

Going Green: We take it personally for Sustainability  
**Sustainability Report 2018**



**Orient Overseas (International) Limited**

*(Incorporated in Bermuda with Limited Liability)*

Stock code: 0316.HK



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This report can be downloaded from our website at:  
<http://www.ooilgroup.com/corporate/environmentalprotection>

This Sustainability Report has been translated into Chinese. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

此中文版可持續發展報告為英文版本譯本。如中、英文兩個版本有任何抵觸或不相符之處，應以英文版本為準。



# 1

Our Reporting Approach





## Our Reporting Approach

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This compilation is the **eighth** Sustainability Report by Orient Overseas (International) Limited (“OOIL”), which manifests our continual commitment to sustainability, transparency and accountability.

### *Scope of the report*

This report covers the significant environmental, economic and social aspects of the business arising from the principal activities of OOIL and its subsidiaries (the “Group”) during the reporting period between 1st January 2018 to 31st December 2018. It also reports on the key sustainability strategies, objectives, management approaches and initiatives taken by the Group to improve our performance in sustainability, transparency, and accountability.

This year, our scope of reporting has been adjusted to prepare for the commencement of the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 of Main Board Listing Rules on The Stock Exchange of Hong Kong Limited.

### *Group Companies*



### *Reporting standards*

To continue with our commitment in aligning with international sustainability guidelines and principles, this report is prepared with reference to the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI) as well as the ten principles of the United Nations Global Compact (UNGC).

This report is also compiled with reference to the Six Capitals Framework set out in the International Integrated Reporting Framework by the International Integrated Reporting Council (“IIRC”), which presents the value creation process of our business through serving the interests of our stakeholders.

This report would not have been possible without engaging our stakeholders. Throughout our sustainability journey, we have been constantly engaging with various stakeholders to collect important feedback on improving our sustainability performance and address their needs and expectations in this report. For more details, please refer to page 14.

### *Assurance and Verification*

In this report, a set of key performance indicators (KPIs) have been selected and verified by an independent business assurance service provider, and in doing so demonstrates our commitment to high standards in data governance and transparency. More details can be found on page 38 of the report.

### *Date of Issue*

April 2019



# 2

## Chairman's Message



## Chairman's Message



I am pleased to present to you the Orient Overseas (International) Limited ("OOIL") Sustainability Report 2018, which is the eighth sustainability report of the Group. Over the years, we have been committed to sustainable development and growing our business responsibly to ensure long term

sustainability. Through formulating the relevant sustainability goals and strategies, we are taking concrete actions to help tackle global environmental and social challenges we face across industries. By strengthening our stakeholder engagement process, we take every effort to understand what issues are most important to our stakeholders and incorporate their views into our sustainable development strategies. At OOIL, we are committed to prioritising the overall interests of our stakeholders and bring positive and long-term impact to the Group.

We recognise that businesses must take responsibility for their industry's effects on the environment. By embracing green operations and taking a proactive role in caring for the environment, the Group strives to address the impending issues related to global warming, air pollution, biodiversity and marine environment degradation, and energy consumption which present critical environmental challenges. Despite the huge challenges in profitability for the industry, we continued our push to adopt innovative management methods and applying energy saving and emission reducing technologies to minimise our impact on the environment. The Group is dedicated to meeting the needs of the present without compromising those of the future. For many years, we have been taking on a leadership role in implementing many important initiatives to address global environmental challenges, part of which includes supporting the United Nations Sustainable Development Goals (UNSDGs), green investments on our assets, development of green IT solutions, and Greenhouse Gas management, which all contribute to the success and comprehensiveness of our overall sustainability profile. This brought us many awards and recognitions for our efforts in environmental protection. In 2018, we received the Hong Kong Awards for Environmental Excellence (HKAE) - Gold Award & Outstanding Green Leadership Award, the BOCHK Corporate Environmental Leadership Awards - Gold Award, the Seatrade Maritime Awards Asia - Green Shipping Award and the Singapore Environmental Achievement Award (Regional).

The Group is also committed to ensure that safety is not compromised in all our business operations, may it be onshore or at sea, including people, cargo, ships and facilities. We continue to reinforce our health and safety management approaches through implementing our Safety, Security and Environment (SSE) Policy which underpins our commitment to ensure our operations and the working environment are safe. We are also committed to applying industry best practices, going above and beyond compliance with relevant safety, security and environment rules and regulations, as well as establishing safety objectives and targets. Maintaining a zero rate of accidents and injuries is our primary safety objective.

Our employees contribute greatly to the continual success of the Group. As a responsible corporate citizen employing the highest standards of business ethics in all that we do, we understand that the process begins with the treatment of our employees. We strictly adhere to the ethical rules and principles in our business, and ensure our people are treated with dignity and respect. The Group is an equal opportunity employer with a clearly defined policy covering areas such as treating all employees with fairness and dignity, promoting the corporate culture of encouraging open and frank communication throughout the organisation, investing in its employees and caring for their hopes and aspirations through people-development programs and education, as well as recognising their efforts and achievements. We regard people as our greatest asset and take good care of them.

We embrace community responsibility as one of our core values. These values are our underlying beliefs and the foundation of our corporate ethos, shared by every member of the Group. We believe that our community contributes greatly to the success of the Group. The care and attention that we give to these communities are a major corporate focus to ensure all our stakeholders are respectfully accounted for. In addition to our contribution in environmental protection, we also give back to the community in other three distinct areas, namely Education of Youth, Community in-Need, and Promotion of Arts and Culture, to strengthen our connections with the community and promote social harmony.

The Group's efforts in sustainable development has been well-recognised. May it be in our persistent focus on operational efficiency, bringing innovative solutions to customers, taking our corporate sustainability profile into the next level, or pushing boundaries in the digital technology space, we left no stones unturned to ensure we secure our competitive position and maintain our service quality hallmark widely acknowledged by our customers and peers in the industry. On 11th December 2018, OOCL was named as the "Company of the Year" at the Lloyd's List Global Awards ceremony. This distinguished award celebrates our exceptional accomplishments and unflinching commitment in operational excellence, digital innovation and for maintaining an outstanding reputation in the industry, despite the industry navigated through some of the most challenging market environments over the last few years. The Group is a founding constituent of the Hang Seng Corporate Sustainability Index, and has been selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for the eighth consecutive year. We have also become a constituent of the FTSE4Good Developed Index for the fourth consecutive year since 2015. These indexes reflect our persistent outstanding performance in Environmental, Social and Governance (ESG) management, which is well-recognised locally and internationally.

Looking forward to the new year, we will continue incorporating the concept of sustainable development into our business operations to ensure long-term sustainability of the business. Through advocating and reviewing our sustainable development goals and strategies, we aspire to encourage corporate citizenship and reduce business risk strategically, thereby improving our social, economic and environmental efficiencies. With eyes on the future, the Group will join hands with every stakeholder to contribute to sustainable development and create long-term values with our relentless efforts.

***Captain Xu Lirong***

Chairman

April 2019



# 3

## Our Business

**Orient Overseas (International) Limited (“OOIL”), a company with US\$6.6 billion in total revenues, has principal business activities in container transport and logistics services. OOIL is listed on The Stock Exchange of Hong Kong with 18 major Corporate Shareholders and has more than 370 offices in over 80 countries/regions.**

## Our Business

### Segment Information

The principal activities of the Group are container transport and logistics. Container transport and logistics include global containerised shipping services in major trade lanes, covering Trans-Pacific, Australasia, Trans-Atlantic, Asia-Europe, Intra-Europe and Intra-Asia, Latin America, Mediterranean-West Africa, Asia-Africa Trades, and integrated services over the management and control of effective storage and flow of goods.

### Business Description

#### Liner Services

OOCL is one of the world's largest integrated international container transportation, logistics and terminal companies. As one of Hong Kong's most recognised global brands, OOCL provides customers with fully-integrated logistics and containerised transportation services, with a network that encompasses Asia, Europe, the Americas, Africa and Australasia.

OOCL is well respected in the industry with a reputation for providing customer-focused solutions, a quality-through-excellence approach and continual innovation. OOCL is one of the leading international carriers serving China, providing a full range of logistics and transportation services throughout the country. It is also an industry leader in the use of information technology and e-commerce to manage the entire cargo process.

#### Logistics Services

As a world-class provider of innovative logistics and supply-chain services and solutions, OOCL Logistics has an extensive network of more than 130 offices in over 45 countries. Providing advanced customer-specific solutions through our value-creating services and IT technology in supply-chain management, our dedicated and experienced professionals focuses on serving customers with global sourcing and supply-chain-management needs, creating value through innovative end-to-end international logistics programs. We are also a leader in providing sophisticated transportation, warehousing and distribution services in the mainland China, offering professional and efficient 3PL and 4PL solutions. As a global company based in Asia, OOCL Logistics is exceptionally positioned to serve both international and domestic customers in the world's fastest-growing markets.

### Our Philosophy

At its core, any activity in the Group is guided by our Mission Statement and Core Values.

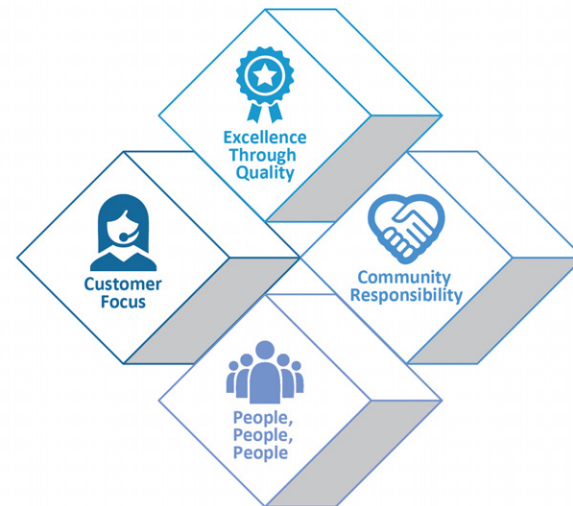
#### Mission Statement

To be the best and most innovative international container transport and logistics service provider; providing a Vital Link to world trade and creating value for our customers, employees, shareholders and partners.

#### Core Values

OOCL has four core values that are central to everything the Company does. The core values are:

- People, People, People
- Customer Focus
- Excellence Through Quality
- Community Responsibility



# 4

## Approach to Sustainability

As a responsible corporate citizen, the Group is committed to incorporating sustainability into our business operations. We have been proactively building our environmental, social and governance profile through building trust with our stakeholders. With the formulation of our Sustainability Strategy, various sustainable development goals and objectives have been established in tackling global environmental and social challenges that we are facing today. Looking ahead, we will continue exploring new sustainable development opportunities to create long-term value for our stakeholders.



## Approach to Sustainability

### Corporate Governance

The OOIL Group believes that the success of our Company is built on the commitment to a high level of ethical and professional Code of Conduct. Our customers judge our Company not only by the quality of the products and services we provide, but also by the professional conduct and business ethics of our employees.

**The Group is committed to honesty, integrity and fairness in everything it does, and expects all employees to know and adhere to the standards.**

### Governance Framework

OOIL is committed to conducting its business in accordance to high ethical standards and the Company considers that effective corporate governance is an important part to corporate success and the enhancement of shareholder value.

The Company has adopted its own corporate governance code (the “CG Code”), which in addition to applying the principles as set out in the Corporate Governance Code and Corporate Governance Report (the “SEHK Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), also incorporates and conforms to local and international best practices. The CG Code sets out the corporate governance principles applied by the Company and its subsidiaries (the “Group”) and is constantly reviewed to ensure transparency, accountability and independence.

The Board currently comprises of five Executive Directors, four Non-Executive Directors and five Independent Non-Executive Directors. More information can be found in our 2018 Annual Report, under the Corporate Governance Report section.

The OOCL Executive Committee (EXECO) comprises members of the top management team and is led by the Co-Chief Executive Officers. The EXECO sets the corporate agenda and scrutinises all Environmental, Social and Governance (ESG) policies, data and initiatives from a macro perspective by evaluating and addressing any associated risks and opportunities that would help improve or raise the company’s overall performance.

At OOCL, the formation of our Safety, Security and Environment Protection (SSE) working group, with a clear terms of reference and authority as entrusted by our management team, reflects our strong commitment to Environmental, Social and Governance (ESG) and Corporate Social Responsibility (CSR).

The organisation is structured with a Corporate SSE Steering Committee at the corporate level and a Regional SSE Committee for each region. The Corporate SSE Steering Committee’s role is to set direction and policies for safety, security and environmental protection and ensure the proper execution of related corporate directives and policies in all corporate departments and regions. Respective Corporate Functional heads of the committees will work out the directions and policies for review and endorsement by the Corporate SSE Steering Committee in order to ensure compliance of the concerned functional areas in each corporate region.

The Steering Committee is chaired by a Global Safety, Security and Environmental Protection Officer (GSSEO), who takes a proactive role in overseeing and supporting all relevant Environmental, Social and Governance (ESG) legal and regulatory requirements, including climate change, and health and safety. The GSSEO would advise the Corporate Steering and Regional Committees of the latest regulatory, market and competitive developments and coordinate SSE policies and implementation efforts with the relevant Corporate Functional Departments and Regions. The GSSEO would also report to the EXECO on key issues and latest SSE developments in the Group.

### Risk Management Framework

OOIL has set up and integrated risk management procedures to identify, evaluate and manage significant risks, including climate-related and ESG-related risks, that may have an impact on the business of the Group. On behalf of the Board, the Risk Committee sets the direction for multi-disciplinary risk management. These specific risks are owned, identified, proceeded and assessed by the company-wide functional units. The mitigating response proposed by functional units are checked, measured and monitored by the Risk Management Department.

Key risks identified are reviewed regularly by the Group’s management. The effectiveness of the risk management system is assessed by the Internal Audit Department. The Board conducts a review on the effectiveness and adequacy of the risk management and internal control systems by reviewing the work performed by the Risk Committee and Audit Committee on an annual basis.

### Operational Risk Assessment

The purpose of the Operational Risk Management guidance is to align with the EXECO directive to implement an Operational Risk Management process and report operational risks. By integrating Operational Risk Management into our daily business activities, we can prevent and minimise harm to people, loss to business and damage to environment that may arise from our operations.

Operational Risk Management shall be implemented company-wide and reports back to EXECO on a quarterly basis through the SSE Committee. All corporate functional departments and regions are to be accountable for identifying, assessing, controlling, reviewing and reporting operational risk areas that fall under their respective functional and regional scope. While an accident summary is one source where risks can be identified, this directive encourages a fresh look at our operations to identify new risks while managing existing ones.

## Our Policies

**We believe that our strategies and approaches to sustainable development drive a long-term value creation for our business and stakeholders. Our core value on Community Responsibility is underpinned by our Corporate Safety, Security and Environment (SSE) Policy and supported by our Sustainable Procurement Policy. These policies are primarily focused on addressing the risks and opportunities in our business and incorporate the economic, environmental and social approaches to sustainability into our decision-making process.**

### Corporate Safety, Security and Environment (SSE) Policy

OOCL goes the extra mile to make safety and security a top priority in our business operations, onshore and at sea, including people, cargo, ships and facilities. We maintain the highest safety and security standards and recognise that businesses must take responsibility for their industry's effects on the environment so OOCL proactively demonstrates our concern for the environment at every level of our organisation.

OOCL is committed to:

- Apply industry best practices, and go above and beyond compliance with relevant rules and regulations on Safety <sup>[1]</sup>, Security <sup>[2]</sup> and Environment <sup>[3]</sup>
- Establish and improve safety, security and environment objectives and targets
- Proactively promote an Onboard Safety Culture and engage in the highest levels of training
- Participate fully in the prevention and suppression of security threats against supply chain operations under our control and carry out risk assessment on a continuous basis
- Use resources <sup>[4]</sup> efficiently and apply innovative voluntary measures to minimise the impacts on the environment and natural resources
- Regularly communicate our SSE Policy to all staff and business partners throughout the supply chain
- Continually re-assess and upgrade our SSE commitments
- Serve our stakeholders by assessing their needs and providing information
- Take every precaution to avoid any health and safety risks in business activities and services to employees, business partners and communities

OOCL evaluates opportunities for working with responsible business partners to achieve our sustainable procurement objectives at every level of the supply chain. We also strive to ensure that our commercial relationships are formed with partners that share our values on safety, security and environmental care and sustainable business practices.

[1] 'Safety' includes but is not limited to the providing of a safe working environment to protect employees from occupational hazards.

[2] 'Security' includes but is not limited to the preventive measures to ensure security onshore and onboard, as well as cyber security.

[3] 'Environment' includes but is not limited to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

[4] 'Resources' includes but are not limited to energy, water and other raw materials.

### *Safety, Quality and Environment Management System*

OOCL was the first container shipping line in the world to have achieved the Safety, Quality and Environmental (SQE) Management System certification in 2002 which consolidates the International Safety Management (ISM) Code, ISO 9001 and ISO 14001 requirements.

### *Guidelines for Safety, Security & Environmental Care (SSE) Incident Reporting*

Incidents may occur in our business operations that threaten life, cargo and property. Through SSE Incident Reporting, we can capture incident trends and lessons learnt so we can prevent the same from happening in other regions and in the future.

All incidents related to safety, security and/or environment should be reported according to escalation matrix in our Corporate Emergency Response Plan (CERP). Types of reportable incidents include:

- Fatalities
- Staff work injuries (incurring lost workday(s))
- Truck / feeder / rail / land facility accidents with injuries
- Fire accidents causing serious property damage
- Security threats and breaches
- Environmental pollution / contamination to water and to land
- Cargo / container accidents which cause or threaten to cause injuries, security breaches, pollution and serious property damage

### *Inspection Policy on Dangerous Goods (DG) Containers*

To increase the safety of our employees, customers' cargo and properties on shore and at sea when carrying DG containers, the SSE Steering Committee has decided to apply a random inspection policy on DG containers. The inspection program will raise awareness of cargo safety amongst shippers, contribute to safer cargo transport and reduce risk and costs arising from DG incidents.

### *Shipboard Safety, Quality and Environmental (SQE) Monitoring and Reporting*

According to our certified Safety, Quality and Environmental Management System (SQE) (equivalent to OHSAS 18001, ISO 9001 and ISO 14001), it is required all of our vessel to implement and maintain the Shipboard Safety, Quality and Environmental Monitoring and Reporting. Our SQE Coordinator is responsible for monitoring of vessel safety and environment protection. Upon receipt of all Master's Reviews from vessels the SQE Coordinator shall carry out a study of the Reviews. The SQE Coordinator also has to instigate necessarily follow up action and report such action and recommendations to the Fleet Management Department in headquarters.

### *Whistle-Blowing Framework*

Under the Group's whistle-blowing policy, employees may report any concern regarding accounting, internal accounting controls and auditing matters to the Audit Committee without fear of dismissal or retaliation. This framework helps ensure that the Group complies with all the applicable laws and regulations, accounting standards, accounting controls and audit practices. The Audit Committee will review each complaint and decide on how the investigation should be conducted. In year 2018, the Audit Committee received no complaint from employees.

### *Anti-Corruption*

In the interest of adhering to the highest ethical standards, the Group has a formulated Code of Conduct which serves as a guideline to ensure compliance with all local, national and international legal standards and to preclude offences under local, national and international laws, any breaches of confidentiality, non-disclosure requirements or intellectual property rights and any conflicts of interest, acts of bribery, corruption or political contribution and any other areas of deemed misconduct.

Our Management takes oversight and implementation of our policies against bribery and corruption very seriously. The Group's Code of Conduct has a chapter on "Bribery and Corruption" which provides a clear and comprehensive guidance on how to conduct business in an ethical, fair and legal manner. The Company will regard any violation of this policy as a serious matter and it is likely to result in disciplinary action, including employment termination, that is consistent with relevant and applicable laws. Regional and function-specific training on anti-corruption and anti-bribery policies are offered to our employees.

In addition, comprehensive procedures are in place to address, identify, manage and control risks that may contain elements of corruption and bribery, with an impact on the business of the Group. The Group's "Whistle Blower Policy", established in 2006, is one of our formalised procedures through which employees can anonymously file reports or register concerns and help govern the reporting and thorough investigation of allegations of suspected improper activities.

We conduct a mandatory vendor assessment for all new intermediaries including vendors, suppliers, agents, and contractors to confirm their compliance to our Code of Conduct. This assessment serves as a channel to communicate with our intermediaries regarding our company policy. It allows us to take immediate actions if any corruption and bribery risks are identified.

OOCL is a member of the Maritime Anti-Corruption Network (MACN), working together to eliminate all forms of maritime corruption and foster fair trade practices. Following the MACN Anti-Corruption Principles, we avoid all kinds of bribe, facilitation payment, and corruption by adopting shared methodologies, framework, risk assessment tools, training, and campaign, helping our



employees and third parties to strengthen the anti-corruption approach. Not only do we work with MACN, our Company also engage with different industry members, local governments and civil society to reinforce and promote the culture of integrity through collective action.

Our current approach is considered to be effective and sufficient. We have not received any reported cases of corruption within the Group and we ensure that all our practices are in full compliance with relevant laws and regulations. Although our industry is less vulnerable to corruption, we continue monitoring and reviewing our policies and practices to maintain “zero corruption”. We would also evaluate whether it is necessary to launch comprehensive anti-corruption risk assessments for our existing and new global offices, business partners, vendors, suppliers and agencies.

**Extortion, Fraud, Money Laundering & Other Related Crimes**

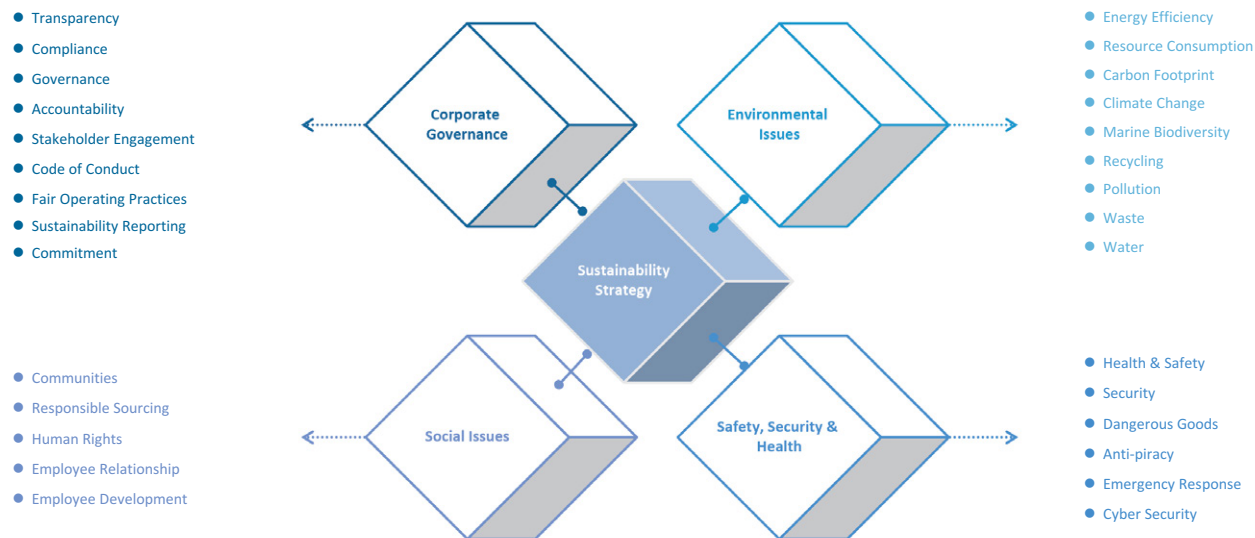
The guidepolicy of Code of Conduct requires all employees to comply with any laws, rules and regulations that are aimed at preventing, detecting and remedying economic crime and, in particular, fraud, extortion, money laundering and other related crimes. Employees must not engage criminal activities nor choose to ignore them. We ensure that all our business practices and operations are in full compliance with relevant laws and regulations and during the reporting year, no such crimes have been discovered.

**Sustainability Strategy**

As we continue to build on our efforts and accomplishments on environmental management the development of this Sustainability Report highlights our desire to move towards a more integrated approach to sustainable development. Developing our Sustainability Strategy has been an important step to further integrate sustainability considerations into our business decision-making process.

This Strategy is driven by our corporate philosophy and we feel that there is a need to further enhance our initiatives and bring our approaches to environmental management, economic development and social responsibility together into a more coherent structure, under the umbrella of sustainable development.

In the process of defining what sustainability means to the Company, it significantly helped steer how we set our plans and goals for the future. The result is the formulation of some key sustainable development priorities to initiate while setting targets and plans for each department in the Company to embrace and execute. Going forward, the development of our Strategy will continue to be refined according to the views of our stakeholders and objectives of the Company.



# 5

## Stakeholder Engagement

We place a high priority on stakeholder engagement and recognise that it is fundamental to understanding the impact our business has on the communities in which we operate as well as the potential issues that may affect us. So reaching out to our stakeholders is imperative to achieving our business and sustainability objectives and we take every effort to gather their concerns and incorporate their views in our sustainable development strategies.

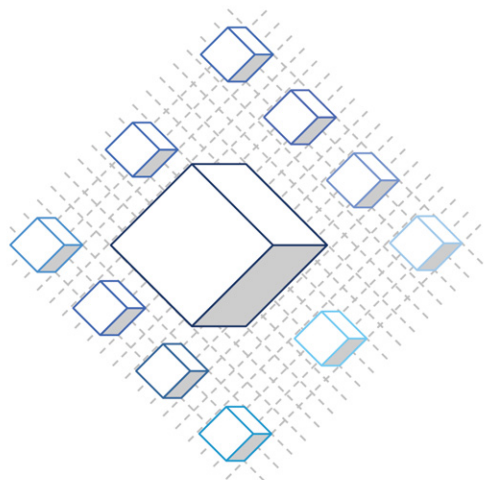
# Stakeholder Engagement

## Our Stakeholder Engagement Pathway

To achieve long term success and sustainability, we are committed to building and maintaining lasting relationships with our key stakeholders. Listening and working closely with our stakeholders are imperative measures to ensuring the effectiveness and accuracy of our Sustainability Strategy. We establish strong communication channels to engage with as wide a variety of stakeholders as possible in order to gather their feedback towards our materiality assessment.

This year, we have engaged more than 7,200 stakeholders from 10 key groups through various channels. Our key stakeholder groups include: academic institutions, business partners, customers, employees, local communities, non-governmental organisations, professional & industry bodies, regulators & authorities, shareholders & investors, and suppliers & vendors. Once we have their feedback, we identify and prioritise their concerns so that we can handle and report on them accordingly.

The figure below summarises the identity of our key stakeholder groups, their priorities and engagement channels.



In addition to these communication channels, our stakeholders were also invited to participate in an online survey which required them to rank the significance of various sustainability topics related to our business. Our approach clearly demonstrates our efforts in engaging stakeholders through different channels and shows the level of commitment we have to the communities to ensure that their concerns are properly accounted for.

## Materiality Assessment

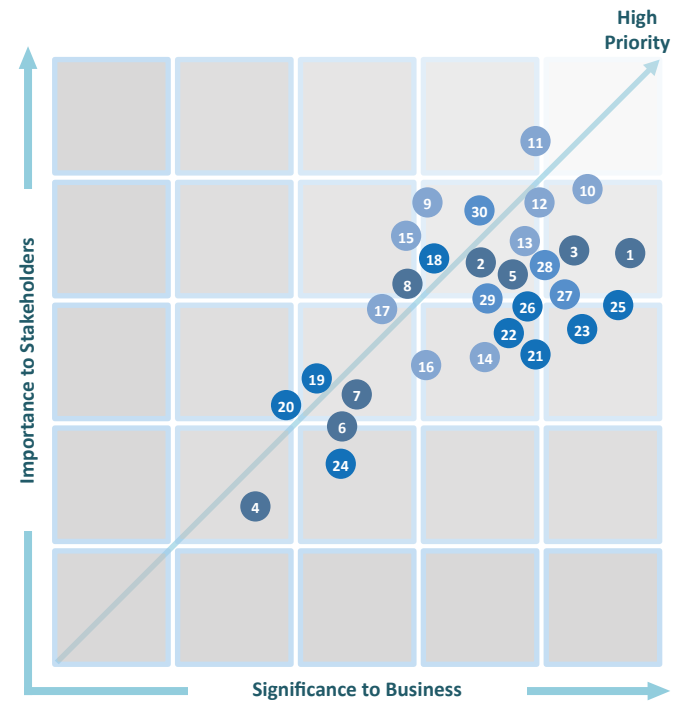
The process of stakeholder engagement is central to materiality assessment and serves as a channel for us to engage with our stakeholders. It allows us to form a holistic view on the issues that our stakeholders are concerned about. From our stakeholder engagement exercise, 30 material issues were identified by different stakeholders and were categorised into environmental, social, governance, as well as Information Technology & security aspects. We mapped the results based on the two dimensions of “significance to business” and “importance to stakeholders,” and presented it in the materiality matrix.

Identifying the material issues is certainly an important step in our sustainability journey. To show our commitment to incorporating our stakeholders’ views in our sustainable development strategies, we defined the associated boundary and impact of the material issues by referencing to the GRI standards as well as in alignment to our management approach to them in this report.

Material Topics and Associated Boundary and Impact

	Material Topics	Boundary and Impact		GRI Standards	Page Number
		Internal	External		
1	Compliance	○	○	GRI 307, GRI 419	21
2	Anti-competitive behaviour	○	○	GRI 206	22
3	Prevention of bribery & corruption	○	○	GRI 205	12
5	Sustainable procurement	○	○	GRI 204	22
8	Grievance handling	○	○	GRI 103	50
9	Biodiversity and conservation	○	○	GRI 304	30
10	Energy	○	○	GRI 302	26, 29, 31, 33
11	Climate change mitigation & adaption	○	○	-	26-27, 32
12	Emissions	○	○	GRI 305	26-27, 29
13	Resources & materials	○	○	GRI 301	31
14	Wastewater	○	○	GRI 303	30, 82
15	Marine plastic	○	○	GRI 301	30
16	Waste management	○	○	GRI 306	30
17	Collaboration & engagement	○	○	-	42
18	Community investment	○	○	GRI 413	59
21	Employee development & succession	○	×	GRI 404	44-46
22	Work life balance	○	×	-	48
23	Diversity & equal opportunities	○	×	GRI 405	51
25	Health & safety	○	○	GRI 403	47
26	Emergency response	○	○	-	47
27	IT Innovation	○	○	-	53-56
28	Maritime security & piracy	○	○	GRI 410	23-24
29	Cyber security	○	○	GRI 410	56-57
30	Customer privacy	○	○	GRI 418	57

Materiality Matrix



Governance Issues	Environmental Issues
Social Issues	IT & Security Issues

	Other Considered Topics	Page Number
4	Political contribution	12, 21, 51
6	Contraband management and anti-smuggling of sea cargo	23-24
7	Data transparency	32, 38-40
19	Human & labour rights	50
20	Child labour & forced labour	21, 50
24	Freedom of association & collective bargaining	21, 50

The benefits of stakeholder engagement and materiality assessment on an ongoing basis are tremendous for our business. It helps us identify the key issues that we should address and prioritise towards the shaping of our corporate sustainable development strategies. Over the years, we engaged with a wide spectrum of stakeholders through a variety of effective pathways and successful communication channels to respond and tackle various ESG related issues. We will continue to reinforce our stakeholder engagement process and communications with different stakeholders regarding our sustainable development initiatives in order to better understand their views and meet their expectations.

#### *Responding to Key Stakeholders' Concerns*

- Participating in the Voluntary Speed Reduction Program to significantly reduce carbon dioxide emissions
- Participating in the fuel switching schemes to lower sulphur emissions
- Supporting the academic community in oceanographic research
- Collaborating with industry bodies and environment-focused organisations on responsible business practices
- Sharing of our carbon footprint and greenhouse gas (GHG)<sup>#</sup> emissions data in a credible and transparent manner
- Offering the OOCL Carbon Calculator for customers to estimate the carbon footprint in their supply chains
- Adopting high energy efficient vessels, equipment and machineries
- Monitoring of responsible sourcing practices from our suppliers
- Enhancing environmental performance indicators for all global business units
- Studying feasible initiatives and technologies in our operations to address climate change
- Working with the environmental-focus organisations to improve the carbon dioxide and sulphur dioxides calculation methodologies
- Employing the external checker to verify the major environmental data disclosure
- Informing our customers to be aware of GHG Scope 3 emissions from their upstream activities
- Enhancing corporate Environmental, Social and Governance reporting framework and its disclosure
- Supporting industry best practices to curb the trade of endangered and protected marine species
- Supporting observatory and meteorological organisations engaged in marine climatology and climate change studies

*<sup>#</sup> The emissions of six main greenhouse gases (GHG) are addressed by the United Nations Framework Convention on Climate Change (UNFCCC), namely carbon dioxide (CO<sub>2</sub>); methane (CH<sub>4</sub>); nitrous oxide (N<sub>2</sub>O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF<sub>6</sub>); also include a seventh greenhouse gas - nitrogen trifluoride (NF<sub>3</sub>) from the GHG Protocol Corporate Standard.*



## Key Issues from Operations

Engaging with a diverse group of stakeholders over the years has helped us identify the social and environmental impact that are relevant to our business. The diagram below illustrates the various sustainability issues from different operational components in our business.

### Environmental Issue

The most significant impact from our operations is in the consumption of non-renewable fossil fuels that generate air pollutant and greenhouse gas emissions. Efforts to restrain the impact on air quality and climate change have been focused on improving our vessels and facilities. Handling of dangerous goods is also another major environmental concern. The environmental impact from our on-shore activities are derived from emissions produced by our trucking and machinery operations, consumption of large volume of water, and hazardous chemicals from our maintenance works.

### The Business

As a leading integrated international transportation and logistics company, our business strategy incorporates concerns from our customers, employees and suppliers. Our business success is dependent on our commitment and response to address the concerns and interests of key stakeholders.

### Safety, Security and Health

Safety, security and health issues have always been of paramount importance and a first priority at our Company. We link our approach to quality and contingency planning. We employ a number of guidelines, procedures and precautionary measures to focus on safe operations both on shore and at sea, preventing any possible threats to security that are associated with transport operations.

### The Community

We contribute extensively to the development of communities in Hong Kong and around the world. We help develop and maintain a sense of communal identity through various activities such as partnering with a variety of charities and Non-Governmental Organisations (NGOs) around the world, sponsoring academic projects, and supporting employee volunteering initiatives.

Key Issues	   			
	Vessels	Warehouses	Offices	Truckings
Air quality	○	×	×	○
Carbon emissions	○	×	×	○
Carbon footprint	○	○	○	○
Energy use	○	○	○	○
Energy efficiency	○	○	○	○
Hazardous waste	○	○	×	×
Marine biodiversity	○	×	×	×
Noise impact	○	×	×	○
Waste	○	○	○	×
Water consumption	○	○	○	×
Dangerous goods	○	○	×	○
Health and safety	○	○	○	○
Security	○	○	○	○
Customer issues	×	×	○	×
Human resources	○	○	○	○
Procurement	×	○	○	×
Regulatory compliance	○	○	○	○
Academic collaboration	×	×	○	×
Charity partnerships	×	×	○	×
Community investment	×	×	○	×
Research partnership	○	×	○	×

# 6

## Value Chain

To achieve sustainable development and better manage the ESG risks throughout the whole value chain, we actively engage and closely collaborate with our business partners and customers. We also strive to maintain our operational agility and move quickly to adopt to any changes in the global supply chain, thereby enabling us to ensure customers are well-served with the best selection and most competitive suite of services.

## Value Chain

### Key Relationships with Customers and Suppliers

“Customer focus” is one of the core values of the Group. We believe in long-term, mutually beneficial relationships with our customers and strive to help create value for our customers through collaboration to enhance customer competitiveness. This is achieved by seeing things from the customer’s perspective, trying to understand their business and anticipate their requirements. All employees are trained to be proactive in meeting customers’ expectations and responding with a sense of urgency.

“We Take It Personally” is not just a slogan at OOCL, but also an attitude that all employees are encouraged to adopt in dealing with our customers. Each year we recognise hundreds of employees around the world for displaying initiative and going beyond the call of duty to meet our customers’ needs.

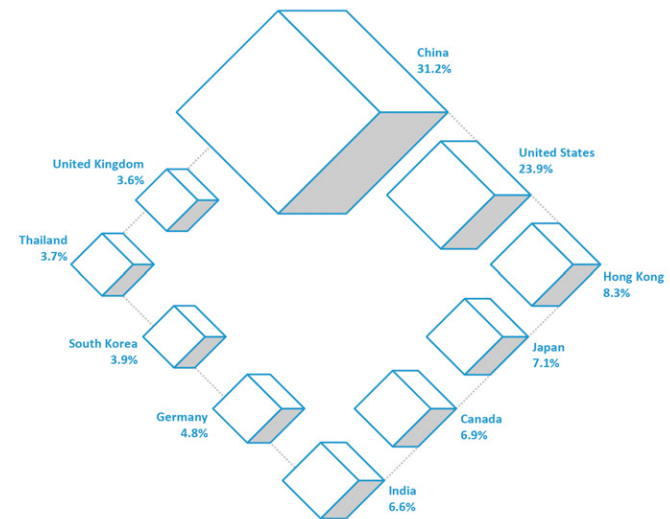
It is the Group’s policy to maintain a diversified customer base across all geographical regions and trade lanes. A Key Risk Indicator (KRI) of customer concentration was developed in the year 2017 and is included in the functional risk dashboard for the Group’s liner business which is being monitored on a quarterly basis. Different tolerance limits for the KRI are set for regions, trades and the organisation as a whole. As at the end of 2018, OOCL had approximately 27,000 active customers and the customer concentration was at an acceptable level.

In the Group’s relationship with suppliers, we put special emphasis on the supplier selection process in which both quantitative and qualitative factors are considered objectively, independently and openly, according to the Group’s highest ethical standards. Pricing is not the Group’s primary consideration; instead, the Group focuses its attention on the suppliers’ quality service, safety and ethical standards. “Excellence through quality” is another core value of the Group. While we endeavour to provide the best quality service to our customers by setting high standards for ourselves, we demand the same high standards from our suppliers. It is also the Group’s policy to maintain a diversified supplier base across all geographical regions.

In 2017, the Group developed supplier management KRIs to monitor supplier concentration in different regions and poor supplier service. Cases of supplier service failure were shared among employees to alert them to the importance of communicating our expectations to the suppliers and taking the right remedial mitigating actions. As at the end of 2018, OOCL had approximately 19,300 active suppliers and the supplier concentration was at an acceptable level.

Approximately 8.2% and 20.7% of the Group’s total expenditure on purchases of goods and services for the year are attributable to the largest supplier and five largest suppliers respectively.

#### Top 10 Countries with the Highest Number of Suppliers from the Group



## Our Code of Conduct (Summary)

OOCL is committed to honesty, integrity and fairness in its business conduct and organisation management. OOCL also maintains the highest standards of professional ethics and integrity in dealing with its customers, vendors and partners.

Highlights of OOCL's Code of Conduct:

1. Legal Compliance
  - Comply with all applicable laws and regulations in the countries in which the Company operates.
2. Prohibition of Bribery and Corruption
  - Do not accept or offer gifts of material value, entertainment, or other gratuities of worth from or to business partners, in exchange for business opportunities or any privilege that can raise doubts as to objectivity and fairness of business decisions. Such offers include, but not limited to, cash, gifts, business opportunities or contracts, travel, entertainment and other expenses. Anyone aware of or suspect a violation must report to the competent authorities in the Company.
3. Political Contribution
  - We do not make any offer, payment or gift of material value, or promise of such, directly or indirectly, to any government or public official, political party or its representatives, candidate for political or governmental office.
4. Managing Conflict of Interest
  - Staff must declare and report any conflict of interest, directly or indirectly, that may impact fair business dealings and objective decisions. Where such conflicts exist by circumstances, alternative arrangements must be made to ensure fairness and objectivity.
5. Adherence to high ethical standards by respecting rights and dignity of all persons with whom we deal. Specifically we respect the provisions of the UN Universal Declaration of Human Rights and the Conventions of the International Labour Organization in regard to:
  - Elimination of all forms of forced, compulsory and child labour
  - Freedom of employment & association
  - Respect for the individual and elimination of discrimination through embracement of diversity in workplace
  - Safe and healthy working conditions
  - Payment of living wages and regular employment entitlements
  - Non-excessive working hours
6. Assurance of non-disclosure of the Company's business, customers and financial information and no misappropriation of our tangible or intellectual property.
7. Commitment to OOCL's Safety, Security and Environment (SSE) Policy.

### *Fair Competition*

We support fair competition with the objective of ensuring prudent and just practices across our value chain, and we consistently strive to tackle anti-competitive behaviour. Competition law compliance is an integral part of business for all corporations operating in the global market place. Under the vigilance of our Competition Compliance Committee and the Competition Compliance Working Team, we have systematically and thoroughly implemented and enforced OOCL's Competition Compliance Policy to ensure that all our practices are in full compliance with competition laws.

OOCL has developed and implemented our competition compliance program which includes the establishment of guidelines and mandatory training of employees to ensure our practices are in compliance with competition legislations.

### *Managing Our Vendor and Supplier*

To achieve our sustainable procurement objectives at every level of the supply chain, an assessment of existing and new vendors, suppliers, agents, and contractors must be completed to confirm their compliance to our ESG standards where on-site verification of their facilities may be conducted if deemed necessary. In 2018, more than 80% of targeted vendors and suppliers have completed the ESG vendor assessment. Once compliance is confirmed we would monitor, review and work with our vendors, suppliers and business partners to ensure compliance levels are maintained. Customary performance and monitoring of the industry are implemented.

We also put emphasis on vendor and supplier diversity. We review the business nature of our potential vendors and suppliers in order to develop a more diverse portfolio and source from the most suitable and responsible parties.

Not only does our customers judge our Company by the quality of the products and services we provide, but also by our professional conduct. We believe that the success of our Company is built on the commitment and high level of ethical and professional standards of our employees. The objective of our Corporate Guidepolicy is to set the Code of Conduct that we expect from each employee in every location where we operate, regardless of the employee's position or level.

### *Customer Identity Verification*

OOCL is committed to enhancing shipment security and customer relations. Our booking acceptance policy and the Customer Profile (CPF) verification guidelines are the foundation to providing a clear accountability of each functional unit in verifying the validity of each customer and its legal identity against sanction lists, including those under the United States (U.S.) and European Union (EU). In addition, a procedure has been developed to oversee the status of the CPF records and to switch them into an inactive status when they are not being utilised within two years. In order to ensure the entire supply chain is well controlled and managed, we are continuously refining our policy and workflows.

### *Customers Feedback Handling*

In line with our Customer Focus core value, we treasure all feedback from our customers. To facilitate the collection of customer feedback, we have added a "Customers Feedback" page on our corporate website at [www.oocl.com](http://www.oocl.com).

The purpose of this process is to ensure feedback from customers will be handled in an organised and timely manner so that appropriate action can be taken to address their concerns. Feedback may generally fall into two main categories; namely appreciation and complaints. Complaints may be service-related or on our code-of-conduct. Proper records on handling customer feedback must be maintained to enable us to learn from experience. Customary complaints are received and dealt with.

### *Sustainable Procurement Policy*

We are dedicated to promoting sustainable and responsible practices and our Corporate Sustainable Procurement Policy has been implemented in every aspect of our business and at every stage of the supply chain to manage and assess environmental and social risks.

OOCL is committed to:

- Reducing harmful pollutants and emissions
- Promoting greater environmental sustainability at every stage in the supply chain by conserving resources
- Promoting awareness among our suppliers of our expectations with regard to Safety, Quality and Environmental Protection
- Promoting ethical sourcing practices
- Contributing back to our community



## Dangerous Goods

### Transportation

Due to its hazardous nature, Dangerous Goods (DG) shipments are regulated under stringent rules and regulation throughout the entire transportation process. Vessel owners, container liners, port authorities, international organisations, and other related entities in the supply chain, all set various requirements concerning safe transport of DG. Information and knowledge need to be shared and a large amount of documents and certificates need to be granted and delivered among different parties. All of these requirements lead to complex and demanding operations.

There is no integrated solution for DG transportation thus far, though a few carriers maintain their own in-house systems; developed individually and isolated from their competitors. Subsequently, it has long been agreed that the best way of improving safety at sea is by developing international regulations, as well as treaties adopted by the IMO.

### Our Service

The major regions that we serve in the Americas, Europe, Middle East and Asia Pacific, all have specific handling procedures and approval process for DG applications. A shipper or customer's DG cargo will be checked for its content accuracy and any legal requirements concerning its transport will be taken into account. In addition, OOCL ensures the relevant stowage and segregation requirements of dangerous goods are met. This helps provide additional safety to the cargo, vessel, crew, cargo handlers and the overall environment. OOCL's DG teams are also available to discuss and provide advice to our customers on all issues relating to different international and domestic regulations.

### DGSmart

OOCL's Dangerous Goods System has a powerful training program, known as "DGSmart", which covers all parties involved in the DG transportation process, including carriers, forwarders, manufacturers, port authorities, and DG / chemical experts. Each party provides certain information and performs functions that are shared, followed up, and cross-checked further down the processing chain. DGSmart also links all the process involved in the whole DG transportation; our technical standard for data processing is regarded as consummate.

## Security

We are committed to maintaining our vigilance to prevent any potential threats to security. Security measures, plans and standards are all in place and audited at every level of our organisation. We take every precaution to provide the highest levels of security for our customers and employees.

**In a world where cargo security are becoming more complex in the international trading community, OOCL is strongly committed to the security of our operations against possible compromise and to the maintenance of the highest level of compliance in security related areas.**

## Corporate Security Policy

As a responsible company, we have to ensure the safety and integrity of all our employees, ships, customers' cargo and our port facilities. We are committed to preventing cargo bookings, transportation and logistics service for commodity which are prohibited by law, concerning security, public health, environment and international obligations. In this regard, we are obliged to offer our utmost cooperation to the Authorities including the Governments of all States in their fight against any act that will impinge on maritime or cargo security. Such acts may include, but not limited to, the following:

- Terrorist attacking a port facility
- Hijacking of ship
- Bomb threat
- Piracy
- Sabotage
- Shipping of weapons or agents of mass destruction
- Drug smuggling
- Stowaway / human smuggling
- Tampering with documentation / container / cargo
- Cargo Pilferage

### Security Code

From our offices to ports, warehouses, shore facilities and onboard our vessels, we work with the authorities to ensure that every measure is in place to maintain the highest commercial and operational security standards as possible at all times, while all employees are educated and regularly updated through security training.

### *International Ship and Port Facility Security Code*

OOCL complies with the International Ship and Port Facility Security Code (“ISPS” Code) to ensure security threats are detected and assessed and preventive measures are in place on our vessels and at our port facilities. A designated officer on each ship and at each port facility reports to the Company Security Officer who oversees the security plans, drills and training. With this in place, all our vessels continue to have an exemplary record containing zero breaches of security and clean detention records.

### *Partners in Protection*

Our Company has been certified as a “Partners in Protection” (PIP) carrier by the Canada Border Services Agency (CBSA) Partners in Protection. It is a voluntary program established by the CBSA for companies which assist to enhance border security, combat organised crime and terrorism, detect and prevent contraband smuggling, and increase the awareness of issues to secure the flow of goods and travellers across the U.S.-Canadian border.

### *Customs-Trade Partnership Against Terrorism*

Our Corporate Security Policy and internal guidelines fully satisfy the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) initiative. We regularly conduct internal security checks to identify, evaluate, and prevent any security threats. Our security profile has been validated by the U.S. Customs and Border Protection Agency through “on-site” checks of our Group’s offices and facilities including terminals, warehouses, depots and vessels.

### *Container Security Initiative*

OOCL is also committed to other international initiatives, rules and regulations such as the Container Security Initiative (CSI) and 24-Hour Advance Manifest Rule. We also actively engage various governments and authorities worldwide in their efforts against any act that would impinge upon maritime or cargo security.

### *Authorised Economic Operator*

Similar to the C-TPAT, the EU Authorised Economic Operator (AEO) is a voluntary-based public-private partnership where participants who fully meet AEO requirements, such as customs compliance, appropriate record-keeping, financial solvency and, where relevant, security and safety standards, will be offered an AEO certification. Since 2011, twelve of our EU-based branch offices have been AEO-certified.

## Piracy

**To combat the increasing threat of maritime piracy, OOCL applies anti-piracy measures by adopting best practice guidelines and establishing close communication with staff onboard.**

Piracy was common across the Middle East region and with occurrences in the southern end of the Red Sea, Gulf of Aden, Arabian Sea and down into the Indian Ocean, stretching from the Somali coastline all the way across to within close proximity of the Indian coast.

### *Anti-piracy Measures*

OOCL follows anti-piracy measures before our vessels enter the High Risk Area (HRA). One of the key measures is to maintain a 24-hour, 360-degree counter-piracy visual and radar watch and to assign additional watch-keepers at the bridge and on the deck while transiting through the HRA to watch out for suspected pirate crafts.

OOCL has also adopted the Industry Best Management Practices to avoid, deter or delay pirate attacks. We cooperate with navy forces and relevant anti-piracy organisations to exchange information on safety and security measures, piracy policies and procedures. Close communication is also kept between the vessels and our Fleet Management Department office which has a 24-hour emergency hotline and is always on standby in case of any emergency.

# 7

## Natural Capital

**We recognise that businesses must take responsibility for their industry's effects on the environment. Our Company is dedicated to meeting the needs of the present without compromising those of the future. We encourage sustainable economic development through innovative environmental care measures.**

## Natural Capital

**We are committed to comply with all environmental regulation and requirements related to our operations. We encourage and expect the highest discipline and professional conduct from our employees, crew and vendors to take responsibility for their actions and comply with their environmental obligations. During the reporting period, no non-compliances in relation to air and greenhouse gas emissions, discharges into and on land, and the generation of hazardous and non-hazardous wastes violations were found.**

### Managing Carbon Footprint and Harmful Emissions

We believe that by taking a proactive role in caring for the environment, we can help reduce the consumption of natural resources, minimise our discharges, wastes, greenhouse gas emissions, as well as other pollutants regulated under national laws and regulations, such as sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and other particulate matters (PM), to make the world a better place to live for ourselves and future generations.

Greenhouse Gases (GHG) emissions are widely associated to its effect on global warming and climate change which are major challenges that affect everyone. Although climate change presents challenging obstacles, we also recognise and acknowledge that there are business opportunities for innovation. Over the years, we have made use of our knowledge and experience to create greener services to improve energy efficiency beyond our own operations. We have also developed short, medium, and long-term green strategies and sustainable development goals to smoothen our pathway in turning climate-related risks into business opportunities.



#### *New Environmentally Friendly Technology Designs*

We believe that clean technology will make an important contribution to environmental protection, such as reducing the level of greenhouse gas emissions. OOCL works hand-in-hand with shipyards and naval architects to implement new environmentally friendly technology designs on our vessels.

#### *Cold Ironing (Alternative Maritime Power)*

All of OOCL's new buildings currently under construction are installed with Alternative Maritime Power (AMP) Systems, also known as "Cold Ironing", which allows the vessel to use shore-supplied electricity instead of burning fuel when at berth.

According to the Port of Los Angeles, the use of AMP technology has demonstrated an average reduction of 95% in NO<sub>x</sub>, SO<sub>x</sub>, and PM emissions per vessel call and helped nearby communities improve air quality. In the first two years of their AMP program, over 80 metric tons of pollutants were eliminated at the Port of Los Angeles.

#### *Initiatives to Reduce Nitrogen Oxides*

Since 2000, all our vessels have been installed with environmentally friendly NO<sub>x</sub>-controlled propulsive engines while advanced slide fuel injection valves are also being adopted to help reduce NO<sub>x</sub> emissions by 30%.

#### *Using Low-sulphur Fuel*

OOCL is fully compliant to the EU, North America and IMO mandated requirements of using 0.1% or lower sulphur content fuel in all SO<sub>x</sub> Emission Control Areas (SECA). We are also compliant to the requirements of using 0.1% sulphur content fuel when our vessels are berthed at designated EU ports.

Also, we strictly comply with the Air Pollution Control (Ocean Going Vessels) (Fuel at Berth) Regulation is the first in Asia, mandating fuel switching at berth where vessels over 500 gross tonnage must switch to using 0.5% or lower sulphur fuel in the auxiliary engine(s), generator(s) and boiler(s) when berthing at the Hong Kong port.

It is also hoped that this regulation will pave the way for the establishment of an Emissions Control Area (ECA) in Asia, a more sustainable and long-term solution to effective and lasting air quality improvements in sync with international best practices as seen in Europe and North America.

OOCL vessels also ensure that the sulphur content of our fuel is well below the IMO prescribed standard of 3.5% when sailing in the high seas. In 2018, OOCL achieved an average sulphur content of 2.63%.

### *OOCL Fleet Moves Forward to Meet IMO 2020 Regulation*

The industry will be stepping into an important chapter in its history by ensuring all ocean-going vessels in our fleets will be able to meet the International Maritime Organization's (IMO) new Sulphur cap regulation by January 2020. With this new Sulphur cap on marine fuel lowering from 3.5% to 0.5%, approximately 85% of Sulphur emissions is expected to be reduced but at a significant cost to the entire industry.

In preparation for this change, the industry has been grappling with the challenges associated to fleet adjustment options, including uncertainties in the availability and accessibility of the 0.5% Low Sulphur Fuel (LSF) in the market. As we explore our options and what would be best for our fleet to ensure compliance by the deadline, OOCL will begin our transition into the use of LSF for our entire fleet during the second half of 2019.

We believe that we are taking the right step towards a greener and more transparent direction forward in the industry as we all embrace the IMO 2020 Regulation together. As a responsible and committed member of the international community, OOCL will continue to work closely with our customers and business partners to strive for further improvements in all aspects of our businesses for a greener future in the generations to come.

### *Investment on Climate Change and Environmental Protection*

We see businesses that take a proactive role in encouraging and managing current and future economic, environmental and social development through innovation will prosper as leaders in a highly competitive and changing global business environment. Therefore, OOCL is very serious about sustainability investing.

Furthermore, we understand that businesses must take responsibility for their industry's effects on the environment. Our Company is thus dedicated to meeting the needs of the present without compromising those of the future. Despite a period of consistent deterioration in profitability for the industry, we continue focusing on green investment which includes fuel-efficient vessels, energy-saving terminals, eco-friendly machineries and equipment. By doing so, we believe this reinforces our commitment to customers that we offer them the best service quality with the least impact on our environment.

### *Climate Scenario Analysis*

The Company respects the provision of the Paris Agreement with the aim to strengthen the global response to climate change threats by keeping the global temperature rise at well under 2 degrees Celsius by the end of this century.

As a matter of urgency, we recognise the need to putting progressive efforts to combating climate change and its impact. We fully support the initial climate change strategy adopted by the International Maritime Organization (IMO), which envisages for the first time a reduction in total Greenhouse Gas (GHG) emissions by at least 50 percent by 2050 compared to 2008. The vision confirms the commitment to reducing GHG emissions from international shipping which includes a specific reference to a pathway of CO<sub>2</sub> emissions reduction consistent with the Paris Agreement temperature goals. This shows that our industry is taking a proactive step in combating climate change.

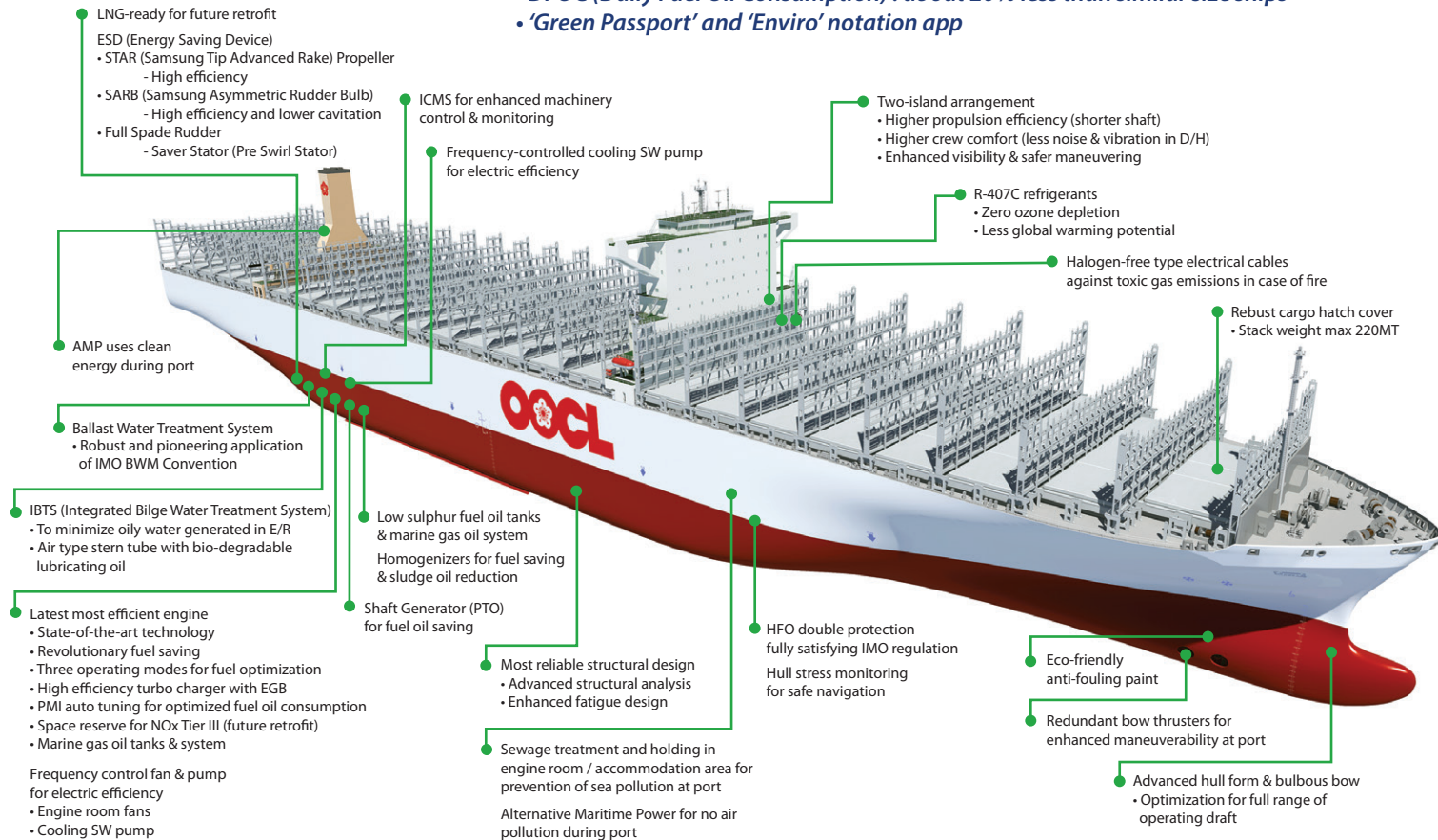
To ensure our business planning is in line with IMO's initial climate change strategy, adopting a sectoral focus and forward-looking climate scenario analysis is a way to assess our strategic resilience under a range of climate scenarios and management response options. The "2 degree" scenario analysis allows us to identify various possible outcomes that are highly uncertain to our business and also helps us frame and assess the potential business and financial impacts from climate-related issues.

In our business operation, we have to consider both physical and transition risks under various environmental factors and policy priorities over time when we apply the "2 degree" scenario analysis so that we can better understand and formulate our direction forward. Physical risks relate to impacts attributed to climate change, for instance, how business operations and activities are affected by extreme weather, rising sea levels as well as flooding. Transition risks considers how the move towards the "2 degree" goal will impact our business from the related policy, technology, or market changes. Having a better understanding of both the transition and physical risks are essential when assessing climate-related impacts. They also allow us to account for the full range of climate change implications so that suitable strategic response and strategy can be formulated.



## Environmental Friendly Features on OOCL New Buildings – 21,413TEU

- **EEDI (Energy Efficiency Design Index) : about 45% less than IMO baseline**
- **DFOC (Daily Fuel Oil Consumption) : about 20% less than similar size ships**
- **'Green Passport' and 'Enviro' notation app**



### Green Passport and Life Cycle Assessment

The Inventory of Hazardous Materials (IHM) (also known as the Green Passport) is a crucial requirement of the Ship Recycling Convention. With an aim to aid safer and more environmentally sound recycling of ships, such inventory helps the recycling facilities formulate a safer and more environmentally sound plan for decommissioning the ship.

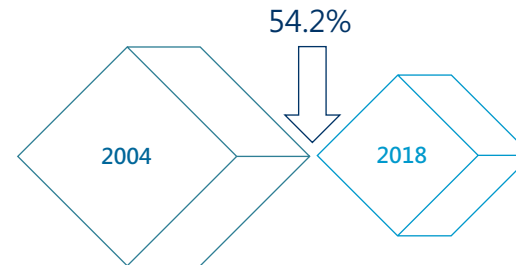
Most of our vessels do own the “Green Passport”. This inventory identifies, locates and lists out all hazardous and potentially hazardous material onboard a vessel. An appointed Classification Society will issue “A Statement of Compliance” (SOC) once IHM has been reviewed and having this SOC means that shipowners are aware of the hazardous and potentially hazardous materials on board the vessel and will make efforts to reduce the amount of these materials throughout the vessel’s lifespan. It is also very useful in managing the health risks posed to onboard crew as well as the unnecessary risks brought to the environment.

Obtaining Green Passport for our vessels demonstrates our responsibility in the ship recycling industry. For example, ships sold for scrapping may contain environmentally hazardous substances such as asbestos, heavy metals, hydrocarbons, ozone-depleting substances and others. As the IHM identifies all hazardous and potentially hazardous material onboard a vessel, it helps reduce the health, safety and environmental risks where the ships are being recycled.

In consideration of the environmental aspect of the vessel’s life cycle being particularly important to our business, we realise the need to adopt a Life Cycle Assessment (LCA) in the strategic planning stage to help minimise the environmental impact when the vessels are being decommissioned. With the help of LCA, we can identify and evaluate the potential environmental risks associated with different input and output materials.

**In addition to the adoption of clean technology in our operations, the best way to reduce emissions in the shipping industry is to save fuel and we have been focusing on our bunker saving programs for many years. By taking these initiatives, OOCL has cut carbon dioxide emissions by more than 50% since 2004. In addition to reducing our emissions, we are able to help our customers achieve a lower carbon footprint in their supply chains.**

### CO<sub>2</sub> Intensity from Vessel Operations



**Container shipping is the most environmentally sound way to transport large volume of goods across the world. Most of the world’s manufactured goods and products travel by container ship and, when this startling fact is considered, the relative impact upon the environment is low in comparison to other modes of transport.**

**For example, for every kilometre that a container ship carries a ton of cargo, it is far more energy efficient and emits much less in the way of harmful CO<sub>2</sub> emissions than any other type of freight transport, including airplane, truck and train. It is estimated that on average a container ship emits around 40 times less CO<sub>2</sub> than a large freight aircraft and over three times less than a heavy truck. Container shipping is also estimated to be two and a half times more energy efficient than rail and seven times more than road.**

### Weather-routing Systems for Safer and Shorter Routes

We invest in sophisticated weather routing systems to avoid bad weather and to take the shortest route possible to our destinations. If a vessel hits a storm or a typhoon, naturally it will be slowed down – perhaps from involuntary speed resistance from high winds, or voluntary slowdown to avoid damage to the vessel – and as a result the ship will tend to burn more fuel and be less efficient. With these systems, the Captain can avoid bad weather areas by planning the best routes possible.

### *Regular Hull Maintenance and Cleaning*

Marine growths, such as barnacles, molluscs and algae, can weigh a ship down which in turn lead to more fuel consumption. We carry out regular maintenance on our ships to keep the hull completely clean and free of such growths

### *Optimum Trim (balance of cargo) and Minimum Ballast*

One way that we can burn less fuel is by maintaining the optimum trim and minimise the use of ballast. An optimum trim is the balance of cargo on board a vessel and if the load is too heavy at one end, the imbalance can result in more fuel being used to sail. Hence, we devise and implement sophisticated cargo loading plans to achieve the optimum trim.

Moreover, the minimal use of ballast water can also help achieve a lighter vessel load and better trim of ship draughts by good stowage, thereby burning less fuel.

## Respect for Biodiversity and Marine Environment

**We are committed to environmental measures that respect aquatic biodiversity.**

### *Onboard Waste Management*

At sea, we incinerate waste onboard by using appropriate equipment, such as food dispenser, garbage compactor and incinerator, that are in accordance with the MARPOL Convention requirements. At port, we dispose non-hazardous and general wastes to facilities that are authorised by the local authorities.

We continuously monitor and reduce the amount of sludge being generated by each vessel by using specialised equipment, such as homogenisers and oil purifiers, to minimise the development of sludge. We also take every effort to ensure hazardous wastes are handled accordingly and complies with local and international laws and regulations where they may apply. All hazardous wastes generated onboard are collected and treated by facilities that are authorised by the port authorities.

### *Using Non-Toxic Hull Paint*

OOCL always uses environmentally friendly and non-toxic hull paint on our vessels to help protect marine life.

All our ships have been painted with tributyltin free paint (TBT-free) that are also both tin and copper-free. OOCL is constantly striving to improve the marine environment by implementing a policy for all newbuildings to use silicone-based foul-release paint.

### *Marine Plastic Management*

We are committed to comply with the existing and forthcoming regulatory framework on marine plastic management, and adopt best practices in preventing marine plastic leaking and entering the oceans through ship-based activities to minimise harmful effects on marine life, biodiversity, as well as human health.

### *Ballast Water Management Program*

All container ships discharge ballast water, which can contain organisms that are harmful to the environment.

We have a policy of exchanging ballast water only in the open sea (200 nautical miles away from the nearest coastline) and aim to achieve zero ballast water exchange when berthed at the port.

### *Ballast Water Treatment*

In 2004, the IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediment (BWM Convention) to prevent and eliminate the risk in the introduction and dispersal of invasive species into habitats where they do not belong. In addition to the introduction of treatment standards over the coming years, the IMO convention specifies a set of criteria for the treatment process to make sure at least 99.9% of all living organisms carried in ballast water are killed or removed before being discharged.

To help lessen the harm to the marine environment, OOCL has been actively exploring different kinds of technologies to effectively treat ballast water that is in line with our environmental policy.

### OOCL Containers

Today, OOCL only uses CFC-free refrigerants for all of our refrigerated (reefer) containers. OOCL's newest reefer containers have one of the lowest power consumption in the industry. All our containers have been applied with tin-free paint and we also introduced the use of eco-friendly bamboo floors instead of the traditional hardwood ones.



## The Environment and Natural Resources

Our policy encourages us to help minimise potential impacts of operational activities on the environment and the natural resources through innovative environmental care measures. We are committed to environmental measures that respect aquatic biodiversity and natural environment. OOCL continually invests in environmentally friendly equipment such as ballast water treatment, and uses sustainable materials, such as non-toxic paint, bio-degradable stern tube oil and bamboo flooring, to help protect marine environment and forests. In addition, our Group proactively takes part in ecosystem restoration project such as tree planting and replanting of coral and mangrove.

## Use of Resources

Our Group has set out policies to use resources efficiently, including energy, water and other raw materials. Our Group actively minimises the consumption of electricity, fuel and other raw materials in vessels, terminals, warehouses and offices. We continue focusing on green investment which includes fuel-efficient vessels, energy-saving terminals, eco-friendly machineries and equipment. Each regional office of our Group has their own local recycling initiatives. In order to reduce fresh water consumption, our vessels utilise onboard desalination plant to convert seawater into potable water. By doing so, we believe this reinforces our commitment to customers that we offer them the best service quality with the least impact on our planet.

### Group Offices

Our focus is to create and maintain a “paperless office” environment by eliminating the use of faxes and unnecessary paper documents. As a business which has traditionally relied on paper documentation with customers, such as bills of lading and invoices, we have successfully taken innovative measures to effectively reduce our paper consumption by 20% in the first year of implementation.

We have implemented a “reduce, re-use and recycle” campaign in all our offices around the world, encouraging employees to switch off computers after work, powering off copiers and lights after use, and to install energy-saving office equipment, such as energy-efficient lighting systems.

In exploring areas where we can reduce the use of natural resources, we adopt the mixed source Forestry Stewardship Council (FSC) certified paper for our publications, such as corporate calendars, corporate brochures and reports.

### OOCL Adopts Extended Speed Reduction

Since 2005, OOCL adopted the voluntary speed reduction program at the Port of Long Beach and the Port of Los Angeles to help reduce emissions when sailing into port. Initially, the speed reduction program encouraged vessels to reduce their speed within 20 nautical miles of the ports and subsequently the revised program extended the radius to a 40 nautical miles zone. OOCL had adopted the 20 nautical miles zone since the introduction of the program and has also committed to adopting the extended speed reduction zone. Reduced vessel speed results in less fuel being used and therefore less emissions, such as sulphur oxides and nitrogen oxides, diesel particles and greenhouse gases being released near the coastline. Furthermore, the extended voluntary speed reduction can also reduce the chance of ship strikes with whales, preventing the collisions between whales and vessels which might lead to injury or fatality.

### Stop Shipping Shark, Whale, Dolphin, and Their Related Products

OOCL announced that bookings for whale, shark, dolphin, and their related products will not be accepted. This new policy shows our commitment and best practices in supporting the global effort to curb the trade in at-risk, endangered and protected marine species.

### *WWF-Hong Kong Conservation Talk on No Shark Fin Carriage*

OOCL is one of the early few carriers committed to banning bookings for whale, shark, dolphin, and their related products. This policy shows our strong support in the global effort to curb the trade of at-risk, endangered and protected marine species. Moving forward, and in support of the United Nations Sustainable Development Goal 14: Life Below Water on ocean conservation, we will strive to participate in and initiate over 100 marine life protection and conservation courses, activities, and programs by 2030.

On 14<sup>th</sup> September 2018, we invited the World Wildlife Fund (WWF) in Hong Kong to talk about the importance of ocean biodiversity and the role of shipping companies in implementing the No Shark Fin Carriage Policy through a Lunch & Learn session with our OOCL Hong Kong and South China Region colleagues. The talk aimed to raise the environmental awareness of our colleagues and focus on the prevention of potential risks in our operations which is particularly useful when handling suspicious shipment orders.



### *OOCL Carbon Calculator*

In 2010, OOCL launched the OOCL Carbon Calculator online and also on smartphone platforms. The calculator allows OOCL customers to measure the carbon dioxide emissions in their supply chains. It is one of the first emissions calculator of its kind to offer multiple shipment searches and full intermodal emissions data.

This calculator has demonstrated OOCL's commitment to environmental care and our drive to help our customers understand and manage the carbon footprint in their end-to-end supply chains.

The scope of the calculator spans across vessel, truck, feeder, barge and rail with over 70,000 port pairs. It offers customers a user-friendly interface, allowing them to generate summarised reports according to their preferred specifications.

OOCL spearheaded this project in 2010, partnering with the Department of Logistics and Maritime Studies of the Hong Kong Polytechnic University that act as our third party verifier. The Calculator has been checked and verified for its methodology, accuracy and carbon footprint calculations by The American Bureau of Shipping (ABS) Consulting.

### *Annual Supply Chain CO<sub>2</sub> Report*

In our latest environmental initiative to better serve the needs of our core BCO customers by gathering information on their supply chain's carbon emissions, we have made further improvements in our IT capability to allow us to automatically generate the Supply Chain CO<sub>2</sub> Reports for all the shipments without having to manually input the calculating variables.

This enhancement project aims to standardise the presentation of the data and uses a more efficient method to generate the reports, thereby allowing us to provide a more effective and proactive approach to sharing carbon emission information with our core BCO customers on an annual basis. This service capability was available since March 2014.

Corporate reporting of greenhouse gas emissions with high quality standards has become a common practice for multinational corporations (MNCs) to respond to a growing demand from stakeholders for increased transparency.

By providing the Supply Chain CO<sub>2</sub> Reports on a proactive basis, we are able to better serve our customers and helping them achieve their green objectives in their supply chains.

### *OOCL Logistics Launched CO<sub>2</sub> Emissions Calculator*

Over the years, carbon dioxide (CO<sub>2</sub>) emissions from business activities have contributed to climate change which poses a serious threat to the global ecological environment. Such changes have in many ways impacted our health, society and global economies.

To demonstrate our commitment to environmental care, OOCL Logistics developed an online CO<sub>2</sub> Emissions Calculator to help our customers achieve the lowest possible carbon footprint in their end-to-end supply chain. OOCL Logistics continues to improve the transparency of carbon disclosure during transportation of shipment and help our customers better manage their emission reduction targets.

We have always placed great emphasis on environmental protection, and the launch of the CO<sub>2</sub> Emissions Calculator is just another step we are taking to ensure the sustainability of our business and our planet.



### Global Vessel Voyage Monitoring Centre (GVVMC)

To enhance fuel saving and improve fleet performance, OOCL and CargoSmart™ have been working closely together to utilise the AIS signals to monitor all OOCL vessels through CargoSmart’s GVVMC (Global Vessel Voyage Monitoring Centre) that operates around the clock, 24-7, to track the movements of more than 12,000 vessels and the status of over 1,200 container ports and 1,800 container terminals.

The GVVMC monitors real-time vessel movements to identify exceptions earlier through state-of-the-art and innovative tools. The Centre would alert the users (i.e. container liners) if speed deviation, route deviation or any abnormal activities of a vessel during the voyage is found, allowing for a quicker response to address those issues. GVVMC also projects vessel ETA (Estimated Time of Arrival) based on big data analytics and machine learning by correlating sailing schedules, current locations, vessel sizes and historical route patterns. The implementation of the GVVMC was a big success in supporting marine operations to ensure that all container ships are in line with service loop standards and performance guidelines.



### OOCL Makes Further Contributions to Building Green Ports

In 2017, “OOCL TAIPEI” was the first vessel to utilise shore power at the Port of Shenzhen’s Da Chan Bay Terminals. The following year, we took further strides in our green efforts to arrange two more vessels to undergo initial shore power testing at the Yantian Terminal. In collaboration with Yantian International Container Terminals (YICT) and China Ocean Shipping Agency Shenzhen (Penavico Shenzhen), the “OOCL POLAND” and “OOCL HO CHI MINH CITY” underwent shore power testing at the terminal in April 2018. With the shore power system, the air quality would improve as the vessel can switch off the auxiliary engine, thus reducing carbon emissions, while the working environment in the vessel’s engine room is also enhanced with the noise reduction during maintenance.

### Going Green by Harnessing Solar Energy

A total of 814 solar panels were installed at our Levington office in the United Kingdom to leverage on green energy sources. By harnessing the power of the sun in a solar photovoltaic (PV) array, it can provide about 50% of the office’s annual electricity consumption, thereby reducing approximately 123,000 kilograms of CO<sub>2</sub> emissions each year. The expected life of the solar array is around 40 years, which means this green initiative can continue contributing to OOCL’s green credentials for many years to come.



### OOCL Participates in Enhancing Cetacean Habitat and Observation (ECHO) Program

OOCL participated in the Enhancing Cetacean Habitat and Observation (ECHO) Program between 1<sup>st</sup> July and 31<sup>st</sup> October 2018 to study how to reduce the cumulative effects of shipping on at-risk whales throughout the southern coast of British Columbia in Canada. Over the 16 weeks of this Program, 96% of our vessels voluntarily sailed at slower speeds in the research region, bringing our vessel participate rate 46% higher than in 2017. OOCL’s commitment and contribution to this Program was an important part of our sustainability work in addressing the “SDG 14: Life Below Water” component of marine life protection and conservation.

***OOCL Sponsors and Participates in Walk for Nature 2018***

On 3<sup>rd</sup> November 2018, our Hong Kong colleagues and their guests participated in the Walk for Nature 2018 at the iconic Mai Po Nature Reserve. Walk for Nature is an annual fundraising event of the WWF, which supports the Reserve's work on local biodiversity and land conservation. OOCL was one of the sponsors of the event where the participants learned more about the experience of migratory birds' journey to Hong Kong and through a series of related activities also raised their awareness and knowledge of conservation issues and sustainable living in Mai Po. OOCL supports the Sustainable Development Goals (SDGs) set out by the United Nations and our participation in this event shows our support and commitment to the United Nation's SDG 15: Life on Land, which aims to ensure that the conservation, restoration, and the sustainable use of resources of wetlands are in line with obligations under international agreements. To continue with our commitment in meeting other relevant SDGs, we will cooperate with industry bodies and environment-focused organisations in addressing different environmental challenges.

***Federation of Hong Kong Industries Guests Visiting the OOCL Berlin***

On 16<sup>th</sup> August 2018, a vessel visit on the "OOCL BERLIN" was arranged for 30 guests from Federation of Hong Kong Industries (FHKI). The visit aimed to provide a better understanding of the environmental practices onboard our vessels and the guests were also guided by an experienced captain who introduced the ship's green features and technologies.

***Hong Kong Colleagues Volunteer in Beach Cleanup***

On 6<sup>th</sup> October 2018, Hong Kong colleagues and their family members and friends volunteered in a beach cleanup activity at the Shek O Main Beach, a popular spot for locals and holiday makers. Co-organised by OOCL's Vital Link Committee and Association for Geoconservation, Hong Kong, the activity was aimed at reducing pollution in the marine ecosystem.







#### *Environmental Publicity Promotion Activity- "Less is More" in South Software Park*

On 27<sup>th</sup> July 2018, OOCL Zhuhai colleagues organised the "Less is More" Campaign in South Software Park. It is an environmental promotion campaign which aimed to promote the environmental awareness of the public through games and workshops. Eight promotional booths were set up at the park which attracted more than 300 participants.

#### *Keep Away from Plastic Product Workshop & Green Detergent DIY*

Plastic waste is a serious environmental problem in recent years and to reinforce the awareness of plastic pollution, an environmental workshop was held in OOCL Zhuhai for our colleagues. More than 50 colleagues participated in the workshop where they gained a deeper understanding of the plastic pollution problem after watching an environmental documentary. After the video, our colleagues were taught how to make environment friendly detergents.



#### *OOCL and OOCL Logistics Shanghai Colleagues Supports Environmental Sustainability*

On 15<sup>th</sup> March 2018, volunteers from OOCL and OOCL Logistics in Shanghai participated in a tree-planting event at the Lingang Logistics Park. It was the fourth consecutive year that our colleagues have taken part in this initiative which aims to green up the environment and create a more serene, healthy and beautiful atmosphere for all. With continuous efforts and contributions from our volunteering colleagues, more than 80 trees were planted at the park over the past four years.

#### *Mangrove Plantation Project for a Better Cambodia*

On 24<sup>th</sup> June 2018, OOCL Cambodia colleagues participated in a Mangrove Plantation Project by planting 200 Mangrove Trees at the Trapang Sangke Fishery Community located in Kampot Province. The plantation of mangrove could help protect the shorelines and maintain water quality by filtering pollutants and trapping sediments originating from land.





#### *Visiting Waste Bank Malaka Sari at East Jakarta*

OOCL Indonesia colleagues visited the Waste Bank Malaka Sari in Jakarta to learn how to better manage waste in the community by embracing the concept of the 3R's – Reduce, Reuse, and Recycle. In the process our colleagues also learned how to make fertiliser from organic waste.

#### *Beach Cleaning and Turtle Releasing in Malaysia*

On 4<sup>th</sup> May 2018, our colleagues from Malaysia took part in beach cleaning as well as participating in a baby turtle releasing activity at The Cherating Turtle Sanctuary which is run by the Department of Fisheries. The Sanctuary was established in an effort to protect endanger species, particularly the Leatherback Turtles. The activities aimed at protecting marine and beach ecosystems as well as enhancing the environmental awareness of our colleagues. A total 40 baby turtles were released after the beach cleanup.



#### *Nature Conservation Workshop in Pakistan*

On 21<sup>st</sup> July 2018, OOCL Pakistan colleagues arranged a nature conservation workshop with the Sustainable Living Society of Institute of Business Management at the Toufiq Pasha Farm House. After some enjoyable interactive activities, an environmentalist with over 40 years of nature conservation experience shared how climate change impacted Pakistan and what immediate action should be taken in order to achieve environmental sustainability.

#### *OOCL and OOCL Logistics Philippines Takes Part in Earth Day Run*

On 22<sup>nd</sup> April 2018, OOCL and OOCL Logistics Philippines colleagues with their family and friends participated in the National Geographic Earth Day Run 2018 held in Manila. Our colleagues have been participating since 2009 with the goal to contribute in saving the planet. In partnership with World Wildlife Fund Philippines, the Run also raised funds for sponsoring rain storage tanks for people in the remote province of Mindoro.





#### *OOCL Singapore Management Invited to Present at MPA Sustainability Workshop*

On 10<sup>th</sup> April 2018, OOCL Singapore management were invited by the Maritime and Port Authority of Singapore (MPA) to give a presentation to the industry on OOCL's green projects and achievements. As a recipient of the Outstanding Singapore Environmental Achievement Award (SEAA) and winner in the SEAA Maritime Sector category, we were recognised as a maritime company that has in place strong environmental management policies with a focus on industry leading initiatives and continuous innovation in our sustainability work.

#### *Veggie Rescue at Pasir Panjang Wholesale Centre*

On 21<sup>st</sup> July 2018, OOCL Singapore colleagues embarked on a journey called the Veggie Rescue mission where they approached shopkeepers in the Pasir Panjang Wholesale Centre for unsold vegetables and fruits and then loaded them onto trucks for delivery to soup kitchens and charitable organisations that serve the needy.



#### *Coral Reef Planting in Thailand*

In Thailand, the total number of areas experiencing coral reef damage has increased significantly. On 14<sup>th</sup> July 2018, OOCL Thailand colleagues joined a coral reef planting workshop at the Navy Base in Sattahip District. Instructed by an officer of the Thai Navy, our colleagues learned how to plant corals in an effort to revitalise the reefs at the beach.

#### *Green Week*

Since 2007, the first week of July each year has been designated as the OOCL Green Week in support of environmental care. Improving the environment is one of our key focus under one of OOCL's core values and demonstrates our commitment to corporate social responsibility.

Green Week is a global program for everyone at our offices around the world to promote environmental care through special events and meaningful activities. They are organised to remind our colleagues on the importance of "Going Green" and we have been successful in showing our long-term commitment to protecting our environment through such initiatives.





## Awards and Recognition

OOCL is proud and honoured to receive recognition and awards for our commitment and efforts to corporate sustainability each year and we highlight some of our achievements in 2018.

### Founding Constituent of the Hang Seng Corporate Sustainability Index

The Group is a founding constituent of the Hang Seng Corporate Sustainability Index, launched in 2010 to recognise the top 30 companies with the highest scores in areas such as environmental care, social impact, and corporate governance. We have been selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for the eighth consecutive year, reflecting our continual outstanding performance in ESG. We received the highest sustainability score in the industrials sector from the latest sustainability performance review. These are remarkable achievements as well as recognition of our efforts to achieving consistent and long-term sustainability objectives.

### OOIL Becomes a FTSE4Good Developed Index Constituent

The FTSE4Good Developed Index is one of the world's most recognised and respected indices measuring the performance of companies demonstrating strong Environmental, Social and Governance (ESG) standards for investors committed to socially responsible investments. OOIL is honoured to be the first Hong Kong-based enterprise in the international transportation and logistics industry to be included in the Index. Independently assessed according to the Index criteria, OOIL has met all ESG requirements to become a constituent of the Index for the fourth consecutive year since December 2015, an important milestone in the company's efforts to achieving long-term sustainability objectives.



### OOCL Expands GHG Reporting and Verification Scope

Over the years, OOCL has been taking concrete, meaningful and progressive steps in our long-term commitment to protecting the environment and reducing emissions in the communities where we operate by meeting our Greenhouse Gas (GHG) emission, operational energy consumption, as well as environmental verification targets spanning from Scopes 1 to 3. In 2018, our GHG Scope 3 reporting and verification has successfully been expanded to include indirect emissions from not only business travel by air for employees of our Hong Kong office, but also for our two terminals, namely the Long Beach Container Terminal, LLC. (LBCT LLC) in the United States, and the Kaohsiung Container Terminal (KAOCT) in Taiwan.

OOCL is committed to reaching higher standards and transparency levels in our GHG reporting which are all in accordance with the "Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard." In addition to our work related to GHG, OOCL has also been taking a leadership role in building our Environmental, Social and Governance (ESG) profile to tackle a wider spectrum of environmental challenges we face across the industry.

Through our continual engagement in the Sustainable Development Goals (SDGs) set out by the United Nations, we are constantly reviewing our efforts and progress in reducing emissions, promoting environmental care and conserving natural resources which all contribute to the success and comprehensiveness of our overall sustainability profile. We do this in all areas of our business – on land and at sea – from our vessels to our terminals, offices and containers. The achievements we have made to date are very important to our sustainability work in addressing the "SDG 13: Climate Action" component of emission reduction and climate change mitigation.



Verified by Lloyd's Register Quality Assurance (LRQA) and for the fifth consecutive year, OOCL has achieved a limited level of assurance by dual reporting standards through the use of Clean Cargo Working Group (CCWG) and ISO 14064-1:2006 verification tools to certify the transparency, accuracy, completeness, consistency and relevance disclosure on Greenhouse Gas emissions, operational energy consumption, as well as environmental data separately.

Throughout the independent verification process, OOCL prepared all the proper documentation and records showing the effective management and internal controls for collecting and reporting of the required data to meet the dual standards. It also verified the adequacy of the processes being implemented in managing the consumption and emissions data of our vessels, terminals and head office. We are pleased that not a single discrepancy, misstatement and nonconformity was identified.



**OOCL Named Company of the Year at the Lloyd's List Global Awards**

OOCL received resounding applause from industry peers for the coveted "Company of the Year" win at the Lloyd's List Global Awards ceremony in London on 11<sup>th</sup> December 2018. This top honour in the awards program pays tribute to an organisation with marked achievements in areas such as operational excellence, digital innovation and for maintaining an outstanding reputation in the industry.

Highly regarded as one of the most important events on the industry calendar, this distinguished award celebrates our exceptional accomplishments and unflinching commitment to performance as the industry navigated through some of the most challenging market environments over the last few years.

May it be in our persistent focus on operational efficiency, bringing innovative solutions to customers, taking our corporate sustainability profile into the next level, or pushing boundaries in the digital technology space, OOCL left no stones unturned to ensure we secure our competitive position and maintain our service quality hallmark widely recognised by our customers and peers in the industry.

**OOCL Honoured with HKAEE Gold Standing and Recognised for Outstanding Green Leadership**

On 4<sup>th</sup> May 2018, OOCL received the 2017 Hong Kong Awards for Environmental Excellence (HKAEE) Gold Award in the Transport and Logistics Sector. Recognised by the community as one of the most prestigious and reputable environmental award schemes in Hong Kong, the HKAEE encourages businesses and organisations to embrace green management and innovation with the opportunity to benchmark their environmental performance and commitments towards best practices within their sectors.

For the first time in the awards program, and in addition to the HKAEE Gold Award, a new "Outstanding Green Leadership Award" was introduced this year to recognise ten top performers demonstrating excellent performance in the aspect of green leadership. From over 1,600 eligible applicants in 15 industry sectors, OOCL is very proud to be one of the first recipients of this award.





#### ***OOCL is First in Industry to Win Corporate Environmental Leadership Gold Award***

On 31<sup>st</sup> May 2018, OOCL was very honoured to be the first carrier in the international transportation and logistics industry to receive the Gold Award at the 2017 BOCHK Corporate Environmental Leadership Awards ceremony. This distinguished awards program aims to acknowledge outstanding participating organisations for their efforts in promoting environmental and low-carbon best practices in the manufacturing and services sectors in Hong Kong and the Pan Pearl River Delta region following three rounds of assessments by a professional adjudication panel and independent assessors.

Over the years, OOCL has been proactively taking on a leadership role in implementing many important initiatives to address global environmental challenges, part of which includes supporting the United Nations Sustainable Development Goals (UNSDGs), green investments on our assets, development of green IT solutions, as well as Greenhouse Gas management which contributes to the success and comprehensiveness of our overall sustainability profile.

#### ***OOCL Recognised for Environmental Sustainability***

On 25<sup>th</sup> April 2018, OOCL received the Green Shipping Award from Seatrade Maritime Awards Asia in Singapore. This award recognises the company's green technology investment, carbon management, compliance to environmental regulations and promotion in environmental awareness. As a proactive leader in green shipping, OOCL was delighted to be the first award winner in this category.



#### ***OOIL Signs United Nations Global Compact and Joins China Business Summit***

OOIL was the first Hong Kong-based enterprise in the international transportation and logistics industry to take part in the United Nations Global Compact (UNGC). Through our business strategies, operation, corporate culture, and continual engagement in the Sustainable Development Goals (SDG) set out by the United Nations, we are committed to supporting the Ten Principles of the UNGC that sets out fundamental responsibilities in areas such as human rights, labour, environment and anti-corruption. To demonstrate our long-term commitment in corporate sustainability, transparency, and accountability, we participate in UNGC workshops on relevant environmental and human right issues for time to time and aim to publish a Communication on Progress (COP) report on an annual basis to describe our extensive efforts in implementing the Ten Principles and SDGs. Prior to our participation in the UNGC, we have already been very active in building up our work on SDGs. In our 2016 Sustainability Report, we introduced new targets and specific action items towards the formulation of relevant SDGs to tackle environmental and social issues across industries.

Each year, the Global Compact Network China invites OOIL to participate in the China Business Summit and through various workshops at the event, each company can showcase their achievements in sustainability, discuss potential opportunities and challenges in Sustainable Development Goals (SDGs), and encourage others to innovate together with an open mind and shared values to address industry- and topic- specific environment and human right issues.

### *“Class of Excellence” Wastewiše Label*

OOCL also received environmental recognition for our participation and performance in the Wastewiše Label Scheme under the Hong Kong Awards for Environmental Excellence (HKAEE) program. Under this initiative, participants have to reduce pollution, waste or resource use and achieve at least nine goals or more, covering at least two of three Wastewiše categories in order to be granted with the “Class of Excellence” Wastewiše Label. The three categories include Waste Avoidance & Reduction Measures, Collection and Recycling of Recyclable Materials, and Purchase or Manufacture of Recycled Products. We also collaborate with our vendors and suppliers to participate in different waste reduction initiatives.

### *Hong Kong Green Organisation Certification (HKGOC)*

The HKGOC aims to benchmark the performance of “green” organisations to encourage them to sustain their various environmental best practices. It also presents organisations with the opportunity to demonstrate their commitment to improve different aspects of their environmental performance. In appreciation of our efforts towards environmental protection, OOCL was given the status of “Hong Kong Green Organisation” (HKGO) by the Environmental Campaign Committee (ECC) from being a Gold Winner in the Hong Kong Awards for Environmental Excellence (HKAEE).

### *Green Flag Award*

Since its launch, OOCL has been an outstanding voluntary participant in the Port of Long Beach’s Green Flag Program by complying to sail at slower speeds within 40 nautical miles of the coastline. To acknowledge OOCL for our commitment to reducing harmful emissions, we received a Green Flag Award from the Port of Long Beach in 2018, a recognition that we have received every year since 2005. OOCL will continue our efforts in cutting air pollutants such as smog-forming NO<sub>x</sub>, diesel particulate matters and greenhouse gases. Port officials estimate that the amount of NO<sub>x</sub> generated by container ships would be decreased by approximately 550 metric tons a year if all the vessels comply with this program.

### *OOCL Received the 2018 Singapore Environmental Achievement Award (SEAA)*

The SEAA is an awards program launched to honour outstanding organisations and companies for their overall environmental stewardship, management and performance. It also recognises the leadership and innovation from their sustainability work and how they may encourage others to adopt a more proactive approach towards managing the environment. OOCL is proud to have received the 2018 Singapore Environmental Achievement Award (Regional) at a ceremony held at the Singapore Environment Council’s (SEC) Conference Day event on 30<sup>th</sup> August 2018.

This award category recognises local or international companies and organisations with outstanding environmental performance in Asia, and in the 2018 awards program, the regional scope was expanded to welcome companies from Greater China, Japan, South Korea, and ASEAN countries to take part in the awards scheme.

Over the years, OOCL has been proactively taking on a leadership role in implementing many important initiatives to address global environmental challenges, part of which includes supporting the United Nations Sustainable Development Goals (UNSDGs), green investments on our assets, development of green IT solutions, Greenhouse Gas management as well as reinforcing our stakeholder engagement process which contributes to the success and comprehensiveness of our overall sustainability profile.



## Participation in Environment-focused Organisations

As an active participant in addressing and demonstrating the support to issues of environmental protection and mitigating climate change, we are a member of a few environment-focused organisations:

### *United Nations Global Compact*

OOIL is the first Hong Kong-based enterprise in the international transportation and logistics industry to take part in the United Nations Global Compact (UNGC) initiative. UNGC encourages companies to align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to act in support of UN goals and issues.

### *Clean Cargo Working Group*

OOCL has been a member of the Clean Cargo Working Group (CCWG) since 2003 and it is a Working Group of the Business for Social Responsibility (BSR) organisation, comprising of around 40 major multinational shippers and carriers. CCWG is dedicated to benefiting the environment and people by assessing and addressing the environmental footprint of goods transported around the world. Practical solutions developed by the CCWG include the Environmental Performance Survey (EPS), which offers consistent standards and measurements of a carrier's environmental performance.

Our mission with the CCWG is to foster continuous improvement in the environmental and social performance aspects of freight transport by sharing information and promoting best practices in the industry.

### *World Shipping Council*

The World Shipping Council (WSC) provides a platform for the liner shipping members to voice out and collaborate on actionable solutions for some of the world's most challenging transportation issues such as those that relate to the environment. As a member company, we strive to promote and develop sound environmental solutions through the development of sustainable new international public policies and regulations to reduce air emissions and mitigate climate change. The WSC routinely works with a broad range of stakeholders from the public and private sectors to advance together in such areas.

### *Business Environmental Council*

The Business Environmental Council (BEC) is a non-profit organisation in Hong Kong promoting corporate social and environmental responsibility. Members share their responsible business practices which balance economic, social and environmental interests.

### *World Wildlife Fund*

The World Wildlife Fund (WWF) is a leading environmental and conservation organisation. Membership funds are channeled into local conservation programs and community education.

# 8

## Human Capital

As a responsible corporate citizen employing the highest standards of business ethics in all that it does, the Group understands that the process begins with the treatment of its employees. As a successful corporation, the Group appreciates that its success, growth and performance are attributable to the skills, dedication and teamwork of its employees. It regards people as its greatest asset and takes good care of them.



## Human Capital

The Group is an equal opportunity employer with a clearly defined policy covering areas such as treating all employees with fairness and dignity, promoting the corporate culture of encouraging open and frank communication throughout the organisation, investing in its employees and caring for their hopes and aspirations through people-development programs and education, as well as recognising their efforts and achievements.



### Employee Profile

We employ 10,321 full-time employees around the world where the majority of them are hired locally and 93.13% of the employment are on a regular basis.

#### Staff Retention

The OOIL Group is a very stable organisation with a good staff retention rate. The Company has proactive strategies in place to try and retain employees through various programs to enhance job satisfaction and improve staff retention. In 2018, the turnover rate for employees across our operations was 12.4%.

#### Long Service Awards

In recognition of our staff's hard work and dedication to the Group, we celebrated with nearly 800 Long Service Award recipients from our offices across the world. In 2018, there were 70 proud colleagues who received the 25-Year Long Service Award, while 351 were recognised for their 10-Year Long Service, and 377 for their 5-Year Long Service.

## Professional Development

### Our People's Success is OOIL's Success

At OOIL, we encourage openness and innovation in our work environment. Every employee is entitled to equal training and development opportunities through nomination and selection. Our policy on "Training & Development" sets out to groom our people to support our business growth and their own professional development while discharging duties at work. The Group provides employees with extensive opportunities to realise their potential and improve their knowledge and skills through job assignments, internal or external courses, and various vocational training and development programs.

#### A Learning Environment

People development remains a cornerstone of the corporate culture and enables the effective operation of OOIL's career development policy through recruitment and promotion from within.

While on the job, our employees can be nurtured and given numerous learning and development opportunities. OOIL has, over the past years, dedicated a great deal of time and effort into its various people-development programs. OOIL advocates continuous learning and supports employee career development through job rotation, local and overseas job assignments in conjunction with the offering of formal and informal learning and development opportunities and sponsorships for performance enhancement.

#### Global Recognition Program

Global Recognition Awards are designed to promote and recognise the "Take It Personally" spirit among OOCL employees with the purpose of promoting quality service to all our customers.

#### SPOT Award

Everyone likes to be thanked and recognised for a job well done. At OOCL, we strongly believe in the importance of encouraging, thanking and recognising the contributions and hard work from our colleagues. This could be making a suggestion which improved efficiency at work, completing a job which exceeds expectations, or even demonstrating behaviour which exemplifies our Core Values and/or Core Competencies. The SPOT Award is part of our "Global Recognition Award" which is aimed at promoting quality customer service both internally and externally.



### *Staff Movement – Transfer / Reassignment*

The framework for Staff Movement is established to facilitate effective human resources deployment, supporting achievement of business objectives and employee development. There are many opportunities available for career growth at OOCL. We may, in the interest of staff career development and the operational needs of the Company, assign them to different positions, or transfer them to different departments or Group companies, either on a temporary or permanent basis. When such opportunities become available, we will consider their career goals and provide career counseling at their request. In addition, they may take advantage of career opportunities by applying for open positions within the Company. Position openings will be posted through our Internal Recruitment Bulletin.

### *Six-month Short-term Job Rotation Program*

With “People, People, People” being the first of our 4 Core Values, OOCL is committed to investing in our people – our greatest asset! As part of our continuous people development effort, OOCL launched a 6-month short-term Job Rotation Program to broaden colleagues’ exposure, experience and perspective by

- Working in different cultural and business surroundings;
- Taking on a challenge with full accountability and performance measurement in a different functional setting;
- Learning to appreciate a new set of business issues in a different geographical environment.

Program participants benefit from the exchange of knowledge, skills, insights and best practices, as well as the opportunity to enhance their communication and collaboration abilities to foster continuous improvements on business processes and decision making, thereby heightening overall organisational capability.

### *Success Management System (SMS)*

The Success Management System has been an effective tool to evaluate an individual's performance in terms of meeting both the Company's objectives and their own goals and competency requirements.

### *Staff Communication / Knowledge Sharing*

The Group employs an innovative approach to internal communications, employee learning and people development. The Group recognises that on demand performance support to its employees is the key to help them deliver what customers need and unleash potential. Since 2010, the Group has utilised its intranet, called “InfoNet”, as a learner-centric platform for dissemination of company news and business updates while providing its employees with a tool to share knowledge, exchange views and formulate ideas. In 2011, the Group adopted a wide range of enterprise level collaboration tools. In addition to conventional methods of communication such as email, other tools such as OOCL Wiki, OOCL Channel, Jabber, and Tibbr, have become very effective in the global sharing of information and knowledge as well as facilitate collaboration amongst colleagues around the world. They have also helped us support accelerated learning by providing us with the means to leverage resources, ideas and hence solutions. Since 2016, we have also enlisted the resourceful usage of the Office 365 cloud-based information platform to further our internal communication goals.

### *Lunch & Learn*

Launched in 2013, OOCL's “Lunch & Learn” Program was created to offer colleagues the opportunity to learn more about a topic or business area which is not normally within their own job scope in a relaxed environment during lunch. The Lunch & Learn program first started in Hong Kong and over the past year the success of the program encouraged other regional offices to conduct their own programs.

### *Training and Development Programs*

In addition, our employees are also provided with various management and functional training programs aimed at further enhancing their competencies to better serve our customers and contribute to the growth of the Group.

### *International Executive Development Program (IEDP)*

We run IEDPs for managers and executives worldwide. The program was first launched in May 1998. To-date, more than 975 OOCL executive participation from across all regions are recorded to have completed the IEDP.



### *Harvard ManageMentor e-Learning Portal*

As OOCL's learning culture continues to flourish and in an effort to create more opportunities in people and core business skills development, we have launched the Harvard ManageMentor e-Learning portal in November 2018 to further strengthen our employees' professional development and growth.

We target two levels of objectives in the eLearning program:

At the individual level – we facilitate self-paced learning and growth

- To encourage staff to learn and develop oneself through company-guided approach
- To recommend targeted learning topics based on job roles & management responsibilities
- To develop core soft skills and competencies and let staff practice and reflect on their jobs

At the organisation level – we create the supportive learning environment and culture

- To foster a learning organisation through a company-wide people development approach
- To mobilise staff resources in-Region to lead, motivate and facilitate team learning and share
- To recognise achievements on completion of each targeted level of learning path with a joint certificate issued by Harvard and OOCL
- To strengthen the capability for leadership succession in long term

### *Environmental Awareness and Training*

#### 1. On ship

All OOCL senior officers on ships are professionally trained to acknowledge the importance of environmental protection and abide to the Company's policy and procedures, such as the Ballast Management Plan, Garbage Management Plan and the Shipboard Marine Pollution Emergency Plan, to protect the environment. Subsequently, all other OOCL crew members are then trained by their senior officers.

#### 2. Land side

All OOCL employees undertake basic training on environmental awareness through learning the Company's core values within the first few weeks on the job. This is an important part of the mandatory employee induction training delivered through the Company's ePeopleSmart learning platform.

### *Safety Training*

In addition to the IMO's mandatory safety training, we also offer additional safety programs for our sea staff, which is in line with one of our core values, "People, People, People". One of our ongoing programs is the Onboard Mentoring Program, which helps train newly recruited or promoted sea staff and cadets on safe and efficient performance. The Master, Chief Officer, Chief Engineer and Second Engineer would closely "mentor" them for a specific period of time with continuous appraisal reports.

An Onboard Safety Culture is constantly being promoted and all crew members are kept up-to-date on safety measures and initiatives through various training and re-education systems. OOCL offers a web-based training program and is designed for individual self-study with the purpose of upgrading safety awareness. The course is accredited by recognised organisations and an examination is given at the end of each module.

Crew members are expected to apply the knowledge acquired within the context of their ship's operation after the course is completed. For over 10 years we have conducted the Bridge and Engine Resource Management Courses for OOCL officers and engineers. These courses were conducted at the OOCL Maritime Academy (formerly called the Zhoushan Orient International Seaman Training Center) in China and sponsored by the Tung Group and OOCL. All OOCL sea staff, including ship masters, officers and engineers, would be sent for mandatory training and re-education courses every four years on a rotational basis.

To promote safety and quality training for future seafarers, OOCL also sends our experienced technical staff, ship masters and chief engineers to conduct presentations on topics such as safety, security, shipboard communication skills, and our in-house SQE System (Ship Safety / Security, Quality and Environment System) to students at the Zhejiang International Maritime College in China.

## Knowledge is Power

At OOCL, information and knowledge are always at our fingertips, so that we are always well informed and in touch. That is what makes us stand out from our competitors. All this knowledge is aggregated from our staff in various departments.

We have various tools for sharing: OOCL Wiki, for recording and discussing information to build a powerful reference database; E-mail, which remains useful for all kinds of sharing; and Instant Messenger (IM) for instantaneous communication.

### *OOCL Wiki*

OOCL Wiki is an internal platform that hosts and shares information and knowledge about the Group and our industry. All our employees are encouraged to create, edit and facilitate discussions. To date, we have created more than 15,000 Wiki pages with over 322,000 visits per week.

## Health & Safety

We never compromise on workplace safety. Our Corporate Safety, Security & Environmental Care (SSE) Policy underpins our commitment that, so far as is reasonably practicable, our operations are executed in a safe working environment to avoid any occupational hazards, health and safety risks to the employees and stakeholders. Maintaining a zero rate of accidents and injuries are our primary safety objective.



**We frequently carry out comprehensive risk assessments for reefer and dangerous cargo. Prior to loading, dangerous goods are randomly inspected to ensure that they are correctly packed and properly stored. Strict onboard checking systems have also been implemented for other sensitive cargo. Special drills for ship safety and anti-pollution measures are periodically conducted both onboard a vessel and at office locations.**

**We take a zero tolerance approach to work-related injuries and ensure full compliance with the required health and safety laws and regulations at all locations of operations. During the reporting period, no incidents of health and safety standard violations were found.**

### *Our Zero Tolerance Approach*

The Health and Safety of our people is a high priority and remains a key focus for the Group as we work together to achieve our Zero Tolerance approach to injuries in the workplace. We believe that Zero Tolerance is a fundamental sustainability objective.

### *Emergency Response*

In the event of emergency and crisis situations, a Corporate Emergency Response policy is in place to ensure such events are handled appropriately and in a timely manner. Under this policy, Emergency Response Teams (ERT) are formed in each Region, reporting to the Corporate Emergency Response Team (CERT), and ultimately to the Executive Committee where needed.

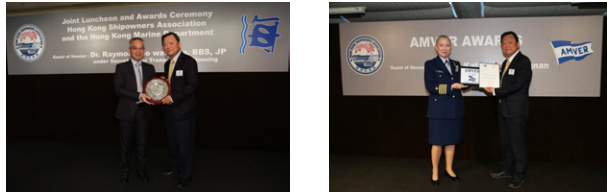
### *Emergency Response Teams (ERT)*

In the event of a serious incident, the Regional Emergency Response Team (RERT) should first become involved in dealing with the immediate situation. If the situation becomes more serious, the RERT will escalate the case to CERT. A standardised formation of ERTs means clear communication lines can be quickly established for an efficient crisis response mechanism.

## Safety Review

In addition to carrying out regular safety training and comprehensive risk assessments for any existing, new and/or potential operations or projects, one of the most important adoptions to help maintain a zero rate of accidents and injuries is that we have “No Blame Policy” in place to encourage our sea staff to report incident of any scale to us.

Rather than focusing on blame, this policy helps us perform investigations that focus on identifying real and fixable root causes in case of any incidents or injuries. It allows us to disclose the investigations and findings of the reported incidents in a timely manner, and to perform actions following the reported incidents.



#### **OOCL Fleet Awarded for Outstanding Performance**

OOCL was awarded with the “Outstanding Performance in Port State Control Inspection” for Hong Kong registered ships in the year 2017 by the Marine Department of the HKSAR Government and Hong Kong Shipowners Association (HKSOA). The Port State Control (PSC), as specified by the International Maritime Organization (IMO), is the inspection of foreign ships in national ports to verify that the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules.

The honour was presented to OOCL by Dr. Raymond SO Wai-man BBS JP, Under Secretary for Transport and Housing of the HKSAR Government in front of more than 100 representatives from the shipping industry at a special awards event jointly organised by the HKSAR Government and HKSOA on 7<sup>th</sup> May 2018.

#### **AMVER Awards Program**

On 29<sup>th</sup> October 2018, OOCL was presented with 11 Automated Mutual-Assistance Vessel Rescue System (AMVER) Awards for the year 2017 at the annual Hong Kong Shipowners Association Luncheon. Sponsored by the United States Coast Guard (USCG), AMVER is a unique, computer-based, and worldwide voluntary program that facilitates the rapid engagement of merchant ships in rescue operations at sea and to help other mariners in need regardless of their nationality. OOCL was also recognised for 15 Years of Faithful Participation. As safety at sea is a top priority, we believe the AMVER program helps to protect lives and make the ocean a safer environment for all seafarers.

#### **Qualship 21 Certificates**

OOCL vessels have been recognised for our exceptional safety and environmental standards under Qualship 21 since 2004. Our vessels were recognised as Qualship 21 participants for their high standard of excellence; marking the most OOCL vessels ever certified under the program to date. We are particularly proud of the fact that according to the United States Coast Guard, less than 10 percent of the foreign-flagged ships that operate in the US have qualified for this initiative.

## **Work-life-balance (Health Wellness)**

We have many different clubs that cover a broad range of recreation and special interest areas and they are formed with the aim of promoting work-life balance for all colleagues who can gather together for various activities after work. Colleagues can take these great opportunities to meet others in the Company who share the same interests.

The recreation club, for instance, organises family outing, cooking, kickboxing, painting, clay, baking classes, calligraphy, wine appreciation workshop, DIY ukulele and ice-cream workshop, yoga, champagne glass etching, cloth bag pad-printing, sport climbing, jazz dance, 3D latte art & etching, environmentally friendly leather crafting, laser war game, archery, pottery class, Zumba, Aerial Yoga, DIY Storm Glass Workshop, Bounce Fit, Tai Chi, DIY preserved Rose Lamp, DIY cartoon buns, drum class, Floor Curling class, Funky Dance and different activities that allow colleagues to relax and learn after work. For some particular clubs that are more popular among colleagues, they would gather more often to have regular activities and even organise for sports competitions too!

Currently, we have sports and special interest clubs that include badminton, bowling, hiking, and soccer. These clubs not only help our colleagues attain better work-life balance, but they also make the workplace more fun and bring about the employee’s sense of belonging to the Company. In addition, colleagues joining these clubs can build their leadership and organisational skills through arranging different activities.



## Healthy Work Environment

**We conduct various approaches to promote public health and hygiene in our work environment. This includes organising various health talks for the staff to learn how to prevent the outbreak of an infectious disease that could have a devastating impact on our operations.**

### Health Square

Health Square promotes the need for a healthy lifestyle to our colleagues through various channels. Prevention is better than cure so we promote health awareness by organising health talks and classes for all colleagues.

Our Health Square program organises a series of health classes, such as Wellness Yoga, “Tai Chi”, “Wing Chun”, Boxing Aerobics, “Qi Gong”, “Ba Duan Jin”, Acupuncture Points Pain Relief Massage and Lymph Exercise, Jazz Dance, Sport Climbing, Kickboxing, Pilates, Running, Boxing, First-Aid Course, Archery, Zumba, Aerial Yoga, Bounce Fit, Taekwondo, Stretching class, Self-massage, Floor Curling Class and Funky Dance to promote a healthy lifestyle to our colleagues. Our aim is to arouse their awareness of staying healthy and develop an interest in doing different forms of exercise.



### Hong Kong Trailwalker 2018

On 16<sup>th</sup> November 2018, three OOCL teams comprising 12 runners with over 50 supporters took part in the annual “Trailwalker Race” in Hong Kong, a challenging 100 kilometres race through some of Hong Kong’s most beautiful country parks and highest peaks in the territory. Our colleagues were pleased with their new records and reaching their goals while raising funds for Oxfam’s various poverty alleviation and emergency relief projects in Africa and Asia.



### 2018 Hong Kong Badminton Family Fun Day

To promote badminton as a way to lead to a healthy lifestyle, the OOCL Badminton Club invited colleagues and their family on 1<sup>st</sup> May, 1<sup>st</sup> October, and 26<sup>th</sup> December 2018 to share the benefits of playing this sport together as good exercise.

### OOCL South China Region Annual Team Building 2018

On 24<sup>th</sup> November 2018, more than 400 OOCL and OOCL Logistics colleagues in the South China Region gathered in Shenzhen for the annual 1-day team-building event. Everyone benefited from an exciting day of activities through working together on difficult and challenging tasks designed to promote teamwork, strategic thinking, leadership, creativity and communication skills.



### OOCL and OOCL Logistics Philippines Annual Team Building Activity

On 9<sup>th</sup> June 2018, our colleagues in the Philippines conducted an annual team building activity at the Aquaria Waterpark in Batangas. The initiative aimed to give colleagues from different departments an opportunity to interact with each other outside the office environment. All colleagues managed to strengthen the bond between one another and learned the value of working closely together.

### Japan Colleagues Build Team Spirit at Sporting Events

On 3<sup>rd</sup> November 2018, OOCL Tokyo colleagues and their families took part in the 48<sup>th</sup> Sports Festival organised by the Foreign Transportation and Finance Health Insurance Association (FTFHIA) at Toshma Amusement Park. The sports event was an effective health promotion activity supporting good sportsmanship, cooperation and a sense of solidarity with the community. With the goal of promoting healthy lifestyles, health check programs and sports classes were also provided.



### *Preventive Measures of Infectious Disease*

Our guidepolicy of preventive measures of infectious disease is in place to provide guidance to Regions in ensuring that consistent preventive measures of infectious disease are in place for all employees and in all offices. It defines infectious disease and outbreak; proposes action to prevent infectious disease, and provides guidance in personnel, hygiene and environmental hygiene, as well as proper actions to prevent and control global health issues in case of suspected or confirmed infectious disease.

In addition, subject to the situation, the Company may provide with preventive vaccination program in the office / Region where there is an outbreak. Each region shall use the colour-coded alert system and principles to work out and adopt its own contingency plan according to the local situation. The contingency plan should be regularly updated to ensure its validity. Priority is to ensure health, safety and business continuity.

### *Human & Labour Rights*

As a responsible corporate citizen employing the highest standards of business ethics in all that it does, the Group understands that the process begins with the treatment of its employees. As a successful corporation, the Group appreciates that its success, growth and performance are attributable to the skills, dedication and teamwork of its employees. It regards people as its greatest asset. The Group is committed to ensure our people are treated with dignity and respect. Therefore, Human and Labour Rights is an important element to our Corporate HR Guidepolicies in which it serves as a guideline to ensure compliance with all local, national and international legal standards. In particular, we respect the provisions of the Declaration, Compact and Principles from the United Nations in respect to human and labour rights # and the Conventions of the International Labour Organization. We have taken actions with regards to:

- Elimination of all forms of forced, compulsory and child labour
- Freedom of employment & association
- Respect for the individual and elimination of discrimination
- Safe and healthy working conditions
- Payment of living wages and regular employment entitlements
- Non-excessive working hours

Other chapters, such as, “Code of Conduct”, “Equal Opportunity in Employment”, “Prohibition of Harassment” and “Grievance Handling Process” are also incorporated in the Corporate HR Guidepolicies and communicated to our employees through new-hire orientation, training and Group’s intranet.

We invited various stakeholder groups to complete a stakeholder engagement survey to access all possible human and labour rights issues in our business activities. The results showed that the risk and impact from this assessment area were relatively not significant in our stakeholders’ perspective. Please refer to the Materiality Matrix for more details.

We have not received any reports on non-compliance, violations or grievance related to human and labour rights issues in the reporting year. In our approach to protecting the right of our people, we periodically monitor and review our employment practices to safeguard the best interests of our people. Meanwhile, our employees or employee representatives can anonymously report any human and labour rights issues to the company management through a formal grievance handling process. These mechanisms help us ensure that we continue to be in full compliance with the related laws and regulations in order to maintain ‘zero incidents’. We constantly monitor and assess if there are any human and labour rights impact or risk to any of our existing, new and/or potential operations or projects. If a risk has been identified, the Operational Risk Management process will be implemented company-wide and reports to the Executive Committee on a quarterly basis through the SSE Committee.

*# For example:* The UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights from The UN Global Compact.

### *Grievance Handling Process*

The guidepolicy of Grievance Handling Process is in place to define and formulate the framework for handling grievances raised by employees and ensure that all such matters can be resolved in a fair, consistent and expeditious manner and in strict confidence. Any complaint or grievances will be promptly and thoroughly investigated by the immediate supervisor or Human Resources Department or any other person as appointed by the Company. The investigation will be communicated with relevant employees through channels deemed appropriate by the Company determines that a complaint is founded or grievance has occurred, appropriate relief for the employee bringing the complaint or grievance and appropriate disciplinary action against the source of complaint or grievance will follow. Complaint or grievance matters can be extremely sensitive and as such, all communications such as interviews and witness statements will be kept confidential.

The Company will strive to ensure that there will be no retaliation or adverse action taken against the employee who raised the complaint or grievance by providing information in confidence. The Human Resources Department is actively involved in the consultation and resolution process to ensure a proper settlement.



In line with the Company's core value on People, People, People, which takes into consideration of equal opportunity, respect and dignity of all employees in a supportive environment, this guidepolicy is to define and formulate the framework for handling workplace grievances raised by employees to ensure that all such matters can be resolved in a fair, consistent and expeditious manner and in strict confidence.

Any complaint or grievance over inequitable treatment, procedural unfairness and infringement of Human and Labour Rights (linked to Code of Conduct) in the workplace will be promptly and thoroughly investigated by the immediate supervisor or Regional HRA Department, or any other person as appointed by the Company if independent investigation and/or arbitration is necessary and appropriate. The result of such an investigation and/or arbitration will be communicated through channels deemed as appropriate by the Company to the employee. If employees feel particularly vulnerable, grievances can be lodged anonymously.

Not only do we handle grievance internally, our grievance handling process also includes external stakeholders. Through the stakeholder engagement exercise, we can handle any grievance issues that may arise from the community. We invite our stakeholders to complete a survey annually to review whether our business activities play a vital role to the communities where we operate. The survey explicitly covers human rights issues and all the data we collect are kept confidential and anonymous. In addition, the general public can offer us feedback and comments regarding our business activities through our corporate website.

#### ***Disciplinary Action***

The guidepolicy of Disciplinary Action defines and formulates a system of progressive disciplinary actions on instances of non-compliance by employees who have repeatedly failed to meet conditions of employment. Our policy ensures that when administering disciplinary actions, there is strict observance and adherence to established procedures so as to maintain fairness and consideration and to minimise any potential disruption to our operation. An employee observe certain standards of job performance and professional conduct as specified in Code of Conduct, Employee Handbook and other local Human Resources policies. For first time offenders, the Company will endeavour to provide employees with necessary guidance and opportunity for correction. However, if the employee fails to improve, he/she may be subject to disciplinary action and in cases of serious misconduct, be subject to summary dismissal.

#### ***Equal Opportunity and Anti-discrimination***

We are committed to equal opportunity in recruitment and employment. The Group would like to encourage and retain the diversity of employees in all the locations it operates to offer local employees fair promotion opportunities and

benefit from the diversity of thought. It is the Group's policy not to discriminate against any employee or applicant for recruitment and employment on the grounds of nationality, race, colour, religion, creed, age, sex, disability, pregnancy, childbirth and related marital status, sexual orientation, veteran status and any other category as guided by local laws and regulations. We have also taken action to manage and improve workforce diversity and avoid various discrimination. In case of redundancy, voluntary or involuntary, the Group has established proper procedures so as to ensure that there is no discrimination and to remove any effects which could be disproportionate and unjustifiable.

#### ***Remuneration, Fringes Benefits and Compensation***

Our employee salary and benefits are maintained at competitive levels. Employees are rewarded on a performance related basis within the general policy and framework on the Group's salary and bonus schemes which are regularly reviewed. For promotion, the Group assesses all possible candidates and ensures that nobody with potential has been overlooked. Human and labour rights, safe and healthy working conditions and non-excessive working hours are provided. Under the guidepolicy of "Employment Terms and Conditions", benefits and compensation includes but are not limited to: Rest Periods, Holidays and Leave Entitlement, and Contribution Scheme. Other welfare and benefits include medical insurance and pension funds to ensure our employees are well taken care of.

During the reporting period, no incidents of human rights violations, discrimination and labour right issues were observed. The Group fully complies with relevant standards, rules and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

#### ***Code of Conduct***

In the interest of adhering to the highest ethical standards on an ongoing basis, the Group has a formulated Code of Conduct which serves as a guideline to ensure compliance with all local, national and international legal standards and to preclude offences under local, national and international laws, any breaches of confidentiality, non-disclosure requirements or intellectual property rights and any conflicts of interest, acts of bribery, corruption or political contribution and any other areas of deemed misconduct.

We have set up procedures to identify, manage and control risks that may have an impact on the business of the Group. The Group's "Whistle Blower Policy", established in 2006, is one of our formalised procedures through which employees can anonymously file reports or register concerns and helps govern the reporting and thorough investigation of allegations of suspected improper activities.

# 9

## Intellectual Capital

As an industry leader in the use of information technology, we aspire to provide the most innovative international container transport and logistics services in the business. In our drive for digital transformation, we are committed to enhancing operational efficiency, bringing innovative solutions to our customers and developing green IT solutions for our business. All this contributes to our competitive position as well as our service quality hallmark, which are widely recognised by customers and peers in the industry.

## Intellectual Capital

### Sustaining Growth by Innovation



#### Launching Energy Efficient 'GIGA Class' Containerships

OOCL reached a milestone from launching the first of the six 'GIGA Class' vessels, named the OOCL Hong Kong, and with a carrying capacity of 21,413 TEU, the OOCL Hong Kong received a Guinness World Record title as the world's largest containership and is also among some of most energy efficient vessels in the industry today.

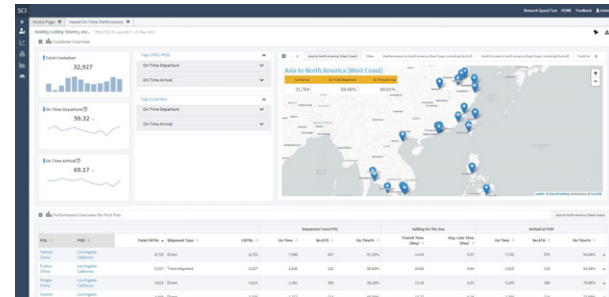
OOCL is committed to exceeding international standards and these new 'GIGA Class' vessels are an important part to enhancing the competitiveness and efficiency of our modern fleet. The new generation of ships are designed and built with efficiency objectives in mind to provide better economies of scale and sailing performance at sea.

By embracing innovative designs and the latest green technologies, these vessels contribute to improving the environment by lowering energy consumption levels and achieving the best Energy Efficiency Design Index (EEDI) value, which is 48% better than the EEDI baseline requirement level by the International Maritime Organization.

In many of today's environmentally conscious supply chains, customers are paying more attention to sustainability and their effects on the environment. With the investment on these new vessels in our fleet, OOCL is dedicated to reinforcing our commitment to customers in reducing our impact on the environment.

#### Looking Deeper with Supply Chain – Insight

OOCL Logistics launched an enhanced version of the Supply Chain - Insight, an intelligence tool under the PODIUM® product line that offers near real-time monitoring of supply chain performance, shipment process and KPI across various dimensions. In the newly developed reports with additional indicators such as CO<sub>2</sub> emission summaries and enhanced functionalities, the upgraded Supply Chain – Insight can help customers closely monitor their shipment processes and analyze supply chain performances to enhance their supply chain decisions and thus improve their competitive advantage.



#### CargoSmart Customer Innovation Center Drives Digital Transformation

CargoSmart opened its Customer Innovation Center to help shippers leverage the latest technologies and innovative solution development methods to drive digital transformation. The specialists there are working closely with shippers to digitise their shipment management processes through an iterative development process to identify challenges, quickly develop applications, as well as test and refine the solutions. Experienced engineers in various technology areas such as Artificial Intelligence (AI), machine learning, Internet of Things (IoT), and Application Programming Interfaces (APIs) work closely together to create new products for shippers and to help transform their businesses in an innovative way.





#### *OOCL and Microsoft Join Hands to Embrace AI in Digital Transformation*

On 23<sup>rd</sup> April 2018, OOCL announced a new partnership with Microsoft Research Asia (MSRA) in applying Artificial Intelligence (AI) research to improve network operations and achieve efficiencies within the shipping industry. The collaboration is expected to nurture over 200 AI developers in 12 months.

OOCL has always been a pioneer in leveraging technology to make a real business impact and accelerate customer value, in which AI is the key in our digital transformation vision. The company has a talent base of over 1,000 developers located in San Jose, Hong Kong, Zhuhai, Shanghai and Manila. We have fully embraced a hybrid cloud infrastructure with auto-switching and auto-scaling throughout our businesses and machine learning for several years. Through this digital transformation, we can better address customer needs with advanced technologies and predictive analytics on vessel schedules and berth activities.

#### *Top Ocean Carriers and Terminal Operators Initiate Blockchain Consortium*

Building upon 18 years of experience providing solutions that connect carriers, terminals, shippers, and forwarders, CargoSmart initiated the formation of the blockchain consortium with eight other leading ocean carriers and terminal operators to develop the Global Shipping Business Network (GSBN), an open digital platform based on distributed ledger technology. CargoSmart is leveraging its deep shipping domain knowledge, big data analytics, and expertise in developing software applications with artificial intelligence (AI), Internet of Things (IoT) and blockchain technologies to help network participants improve their shipping and logistics operations.

The GSBN provides the foundation for new applications that can transform documentation flow for shipment management including dangerous goods documents, invoices, and cargo release. The first planned application will allow shippers to digitise and organise their dangerous goods documents and automatically connect with relevant parties to streamline the approval process.

#### *CargoSmart Launches Blockchain Initiative to Simplify Shipment Documentation Processes*

On 18<sup>th</sup> July 2018, CargoSmart announced its initiative to develop a blockchain solution for shipment documentation to improve complex supply chain processes. The solution establishes a digital baseline for trusted shipment documentation management across the shipping and logistics industry. Shippers, forwarders, carriers, truckers, and customs agencies will be able to collaborate more efficiently through the platform for a single version of truth and an immutable audit trail with low latency. When connected through a blockchain documentation platform, the entire shipping ecosystem can reduce disputes, avoid late penalties from customs agencies, expedite documentation turnaround times, and better manage detention and demurrage costs. CargoSmart projects a 65% reduction in the amount of time required to collect, consolidate, and confirm data from multiple parties and to handle shipping data that is repetitive in different documents by leveraging its blockchain shipment documentation solution.

Document handling is particularly extensive for shippers and their logistics service providers with specialised cargo. For example, shipping dangerous goods requires numerous certificates to ensure that declared goods are classified and packed correctly but some of the shipping document contents are filled repeatedly into different declaration forms. CargoSmart's blockchain solution reduces the risk of mis-declaration and speeds up the filing process. When documents are submitted accurately and timely, the cargo can continue to move according to plan.

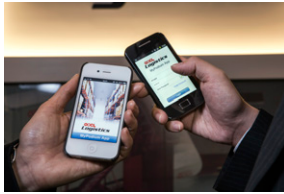


#### *My OOCL Center*

We understand that buyers and suppliers have to lower their costs, react quickly to market changes and operate a high-speed supply chain in order to meet the formidable challenges.

My OOCL Center (MOC) is an online tool offered by OOCL to enhance the interaction with all key parties involved in a shipment, thus helping customers become more cost efficient and ultimately more competitive.

MOC's innovative "dashboard" user-interface enables customers to easily monitor and control all the interactions regarding their shipments.



### MyPodium App

MyPodium App is designed specifically for use by the International Supply Chain Management customers moving cargo and shipments with OOCL Logistics. It is the mobile extension of our MyPodium internet-based supply chain visibility and purchase order management information technology.

MyPodium App allows the customer to view, track and trace the latest progress of important purchase orders, shipments, and merchandise anytime, anywhere with their smartphone devices. It gives them on-the-go access to exceptions, status updates and fast communication with their logistics network around the globe.

### OOCL Lite App

OOCL Lite is one of OOCL's customer-focused and innovative IT products developed by CargoSmart™, an independently-operated company with OOCL investing in the development of the solution platform.

OOCL Lite allows users to: access real time sailing schedules, cargo and vessel tracking data, port schedules, rates of exchange for the selected voyage, detailed container specifications, carbon calculator functions, shipment details, and corporate news at their finger tips.

OOCL Lite is available for download at the App Store (iPhone / iPad) and Google Play (Android). The demonstration videos can be viewed in English on the OOCL YouTube Channel and in Mandarin on Youku.

### Verified Gross Mass (VGM) requirements under the Safety of Life at Sea (SOLAS) Convention

To improve safety in the supply chain, the International Maritime Organization (IMO) has made amendments to the Safety of Life at Sea (SOLAS) convention indicating that all shippers must comply with mandatory container weight verification requirements, or Verified Gross Mass (VGM).

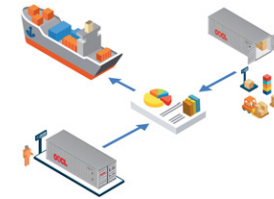
Currently the industry is in ongoing discussions with many regulatory authorities and stakeholders to ascertain the implementation details and policies on such requirements as well as to ensure that process and system readiness for compliance is in order before the effective date.



A number of regulatory authorities have already published their guidelines and regulations to help the industry comply with the new VGM rules while some countries such as China have announced that they are in the final stages of policy development.

#### Principle

**“No VGM, No loading.” A container without a VGM is not allowed to load onto the vessel. The shipper is responsible for the potential regulatory penalties and all costs associated to the exception handling of the containers without the VGM.”**



### CargoSmart Introduces Mobile App for SOLAS VGM Compliance

CargoSmart announced BoxSnap, a free app to easily collect and share container weight information through a smartphone to comply with the Safety of Life at Sea Convention's Verified Gross Mass requirements (SOLAS VGM). The mobile app simplifies and expedites the process for shippers, truckers and cargo weighing parties to obtain VGM information and submit it to their ocean carriers to comply and minimise the risk of held cargo or penalties. Leveraging optical character recognition (OCR) technology, truckers and cargo weighing parties can take a photo of a container, check the captured container number and tare weight, and share it with the parties responsible for filing the VGM.

BoxSnap allows shippers to receive container weight information as soon as it is available, either when a container is packed at a warehouse or is at a weighing station, to meet critical VGM submission deadlines. Shippers, truckers, and cargo weighing parties can save time from having to search through carriers' websites for container tare weights, conveniently share scanned container information, and retain digital image records for future reference. Shippers who submit VGMs through CargoSmart's online platform can designate third-parties to provide the container weight details through the app and receive alerts when they can submit the VGM to their carriers.

App Store <sup>SM</sup>



Google Play <sup>TM</sup>

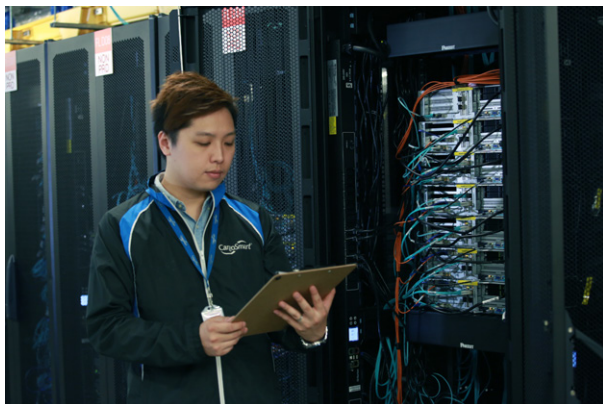


Direct Installation  
for Android





## Information Security



### Security Certification in OOCL Data Centre

OOCL was successfully certified with the new ISO/IEC 27001:2013 standard that puts more emphasis on measuring and evaluating how well an organisation's Information Security Management System (ISMS) conforms to risk assessment requirements and meets the high corporate IT Security management, planning and control standards.

The ISO 27001 Information Security Certification is an internationally-recognised code of practice for the management and protection of information security. With the certification, it recognises that the data centre is professionally secured to world-class standards. The importance of information security is to ensure that timely and accurate information are available when delivering products and services while at the same time, preventing and minimising security incidents.

OOCL has been accredited with the ISO 27001 Certificate since 2005 and successfully upgraded to new edition of ISO/IEC 27001:2013 in 2014 by SGS, an international certification body.

The certification covers the primary production Data Centre and also extends to secondary Data Centres for "Research and Development" and "Disaster Recovery" services.

The ISO 27001 specifications contain a number of objectives and controls. These include: Information security policies, Organisation of information security, Human resource security, Asset management, Access control, Cryptography, Physical and environmental security, Operations security, Communications security, System acquisition, Development and maintenance, Supplier relationships, Information security incident management, Information security aspects of business continuity management and Compliance.

As an industry leader in technology, OOCL strives to provide the most innovative international container transport and logistics services in the business. As part of its core business philosophy, OOCL excels in its services through continuous improvement and adoption of cutting-edge technology and information systems.

### Cyber Security Awareness Training

Traditionally, antivirus and malware detection software would provide a boost to our computer security by helping our computers stay away from being "infected". But as the development of the Internet is becoming more sophisticated than ever, signature-based virus / malware detection tools alone are no longer sufficient today.

This is because the "Advanced Persistent Threat", a set of stealthy and continuous computer hacking processes often orchestrated by attackers targeting a specific entity by taking advantage of security loopholes, is growing. APT has been observed to target organisations and/or nations for business, financial and/or political motives. "Corporate Security Breaches", "Email Spoofing", "Spear Phishing" and "Social Media Fraud" are some of the common types of cyber attacks.

To boost our employee's knowledge and awareness of cyber security, new initiatives and programs have been developed to ensure everyone takes part in protecting our assets and become more resilient against such threats. This includes an annual cyber security training and mandatory test for all employees, monthly knowledge and trend updates, and sophisticated monitoring and protective systems. This Worldwide Cyber Security Awareness Training program demonstrates our commitment to IT security and best practices to protect Company and customer information.

We initiated a Big Data Security Analytic project to further enhance our protection systems. It is to reduce the danger of zero-day malware when APT happened and unknown attacks in our environment by providing early detection and near-real-time alerts.





### *Phishing Email Awareness Exercise*

Cyber attacks can seriously affect businesses and it is vital that our colleagues learn how to prevent these attacks and deal with suspicious emails. OOCL launched awareness exercise focusing on phishing emails. Emails were sent out to our staff under the guise of a hacker designed to track how people fall victim to the phishing and help to assess our organisation's vulnerability to an actual attack.

## **Building Trusting Customer Relationships**

### *Data Privacy and Intellectual Property Rights*

We have attained the ISO 27001 Information Security Certification and evaluated our information security management system to protect our customer and business data privacy from cyber risks. We ensure our business activities comply with the General Data Protection Regulation (GDPR) and other applicable data protection law relevant in those jurisdictions when we process personal data of individuals. All personal data are strictly encrypted and only accessible by authorised personnel within the Company.

The Group's Code of Conduct ensures intellectual property rights are observed and protected. This policy assures that the Company's business and customer information are well protected and that there is no misappropriation of our intellectual property.



### *Commitment to Product and Service Responsibility*

The Company is committed to honesty, integrity and fairness in everything it does. We support fair trade and operation practices; and ensure that our advertising, marketing and communications materials are appropriate, updated and in compliance with government regulations and industry best practices; and provide an appropriated and updated. Our guidepolicy on advertising is defined and formulated according to a framework to ensure that all advertising projects and related matters are in line with our fair trade and operation practice as well as in compliance with applicable government regulations and industry best practices.

We are also committed to adhering to the principles set out in our Safety, Security and Environment (SSE) Policy which outlines our operating principles that employees can follow to maintain high standards of health and safety in the work place in order to avoid any associated risks to the Company's business activities.

We strictly comply with the requirements of relevant laws and regulations related to the product and services we provide to our stakeholders. The Group is not aware of any material noncompliance with relevant laws and regulations on health and safety, advertising and privacy matters related to products and services provided during the reporting period. So there was no any redress action undertaken. Recall of products sold/shipped data, as well as its quality assurance process and recall procedures are not applicable to our industry as we do not manufacture or sell any physical products.

# 10

## Social and Relationship Capital

**We embrace Community Responsibility as one of our Core Values. These values are our underlying beliefs and the foundation of our corporate ethos, shared by every member of the Group. Our core values provide us with a yardstick by which we measure and make our judgments and decisions.**

## Social and Relationship Capital

We believe that our community contributes greatly to our Group's success. We have policies on community investment and community engagement as we try to understand the needs and interests of the communities where our Group operates and to adjust our activities accordingly. In addition to our environmental contribution, we also give back to the community in other three focus areas, namely Education of Youth, Community in-Need, and Promotion of Arts and Culture, which all link to our business strategy.

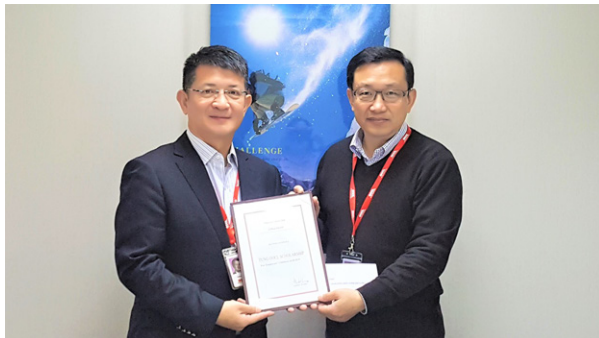
### Education

We believe it is essential to contribute to the skills development and capacity building of young people.

#### *Scholarships for Universities and Employees' Children*

In line with the Company's long tradition of giving back to the communities where our employees live and work, two scholarship programs were set up in 1995 to support university students in mainland China and our employees' children.

The scholarship programs aim at recognising the balanced development of young people who demonstrate outstanding academic achievements and active involvement in contributing to the community. In keeping with the Group's long tradition in education and giving back to the community, our scholarship programs had committed to more than US\$500,000 in 2018 for students in mainland China and our employees' children.



#### *Scholarship for Universities*

The university scholarships have been established in five renowned universities. They are Tsinghua University, Fudan University, Shanghai Jiaotong University, Zhejiang University and Nanjing University. Since the establishment of the scholarship, more than 6,200 undergraduate and post-graduate students have been awarded with more than US\$5 million in funding. Each year, a selection panel will be set up in each university to short-list the potential candidates based on their academic results and performance, plus active participation in extra-curricular activities. With this program, we hope to facilitate the well rounded development of our youth.

#### *Scholarship for Employees' Children*

Established since 1995, the scholarship for employees' children had benefited over 750 students who are the children of our employees. The scholarship is open to all employees from all countries to recognise their children's outstanding achievements. A total of 60 scholarships were endorsed by the scholarship committee in 2018.

#### *OOCL Academy*

To further our Education for Youth objectives, an initiative called the "OOCL Academy" was launched in 2008 on a global scale. It aims to leverage the competencies of OOCL and align with the four Community Responsibility focuses of the Group. The Academy offers students unique opportunities to learn and practice in the areas of container transportation, logistics and information technology. These opportunities are offered to undergraduate and postgraduate students studying in these three areas and could take the form of internships, work placements, mentorships, sponsorships, and personal development programs. The Academy also supports university research projects and places strong emphasis on the importance of collaboration.

#### *Management Trainee Program*

We also offer Management Trainee Programs to outstanding candidates with MBA qualifications from leading universities with proven working experience, as well as fast track development programs for employees who have potential for a higher level of professional development.

### *Internship Program*

Internship is one of the opportunities offered to undergraduate and postgraduate students of Maritime, Logistics and Information Technology from our OOCL Academy Program. Other than recruiting from universities, we also encourage employees' children to apply for our internships.

Through the internship program, We offer various business development projects to enable summer interns to gain experience in their field of study and broaden their global perspectives.

### *OOCL Internships Around the World*

Education of Youth is one of the few important community outreach initiatives of OOCL. We offer students unique opportunities to learn and practice in the areas of container transportation, logistics and related information technologies. These opportunities are offered to undergraduate and postgraduate Maritime, Logistics and Information Technology students in the form of internship, mentorship, sponsorship, or personal development programs.

In 2018, OOCL regional offices around the globe opened their doors to offer internships to deserving students for the summer months. Participating offices in Bangladesh, Canada, China, Egypt, Finland, Hong Kong, Malaysia, Poland, Singapore, Sweden, UK and USA hosted a total of 389 interns and summer interns to offering them the opportunity to work with us and learn more about our industry.

### *Graduate Training Scheme*

We have always been recognised as a pioneer in information technology development for the liner and logistics industry and investing in a tremendous amount of resources on training young IT talents to further boost their professional development.

We continue to contribute to the Hong Kong community through academic engagements. We have been certified as a Hong Kong Institution of Engineers (HKIE) Scheme "A" Company in 2009 and since then, we have been running HKIE Fresh Graduates Trainee programs to provide young talents with a nourishing ground to become seasoned IT professionals through a structured training module.

### *Launch of "OOCL IT Academy"*

In 2014, the "OOCL IT Academy" was established with the aim of strengthening and ultimately grooming our IT talent pool in a more structured way.

The idea behind the OOCL IT Academy was to provide a 3-month intensive boot camp-style training for all our newly-hired IT graduates. The training would encompass technical know-how, process, and hands-on experience as well as knowledge sharing on OOCL culture.

The training helps to motivate them to continue on their learning journey throughout their career at OOCL. With the academy set up and running, the plan is for all future IT graduates to complete the boot camp before they begin working at the Company.

### *OOCL IT Academy Boot Camp Graduation Ceremony*

OOCL IT Academy (ITA) was set up to provide boot camp-style training to strengthen and groom our IT talent pool in a more structured way. To date, there have been seven successful ITA boot camps, with the 7<sup>th</sup> intake of trainees having celebrated their graduation on 21<sup>st</sup> September 2018. After the last boot camp, 69 trainees from the 2018 Summer class joined various project teams in different roles, such as developer, business analyst, data science, quality assurance or IT support positions.



## Collaboration with Academic Institutions



### *OOCL Maritime Academy*

OOCL collaborated with the Zhoushan Municipal Government to construct the Zhejiang International Maritime College (ZIMC) in China, the first of its kind in the country. Today, to be in line with our continual commitment to the education of young people, and to help provide training to our crew members, a renewed collaborative agreement was reached with the ZIMC that lead to the construction of a new training base on the college's campus.

With the mission to promote maritime education and supporting the role that Chinese seafarers play in the world's maritime transportation and logistics industry, OOCL Maritime Academy and the International Seaman Training Center was unveiled on 6<sup>th</sup> March 2012 in Zhoushan, Zhejiang Province, China.

This training facility called the OOCL Maritime Academy (OMA) was constructed for international seafarers and is used to train crew members and recruit talented young cadets by providing them with opportunities to work onboard our vessels. This also includes training and exposure for the ZIMC teachers and faculty through workshops and seminars conducted by key members of our experienced fleet management team and other senior sea officers.

Currently, we are the only shipping company in China to have established an own-operated training centre in collaboration with a maritime college. This partnership greatly helps promote the important role that China plays in the global maritime arena – with the aim to strengthen safety, security, and environmental protection practices as well as encouraging Chinese students to join the maritime and shipping industry.

### *OOCL Supports Global Warming Research*

We have a history of collaboration with the University of Washington in their research efforts. We are currently helping with their latest project in which their scientists board our container vessel to carry out their research.

While at sea, concentrations of dissolved CO<sub>2</sub> and oxygen gases, nutrients, chlorophyll, and suspended particles as well as the temperature and salinity of the water are measured by the scientists. These measurements allow the National Oceanic Atmospheric Administration that funds the research to estimate the rate at which the atmospheric CO<sub>2</sub> is being absorbed by the phytoplankton activity in the ocean.

## Community-in-need

Being an integral part of the community, we are a caring company that actively considers the needs of the people in our society. Our main focus is on underprivileged children and other similar groups in the community. Through our commitment to children's right, we ensure that children's childhood, potential, and dignity will not be deprived under any circumstances.

All our employees from every office around the world are encouraged to give something back to the communities in which they live through charitable activities such as fundraising and volunteering their time and efforts to helping others in need.

### *Charitable Support*

OOCL assists in transporting medical diagnostic equipment and supplies from the U.S. to China to care for those children who need urgent treatment. In 2018, the Group donated about US\$265,000 and in addition to financial donations, the Group also contributed in-kind, such as offering transportation and logistics support to send relief to the affected areas.



### *OOCL Vital Link*

OOCL Hong Kong formed an official volunteer team, called the OOCL Vital Link in December 2004 and currently there are 55 members in this team. Since its establishment, a total of 121 charitable events were organised. These include fund-raising, donation, environmental protection and servicing events.

In 2009, the team also added a focus on environmental protection to raise the awareness of colleagues in environmental care. Moreover, a Charity Credit Program was launched in 2006 to show our appreciation for our colleagues' active participation in public service initiatives, community outreach and volunteerism.



### *Disaster Relief*

In our guidpolicy of “Community Responsibility” for disaster relief, the Group may initiate joint relief efforts in conjunction with relevant regional offices of the Group. Employees may also raise funds for local charities on their own where the Group may consider providing further financial support. In-kind donations such as operational equipment and office equipment may be considered for designated charity organisations and schools to the benefit of the community. On certain disaster relief or general charity occasions, container transportation service might be provided by the Group.

### *Hong Kong Colleagues Clean Home for the Elderly*

On 20<sup>th</sup> January 2018, OOCL Hong Kong colleagues participated in a ‘Home Cleaning for the Elderly Event’ organised by the Vital Link Committee and this outreach not only helped the elderly clean their homes, but also promoted prevention and control of health issues in the community. It is a Chinese tradition that every family would thoroughly clean their home with the intention of sweeping away any ill-fortune and making way for good luck in the new year.



### *Bringing Warmth and Love to the Elderly*

On 1<sup>st</sup> December 2018, a group of Hong Kong colleagues and their family members and friends paid a special visit to an elderly home and brought hand-made tote bags and scarves made by our volunteer knitters as gifts to the 27 elderlies living there. They were all very touched by the visit and appreciated the thoughtful gifts.



### *OOCL Hong Kong Colleagues Experience Daily Life of Wheelchair Users*

On 1<sup>st</sup> September 2018, OOCL Hong Kong colleagues and their families participated in an experiential workshop co-organised by OOCL’s Vital Link Committee and The Hong Kong Society for Rehabilitation (HKSR). Through games and discussions, the participants learned more about the barriers faced by wheelchair users in the city and how we can help to remove those obstacles to create a barrier-free society.

### *Preparing Hot Meals to Give Warmth and Care to Those in Need*

In an effort to give back to the community, Hong Kong colleagues volunteered at the St. James’ Settlement to prepare and deliver hot meals to the underprivileged people in our community. The ‘Hot Meal Service’ aimed to provide high-quality nutritional meals to people with different needs and a total of 24 colleagues with their family members and friends volunteered in the meal preparation and delivery held on three weekends from August to September 2018.

### *Bringing Graceful Meals to People with Swallowing Difficulties*

On 14<sup>th</sup> July 2018, over 20 OOCL Hong Kong colleagues participated in Graceful Meal - a Vital Link service event co-organised with the St. James’ Settlement that brought joyful and nutritious eating experiences to people with masticating or swallowing difficulties. In the half-day event comprising of a nutritional talk, meal preparation workshop and visit, our volunteers extended much warmth to the beneficiaries and shared fun moments together.





*The Bread Run*

Co-organised by OOCL's Vital Link Committee and Feeding Hong Kong (FHK), the Bread Run aimed to reduce food waste and feed the hungry. Through this event, OOCL Hong Kong colleagues collected surplus fresh bread and sandwiches from bakery stores at night. Each Bread Runner a number of visited stores at closing time to pick up the surplus products and then delivered them to designated FHK drop-off points. Around 1,000 surplus food items were collected and redistributed amongst the FHK charity network.

*Donating to the Philanthropic Community Pharmacy*

81 OOCL Hong Kong colleagues participated in one of the largest running events in Hong Kong, The Standard Chartered Marathon 2018. Co-organised by Hiking Club and Vital Link committees, this event promoted healthy lifestyle among colleagues whilst giving back to the community. The money raised by OOCL was donated to the Philanthropic Community Pharmacy as part of our mission to contribute to the betterment of our community and encourage corporate citizenship through public service initiatives, community outreach and volunteerism.



*Hong Kong Colleagues Promote Maritime Industry at HKMPB Orienteering Race*

To support the development of the Hong Kong port and shipping industry, the Hong Kong Maritime and Port Board (HKMPB) launched the Hong Kong Maritime Industry Week to promote Hong Kong as the location of choice for operating maritime businesses, showcase our strong maritime cluster of professional services, and raise interest in the public about the industry. In showing our support to the industry, the Company fully sponsored the enrollment of our Hong Kong colleagues who volunteered to enter into the exciting Orienteering Race held on 18<sup>th</sup> November 2018. Three corporate teams represented OOCL to compete in the races. Other than competing in the overall Corporate Group category against other companies, our teams also competed against one another in a Company specific race called the OOCL Champion Race.

*Supporting Partner for Pass-it-On Campaign of HKRC*

It is the fifth year that OOCL Logistics proudly continued its support to the Hong Kong Red Cross (HKRC) annual fundraising "Pass-it-On Campaign." As a supporting partner, OOCL Logistics provided supply chain solutions to the HKRC.

With the theme of "Love & Found", the two-and-a-half-month campaign promote and encourages "hidden heroes and heroines" who share and spread love and care in Hong Kong. The public can support with donations, purchasing the two iconic items - "Reddie Bear Agent Set" and "Reddie Bear Infinity Pillow".



### *Hong Kong Colleagues Send Love by Knitting Scarves*

Over the years, the OOCL “Scarf Project” organised by our Vital Link committee brought warmth and love to over 850 elders in Hong Kong during the holiday season. This year more than 60 OOCL Hong Kong colleagues served as volunteer knitters and made a total of 149 scarves for the donation. Colleagues who did not knit could also support the cause by sponsoring the cost of a knitting kit. On 1<sup>st</sup> December 2018, some of the scarves were given to 27 elders with hand-made tote bags drawn by our colleagues during the Elderly Home Visit co-organised with Yang Memorial Methodist Social Service (Elderly Centre). The remaining 122 scarves and 35 hand-made tote bags were donated to the Elderly Centre.

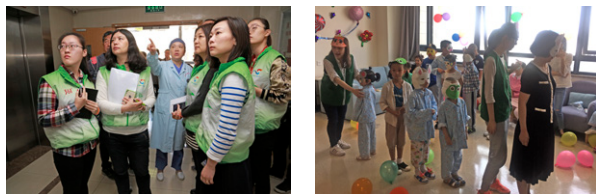


### *OOCL's Donation Makes Transformational Difference to Students in Nigeria*

OOCL joined hands with Crossroads Foundation, a non-profit charity, to donate over 380 computers from our Hong Kong offices. The computers were accrued from the result of a system wide computer replacement project in Hong Kong and donated to the charity to benefit school children in Nigeria. We are very pleased to see the impact that our donations can make to communities in need and in the education for youth.

### *Hospital Visit in Shanghai*

The 1<sup>st</sup> of June 2018 is Children's Day in China and taking this opportunity, OOCL Shanghai colleagues paid a visit to a group of children who suffered from congenital diseases. On this visit, our colleagues helped the medical staff decorate the venue and celebrated the special day with the young patients.



### *Perioperative Assisting in Shanghai*

From May to December of 2018, OOCL Shanghai colleagues worked closely with nurses at Eye and ENT Hospital of Fudan University for elderlies suffering from cataract. Our colleagues provided them with emotional support and encouragement before their cataract surgery, as well as useful information for postsurgical nursing.

### *Charity Sale in Shanghai*

On 2<sup>nd</sup> June 2018, OOCL Shanghai colleagues participated in a charity sale in the Jing'an District. They devoted themselves in helping an organisation called 'A Yan and his friends' to raise funds for a nursing home.



### *Night Walk for Charitable Donations*

On 20<sup>th</sup> October 2018, more than 170 OOCL Shanghai colleagues and their families took part in the Charity Walking Night 2018. This is the second year that our Shanghai colleagues organised the charity walk and this year, 5,200 RMB was raised for children suffering from cancer in China through IMore.







#### *OOCL Shanghai Colleagues Participate in Green Food Bank*

On 3<sup>rd</sup> May 2018, OOCL Shanghai colleagues participated in an event organised by the Oasis Food Bank at the Shanghai High School International Division. At the end of the day, 16 bags of food were gathered and donated to the food bank warehouse in Pudong for distributing to families in need.

#### *Welfare Home Visit in Nanjing*

On 22<sup>nd</sup> April 2018, OOCL Nanjing colleagues visited a welfare home at Gaochun District. Our colleagues accompanied the children to Yuhuatai Memorial Park of Revolutionary Martyrs, a scenic spot in Nanjing. Although some children are disabled, they enjoyed the visit and had a memorable weekend with our colleagues.



#### *Chongyang Cake Workshop for the Elderly*

On 14<sup>th</sup> October 2018, OOCL Nantong colleagues volunteered at a Chongyang cake workshop for the elderly at Nantong Hongxi Community Service. Guided by a pastry chef, all the participants enjoyed making the cakes together and our volunteers brought warmth and care to the elderly through interacting and chatting with them.

#### *Mobile Phone Workshop for the Elderly*

From September to November 2018, over 40 OOCL Ningbo colleagues spent their weekends teaching the basics of using a smart phone at an elderly home in Ningbo. Our volunteers introduced some informative and useful applications with the aim to bring them more convenience and enjoyment in the use of the technology.



### *Charity Walk for School Clinic Fund Raising*

On 3<sup>rd</sup> November 2018, about 100 OOCL Qingdao colleagues and their friends and families took part in a charity walk to raise funds for constructing a clinic in a primary school in Yunnan. In the five kilometres walk, our colleagues also took the opportunity to improve the environment by picking up garbage along the trail.



### *OOCL Tianjin Colleagues Visit a Temporary Accommodation*

On 16<sup>th</sup> May 2018, OOCL Tianjin colleagues visited a temporary accommodation for children suffering from leukemia and those who have received liver transplants. In order to show our love and care to the children, our colleagues donated daily necessities to the children there.

### *Canadian Colleagues Run for Breast Cancer Research*

On 30<sup>th</sup> September 2018, OOCL Toronto and Vancouver colleagues participated in the *CIBC Run for the Cure* for the fourth year in a row. Colleagues, families and friends gathered together to support the community and those affected by breast cancer. Proudly embodying our Company's core values of community outreach and responsibility, OOCL raised over \$3,061 Canadian dollars for this meaningful cause.



### *Food Drive sponsorship for the Lowcountry Food Bank*

The OOCL Charleston offices sponsored a food drive for the Lowcountry Food Bank and the organisation's mission is to fight against hunger in coastal South Carolina. In 2018, Charleston colleagues took a step further in their charity work by inviting other tenants in their building to participate in the cause and collect more food. The initiative was a success, collecting food that weighed over 600 pounds which was more than double the amount collected in 2017.



### *L'Amazone 2018*

On 3<sup>rd</sup> June 2018, dressed in pink and ready for action, our colleagues from France tackled the six kilometres race-walk in the L'Amazone 2018 women race-walk in Le Havre for the fourth consecutive year. This annual event celebrated its 10<sup>th</sup> anniversary. 12,200 participants were registered so that 75,000 euros were collected and donated in support in the fight against breast cancer.







#### *Orphanage Visit in Indonesia*

On 28<sup>th</sup> July 2018, OOCL Indonesia colleagues joined an orphanage visit organised by a foundation named Yayasan Media Amal Islami. This foundation provided orphans and underprivileged children with formal education and shelter, as well as helping needy families to acquire horticulture skills to farm vegetables and become more self-sufficient.

#### *Surplus Food for Needy People in Pakistan*

OOCL Pakistan colleagues contributed to an amazing initiative led by the RobinHood Army, a volunteer-based organisation that aimed to collect surplus food from restaurants and bakeries and then redistribute them to people in need. Our colleagues went to a densely populated area in Pakistan and delivered over 200 meal boxes to underprivileged children.



#### *Elderly Visit in Salt Lake City*

In partnership with the Salt Lake County Aging and Adult Services, OOCL Salt Lake City colleagues provided support, gifts and Christmas holiday cheers to 54 seniors in order to brighten up their holiday season.

#### *OOCL Vietnam Colleagues Giving Back to the Community*

On 28<sup>th</sup> July 2018, more than seventy OOCL Vietnam colleagues paid a visit to 150 orphaned children in Tan Thanh District followed by a tree planting and beach cleanup activity at the Phuoc Hai Beach. The purpose of the visit and the day-out activity were to spread the message of giving back to the community and the importance of environmental protection.



## Promotion of Arts and Culture

We believe that exposure to different cultures can enrich people's lives. By supporting and sponsoring the performing arts, we aim to stimulate the public's interest and appreciation of the cultural treasures from around the world.

### Sponsorship for Musical and Shows

As part of the Group's support to the community, we have been bringing a variety of world class performing arts to Hong Kong and around the region to enrich the cultural exposure to the people. In 2018, we brought two award-winning musicals, 'CATS' and 'EVITA', to Hong Kong as part of our commitment to supporting the arts, culture and entertainment in the community.



## Others

### Hong Kong Voluntary Observing Ships Scheme

Under the Voluntary Observing Ships Scheme by the Hong Kong Observatory (HKO), our ship officers would make regular weather observations and report the conditions to the HKO for analysis. These observations can provide vital information about the weather conditions at sea and are particularly important for the timely preparation of warnings of hazardous weather to highly populated areas.

There are over 40 OOCL vessels participating in this voluntary scheme.

## Awards and Recognition

### OOCL Honoured with the Ten Years Plus Caring Company Logo

We have been recognised by the Hong Kong Council of Social Services (HKCSS) for our years of contributions to caring for our community. We were awarded with the "10 Years Plus Caring Company" status by the HKCSS and it is given to companies that have demonstrated a caring spirit with the aim to cultivating good corporate citizenship and strategic partnership among the business, public and social service sectors.

### OOCL Receives Social Capital Builder Logo Award

OOCL received the Social Capital Builder Award 2018 which recognised and commended individuals and organisations that have contributed to the development of social capital in Hong Kong. Social capital refers to the network of relationships among people who live and work in a particular society and enabling that society to function effectively. OOCL demonstrated six core social capital dimensions to the judging panel and they include: social networks, mutual help and reciprocity, social cohesion and inclusion, information and communication, social participation, as well as trust and solidarity.



### OOCL Receives Recognition from the Hong Kong Observatory (HKO)

In 2018, 46 OOCL vessels participated in the Hong Kong Voluntary Observing Ship (HKVOS) program by the Hong Kong Observatory (HKO) to gather and provide marine climatology data needed to help identify prevailing weather conditions for preparing forecasts and warnings to the maritime community. To recognise our outstanding efforts to help improve maritime safety, the HKO presented two "Gold Awards" to OOCL France and OOCL San Francisco on 17<sup>th</sup> July 2018. OOCL Nagoya was also presented a certificate of appreciation for her assistance in deploying a drifting buoy in the South China Sea to measure atmospheric pressure and temperature over the sea surface during the typhoon season.



# 11

## Sustainable Development Goals

To continue with our commitment in meeting and exceeding international standards on all our Sustainable Development Goals and objectives, we have introduced new targets to help us better benchmark our performance.



## Sustainable Development Goals

As ethical business behaviour and corporate sustainability are becoming increasingly more important, many companies are taking a closer look at themselves to openly communicate and measure their business values and impact on the environment and communities in which they operate.

As a socially responsible company, we are committed to maintaining safe and secure business operations for a sustainable future. To continue with our commitment in meeting and exceeding international standards on all our sustainability goals and objectives, we have introduced new targets to help us better benchmark our performance.

The United Nations (UN) has adopted a set of bold new Global Goals that charts sustainable development for the people and planet by 2030 as a universal, integrated and transformative vision to make our world more prosperous, inclusive, sustainable and resilient.

**The OOIL Group supports the Sustainable Development Goals (SDGs) set out by the UN** and we are committed to taking action and formulating the relevant SDGs to contribute to tackling global environmental and social challenges we face across industries while building on our ESG profile and recognition as an industry leader on sustainability initiatives.



*Mapping of the United Nations Sustainable Development Goals (UNSDGs) against stakeholders' expectations*

Following our latest stakeholder engagement and materiality assessment, four UNSDGs have been selected as most important to our stakeholders, namely Decent Work and Economic Growth, Climate Action, Life Below Water and Partnerships for the Goals. The results provided good insights and serves as a strong foundation for us to formulate our long-term sustainability targets and objectives. In addition to our existing sustainable development goals, we developed targets for the two new SDGs: Goal 8 and Goal 17. Moving forward, we will continue to grow our business responsibly with the help of these directions in our sustainability efforts and join hands with every stakeholder to contribute to sustainable development.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Regulators & Authorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shareholders & Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Professional & Industry Bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vendors & Suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Business Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Academic Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local Communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NGOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Importance to stakeholders*



*Significance to business*





## Our 2030 Targets and Actions

**4** QUALITY EDUCATION



**Ensure inclusive and quality education for all and promote lifelong learning**

Education is a fundamental human right and is indispensable towards improving people's livelihood and supporting the future workforce in our communities.

Offer scholarships for Universities and employees' children, vocational training, internships, and other programs to over 20,000 beneficiaries by 2030.

**In Progress 39% Achieved**

**8** DECENT WORK AND ECONOMIC GROWTH



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

The provision of decent working conditions and opportunities is a key to sustainable economic growth.

We are committed to ensuring decent working conditions and equal opportunities at the workplace and eliminating all kinds of human and labour rights issues.

**NEW**

**14** LIFE BELOW WATER



**Conserve and sustainably use the oceans, seas and marine resources**

Ocean routes and sea passages have long been vital conduits for maritime trade and transportation and some of them are at risk from the threats of pollution, resource depletion and climate change, many of which are caused by human activities.

Participate and initiate over 100 marine life protection and conservation causes, activities, and programs by 2030, with every Region where OOCL has presence to have been involved in initiative related to Life below Water.

**In Progress 46% Achieved**

**7** AFFORDABLE AND CLEAN ENERGY



**Ensure access to affordable, reliable, sustainable and modern energy for all**

The development and use of clean and sustainable energy is fundamental to human prosperity. Modern society depends on reliable and affordable energy sources to ensure a more sustainable future.

Increase 300% of solar energy generation at our sites from the 2016 level by 2022.

**In Progress Generated 1,445 MWh**

**13** CLIMATE ACTION



**Take urgent action to combat climate change and its impacts**

Climate change and extreme weather has already affected millions of people around the world with disruptive impact on certain economies.

Reduce 30% of CO<sub>2</sub> emission from the 2010 level by 2020.

**In Progress Reduced by 36.8%**

Introduce efficient and environmentally friendly vessels.

**In Progress Introduced 21,413 TEU vessels**

Support the IMO 2050 target of 50% reduction in CO<sub>2</sub> emission.

**NEW**

**17** PARTNERSHIPS FOR THE GOALS



**Strengthen the means of implementation and revitalize the global partnership for sustainable development**

Sustainable development advocacy requires collaborative efforts and partnership between governments, private sector and civil society.

As such, we will continue to strengthen our collaboration with various stakeholders and industry organisations.

**NEW**

## 2019 Objectives and Targets

### *The Environment*

Make every effort to minimise the impact of our business activities on the environment.

- Align with the IMO strategy on the reduction of GHG emissions, reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008.
- Target to avoid and reduce 3% of environmental impact <sup>[1]</sup> and resource use <sup>[2]</sup> compared to last year.
- Deploy the new vendor ESG assessment platform.
- Target to reduce 30% of CO<sub>2</sub> emission from the 2010 level by 2020.
- No breach of any environmental rules and regulations.
- Increase environmental program participations compared to last year.

Enhance our GHG Assurance and Reporting.

- Employ independent checker to assure our GHG Scope 1-3 emission data integrity.

[1] 'Environmental impact' includes but is not limited to air pollutions, and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

[2] 'Resource use' includes but is not limited to materials, energy, and water consumption.

### *Our People*

Maintain an open environment in the workplace for better staff communication and corporate culture.

- All staff members are given access to various internal communication channels based on their job nature and requirements. This access allows our employees to submit feedback, contribute ideas and share knowledge across our global offices for effective collaboration and teamwork.

### *Healthy & Safety*

Maintain high health and safety standards.

- Zero occurrence of major maritime accident.
- Participate in at least two safety programs.
- No severe or fatal crew injury cases.

Proactively promote an Onboard Safety Culture.

- Ensure our existing training materials and procedures are up-to-date.
- Regularly review and deliver updates of any international safety standards and regulations to every crew member.

### *Security*

Ensure that every measure is in place to maintain the best commercial and operational security standards possible at all times.

- Maintain our compliance with C-TPAT, AEO and related security programs at all times.
- Constantly and meticulously follow any updates regarding security issues.

### *The Community*

Reinforce commitment to local communities through employee volunteering activities.

- Maintain an average of two hours volunteering service per full time employee count.

# 12

## Targets Review



## Targets Review

We established programs or action plans to monitor and ensure our sustainability targets are met. Objectives and Targets aim for continual improvement in sustainability agenda or for minimising the relevant impact. Targets are therefore quantified wherever possible to measure our achievements.

 Environmental Program Participations	 Maintain High Health & Safety Standards
 GHG Scope 1 & 2 Reporting Integrity	 Safety Programs
 GHG Scope 3 Reporting	 Review Safety Training
 Environmental Impact Reduction	 Zero Major Maritime Accidents
 Long Term CO <sub>2</sub> Emission Reduction	 Security Issues Updates
 Resource Use Reduction	 C-TPAT & AEO Compliance
 Review Safety Regulation	 Staff Communication
 No Severe or Fatal Crew Injury Cases	 Employee Volunteering

### Legend

 Achieved

 In Progress

# 13

## Performance Data Summary





## Performance Data Summary

We gather a wide variety of measurable data to help monitor and evaluate our sustainability performance and identify any critical areas for improvement. <sup>i</sup>

GRI Reference	Performance Indicators	Unit	Scale	2017	2018
GRI 301-1	<b>Materials Consumption</b>				
	Paper	Metric Tons	Actual	130.4	103.3
	Cardboard Box	Metric Tons	Actual	-	132.6
	Printer Cartridge	#	Actual	3,789	4,217
	Battery	#	Actual	13,582	14,282
	Refilled Refrigerant ~ R134a	kg	Actual	10,030.7	10,302.0
	Refilled Refrigerant ~ R404a	kg	Actual	23,959.3	29,620.7
	Refilled Refrigerant ~ R407c	kg	Actual	1,845.4	2,338.1
GRI 301-2	<b>Recycling</b>				
	Paper	Metric Tons	Actual	54.1	53.4
	Oil Sludge	Metric Tons	Actual	24,548	25,808
	Plastic	kg	Actual	2,615	8,032
	Printer Cartridge	#	Actual	1,309	3,059
	Battery	#	Actual	3,070	2,435
GRI 302-1, 302-2	<b>Energy Consumption</b>				
	Electricity	MWh	Actual	86,683.78	83,430.39
	Renewable Energy ~ Solar Energy <sup>ii</sup>	kWh	Actual	1,124,000	1,445,609
	Natural Gas	Thermal	Actual	50,944	56,418
	Fuel - Vessels	Metric Tons	Thousand	1,809.42	1,782.18
	Fuel - Onshore	Litre	Thousand	2,270.51	1,555.83
	Ethyne	kg	Actual	-	2,049
GRI 302-3	<b>Energy Intensity</b>				
	Electricity Intensity	kWh/TEU <sup>iii</sup>	Actual	13.76	12.46
	Natural Gas Intensity	Thermal/TEU	Thousandth	8.09	8.42
	Fuel Intensity	Metric Tons/TEU	Actual	0.27	0.27
GRI 303-1, 306-1	<b>Water Consumption, Reuse and Discharge</b>				
	Fresh Water	Metric Tons	Thousand	227.96	137.88
	Water Intensity	Metric Tons/TEU	Actual	0.036	0.021
	Seawater Desalination	Metric Tons	Thousand	-	188.23
	Seawater for Ballast Exchange	Metric Tons	Thousand	3,113.13	3,030.78
	Water Discharge <sup>iv</sup>	Metric Tons	Thousand	227.96	137.88

GRI Reference	Performance Indicators	Unit	Scale	2017	2018
<b>GRI 305-1, 305-2, 305-3</b>	<b>Greenhouse Gas Emissions</b>				
	Carbon Dioxide (CO <sub>2</sub> ) – Direct <sup>v</sup>	Metric Tons	Thousand	5,732.14	5,567.35
	Carbon Dioxide (CO <sub>2</sub> ) – Indirect <sup>v</sup>	Metric Tons	Thousand	35.32	32.08
	Greenhouse Gases (GHG) - Business Travel by Air	MtCO <sub>2</sub> e <sup>vi</sup>	Thousand	2.248	2.394
	Greenhouse Gases (GHG) - Business Travel (Accommodation)	MtCO <sub>2</sub> e	Thousand	-	1.182
	Methane (CH <sub>4</sub> ) - Direct	MtCO <sub>2</sub> e	Thousand	3.05	3.00
	Nitrous Oxide (N <sub>2</sub> O) - Direct	MtCO <sub>2</sub> e	Thousand	76.41	75.22
	Greenhouse Gases (GHG) - Total <sup>vii</sup>	MtCO <sub>2</sub> e	Thousand	5,849.17	5,681.23
<b>GRI 305-4</b>	<b>Greenhouse Gas Emissions Intensity</b>				
	Greenhouse Gases (GHG) Intensity	MtCO <sub>2</sub> e/TEU	Actual	0.93	0.85
	Carbon Dioxide (CO <sub>2</sub> ) Intensity - Vessels	g/TEU-km	Actual	52.20	42.70
<b>GRI 305-5</b>	<b>Reduction of Greenhouse Gas Emissions</b>				
	Export Solar Energy to Local Electricity Grid	kWh	Actual	70,214	78,035
<b>GRI 305-7</b>	<b>Other Air Emissions</b>				
	Sulphur Oxides (SO <sub>x</sub> )	Metric Tons	Thousand	94.10	93.74
	Nitrogen Oxides (NO <sub>x</sub> )	Metric Tons	Thousand	167.53	164.94
	Particulate Matter (PM)	Metric Tons	Thousand	12.7	12.5
	Non-Methane Volatile Organic Compounds (NMVOCs)	Metric Tons	Thousand	5.57	5.49
	Carbon Monoxide (CO)	Metric Tons	Thousand	5.01	4.94
<b>GRI 306-2</b>	<b>Wastes</b>				
	General Wastes - Disposal	Metre Cubes	Actual	12,063	19,210
	General Wastes - Incineration	Metre Cubes	Actual	923	932
	Hazardous Wastes	Litre	Actual	31,434	26,498
	General Wastes Intensity	Metre Cubes/TEU	Thousandth	1.94	2.87
	Hazardous Wastes Intensity	Litre/TEU	Thousandth	1.53	3.96
<b>GRI 306-3</b>	<b>Spills</b>				
	No. of Spills	#	Actual	0	0
	Toxic Waste Spilled	Metric Tons	Actual	0	0
<b>GRI 307-1</b>	<b>Environmental Incidents</b>				
	Cases of Environmental Incidents	#	Actual	0	0
	- Cost of Fines, Penalties or Settlements	#	Actual	0	0

GRI Reference	Performance Indicators	Unit	Scale	2017	2018
GRI 102-8	<b>Workforce by Region</b>				
	Mainland China	%	Actual	48.08	48.95
	Hong Kong	%	Actual	13.10	13.24
	North America	%	Actual	8.35	8.20
	Europe	%	Actual	7.75	8.17
	Others	%	Actual	22.72	21.44
GRI 102-8	<b>Employment Type</b>				
	Regular	%	Actual	94.53	93.13
	Contract & Temporary	%	Actual	5.47	6.87
GRI 102-8, 403-2	<b>Health &amp; Safety</b>				
	No. of Employee - Shore Staff	FTE <sup>viii</sup>	Actual	8,167	8,213
	No. of Employee - Sea Staff	FTE	Actual	2,133	2,108
	No. of Employee - Consolidated Group Total	FTE	Actual	10,300	10,321
	No. of Fatalities - Shore Staff	#	Actual	0	0
	No. of Fatalities - Sea Staff	#	Actual	0	0
	No. of Fatalities - Consolidated Group Total	#	Actual	0	0
	No. of Cases with the Actual Lost-time Injury <sup>ix</sup> - Shore Staff	#	Actual	5	14
	Lost-time Injury Rate <sup>x</sup> - Shore Staff	#	Actual	0.0612	0.170
	No. of Cases with the Actual Lost-time Injury - Sea Staff	#	Actual	1	6
	Lost-time Injury Rate - Sea Staff	#	Actual	0.047	0.285
GRI 401-1	<b>Employee Turnover (Voluntary)</b>				
	Shore Staff	%	Actual	14.0	12.4
	Sea Staff	%	Actual	10.2	14.4
	Consolidated Group Total	%	Actual	13.2	15.3
	<b>By Region</b>				
	Mainland China	%	Actual	19.5	14.7
	Hong Kong	%	Actual	13.0	13.8
	North America	%	Actual	6.3	6.8
	Europe	%	Actual	10.0	8.2
	Others	%	Actual	10.5	10.7
	<b>By Gender</b>				
	Women	%	Actual	15.3	13.5
	Men	%	Actual	13.8	11.3

GRI Reference	Performance Indicators	Unit	Scale	2017	2018
	<b>By Age Group</b>				
	Under 30 Years Old	%	Actual	27.7	22.2
	30-39 Years Old	%	Actual	9.7	9.5
	40-49 Years Old	%	Actual	5.5	5.6
	50 Years Old and Above	%	Actual	3.8	2.6
<b>GRI 102-41</b>	<b>Labour / Management Relation</b>				
	Collective Bargaining Agreements (CBA) <sup>xi</sup>	%	Actual	100	100
<b>GRI 404-1</b>	<b>Trainings</b>				
	<b>Employees Trained by Employee Category</b>				
	Executive	%	Actual	97	94
	Managerial	%	Actual	98	98
	General Staff	%	Actual	92	91
	<b>Employee Trained by Gender</b>				
	Male	%	Actual	93	92
	Female	%	Actual	92	91
	<b>Average Training Hours by Employee Category</b>				
	Executive	#	Hour	8.87	5.37
	Managerial	#	Hour	8.23	8.78
	General Staff	#	Hour	7.89	7.29
	<b>Average Training Hours by Gender</b>				
	Male	#	Hour	8.18	7.43
	Female	#	Hour	7.62	7.25
<b>GRI 404-2</b>	<b>Trainings</b>				
	Online Courses or Exams at ePeopleSmart Enrolled	#	Actual	26,375	30,612
	Competition Compliance Training ( <i>participation rate</i> )	%	Actual	99.49	88.59
	Cyber Security Awareness Training ( <i>participation rate</i> )	%	Actual	97.31	91.00
	Global SSE Awareness Refresher Course ( <i>participation rate</i> )	%	Actual	-	92.04
	Sexual & Workplace Harassment Training ( <i>participation rate</i> ) <sup>xii</sup>	%	Actual	100.00	100.00

GRI Reference	Performance Indicators	Unit	Scale	2017	2018
GRI 405-1	<b>Breakdown of Workforce (Onshore)</b>				
	<b>By Gender</b>				
	Women in Workforce	%	Actual	54.33	54.37
	Men in Workforce	%	Actual	45.67	45.63
	<b>By Age Group</b>				
	Under 30 Years Old	%	Actual	37.40	38.63
	30-39 Years Old	%	Actual	33.42	32.77
	40-49 Years Old	%	Actual	17.59	17.23
	50 Years Old and Above	%	Actual	11.59	11.37
GRI 405-1	<b>Nationality Mix of Seafarers</b>				
	Mainland China	%	Actual	70.0	71.2
	Hong Kong	%	Actual	3.9	3.4
	Europe	%	Actual	1.1	0.6
	Malaysia	%	Actual	3.7	4.4
	Philippines	%	Actual	18.0	17.4
	Singapore	%	Actual	2.8	2.6
	Others	%	Actual	0.5	0.4
GRI 406-1	<b>Human &amp; Labour Rights</b>				
	Incidents of Discrimination & Labour Right Issues <sup>xiii</sup>	#	Actual	0	0
	- Actions Taken in Response to Incidents	#	Actual	0	0
	Incidents of Human Rights Violations <sup>xiv</sup>	#	Actual	0	0
	- Actions Taken in Response to Incidents	#	Actual	0	0
GRI 205-3	<b>Corruption</b>				
	Anti-corruption Training ( <i>participation rate</i> ) <sup>xv, xvi</sup>	%	Actual	33.3	33.3
	Communication of Anti-corruption Policy to Employees <sup>xvii</sup>	%	Actual	100	100
	Incidents of Corruption	#	Actual	0	0
	- Actions Taken in Response to Incidents	#	Actual	0	0
	- Cost of Fines, Penalties or Settlements	#	Actual	0	0
GRI 415-1	<b>Public Policy</b>				
	Political Contributions Made	US\$	Actual	0	0



GRI Reference	Performance Indicators	Unit	Scale	2017	2018
<b>GRI 201-1</b>	<b>Economic Performance</b>				
	Revenue	US\$	Thousand	6,108,350	6,572,655
	Liner Volume	TEU	Million	6.29	6.69
-	<b>Carbon Offset</b>				
	Renewable Energy Credits	VCU <sup>xviii</sup>	Actual	9,601	12,552
-	<b>Management Systems</b>				
	Percentage of Owned Vessels with SQE Certification <sup>xix</sup>	%	Actual	100	100

## Notes:

- i. The companies under the Group are omitted from the Sustainability Report either due to a low percentage of ownership or insignificant size of the companies.
- ii. Solar energy was harnessed in the Company's solar panel installation project in UK.
- iii. TEU stands for Twenty-Foot Equivalent Unit.
- iv. Water discharge is assumed to be equivalent to the consumed potable water. All effluent from offices are discharged into the public sewer. Wastewater generated onboard vessels are either treated and discharged to the open sea or being collected by facilities that are authorised by the port authority. All wastewater discharge methods comply with IMO, the local wastewater discharge laws, and adhere to World Health Organisation (WHO) standards.
- v. All GHG Scopes 1 & 2 emissions data are collected, consolidated, and verified on our OOCL Sustainability Data Collection e-Platform. The data covers all the electricity and fuel consumption from our vessels, global offices, and warehouses. The data are processed with appropriate carbon emission factors as well as related Global Warming Potential (GWP) values obtained from The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). The applicable GWP values are: 1 for CO<sub>2</sub>, 28 for CH<sub>4</sub>, and 265 for N<sub>2</sub>O respectively.
- vi. Metric ton of carbon dioxide equivalent denoted as "MtCO<sub>2</sub>e".
- vii. Emissions of hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFCs) and nitrogen trifluoride (NF<sub>3</sub>) are considered negligible and are not quantified.
- viii. Headcount is in terms of Full Time Equivalent (FTE).
- ix. Lost-time Injury means the result in the lost time of a minimum of one day.
- x. Lost-time Injury Rate represents the number of Lost-time Injuries per 100 employees per year.
- xi. Percentage of crews covered by Collective Bargaining Agreements (CBA).
- xii. It is only applicable to North America Liner staff.
- xiii. Labour issues covers child labour, forced labour, working hours, wage, etc.
- xiv. Human rights represents workforce diversity, equal opportunities, discrimination, etc.
- xv. Independent Commission Against Corruption (ICAC) was invited to provide seminar for Hong Kong staff to understand the legal requirements and company policy in preventing corruption; and acquire enhanced knowledge / skills to handle ethical dilemmas at the workplace; and arouse their awareness on the vulnerability and corruption risk at work.
- xvi. It represents the participation rate of Hong Kong staff.
- xvii. The updated Code of Conduct with anti-bribery policy is available in an accessible format at our intranet HQ Portal for employees.
- xviii. VCU stands for Verified Carbon Unit.
- xix. The general management principles embodied by the ISM Code, ISO 9001, ISO 14001 and OHSAS 18001 have been incorporated in SQE certification requirement.

# 14

## HKEx ESG Reporting Guide Index



## HKEx ESG Reporting Guide Index

Appendix 27 Compliance List		Section / Statement
<b>Aspect A1: Emissions</b>		
General disclosure	Disclosure statement	Approach to Sustainability (p.11); Natural Capital (p.26)
KPI A1.1	Type of emissions and data	Performance Data Summary (p.78)
KPI A1.2	GHG emissions in total tonnes and intensity	Performance Data Summary (p.78)
KPI A1.3	Hazardous waste produced and intensity	Performance Data Summary (p.78)
KPI A1.4	Total non-hazardous waste produced and intensity	Performance Data Summary (p.78)
KPI A1.5	Measures to mitigate emissions and results	Natural Capital (p.26-31)
KPI A1.6	Handling of waste and reduction initiatives	Natural Capital (p.30-31, 41)
<b>Aspect A2: Use of Resources</b>		
General disclosure	Disclosure statement	Approach to Sustainability (p.11); Natural Capital (p.31)
KPI A2.1	Direct / Indirect Energy consumption by type and intensity	Performance Data Summary (p.77)
KPI A2.2	Water consumption in total and intensity	Performance Data Summary (p.77)
KPI A2.3	Energy efficiency initiatives	Natural Capital (p.26-29); Intellectual Capital (p. 53)
KPI A2.4	Issues in sourcing water & water efficiency initiatives	Natural Capital (p.30-31)
KPI A2.5	Total packaging material	Not applicable as our business does not manufacture or sell any physical product
<b>Aspect A3: The Environment and Natural Resources</b>		
General disclosure	Disclosure statement	Approach to Sustainability (p.11); Natural Capital (p.30-31)
KPI A3.1	Description of significant impacts of activities	Natural Capital (p.30-33)
<b>Aspect B1: Employment</b>		
General disclosure	Disclosure statement	Value Chain (p.21); Human Capital (p.51)
<b>Aspect B2: Health and Safety</b>		
General disclosure	Disclosure statement	Approach to Sustainability (p.11); Human Capital (p.47)
<b>Aspect B3: Development and Training</b>		
General disclosure	Disclosure statement	Human Capital (p.44-46)
<b>Aspect B4: Labour Standards</b>		
General disclosure	Disclosure statement	Value Chain (p.21); Human Capital (p.50)
<b>Aspect B5: Supply Chain Management</b>		
General disclosure	Disclosure statement	Value Chain (p.22)
<b>Aspect B6: Product Responsibility</b>		
General disclosure	Disclosure statement	Approach to Sustainability (p.11); Intellectual Capital (p.57) / We have covered the information on policies and compliance matters relating to health and safety, advertising, and privacy matters relating to services, except labeling to product, which is not applicable as our business does not manufacture or sell any physical product
<b>Aspect B7: Anti-corruption</b>		
General disclosure	Disclosure statement	Approach to Sustainability (p.12)
<b>Aspect B8: Community Investment</b>		
General disclosure	Disclosure statement	Social and Relationship Capital (p.59, 61)



**Orient Overseas (International) Limited**

*(Incorporated in Bermuda with Limited Liability)*

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