



中远海运发展股份有限公司
COSCO SHIPPING DEVELOPMENT CO.,LTD.



2018

Corporate Social Responsibility Report

COSCO SHIPPING DEVELOPMENT CO., LTD.

Fulfilling Our Responsibility For
Further Development

About This Report

Overview

This is the third CSR report for COSCO SHIPPING Development Co., Ltd. released to stakeholders since its corporate restructuring (formerly China Shipping Container Lines Company Limited). It discloses information about the opportunities and challenges of the company in pursuit of sustainable development and our efforts in integrating CSR into our corporate management structure and other aspects in sustainability.

Reporting Period

The time frame for the activities mentioned in the report is 1 January to 31 December, 2018, though some content may extend beyond the stated time frame when necessary.

Reporting Scope

Content and information in this report cover COSCO SHIPPING DEV's business activities and the business activities of our subsidiaries. In some instances, the content may cover information related to the China COSCO Shipping Corporation Limited.

Reporting Cycle

This report is published annually.

Compilation Conformance

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide (HK-ESG)* of Hong Kong Exchanges and Clearing Limited, *Notice on Strengthening Listed Companies' Undertaking of Social Responsibilities and Issuance of "Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange"*, *Notice on Further Improvement of Poverty Alleviation Work Performance Disclosure of Listed Companies*, *GRI Sustainability Reporting Standards* (GRI Standards) of the Global Sustainability Standards Board (GSSB) and *SDG Compass*.

Data Resource

Information and data in this report are derived from internal documents and statistical information of COSCO SHIPPING DEV.

References

For convenience and readability, COSCO SHIPPING Development Company Limited is referred to in this report as "COSCO SHIPPING DEV", "the Company" or "we"; "COSCO SHIPPING" or "the Corporation" refers to China COSCO Shipping Corporation Limited; "COSCO SHIPPING LEASING" refers to COSCO Shipping Leasing Company Limited; "Florens" refers to Florens International Limited; "Shanghai Universal" refers to Shanghai Universal Logistics Equipment Company Limited; "DFIC Lianyungang", "DFIC Guangzhou", and "DFIC Jinzhou" respectively refer to Dong Fang International Container (Lianyungang) Company Limited, Dong Fang International Container (Guangzhou) Company Limited, and Dong Fang International Container (Jinzhou) Company Limited, three subsidiaries of Shanghai Universal Logistics Equipment Company Limited.

Access to This Report

This report is published in Simplified Chinese, Traditional Chinese, and English. If discrepancies exist between the Chinese and English versions, the Simplified Chinese version shall prevail. You can download an electronic version from the official website of COSCO SHIPPING DEV: <http://development.coscoshipping.com/>

If you need a printed version of this report or have any suggestions about the report, please contact us.

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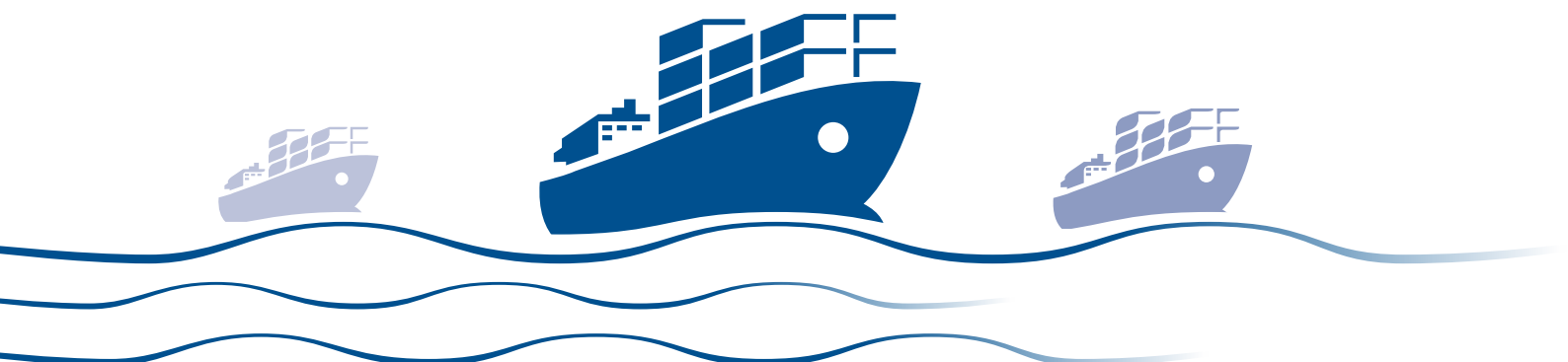
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Address from the Leadership

The year 2018 marked the start to fully implement the guiding principles of the 19th CPC National Congress and the 40th anniversary of China's reform and opening up. Since our establishment, COSCO SHIPPING DEV has always followed the call of China's reform and opening up, and is an active contributor and beneficiary of the policy. In 2018, we broke new ground and made new strides despite a challenging market environment. By making use of our advantages in the shipping industry, we built a globally leading comprehensive supply chain service platform, striving to inject new impetus into the newest round of reform and opening up.

It is our belief that only an enterprise that actively takes social responsibility is competitive and vital. Guided by the philosophy of "excellence", COSCO SHIPPING DEV deeply integrates social responsibility into our corporate vision, mission and values. The Company has combined our own development path with the promotion of economic and social development. Believing that greater responsibility makes a greater enterprise, we strive to solve social issues using our professional advantages and create more value for stakeholders.

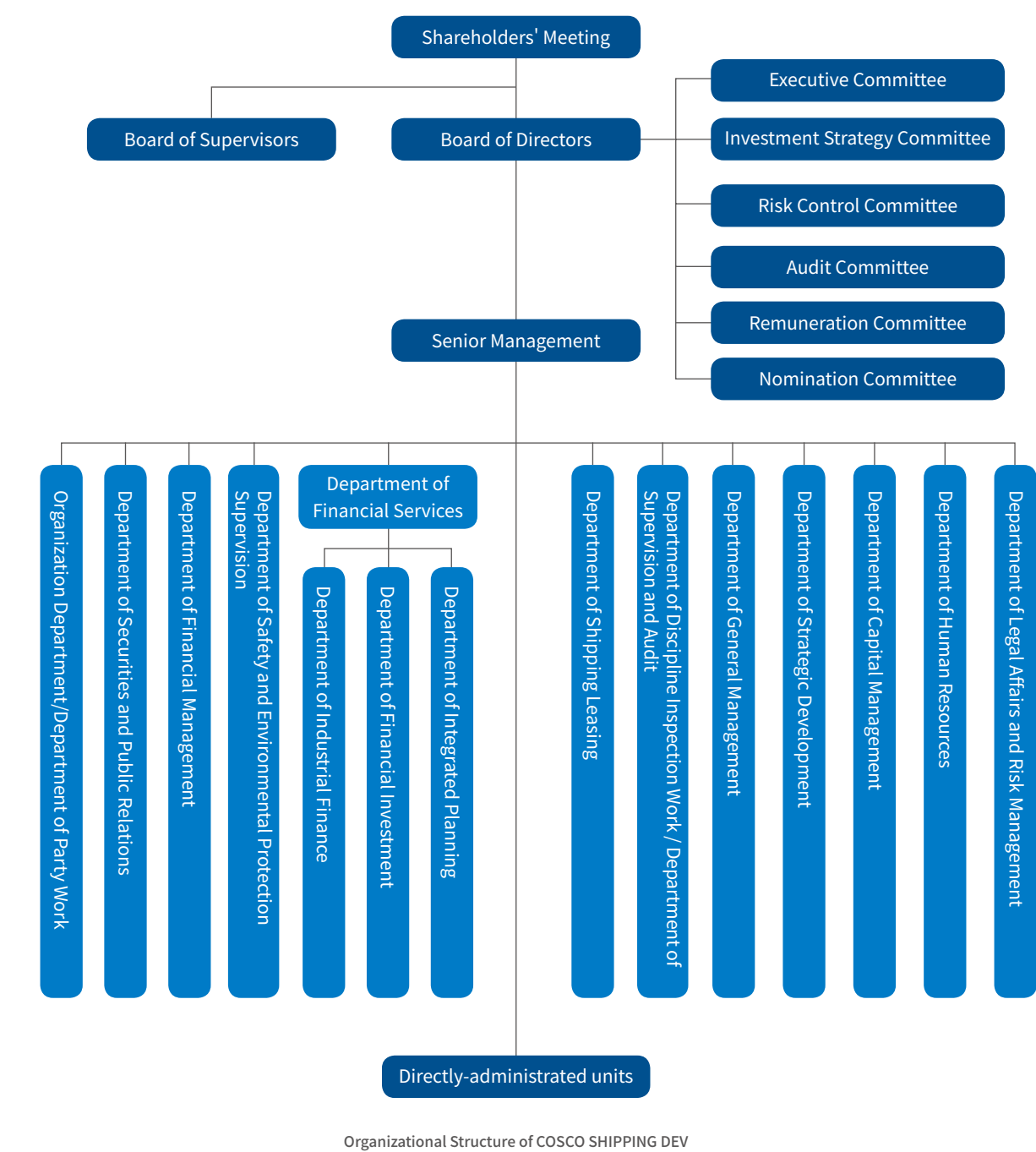
While forging ahead, COSCO SHIPPING DEV always listens and responds to the demands of stakeholders. We provide customers across the globe with more advanced, higher quality and more efficient whole-industry-chain services, promote unimpeded trade and optimization of shipping resource allocation, assist in the development of the real economy, help to build a more prosperous shipping industry, and put the Belt and Road Initiative into practice. In the interest of protecting the earth's ecological environment, we integrate green development philosophy into corporate operations by carrying out environmental management and adopting technologies that save energy and reduce emissions, actively developing a green manufacturing system, and supporting the development of clean energy. We strive to be an industry model for joint contribution and value sharing. To this end, we provide a broad space for employees to grow, and use market-based mechanisms that encourage employees to explore innovation on the base of safeguarding their rights and interests. Meanwhile, we also provide more opportunities to the disadvantaged, and improve people's livelihoods by engaging in targeted poverty alleviation.

In 2019, COSCO SHIPPING DEV will continue to promote social responsibility management and practices by working with various stakeholders. We will actively implement the 13th Five-Year Plan and actively practice "step up efforts to build China into a strong maritime country", a goal set at the 19th CPC National Congress, and the UN's Sustainable Development Goals (SDGs). We endeavor to become an excellent leader in the world's shipping industry, a firm implementer of national strategies, a determined practitioner of social responsibility, a considerate service provider for global customers, and the best supporter of employee growth, contributing to a sustainable future.



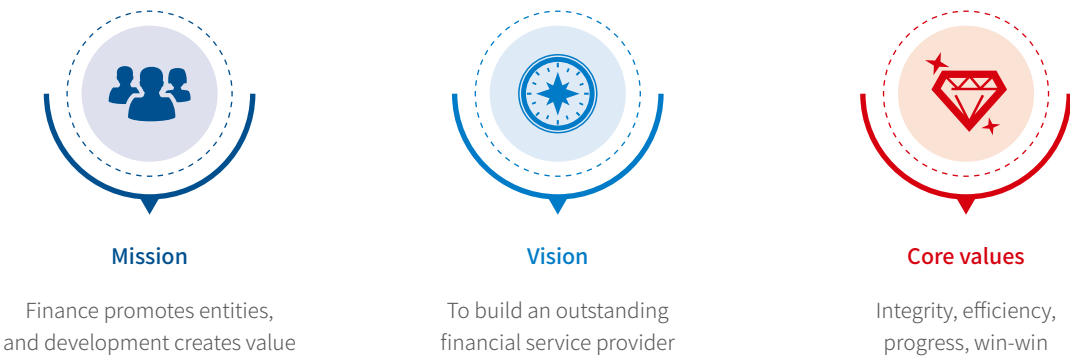
About Us

COSCO SHIPPING Development Company Limited (formerly China Shipping Container Lines Company Limited, hereinafter referred to as CSCL) is a corporation affiliated to China COSCO Shipping Corporation Limited, specializing in comprehensive supply chain financial services. The Company was established in 1997 and has headquarters in Shanghai, China. It is listed both on the Hong Kong and Shanghai. COSCO SHIPPING DEV has registered capital of 11.68 billion yuan. On February 1, 2016, following the approval of shareholders at the general meeting, CSCL launched a major asset restructuring, transforming the company from a container liner operator to a comprehensive financial service platform with the businesses of shipping and related industrial leasing, container manufacturing, investment and services as the core, and featuring shipping-related finance.



Corporate Culture

In 2018, in the spirit of pursuing excellence and being pragmatic and efficient, COSCO SHIPPING DEV established a system for promoting a culture of "excellence" through questionnaire surveys, employee interviews, symposiums and corporate culture consensus workshops. The Company compiled the *Corporate Culture Handbook*, conducted corporate culture training for all employees, and organized corporate culture activities to guide employees in the building of corporate culture, and ensure the corporate culture is integrated into business operation and cultural philosophy is deeply rooted in employees' minds.



Honors and Awards





Laying a Solid Foundation— Building a Path for Value Creation

Nowadays, in response to the complicated and ever-changing economic situation at home and abroad and the gradual recovery of the shipping industry, COSCO SHIPPING DEV, under the guidance of the mission of "finance promotes entities, and development creates value", gives play to our business advantages, continuously expands the corporate development path, and improves strategic alignment with national and regional development. We also take improving the sustainable development capability of enterprises as an important mean to enhance corporate competitiveness, effectively respond to market challenges, and seize opportunities of the times, continuously deepening our work on promoting social responsibility.



Sustainable Development Background

In February 2018, eight ministries jointly issued the *Guiding Opinions on Improving and Strengthening Financial Services for the Development of the Marine Economy* to promote the major strategic plans of "Step up efforts to build China into a strong maritime country" outlined at the 19th CPC National Congress and "Open up more space for the blue economy" and "Implement the Belt and Road initiative" mentioned in 13th Five-Year Plan, namely. The Opinions proposes a focus on serving the real economy and optimizing financial resources. It also focuses on strengthening and improving financial services for the development of the marine economy on the basis of bringing risk under control and ensuring sustainable business to bring new opportunities to shipping-related finance.

As an international seaports hub, Shanghai has been vigorously building the shipping service center in recent years. In 2018, in order to achieve the national strategic goal of building the Shanghai International Shipping Center by 2020 and effectively enhance Shanghai's core competitiveness, the Shanghai Municipal People's Government formulated the *Three-Year Action Plan for the Construction of Shanghai International Shipping Center (2018-2020)*. According to the plan, by 2020, Shanghai will complete the construction of an international shipping center with a high concentration of shipping resources, the ability to provide a wide range of sound shipping services, an excellent shipping market environment, efficient modern logistics, and global shipping resource allocation capabilities. In June 2018, the Shanghai Municipal Committee of the Communist Party of China issued the *Opinions on Enhancing Shanghai's Urban Capacity Level and Core Competitiveness Oriented to the World and the Future*. The Opinions points out that it is necessary to "further open up the shipping service industry, enlarge and strengthen the modern shipping service industry, boost innovation in shipping-related finance, and promote the development of shipping-related financial derivatives". The construction of the Shanghai International Shipping Center and the improvement of urban competitiveness rely on the engagement and support of the shipping-related finance industry, which has set forth new requirements for the development of shipping-related finance, as well as brought a new round of development opportunities to the industry.

In 2018, the development of the shipping industry has gradually recovered, but it has also faced the challenges of rising trade protectionism and escalating trade frictions, bringing many uncertainties to the industry's development. The global shipping market also presents a development trend of increasing proportion of Chinese-funded institutions, increasing mergers and acquisitions, and deepening market segmentation. In addition, the formulation and implementation of the 2020 sulfur limit, *International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)* and 2050 carbon emissions reduction targets have also profoundly affected the development of the shipping industry. During this process, shipping-related finance provides diversified financing channels and abundant financial support for the shipping industry, as well as plays an important role in promoting industrial transformation and upgrades, and integration of industry and finance.

Our Strategies

With full of opportunities and challenges in market environment, COSCO SHIPPING DEV takes the advantages of shipping-related finance platform to deepen shipping-related finance business based on the philosophy of sustainable development, and gives full play to the synergistic effect of the advantages of shipping industry and financial business, thereby serving the needs of economic and social development.

Development Strategies

COSCO SHIPPING DEV aims to bring into play our advantages in the shipping logistics industry, fundamentally integrate the shipping industrial chain with shipping finance, and develop an industrial cluster with shipping and related industry leasing, container manufacturing, investment and services businesses as the core. By fully leveraging marketization mechanisms, differentiated advantages and an international vision, the Company also aims to develop into a "one-stop" shipping financial service platform that promotes the integration of production and finance, capital financing and goods financing, and supports the collaborative development of different businesses.

The Company is among the top global players in the industry in terms of the fleet scale of our ship leasing business and the container fleet scale of our container leasing business. In terms of other industry leasing business, the Company focuses on expanding financial leasing business in medical services, education, new energy, construction and industrial equipment. In terms of container manufacturing business, Shanghai Universal, a subsidiary of the Company, with designed annual capacity of 550,000 TEU, actively responds to fluctuations and challenges in the shipping market, and its market share ranks among the top three in the industry. The Company also focuses on the development of investment and service business, promotes the integration of industry and finance, and optimizes the business models by leveraging our experience in the shipping industry, as well as the existing resources of the financial service industry, in order to achieve the balanced development of shipping-related finance business.

Contributing to Economic and Social Development

COSCO SHIPPING DEV has taken initiatives to implement the national strategy of improving and strengthening financial services for the development of the marine economy and building China into a strong maritime country, and deeply aligned with the regional development strategy. The Company, with a foothold in shipping and related industry leasing, container manufacturing, investment and services businesses, provides full-chain financial support for the development of the shipping industry and continues to tap into the potential of sustainable development.



Ship and container leasing

Ship leasing: The Company provides diversified ship leasing services (large container ships, chemical tankers, LNG-powered multi-purpose ships, etc.) to serve the shipping industry chain, optimize resource allocation and boost the sustainable development of the shipping industry.

Container leasing: The Company provides various types of container leasing and trade services, and develops high value-added services such as mobile warehousing leasing.



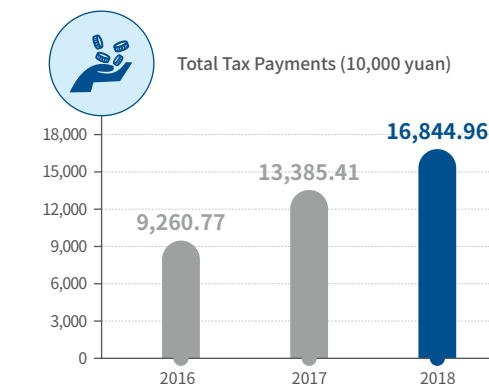
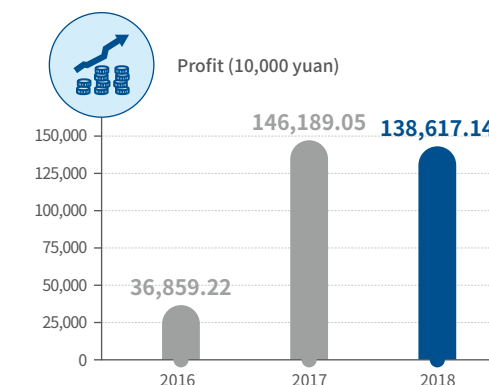
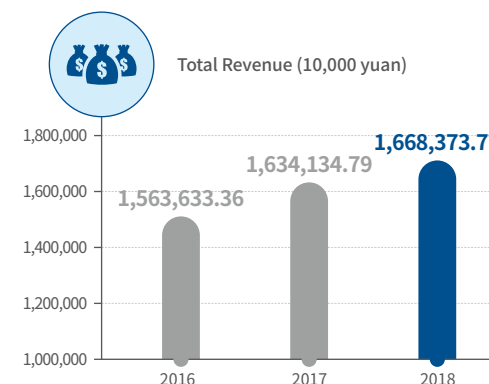
Container manufacturing

Through technology and management upgrades, the Company accelerates the promotion and upgrading of environmental protection technologies, innovates in diversified container products to meet customers' requirements on quality and diversity, and exerts the synergistic effect between container production and container leasing business.



Investment and services

The Company gives full play to the industrial advantages to provide diversified financial service products for the shipping industry chain, and sets up shipping industry funds, logistics industry funds, Ocean Fortune Glory Asset Management Co. Limited and its funds to promote the development of the shipping industry with financial services. We continue to further integrate production with finance and promote industry development through finance so as to serve the real economy.





Following Proper Corporate Values— Developing Responsible Corporate Governance

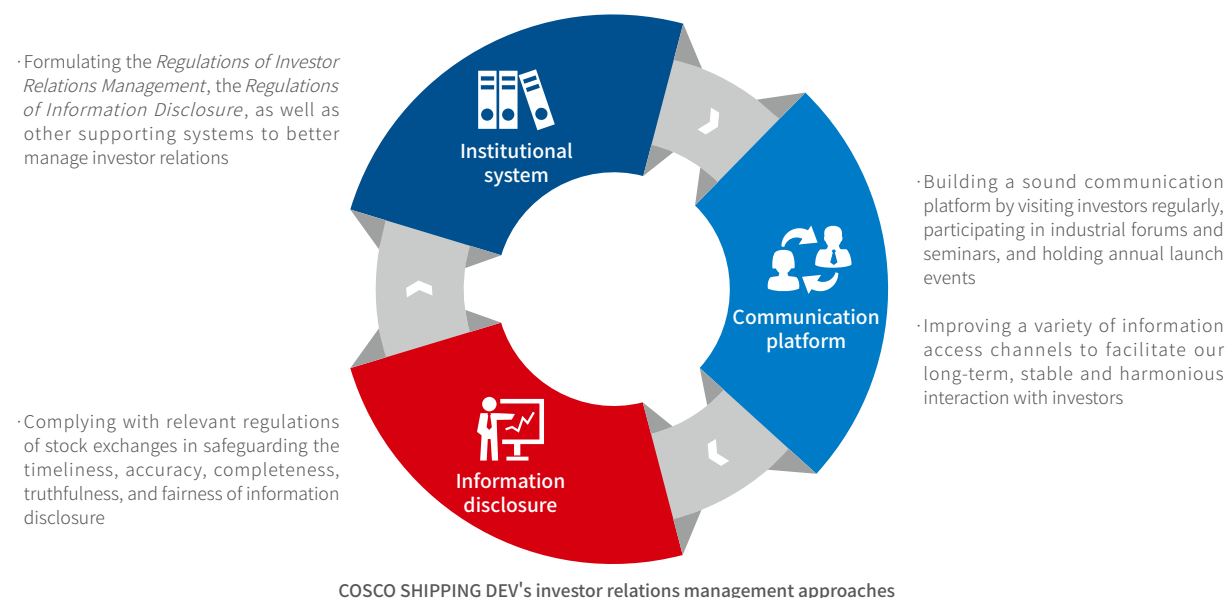
Management system and strategy are the soul and core of a company, which determine the direction of corporate development and whether the company can achieve healthy and sustainable growth. COSCO SHIPPING DEV integrates the philosophy of sustainability into corporate management, so that the social and environmental factors can be taken into consideration during the Company's decision-making and value creation process, achieving the unity of social responsibility objectives and our business goals. We strictly abide by local laws, regulations and ethics, do business responsibly, and control business and operational risks to build a stable responsibility governance structure.

SDGs:



Corporate Governance

At COSCO SHIPPING DEV, we have developed a standard governance structure that outlines clearly defined powers and responsibilities for the board of directors, the supervisory panel and management. In 2016, in addition to restructuring the Company, we reviewed our entire corporate system and management process. In 2017, we continued to improve our corporate governance mechanism by formulating 36 rules and regulations, including the "Articles of Association", "Three Importance and One Greatness" Decision-making System (important decision making, important personnel appointments and removals, important project arrangements, and the use of large amounts of funds), "Rules of Procedures for Tasks and Meetings of the CEO/General Managers", "Internal Control and Risk Management Approaches", etc. In 2018, focusing on "lowering leverage, preventing risks and complying with regulations", the Company refined the comprehensive risk control and compliance management system and improved the development of institutionalized governance system, thus further enhancing our corporate governance capabilities.



Compliance and Anti-corruption

COSCO SHIPPING DEV strictly abides by all laws and regulations, including the *Interim Provisions on Banning Commercial Bribery*, *Rules on Integrity of Executives of State-Owned Enterprises* and *Disciplinary Regulations of the Communist Party of China*, and regards the special anti-corruption requirements of the financial enterprises as the major issues for compliance and anti-corruption management. We have formulated the *Guidelines on Leading Personnel's Commitment to Anti-corruption*, *Provisions on the Accountability Mechanism for Leaders*, *Measures for Talks on Improving Party Conduct and Building a Clean Government*, *Measures for Consideration by the Organizational Department of the Opinions of the Discipline Inspection Department before the Appointment of Management Personnel*, *Opinions on Anti-commercial Bribery*, *Compliance Management Approaches*, etc. according to our circumstances to better regulate behaviors by rules and systems.

In addition, the Company has personnel at all levels sign a statement on building CCP culture, keeping its organizations above board, and providing supervision, and likewise has leaders and cadres at all levels sign a letter of anti-corruption, in an effort to spread responsibility across all levels of the Company. In 2018, a total of 171 letters of responsibility and 230 letters of anti-corruption were signed.

Based on standard corporate rules and regulations, COSCO SHIPPING DEV has taken steps to cultivate and improve the compliance and anti-corruption culture within the Company. The Company created an education column on its OA website where 94 cases of legal and regulatory violations are presented to raise employee vigilance. We organized visits by some cadres to the anti-corruption education base in Baoshan District, Shanghai, in order to strengthen the anti-corruption awareness of employees and establish a clean working paradigm. We organized an "education month" that focuses on anti-corruption activities, the "Learning the New Constitution" campaign, and a series of online and offline activities, such as holding the first compliance management forum, putting out articles on compliance, formulating compliance knowledge questionnaires and manuals, conducting mock court, collecting brief videos on anti-corruption, etc. All these activities are aimed at promoting acquisition and exchange of compliance knowledge and cultivating and improving anti-corruption culture.

Risk Management

COSCO SHIPPING DEV has established a risk management system for core business in response to new challenges and operational risks from business transformation, and to safeguard the implementation of corporate strategies and sustainable development.

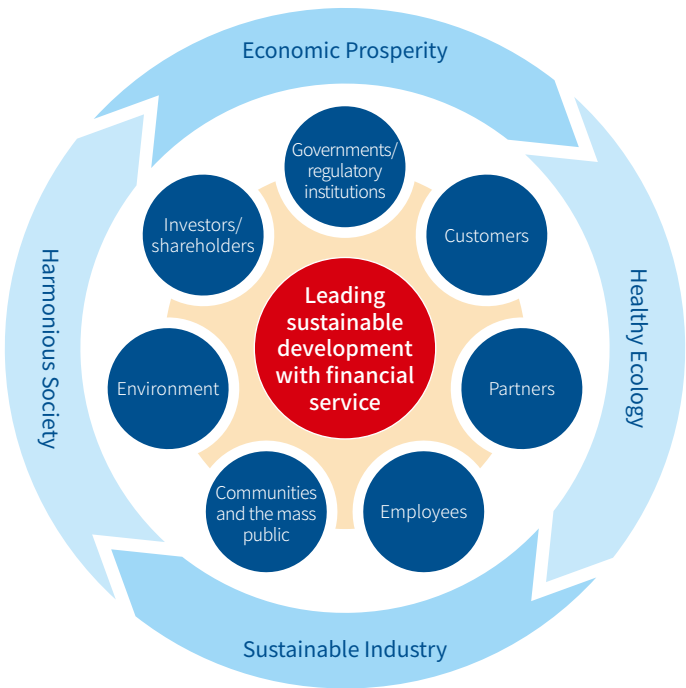


Responsibility Management

Fulfilling CSR is the implicit mission of a company. Therefore, COSCO SHIPPING DEV keeps CSR firmly in mind, makes sustainable development a part of the DNA of our corporate management structure, and takes identifying and responding to economic and social development issues as the main path of CSR management.

Social Responsibility Management

Within the context of COSCO SHIPPING’s sustainable development framework, COSCO SHIPPING DEV sets goals and plan corporate social responsibility activities that embody the distinct characteristics of the Company. We have established social responsibility management positions that are responsible for issues related to our social responsibility management and practices, and set up a social responsibility mechanism to communicate with specific business units and functional departments, ensuring CSR is integrated into all business processes and daily operations.



The social responsibility management model of COSCO SHIPPING DEV

Supply Chain Management

COSCO SHIPPING DEV constantly promotes the improvement of supplier management system. Shanghai Universal clearly requires suppliers to take responsibility for the environmental and social impact of their operations, and strengthens cooperation and exchanges with suppliers in order to establish harmonious relationships with upstream and downstream enterprises in the supply chain and promote sustainability of the whole supply chain.

In 2018, Shanghai Universal formulated Shanghai Universal's Measures for the Evaluation and Management of Suppliers for Centralized Material Procurement, which proposed that the environmental and social responsibilities of suppliers should be one of the conditions for supplier access, so as to strengthen the sense of responsibility of suppliers and improve the social responsibility management of the industry chain. DFIC Lianyungang, DFIC Guangzhou, and DFIC Jinzhou conduct daily supplier management according to the Evaluation System for Non-Contracted Material Suppliers. In terms of supplier access, suppliers are required to provide environmental, occupational health and other qualifications in accordance with the Non-Contracted Material Supplier Evaluation and Access List as a condition for entry.

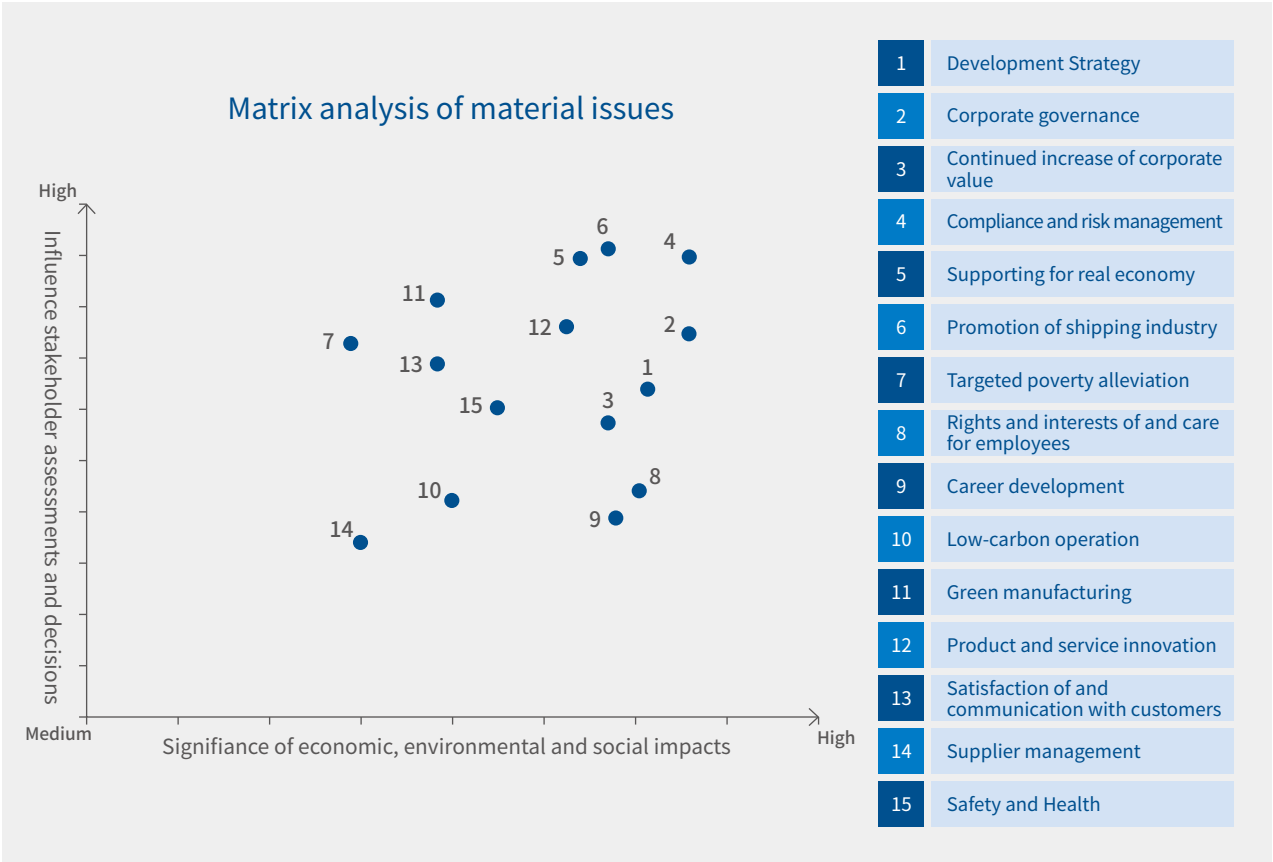
In 2018, DFIC Guangzhou and Guangxi Liuzhou Iron and Steel Group Company Limited carried out business exchanges, and consolidated cooperation with each other through container factory visits, business exchanges and sharing. In the future, the two parties will continue to work together to promote the sustainable development of the industry.

Identification and Analysis of Material Topics

This is the third social responsibility report released by COSCO SHIPPING DEV since our strategic transformation. To fully understand the expectations of our stakeholders, we conducted surveys and identified material topics of the greatest significance to both our stakeholders and the Company in our first social responsibility report released in 2016. In 2018, three years after our corporate restructuring, we identified the material topics of most concerned to stakeholders through communication with them and adjusted accordingly to achieve better sustainability management.

Stakeholder Communication

Stakeholders	Core demands	Communication and responses
Government/regulatory institutions	Serving the implementation of national strategies Serving local economic and social development Compliant operations Fair competition	Official document exchange, information disclosure, policy implementation, inspection and communication
Shareholders/investors	Good business performance Good corporate governance Risk control Realization of corporate development strategy Adequate information disclosure	Shareholders' general meeting, performance report, road show, communication with investors
Customers	Efficient products Quality service Guaranteed information safety	Investigation of customers' demand, official website, WeChat
Partners	Win-win cooperation Industrial development through joint efforts	Exchange and visits, industry forum
Employees	Improved rights and interests safeguard Good prospect for career development Comfortable working environment	Cultural construction, congress of workers and staff, employee training and activities
Community and the Public	Practice of charity Serving community development	Voluntary service, public benefit activities, targeted poverty alleviation
Environment	Systematic environmental management Supporting green industry development	Environmental policies, green investment



Material issues of COSCO SHIPPING DEV



Forging Ahead— Lending a Strong Impetus to a Prosperous and Thriving Shipping Industry

Shipping industry is a highly internationalized and plays an important role in supporting global trade. It also provides a reliable guarantee for promoting the Belt and Road Initiative. COSCO SHIPPING DEV is committed to building a comprehensive financial service platform featuring shipping-related finance, extending our services to the entire industry chain. By linking the needs of the chain's upstream and downstream enterprises, we have achieved trade connectivity and optimized the allocation of shipping resources, thus contributing our due part to the Belt and Road Initiative via a more thriving shipping industry.

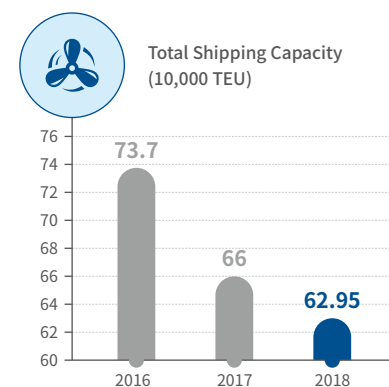
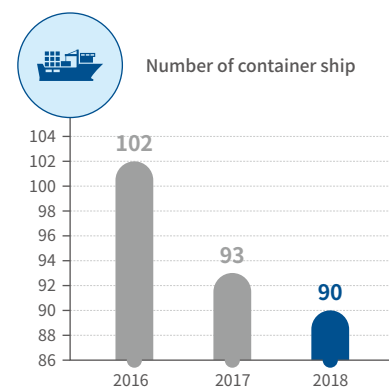
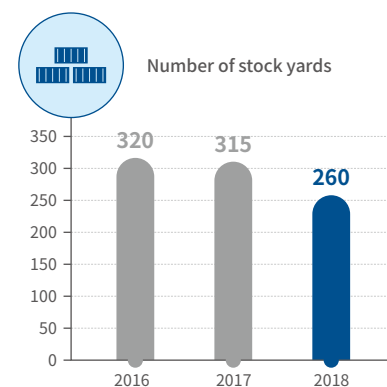
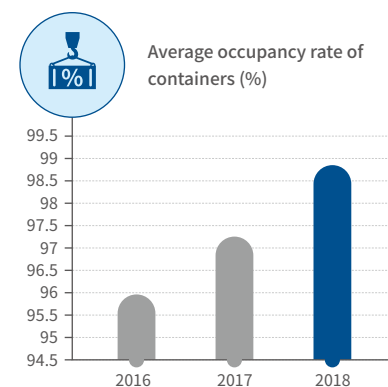
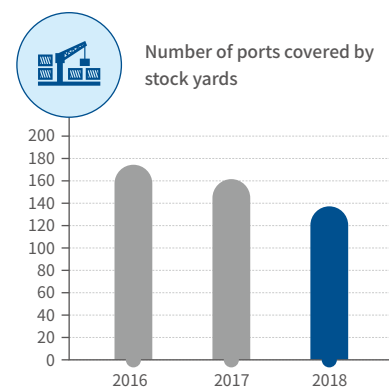
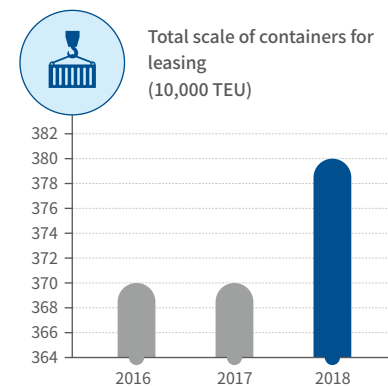
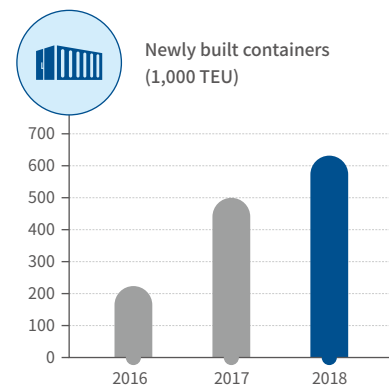
SDGs:





- The Company upgrades container manufacturing technology, and leverages the synergy with the container leasing business to provide high-quality and diversified containers for shipping enterprises, guaranteeing the improvement of shipping quality
- The Company provides diversified ship operating and financial leasing services (large container ships, chemical tankers, LNG-powered multi-purpose ships, etc.) to customize original ship leasing plans for shipping enterprises according to their actual demands
- The Company provides container leasing services to promote the optimal allocation of shipping resources and stimulate the development of the shipping industry
- The Company sets up industrial funds to serve the shipping industry, promotes the coordinated development of shipping and finance, and realizes the integration of industry and finance so as to promote the shipping industry through finance, facilitating the healthy development of the shipping industry

Serving growth and development of the shipping industrial chain



Overview of serving development of the shipping industry chain

Implementing the Belt and Road Initiative

Bringing into play our advantages in trade connectivity and international communication based on our products, COSCO SHIPPING DEV actively boosts the quality and efficiency of logistics and carries out international cooperation. The Company has emerged as new force for implementing the Belt and Road Initiative and creating shared values with our partners along the Belt and Road.

Case: Container multimodal transport guarantees smooth logistics for the Belt and Road

Container multimodal transport logistics aims at maximizing the overall transportation efficiency of goods. As cross-border trade grows rapidly under the Belt and Road Initiative, container multimodal transport has gradually become an important means of transportation for meeting the logistics demand. As an industrial networking event for all container, transport and logistics areas, Intermodal Asia 2018 set up exhibition areas such as multimodal transport equipment, multimodal transport service, and the Belt and Road logistics channel, etc. More than 60 open forums were held on topics such as "Multimodal Transport China Day", development along the Belt and Road, international cooperation on multimodal transport, environmental protection in the container industry, etc.

Shanghai Universal and Florens participated in the grand event, met and conversed with industrial partners, leveraging multimodal transport advantages to better implement the Belt and Road Initiative.



Florens' Exhibit at Intermodal Asia 2018



Shanghai Universal's Exhibit at Intermodal Asia 2018

Case: Container whole-process monitoring upgrades the logistics service of China-Europe freight trains

DFIC Lianyungang worked with Wuhan Asia-Europe Logistics to produce the first batch of 20 containers equipped with GPS. The containers realize whole process positioning and temperature monitoring. The range of the monitoring covers blind spots such as plateaus and extremely cold places. It ensures the safety of railway container transportation while effectively improving the service of China-Europe freight trains and providing solutions for smooth trade between China and countries along the Belt and Road.

Providing Quality Products and Services

Based on different business characteristics and customer needs, COSCO SHIPPING DEV encourages our subsidiaries to continuously improve their quality management systems and innovate new customer service models, so as to meet their varied needs with diversified and high-quality products and services, and improve customer satisfaction and recognition.

Improving the Product Quality Management System

Since containers are important equipment for marine transport in international trade, the quality of containers is pivotal during long journeys in unstable environments and climates on the open sea. COSCO SHIPPING DEV complies with laws and regulations on container quality and makes continuously improvements of the overall quality management level. For example, DFIC Jinzhou has developed procedural documents, such as the *Product Monitoring and Measurement Management Procedures*, *Substandard Product Management Procedures* and *Identification and Traceability Management Procedures*, and regulations such as the *Information Feedback System* and *Key Process Management System* targeting different stages of container manufacturing. Moreover, in accordance with the *Container Inspection Standards*, we conducted overall quality control to ensure high quality of container product, reducing customer complaints about products and services.



Number of complaints on product or service received in 2018

Strictly Controlling Product Quality



Comprehensive control of the container product quality

Providing Diverse Solutions

Based on customers' needs, COSCO SHIPPING DEV continues to innovate and upgrade our products and services. We provide customers with professional, diversified and innovative solutions, meeting customer needs in a comprehensive way and offering them new experiences of products and services.

Case: Containers inspire new development momentum in Marseille

Marseille, the second largest city in France and largest commercial port in France and even the Mediterranean, was once a crossroads connected to the continent in every direction. In 2018, the Marseille International Fashion Center was completed in the city. Adjacent to new port of Marseille, it covers an area of 16,500 square meters and can accommodate 95 wholesalers. The Marseille International Fashion Center project provides job opportunities for local people, creates a transport hub between Marseille and Europe, the Middle East and China's major trading ports, and injects new vitality into the economy of the port and entire metropolis of Marseille, representing a new starting point for the city's alignment with the Belt and Road Initiative.

The 604 colorful shipping containers forming this uniquely designed and styled fashion center are all designed and manufactured by DFIC Jinzhou. Six innovations in the containers, including the joint structure, waterproofing and roof structure, have been granted national patents. The technological, eco-friendly, fashionable features and great potential in terms of construction efficiency, economy and sustainability show the COSCO SHIPPING DEV's comprehensive capability of "manufacturing + transport + service" and the great strength of China's design and manufacturing.



Completion ceremony of the Marseille International Fashion Center in France

Case: "Container homes" provide a new solution to the housing shortage

Due to limited land resources and the large population, the housing shortage has long plagued the local government of Hong Kong. Finding a solution to the housing problem has become one of the government's key tasks. "Container homes" are small dwellings built from shipping containers. They are characterized by low cost, convenience and environmental friendliness. In the future, Hong Kong will take short-term measures to increase the supply of transitional housing by non-profit organizations. The plan includes the construction of prefabricated mixed-use houses, commonly known as "container homes", on idle land.

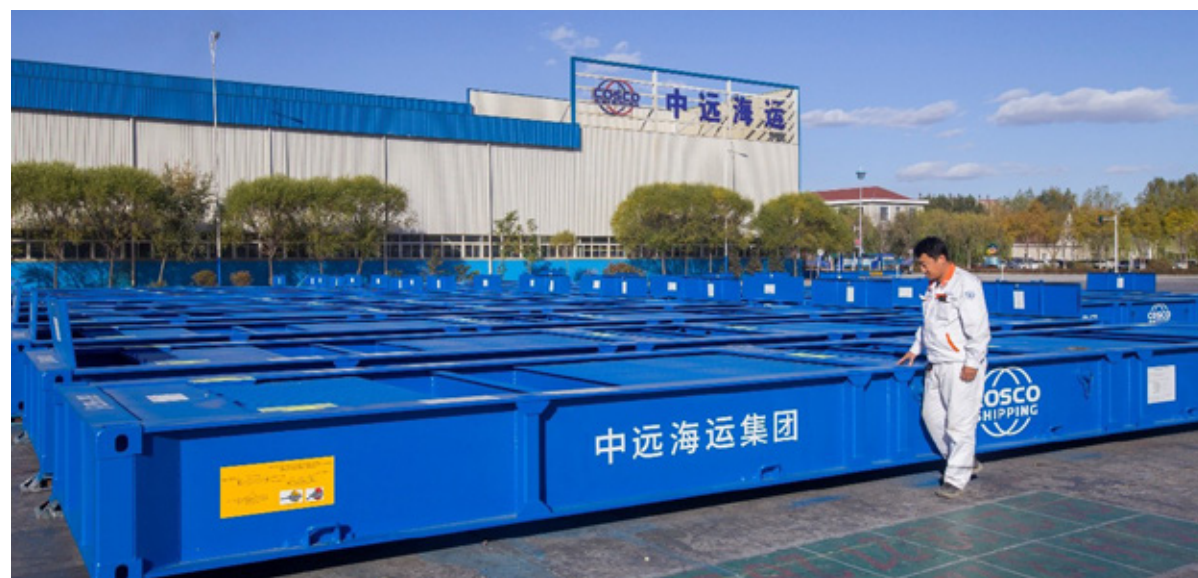
Leveraging its own container leasing and sales advantages, representatives from Florens met with Dr. Raymond SO, Under Secretary for the Transport and Housing Bureau of the Government of the Hong Kong Special Administrative Region, to exchange views on the feasibility of building "container homes" in Hong Kong with a view toward mitigating the tight housing supply.

Providing Customers with Satisfactory Services

Being customer-centered, COSCO SHIPPING DEV promotes product and service innovation through technological innovation in order to provide customers with more professional, comprehensive and satisfactory services and build a service brand for the Company.

Case: Building a world's leading logistics supply chain services

The Airbus platform container is specially designed for high-end product transport. It is an upscale and specialized container. In addition to a special manufacture process, there are many types of non-standard parts which require extremely high precision. DFIC Jinzhou communicates closely with Airbus to continuously optimize its solutions and build tailored platform containers for the Airbus Group. The Airbus platform container solves key problems with trans-ocean transport of large components. While providing satisfactory solutions for our customers, we have also effectively enriched the Company's brand value as a world leader in logistics supply chain services.



Tailored platform containers for the Airbus Group

Integrating Production and Finance to Boost Industrial Development

Finance is vital to modern economy. At a time when the global economy is undergoing profound changes, the integration of production and finance is conducive to exerting synergistic effect between different industries, promoting the upgrading of industrial structures, and realizing effective allocation of resources. In accordance with the mission of "finance promotes entities, and development creates value", COSCO SHIPPING DEV is actively expanding its shipping-related finance business, building a comprehensive supply chain service platform featuring shipping logistics, and exploring to build an ecosphere of integration of industry and finance to contribute to the development of the shipping industry chain.

Conducting Prospective Research on the Industry-Finance Integration Model

In 2018, COSCO SHIPPING DEV strengthened its strategic prospective research and held four strategic seminars to discuss the industry-finance integration model at home and abroad. We also conducted a benchmark analysis of organizational structure, business management and other aspects along with model peers in the industry to constantly improve the Company's ability to "integrate industry with finance and promote industry development through finance" and consolidate the level of integration.

Setting Up Industry Funds



Logistics industry funds

We give play to the advantages of the shipping logistics industry, integrate the resources of the industrial chain, promote industry development through finance, and help upgrade the shipping logistics industry.



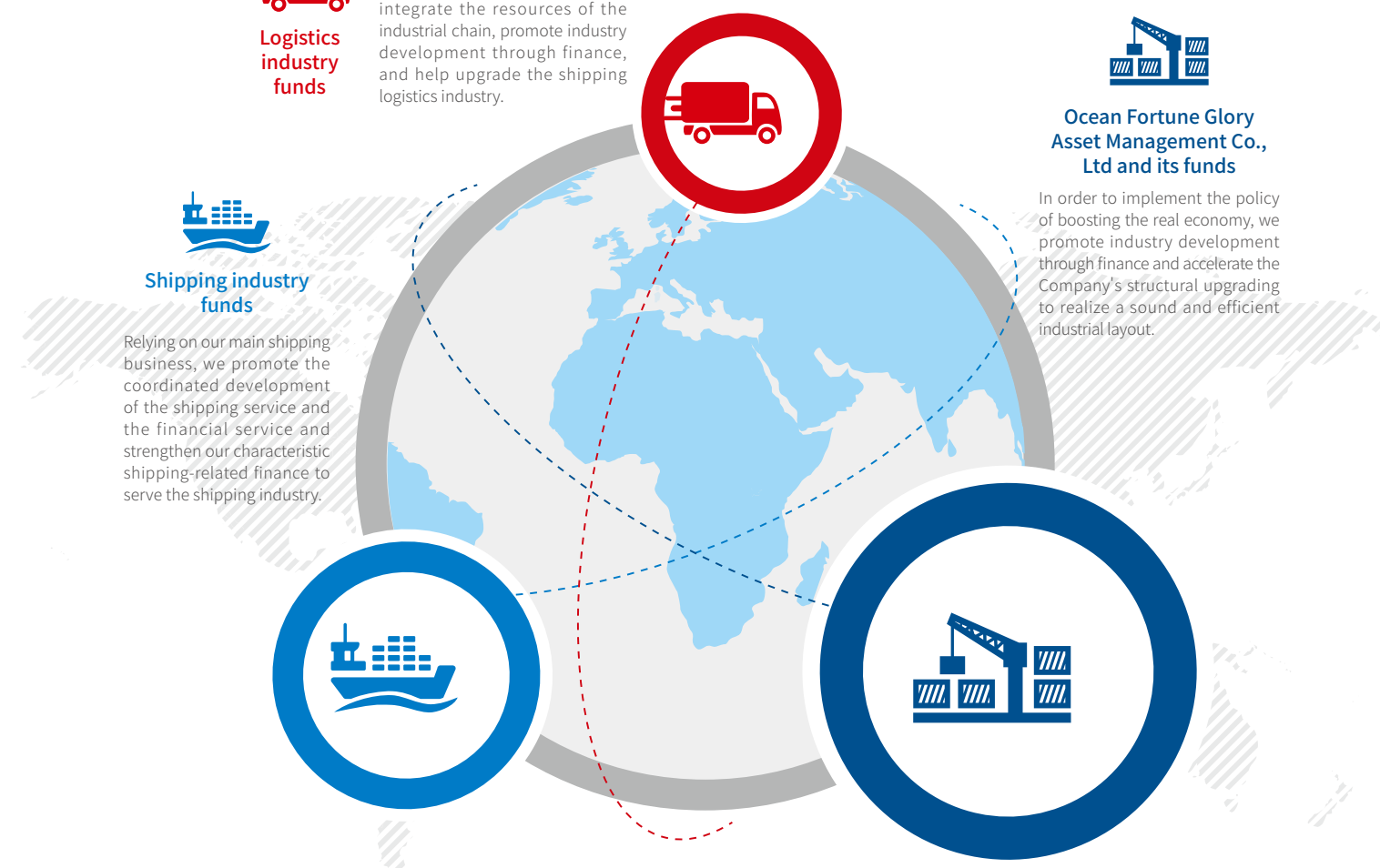
Ocean Fortune Glory Asset Management Co., Ltd and its funds

In order to implement the policy of boosting the real economy, we promote industry development through finance and accelerate the Company's structural upgrading to realize a sound and efficient industrial layout.



Shipping industry funds

Relying on our main shipping business, we promote the coordinated development of the shipping service and the financial service and strengthen our characteristic shipping-related finance to serve the shipping industry.



Setting up industry funds to boost development of the shipping industry



Creating a Cleaner World — Protecting the Earth's Ecological Environment

The prosperity or decline of human civilization relies on the condition of the environment. As green and low-carbon development becomes the global consensus, COSCO SHIPPING DEV is shouldering the dual tasks of realizing our own transformation and development and protecting the ecological environment. We have integrated the green development philosophy into our overall operations, taken active measures to deal with the possible impact of our operations on the environment, and exert our advantages and influence to promote the sustainable development of the shipping industry and achieve the goal of developing ecological civilization.

SDGs:



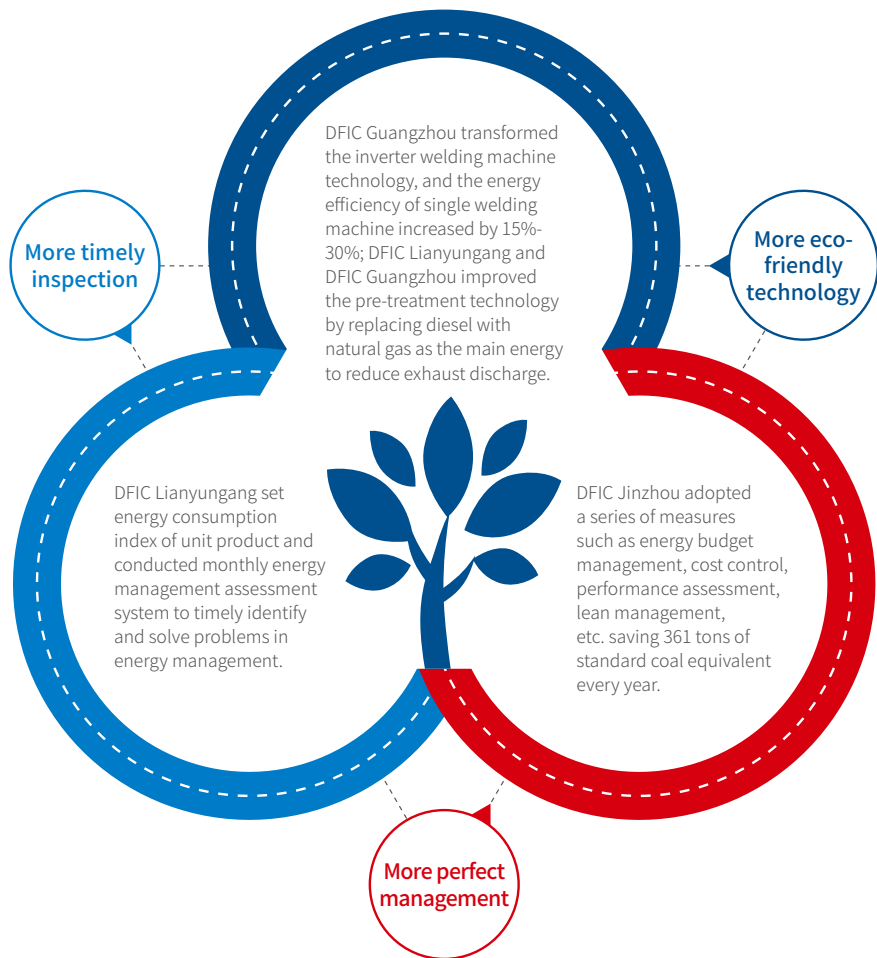
Building Green Factories

Container manufacturing is one of the important businesses of COSCO SHIPPING DEV. Following the trend of transformation towards "green and intelligent" development in manufacturing and strictly abiding by relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the Company actively optimizes our environmental management capabilities, carries out raw material procurement in sustainable ways, and develops and promotes eco-friendly water-based paints, as well as pushes forward green and sustainable development of the container manufacturing sector. In 2018, DFIC Lianyungang, DFIC Guangzhou, and DFIC Jinzhou invested a total of 42.47 million yuan in the cause of environmental protection.

Promoting Environmental Management

Shanghai Universal conducts regular internal environmental audits of its subsidiaries, including DFIC Lianyungang, DFIC Guangzhou and DFIC Jinzhou to identify and sort out environmental risks in factories, and standardizes the management of energy consumption and the discharge of exhaust gas, waste water and solid waste based on the audit results. According to the environmental inspection work plan, Shanghai Universal conducts two inspections on each of its subsidiaries every year. DFIC Lianyungang, DFIC Guangzhou and DFIC Jinzhou have all obtained ISO 14001 - Environmental Management Systems Certification.

In terms of energy management, Shanghai Universal has formulated the *Regulation on Energy Conservation and Emissions Reduction Management* to guide its factories in using energy-saving materials and technologies, strengthen energy supervision and management, and optimize the energy efficiency of integrated resources utilization.



Energy management measures of DFIC Lianyungang, DFIC Guangzhou and DFIC Jinzhou



In dealing with solid waste, COSCO SHIPPING DEV follows relevant laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and has issued corresponding regulations, such as *Management Regulation on Solid Waste Pollution Prevention and Control*, to standardize the treatment of solid wastes generated during the manufacture of shipping containers. Shanghai Universal optimizes production technologies to reduce the amount of residue discharge, in an attempt to improve both materials utilization and management capabilities.

In terms of waste water management, COSCO SHIPPING DEV strictly abides by the requirements of the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and has formulated *Effluent Discharge Management Regulation* to ensure standard discharge of waste water from manufacture and everyday use. The container companies have introduced a sewage treatment system to recycle and reuse water and further reduce their impact on water consumption and water ecology.

As for exhaust gas management, COSCO SHIPPING DEV complies with national and local laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Provisions on the Prevention and Control of Air Pollution in Shanghai*, and *Technical Specifications on Control of Leakage of Volatile Organic Compounds* and has formulated *Exhaust Emission Management Regulation* to optimize exhaust gas collection and treatment. Through its technological transformation and equipment upgrades, Shanghai Universal has reduced exhaust emissions and improved treatment efficiency.

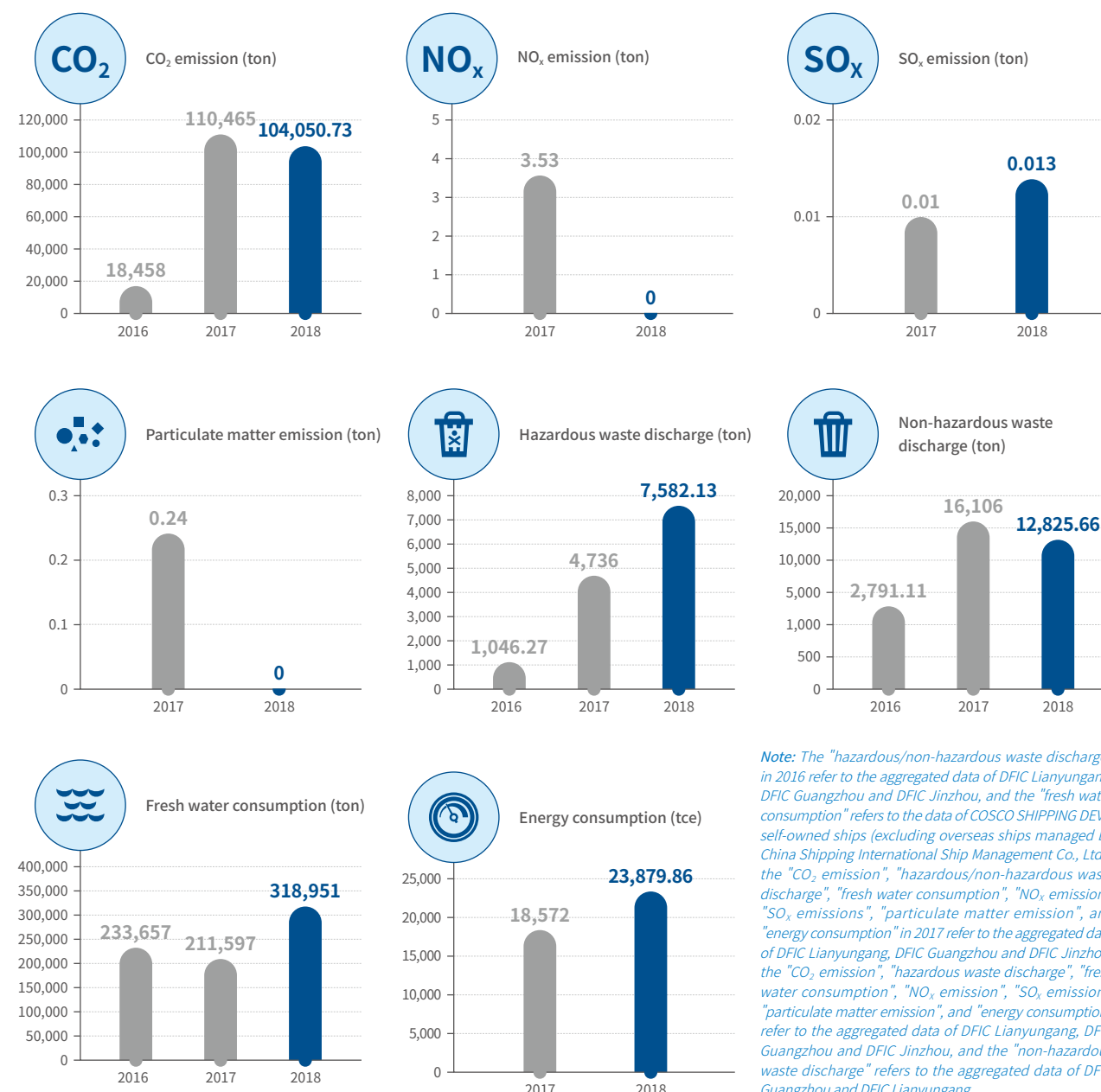


Treatment measures on waste from manufacture of shipping containers



COSCO SHIPPING DEV also integrates the philosophy of environmental protection into corporate culture to encourage grassroots employees' participation in environmental management and optimize environmental risk identification and management. For example, DFIC Lianyungang carried out a "Nine Ones" lean management activity, which integrated the goals of saving of one ton of water, one kilowatt hour of electricity, one cubic meter of gas, one kilogram of raw and auxiliary materials, one kilogram of fuel and other environmentally-oriented goals into corporate culture. These activities aim to enhance employees' environmental management awareness and encourage them to take practices in a green and low-carbon way.

In 2018, DFIC Jinzhou was listed in the first batch of "Green Factory" enterprises in Liaoning Province.



Carrying out Sustainable Raw Materials Procurement

Raw material procurement is an initial step in manufacturing. Conducting sustainable raw material procurement reflects the social responsibility of manufacturers and the basis for producing sustainable products. COSCO SHIPPING DEV is always concerned about the impact of large-scale raw material procurement in manufacturing on the environment, and guides our subsidiaries to carry out sustainable procurement and create environmentally friendly products and enterprises.

Timber is one of the raw materials for making shipping containers. In accordance with the FSC-COC system, DFIC Guangzhou avoids purchasing raw materials that come from illegal logging or trade, or the destruction of protected forests. In addition, DFIC Guangzhou actively promotes the replacement of wood flooring with bamboo flooring, bamboo-wood mixed flooring and steel flooring, reducing the consumption of wood by container manufacturing and reducing the environmental impact of the container company's operations.

Note: The FSC-COC refers to the supervision and confirmation of timber trade and processing enterprises throughout raw material procurement, warehousing, production and sales to ensure that their timber comes from a certified forest, that is, from a responsibly managed and sustainable forest.

Investing in the R&D and Promotion of Eco-friendly Water-based Paints

The traditional shipping container manufacturing industry uses oil paints for container coatings, producing a large amount of organic volatile compounds (VOCs) that are hazardous to the environment and human health. Following the release of the national total emissions control requirements for VOCs in industrial coatings and the conclusion of the *China Container Industry Association VOCs Governance Self-Discipline Convention*, COSCO SHIPPING DEV has taken opportunities to replace "oil" with "water" and actively participates in the R&D and promotion of eco-friendly water-based paints to support green containers manufacturing and contribute to the sustainable development of the container manufacturing industry.

In 2018, Shanghai Universal improved the quality of water-based paint products with its container production experience, promoted the development of the eco-friendly water-based paint industry, and laid the foundation for green container manufacturing. DFIC Lianyungang carried out the second renovation of its water-based paint container production line, through automation and upgrading of the coating equipment, reducing the per unit energy consumption and the discharge of VOCs while improving its production efficiency.

20
Investment in renovating the eco-friendly water-based painting (million yuan)

7,000
VOCs emission reduction (ton/year)



Optimizing Carbon Emission Management

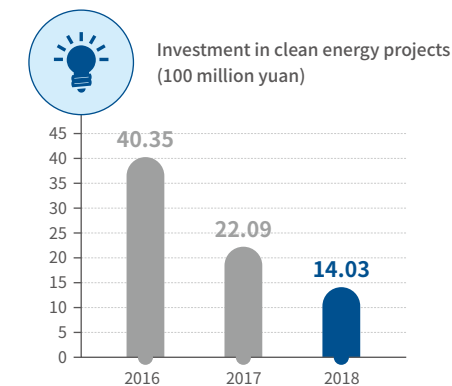
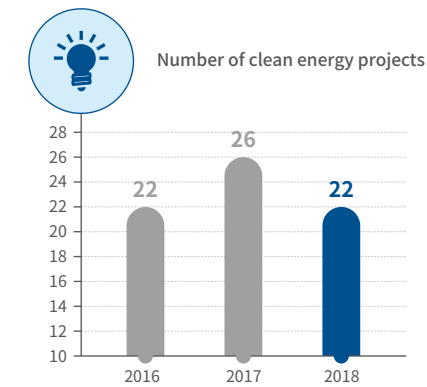
As a member country of the *Paris Agreement*, China is committed to implementing carbon emission reductions and managing key carbon-emitting enterprises. As a financial platform of COSCO SHIPPING, COSCO SHIPPING DEV deeply studies the Chinese and international carbon emission policies to assist the subsidiaries of the Corporation to sort out carbon emissions data and optimize implementation plans, and gradually build a system to enhance the Corporation's overall carbon emissions management, contributing to the carbon emission reduction and green development.

Supporting the Development of Clean Energy

Developing clean energy is pivotal for addressing climate change and promoting energy restructuring and economic transformation. COSCO SHIPPING DEV focuses on clean energy fields such as photovoltaic and hydroelectric power, and leverages our advantages in financial leasing industry to serve the development needs of enterprises in the clean energy industry and promote economic growth and environmental protection.

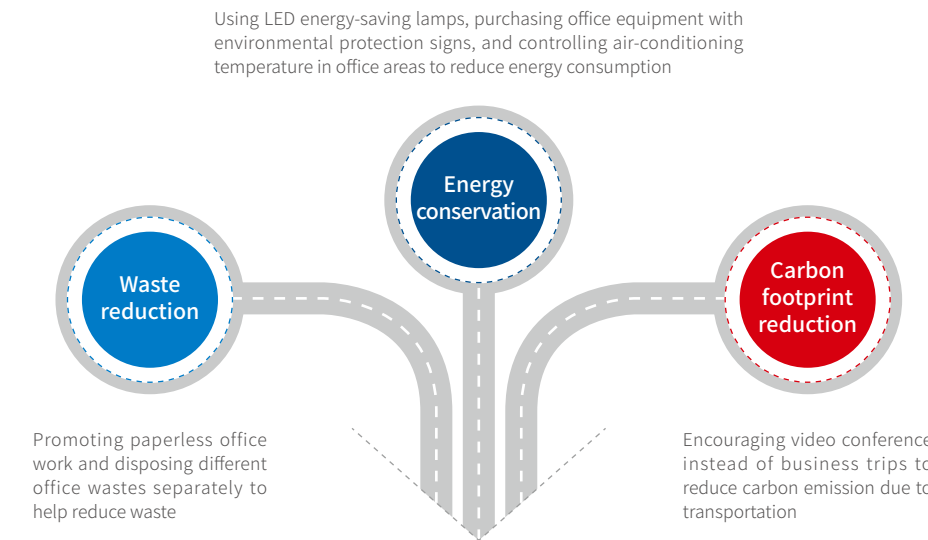
In the photovoltaic energy sector, COSCO SHIPPING LEASING provides financial leasing services for ground-based photovoltaic power plants and distributed PV plants for household electricity consumption to promote construction of power plants and deliver clean energy to the local community, helping reduce greenhouse gas emissions and improve the environment.

In the hydroelectric power sector, COSCO SHIPPING LEASING focuses on China's five southwestern provinces to help realize sound development and utilization of local hydroelectric power resources, improving people's lives and increasing the use efficiency of local clean energy.

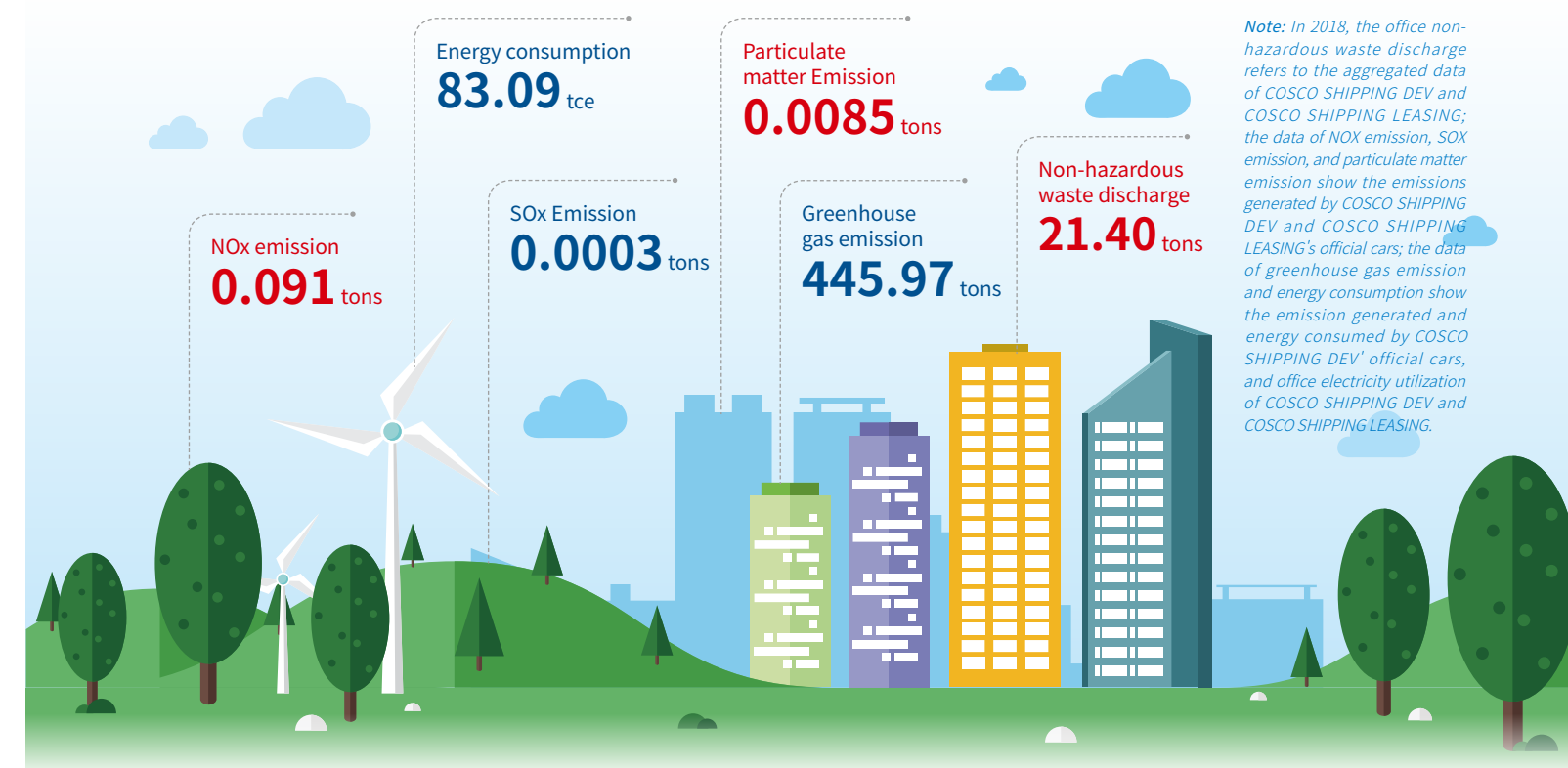


Promoting Green Offices

Focusing on low carbon and energy conservation, COSCO SHIPPING DEV identifies energy consumption and environmental impact factors in our offices, and takes proactive measures to reduce the negative impact of offices on the environment and achieve green offices.



Measures taken by COSCO SHIPPING DEV to promote green offices





Going Far— Building a Proactive Team and Harmonious Community

Proactive team and harmonious community are the source of an enterprise's sustainable development. COSCO SHIPPING DEV always regards employees and the community as inseparable as fish and water. We adhere to a people-oriented philosophy and devote wisdom and strength toward achieving shared development with employees and the community.

SDGs:



Building a Professional Team

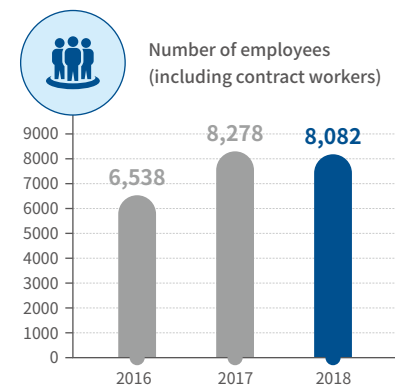
Employees are an important component of an enterprise's core competitiveness and the driving force of its sustainable development. COSCO SHIPPING DEV strives to improve the basic functions of human resource management and create an inclusive and harmonious working environment. We also build platforms for career development and care for the health and happiness of employees to help them grow and develop while achieving the growth of corporate sustainable value.

Improving Human Resource Management

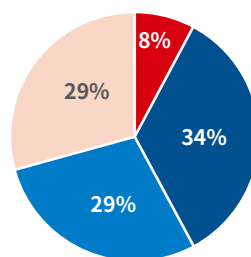
Along with the transformation and upgrading of our business, COSCO SHIPPING DEV have continuously adjusted our human resource policies to make them market-oriented, thus boosting our ability to protect the rights and interests of employees and further improving human resource management functions.

In 2018, the Company built a comprehensive human resource management system by improving a series of human resource management measures including the *Guidelines on Integrated Human Resource Management of COSCO SHIPPING DEV*, *Management Approaches for Staff Recruitment of COSCO SHIPPING DEV*, *Rules on the Employee Management in Probation Period of COSCO SHIPPING DEV*, *Methods for Management of Intern of COSCO SHIPPING DEV*, *Orientation for New Employees of COSCO SHIPPING DEV*, etc. Furthermore, the Company also focuses on integrated human resource management. We have established standardized human resource management documents and carried out regular experience sharing and technical guidance in terms of human resource management among our subsidiaries, so as to enhance our overall human resource management capabilities.

COSCO SHIPPING DEV has established "welfare system" that reflects people-oriented, care for staff and scientific management. Abiding by laws and regulations including the *Labor Law* and *Labor Contract Law of the PRC*, COSCO SHIPPING DEV formulated the *Measures for Employee Attendance and Vacations of COSCO SHIPPING DEV* to protect the basic rights and interests of employees, such as remuneration, benefits and holidays. Florens follows the *Employment Ordinance*, *Regulations of Anti-discrimination* and other relevant regulations in ensuring equality and non-discrimination in the workplace to create an inclusive and fair working environment for employees. DFIC Lianyungang established the *Female Employees and Juvenile Protection System* to strictly prohibit child and underage labor, as well as protect the rights and interests of female employees. In addition, the *Measures for Employee Attendance and Vacations of COSCO SHIPPING DEV* stipulates the working hours and holidays of contracted workers, protecting their legitimate rights and interests.

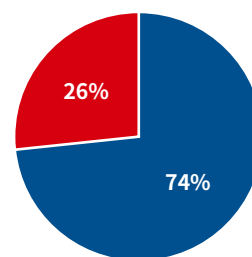


Employee distribution by age



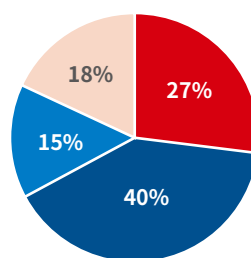
■ 29 years old and below
■ 30-40 years old
■ 41-50 years old
■ 51 years old and above

Employee distribution by gender



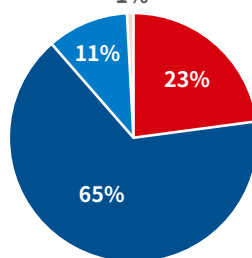
■ Male
■ Female

Employee distribution by profession



■ Senior technical positions
■ Intermediate technical positions
■ Junior technical positions
■ Others

Employee distribution by education background

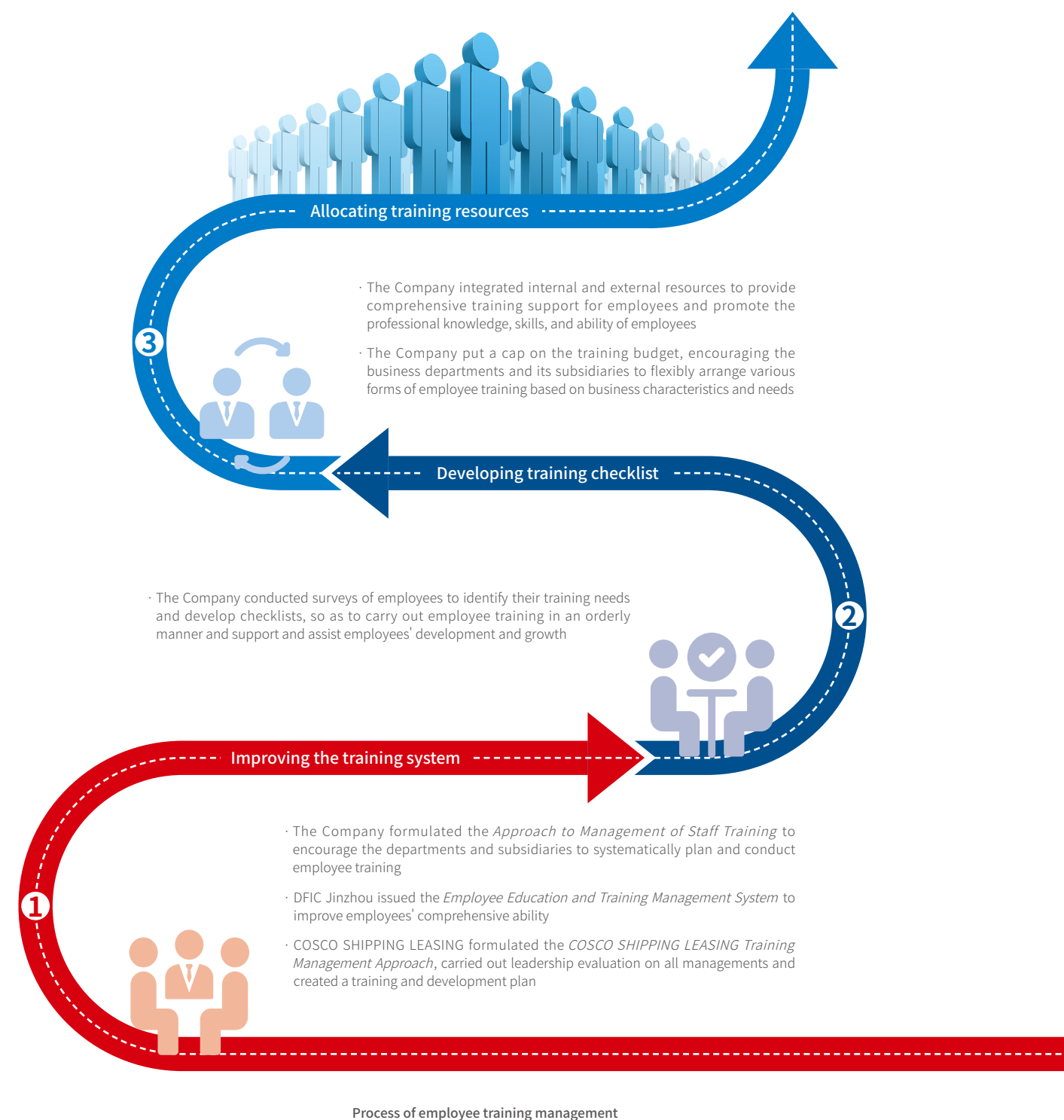


■ Master's degree or higher
■ Bachelor's degree
■ Junior colleges
■ Technical secondary schools or lower



Supporting Employees' Growth and Development

COSCO SHIPPING DEV has innovated in checklist management of employee training to meet their needs at different stages and in different fields as well as support their growth and development.



Case: Adopting diversified training models to cultivate employees' overall abilities

The Department of Shipping Leasing of COSCO SHIPPING DEV integrates internal and external training resources, and conducts diversified employee training activities with distinctive industry characteristics through three forms including internal and external training, expert training, and online learning.

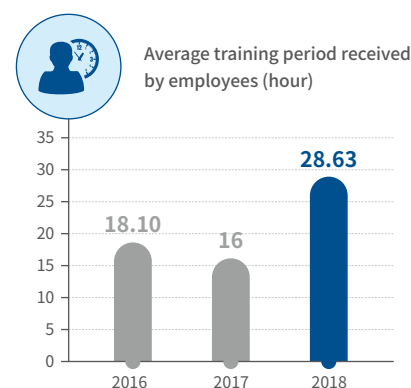
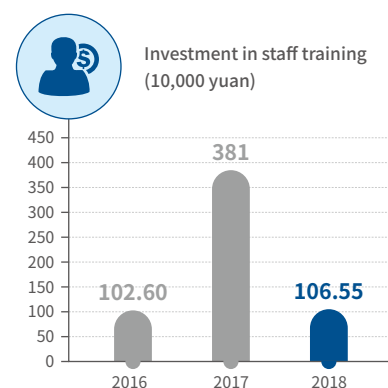
The internal trainers of the Department of Shipping Leasing analyze and interpret the departmental management system and industry development trends every week. Employees can receive training on cutting-edge professional knowledge shared by external experts or participate in external training programs. Online courses are also available to help employees make better use of fragmented time and flexibly balance work and study.

In 2018, the Department of Shipping Leasing carried out nearly 40 training sessions covering "Hot Issues in Legal Practices of Financial Leasing", "Analysis of the Current Oil and Gas Ship Market", etc. with 600 participants in total.

Case: Helping grassroots employees to improve their abilities

DFIC Lianyungang, DFIC Guangzhou and DFIC Jinzhou focus on training grassroots employees and continue to carry out introductory training and occupational training among different units through teacher training, on-the-job training, occupational safety knowledge competitions, quality assurance competitions and other formats. This helps employees put knowledge into practice, gain knowledge in practice, and enables grassroots employees to grow rapidly.

DFIC Guangzhou organizes courses, such as the "On-Site 5S and Visualization", "Golden Group Team Leader Management" and "Team Collaboration", etc. for the group team leaders to enhance their team management and practical application abilities. DFIC Jinzhou organizes a technical correction team of front-line engineers to give on-site technical guidance, aiming to improve the performance of employees and create an excellent team. DFIC Lianyungang actively carries out training for group teams. The machining team of the production department was awarded the title of "Pioneering Worker" by the Federation of Trade Unions of the Lianyungang Economic & Technological Development Area in 2018.



Note: The "average training period" in 2016 is the data from COSCO SHIPPING LEASING; the "average training period" in 2017 and 2018 are the data from COSCO SHIPPING DEV.

Ensuring Safety and Health

Strictly abiding by relevant laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, COSCO SHIPPING DEV identifies occupational health and safety hazards, improves employees' health and safety protection system, and creates a safe working environment for employees. The Company organizes regular physical examinations for employees and establishes electronic health records to ensure their health. We arrange special physical examinations on gynecological and mammary disorders, etc., to guarantee the health rights of female employees. In addition, we build medical rooms and dispatch professional doctors on duty to ensure that employees can receive timely treatment in case of sudden injury.

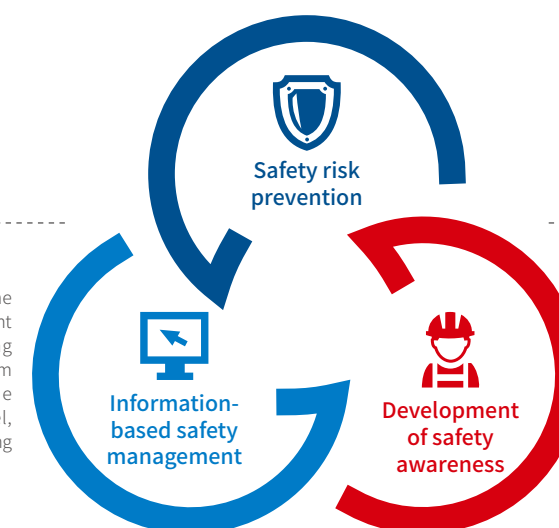
By formulating the *Education and Training System for Occupational Health and Safety*, *Regulation on Occupational Disease Prevention and Control*, *Occupational Hazard Monitoring and Evaluation System*, and *Regulation on Management of Labor Protection Equipment*, Shanghai Universal continues to improve the safety and health management system appropriate to its business. In addition, for contracted workers, Shanghai Universal arranges education and training, provides pre-employment and annual physical examinations, and distributes protective equipment to for new employees based on different types of work. DFIC Lianyungang, DFIC Guangzhou and DFIC Jinzhou have obtained OHSAS 18001 Occupational Health and Safety Certification.

No major safety accidents occurred in 2018.



DFIC Jinzhou set up a monthly "Work Safety Summary Day", sorting out safety risks and sharing experience to equip frontline employees the ability to identify and prevent potential safety risks

DFIC Lianyungang actively launched the pilot information-based safety management system featuring double early warning and prevention mechanism to transform traditional safety management to the "Internet + safety" management model, realizing whole process hierarchical tracking & control and refined safety management



Following the "love and safety" management policy and the safety philosophy of "Focusing on safety, caring for life, caring for ourselves, caring for each other, peace and happiness", DFIC Jinzhou vigorously improved employees' safety awareness and obtained the honorary title of "2017 Advanced Unit of Safety Production and Management"

Safety and health management measures



Caring for Employees' Happiness

COSCO SHIPPING DEV continues to diversify the forms of employee activities and enrich the content of cultural activities. The Company has established a home of staff to provide employees with a space for amateur activities, opened a "Loving Mommy Home" and purchased special medical insurance for female workers from Shanghai Workers Mutual Insurance Association to meet their special needs and care for their work and happiness. We organize cultural and sports activities to alleviate employees' stress and help them achieve a balance between work and life. The development of spiritual civilization of DFIC Jinzhou was approved by the Spiritual Civilization Development Committee of Liaoning Province and was awarded the honorary title of "Model Civilized Unit of Liaoning Province" in 2018.

In 2018, COSCO SHIPPING DEV visited **37** employees in difficulties

Gave out a total of **153,500** yuan in subsidies

We visited **198** ships

Front-line workers **12,490**

Granted **1.68** million yuan in subsidies



Over 250 employees and their families participate in a brisk walking activity themed "Walking 45 kilometers along Binjiang Street, Shanghai to see the achievements of 40 years of reform and opening up"



Employees participate in the second Staff Sports Games held by COSCO SHIPPING



The "Greatest Female Cook at COSCO SHIPPING DEV" activity



Florens Energy Team won third prize in the organization group and first prize of the "Florens Cup" in the Hong Kong Maritime Week Orienteering Race co-organized by Hong Kong Maritime and Port Board and Hong Kong Seamen's Union



The fourth "Dong Fang Cup" competition promotes technical and cultural exchanges, employee communication, and team building



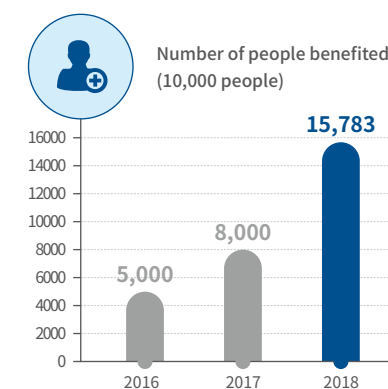
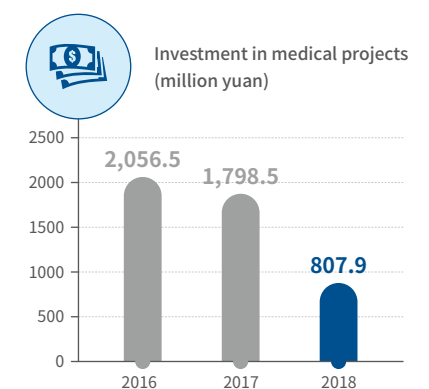
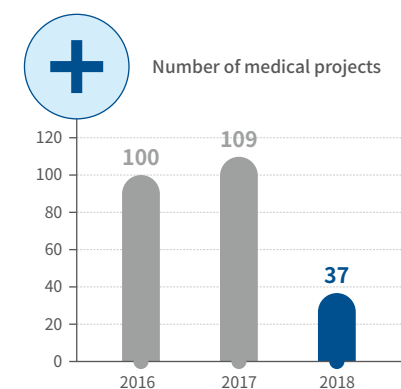
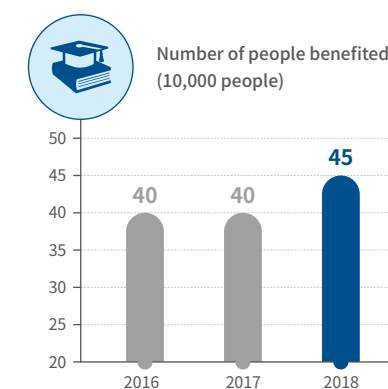
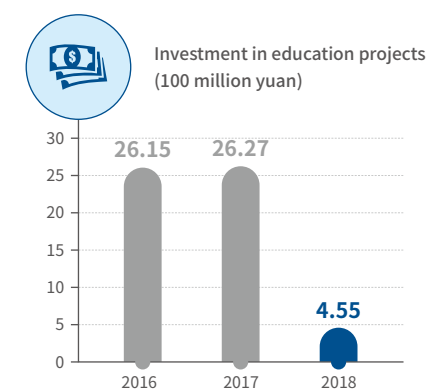
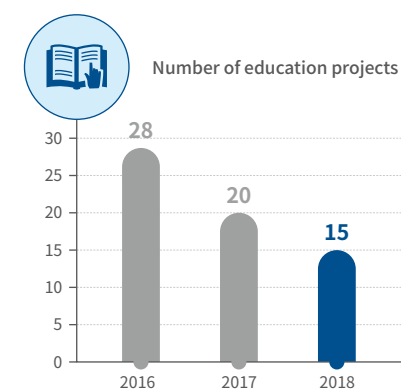
Yoga

Supporting Sound and Harmonious Community Development

COSCO SHIPPING DEV is committed to creating a harmonious relationship with the community. By leveraging our expertise and resources, the Company supports the improvements of public services such as community health care and education, and carries out targeted poverty alleviation. We organize and encourage employee to participate in community public welfare activities to promote the healthy and harmonious development of the community.

Advocating Public Service Development

Education and medical care are basic public services that are vital to the national economy and the people's livelihood. COSCO SHIPPING DEV provides targeted financial leasing services for rural, remote and underdeveloped areas to narrow the gaps in educational resource allocation among different regions, and provide children with equal and high-quality educational resources. In addition, COSCO SHIPPING DEV has improved the layout of the grassroots medical network through financial leasing, and supported the upgrading of medical equipment in public and private hospitals above the secondary level to enhance the capacity and quality of grassroots medical services and promote the establishment of a fair and accessible medical service system.



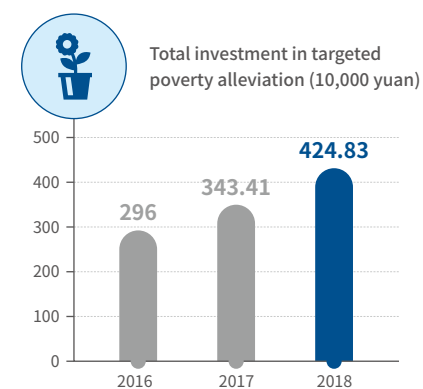


Pushing forward Targeted Poverty Alleviation

No poverty is one of the SDGs set by United Nations. In China, targeted poverty alleviation is an important way to achieve common development and common prosperity of all the people. COSCO SHIPPING DEV actively gives play to our own advantages to carry out targeted poverty alleviation and help fight poverty.

In 2018, COSCO SHIPPING DEV carried out targeted poverty alleviation in Yongde County, Yunnan Province, investing in **4** million yuan of assistance funds.

In 2018, COSCO SHIPPING DEV invested in **164,100** yuan to conduct "10•17 Hand in Hand" activity, purchased charitable tea from Yongde County to boost the development of the local tea industry.

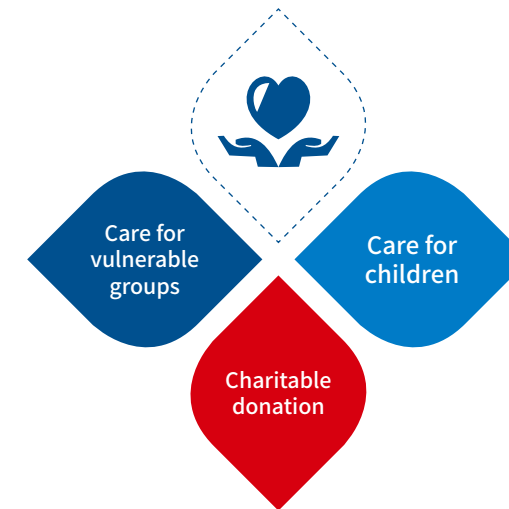


Note: The total investment in targeted poverty alleviation in 2016 includes the total investment of COSCO SHIPPING DEV in 2016 and in previous years; the total investment in targeted poverty alleviation in 2017 includes the total investment of COSCO SHIPPING DEV in 2017 and in previous years; the total investment in targeted poverty alleviation in 2018 only includes the total investment of COSCO SHIPPING DEV in 2018.

Caring Out Public Welfare Activities

COSCO SHIPPING DEV pays attention to the wellbeing of vulnerable groups and children. We organize and encourage employee participation in community public welfare activities and charitable donations to repay society and share development, creating a good and harmonious social atmosphere.

COSCO SHIPPING DEV cooperated with the "Dialogue in the Dark" workshop, using industrial resources in container manufacturing to support the construction of mobile workshops. At the same time, the Company sent employees to participate in the charity activities organized by "Dialogue in the Dark" workshop to show care for the disabled and vulnerable groups and call for the society to be more inclusive to the disadvantaged.



COSCO SHIPPING LEASING organized the "Universal Love" volunteer team to carry out the "Love for the Mountain" charitable donation activity. Books, clothing, shoes, hats, sports equipment and educational toys were donated to Yunnan Ganhaizi Primary School, which is 2,800 kilometers away. In 2018, more than 120 pieces of clothing, over 170 books, and dozens of cultural and sports articles were donated.

On the "10•17 Poverty Alleviation Day", COSCO SHIPPING DEV launched a fundraising and raised 72,200 yuan of charitable funds. The funds were donated to those in need through the COSCO SHIPPING Charity Foundation

COSCO SHIPPING DEV Public Welfare Activities in Communities



"Love for the Mountain Areas" Charitable Donation

2020 Outlook

Integrating CSR into corporate vision to boost sustainable development of the industrial chain.

The Company will continuously improve our comprehensive services for the whole industry chain, strengthen cross-border cooperation, optimize resource allocation, and actively align our own business with national and local development strategies to continuously realize sustainable development of the shipping industry chain.

Integrating CSR into daily operations to enrich the content of CSR practices.

The Company will fully consider the expectations and demands of stakeholders, further extend the practice of economic, social, environmental and other fields, and integrate our strengths and advantages to create more comprehensive value for stakeholders.

Responsible vision

Responsibility management

Integrating CSR into corporate management to promote the comprehensive CSR management.

The Company will include social responsibilities factors such as fair operation, environmental protection, employee rights protection, community development, etc. into the formulation of development strategies and management systems to promote comprehensive CSR management.

Responsible practice

Responsible team

Instilling a sense of responsibility and teamwork in every employee to lay a solid foundation for team building.

The Company will actively fulfill our responsibility to employees to enhance their social responsibility awareness and capabilities. We will strengthen their sense of mission and achievement to make greater contributions to society and encourage them to pursue excellence to scale up the overall value creation ability of the team.

HK-ESG Index

Environmental

Aspect	Index number	Index content	Page	Description
Aspect A1 - Emissions	General Disclosure	Information on: (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	P28-P29	
	A1.1	The types of emissions and respective emissions data	P30、 P33	
	A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P30、 P33	
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P30	
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P30、 P33	
	A1.5	Description of measures to mitigate emissions and results achieved	P29、 P31	
Aspect A2 – Use of Resources	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P29、 P31	
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	P28	
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	P30、 P33	
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P30、 P33	
	A2.3	Description of energy use efficiency initiatives and results achieved	P28、 P30	
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P29	
Aspect A3 – The Environment and Natural Resources	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	/	Not applicable due to business types
	General Disclosure	Policies on minimizing the operation's significant impact on the environment and natural resources	P29	
Aspect A3 – The Environment and Natural Resources	A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them	P29、 P31	

Social

Aspect	Index number	Index content	Page	Description
Aspect B1 - Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P36	
	B1.1	Total workforce by employment type, age group and geographical region	P36	
	B1.2	Employee turnover rate by age group and geographical region	/	
Aspect B2 – Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	P39	
	B2.1	Number and rate of work-related fatalities.	P39	
	B2.2	Lost days to work injury.	P39	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P39	
Aspect B3 – Development and Training	General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities	P37-P38	
	B3.1	The percentage of employees trained by employee category (e.g. senior management, middle management)	/	
	B3.2	The average training hours completed per employee by employee category	P38	
Aspect B4 – Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	P36	
	B4.1	Description of measures to review employment practices to avoid child and forced labor	P36	
	B4.2	Description of steps taken to eliminate such practices when discovered	/	

Aspect	Index number	Index content	Page	Description
Aspect B5 – Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	P17	
	B5.1	Number of suppliers by geographical region	/	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P17	
Aspect B6 – Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	P22	
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/	
	B6.2	Number of products and service related complaints received and how they are dealt with	P22	
	B6.3	Description of practices relating to observing and protecting intellectual property rights	/	
	B6.4	Description of quality assurance process and recall procedures.	P22	
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	/	
Aspect B7 – Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	P14	
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	/	
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P14	
Aspect B8 – Community Investment	General Disclosure	Policies on community engagement to understand the communities’ needs where it operates and to ensure its activities take into consideration communities’ interests	P41-P42	
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	P41-P43	
	B8.2	Resources contributed (e.g. money or time) to the focus area	P41-P43	

Reader Feedback

COSCO SHIPPING DEV welcomes your comments and suggestions, and will carefully review the feedback of every reader of this report. Your input is important and will help us continue to promote and improve our corporate social responsibility management and practices. Please complete the form below and send it to us via mail or fax. Thank you very much!

Your contact information:

Name:

Organization:

Tel.:

E-mail:

1. What is your overall rating of COSCO SHIPPING DEV's fulfillment of social responsibility?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

2. What is your overall rating of this report?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

3. What is your rating of COSCO SHIPPING DEV's communication with stakeholders?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

4. What is your rating of COSCO SHIPPING DEV's corporate administration?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

5. What is your rating of COSCO SHIPPING DEV's efforts in lending a strong impetus to a prosperous and thriving shipping industry?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

6. What is your rating of COSCO SHIPPING DEV's efforts in protecting the Earth's ecological environment?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

7. What is your rating of COSCO SHIPPING DEV's efforts in building a proactive team?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

8. What is your rating of COSCO SHIPPING DEV's efforts in building a harmonious community?

☐ Excellent

☐ Very good

☐ Good

☐ Bad

9. Do you think the layout and design improve the readability of this report?

☐ Yes

☐ No

10. What other information not disclosed in the report would you like to know?

11. Do you have any additional comments on COSCO SHIPPING DEV's fulfillment of social responsibility or any additional comments about this report?



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