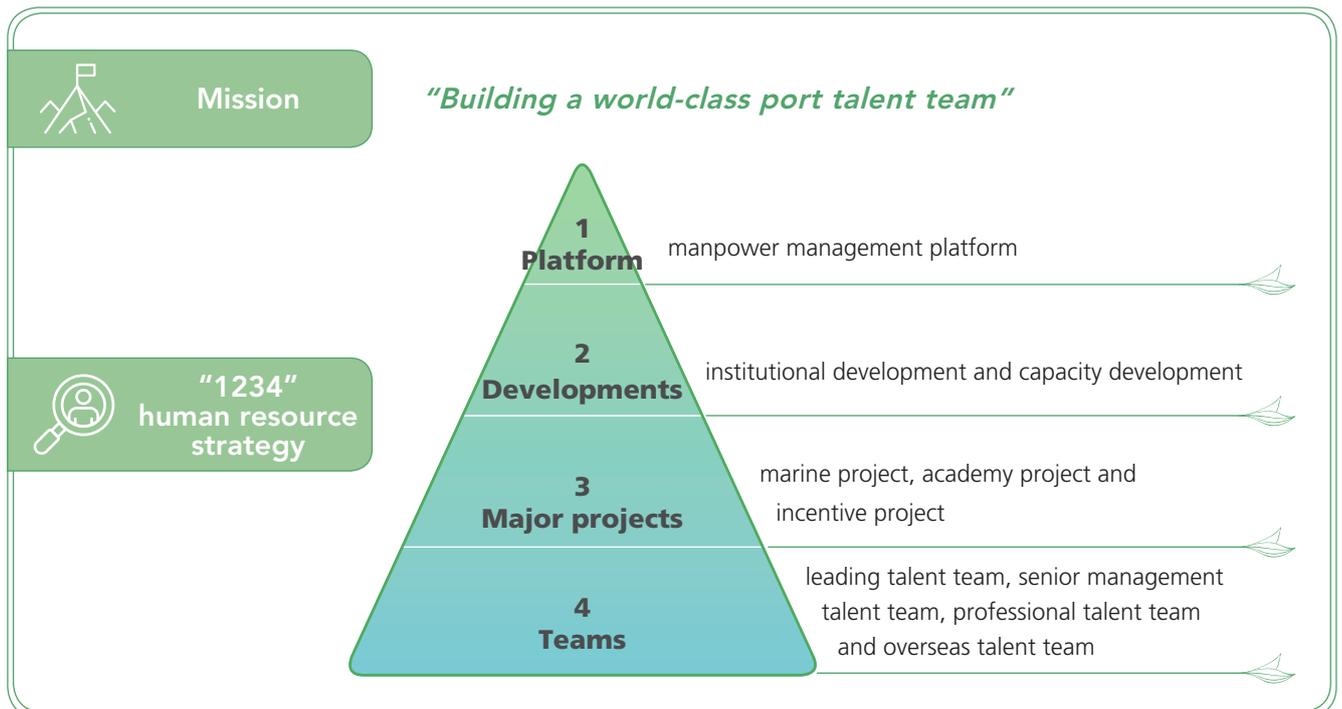
The Group has established a comprehensive talent assessment and evaluation mechanism and an equal promotion mechanism. In accordance with the *Measures on Employee Performance Appraisal*, the Group conducts regular performance appraisal on employees covering work performance, ability and attitude, and the appraisal results are applied for bonus distribution, salary scales and rank promotion and demotion. In order to satisfy the career development needs of different employees, the Group has formulated the *Administration Measures on Dual Career Paths of Employees* and set up different career paths

### Equality and Diversity

The Group firmly believes that employee diversity can promote its international business development and drive innovation. Thus, it strives to create an equal and diverse working environment and promote the localization, diversity and inclusion of talents. Besides, the Group recruits talents from all over the world through various channels such as online media, headhunters and job fairs, and provides all candidates with fair, just and open opportunities.

### Anti-discrimination in Workplaces

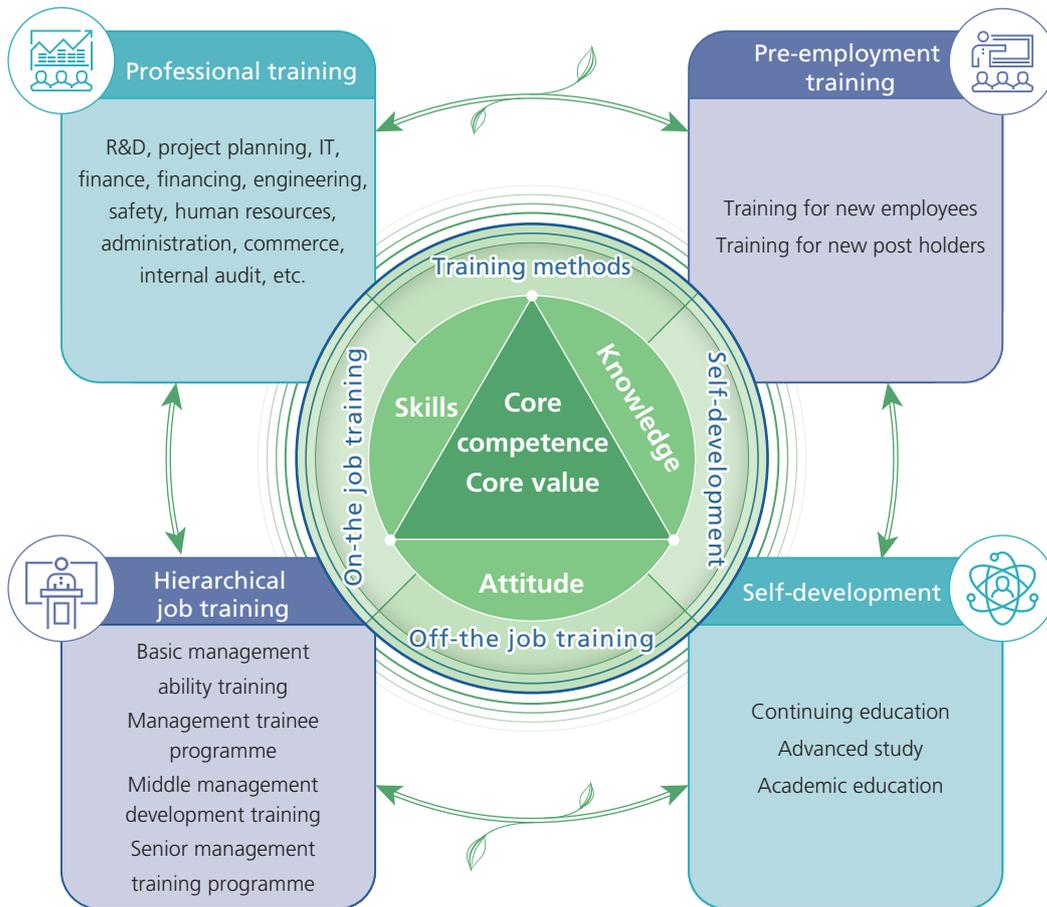
The Group creates a fair and reasonable working environment, and resolutely prohibits any form of discrimination based on gender, age, nationality, race, physical condition, religious belief, marital status or any other factors in human resources management such as recruitment, remuneration, training and promotion.



SUPPORTING EMPLOYEES' GROWTH

Employee Training System

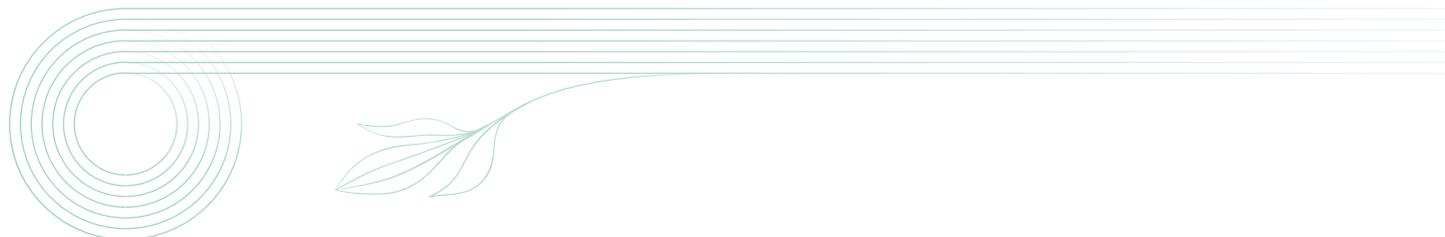
Laying emphasis on talent training, the Group has formulated and implemented internal policies and measures such as the *Administrative Regulations on Employees' Continuing Education*, the *Administrative Regulations on Employee Training* and the *Administrative Regulations on New Employee Training* to help employees acquire professional skills that satisfy their work needs, and delivering relevant knowledge training to employees, thus providing strong support for building a team of high-quality professionals and realizing its strategic goal of sustainable development. In addition, the Group has formulated the *Administration Measures for Internal Training Instructors* and *Administration Measures for Internal Courses* to clearly specify the selection, assessment and incentives of internal trainers and standardize the management of internal training courses, so as to effectively improve the quality of training and the learning effectiveness of employees.



The offline training data of employees is as follows:

Percentage of employees trained		2022
Total		100%
<b>By gender</b>		
Male		84%
Female		16%
<b>By employee category</b>		
Senior Management		3.2%
Middle-level Management		6.1%
General Employees		90.7%

Average training hours	Unit	2022
Total	Hours	22.6
<b>By gender</b>		
Male	Hours	20.3
Female	Hours	35.5
<b>By employee category</b>		
Senior Management	Hours	31.0
Middle-level Management	Hours	33.4
General Employees	Hours	92.4



### Annual Training Programmes

#### Training Programme for Internal Trainers in 2022

In order to continuously improve the Group's internal trainer team, the Group has formulated an internal trainer training plan focusing on teaching and communication. We provide internal trainers with more teaching opportunities and opportunities to communicate with other outstanding corporate internal trainers. At the same time, we accumulate and extract excellent internal experience, sort out and optimize the training system, and continuously improve the capabilities of internal trainers.

#### Training Programme for Key Young Employees in 2022

In order to reserve key young employees with outstanding leadership competency and professional ability, solid professional background, rich cross-cultural management experience and an international view, the Group arranged multi-level, multi-channel and multi-form centralized training and exercise for 105 key young employees.

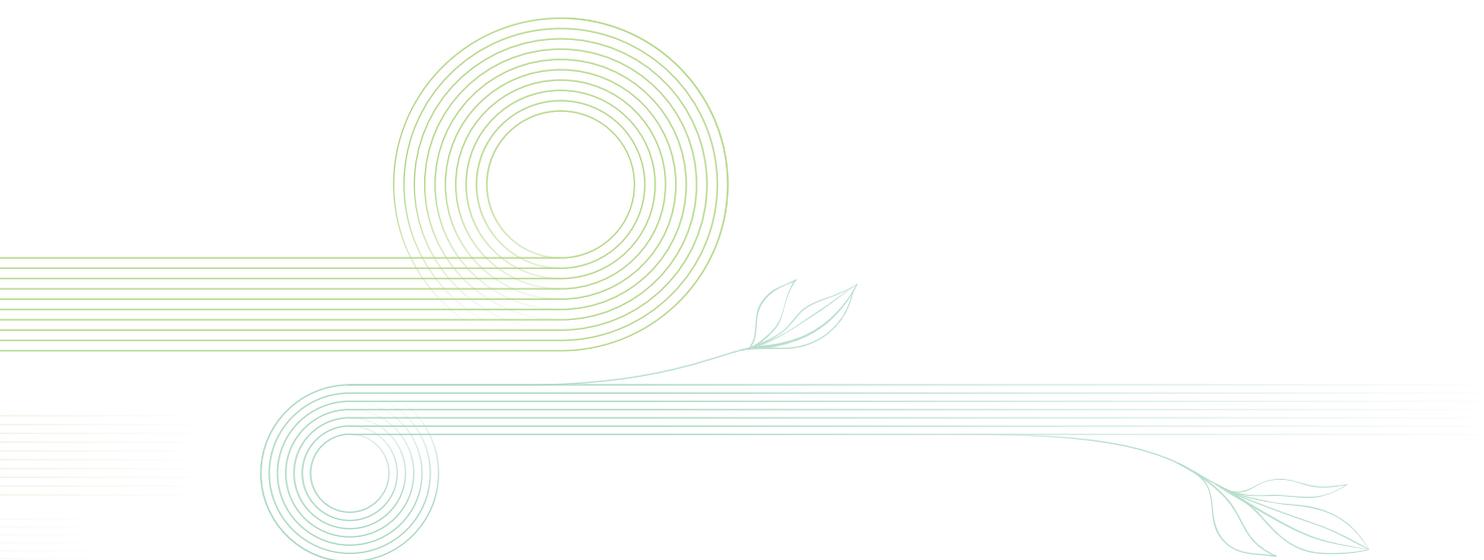
#### C-Blue Training Programme in 2022

In order to continuously promote the global sustainable development of transportation, the Group launched the "C-Blue" training programme for overseas students in Chinese universities and colleges in 2022. The training subjects included China's transportation development, smart ports, scientific and technological innovation, green and low-carbon development and CMPort history and culture, and were offered through special lectures, field visits, exchange forums and cultural experience.

### Intelligent Management Platform

The Group has launched an intelligent personnel management platform (“**HR-Max**”) to further improve and strengthen its training management system. Relying on the promotion and application of HR- Max platform and by means of live-streaming, online course making and internal excellent course development, the Group has horizontally improved the cross-departmental office efficiency and vertically enhanced the collaboration in training among subsidiaries, thus providing the empowerment value of training within the whole Group.

During the Reporting Period, the Group launched annual training programmes and adopted an online and offline interaction model to provide diverse training for employees at different levels and in different business categories. The training data of the Reporting Period is as follows: online training hours: 177,533 hours; number of attendances: 1,245,231 person-times; online courses delivered: 18,242; learning coverage rate: 99.78%.



## CARING FOR OUR EMPLOYEES

### Complete Set of Supporting Facilities

The Group cares for the work and life of every employee, and is committed to creating an environment with a healthy work-life balance for employees and earnestly protecting the health and benefits of employees. The Group constantly improves various facilities, and further protects the physical and mental health of employees at home and abroad by building libraries and activity centers, setting up health cabins equipped with advanced medical equipment and professional medical workers and providing family doctor service, etc. In addition, the Group continuously set up care rooms for female employees equipped with relevant materials.

#### Case Study:

### Library and Employee Activity Center

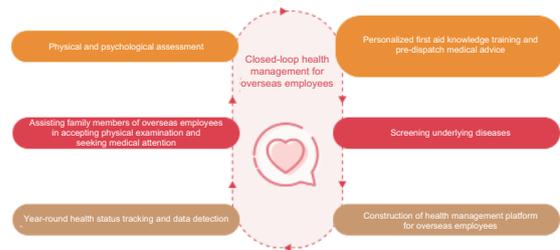
In May 2022, CICT built a library and an employee activity center, which brought relaxation and joy to overseas employees after their busy work and eased their tension caused by the pandemic and curfew.



#### Case Study:

### Health Management Platform

In 2022, the Group launched the “health management platform for overseas employees” to realize closed-loop health management, and provide a variety of services for expatriate employees, such as personal health files, physical and psychological assessment, personalized first aid knowledge training, pre-dispatch medical advice, and remote medical consultation, as well as physical examination, medical advice and green channels of family members.



### Case Study:

#### Love House Built Up by Zhanjiang Port (Group) Co., Ltd.



### Case Study:

#### Yide Port's "Staff Club" Facilities



### Colorful Cultural and Recreational Activities

The Group actively organizes various cultural and recreational activities that are beneficial to employees' physical and mental health, so as to improve employees' well-being and sense of belonging. The Group encourages subsidiaries to carry out various characteristic activities to enable employees to experience a healthy and colorful life, enhance team cohesion and further promote the corporate culture. In addition, the Group sets up hobby groups such as mountaineering team, basketball team and football team, and organizes theme activities such as "Elegant Life" Women's Day event, Port Goddess "Talent Show" and cooking competition to enrich employees' spare time.

Case Study:

CMBL Purchased Sports Equipment for the "Staff House" – Enriching Employees' Spare Time



Case Study:

CMPort 30th Anniversary Celebration of Listing and Fun Sports Meeting



# Creating Harmonious and Happy Communities Together

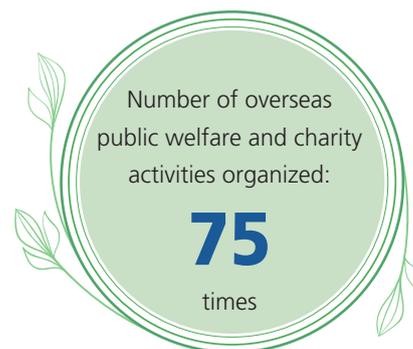
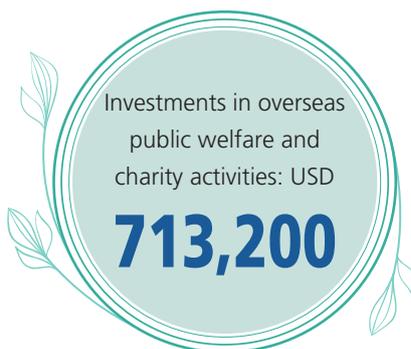
UNSDGs responded in this section:



## PLUNGING INTO PUBLIC WELFARE AND CHARITY

The Group is committed to integrating the industrial value with community-based public welfare in the course of steady business development to contribute to realizing “Common Prosperity”. The Group takes the initiative to establish a long-term mutually beneficial cooperation relationship with the communities where it operates, and continues to give back to the local communities by expanding into public welfare areas such as infrastructure construction, talent training, childcare, education and medical assistance. As per the relevant requirements of China Merchants Charitable Foundation, the Group carries out charitable donations in accordance with the *Administration Measures on the Compliance of Donations and Sponsorships* and other policies to strengthen the management of external donations and ensure their smooth operation.

During the Reporting Period:



Case Study:

Distribute Living Supplies in Kowloon

In October 2022, the Company, the China Merchants Group volunteer team, and the Hong Kong community volunteer team jointly distributed living supplies to the elderly in public housing in Upper Village, Ngau Tau Kok, Kowloon, and jointly built a harmonious grassroots community.



Case Study:

Djibouti "Sending Warmth in Ramadan" activity

In April 2022, China Merchants Holdings (Djibouti) Co., Ltd. participated in the "Heart-warming Ramadan" large-scale public welfare event, distributing daily necessities to 600 underprivileged families and 150 persons with disabilities in Djibouti, and offering blessings and love to Djibouti people in need.



## Case Study:

### “Hand-in-Hand, Heart-to-Heart” PDSA Charity Event for Orphans

In October 2022, the “Hand-in-Hand, Heart-to-Heart” Charity Event for Orphans was successfully held in Djibouti. 27 children from Djibouti Orphanage visited Doraleh Multipurpose Port, Djibouti International Free Trade Zone and the East Africa International Special Business Zone—Special Promotion Complex, and made friendly contacts with the children from Guizhou Province, China, through online video.



## CARRYING OUT VOLUNTEER SERVICES

The Group encourages employees to actively participate in socially beneficial volunteer activities, devote their time and skills to benefit local communities and environment, and do good deeds in cooperation with nearby communities. Under the guidance and support of China Merchants Charitable Foundation, the volunteer team has carried out a number of volunteer service projects in recent years, and joined hands with people from all walks of life to bring positive impacts to the communities where it operates.

During the Reporting Period



	Unit	2022	2021	2020
Total number of employees participating in volunteer services	Person	1,739	608	503
Total hours of employee voluntary service	Hours	23,922	11,250	10,040

Case Study:

Discussion about community volunteer services

In November 2022, the Company, visited the Hong Kong Federation of Fujian Associations, and had a discussion about community volunteer services and industry cooperation.



Case Study:

Zhangzhou Port Promote Public Health and Medical Security



Case Study:

Xiamen Bay China Merchants Terminals Organize Blood Donation



## JOINING HANDS WITH COMMUNITIES FOR MUTUAL DEVELOPMENT

The Group pays constant attention to the sustainable development needs of communities where it operates, and takes full advantage of its influence to facilitate the community development and bring long-term benefits to the communities.

### Case Study:

#### Symposium on the 70th Anniversary of the Founding of the China Council for the Promotion of International Trade

In November 2022, the Company, attended the symposium on the 70th anniversary of the founding of the China Council for the Promotion of International Trade. He had an interactive discussion with representatives from the central government in Hong Kong, the Hong Kong Special Administrative Region government, Hong Kong trade and investment promotion agencies and major chambers of commerce in Hong Kong, and some overseas countries' chambers of Commerce in Hong Kong, so as to integrate Hong Kong into the overall development of the country, and promote closer economic and trade relations between mainland China and Hong Kong.



### Case Study:

#### "Accompany Teenagers to Grow Up" Hong Kong Youth Meeting

In November 2022, the Company, attended the "Accompany Teenagers to Grow Up" college students meeting, explaining to 21 college students from the University of Hong Kong, the Chinese University of Hong Kong and the Hong Kong Polytechnic University the contents of "Hong Kong Youth Development Blueprint" in the 2022 Policy Address of the Chief Executive of Hong Kong Special Administrative Region. This meeting support the development of young talents in Hong Kong.



Case Study:

**“China Merchants Silk Road Hope Village” Programme Created Local Jobs**

In 2022, the “China Merchants Silk Road Hope Village” Programme jointly initiated by CICT and HIPG created nearly 800 jobs for the local community, improved the living environment of the villages, raised the living standard of local villagers and created happy and harmonious new villages.





## Appendix: Index of the ESG Reporting Guide

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
<b>ENVIRONMENTAL</b>				
<b>A1: Emissions</b>	General Disclosure	(a) Policies; and (b) Information on 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 wastes	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A1.1	The types of emissions and respective emission data	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A1.2	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility)	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A1.5	A description of emission target(s) set and steps taken to achieve them.	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A1.6	A description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	√	5.1 Strengthening Energy Conservation and Emission Reduction

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
<b>ENVIRONMENTAL</b>				
<b>A2 : Resource Utilization</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A2.2	Water consumption in total and density (e.g. per unit of production volume, per facility).	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A2.3	A description of energy use efficiency target(s) set and steps taken to achieve them.	√	5.1 Strengthening Energy Conservation and Emission Reduction
	A2.4	A 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	√	5.1 Strengthening Energy Conservation and Emission Reduction
	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	
<b>A3 : Environment and Natural Resources</b>	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	√	5.2 Protecting the Ecological Environment
	A3.1	A description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	√	5.2 Protecting the Ecological Environment
<b>A4: Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	√	5.3 Tackling Climate Change
	A4.1	A description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	√	5.3 Tackling Climate Change

## Appendix: Index of the ESG Reporting Guide

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
<b>SOCIAL</b>				
<b>B1 : Employment</b>	General Disclosure	(a) Policies; and (b) Information on 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.	√	8.1 Protecting Employees' Rights
	B1.1	Total workforce by gender, employment type, age group and geographical region.	√	8.1 Protecting Employees' Rights
	B1.2	Employee turnover rate by gender, age group and geographical region.	√	8.1 Protecting Employees' Rights
<b>B2 : Health and Safety</b>	General Disclosure	(a) Policies; and (b) Information on 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.	√	6.1 Work Safety Management 6.2 Safeguarding Employees' Health
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	√	6.1 Work Safety Management
	B2.2	Lost days due to work injury	√	6.1 Work Safety Management
	B2.3	A description of occupational health and safety measures adopted, and how they are implemented and monitored.	√	6.1 Work Safety Management 6.2 Safeguarding Employees' Health

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
<b>SOCIAL</b>				
<b>B3 : Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. A description of training activities.	√	8.2 Supporting Employees' Growth
	B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	√	8.2 Supporting Employees' Growth
	B3.2	Average training hours completed per employee by gender and employee category.	√	8.2 Supporting Employees' Growth
<b>B4 : Labor Standards</b>	General Disclosure	(a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	√	8.1 Protecting Employees' Rights
	B4.1	A description of measures to review employment practices to avoid child and forced labor.	√	8.1 Protecting Employees' Rights
	B4.2	A description of steps taken to eliminate such practices when discovered.	√	8.1 Protecting Employees' Rights
<b>B5 : Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	√	7.1 Sustainable Supply Chain
	B5.1	Number of suppliers by geographical region.	√	7.1 Sustainable Supply Chain
	B5.2	A description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	√	7.1 Sustainable Supply Chain
	B5.3	A description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	√	7.1 Sustainable Supply Chain
	B5.4	A description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	√	7.1 Sustainable Supply Chain

## Appendix: Index of the ESG Reporting Guide

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
<b>SOCIAL</b>				
<b>B6 : Product Responsibility</b>	General Disclosure	(a) Policies; and (b) Information on 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.	√	7.3 Excellent Customer Services (Information related to labelling and health and safety of products are 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.	√	7.3 Excellent Customer Services
	B6.3	A description of practices relating to observing and protecting intellectual property rights.	√	7.3 Excellent Customer Services
	B6.4	A description of quality assurance process and recall procedures.	Not applicable to principal business	
	B6.5	A description of consumer data protection and privacy policies, and how they are implemented and monitored.	√	7.3 Excellent Customer Services
<b>B7: Anti- Corruption</b>	General Disclosure	(a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	√	4.1 Combating Corruption and Upholding 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.	√	4.1 Combating Corruption and Upholding Integrity
	B7.2	A description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	√	4.1 Combating Corruption and Upholding Integrity
	B7.3	A description of anti-corruption training provided to directors and employees	√	4.1 Combating Corruption and Upholding Integrity

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
<b>SOCIAL</b>				
<b>B8: Community Investment</b>	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	√	9.1 Plunging into Public Welfare and Charity 9.2 Carrying out Volunteer Services 9.3 Joining Hands with Communities for Mutual Development
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	√	9.1 Plunging into Public Welfare and Charity 9.2 Carrying out Volunteer Services 9.3 Joining Hands with Communities for Mutual Development
	B8.2	Resources contributed (e.g. money or time) to the focus area	√	9.1 Plunging into Public Welfare and Charity 9.2 Carrying out Volunteer Services

The background is a solid green color. On the left side, there are several vertical lines of varying thicknesses, some of which are metallic-looking. A bright light flare is visible on the left side, near the middle. In the center, there is a large circular graphic composed of many concentric, slightly offset lines, creating a tunnel-like effect. The text is centered within this circular graphic.

**CHINA MERCHANTS PORT  
HOLDINGS COMPANY LIMITED**

38/F, China Merchants Tower  
Shun Tak Centre, 168 - 200 Connaught Road Central  
Hong Kong

Tel: (852) 2102 8888

Fax: (852) 2851 2173

E-mail: [relation@cmhk.com](mailto:relation@cmhk.com)

<http://www.cmport.com.hk>