



2020

COSCO SHIPPING

Holdings Co., Ltd.

Sustainability Report



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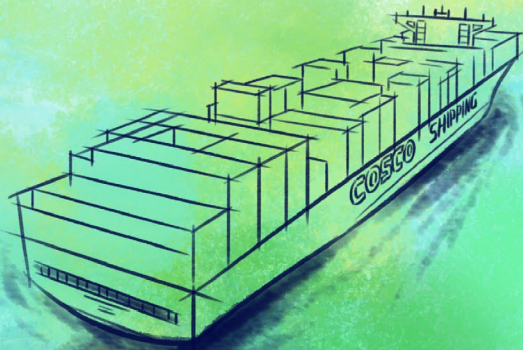
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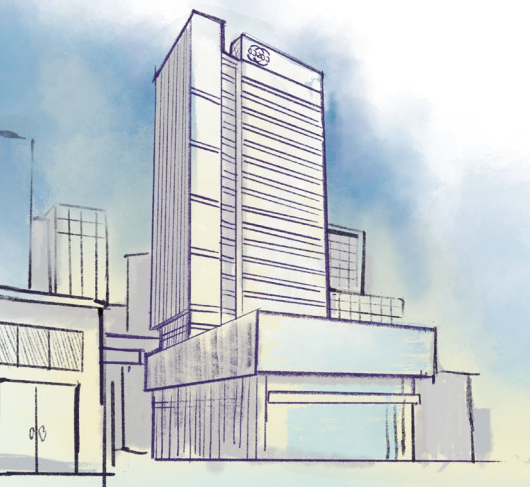
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Preface



About this report

Reporting period

From January 1, 2020 to December 31, 2020 (referred to as "the reporting period").

Reporting scope

The scope of this report covers COSCO SHIPPING Holdings Co., Ltd. ("the Company") and its subsidiaries (hereinafter referred to as "COSCO SHIPPING Holdings" or "We"). The entity disclosed in this report is carefully selected based on the selection criteria of "whether there is actual business operation" and the overall impact of the entity on COSCO's environment, society and governance. The production units/companies with no actual business operation or with little or no impact despite actual operation are filtered out. According to our selection process, the report covers three first-tier subsidiaries COSCO SHIPPING Lines (CSL), COSCO SHIPPING Ports (CSP) and Orient Overseas (International) Limited (OOCL) as well as their affiliates in the financial statements. Should there be any exceptions, there will be a description of specific statistical methods and data dimensions in the corresponding chapters.

For the list of specific companies, please refer to the report scope in Appendix.

Guidance

This report references to the *Environmental, Social and Governance Reporting Guide* (released in December 2019) as well as the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and the Core option of "GRI Standards" issued by Global Reporting Initiative (GRI).

the Report is prepared based on the following basic principles:

Materiality – The Company believes ESG exerts significant influence on the investors and stakeholders, thus the Report should disclose any important and significant ESG matter.

Quantitative – KPIs need to be measurable so that the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative explaining its purpose and impacts with comparative data where applicable.

Balance – The Report should provide an unbiased picture of the Company's performance on ESG, and should avoid any selections, omissions, or misleading presentations that may inappropriately

influence the readers on their decision making.

Consistency – The Company should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The Company should disclose in the ESG report any changes to the methods used or any other relevant factors affecting a meaningful comparison.

Special note

Data used in the report contains public data, internal statistical reports, and third-party questionnaires and interviews, etc. The economic data involved in this report is consistent with that in the 2020 annual report of COSCO SHIPPING Holdings, namely, it includes COSCO SHIPPING Lines Co., Ltd (COSCO SHIPPING Lines or CSL), COSCO SHIPPING Ports Limited (COSCO SHIPPING Ports or CSP, Stock No.1199.HK) and Orient Overseas (International) Limited (OOCL, Stock No.316.HK).



Responsibility of the Board of Directors

The Board of Directors is ultimately responsible for the ESG strategy and performance of COSCO SHIPPING Holdings. The Risk Control Committee, composed of three BOD members including two independent non-executive directors, leads and guides the formulation of strategies, objectives and policies for sustainable development while coordinating targeted resources and implement them. For details of its responsibilities, please refer to *the Rules and Procedures of the Risk Control Committee of the Board of Directors of COSCO SHIPPING Holdings*.

(<http://hold.coscoshipping.com/col/col9999/index.html?uid=33263&pageNum=25>)

Implementa- tion

The Company has set up a sustainable development working group composed of heads of various departments and subsidiaries to integrate sustainable development elements into daily operations through formulation and implementation of sustainable development strategies, objectives and management policies.

Risk control for governance

The Risk Control Committee is responsible for risk identification, management, supervision and control, as well as facilitates the decision-making of the Board of Directors by providing risk analysis and relevant support.

Materiality analysis

The Company maintains close communication with internal and external stakeholders, identifies and evaluates material topics of sustainable development and formulates sustainable development strategies. We have discussed and approved the identified material topics, and then formulated sustainable development strategies, objectives and management guidelines correspondingly. We have followed international sustainable development trends and other companies' performance and conducted a review of related working progress regularly.

Assurance

This report was independently assured by CECEP (HK) Advisory Company Limited according to *AA1000 Assurance Standard v3*, and a report was provided.

Access

Traditional Chinese and English versions of this report are available for readers' reference, with CSL, CSP and OOCL as supplementation to this report. The e-version can also be obtained under the category of "Financial Statement/Environmental, Social and Governance Information" on the HKEX news or on our official website.

HKEX news: https://www.hkexnews.hk/index_c.htm

COSCO SHIPPING Holdings: <http://hold.coscoshipping.com/col/col10007/index.html>

CSL: <http://lines.coscoshipping.com/home/About/socialResponsibility/sustainabilityReport>

CSP: <https://ports.coscoshipping.com/sc/Sustainability/>

[ReportsonSustainability/](#)

OOCL: <https://www.OOCLgroup.com/corporate/environmentalprotection/Pages/default.aspx>



Statement of Chairman



**COSCO
SHIPPING**

Transportation is the lifeline of economy, trade and people's livelihood. As one of the most essential modes of international logistics, shipping takes over 83% of the global trade. As the trade is recovering after COVID-19, the world trade center is gradually shifting to emerging markets, trade block is formed and transport capacity is dominated by leading shipping enterprises. Taking all the above mentioned into account, the market and industrial influences of top companies have been further enhanced, which is forming a more rational competition .

As an important participant in global shipping, COSCO SHIPPING Holdings actively respond to changes in ways of constantly adjusting our development strategies, repaying investors and society, and strengthening sustainable development management. Moreover, to achieve long-term sustainable development, COSCO SHIPPING Holdings carries the mission of economic globalization, devotes ourself to transfer goods globally, builds a unobstructed logistics system, accelerate digitalization, and create values for society, consumers and employees.

Governance: The foundation to create value

COSCO SHIPPING Holdings firmly believes that compliance should be an important prerequisite for healthy development of enterprises, and high-standard sustainable development governance is also considered a critical foundation to promote the long-term development of our global business. Adhering to the compliance principle, COSCO SHIPPING Holdings has established a complete and highly transparent sustainable development management system, which implanted sustainable development into the Company's long-term strategy, actively taking social responsibility, and develop together with the society.

Development: Creating value for consumers

Upholding the mission of "consumers first, value first", COSCO SHIPPING Holdings positively embraces changes, constantly optimizes the distribution of global route, adapts to the restructuring of industry value chains, allocates more resource and conducts marketing in emerging, regional and third-country markets such as



Southeast Asia, South Asia, Latin America and Africa. We always pay attention to clients' privacy protection, and COSCO SHIPPING Holdings is committed to offering a one-stop customer service experience.

Digitalization: Creating value of information

The outbreak of COVID-19 has accelerated the digitalization of the shipping industry. COSCO SHIPPING Holdings also takes digitalization as an important bridge to improve the ability to integrate supply chain service, comprehensively analyze and efficiently conduct the collaborative operation in line with the latest industry trend. By building a COSCO SHIPPING Holdings terminal network and launching a digital service plan, COSCO SHIPPING Holdings sets up an overall network linking cost, service and collaboration, thus providing a strengthened supply chain management service for consumers, which is more efficient and transparent on a global scale with full use of information technology.

Talents: Creating employee's value

COSCO SHIPPING Holdings has always regarded talent development as an important strategy and goal, so that we continuously deepened personnel reform,

promoted exchanges and integration, and created a diversified team as well as a fair, equal, healthy and safe work environment. We provides our employees with a platform for positive growth and career opportunies, and strives to achieve a win-win development with all employees by listening to their demands, and protecting their legitimate rights and interests.

Corporate citizen : Creating social value

As a service provider of container transportation and terminal investment and operation, the development of COSCO SHIPPING Holdings complements that of the local society and economy. COSCO SHIPPING Holdings actively undertakes social responsibilities, advances the construction of the Belt and Road Initiative, promotes economic development along the way, and gives back to society through targeted poverty alleviation and public welfare activities.

Since COVID-19, COSCO SHIPPING Holdings has taken advantage of its whole industry value chain to open up a fast lane of land, sea and port transportation and allowed shipping, logistics, ports, freight and ship forwarders, to provide services around the clock. In this regard, COSCO SHIPPING Holdings has made every effort to ensure 7/24 logistics supply chain services and smooth flow of international

trade lifeline. COSCO SHIPPING Holdings has played an important role in stabilizing transportation for medical and livelihood materials and the global supply chain.

Environmental protection: Creating green value

Climate change has a far-reaching impact on the development of the shipping industry. The government and relevant institutions in the industry have formulated guiding policies and regulations to encourage enterprises to think actively and manage climate change risks to mitigate global climate change. Together with upstream and downstream value chains, COSCO SHIPPING Holdings has fulfilled the requirements of the United Nations Global Compact for environmental protection, to reduce the carbon emission of the whole value chain and the impact of shipping on the global climate.

Since the beginning of 2020, COVID-19 has exerted a huge impact on the global economy. In the meanwhile, COSCO SHIPPING Holdings noticed that the digital economy in the shipping industry would grow rapidly under the impetus of capital and technology. The digital transformation would become the new trend featured by deep integration of new technologies with the shipping industry, such as big data, Internet, AI, blockchain

and supercomputing. In the future, COSCO SHIPPING Holdings will follow the trend of digitalization, intelligence and environmental protection for a win-win value chain, and enhance its investment in intelligent research to build the ecology of smart port and shipping application development.

"The sky goes around with four seasons alternated; the earth feeds all lives still." The Earth is the common and unique home of mankind, and we share the destiny when confronted with the challenge of climate change. China promised to accelerate the development of a green economy and lifestyle, reach the peak of carbon emission by 2030 and achieve carbon neutrality by 2060. By following the national and international carbon emission reduction initiatives, COSCO SHIPPING Holdings formulated a long-term sustainable development strategy in response to global climate change and built a clean industry model to fuel our country to realize carbon neutrality.

Chairman of COSCO SHIPPING Holdings

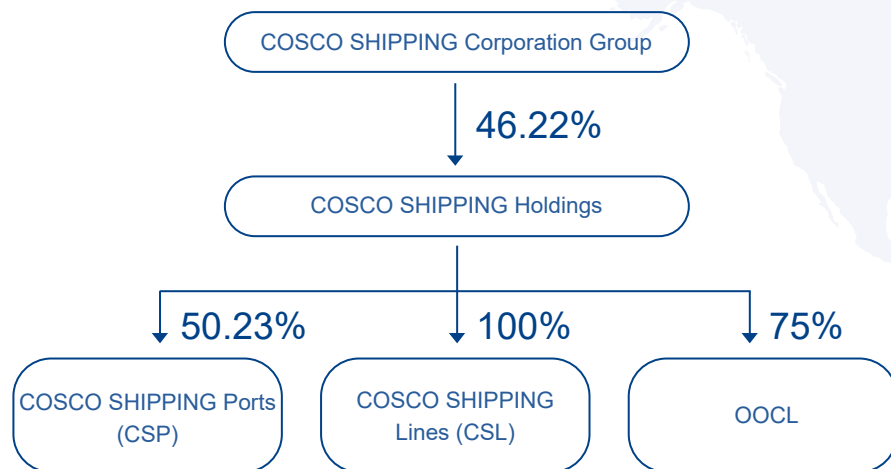


About COSCO SHIPPING Holdings

Introduction

COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings"), a flagship enterprise and capital platform of COSCO SHIPPING Corporation Limited ("COSCO SHIPPING Group") to operate shipping and terminal business, was set up on March 3, 2005, headquartered in Shanghai. COSCO SHIPPING Holdings was successfully listed on the HKEX on June 30, 2005 (Stock Code: 01919), and on Shanghai Stock Exchange on June 26, 2007 (Stock

Code: 601919). We are committed to becoming one of "the world's first-tier container shipping and wharf investment management suppliers". Currently, we hold 100.00% shares in COSCO SHIPPING Lines and 50.23% shares in COSCO SHIPPING Ports, and 75% shares in OOCL. Among them, COSCO SHIPPING Ports and OOCL are the listed companies on the main board of the HKEX.



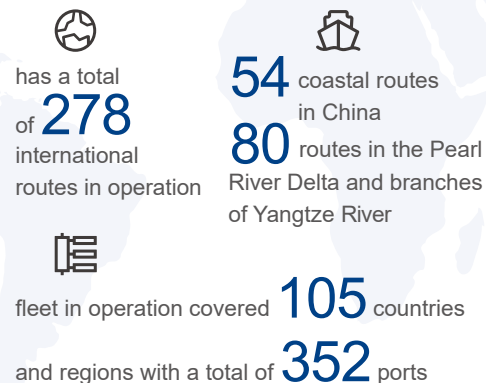
Main business

COSCO SHIPPING Holdings mainly operates international and domestic container shipping services and related businesses through CSL and OOCL, providing customers with comprehensive container shipping and logistics services. CSL is the third-largest container shipping company in the world; and OOCL is one of the world's largest integrated international container shipping and logistics companies, offering consumers services comprehensively in logistics and transportation. As of the end of the reporting period, the two companies have 278 international routes in operation (including international feeder services), 54 coastal routes in China and 80 branch routes in the Pearl River Delta and Yangtze

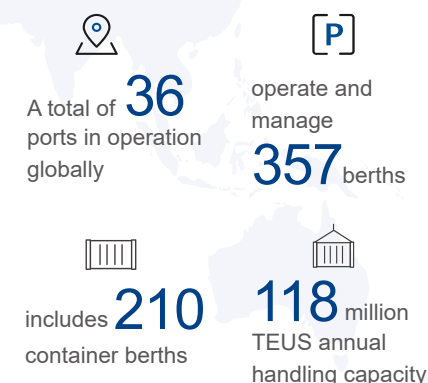
River. Their fleets have anchored in 105 ports in approximately 352 countries and regions around the world.

COSCO SHIPPING Holdings is mainly engaged in loading, unloading and stockpiling of containers and bulk cargo terminals through CSP, the terminal combination of which covers five major port groups along China's coast and major overseas hub ports such as Southeast Asia, the Middle East, Europe, South America and the Mediterranean Sea. As of the end of the reporting period, CSP operated and managed 357 berths in 36 ports around the world, of which 210 were container berths, with an annual processing capacity of around 118 million TEUs.

At the end of reporting period, container shipping business:



At the end of reporting period, terminal business:





Corporate culture

Under the latest development phase, COSCO SHIPPING Holdings adheres to strategic guidance and sustainable development as always, insists on reform and innovation to create motivation, fulfills our social responsibilities as corporate citizens. Relying on two container shipping companies and a container terminal operation and management company, COSCO SHIPPING Holdings is market-

oriented, technology-based, and customer-centered, promoting the business sector to coordinate resources, collaborate and expand globally, actively taking social responsibility as corporate citizens. COSCO SHIPPING Holdings has also enhanced the operation ability of the capital market and strives to become one of the benchmark enterprises in the transportation industry with higher international brand value in the capital market.

Membership of the associations

 WORLD SHIPPING COUNCIL <small>PARTNERS IN TRADE</small> World Shipping Council	OOCL CSL	 COA Container Owners Association (COA)	CSL
 MACN Maritime Anti-corruption Network (MACN)	OOCL CSL	 BUSINESS ENVIRONMENT COUNCIL 商界環保協會 Business Environment Council	OOCL CSL
 BIMCO The Baltic and International Maritime Council (BIMCO)	OOCL CSL	 PMSA <small>PACIFIC MERCHANT SHIPPING ASSOCIATION</small> Pacific Merchant Shipping Association (PMSA)	OOCL

International initiative

We continue to participate in activities of CCWG (Clean Cargo Working Group) affiliated to BSR (Business Social Responsibility). We have been adhering to the CCWG's mission to actively report on the emissions of carbon dioxide based on our global routes and made the comparison with the average level in the industry to help understand our environmental performance and discover space for improvement. Besides, this provides a reference for the container transportation customer and cargo transportation agent in the process

of their evaluation of suppliers. We also join Cargo Smart's Blockchain plan to support the establishment of a Global Shipping Business Network (GSBN), accelerate the digital transformation of the shipping industry, and make efforts to promote the development of the shipping industry. At the same time, we are also a member of World Ports Climate Initiative (WPCI). We have participated in the environment ship index ESI certification initiated by WPCI since 2012, and are committed to working in environmental management.

Awards

	Awards
Investor relations category	1."Best Investor Relations Award" by the 11th Tianma Award for Investor Relations of Chinese Listed Companies
	2."Best Infrastructure and Public Utilities Company Award" and "Most Socially Responsible Listed Company" at the "JinGangGu Awards 2020"
	3."Best Investor Relations Company", "Asia's Best CEO" and "Best Investor Relations Professional" by <i>Corporate Governance Asia</i>
	4."Best Investor Relations Enterprise Award in 2020" by <i>Finance Derivative</i>
	5."Best Investor Relations Enterprise (Terminal Group)" by <i>International Business</i>



	Awards
Sustainable development category	1."Internal Control Award for Sustainable Development" in "Evergreen Award" of Caijing Magazine in 2020
	2."Best ESG Award" of the 4th China Excellent IR
	3."Best Titanium Award for Environmental Protection, Social Responsibility and Corporate Governance" by <i>The Asset</i>
	4."Report Award for Sustainable Development and Social Responsibility (Special Recognition)" by Hong Kong Institute of Certified Public Accountants
	5."Best ESG Report Award–Medium Market Value", "Best GRI Report Award", "Excellent ESG Governance Award" and "Excellent Environmental Positive Impact Award" by Alaya Consulting Ltd.
	6."2020InnoESG Award" by <i>InnoESG</i>
	7. "Service Industry Gold Award" by 2019 BOC Hong Kong Enterprise Environmental Protection Leading Award
	8. "2019 Green Flag Scheme Environmental Protection Certificate" of Long Beach Port
	9."Gold Award in Transportation and Logistics Sector" by HKAEE
	10."Fuel Efficiency Award" by 2020 Seatrade Maritime Award (Asia)
	11. "Social Capital Power Mark Award 2020" by Hong Kong Labor and Welfare Bureau

Highlights and performances



Container shipping business



Economic Data

536 ships	3.07+ million TEUs	26.34 million TEUs	278 routes
CSL and OOCL Self-operated Fleet	Total shipping capacity	Container Freight Volume	operated by CSL and OOCL
54 routes	80 routes		
Domestic Coastal routes	Yangtze River and the Pearl River Delta Routes		



Environmental Data

20,943,414 tons	301,620 tons	6,498,425 tons	
Greenhouse gas emissions	Emissions of sulfur oxides	Total marine fuel consumption	
0 case	545,325 tons	303,986 tons	52,545 tons
Oil spill	Emissions of nitrogen oxides	Seawater desalination	Freshwater Consumption



Terminal business



Economic data

36 **210** **136** million TEUs **123.82** million TEUs

Number of
ports

Number of
berths

Annual processing
capacity

Total throughput of terminals

Global ranking by total
throughput in 2020

No.1



Environmental Data

618,605 tons

Greenhouse gas emissions

372,410 m³

Natural gas consumption

4,518,625 tons

Emissions of hazardous wastes

76,178,299 liters

Diesel consumption



Social Data



Employment training performance

34,049

Total number of
trainees

9.6

Average training
hours



Safety performance

0

Number of death
at work

1.93‰

Injury rate per
1,000-person



Product liability

213

Number of service
complaints



Community

19.09

million RMB

Investment in
community activities

2,351

Hours of community
activities

Governance

- Compliant development with good governance
- Sustainability governance





Compliant development with good governance

COSCO SHIPPING Holdings firmly believes that compliant development is an essential prerequisite for the long-term development of enterprises. Regarding social and economic compliance as the premises, we fulfill our social responsibilities, maintain a good corporate governance level, and strictly abide by *the Company Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies in China* and other laws and regulations on the governance of listed companies in Shanghai and Hong Kong. With above mentioned observed, we make every effort to ensure that COSCO SHIPPING Holdings' governance complies with laws and regulations.

Economic performance

In the first half of 2020, the sudden outbreak of COVID-19 had a great impact on the container shipping market. During the reporting period, we positively prevented and defused the risk of COVID-19, made great efforts to promote the resumption of work and production, and fully ensured the stabilized operation of the global container logistics supply chain, achieving better results thereafter.

During the reporting period,
COSCO SHIPPING Holdings:

The audited revenue	an increase of
171,259	13.76%
million RMB	compared with the
	same period in 2019

Operating cost	an increase of
147,117	8.80%
million RMB	compared with the
	same period in 2019

profit attributable to the equity holders in 2020
9,927 million RMB



Container shipping business

During the reporting period, the container shipping business was also influenced by COVID-19 to some extent. Under unfavorable factors such as COVID-19 and multiple uncertainties in the world economy, COSCO SHIPPING Holdings has continuously optimized the distribution of global route network, built a more stable supply chain system, and completed 26.34 million TEUs of container freight volume and RMB 166 billion business revenue supported by the global end-to-end transportation as well as information system network.



Terminal business

CSP, a subsidiary of COSCO SHIPPING Holdings, has expanded its terminal business and increased revenue through improving work efficiency, product quality, terminal assets portfolio, and reducing costs with the aim to keep market share. During the reporting period, the total throughput of terminals was 123.82 million TEUs, gaining revenue of RMB 7.01 billion.



Tax payment

COSCO SHIPPING Holdings strictly abides by the the Law of the People's Republic of China on Enterprise Income Tax and other relevant tax laws and regulations at the place where we operate. We assume the duty of the taxpayer and pay the tax to the local authorities in a timely manner. In 2020, we paid corporate income tax of RMB 760 million.

During the reporting period, COSCO SHIPPING Holdings has no tax dispute or large fines and rulings for violating relevant tax laws and regulations.



Indirect economic impacts

As an international enterprise, COSCO SHIPPING Holdings hopes to drive local economies through its own development, and actively contribute resources and efforts to other countries and regions while expanding its own business.

>>> Support China International Import Expo

In 2020, China held the 3rd International Import Expo (hereinafter referred to as "CIIE"). As a three-year partner of CIIE, CSL fully supported the Expo to demonstrate China's strength with its strong shipping capacity, transportation network and high-end technology.



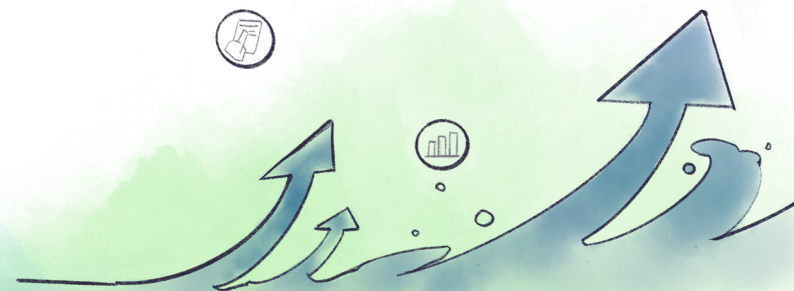
As the only international carrier recommended by the CIIE, CSL has provided a shipping service for three consecutive years. We overcame challenges brought by the special situation as COVID-19 still takes a toll on the world, offered tailor-made solutions for CIIE exhibits and provided one-stop logistics services ranging from transportation to venue construction with the support of our global service network.

We actively participated in the construction and service of security integration systems for the CIIE with our advantageous information technologies such as face recognition, AI, and big data analysis. On the basis of serving the first two CIIE, we continuously optimize the emergency response mechanism and operation and maintenance scheme, as well as provide reliable technical support for video surveillance, data verification, emergency command, data display and other related systems.

>>> Promoting trade development of Costa Rica

Costa Rica is one of the countries with the highest agricultural development level in Central America, mainly producing traditional products such as coffee, bananas and sugar cane. As China is Costa Rica's second-largest trading partner, CSL has been operating in Costa Rica for more than a decade and providing them with two-way shipping services to Mexico northward and Panama southward.

Influenced by COVID-19, Costa Rica once closed its land border, which hindered land transportation with other Central American countries. CSL takes advantage of self-operated routes to offer the helpful solution of "changing land into the water", meeting the urgent needs of customers.





Comprehensive risk management

As a globalized company with bottom-line thinking and preparation for all kinds of emergencies, we continuously improve the management and control ability of various risks and shoulder more responsibility to prevent and eliminate major risks correspondingly. Based on the international COSO-ERM framework as well as *the Basic Rules for Enterprise Internal Control* domestically, COSCO SHIPPING Holdings has developed a risk management system in combination with our own operating system.

By incorporating ESG risk into the risk management system, COSCO SHIPPING Holdings regularly identifies risks of anti-corruption, climate change, environment and all other risks encountered in the process of promoting sustainable development. For all the identified risks, we carry out materiality analysis and classified risk response measures to investigate

hidden dangers. Likewise, regular supervision and audit are also in place.

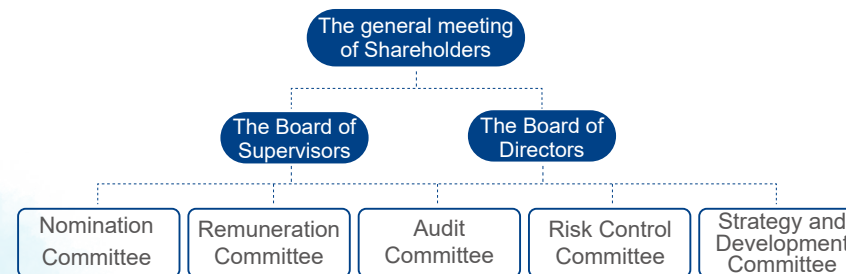
In order to better implement risk management measures within the Company, the Board of Directors has set up a Risk Control Committee to identify, monitor and manage operational risks, which defines the strategic direction of the Company's risk management with a strengthened system. During the reporting period, we continuously enhanced the risk control on international sanctions and contracts to reduce relevant risks. At the same time, to further prevent risks and reduce unknown losses, we launched an early warning and monitoring mechanism, including real-time monitoring reports on major risks and major incidents, quarterly tracking and monitoring mechanism for annual major risks, and risk framework update mechanism in the process of risk assessment.

Sustainable governance

COSCO SHIPPING Holdings firmly believes that high-level governance for sustainable development is a significant foundation for the long-term development of our global business. With the sustainability implanted into the Company's long-term strategy, we have established a complete and highly transparent management system and actively assumed social responsibility to grow together with society. Taking sustainable development as a vital strategy, COSCO SHIPPING Holdings incorporated major environmental, social and governance (ESG)-related issues into this report, and disclosed our performance in various issues in the reporting period in an open and honest manner.

COSCO SHIPPING Holdings has established complete structures for corporate governance and sustainable development to achieve efficient

supervision and production operation. Composed of the Board of Directors and the Board of Supervisors, the Board of Shareholders is our highest governing authority which fully protects the rights and interests of shareholders. The Board of Directors determines day-to-day operations and consists of 8 members, including 4 executive directors and 4 independent non-executive directors. The Board of Supervisors performs the dual supervisory functions of the board of directors and the management. There are five professional committees under the Board of Directors, namely, the Strategy and Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, all of which will participate in the decisions on major issues of COSCO SHIPPING Holdings, and fully play the role of the Board of Directors.



Organization structure of COSCO SHIPPING Holdings



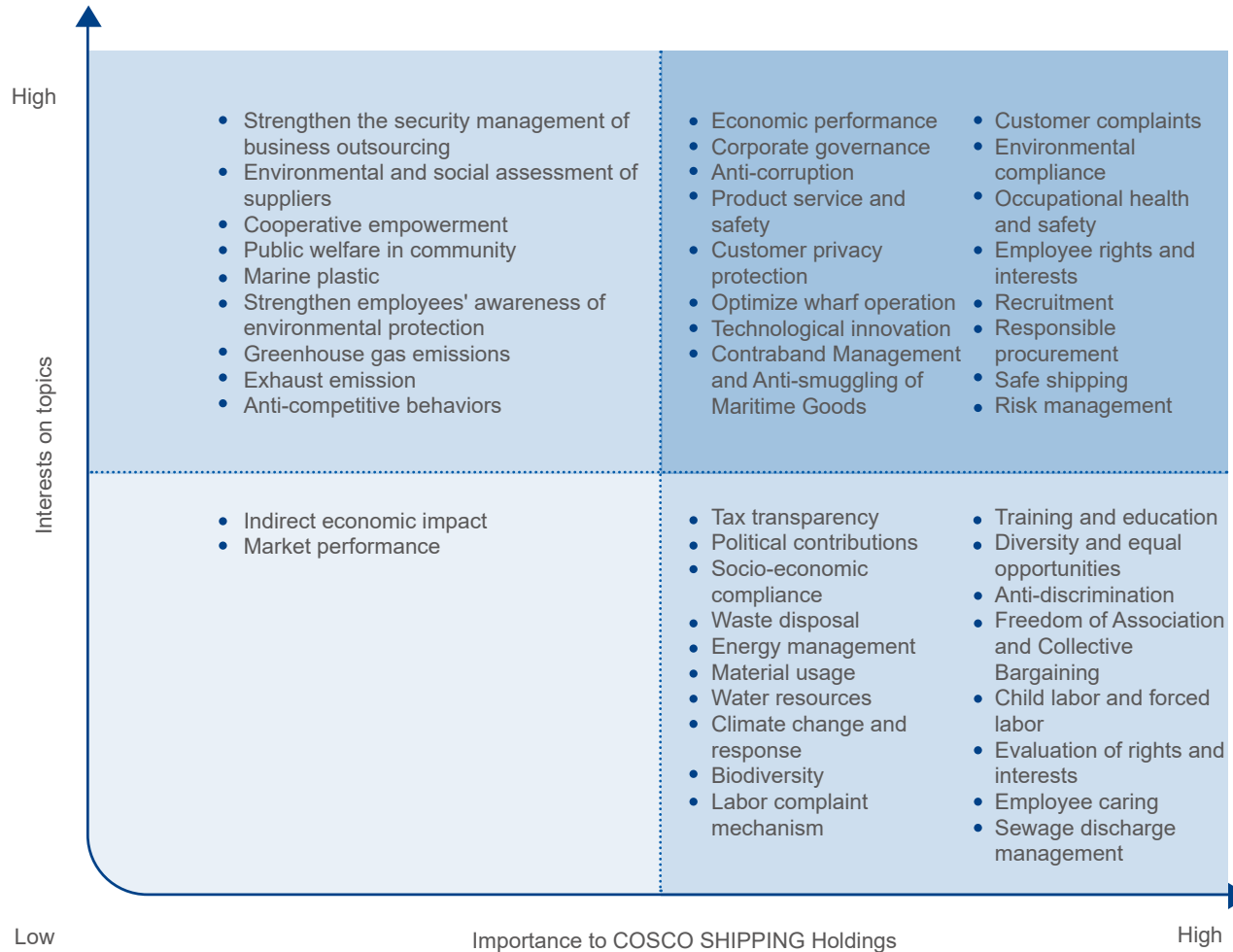
To integrate sustainable development strategy into the governance of COSCO SHIPPING Holdings, the Risk Control Committee takes the lead in managing sustainable development-related matters and comprehensively supervises relevant works. The Committee is mainly responsible for guiding the formulation of sustainable development strategies, objectives and management policies, coordinating the resources required to achieve those objectives, and keep following the implementations. Moreover, the Committee reviews the progress of implementations, supervises and inspects related activities, and submits the annual sustainable development report to the Board of Directors for approval. For details of its responsibilities, please refer to the *Rules and Procedures of the Risk Control Committee under the Board of Directors of COSCO SHIPPING Holdings*. (<http://hold.coscoshipping.com/attach/0/f779f2cffd984998909c52b1d0b4d559.pdf>)

COSCO SHIPPING Holdings has set up a sustainable development working group to assist the Risk Committee for the purpose of implementing sustainable development policies. The Working Group takes charge of carrying out sustainable development matters comprehensively, including organizing researches on policies, regulations and standards in terms of sustainable development reports, and formulating the management system accordingly. The Working Group regularly reports work progress and results to the Risk Control Committee who submits an annual report to the Board of Directors to improve the bottom-up communication system. In addition, annual third-party audits internally and externally are also organized to supervise the operation of the internal control system for sustainable development, so as to continuously perfect the sustainability governance system of COSCO SHIPPING Holdings.





Materiality analysis



During the reporting period, COSCO SHIPPING Holdings analyzed material topics related to sustainable development concerned by stakeholders through various ways of communication to fully understand their opinions and suggestions. To major stakeholders including employees, investors, business partners, suppliers, government and regulatory authorities, distributors, customers/consumers, social organizations and the media, we handed out questionnaires in six aspects, namely, economy, corporate governance, environment, employees, supply chain and community. Considering the importance of surveyed topics to CSL, CSP and OOCL, we've formed the materiality matrix in accordance with the importance to the Company, which are considered as key contents for disclosure in this report.



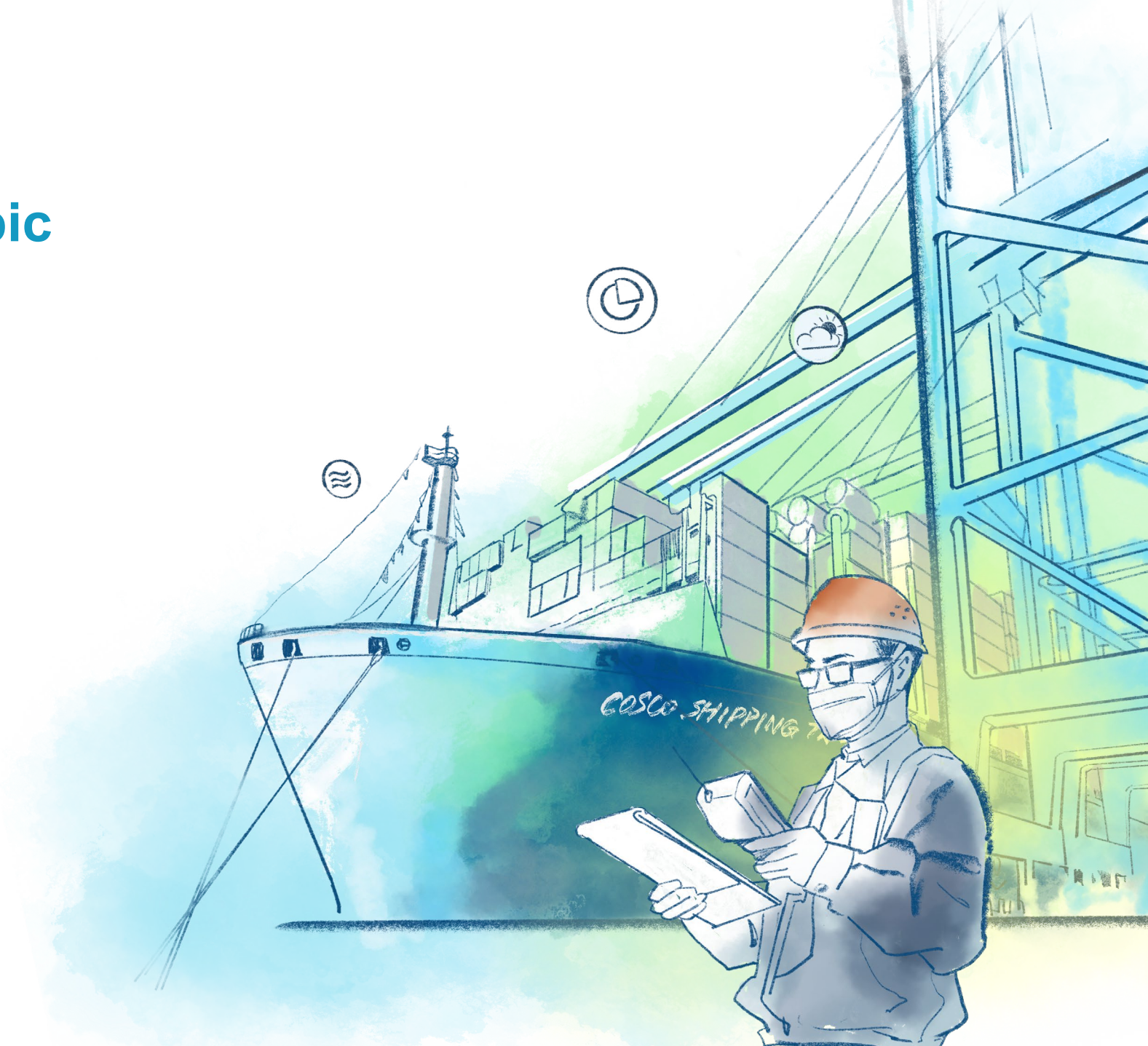
For different material topics, we have identified stakeholders involved in and established diversified communication channels correspondingly. **Essential topics are shown in bold as follows.**

Category	Material topics	Key stakeholders	Communication channels
Economy	1. Economic performance	Investors Business partners Government and regulators Customers	BOD of Shareholder Roadshow and counter-roadshow activities Investor Summit Public mailbox Information announcement Press release
	2. Indirect economic impact		
	3. Tax transparency		
	4. Market performance		
Corporate governance	5. Corporate governance	Investors Government and regulators Customers Business partners	Press release Community public welfare activities Interviews Performance conference
	6. Anti-corruption		
	7. Risk control		
	8. Anti-competitive behaviors		
	9. Political contributions		
	10. Socio-economic compliance		
	11. Product service and safety		
	12. Customer complaints		
	13. Customer privacy protection		
	14. Optimize Wharf Operation		
	15. Technological innovation		
	16. Contraband Management and Anti-smuggling of Maritime Goods		
	17. Safe shipping		
Environmental issues	18. Environmental compliance	Government and regulators Social organizations Media organizations	Press release Community public welfare activities Interviews Performance conference
	19. Exhaust emission		
	20. Waste disposal		
	21. Sewage discharge management		
	22. Energy management		
	23. Material usage		
	24. Water resources management		
	25. Greenhouse gas emissions		
	26. Climate change and corresponding measures		
	27. Biodiversity		
	28. Marine plastic		

Category	Material topics	Key stakeholders	Communication channels
Employee	29. Strengthen employees' awareness of environmental protection	Employees Media Investors Government and regulators Social organizations	Employee training Employee communication/symposium Employee satisfaction survey
	30. Recruitment		
	31. Occupational Health and Safety		
	32. Training and education		
	33. Diversity and equal opportunities		
	34. Anti-discrimination		
	35. Labor complaint mechanism		
	36. Employee rights and interests		
	37. Freedom of Association and Collective Bargaining		
	38. Child labor and forced labor		
Supply chain	39. Evaluation of rights and interests	Suppliers Investors	Supplier assessment Supplier review Technical training Online communication
	40. Employee caring		
	41. Responsible procurement		
	42. Environmental and social assessment of suppliers		
Society	43. Strengthen the security management of business outsourcing	Media Government and regulators Government and regulators Customers	Press release
	44. Public welfare in the community		
	45. Cooperative empowerment		

Special Topic

- Core sustainability issues
- Response to COVID-19





Core of sustainable development

Response to climate change

Climate-related risks are the key to develop a shipping business. Risks of climate change not only involve in unstable emission regulations, but also major changeable technology and energy supply, which will affect the value of shipping assets. As early as April 2018, the International Maritime Organization (IMO) has adopted a strategy of reducing greenhouse gas emissions to decarbonize the shipping industry as soon as possible in this century. The specific goal is to reduce the total emissions generated from the industry by at least 50% by 2050 compared with those in 2008 and the average carbon intensity (carbon dioxide emissions per ton-mile) by 40% and 70% by 2030 and 2050 respectively.

COSCO SHIPPING Holdings has always focused on the possible business impacts of climate change risks. Both CSP and OOCL have identified such risks and opportunities. The climate change risks that our container shipping business may face include physical risks such as shipping shocks caused by climate changes like extreme weather events, sea-level rise and floods, and transition risks caused by changes in relevant national policies, regulations of the industry organization (IMO) and market.

OOCL identification of climate change risks

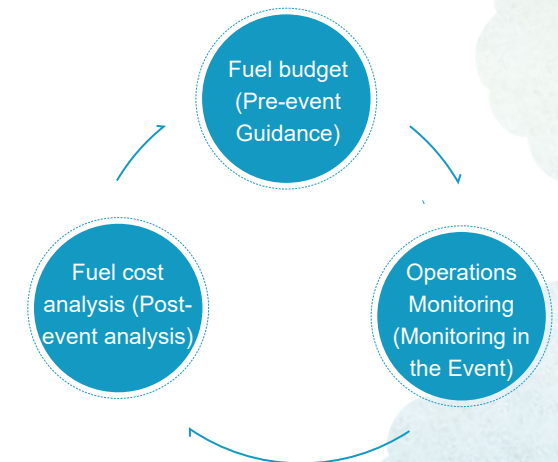
To the compliance of its business plan with the IMO's preliminary strategy for climate changes, OOCL conducted prospective climate scenario analysis of the industry, assesses climate changes and resilience under various conditions and different countermeasures as well as potential impacts from diverse climate situations on the business and finance.

In response to the risks of climate changes as soon as possible, COSCO SHIPPING Holdings is committed to fulfilling its corporate social responsibility while pursuing economic benefits by performing the requirements of the United Nations Global Compact for environmental protection and working with upstream and downstream value chains to reduce carbon emissions throughout the value chains.

In container traffic, greenhouse gas emissions mainly come from the fuel burned in the ships' engines, which is closely related to engine and fuel types and the shipping speed. In strict line with the *Law of the People's Republic of China on Conserving Energy*, CSL internally formulated and implemented the *Regulations on Energy Conservation and Emission Reduction*. A leading group for energy conservation and emission reduction was established to specify the responsibilities of relevant departments and make mid-term and long-term plans and annual work plans for conserving energy and reducing emission to promote energy conservation and emission reduction.

Operations monitoring

During the reporting period, in the face of the complexity brought by COVID-19, CSL strengthened the daily dynamic monitoring of ships. Relying on ship fuel budget (pre-event guidance), operations monitoring (in-process monitoring) and fuel cost analysis (post-event analysis), CSL realized the closed-loop management of fleet's operating costs and conduct intensive and frequent monitoring, and remained committed to green shipping whiling ensuring safety, on-time schedules, and low consumption.





To save fuel and improve fleet performance, CSL has established a global shipping operation/monitoring center to conduct real-time management and monitoring of fleet operations. CSL controls every respect of fuel use in terms of system guarantee, target management and ship-shore communication.

System Guarantee

- The fuel control working group held monthly regular meetings to advance the implementation of various fuel control tasks of CSL through the system of the meeting.

Management by Objectives

- Scientific management on fuel goals were realized by strengthening the collection and analysis of ship fuel consumption data and the goals were controlled through fuel budgets.

Strengthening Ship-Shore Communication

- We optimized and improved the classified assessment methods for self-owned ships and the regular evaluation mechanism for time charter ships to strengthen ship-shore communication and encourage and guide crews to take the initiative to save energy on ships.
- The ship reporting system, the requirements for ensuring runs, fuel-saving indicators, closed management and daily operations were mainly introduced through the conversation mechanism and ships were required to strictly carry out the reporting process.

Energy-saving measures for shipping operation monitoring



Maintaining the ships' pitching angle is a way to reduce fuel consumption in shipping. We overcame the effects of periodic weather and sea conditions throughout the year to maintain a certain pitching level to reduce fuel consumption.



We strictly required that ships were controlled under equal output power conditions to maintain stable power in the route segments, and closely monitored the ship power to control the probability of excessive energy consumption in a long term.

During the reporting period, COSCO SHIPPING Holdings save fuel consumption and reduce GHG and pollutants emission through optimizing energy structure during terminal operation and optimizing methodology during ship navigation.

During the reporting period, COSCO SHIPPING Holdings' container shipping business in 2020 consumed around 6.5 million tons of fuel, which was decreased by 3.05% from 2019.

Fuel consumption of COSCO SHIPPING Holding's container shipping business around

6.5 million tons

Decrease from 2019's fuel consumption

3.05%





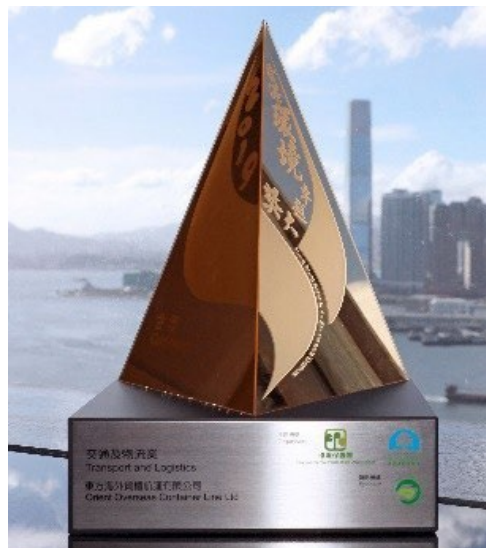
Technological energy saving

COSCO SHIPPING Holdings keeps seeking technical methods to improve fuel efficiency. OOCL has promoted innovation in its different business areas and taken environmental protection measures to contribute to the United Nations Sustainable Development Goals (UNSDGs). OOCL has utilized and developed the latest technologies to improve operational efficiency. For example, G-class cargo ships were equipped with environmentally

friendly technologies, whose energy efficiency design index (EEDI) was 48% higher than the standard set by the IMO. In addition to improvements in technology and hardware, OOCL has also carried out fuel-saving incentive programs to encourage employees to invest with efforts in fuel-saving goals and better overall environmental performance.

OOCL Won the "Hong Kong Awards for Environmental Excellence" Gold Award for the fourth time

In July 2020, OOCL won the gold award again at the online award ceremony of "2019 Hong Kong Awards for Environmental Excellence". OOCL was awarded the highest-honored gold award in the transportation and logistics industry for the fourth time, demonstrating its long-term commitment and outstanding achievements in achieving its environmental goals.



Carbon emission calculator

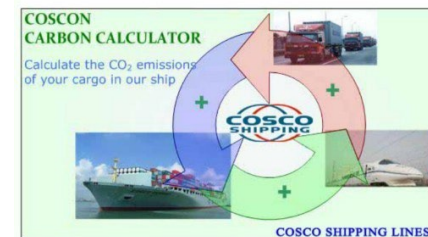
In recent years, China started to encourage more freight transportation by means of transportation with less pollution such as waterways and railways than those by roads as the State Council launched the *Three-year Action Plan to Fight Air Pollution* issued. Shipping has thus been further developed since shipping is undoubtedly cleaner than freight transportation by land, air and train and produces less carbon dioxide per ton-kilometer.

Both CSL and OOCL launched carbon emission calculators in 2010, providing global customers with advanced dynamic calculation tools for carbon emission to assist them to calculate carbon dioxide emissions in their supply chains and help achieve our carbon emission targets. Additionally, as members of the CCWG, we were supervised by society and actively reported the emissions of carbon dioxide, sulfur oxides and nitrogen oxides in our daily operations. We have the knowledge of the environmental performance and potential improvement in our operations by comparing ourselves with the global emission level of the industry.

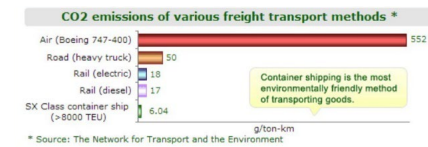
In the past three years, COSCO SHIPPING Holdings has yielded certain outcomes in energy conservation and emission reduction. Among them, the container transportation business produced

20,927,960 tons of greenhouse gas which decreased by 2.27% compared with the previous year.

中远海运集运碳排放计算器



Origin		
Destination		
Cargo WT/TEU	7000	<input checked="" type="radio"/> Ton <input type="radio"/> TEU
Calculate		



Origin	Destination	Cargo Volume
		<input checked="" type="radio"/> TON or <input type="radio"/> TEU
Add Shipment		
Calculate Reset All		

Carbon emission calculator

Greenhouse gas emissions

20,927,960 tons

Decrease from 2019's GHG emission

2.27%





Green port

For terminal business, the climate change risks we may face are physical risks affecting the production and operations of terminals, which includes physical risks such as typhoons, storms, sea-level rise, and transition risks like policy and legal risks (carbon pricing mechanism in China's carbon emissions trade), technical risks (increased investment in renewable energy, and technologies for energy-saving and emission-reduction) and market risks (climbing customer demand for low-carbon services and green ports).

Being the world's leading port operator, CSP continuously expands its terminal business, promotes global presence, actively fulfills its corporate social responsibilities and focuses on energy-saving and emission reduction and ecological improvement in the terminal to practice the concept of sustainable development. During production and operation in the terminal, carbon emissions mainly come from the energy use in port operations and the power supply after the ships dock. Therefore, we speed up the development of green ports.

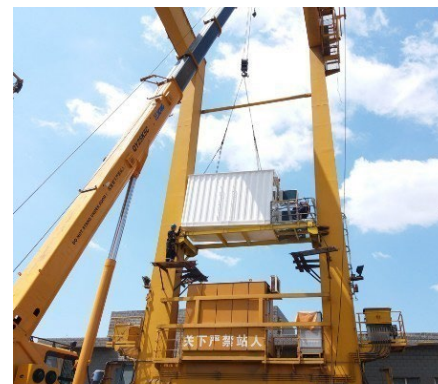
During the reporting period, technological transformations of energy-saving and environmental protection were adopted in many terminals of CSP, such as "fuel-to-electricity" and hybrid power transformation

of rubber-tyred gantry cranes, LED stockyard lighting and ship to shore power projects. The traditional terminal industry has been injected with "green power" and "low-carbon magic".

"Fuel-to-electricity" and hybrid power transformation of rubber-tyred gantry cranes

The fuel-to-electricity project is to transform the traditional diesel engine-driven gantry cranes into those mainly driven by electricity through technology. Hybrid power transformation replaced the high-power fuel generator sets on the original equipment with "battery packs + low-power fuel generator sets" and fed back the regenerative electric power produced by lifting and lowering and deceleration of various mechanisms to the battery pack with the energy feedback method to effectively reduce energy consumption.

Compared with traditional diesel engines, the overall fuel-saving rate of the gantry crane after the transformation was over 55%. The transformation project has achieved the energy-saving and environmental protection goals of low energy consumption, low emissions and low noise. As of July 2020, the domestic holding company of CSP has completed 87% of the transformation in rubber-tyred gantry cranes and would further promote such transformation.





Ship to shore power projects at the port

Ship to shore power is an important measure for the port to practice green development. To meet the needs in production and life, the auxiliary generator was started on the ship to generate electricity to provide the necessary power during the operations of the ship at the port. As an important factor affecting the air quality of the port and its city, this would emit a large amount of hazardous air pollutants. Connecting the ship to shore power system to the ships docked at the port as the power source for auxiliary systems would greatly

reduce the emission of hazardous air pollutants and could almost completely eliminate the greenhouse gas emissions during the docking period. During the reporting period, all domestic holding companies of CSP have been equipped with ship-to-shore power systems. The newly-built ship-to-shore power system for foreign trade of Guangzhou Nansha Port was successfully put into use on the "COSCO America" ship and the ship power and shore power are seamlessly switched.



We further made a push to construct and operate low-carbon ports. During the reporting period, the greenhouse gas emissions of the port business were 618,605 tons with the emissions intensity decreasing by 1.9% compared with the previous year.

Business ethics

COSCO SHIPPING Holdings insisted on zero-tolerance towards immoral business activities such as bribery, corruption and monopoly and firmly resisted all behaviors of such aspects. We adhered to ethical operation, carried out anti-corruption philosophy and continued to fight against corruption, bribery and monopoly.

Anti-corruption management

Committed to abiding by the relevant laws and regulations like *the United Nations Convention against Corruption*, *Foreign Corrupt Practices Act (FCPA)* and *Criminal Law of the People's Republic of China*, we have established a Commission for Discipline Inspection which was responsible for formulating and implementing of anti-corruption policies and managing and supervising employees' behaviors in compliance with laws and regulations. With the principles of openness, transparency, and fairness, we promoted the coordination

of the internal anti-corruption management mechanism and the corruption prevention system.

To actively work on the anti-corruption, COSCO SHIPPING Holdings signed Letters for Commitment and responsibility in anti-corruption and integrity with its subsidiaries - CSL and CSP to implement anti-corruption thoroughly. We unremittably promoted the establishment of relevant policies and systems to gradually improve the anti-corruption standards and guidance. CSL and OOCL have also joined the Maritime Anti-Corruption Network to work with the other companies to eliminate corruption of any form in the industry.

COSCO SHIPPING Holdings audits anti-corruption and anti-bribery risks annually to identify our related risks and point out the weakness in our prevention and control measures. If relevant problems are found during the audit, we would check and implement relevant rectification measures as quickly as possible.



Corruption risk points review

In April 2020, the Commission for Discipline Inspection of COSCO SHIPPING Holdings issued *the Measures for the Prevention and Control Measures for Integrity Risk of COSCO SHIPPING Holdings* and determined priorities of five types in corruption risk prevention and control after taking into consideration of the Company's current situation. The Commission highlighted the construction of five mechanisms in corruption risk prevention and control and divided respective responsibilities. They made specific regulations on investigation, identification, evaluation, prevention and control measures and the supervision of corruption risks, which formed a close-looped prevention and control. During the reporting period, all party branches and departments organized all their employees to sort out a total of 20 corruption risk points and determined 22 prevention and control measures to assess risk levels one by one. They further compiled and issued lists to ensure the transparent and standardized operations of power.

CSL conducted special inspections, performance monitoring and audit supervision in areas with high corruption risks and made full use of systems like IRIS-4, SAP, CBS, the new domestic trade business system, e-commerce platforms, trailer business platform to continuously provide abundant supervision methods and better measures to improve the timeliness, accuracy and effectiveness of supervision, inspection and auditing.

Smooth reporting channels

The Committee for Discipline Inspection of COSCO SHIPPING Holdings set up smooth reporting channels including mailboxes and fixed office addresses to accept all letters, phone calls and visits from the public and complaint reports and clues from superior agencies for discipline inspection and supervision, public security bodies and other units and departments. We standardize report acceptance and investigation in strict accordance with the practical work flow and document and forms handling procedures as well as the common internal systems like *Regulations on Whistle-Blowing, Regulations on the Cases Inspection Related to Party,*

Government and Discipline, Regulations on the Clarification of False Reports and Accusations, Working Procedures for Clue Handling, Exam and Investigation (Trial).

We take every reported case seriously and never tolerate any violations of laws and regulations by conducting in-depth investigations on relevant reports as per internal regulations and workflow and transferring them to relevant departments for timely handling. We handled the reports with four conclusions, that is, conversations and inquiry by letter, preliminary verification, pending for investigation and

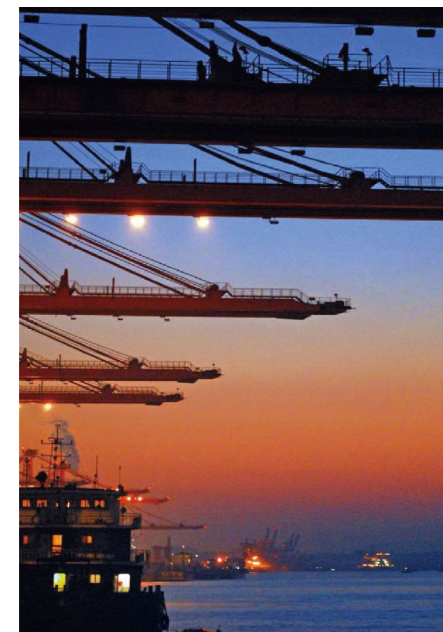
settlement according to the overall situation of the problem clues and comprehensive analysis.

We are committed to protecting the privacy and safety of every whistle-blower, and strictly prohibit discrimination, harassment and improper treatment to whistle-blowers or employees who assist in investigations. Employees were encouraged by the whistle-blower protection mechanism to report and expose corruption behaviors around them.

Raised awareness of integrity

As a responsible corporate, COSCO SHIPPING Holdings has provided various forms of anti-corruption training and integrity activities to encourage employees to raise their awareness of integrity from practice and to better enable employees to understand the importance of business ethics and anti-corruption. COSCO SHIPPING Holdings made every effort to raise anti-corruption awareness in practice by carrying out anti-corruption training for all employees, organizing different training activities such as group talks, special courses and professional lectures to deepen employees' and managers' understanding of the anti-corruption culture.

In November 2020, COSCO SHIPPING Holdings launched the Integrity Education Month activity themed with "learning



'the four histories' to keep the original aspirations and uphold integrity". The activity organized party members and leaders to visit the Songhu Memorial Hall for the War of Resistance against Japanese Aggression, held knowledge contests on Party's integrity and conducted the collection, selection and display of integrity works, which strengthened the leaders and employees' sense of discipline and integrity. CSL responded positively to this call and carried out the activity themed with "Integrity Education Month" at the same time and enhanced the employees' anti-corruption awareness through abundant and innovative activities.

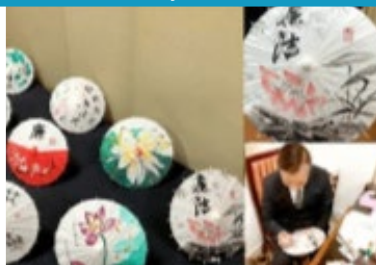


Party Branch Launched Activities Themed with Anti-corruption Education



In November, COSCO SHIPPING Holdings launched the activity themed with incorruptible employment. In accordance with our own characteristics, we organized some employees to visit the exhibition of "Incorruptible Container Transport", and carried out Q&A activities for anti-corruption knowledge and anti-corruption education to ensure the reform and development of the enterprise and improve quality and efficiency.

"Incorruptible Umbrella" Art Creation Activity



To further promote the theme education month activities of incorruptible employment and actively inherit the culture of integrity, we organized a majority of employees to carry out the "Incorruptible Umbrella" artistic creation activities themed with "Incorruptible Practice and Responsibility".

The employees thought of creation in terms of the theme of integrity and selected more than 10 excellent "incorruptible umbrellas" for display and publicity to develop a strong atmosphere of upholding honesty.

Employees watched the warning education film "Double-sided Life"



In November, we organized more than 210 employees to watch the warning education film-"Double-sided Life" to further deepen the construction of COSCO SHIPPING's incorruptible shipping culture and promote the integrity concept of "clean shipping and ships".

CSL cooperated with the Hong Kong Independent Commission Against Corruption to actively carry out special education training and lectures on incorruptible practice to popularize anti-corruption-related knowledge and laws and regulations, conflicts of interests that employees need to note, areas which are susceptible to corruption and methods for fighting and preventing corruption to familiarize employees with the significance and implementation methods of integrity practice in a bigger picture.

During the reporting period, organized anti-corruption training for all employees (including the Board of Directors and general employees). The training covered bribery-related laws and regulations, how to deal with public officers and palm grease. Meanwhile, OOCL launched online *Code of Conduct* as a mandatory training course in 2021 to provide regular training for employees around the world. And scenario simulations helped employees better understand OOCL's requirements of business behaviors for employees.

During the reporting period, COSCO SHIPPING Holdings conducted a total of 7,992 person-time anti-corruption and integrity training. COSCO SHIPPING Holdings and its subsidiaries have not been accused of bribery, corruption, extortion, fraud or money laundering. No employees were dismissed or disciplinarily punished due to corruption.

Anti-monopoly

COSCO SHIPPING Holdings firmly followed the market order by strictly abiding by the international and local anti-monopoly laws and maintaining fair competition in the industry. We kept an eye on the latest changes in the anti-monopoly laws and regulations in the industry, took follow-up measures at any time, and never participated in unfair competition for interests.

Anti-monopoly and sanctions management training

During the reporting period, CSL carried out management training on sanctions risk and anti-monopoly. Management personnel responsible for anti-monopoly and sanctions from relevant departments interpreted in details the knowledge over sanctions, sanction and anti-monopoly compliance policies and requirements in key countries to help each business unit identify and assess risks and carry out anti-monopoly and sanctions risk management in the course of business development to ensure operations in accordance with regulations.





Anti-monopoly risk management

CSP constantly focused on the anti-monopoly risks related to port companies and actively followed law enforcement development to identify, evaluate and predict anti-monopoly risks with business and transaction realities. Meanwhile, CSP coordinated with anti-monopoly lawyers to comprehensively and thoroughly analyze the operators' responsibilities of centralized declarations for domestic and overseas mergers and investment projects. Furthermore, CSP carried out the centralized declarations of required operators according to the analysis results and strictly checked the terms of the transaction agreements to ensure the projects were implemented in compliance with laws and regulations.

Safe shipping

Due to the specialization, particularity and high risk of waterborne transportation, shipping companies not only faced the operation risks as other enterprises did but also had to shoulder the unique responsibility of safe shipping required by the shipping industry. Safe shipping is also one of the most important issues that COSCO SHIPPING Holdings and stakeholders were concerned about most. The prevention of risks such as extreme weather, pirate attacks and transportation of dangerous goods particularly mattered. Committed to fully fulfilling the principal responsibility of safety production, COSCO SHIPPING Holdings strictly implemented various safety management systems and actually played an effective role in the systems to ensure the safe operations of ships.

COSCO SHIPPING Holdings and its container transportation companies and port companies strictly abide by relevant laws and regulations of the *International Safety Management Codes*, *Law of the People's Republic of China on Safe Production*, *Byelaw Governing, Reporting, Investigation and Handling of Production Safety Accidents* and formulated and implemented internally systems like the *Regulations on Security*, *Regulations on Safe Production*, *Regulations on Safety Management Responsibilities* and *Comprehensive Emergency Plan for Safe Production* to regulate the important matters that need to be observed in safety production activities and the duties of relevant departments.

COSCO SHIPPING Holdings has established a Safety Management Committee composed of the management teams of each subsidiary and the persons in charge of the functional

departments, which was responsible for communicating and meeting safety requirements. CSL and CSP signed the *Letter of Reprehensibility for Safety at Work* every year to directly link assessment results with to salaries of management members by taking the performance of safe work as an assessment indicator. At the same time, we designated shore-side personnel to follow ships for safety inspections and set up a leading group for the inspections to truly understand the performance of crews on ships and the implementation of various systems to ensure the realization of safe production. Due to COVID-19 in 2020, we have implemented self-check on the ship and check from shore-based sea service personnel.

During the reporting period, CSL organized various production units to carry out safety risk identification for the container transportation business in accordance with its newly formulated Regulations on Safety Risk Management and carried out classified and hierarchical management and control over the identified risks. After controlling safety risk and investigate and treat hidden danger, we achieved safety production management goal of the double control of safety and production. Regarding the port and terminal businesses, CSP issued the Notice of the *2020 Safety Production Month Activity Plan* in June 2020 to instruct and serve domestic terminals to implement hazard investigations and safety management, prevent safety accidents and strengthen the safety awareness of employees.

Emergency management

To continuously improve the safety management, we keep improving the emergency management work flow and always spared constant efforts to ensure the improvement of emergency response capabilities. During the reporting period, CSL worked on safety from emergency plan management, emergency team training and emergency drills to strengthen the awareness and capabilities of safe production.





Strengthen Emergency Management

In accordance with the realities and problems encountered in production safety, CSL continuously improved its emergency response plan and would take reasonable measures more effectively to deal with it when faced with new risks and challenges.



Enforce the Training of Emergency Team Personnel

The training of emergency personnel was stepped up to replace training with actual operations to effectively improve the emergency team's ability to deal with emergencies.



Practice Emergency Drill

In 2020, land and shore units at all levels organized a total of over 60 drills of various types and a total of 12,036 ship emergency trainings were carried out on ships.



2020 ship-shore joint drill - cargo hold fire drill

During the reporting period, CSL led and formulated the joint emergency drill plan of ship-shore dangerous cargo accidents and organized ship-shore joint emergency drills to further improve the emergency response capabilities, test emergency plans and the emergency team's capabilities of handling emergencies.

The participating ship "CSCL Globe" simulated a fire in the No. 2 cabins while sailing in the coastal waters of China and then the emergency response procedures were initiated in the drill. Various targeted emergency measures have been taken on the ship and shore until the person was treated and the ship resumed to safety with the consideration of specific on-spot situations after steps including fire extinguishing, short-term control, cargo hold explosion, crew injury, hull damage, container drowning, ship tilting and limited fire extinguishing methods in cargo holds.



The ship-shore joint emergency drill was similar to the real rescue and the captains organized and arranged work reasonably for the drill. The content of the drill process in the plan would be gradually sketched and the initiative and on-spot performance of the drillship be further enhanced to give the crew more practical opportunities.



Pirate attack

Pirate attacks seriously threatened the lives of crew members. A ship attacked by the pirates would bring huge economic losses to shipping companies. According to statistics from the International Maritime Safety Administration, there were 162 piracy attacks worldwide in 2019, showing a trend that the scope of piracy activities continued to expand and the means of attack were constantly changeable. To prevent piracy attacks, CSL is committed to the basic anti-piracy policy of "prevent first, stay alert, use our own resources, prepare in advance, act promptly, and stop pirates from boarding", and formulated and implemented *the Anti-Pirate Instructions in Ships*; CSL also establishes the ship management center and the security department to supervise, inspect, warn and instruct the daily piracy prevention as well as provide regular training for the crew.

We analyze pirate-prone regions around the world to determine the major seas for anti-piracy. When designing routes, we try to stay away from the pirate's region as much as possible. Before entering the pirate-prone regions, we hire a third-party armed security team to dynamically track and monitor our own ships around the clock. Meanwhile, the captain mobilize all crew members before the battle and determine the alarm signal and contact information for the whole ship. In addition, we also equip ships with safety cabins to provide a place for the crew to evacuate and retreat and to ensure their personal safety and maintain their basic life.

Besides, we regularly held training and emergency drills on anti-piracy in the ship, which covered the use of anti-piracy safety cabins, anti-piracy measures, emergency procedures and safe methods of using anti-piracy equipment.

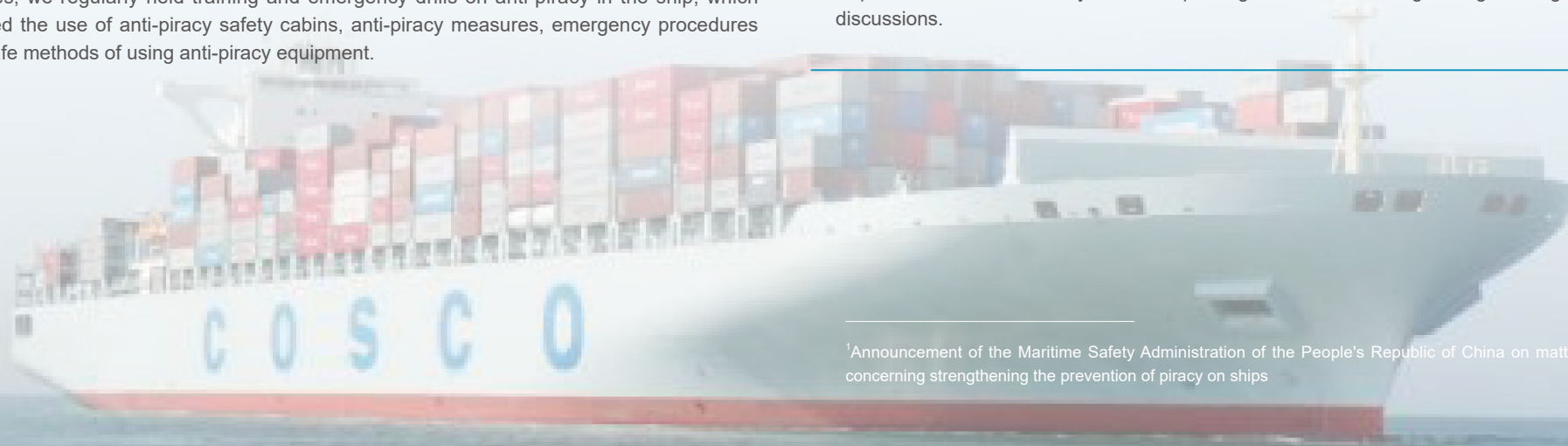
Terrorist emergency drill

During the reporting period, CSL held a ship-shore joint drill on two ships at the same time to test its capabilities to deal with emergencies on multiple ships. The drill included terrorist attacks.

- Two items were carried out on the "COSCO Spain" ship, including the incidents when the ship is shipped with personnel attempting to make terrorist incidents or their equipment and when they use ships as weapons for damage or destruction.
- Drills of 4 items were implemented on the "Xin Ying Kou" ship, including fire/explosion, abandoned ship, theater/terrorist attack and crisis.

In organizing the drills, CSL simulated the actual situation as much as possible, CSL started from difficult and strict emergency drills which are possible in the actual combat without notifying the participants in advance. The employees' emergency awareness and emergency response capabilities were improved through those strict and realistic drills to test their capabilities of managing emergency and preparing for an emergency. In response to the problems and defects in the drills, CSL immediately analysed and assessed the drills and continuously promoted its emergency response capabilities to pirate terrorist attacks by further improving measures and organizing training and discussions.

¹Announcement of the Maritime Safety Administration of the People's Republic of China on matters concerning strengthening the prevention of piracy on ships





OOCL anti-piracy measures

To avoid, prohibit and delay pirate attacks OOCL took anti-piracy measures before ships entered high-risk areas and monitored the pirate situation through radar-like visual inspections around the clock and in all directions, deploying more watchmen in the cockpit and on the deck to watch out for suspicious approaching ships. The ship maintained close contact with the fleet management department, and the around-the-clock hotline of the fleet management department was available at any time in case of emergency. Meanwhile, OOCL cooperated with anti-piracy organizations to exchange information on security measures, anti-piracy policies and procedures.

Response to extreme weather

The typhoon is featured by long-term impacts, wide range, high intensity and great harm, posing a serious threat to the safety of employees and property of ships and terminals. Committed to the philosophy of "preventing first, being ready in advance, escaping if necessary, and preparing for unforeseen circumstances", we obtain relatively accurate typhoon information through high-tech applications such as high-altitude, ground and global meteorological network information.

Regarding the container shipping business, we regularly update the guidance on typhoon and flood prevention and strengthened ship-shore contact to ensure the smooth progress of the prevention. Due to the specific characteristics of special business, we appoint the captain as the

first person responsible for ship safety. He has the power of decision-making and commanding in the countermeasures against typhoons for ships. It is also necessary to organize all crew members to learn about typhoon prevention according to the seasonal variation and navigating zone changes. CSL has formulated and implemented the related systems such as *Instructions on Typhoon Protection*, and *Regulations on Management of Flood Control and Typhoon Prevention* to specify the matters and points that ships must comply with in terms of preventing and avoiding typhoons.



CSL successfully prevented and fought against Hagupit: the ship and shore units unified to keep the bottom line of ship safety

Typhoon Hagupit of 2020 (No. 4) had escalated rapidly since its occurrence on August 1. It made landfall with its nearly largest force on the coast of Yueqing City, Zhejiang Province at about 3:30 am on August 4 in morning. The largest wind force near the typhoon center was level 13 when it landed and then passed through two provinces of Zhejiang and Jiangsu.

For ships in the sea, CSL urgently convened a typhoon prevention meeting to carefully sort out the affected ships, focusing on clearing the ships in Ningbo Port and Shanghai Yangshan Port and requiring the ships in Zhoushan Shipyard, Waigaoqiao Wharf and the Yangtze River to take stronger preventive measures to ensure the safety of ships. CSL promptly gave warnings to 12 affected ships and tracked them one by one, attaching importance to the implementation of the typhoon prevention plan for the ships sailing on the Yangtze River to ensure their safety.

Among them, the ship anti-typhoon team of CSL arranged various tasks for the northbound route of the XIN MEI ZHOU ship in a timely manner on August 1. They require all crew members to inspect and maintain the equipment they were responsible for in advance in accordance with the system requirements and to carefully carry out container lashing inspection and reinforcement when loading and unloading in Xiamen to ensure that cargo loading, stowage and securing were in compliance with the *Ship Securing Manual*. The crew was also required to test equipment safety and stability again when Xiamen sails northward on August 2.

In response to the typhoon weather, CSL successively made special arrangements for 39 affected ships, instructing and tracking the ships to complete the typhoon prevention and successfully achieving zero ship accidents and crew casualties.



Regarding port business, CSP continuously improves the *Regulations on Management of Flood Control and Typhoon Prevention* to further clarify responsibilities in the typhoon prevention and flood prevention work within the terminal company and its domestic holding terminals. CSP regularly conducts anti-typhoon drills to enhance employees' contingency awareness and emergency response capabilities. Terminal operators quickly completes loading and unloading, heavy equipment reinforcement and internal inspections before the arrival of typhoons. Every year, CSP summarizes the anti-typhoon work of the year, investigates and fills gaps to accumulate experience of typhoon prevention and suppression and protect the personal and property safety of CSP.

Defending against typhoons to safeguard CSP Guangzhou Port

In August 2020, Typhoon Higos (No. 7) made landfall in Zhuhai, Guangdong. The landfall coincided with the astronomical tide in the rising period, which posed the challenge of strong wind and water to the port impacted by multiple factors.

CSP Guangzhou Nansha Port, a subsidiary of CSP, has re-measured the elevation of the stockyard based on its anti-typhoon experience. Storage yards were designed and heightened in response to the influence of extremely disastrous weather. The height of storage yards for dangerous goods, refrigerated and valuable goods was increased too in a planned and step-by-step manner. The heightened storage yards have been used normally, especially during the typhoon season. Valuable cargo boxes susceptible to water would be stored in the heightened storage yards through the optimized operating system and customer service system for container terminals.

After Typhoon Higos landed, CSP Guangzhou Nansha Port inspected the operation site and there was no damage or loss. All production, scheduling and business systems were operating normally. As the typhoon signal dropped and disappeared, liners and barges berthed at the port, and the port quickly returned to normal and resumed the intense and orderly production process.

Dangerous goods transportation

The operation and transportation of dangerous goods are one of the daily high-risk businesses that shipping companies need to deal with. Whether in the terminal or on the ship, we would institutionalize and standardize the operating procedures of dangerous goods.

We follow and strictly implement the *International Maritime Dangerous Goods Code* formulated by the IMO, which specifies the loading and operation procedures of dangerous goods ranging from the applications for cargo holds booking to cargo transportation. We check whether the products provided by the customers are dangerous ones according to the cargo hold categories applied by customers for dangerous goods. After confirming the categories of dangerous goods or the UN number, we classify them into prohibited or restricted categories in accordance with the relevant policies of dangerous goods and determine their transportation routes. In addition, we ensure that such dangerous goods meet the relevant requirements for loading, unloading and quarantine in the transportation or stacking process.

During the reporting period, the dangerous goods operation team of CSL carefully made the loading confirmation and approval for the entire process of dangerous goods from customer booking application to cargo transportation and strengthened daily management and operations of dangerous goods in accordance with requirements of the division of responsibilities and approval procedures to ensure the safety of approval and transportation of dangerous goods.





Strengthening safety awareness

- We strictly checked the safety of dangerous goods and confirmed the application for embarkation to avoid artificial negligence or omissions which further affect the transportation safety of the ships.
- Charter terms, dangerous goods policy, DG fitness certificate and route dangerous goods related agreements were timely collected, sorted out, updated and summarized. They also instructed and trained dangerous goods-related operators on port-related dangerous goods policies and safe transportation knowledge.



Strengthening daily safety management and communication of dangerous goods to ensure transportation security

- We effectively knew the changes in relevant shipping regulations and policies, made arrangements and took measures in a timely manner to effectively reduce and control the occurrence of omissions, mistaken and false reporting in the transportation of dangerous goods.

Additionally, we have established an intelligent system for dangerous goods to manage the risks of our dangerous goods transportation.



The dangerous goods system was also set up, which could connect all the links of dangerous goods transportation, and included training courses and the parts responsible for by all relevant parties in the goods transportation.



We have developed an operation platform for dangerous goods, completed the construction of a global network of designated personnel for dangerous goods, compiled and updated basic data, such as the dangerous goods restriction policy for global ports, the dangerous goods policy with partners, the ship fitness policy for dangerous goods and the dangerous goods restriction clauses for charter ships.

During the reporting period, our container and port businesses handled a total of 615,276 TEUs of dangerous goods. Among them, the container shipping business handled 309,050 TEUs and the terminal business 306,226 TEUs.



OOCL cooperated with CSL

- Dangerous goods management teams of CSL and OOCL regularly exchanged and shared management policies, operating modes, blacklists and accident cases of dangerous goods to achieve mutual benefits and improve the safety and management efficiency of dangerous goods, business development and security.



Total dangerous good
handled

615,276 TEUs



Container shipping
business handled

309,050 TEUs



Terminal business
handled

306,226 TEUs



Response to COVID-19

Since the outbreak of the COVID-19, COSCO SHIPPING Holdings has attached great importance to the COVID-19 prevention and control on shipboard and shoreside. United and closely coordinated, all employees at home and abroad, onshore and offshore have overcome difficulties and witnessed initial results in prevention and control on the ship, achieving three zeros during the reporting period - zero input, zero output and zero infection. In the process of resuming work and production, COSCO SHIPPING Holdings actively fulfills its social responsibilities, pays attention to the physical and mental health of crew members, takes advantage of the service network, and does its best to build green channels to provide reliable logistics support for the global fight against COVID-19.

COVID-19 prevention measures

COSCO SHIPPING Holdings quickly responds to the prevention and control requirements and establishes an efficient

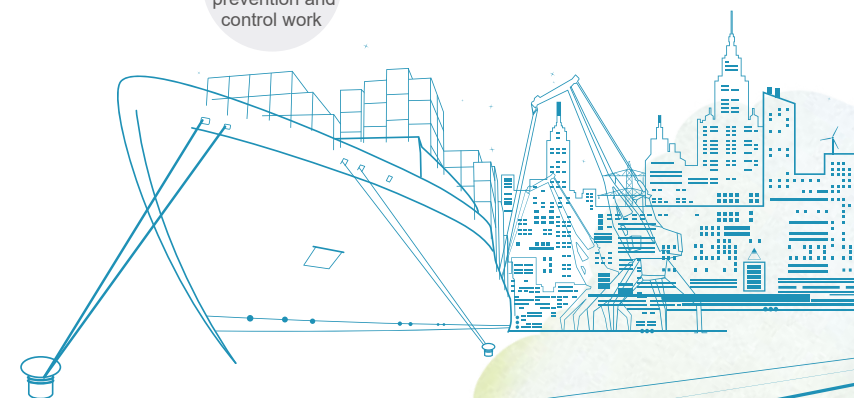
COVID-19 prevention and control working group to overcome the safety issues of employees in the resumption of production and work. The Company also traces and timely follows up the physical and mental health of the crew affected by COVID-19, and ensures stable operations amid COVID-19.

Efficient management

COSCO SHIPPING Holdings prepared emergency plans as soon as the COVID-19 broke out, set up a COVID-19 prevention and control working group, and built quick feedback and communication channels to ensure that COVID-19 prevention and control measures are effectively implemented, while caring about the health, life and work conditions of employees. Besides, it strengthened positive publicity and guidance, and implemented the procurement of protective materials for employees, while taking multiple measures simultaneously, clarifying responsibilities, and ensuring the COVID-19 control work effective and in place.

Business continuity plan

In response to the COVID-19, OOCL has adopted various measures to protect the health and safety of employees and established a centralized platform to facilitate employees to keep updated about the latest arrangements and business continuity plans to ensure uninterrupted operations. At the same time, in view of the long-term impact of the COVID-19, OOCL has presented gifts such as automatic sterilizers to some customers to ensure their health and safety.





Resumption of production and work

In order to simultaneously achieve COVID-19 prevention and control, as well as production and operation, COSCO SHIPPING Holdings actively promotes telecommuting, encourages employees to follow staggered shifts, and carries out office disinfection. Besides, COSCO SHIPPING Holdings purchases and reserves COVID-19 prevention materials, covers special insurance, and contacts psychological counseling agencies to ensure the safety of employees returning to work. In addition, COSCO SHIPPING Holdings implements joint prevention and control mechanisms, makes concerted efforts to enhance the results of COVID-19 prevention and control on the ships, strengthens shore-based tracking guidance and joint prevention and control, and spares no effort to ensure the supply of ship materials. Furthermore, COSCO SHIPPING Holdings promotes the efficient and orderly development of production and operation.

Crew members' health

Crew members are the core strategic resource of COSCO SHIPPING Holdings. We attached great importance to the crew shift work of the fleet, and strictly followed the six procedures of "shipper self-management, customs quarantine, border inspection, information notification, tailored car transfer, and designated quarantine" to carry out crew shifts. Besides, we also coordinated with various government departments and mobilize resources to tackle issues such as quarantining hotels for disembarking crew members, providing direct guidance for subsequent shifts in various domestic ports.



Ensure the normalization of crew shifts during the COVID-19

CSL, adhering to the people-oriented value, attaches great importance to the work of crew shift changes. In response to the difficulty of crew shifts caused by COVID-19, serious overdue services on ships, and strong expectations for vacations, we communicated and coordinated with multiple parties, standardized crew shift operating procedures, implemented nucleic acid testing and designated quarantine places for shift crews, and formulated monthly crew shift plans on a rolling basis, pioneering the work of crew shift changes for ships without returning home.

COVID-19 support

COSCO SHIPPING Holdings actively fulfills its social responsibilities. At the most critical and difficult moment in Wuhan, the on-site work team in Wuhan took up the responsibility in people's livelihood and spared no effort to ensure the rapid delivery of medical supplies and timely supply of living materials. In the fight against the COVID-19, Wu Shiquan, general manager and deputy secretary of the Party Committee of Wuhan Container Lines under CSL, as a practitioner of central SOE, won the title of the advanced individual at the National Commendation Conference for Fighting against COVID-19.

Fighting against COVID-19, protecting people's livelihood, and promoting the production

In the critical period of fighting against COVID-19, to guarantee the basic needs of people's livelihood and maintain social stability, the Wal-Mart project team of OOCL Logistics has been sticking to its posts and operating around the clock since New Year's Eve to supply fresh food in Wuhan and even Hubei Province. Facing the extreme shortage of various materials due to the lockdown of the city, the Wuhan fieldwork team, after hearing the news, urgently coordinated Wuhan Container Lines to dispatch some masks and 84 disinfectant and provided timely support to the Wal-Mart project team of L Logistics to ensure the normal operation of the fresh distribution center of Wal-Mart in Wuhan.





National Advanced Individual in Fighting against COVID-19-Wu Shiquan

During COVID-19 period, Wu Shiquan, a pioneer in the fight against COVID-19, provided strong material supply to defend Wuhan and Hubei. He always put the safety of people's lives in priority. He prevented the Company's nearly 900 employees in Wuhan from infections due to work and actively allocated medical supplies to the front line for free. In Wuhan, Wu Shiquan, with the heroic spirit of "being indomitable with solidarity", demonstrated the responsibility of central SOE and contributed to the fight against the epidemic, winning the title of the advanced individual in fighting against COVID-19.



With the spread of COVID-19, the demand for overseas medical and COVID-19 prevention materials has soared. In the face of the tension of a number of airlines reducing their flights in a wide range, in order to ensure the normal shipment of international mail, COSCO SHIPPING Holdings further constructed a diversified and efficient green channel for the transportation of overseas epidemic prevention materials, and at the same time launched foreign donations, contributing to global anti-epidemic efforts.

Aiding Vietnamese people affected by COVID-19

In Vietnam, OOCL employees believe in the philosophy of "we can't help everyone, but every individual can help some of them" and our core values, so they initiated a charity fund to help people in the community.

OOCL Logistics cooperated with Vietnamese Youth to pack daily necessities with 600 gift packages and place them at designated necessities ATMs pick-up points, allowing people in need to receive necessities from ATMs. In addition, OOCL Logistics cooperated with the Haiphong People's Committee to send the necessary gift packages directly to the local residents.

Donation of anti-pandemic materials in New Jersey, USA

In March 2020, our subsidiary in New Jersey, USA, donated 1,000 N95 masks and US\$5,000 to the municipal government of Secaucus, New Jersey, to help provide urgent protective materials for emergency personnel and medical staff in the city and support the local efforts in the fight against COVID-19. Besides, we also donated 1,000 N95 masks and US\$30,000 to the Hackensack University Medical Center, a medical institution in northern New Jersey. The supplies have been delivered to the Hackensack University Medical Center in a contactless manner to support the medical staff of the hospitals who were fighting on the front line to protect the healthy lives of local people

"We appreciate the generosity and support of North America branch of COSCO SHIPPING Holdings. Those supplies will help many medical staff and volunteers working at the local hospital in Hudson County."

---Secaucus Mayor

Michael Gonnelli





China's first "Chinese-France Special Trains for COVID-19 Protection Supplies" started smoothly

While COVID-19 sweeping the world in 2020, the shortage of medical supplies has become the most prominent difficulty in COVID-19 prevention for various countries. By integrating the characteristics of its own platform - Nanchang China-Europe Express, CSL suggested the transportation mode of China-Europe Express to French purchasers to transport anti-pandemic materials to France. This represents the first special train of anti-pandemic materials sent from China to Paris, France since the start of the global COVID-19. In order to ensure the smooth operation of the anti-pandemic material train, CSL coordinated works in those places to work together with local governments, customs, and enterprises, arranged various operations of anti-pandemic materials. Furthermore, CSL opened a green channel for customs clearance, and guaranteed priority review, inspection and discharging of the special cargo.

After over a month, CSL successfully completed the delivery of COVID-19 prevention materials. COSCO SHIPPING Holdings delivered 20 million masks, 45 million pairs of gloves, 130 water-soluble bags and other products in 41 vehicles, traveling 14,000 kilometers across 7 countries or regions to the front line of COVID-19 prevention in Paris, France.



Delivery of Singapore's emergency COVID-19 prevention materials for people's wellbeing

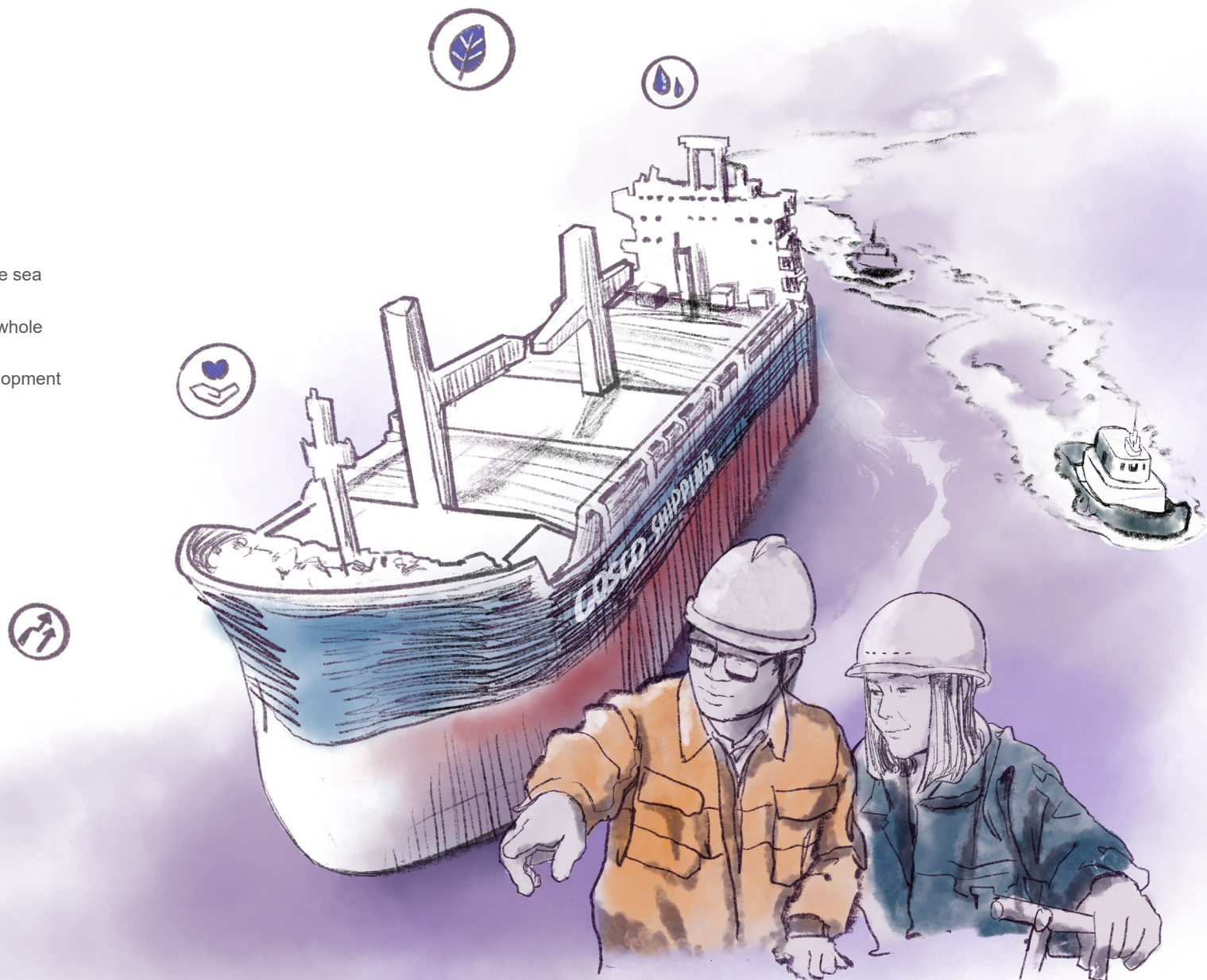
In April 2020, CSP assisted the KOTA PURI vessel of Pacific International Lines to sail smoothly at Xiamen Ocean Terminal. Along the Belt and Road route, the first batch of high-quality vegetables stored in the cold chain was sent to Singapore. The two sides will continue to build a normalized logistics chain for epidemic prevention materials, and form the "COVID-19 prevention front" of a community of shared destiny with port, which is linked by shipping, in a bid to build an COVID-19 prevention ark where everyone helps each other while sharing weal and woe.





Topics

- Upgraded service and strict control
- Realizing green shipping, warding the sea
- Valuing talents and developing as a whole
- Going hand in hand with social development





Upgraded service and strict control

Starting from a new stage of development, COSCO SHIPPING Holdings takes safe production as the top priority and is dedicated to providing customers with safe, fast and high-quality services. COSCO SHIPPING Holdings takes its mission of "customer first, value first" and is market-oriented, technology-based, and customer-centered to drive the development of the shipping value chain.

Customer service

As an important participant in domestic and foreign trade and the supply chain, COSCO Shipping Holdings actively promotes economic integration, improves product portfolio, boosts service quality, and enhances the stability of the industry chain and enterprise supply chain.

Carrier of the world

In the context of COVID-19, COSCO SHIPPING Holdings continues to optimize its distribution of global routes, and transform its leading advantage in fleet size into the strength in customer service. In today's increasingly interdependent world, COSCO SHIPPING Holdings is committed to connecting its service chain with the customer's industry value chain, actively adapts to changes in the structure of the industry value chain, and allocates more resources and marketing in emerging markets, regional markets, and third-country markets, such as Southeast Asia, South Asia, Latin America, and Africa to provide customers with global transportation services, jointly build a high-quality value chain, and improve the customer experience.

In addition, COSCO SHIPPING Holdings is build a holding terminal network around the world, so as to establish a cost, service and coordination and other aspects of the overall network with linkage effect, to create a one-stop service experience for customers.

End-to-end service

COVID-19 has caused serious troubles to the global container supply chain, exposing various foreign trade companies to more severe difficulties in shipping. Under these circumstances, COSCO SHIPPING Holding is committed to providing the world's best shipping and integrated logistics solutions, and redoubling its efforts to meet customer's demand for freight and address pain points in logistics. In addition, COSCO SHIPPING Holdings aims to leverage its global end-to-end transportation network and use the online platform to mobilize the resources offline. In this way, COSCO SHIPPING Holding can truly prioritize the customers' concerns, and provide customers with high-quality and efficient integrated logistics solutions to containers.

CSL's end-to-end service

During the COVID-19, CSL quickly introduced service products such as water-and-water transfer, water-and-train combined transportation and special logistics train. CSL integrated various logistics resources to connect customer's supply and demand and fully satisfy customer's needs in transportations during special periods. In order to solve the problem that postal parcels cannot be sent normally during the COVID-19, CSL has joined hands with China Postal Express & Logistics to develop an air-to-sea mode of international postal transportation, effectively breaking the bottleneck of shipping in special periods, and received good customer reviews with more flexible and reliable logistics services.





Development of digitalization

Catalyzed by COVID-19, the shipping industry is accelerating digitalization. COSCO SHIPPING Holdings actively follows the development trend of the industry and strives to take digitalization as an important bridge to improve the ability to integrate supply chain service, comprehensively analyze and efficiently conduct collaborative operation in line with the latest industry trend.

The container shipping business of COSCO SHIPPING Holdings witnessed continued innovation. It continues to launch digital service solutions, provide customers with integrated and visual service solutions, and help customers manage the supply chain more efficiently and transparently, winning recognition from the industry and customers.

Paperless on the chain, e-pickup for importation

CSL creates “contactless visual services” for customers to effectively ensure the normal operation of the business during COVID-19. With the traceability and trustworthiness of the blockchain technology, we have launched a contactless import pick-up program to realize data interconnection and process cooperation and mutual trust between shipping companies and port systems, so that customers can complete the entire operation process of shipping companies and ports on the chain at one time to simplify the business procedures for import customers and improve service capabilities.

CSL has promoted the application of the blockchain contactless pickup solution at six domestic ports. As of the end of the reporting period, nearly 50,000 TEU of goods have been delivered by quick contactless pick-up through the blockchain paperless discharging platform.

Syncon Hub platform

Syncon Hub, a brand new visual one-stop shipping e-commerce platform launched by CSL, provides one-stop convenient services such as real-time inquiry, timely booking, self-service documents, and online settlement, and is committed to bringing customers a smooth logistics experience of one-click direct access.

At the beginning of 2020, in the face of the unexpected COVID-19, an array of companies has encountered difficulties in resuming work and in shipping. SynCon Hub foreign trade e-commerce platform took the lead in launching online forward products, covering Europe, the United States, Canada, and Latin America, Asia Pacific, Southeast Asia and Japan and other foreign trade routes. Domestic customers can inquire about the latest, most complete and most effective route product information anytime and anywhere through the SynCon Hub official website or WeChat Mini Program, and adopt the entire online closed-loop operation to lock the freight rate in advance to ensure worry-free transportation.



MyOOCLReefer solution

The MyOOCLReefer solution, an upgraded version launched by OOCL in 2019, provides customers with stronger visibility of key information of frozen goods, such as temperature, humidity, location, smart deviation alerts, and more accurate estimated time of arrival, among others. With the support of the technical solution provider CargoSmart, the MyOOCLReefer solution utilizes the latest technologies such as artificial intelligence, Internet of Things, mobile and telematics devices, and a global ship navigation monitoring center responsible for monitoring and processing massive amounts of ship and terminal-related data, etc., so that the shipper can obtain timely information to ensure that it makes correct decisions and adjustments to transportation and inventory management while improving the performance of the overall supply chain.

With the newly upgraded MyOOCLReefer solution, OOCL won the "2020 Information Visionary" award in the IDC (International Data Corporation) Hong Kong Digital Transformation Awards. The award, organized by IDC Hong Kong, aims to recognize outstanding organizations that have made major breakthroughs in the process of digital transformation.



5G port

As the hub of modern transportation, ports play a pivotal role in international trade. Compared with the shortcomings of traditional ports such as relatively low tally efficiency and high workload in the working environment, intelligent and automatic port can greatly reduce the dependence on manpower and improve tally efficiency. COSCO SHIPPING Holdings actively develops smart ports and is committed to seeking supply chain logistics solutions through technological applications, speeding up the flow of goods, and providing customers with fast and convenient logistics services.

China's first automated terminal

During the reporting period, Xiamen Ocean Gate Container Terminal Co., Ltd, a subsidiary of CSP, was officially put into production as the first 5G all-scenario smart port in China. At present, Xiamen Ocean Gate Container Terminal has teamed up with partners such as China Mobile to complete the basic coverage of the 5G network in the port area. With edge computing, high-precision positioning, artificial intelligence, computer vision and other technologies, it can realize the deployment of automatic driving, intelligent tally, AGV cluster management, smart security and multiple 5G applications, greatly improving the efficiency of tally operations and the integrity of tally data.





Customer experience

COSCO SHIPPING Holdings attaches great importance to customer experience, strives to establish long-term and mutually beneficial relationships with customers. The Company has formulated a series of management policies to help improve customer experience, such as the *Assessment Approach to Customer Service Quality* and *Measurement Procedure for Customer Satisfaction*, etc. Besides, COSCO SHIPPING Holdings keeps tabs on the evaluation and opinions from customers and set targets for customer satisfaction and timely handling of customer complaints.

Customer satisfaction survey of CSL

CSL regularly conducts customer satisfaction surveys and analyzes the works on customer service and customer needs during the year. Besides CSL formulates improvement plans for aspects which is less low-rated, keeps updated about the schedule in time, and comprehensively improves the service quality of COSCO SHIPPING holdings.

In 2020, CSL launched a survey on the satisfaction of global customers. The survey was conducted in the form of questionnaires. Questionnaires were distributed to customers around the world through the satisfaction survey platform developed by CSL. A total of 2,391 questionnaires were collected, of which 1,644 questionnaires were collected in China and 747 questionnaires were collected from overseas.

The survey results show that the overall global customer satisfaction index of CSL in 2020 was 90.47, which is at a very satisfactory level. Compared with the customer satisfaction index of 88.68 in 2019, it has improved significantly. Among them, the customer satisfaction index in China increased from 91.29 in 2019 to 93.25; the customer satisfaction index from overseas increased from 82.41 to 84.36.

²The data are from COSCO SHIPPING Holdings, according to the number of complaints received on the designated platform statistics, including CSL received a total of 6 complaints, OOCL received a total of 207 complaints, CSP received a total of 0 complaints.



COSCO SHIPPING Holdings attaches great importance to customer experience, and customers can make complaints through designated platforms. After receiving a customer complaint, we will make a preliminary judgment based on the content of the customer complaint case and contact the responsible department or branch company to accept them, and the responsible department or branch company will investigate, collect evidence and sort out the content of the complaint to determine the authenticity of the customer complaint, as well as the facts, the main responsible party, the degree of negligence, and the loss. After accepting complaints, we will communicate with the customer to confirm the handling result and the degree of satisfaction of the acceptance process with the customer.

During the reporting period, we received a total of



213

Customer complaints²



Reaches 100%

The proportion of customer complaints handled



Privacy protection

Our container transportation service e-commerce platform system strictly protects the privacy of customers and implements privacy protection-related measures according to the requirements in the place we operate to protect the rights and interests of customers.

Privacy protection measures of foreign trade e-commerce platform SynCon Hub

The SynCon Hub foreign trade e-commerce platform system implements the protection measures of private information in accordance with the national Information Security Level Protection Management Measures, including identity authentication, access control, security audit, intrusion prevention, credibility verification, data integrity and confidentiality, data backup and recovery, personal information protection, etc., and there is a privacy policy publicity on the homepage of the platform.

Privacy protection measures of MyOOCLReefer solution

OOCL, the service provider of the MyOOCLReefer solution, has obtained ISO 27001 information security certification and has conducted an information security management system evaluation to ensure the security of customers' private data. In addition, the MyOOCLReefer solution system complies with the requirements of the *General Data Protection Regulation* and other applicable data protection laws when processing personal data. All personal data is strictly encrypted and can only be accessed by authorized internal personnel.

2020 cybersecurity awareness training

In May 2020, OOCL launched a cybersecurity awareness training course for employees around the world, aiming to help employees at all levels update their cybersecurity knowledge. Affected by COVID-19, this year's course focuses more on the safety of employees working at home, emphasizing how to identify and prevent phishing emails.

COSCO SHIPPING Holdings will continue to adhere to the "digital" strategy through continuing innovating science and technology, strengthen the upstream and downstream cooperation of the industrial chain, dig into the potential of intelligent shipping, to provide customers with better quality and convenient services.

Supplier management

A healthy supply chain enables enterprises to gain the maximum benefits at the lowest cost and guarantees the normal operation of the enterprise, which represents one of the keys to the success of the enterprise. In the shipping industry, the management of the supply chain has attracted increasing attention from the public and investors. In order to cater to the concerns and needs of stakeholders, COSCO SHIPPING Holdings has continuously improved its supply chain management system, promoted the sustainable development of the industry value chain, and inspired partners to jointly fulfill social responsibilities.

As a member of the shipping industry focusing on container transportation and terminal business, COSCO SHIPPING Holdings mainly covers upstream industries as shipbuilding (repairing), chartering, petrochemical engineering, port terminal service industry, container equipment and service industry, container water and land transportation service industry, etc., which provide us with shipbuilding and ship repair services, and container ship leasing services, furnish fuel and lubricants for our ships and offer port and terminal services for our ships, as well as container leasing, building, repairing and storage and water and land transportation services, etc. Our downstream largely concentrates on domestic and foreign trade business, involving steel, chemical, consumer goods and other industries.



Regulations

COSCO SHIPPING Holdings strictly abides by the relevant laws and regulations of the supply chain where it operates, such as the *Tendering and Bidding Law of the People's Republic of China* and the *Regulations on Procurement* of the parent company China COSCO Shipping Corporation Limited. Taking into account the actual situation of each subsidiary company, policy documents such as *Regulations on Supplier*, *Regulations on Procurement*, and *Basic Procedures for Purchasing by Invitation to Bid* have been formulated to provide guidance for the supply chain management. COSCO SHIPPING Holdings strictly abides by the supply chain management policy documents, implements the management and procurement requirements for suppliers, and ensures the orderly operation of the supply chain management mechanism and the healthy development of the supply chain.

Bidding and tendering management

In order to standardize bidding and procurement behavior, prevent operational risks, and improve economic benefits, COSCO SHIPPING Holdings strictly implements the requirements of laws and regulations to manage the bidding and tendering. The bidding and procurement work follows the basic principles of compliance with laws and regulations, openness and transparency, fairness and impartiality, and science and technology guidance, and organizes an expert team to objectively and fairly express evaluation opinions on bid documents and offer bid evaluation results in accordance with the bid evaluation standards and methods specified in the bidding documents. Announcements such as winning bid candidates and winning results will be publicized on the electronic platform designated by the state and the electronic platform designated by the parent company - China COSCO Shipping Corporation Limited - in accordance with laws and regulations.

Supplier access

In order to improve risk resistance, COSCO SHIPPING Holdings has adhered to a strict approach in screening its suppliers. Based on actual business needs, we raise relevant qualification and certification requirements to new suppliers who did not go through open bidding and fill in the *Supplier Information Registration Form* accordingly. The review panel made up of related units will then review the materials submitted by these suppliers, before admitting the ones that have been passed to the qualified list for further management.

In order to ensure sustainable development of the supply chain, COSCO SHIPPING Holdings actively promotes a green management approach, and requires its suppliers to abide by any applicable environmental laws, regulations and standards while establishing an effective environmental management system. COSCO SHIPPING Holdings takes into full consideration the chosen suppliers' potential impact on the surrounding environment and people, gives priority to environmentally friendly, low-carbon and energy-saving products and services on even ground, brings forward environmental requirements for related products and services.

COSCO SHIPPING Holdings is determined to find suppliers with shared values to be our close partners. For new suppliers that did not go through open bidding, our Company will ask them to sign *Supplier's Undertaking against Commercial Bribery* and *Supplier's Self Evaluation Questionnaire on Compliance with Social Norms*. In addition to that, we will

also check information channels such as third-party enterprise credit websites and public credit platforms during the review process to see if the new suppliers have had major violations of laws and regulations, or corruption and bribery practices in recent 3 years.

Supplier's Undertaking against Commercial Bribery

- Do not offer bribes of any kind to any related staff of COSCO SHIPPING
- Get black-listed if breaking the undertaking.

Supplier's Self Evaluation Questionnaire on Compliance with Social Norms

- Conform to all laws and regulations in the company's business location.
- Provide the staff with a safe and healthy working environment.
- Establish an effective environmental management system, and operate business in an environmental-friendly manner. Strictly prohibit child labor and forced labor.
- Respect the rights and interests of the staff, guarantee their benefits, and prevent discrimination in the workplace.



Supplier assessment

COSCO SHIPPING Holdings conducts annual assessment and grading of its current suppliers. Besides the evaluation of the supplier's basic qualification, business capability and technological innovation capacity, the contents of the assessment also include their safety assurance on the environment and their staff, their business ethics, etc.

CSL's supplier assessment and grading

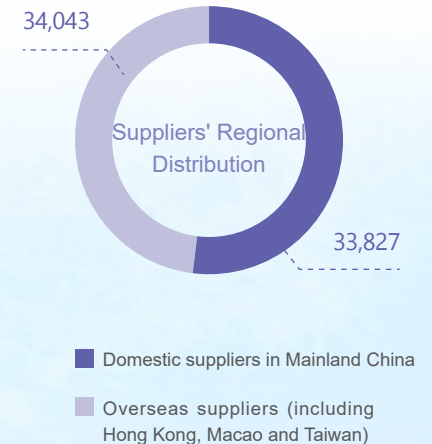
Based on the results of the assessment, CSL divides its suppliers into 5 different grades, namely strategic suppliers, quality suppliers, qualified suppliers, negative suppliers and unqualified suppliers. Suppliers within the top 2 grades will be given priority to business cooperation opportunities under the same contracting conditions, and the qualified suppliers can enjoy ordinary cooperative relationships. CSL will also request negative suppliers to carry out thorough inspections into areas that fail to meet the standard and urge them to take rectifying measures. Besides, CSL will exclude the unqualified suppliers from the supplier list for the next 3 years.

For the key suppliers that offer goods or services with significant impact on production and construction safety, COSCO SHIPPING Holdings will send relevant business departments or units to conduct on-site inspections and set up working standard during the visit, examining on the scene the suppliers in terms of their technical capacity, scale and equipment, quality control, management capability, product delivery, payment conditions, cost control, after-sale services and performance, so as to ensure the quality of their products or services.

The annual assessment of COSCO SHIPPING Holdings is used as a reliable criterion in the Company's routine supplier selection process. In this way, we can realize unified management and optimize supplier structure to meet our demand for strategic development and sustainable development.

Supplier chain risk assessment

On a regular basis, COSCO SHIPPING Holdings, CSL and CSP will assign dedicated personnel to conduct comprehensive risk assessments on the management of the supply chain. The assessments will cover the execution of purchases, the selection and assessment of suppliers and the maintenance of data resources. The persons responsible will grade the risks to determine their significance, before coming up with a standardized risk list. For highly important risks, the leading department will formulate countermeasures and periodically track the effects of the implementation.





Realizing green shipping, warding the sea

The ocean, where life is born and bred, takes up 71% of the Earth's surface and 99% of the biological habitat. While running a total of 278 international shipping lines (feeder lines included), COSCO SHIPPING Holdings, a pioneer among the global liner industry in environmental protection, puts a premium on ecological environmental protection, incorporates low carbon practices and high efficiency into its comprehensive management policy, and continuously promotes green shipping in an effort to protect the marine ecological environment as much as we can.



Conforming to IMO regulations

Ever since Jan 1, 2020, all the ocean board ships in the world would have to comply with the new sulfur limiting rules of the International Maritime Organization (IMO). That is to say, the rule limits the sulphur in the fuel oil used on board ship to 0.5%, a significant reduction from the previous number of 3.5%. Besides, according to the latest requirements by IMO, after this rule has become effective, all the ships that do not have any sulfur "scrubber" equipment are forbidden to use heavy oil with excessive sulfur content. It is estimated that this regulation will be able to reduce sulfur pollution by 80%. Because of the additional costs brought by this decision, it has been considered to be the biggest change in the maritime industry in decades. Apart from these, we will continue to strictly control the marine environmental pollution and ecological disasters caused by improper discharge and treatment of the ships' ballast water.

Conforming to IMO 2020

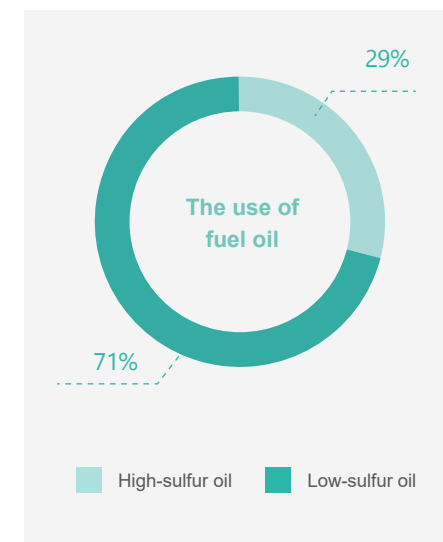
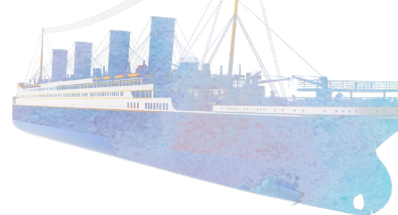
In order to conform to IMO's new sulfur limit (also known as IMO 2020), all shipping companies need to weigh the pros and cons of each and every response option to meet the challenge. They should address the issue from aspects, such as procurement of low-sulfur oil, cost recovery, operation & implementation, timeline plans and communication with regulators, making sure that the selected plan is in accordance with the new regulation and can effectively reduce the negative impact they have on the environment while controlling relevant operational risks generated by a large number of additional fuel costs. COSCO SHIPPING Holdings has strictly complied with related international regulations. Both CSL and OOCL have been implementing their own scheduled plans in an orderly manner, successfully reaching the upper sulfur limit of the IMO 2020 requirement.

OOCL

Used low-sulfur oil across the whole shipment lines

CSL

Applied the combination of low-sulfur oil and desulfurizing tower





CSL arranges and installs sulfur scrubbers on board ships at a hectic pace

During the reporting period, CSL initiated the installment of open-loop sulfur scrubbers for ten 4250 TEU Vessels, eight 14000 TEU Vessels and five 19000 TEU Vessels. In order to reduce the cost without influencing the shipping demand of our customers, we arranged all the work during dock repairs and off-service time during the Spring Festival. A total of 8 ships were fully remolded in 2019, and 15 in 2020.

Based on the operation and maintenance needs of our ships, we designed targeted plans for all 3 ship types. We have adopted an exhaust plan equally efficient as the 0.5% sulfur content for both 4250 TEU and 14000 TEU Vessels, and a plan equally efficient as the 0.1% sulfur content for 19000 TEU Vessels, which is even lower than the existing IMO standard. In addition, we have conducted customized designs for every ship type according to their unique conditions, ensuring that the scrubber installment would not result in reductions in ships' container capacity.

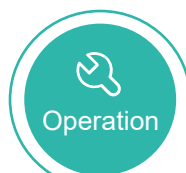
The discharge management of ballast water

In 2004, IMO adopted the *International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention)*, so as to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water. Apart from the policy to introduce treatment standards in the next few years upon its publication, the BWM Convention also stipulated a specific set of treatment process standards to guarantee that at least 99.9% of organisms in ballast water are destroyed or removed prior to discharge. In 2017, the BWM Convention, which had then been signed by 61 countries around the globe, officially came into force. This treaty aims to prevent invasive aquatic species from being discharged into the

ocean through ships' ballast water.

For better ship management, COSCO SHIPPING Holdings has formulated and implemented institutional documents including the *Management Instructions for Ballast Water from Ships*, the *Ballast Water Management Plan*. Specifically, we are managing ships' ballast water through four steps, namely the operation, replacement, safety inspection and record-keeping of ballast water. In addition, OOCL has been actively exploring different technologies for the effective treatment of ballast water, requiring its fleets to replace ballast water on the high seas at least 200 nautical miles offshore, and planning to achieve the goal of zero ballast water replacement in ports.

Ballast Water Management Plan in CSL



Operation

- We ask our ships to try to avoid ballast water suction in restricted areas or locations such as places where pathogens and harmful organisms spread. And we ask our crew to remove all water sediments in time.
- In the meantime, the ships should avoid unnecessary ballast water discharge under the condition of ensuring a safe loading and unloading of cargoes.



Replace-
ment

- When our ships need to replace their ballast water, they must carry out the replacement in the waters at least 200 nautical miles offshore and at least 200 meters deep.
- If special situations occur, the ships should stay as far from the land as possible, and replace the ballast water in the waters at least 50 nautical miles offshore and at least 200 meters deep.



Safety
Inspection

- We ask our captains to pay close attention to the real-time sea conditions and weather, so that they can make sure ballast water is replaced in good weather conditions. We also require regular safety checks on ballast tanks, ensuring that the installations are in good condition.



Record
Keeping

- All our ships must have designated crew members for ballast water operations. All the work will be recorded in the *Ballast Water Log Book*, where the XO should sign on each and every operation. Every page will also need to be signed by the captain.
- The Ballast Water Log Book will be recorded in a bilingual and loose-leaf format which should be kept for at least 2 years for inspections by the authorities. Moreover, we ask our captains to get familiar with the ballast water reporting system in their designated port states, so that they can comply with the related rules and regulations, and actively cooperate with local port authorities for inspections and sampling.



Protecting the sea

We should safeguard our blue planet with passion when sailing on the sea. Recognizing that a healthy marine environment serves as the basis for the sustainable development of the shipping industry, COSCO SHIPPING Holdings strictly controls the pollutant treatment and legitimate emission of our shipping vessels, to promote green development of the shipping industry and relevant manufacturing. We have been strictly abiding by relevant laws and regulations both at home and abroad, including the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control on Environmental Protection by Solid Wastes*, and *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and industry-related laws, regulations and conventions involving *Marine Environmental Protection Law of the People's Republic of China*, *Implementation Scheme of the Domestic Emission Control Area for Atmospheric Pollution from Vessels*, *Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment*, *Criteria of Disposal on Ships Pollutants*, *International Convention for the Prevention of Pollution from Ships*, etc, to conduct tight controls on treatment and legitimate emission of vessels' hazardous substances.

Based on both domestic and international laws and regulations, as well as conventions and treaties in the industry, our Company has set up and implemented the *Waste Management Plan* for our ships that stipulated the collection, storage and disposal process of ship waste, the *Operation Regulation on Treating Bilge Oily Water Ashore* that regulated the complete discharge process of ships' oily wastewater, as well as *Shipboard Oil Pollution Emergency Plan* that trains our crew to quickly take response measures in case of oil-leaking accidents to reduce and control the negative outcome. In the meantime, we have specifically dedicated personnel to keep track of the latest updates in domestic and international environmental protection causes and continue to integrate new requirements and standards into the corresponding policies and management plans. Moreover, CSL organized a staff training in the corporate comprehensive management system (including ISO 14001-2015 Certificate for environmental management system) in August 2020, and successfully passed the license audit by professional agencies from outside in the following month, guaranteeing a sustained and effective operation of the Company's management system. During the reporting period, COSCO SHIPPING Holdings did not violate any relevant environmental laws or regulations.

Water resources and wastewater discharge management

Apart from further promoting the low-carbon operation of our shipping process and ports, COSCO SHIPPING Holdings has always attached great importance to the use of water resources. In order to improve the water use efficiency on shipboard, our ships employ desalination equipment to convert seawater into drinking water to supplement the daily water use of our crew and reduce freshwater consumption. Meanwhile, we continue to raise the awareness of water conservation of our employees while developing their water-saving habits, encouraging them to participate in the optimal use of water resources on board. In 2020, the total consumption of water resources by our fleet was 52,538 tons, with an amount of 303,986 tons of seawater desalination reached.

COSCO SHIPPING Aquarius -- water-saving measures on board

Normally the supply of fresh water on ships comes from 2 channels: port filling and seawater desalination on board. Currently, our container ship COSCO SHIPPING Aquarius is equipped with a freshwater generator with a maximum daily output of 30 tons. The freshwater it produces will be used mainly for machine operation and deck washing. During the shipping process, we are committed to strengthening our awareness of water-saving by analyzing every section of water use, before adopting a series of water-saving measures.



Water-saving in kitchens

- Soak the vegetables in the water before rinsing them to reduce the need for running water.
- Take the frozen meat and fish out in advance based on the weekly recipe to let them thaw naturally, instead of forcing them to thaw with running water.



Water-saving in restrooms

- Set the water flow rate of the faucets to 50% of their maximum capacity to reduce water waste.



Water-saving management

- Our crew should take the maintenance work of the water generator more seriously to keep it in good condition.
- The XO and carpenter on the deck should improve the management of each freshwater tank, enhance the monitoring to prevent leakage of any kind, and try to locate the cause immediately after anything goes wrong.



Training in water-saving awareness

- Establish a system of water-saving rules on board that encourage the crew to get rid of bad habits. Help the crew understand what "water conservation" really means for overseas shipping vessels, and motivate them to use water in a rational and efficient way.



The main source of wastewater during the shipping process that might lead to marine pollution comes from effluent including discharged ballast water and oily wastewater. In terms of wastewater discharge management, COSCO SHIPPING Holdings has built special sewage treatment stations or facilities at ports to dispose of wastewater, and carry out routine maintenance through timely supervision and effective management, so as to make sure that all indicators regarding the wastewater discharge meet or even exceed national and local standards. In addition, we strictly follow the *Regulations on Management of Bilge Oily Water Treatment* to clarify the complete standardized procedure of the discharge of oily wastewater.

During the reporting period, we adopted high-pressure inspection on the fieldwork of oily wastewater discharge, continued to enhance the oversight of the process and implemented the sealing of wastewater during refueling and discharge. Our oversight and sealing work of oily wastewater covered all areas of work, preventing any chance of leakage. In addition, we actively coordinated with third-party companies offering inspection services to maintain full coverage of the oversight on site, perfected the "blacklist" system, and conducted emphasized monitoring on important ships, all in an effort to eradicate any illegal discharge practices or pollution.



CSL implemented plastic sealing and carried out oily wastewater discharge

It is inevitable for shipping vessels to generate oily wastewater during engine ignition and the course of their sailing. In the case of oil spills or if the wastewater is improperly discharged into the sea, a layer of oil slick will be formed on the top of the sea surface. The slick will cut down sunlight radiation and affect the photosynthesis of phytoplankton in the sea, which will, in turn, cause the amount of oxygen in the waters to drop. As a result, the living environment of marine life will become dreadful over some time.

During the reporting period, our dedicated fuel oil management team had been strengthening the plastic sealing management of our fleet, carrying out plastic sealing work for all our ships at points such as wastewater discharge junctions. Through the tracking and inspection of plastic seals, we effectively realized the whole-process monitoring of ships' fuel control. The monitoring range now covers all the vessels under the Company's management. At present, CSL has achieved full coverage and seamless management of plastic sealing for the whole fleet, including both owned and chartered vessels, which have effectively curbed illegal practices in fuel control. It is predicted that throughout the year 2020, the number of inspections and operations of wastewater sealing will reach about 2,110, while 4,008 bunkering sealing operations are projected to be completed. In addition, we will continue to ensure the full coverage of sealing management.

In addition, CSL has been implementing *Shipboard Oil Pollution Emergency Plan* to guide our crew in the events of unexpected oil spills so as to mitigate the impact of the accidents and contain the situation. Once the oil overflows, operators on duty must report it to the captain or other persons in charge immediately. After the report is submitted, the alarm signal will ring at once, and the captain should organize all crew to take contingency measures.

During the reporting period, the total wastewater discharge generated from the production and operation of COSCO SHIPPING Holdings' container shipping and terminal business was 1,954,288 tons.

1,954,288 tons

Total discharge of wastewater from container shipping operations and terminal port operations





Waste

By establishing and implementing the internal *Waste Management Plan* for our ships, COSCO SHIPPING Holdings preserves the marine ecological environment and avoids accidents of waste pollution. The Plan explicitly clarifies the duty and responsibility of every crew member, requesting that the management level must train their fellow crew members on the collection, disposal and storage of ship's waste and that the waste must be categorized and processed before being stored, incinerated and disposed of according to regulations.

For our maritime shipping vessels, we have applied an on-board waste management system to collect related data and manage relative affairs, and have equipped them with appropriate waste disposal facilities based on the requirements of the *International Convention for the Prevention of Pollution from Ships*, such as incinerators, food dispensers and garbage compactors. In the meantime, we require our staff to transfer the waste in enclosed containers, so that we can minimize the negative impact on the environment of our work.

Plastic waste management on the sea

OOCL is dedicated to conforming to both existing and forthcoming laws regarding marine plastic pollution and preventing plastic waste from entering the sea through maritime transport. In this way, OOCL will be able to minimize the impact of plastic waste on marine life, biodiversity and human health.

We request our staff to dump all the domestic waste in the port into one waste pond for the responsible government agencies to move it to designated places for further treatment so that the waste can be produced and disposed of within the same day. As for hazardous waste, CSP has compiled a customized management system, set up prevention and control institutions for its prevention and control, regulated the storage and transfer procedure, and introduced complete legal procedures and means for the transfer and disposal of hazardous waste.

In the face of the sudden global outbreak of COVID-19 in 2020, in order to effectively prevent and stop the further spread of the disease now that a huge amount of medical waste has been generated due to COVID-19 prevention and that the current situation is still not



promising, IMO, flag states, port states, shipping companies and port authorities from all sides have all formulated and introduced a series of control and security measures targeting international ships sailing between ports around the world. These practices, while reinforcing epidemic prevention and control work both on shipboard and shoreside, will bring a certain degree of challenge to the management of ship waste. During the reporting period, COSCO SHIPPING Holdings had already strengthened its waste management to reduce the waste discharge risk brought by the COVID-19.



Notes on ships' waste management during the COVID-19

During the reporting period, COSCO SHIPPING Aquarius followed the requirements of COVID-19 prevention and control and the ship waste management principles, approaching the matter from aspects including raising awareness among its staff, classifying epidemic prevention supplies before storing them, implementing waste sorting more strictly and disposing of ship waste. As thus, the ship can strictly control its garbage discharge at the same as reasonably disposing of medical waste.

Enhance training to reduce waste generation

Train the on-board crew to learn the *Waste Management Plan* and to use waste disposal equipment, so as to help the members get more familiar with the waste management requirements and relative facilities. Through the implementation of the Plan and the use of waste disposal equipment, we can reduce the waste generated on shipboard to a minimum amount.

Improve the classification and management of ship's waste

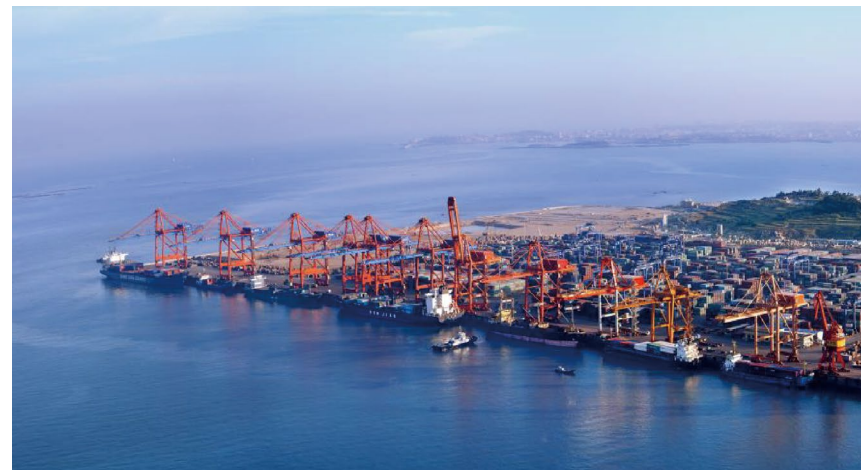
If the waste is mixed with or contaminated by other substances that are banned from discharge or have different discharge and treatment requirements, the compounded waste will then need to comply with the strictest requirements among its composition. Therefore, an effective classification and management system on shipboard can not only help discharge and dispose of waste by making the best of the facilities on the ship but also help store harmlessly the waste that is not discharged, disposed of, or unloaded onshore for a relatively long time.

Dispose of the waste on board on a regular basis to reduce the waste remained on board

The methods of waste treatment on the ship include incineration, shredding, grinding, compaction and onshore unloading. Our ship must keep track of the waste recycling policies in the COVID-19 prevention & control measures of its docking ports (whether at present or in the future). If the conditions permit, we should try to unload as much waste at docks as possible. In the meantime, we should try to clean and disinfect our waste storage facilities periodically, install proper fire-fighting equipment and strengthen management and inspection.

Disinfect epidemic medical waste and store them separately, reducing the risk of transmission

Install special trash bins for medical waste on board (labeled as yellow). Disinfect medical waste that is thrown away by medical staff such as a protective suit or face masks, before storing them separately for later unloading (the tally room will be used temporarily as the storage room). We should also notify port authorities in advance, and take special protective measures at their request.



The formulation of the Inventory of Hazardous Materials (IHM), also known as the Green Passport, is a key requirement in the *Hong Kong Convention* which identifies all hazardous or potentially hazardous materials on board. It aims to recycle and rebuild the ships under a safer and environmental conditions where recyclers customize a safer and more environmental-friendly decommissioning plan for ship recycling. COSCO SHIPPING Holdings pays great attention to the environmental impact of vessels and actively endeavor to obtain the Green Passport on board. In addition, COSCO SHIPPING Holdings conducts an assessment of the ships' life cycle to reduce their environmental impact when being recycled.

OOCL's green passport and life cycle assessment of ships

Most of the ships in OOCL have been granted the green passport, helping the Company identify and understand the hazardous or potentially hazardous materials on shipboard, so that they can try to minimize the production of such materials during operation.

Considering that the ships' life cycle is vitally important to both the environment and the container shipping business, OOCL conducts the life cycle assessment of their ships as early as in the planning stage to reduce its further environmental impact when being decommissioned.



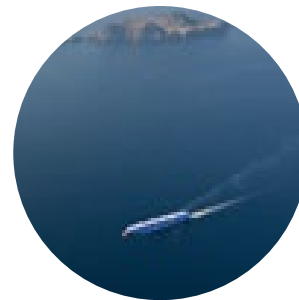
Protecting blue whales

Setting a speed limit for ships can dramatically reduce the number of collisions with whales. In order to protect the species, CSL and OOCL have both proposed voluntary deceleration initiatives to slow down their ships in some of the whales' vital habitats, preventing the accidental injuries or deaths of whales caused by the shipping work.

With the lofty ideal of protecting the world and the firm belief of preserving the environment, CSL took the initiative to contact the sponsor of the "Protect the Blue Whales and Blue Skies" project and signed up to join the program in 2018. This project was funded and promoted as a non-compulsory initiative by multiple environmental protection departments and organizations in the U.S., which calls for the voluntary accession of all willing parties. During the reporting period, CSL was awarded the Gold Award in the project for its positive measures taken and remarkable achievements made after the CSL rejoined the "Protect the Blue Whales and Blue Skies" incentive project recognized by the U.S. Environmental Protection Agency.

"Protect the Blue Whales and Blue Sky" project

The 70 nautical-mile-long (about 130 kilometers) Santa Barbara Channel located between the coast of Southern California and the Channel Islands, is one of the major gathering places for blue whales. However, it is also the most important pathway in the shipping industry. Situated near the ports of Los Angeles and Long Beach, this channel will witness thousands of ships sailing by, causing grave danger to the whales that live here. The poor animal can easily be bumped into by the ships.

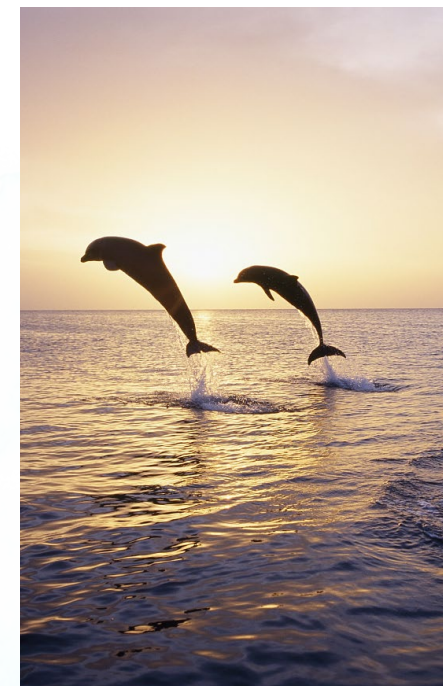


From May 1, 2019, to November 15 of the same year, the speed of all the ships owned by the companies in the project will be recorded when going past the Santa Barbara Channel Region and the San Francisco Bay Area. The requirement of the voluntary speed limit was no more than 10 knots per hour. The organization would calculate the percentage of the actual distance covered beneath (or equal to) the 10 knots/hour limit in the theoretical total distance of each fleet, before issuing awards to the top companies based on this percentage number.

In 2020, CSL was awarded the 2019 Gold Award presented by the "Protect the Blue Whales and Blue Skies" project as a result of its outstanding percentage rate throughout the year. In return, CSL announced its decision to donate the \$18,000 award to the environmental organizations promoting the project in order to guarantee the successful implementation of the program in 2020.

Refusing any shark fin-related product

Both CSL and OOCL have committed to refusing whales, sharks, dolphins and all kinds of related products on their ships. This policy demonstrates our support for the global shutdown of the trade of endangered and protected marine life, as well as our determination to take action.





Valuing talents and developing as a whole

Investing in talents is investing in the future. In order to fulfill the Company's goal of becoming "the world's first-class service provider in container transportation and terminal investment and operation", COSCO SHIPPING Holdings has always regarded talent investment as a crucial strategic objective, offering a fair and free development platform for our employees and encouraging the common development of the staff and the Company.

Compliant recruitment

COSCO SHIPPING Holdings always values talents and is devoted to actively promoting a global operation and development while building a diverse workforce and a fair and equal work environment, so as to set up a harmonious and efficient staff team.

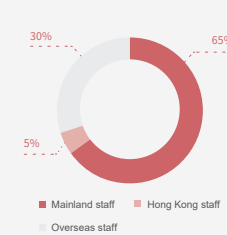
COSCO SHIPPING Holdings complies with all employment-related laws and regulations in our operating countries, fulfilling our obligations regarding lawful recruitment. We strictly prohibit the use of child labor and forced labor and are dedicated to facilitating lawful recruitment among partners and suppliers. During the reporting period, there weren't any child labor or forced labor used in COSCO SHIPPING Holdings, nor were any related cases reported.

We have established a complete and standardized human resource management system including *Staff Management Rules* and *Recruitment Rules for Office Workers*, continuously recruiting talents through diverse channels including campus recruitment, online recruitment and social recruitment in a fair and transparent way, and providing a fair and free development environment for our staff.

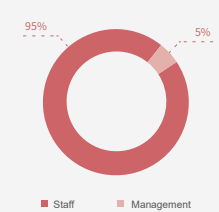
COSCO SHIPPING Holdings promises to offer equal opportunities in all aspects of the workplace including recruitment, career development, promotion, training and awarding, regardless of people's color, nationality, race, age, gender, religious beliefs, or any physical disabilities, forbidding any kind of discrimination or unjust treatment due to factors unrelated to work. In addition, we also provide employees with disabilities with salaries and benefits that are scaled on equal terms with others, helping them find their own positions in the Company to truly realize the corporate culture of fairness and equality.

By the end of the reporting period, the total number of employees of COSCO SHIPPING Holdings were 40,405, of which 33,448 are regular employees working at the headquarters, CSL and CSP, and OOCL. In 2020, the number of new employees including COSCO SHIPPING Holdings, CSL, CSP and OOCL totaled 1,947, including 990 male employees and 957 female employees.

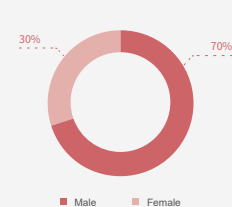
Number of employees by region



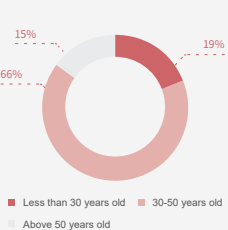
Number of employees by level



Number of employees by gender



Number of employees by age



During the reporting period, 1,358 persons resigned from COSCO SHIPPING Holdings and the turnover rate was 3.8%. We fully respect the personal choices of our employees. When employees leave, we will handle the separation procedures according to law.



Job promotion and career development

In the end, the competition and development of enterprises will come down to the competition of talents. COSCO SHIPPING Holdings puts a premium on the staff's ability improvement and personal development, establishing a highly-effective training system as well as a performance-oriented job promotion and incentive system, which provides our staff with a positive progress platform and unimpeded career development opportunities.

2020 Leadership Training Camp

In order to help our employees determine their career development directions, improve the management capability at the leadership level, and reserve talents in senior management for the Company, COSCO SHIPPING Shanghai organized a 3-month leadership training event for the Company's deputy leaders and above. A total of 235 people took part in this series of activities.

During this "Leadership Training Camp", our trainees got a better understanding of the development direction of both the Company and their own departments through activities such as face-to-face lectures by experts, sandbox immersion simulation, etc. The training helped our staff clarify leaders' responsibilities for organizational development, knowledge management and talent management and learn to motivate our staff with team planning and organization development, effectively enhancing the leadership skills of our managerial staff.



- Formulate regulations such as *Rules for Staff Education and Training*, *Rules for Internal Trainers Management*, etc.
- Add more novel and interesting trainings on the basis of traditional classes.
- Upgrade online learning platform to increase the staff's interest in learning and improve their learning experience.



- Offer new recruits the induction training program: the New World of Welcome (WOW).
- Build a global knowledge repository for knowledge sharing, learning and coordination. Provide trans-department intellectual support for staff training and skill improvement.
- Organize professional skill trainings and internal workshops to facilitate the skill improvement of our staff.



- Focus on the grand blueprint of the global terminal layout, provide all-round trainings on operation, management and professional know-how, improve relevant skills, and develop strategic thinking.



Guarantee of rights and interests

We provide equal, just and transparent promotion channels for our employees, enabling them to choose the right path in their career development according to their own specific situations. The promotion opportunities for employees are closely related to the performance assessment. Such practice is clear and well-founded enough in employees' job promotion, ensuring the fairness and openness of the promotion procedure.

During 2020, COSCO SHIPPING Holdings provided 34,049 employees with 345,356 hours of training.

COSCO SHIPPING
Holdings provided

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Respecting and caring for each employee in the Company, COSCO SHIPPING Holdings has always been committing itself to the protection of staff's lawful rights and interests. While offering our staff a healthy and safe working environment as well as an open and inclusive development platform, COSCO SHIPPING Holdings also pays full attention to the basic guarantee and legitimate demands of our employees.

Salary and benefits

COSCO SHIPPING Holdings regards the rights and interests of its employees as one of the most important factors in its development and has promised to provide reasonable salary and benefits to the staff. COSCO SHIPPING Holdings has adhered to the salary distribution philosophy of "fair wage for fair work" and "respecting the effort and the results", established a complete salary system which is tied to performance rating, and set up stock ownership incentives to motivate senior staff members and members with outstanding contributions. In the meantime, COSCO SHIPPING Holdings attaches great importance to employees' lawful rights and interests as well as job benefits in their daily work, paying all statutory

Special lecture on the *Civil Code of the People's Republic of China*

During the reporting period, CSL invited a senior lawyer from a law firm to give special lectures on the *Civil Code of the People's Republic of China*. More than 200 employees attended the event.

The *Civil Code of the People's Republic of China* is the first law named after a code since the founding of the PRC. It reflects both the Chinese characteristics and the characteristics of the times and is closely related to people's life. Renowned as "the encyclopedia of social life", it is a declaration and guarantee of civil rights, where the basis of nearly all the civil activities can be found. Concerned with both big and small matters in our life, studying the Code agrees with our immediate interests. During the event, through vivid case analysis, the invited lawyer helped our employees get a general understanding of the *Civil Code*.



Welfare expenses in accordance with the local laws, regulations and policies on social insurance in its operating countries or regions. During the reporting period, COSCO SHIPPING Holdings paid a total of RMB 9.316 billion as the salaries and benefits to its employees.

Besides, we also provide multiple additional benefits for our staff members. Apart from holiday gifts, we also organize legal lectures to popularize among our employees the practical laws and regulations in daily life, while also offering legal advice to help them defend their rights and interests legitimately.



Labor rights

To further protect labor rights, COSCO SHIPPING has formulated collective agreements and signed them with all employees in accordance with the Labor Law of the People's Republic of China, the *Labor Contract Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Trade Union Law of the People's Republic of China*, and the *Regulations of Shanghai Municipality on Collective Agreements*.

Collective agreement includes collective bargaining policy. Employees have the right to participate in collective bargaining activities through trade unions and bargaining representatives. The collective agreement protects the special rights and interests of female employees, namely, providing maternity leave to female employees in accordance with the law, enforcing equal pay for equal work of male and female employees, and conducting gynecological exams for female employees once a year. At the same time, the collective agreement stipulates the employees' Congress system. All the employees' representatives are voted and elected by the employees. The employees can voice their opinions and needs by means of the workers' Congress, which opens up a green channel for internal feedback and suggestions within the Company.

CSL held the workers' Congress

During the reporting period, CSL held the workers' Congress successfully, and 145 representatives were present. A total of 13 proposals were received at the meeting and sorted out and sent to 5 departments of the headquarters for the undertaking. After carefully studying and dealing with the proposals, the relevant functional departments formed a draft of the answer. CSL's Trade Union then communicated such replay of departments to the proposer and 100% of employee representatives are satisfactory to the opinion handling.

Docks under the jurisdiction of CSP have signed collective bargaining agreements with their employees. Collective bargaining agreements have protected the legitimate rights and interests of employees from 12 terminals.

Working hours and holidays

COSCO SHIPPING Holdings pursue a work-life-balance for employees and fully respect their legitimate rights in working hours and holidays. The working hours of all employees IN COSCO SHIPPING Holdings are enforced in accordance with the standard working hours policy stipulated by the State Council. For those employees who have to extend the working hours due to special reasons, we appropriately allow additional working hours of the employees on the basis of the conditions and standards stipulated by the law after negotiation with the trade union and the employees under the condition of ensuring their health. In addition, we have specified the minimum extension of working hours and rules on compensation for additional working hours.





Health and safety

COSCO SHIPPING Holdings attaches great importance to the health and safety of employees, constantly optimizes the measures in the healthy and safe working environment, improves the management system and the management level, and strives to eliminate potential health and safety hazards.

CSL

- Establish the management system of ISO 45001 occupational health and safety, carry out annual internal and external audit on such system, and make revision and improvement according to the audit results
- Establish the Occupational Health and Safety Risk Assessment and Operation Control Procedure to manage the occupational health and safety of all employees in accordance with occupational health and safety management standard and the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM).
- Establish the Safety Supervision Department to enforce the occupational health and safety management system, specify responsibilities in such system, and protect employees' life and health during their daily work

OOCL

- Implement safety, security and environmental protection (SSE) policy and actively promote safety culture
- Set up and improve objectives and indicators related to health and safety, and strives to create a zero-accident work environment

CSP

- Formulate the Regulation on Safety Management Responsibility to clarify the responsibilities of safety management of relevant personnel
- Ask all department to sign the Letter of Responsibility for Safety at Work, incorporate the latest safety objectives and requirements into the scope of performance assessment, and conduct regular assessment



To avoid safety accidents, COSCO SHIPPING Holdings has identified and classified the safety risks and achieved the management objectives of double control of safety in production through safety risk identification and control.

COSCO SHIPPING Holdings pays much attention to the occupational safety and health education on its employees, and summarizes the occupational safety education method of "theory plus practice, and daily plus special". COSCO SHIPPING Holdings integrates occupational safety education into daily work by setting up the month of production safety to conduct special safety training, including lecture and forum, emergency simulation, knowledge competition and other special education activities, so as to greatly enhance the safety awareness of its employees.



Safety activities of experiencing lift trucks' blind spot

During the reporting period, CSL organized safety activities in Qingdao for employees to experience the driving blind spot by lift trucks. More than 80 employees in Qingdao participated in the event.

Some of our employees in Qingdao work in the container yard, and they often need to pass with the lift trucks in close distance, which is one of the important sources of hazard. Through this activity, we organized the employees to board the cab in the lift truck to experience the visual blind spot when the driver is operating. We also invited professionals to expound on it, so that the employees can personally feel how wide driver's sight during operation and know the exact danger. This activity plays a good role in promoting the safety awareness and skills of employees.



Safety training and fire escape drill

During the month of production safety, CSL organized local employees to give training on safety knowledge and fire escape drills in Putian.

CSL provided employees in Putian with training on the loading of hazardous goods, knowledge over firefighting, typhoon solution and protection, safety accident reporting and other know-how. CSL explained how to use fire extinguishers, fire masks and other fire prevention equipment, and what to be cared for in the early stage of fire, so as to inform local employees of the importance of daily production safety and thy way to cope with natural disasters. At the same time, to further strengthen the employee's skills in fire prevention and disaster relief, we conducted firefighting and escape drills in our office in Putian by simulating the fire situation and organizing all employees to evacuate safely and orderly. The simulation improved the employees' rapid emergency response and accumulated valuable experience for the subsequent emergency handling.

Furthermore, COSCO SHIPPING Holdings strengthens the publicity in health for employees, urges the employees to have healthy living habits, and improve their awareness of health. Through Health Square, OOCL advocated a healthy lifestyle among employees and held a series of health classes to arouse the awareness of employees to keep healthy and develop their sports interests.

As a company that is highly socially responsible, COSCO SHIPPING Holdings not only stresses the occupational health and safety of its employees but also increases the suppliers' concerns over the occupational health and safety of their employees.



COSCO SHIPPING Holdings' work-related injury data in the past three years are shown in the table below³. The fatal accident in the 2018 fiscal year is directly caused by the fact that the maintenance man has an improper position and does not wear safety tethers during the operation. After the accident, CSP organized employees to learn production safety rules and regulations again, improved safety awareness and stipulated that they must wear safety tethers when working at height. We also checked all transmission devices and install the necessary protective cover.

	Unit	2018	2019	2020
Number of deaths due to work-related injuries	Person	1	0	0
Number of work-related injuries	Person	95	83	78
Working days lost due to work-related injury	Day	1,414	1,979	2,010

³Data in 2018 does not cover OOCL while that in 2019 and 2020 cover OOCL.

Employee care

Team building activities

COSCO SHIPPING Holdings seeks to build a warm family-like team, enhances the cohesion of the team and gives the employees the strength brought by the team through a variety of team-building activities.

An activity "A united team exceed his grasp to embrace 2020"

During the reporting period, COSCO SHIPPING Holdings engaged all employees in the Group's team building activities in order to enhance team cohesion and increase communication among employees. In the activity, the employees participated in different outward-bound items. Thanks to the close cooperation of the participants, all of them successfully finished each item. The activities boosted the morale of employees and enhanced their sense of teamwork.





"Move Forward Bravely in 2020" team building activities

During the reporting period, CSL encouraged the employees in Chongqing to join in the team building activities of "Move Forward Bravely in 2020". Unlike the previous rule where a department competes with others, this team building activity divided members from different departments into different teams, which promoted communication between departments. By means of intense tug of war and other activities, participants not only enhance the cohesion of the team but also achieve the goal of physical fitness.



CSP Family team building in winter

In November 2020, the employees in CSP Shanghai headquarters and their families gathered at the Forest Manor at the Sheshan Hill, Qingpu for the CSP Family's winter team building. They enjoyed the natural beauty, barbecued, had some fun together in the manor, and had a pleasant time around the lakes and mountains.



Visiting retirees

CSL wants to be concerned about the life of retired employees with the daily care throughout the work. In this way, we offer them security and supports and show our care for employees. We arouse their sense of community and ensure their joyful mood at work with our humanistic care.



Work-life-balance

COSCO SHIPPING Holdings not only encourages employees to participate in recreational and sports activities after work to achieve a balance between work and life, but also holds colorful recreational and sports activities within the Company to protect the physical and mental health of employees and enhance team cohesion.

Online karaoke contest

In a bid to enrich the spare time and cultural life of the employees, CSL Shanghai Branch's North-Jiangsu Business District held the "The Voice of North-Jiangsu Business District" singing contest by means of App among various departments during the reporting period.

The contest was received with undiluted enthusiasm. The contestants made use of their spare time to practice and the district leaders were actively involved in that. This form not only brought the leaders and employees closer but also further enhanced the communication between the employees. The 12 players who were short-listed for the final made the final result after a fierce duel. This activity enabled the employee to relieve the pressure after the tense work and enhance the employees' mettle.



Going hand in hand with social development

We are deeply aware that COSCO SHIPPING Holdings' development is inseparable from social support. We proactively take on our social responsibilities, advance the Belt and Road Initiative, promote social development and give back to society through the targeted poverty alleviation and public benefit activities.

During the reporting period,

accumulate to donate **19.09** million RMB to society



Mutual economic advancement

China-Europe railway express

Advancing Belt and Road Initiative

As an important carrier playing a leading role in the construction of the Belt and Road Initiative, shipping bears the historical mission of building a maritime trade channel and expanding the logistics corridor connecting the "Belt" and "Road". As the largest shipping enterprise group in the world, COSCO SHIPPING Holdings has fully participated in the construction of the Belt and Road Initiative and become a beautiful Chinese business along the line.

During the reporting period, the volume of container transport completed on China-Europe land and sea express increased by 45% year-on-year, and the one on the new western land-sea corridor in the west of China increased by 74% year-on-year. The business of China-Europe railway express has maintained steady development.

The first Russian special train for infrastructure equipment was successfully delivered

In June 2020, promoted by the provincial, municipal and county-level commercial (port) authorities in Jiangxi, a China-Europe train load with large-scale underground construction special equipment departed from Nanchang Xiangtang International Land Port to Moscow, Russia. This is the first train for underground construction equipment in China, and also the second custom train departed from Nanchang Xiangtang International Land Port following the food train and COVID-19 prevention material train. The special train would arrive in Moscow, the capital of Russia, in about 15 days. The special train mainly transported the large belt machinery and equipment. It was special transport equipment for underground subway construction, which efficiently guaranteed the transportation of slag generated by shield tunneling. The goods worth RMB 12 million greatly meet the construction needs of the Moscow metro project undertaken by China Railway Group Limited, a central enterprise in China. This train is operated by CSL preparatory organization for China-Europe train in Nanchang and China Railway Container Transport is responsible for the whole railway transportation. The special train also opened a new way of transportation for domestic high-end intelligent manufacturing to go abroad.





Targeted poverty alleviation

COSCO SHIPPING Holdings is concerned about the people in poverty-stricken areas, constantly promotes poverty alleviation projects in various regions and deepens assistance measures. COSCO SHIPPING Holdings conducts work on targeted poverty alleviation from various aspects and combines poverty alleviation with business development to achieve win-win results in business and poverty alleviation. In this way, we benefit more people with our development achievements and help China to achieve comprehensive poverty alleviation.



Caring donation

We believe in the power of love. We help students in Tibet to have a better learning environment with our love and provide them with books, school supplies and warm clothes to make donations for Tibetan students' dreams and share a good and beautiful world.

Donation Activity "walk with love and pass on fragrance"

CSL

CSL collected 4,505 books, 2,591 school supplies, and 2,337 clothes for autumn and winter donated by employees in Shanghai, and donated all of them to Luolong Primary School and Binda Primary School in Leiwuqi County.

CSP

CSP donated 43.71 kg of books, school supplies and clothing to Tibetan students to improve their living and learning conditions.

Spindrift Wishfulness

As a proverb saying, "give a man a fish, he eats for a day. Teach him to fish, he will never go hungry". COSCO SHIPPING Holdings is deeply aware that poverty alleviation must start from the source, that is, to help children in the distressed area have access to a good education so that they can have their bright future by themselves.

"Spindrift Wishfulness" program on student financial aid

CSL continues the education grant activity of the "Spindrift Wishfulness" program, enables the employee to provide one-to-one help for poor families, and actively explores practical innovation in poverty alleviation and relief with education. In July 2020, at the "Spindrift Wishfulness" ceremony to grant student financial aid at Luolong Middle School, a total of 41 students (including 30 primary school students and 11 middle school students) were awarded RMB 62,400 in CSL "Spindrift Wishfulness" program in 2020.



Poverty alleviation through procurement

COSCO SHIPPING Holdings combines poverty alleviation through consumption with the donation. While supporting the development of local industries with characteristics, COSCO SHIPPING Holdings promotes the upgrading of industries targeting poverty alleviation to benefit the local people.

Poverty alleviation through procurement

When researching the work on poverty alleviation in Yongde County, Lincang, Yunnan, CSL subscribed poverty alleviation products worth RMB 1.4 million from Yongde County People's Government. CSL purchased characteristic agricultural products from designated areas through staff canteens, hotels, business gifts and other channels, so as to promote the sales of poverty alleviation products in poverty-stricken areas and advance the realization of the goal of poverty alleviation.



Public welfare activities

COSCO SHIPPING Holdings pays attention to the responsibility as a corporate citizen. COSCO SHIPPING Holdings takes ownership, proactively performs social responsibilities and obligations during the development practice, and builds a corporate responsibility system focusing on the fulfillment of economic, environmental and social responsibility.

Rescue at sea

In September 2020, COSCO Malaysia, the ship under CSL successfully rescued a sailboat in distress and 4 people on board in the Gulf of Mexico, 130 nautical miles away from the west of Port Tampa, Florida, USA. The rescuers assisted the people in danger to board COSCO Malaysia safely through the pilot ladder, and strictly abided by the COVID-19 prevention regulations including social distance, so as to ensure the safety and health of the people on board. At last, 4 people on the boat were rescued.





Flood relief in Jiangxi

Since the flood season in 2020, rounds of heavy rainfall in southern China result in severe floods in many places and threatened lives and property safety.

In this situation, Green Bay Marine Group in Singapore donated 50 assault boats and supporting equipment to the People's Government of Jiujiang and Jiujiang Charity General Association, Jiangxi, and the donor had to transport 7 40-foot containers. In order to ensure that the materials can arrive

at the disaster area as quickly as possible, CSL, together with OOCL and other subsidiaries, immediately adjusted the transportation route and delivered the materials to the disaster area one week in advance.

In a bid to guarantee materials for flood control and relief in disaster areas, CSL has made full use of its business advantages to actively ship the required flood relief materials and contribute to the smooth flood season in China.



"Green jogging" public welfare activities

In September 2020, OOCL organized the public welfare activity of "green jogging and garbage collection". The theme of this jogging garbage collection activity is "health and vitality + ecological and environmental protection + sustainable development" and follows the philosophy of "green, environmental protection, cohesion and sustainability". Participants start from Guangzhou Logistics Center and go to Longtoushan Forest Park for the public welfare activity of "garbage collection amid jogging". Everybody picks up garbage when jogging, joins in the fun of public welfare work and contributes to sustainable environmental protection.



Aiding Australian wildfires rescue

OOCL provided assistance to extinguish the serious wildfires by donating containers. These containers help Australia deliver much-needed goods such as temporary shelter, clothing, food, toys and other household necessities to stricken areas, and offer important storage places open for communities and houses.





Appendix

Laws, regulations and internal policies

Laws and regulations

Company Law of the People's Republic of China

Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

Enterprise Income Tax Law of the People's Republic of China

Law of the People's Republic of China on Conserving Energy

United Nations Convention against Corruption

Foreign Corrupt Practices Act (FCPA)

Criminal Law of the People's Republic of China

International Safety Management Code

Law of the People's Republic of China on safe Production

Byelaw Governing, Reporting, Investigation and Handling of Production Safety Accidents

Regulations on Classified Protection of Information Security

General Data Protection Regulations

Bidding Law of the People's Republic of China

International Convention on the Control and

Management of ships' Ballast Water and Sediment

Law of the People's Republic of China on Environmental Protection

Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution

Law of the People's Republic of China on the Prevention and Control of Water Pollution

Law of the People's Republic of China on Maritime Environmental Protection

Scheme of the Domestic Emission Control Areas for Atmospheric Pollution from Vessels

Regulations on the Prevention and Control of Vessel-induced Sea Pollution From Marine Environment

Discharge Standard for Water Pollutants from Ships

International Convention for the Prevention of Pollution from Ships

Labor Law of the People's Republic of China

Labor Contract Law of the People's Republic of China

Trade Union Law of the People's Republic of

China

Law of the People's Republic of China on Prevention and Control of Occupational Health and Safety

International Management Code for the Safe Operation of Ships and for Pollution Prevention

Internal policy

Procedure Rules of Risk Control Committee of COSCO SHIPPING Holding's Board of Directors

Regulations on Energy Conservation and Emission Reduction

Prevention and Control Measures for Integrity Risk of COSCO SHIPPING Holding

Regulations on Whistle-Blowing

Regulations on the Cases Inspection Related to Party, Government and Discipline

Regulations on the Clarification of False Reports and Accusations

Working Procedures for Clue Handling, Exam and Investigation (Trial)

Regulations on Security

Regulations on Safe Production

Regulations on Safety Management Responsibilities

Comprehensive Emergency Plan for Safe Production

Letter of Reprehensibility for Safety at Work

Regulations on Safety Risk Management

Anti-Pirate Instructions in Ships

Instructions on Typhoon Protection

Regulations on Management of Flood Control and Typhoon Prevention

Assessment Approach to Customer Service Quality

Measurement Procedure for Customer Satisfaction

Regulations on Supplier

Regulations on Procurement

Basic Procedures for Purchasing by Invitation to Bid

Management Instructions for Ballast Water from Ships

Ballast Water Management Plan

Waste Management Plan

Operation Regulation on Treating Bilge Oily Water Ashore

Shipboard Oil Pollution Emergency Plan

Regulations on Management of Bilge Oily Water Treatment

Employee Management Procedures

Recruitment Procedures for Office Employee

Regulations on Employee Education and Training

Regulations on Internal Trainers

Occupational Health and Safety Risk Assessment and Operation Control Procedure



GRI Reference Table

GRI Indicator	Description	Reference
GRI 102 General Disclosures 2016		
Organizational Profile		
102-1	Name of the organization	About the Report
102-2	Activities, brands, products, and services	About COSCO SHIPPING Holdings
102-3	Location of headquarters	About COSCO SHIPPING Holdings
102-4	Location of operations	About COSCO SHIPPING Holdings
102-5	Ownership and legal form	About COSCO SHIPPING Holdings
102-6	Markets served	About COSCO SHIPPING Holdings
102-7	Scale of the organization	About COSCO SHIPPING Holdings
102-8	Information on employees and other workers	Value talents and develop as a whole - lawful recruitment
102-9	Supply chain	Upgraded service and strict control - Supplier management
102-10	Significant changes to the organization and its supply chain	Upgraded service and strict control - Supplier management
102-11	Precautionary principle or approach	Compliance development with good governance - Comprehensive risk management
102-12	External initiatives	About COSCO SHIPPING Holdings
102-13	Membership of associations	About COSCO SHIPPING Holdings
Strategy		
102-14	Statement from senior decision-maker	Statement of Chairman
102-15	Key impacts, risks, and opportunities	Compliance development with good governance - Comprehensive risk management
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	About COSCO SHIPPING Holdings
Governance		
102-18	Governance structure	Governance mechanism for sustainable development

Stakeholder Engagement		
102-40	List of stakeholder groups	Governance mechanism for sustainable development - Materiality analysis
102-41	Collective bargaining agreements	Valuing talents and develop as a whole - Guarantee of rights and interests
102-42	Identifying and selecting stakeholders	Governance mechanism for sustainable development - Materiality analysis
102-43	Approach to stakeholder engagement	Governance mechanism for sustainable development - Materiality analysis
102-44	Key topics and concerns raised	Governance mechanism for sustainable development - Materiality analysis
Reporting Practice		
102-45	Entities included in the consolidated financial statements	About the Report
102-46	Defining report content and topic Boundaries	About the Report
102-47	List of material topics	Governance mechanism for sustainable development - Materiality analysis
102-48	Restatements of information	About the Report
102-49	Changes in reporting	About the Report
102-50	Reporting period	About the Report
102-51	Date of most recent report	About the Report
102-52	Reporting cycle	About the Report
102-53	Contact point for questions regarding the report	About the Report
102-54	Claims of reporting in accordance with the GRI Standards	About the Report
102-55	GRI content index	GRI Reference Table
102-56	External assurance	Independent assurance statement



Material Topics		
Economic		
GRI 201: Economic Performance 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance development with good governance - Operating performance
	103-2 The management approach and its components	Compliance development with good governance - Operating performance
	103-3 Evaluation of the management approach	Compliance development with good governance - Operating performance
201-1	Direct economic value generated and distributed	Compliance development with good governance - Operating performance
201-2	Financial implications and other risks and opportunities due to climate change	Sustainable Development as a Core - Response to Climate Change
GRI 203: Indirect Economic Impacts 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance development with good governance - Operating performance
	103-2 The management approach and its components	Compliance development with good governance - Operating performance
	103-3 Evaluation of the management approach	Compliance development with good governance - Operating performance
203-2	Significant indirect economic impacts	Compliance development with good governance - Operating performance
GRI 205: Anti-corruption 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable development as a core - Business ethics
	103-2 The management approach and its components	Sustainable development as a core - Business ethics
	103-3 Evaluation of the management approach	Sustainable development as a core - Business ethics
205-1	Operations assessed for risks related to corruption	Sustainable development as a core - Business ethics
205-2	Communication and training about anti-corruption policies and procedures	Sustainable development as a core - Business ethics
205-3	Confirmed incidents of corruption and actions taken	Sustainable development as a core - Business ethics

GRI 206: anti-competitive behavior 2016		
GRI 103:	103-1 Explanation of the material topic and its Boundary	Sustainable development as a core - Business ethics
Management Approach 2016	103-2 The management approach and its components	Sustainable development as a core - Business ethics
	103-3 Evaluation of the management approach	Sustainable development as a core - Business ethics
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainable development as a core - Business ethics
Environmental		
GRI 302: Energy 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable development as a core - Response to climate change
	103-2 The management approach and its components	Sustainable development as a core - Response to climate change
	103-3 Evaluation of the management approach	Sustainable development as a core - Response to climate change
302-1	Energy consumption within the organization	Performance table of sustainable development data
302-3	Energy intensity	Performance table of sustainable development data
302-4	Reduction of energy consumption	Performance table of sustainable development data
302-5	Reductions in energy requirements of products and services	Sustainable development as a core - Response to climate change
GRI 303: Water 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Realizing green shipping and warding the sea - protecting the sea
	103-2 The management approach and its components	Realizing green shipping and warding the sea - protecting the sea
	103-3 Evaluation of the management approach	Realizing green shipping and warding the sea - protecting the sea
303-1	Interactions with water as a shared resource	Realizing green shipping and warding the sea - protecting the sea
GRI 304: Biodiversity 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Realizing green shipping and warding the sea - protecting the sea
	103-2 The management approach and its components	Realizing green shipping and warding the sea - protecting the sea
	103-3 Evaluation of the management approach	Realizing green shipping and warding the sea - protecting the sea



304-2	Significant impacts of activities, products, and services on biodiversity	Realizing green shipping and warding the sea - protecting the sea
GRI 305: Emissions 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable development as a core - Response to climate change
	103-2 The management approach and its components	Sustainable development as a core - Response to climate change
	103-3 Evaluation of the management approach	Sustainable development as a core - Response to climate change
305-1	Direct (Scope 1) GHG emissions	Performance table of sustainable development data
305-2	Energy indirect (Scope 2) GHG emissions	Performance table of sustainable development data
305-4	GHG emissions intensity	Performance table of sustainable development data
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Performance table of sustainable development data
GRI 306: Effluents and Waste 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Realizing green shipping and warding the sea - protecting the sea
	103-2 The management approach and its components	Realizing green shipping and warding the sea - protecting the sea
	103-3 Evaluation of the management approach	Realizing green shipping and warding the sea - protecting the sea
306-1	Water discharge by quality and destination	Performance table of sustainable development data
306-2	Waste by type and disposal method	Performance table of sustainable development data
306-3	Significant spills	Realizing green shipping and warding the sea - protecting the sea
GRI 307: Environmental Compliance 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Realizing green shipping and warding the sea - protecting the sea
	103-2 The management approach and its components	Realizing green shipping and warding the sea - protecting the sea
	103-3 Evaluation of the management approach	Realizing green shipping and warding the sea - protecting the sea

307-1	Non-compliance with environmental laws and regulations	Realizing green shipping and warding the sea - protecting the sea
GRI 308: Supplier Environmental Assessment 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Upgraded service and strict control - Supplier management
	103-2 The management approach and its components	Upgraded service and strict control - Supplier management
	103-3 Evaluation of the management approach	Upgraded service and strict control - Supplier management
308-1	New suppliers that were screened using environmental criteria	Upgraded service and strict control - Supplier management
Social		
GRI 401: Employment 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Valuing talents and developing as a whole
	103-2 The management approach and its components	Valuing talents and developing as a whole
	103-3 Evaluation of the management approach	Valuing talents and developing as a whole
401-1	New employee hires and employee turnover	Performance table of sustainable development data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Value talents and develop as a whole - Guarantee of rights and interests
GRI 403: Occupational Health and Safety 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Valuing talents and developing as a whole
	103-2 The management approach and its components	Valuing talents and developing as a whole
	103-3 Evaluation of the management approach	Valuing talents and developing as a whole
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism	Performance table of sustainable development data
GRI 404: Training and Education 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Valuing talents and developing as a whole
	103-2 The management approach and its components	Valuing talents and developing as a whole
	103-3 Evaluation of the management approach	Valuing talents and developing as a whole
404-1	Average hours of training per year per employee	Performance table of sustainable development data



404-2	Programs for upgrading employee skills and transition assistance programs	Valuing talents and developing as a whole
GRI 405: Diversity and Equal Opportunity 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Valuing talents and developing as a whole
	103-2 The management approach and its components	Valuing talents and developing as a whole
	103-3 Evaluation of the management approach	Valuing talents and developing as a whole
405-1	Diversity of governance bodies and employees	Valuing talents and developing as a whole
GRI 408: Child Labor 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Valuing talents and developing as a whole
	103-2 The management approach and its components	Valuing talents and developing as a whole
	103-3 Evaluation of the management approach	Valuing talents and developing as a whole
408-1	Operations and suppliers at significant risk for incidents of child labor	Valuing talents and developing as a whole
GRI 409: 9 Forced or Compulsory Labor 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Valuing talents and developing as a whole
	103-2 The management approach and its components	Valuing talents and developing as a whole
	103-3 Evaluation of the management approach	Valuing talents and developing as a whole
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Valuing talents and developing as a whole
GRI 413: Local Communities 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Going hand in hand with social development
	103-2 The management approach and its components	Going hand in hand with social development
	103-3 Evaluation of the management approach	Going hand in hand with social development
413-1	Operations with local community engagement, impact assessments and development programs	Going hand in hand with social development
GRI 414: Supplier Social Assessment 2016		

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Governance mechanism for sustainable development - Materiality analysis
	103-2 The management approach and its components	Upgraded service and strict control - Supplier management
	103-3 Evaluation of the management approach	Upgraded service and strict control - Supplier management
414-1	New suppliers that were screened using social criteria	Upgraded service and strict control - Supplier management
GRI 415: Public Policy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Going hand in hand with social development
	103-2 The management approach and its components	Going hand in hand with social development
	103-3 Evaluation of the management approach	Going hand in hand with social development
415-1	Political contributions	Going hand in hand with social development
GRI 418: Customer Privacy 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Upgraded service and strict control - Customer service
	103-2 The management approach and its components	Upgraded service and strict control - Customer service
	103-3 Evaluation of the management approach	Upgraded service and strict control - Customer service
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Upgraded service and strict control - Customer service
GRI 419: Socio economic Compliance 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance development with good governance
	103-2 The management approach and its components	Compliance development with good governance
	103-3 Evaluation of the management approach	Compliance development with good governance
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance development with good governance - Operating performance



HKEx ESG Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Index
A. Environmental		
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. <i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i>	Sustainable development as a core - Response to climate change
KPI A1.1	The types of emissions and respective emissions data.	Performance table of sustainable development data
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Performance table of sustainable development data
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Performance table of sustainable development data
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Performance table of sustainable development data
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Sustainable development as a core - Response to climate change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Realizing green shipping and warding the sea - protecting the sea
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Realizing green shipping and warding the sea - protecting the sea
Subject Areas, Aspects, General Disclosures and KPIs		Index
KPI 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).	Performance table of sustainable development data

KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Realizing green shipping and warding the sea - protecting the sea
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Realizing green shipping and warding the sea - protecting the sea
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Realizing green shipping and warding the sea - protecting the sea
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Realizing green shipping and warding the sea - protecting the sea
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Realizing green shipping and warding the sea - protecting the sea
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainable development as a core - Response to climate change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Sustainable development as a core - Response to climate change
B. Social		
Employment and Labour Practices		
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.	Valuing talents and developing as a whole



Subject Areas, Aspects, General Disclosures and KPIs		Index
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance table of sustainable development data
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance table of sustainable development data
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.	Valuing talents and developing as a whole
KPI B2.1	Number and rate of work-related fatalities	Performance table of sustainable development data
KPI B2.2	Lost days due to work injury.	Performance table of sustainable development data
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Valuing talents and developing as a whole - Guarantee of rights and interests
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Valuing talents and developing as a whole - Job promotion and career development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance table of sustainable development data
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance table of sustainable development data
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Valuing talents and developing as a whole - lawful recruitment
Subject Areas, Aspects, General Disclosures and KPIs		Index

KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Valuing talents and developing as a whole - lawful recruitment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Valuing talents and developing as a whole - lawful recruitment
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Upgraded service and strict control - Supplier management
KPI B5.1	Number of suppliers by geographical region.	Upgraded service and strict control - Supplier management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Upgraded service and strict control - Supplier management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Upgraded service and strict control - Supplier management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Upgraded service and strict control - Supplier management
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, labelling and privacy matters relating to products and services provided and methods of redress.	Upgraded service and strict control - Customer service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	COSCO SHIPPING Holdings mainly provides container transportation services and port services, and does not involve product recycling
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Upgraded service and strict control - Customer service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	COSCO SHIPPING Holdings' business does not involve intellectual property related content at present



Subject Areas, Aspects, General Disclosures and KPIs		Index
KPI B6.4	Description of quality assurance process and recall procedures.	COSCO SHIPPING Holdings mainly provides container transportation services and port services, and does not involve product recycling
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Upgraded service and strict control - Customer service
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.	Sustainable development as a core - Business ethics
KPI 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.	Sustainable development as a core - Business ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sustainable development as a core - Business ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Sustainable development as a core - Business ethics
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Go hand in hand with social development
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Go hand in hand with social development
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Performance table of sustainable development data

Performance table of sustainable development data

Environmental Data

COSCO Shipping Holding Headquarters					
Indicators		Unit	2018	2019	2020
Electricity consumption in the office		kWh	128,780	127,330	98,177
Gasoline for car		Ton	6.40	3.31	1.74
Domestic water		Ton	449	426	0.53 ⁴
Container shipping business					
Indicators		Unit	2018 ⁵	2019	2020
Electricity		'000kWh	5,463	33,610	25,090
Oil	Gasoline	Ton	19.96	100.0	111.3
	Fuel oil (heavy oil)	Ton	4,992,708	6,702,633	6,498,425
	High sulfur oil	Ton	/	/	1,902,475
	Low sulfur oil	Ton	/	/	4,595,951
	Diesel oil (light oil)	Ton	156,777	172,722	187,102
	Lubricating oil	Ton	11,699	14,777	25,881
Gas	Natural gas	m ³	391,177	330,515	282,698
	Liquefied petroleum gas	Kg	/	7,694	7,370
	Acetylene	Kg	/	1,578	1,371
Production water	Freshwater	Ton	/	149,970 ⁶	52,545
	Desalinated water	Ton	/	183,350	303,986
	Total consumption of production water	Ton	190,387	350,647	356,531

⁴Due to COVID-19, water consumption in office is dramatically dropped.

⁵The data dimension in 2018 only includes CSL, and that since 2019 includes CSL and OOCL.

⁶Consumption of fresh water and desalinated water only include data from OOCL in 2019.



Container shipping business					
Indicators		Unit	2018	2019	2020
Domestic water		Ton	43,198	188,942	118,946
Total water		Ton	233,585	539,591	475,477
Water intensity		Ton/million revenue	2.03	3.73	2.86
Greenhouse gas ⁷	Scope I greenhouse gas emissions	tCO ₂ e	16,014,898	21,407,859	20,927,960
	Scope II greenhouse gas emissions		/	22,562	15,454
	Total greenhouse gas emissions (Scope I + Scope II)		16,014,898	21,430,421	20,943,414
Greenhouse gas emission density		tCO ₂ e/million revenue	139.45	147.99	126.16
Waste gas ⁸	NO _x	Ton	463,453	622,858	545,325
	SO _x		308,969	381,655	301,620
	Methane volatile organic compounds		/	5,400	5,395
	CO		/	4,850	4,920
Waste water	Production wastewater - treated wastewater discharge	Ton	76,251	91,671	150,902
	Domestic wastewater	Ton	38,878	35,075	168,559
Waste	Hazardous waste	m ³	2,136	2,237	3,683
	Handling quantity of dangerous goods	TEU	148,346	289,387	309,050
	Domestic - non-hazardous waste	m ³	/	19,221	17,909
		Kg	92,400	92,400	184,800

⁷The emission factors of greenhouse gases is mainly based on the Third IMO Greenhouse Gas Study 2014, and the emission factors of electricity consumption is based on the emission factors of each country or power company.

⁸The exhaust gas is mainly calculated by the approach of Clean Cargo Working Group (CCWG).

⁹The energy consumption for different fuel types was calculated based on gross calorific values, density or conversion factors stated in UK Government GHG Conversion Factors for Company Reporting (2020). Energy consumption of electricity was calculated based on the default factors provided by Electrical and Mechanical Services Department of Hong Kong: 1kWh = 0.0036 GJ.

Ports Operations					
Indicators		Unit	2018	2019	2020
Use of direct energy	Diesel oil	L	55,577,110	74,441,466	76,178,299
	Gasoline		926,344	726,817	597,858
	Liquefied petroleum gas		141,702	140,564	177,740
	Liquified natural gas		16,436,900	17,129,551	13,670,733
	Natural gas	m ³	406,976	417,234	372,410
Use of indirect energy	Total	Million MJ	2,427	3,281	3,247
	Purchased Electricity	kWh	454,835,9929	547,035,996	576,429,121
	Purchased Heating	MJ	6,322	6,562	5,867
	Total	Million MJ	1,637	1,969	2,075
Total water consumption		Ton	2,733,992	2,738,852	2,630,837
Greenhouse gas emission ¹⁰	Scope I greenhouse gas emissions	tCO ₂ e	170,331	221,031	219,941
	Scope II greenhouse gas emissions	tCO ₂ e	355,234	409,555	398,664
	Total greenhouse gas emissions (Scope I + Scope II)	tCO ₂ e	525,565	630,586	618,605
Wastewater discharge		m ³	827,228	989,880	1,634,827
Total hazardous waste		Kg	3,173,025	4,123,816	4,518,625
Total non-hazardous waste		Kg	846,270	1,477,972	1,269,101
Materials used	Lubricating grease	Kg	626,579	840,503	907,675
Dangerous goods	Handling quantity of dangerous goods	TEU	/	533,595	306,226

¹⁰The greenhouse gas emissions is calculated on the basis of the Understanding Global Warming Potentials in 100 Years provided by the fifth assessment report of the Intergovernmental Panel on Climate change (IPCC). The greenhouse gas emissions in mainland China are calculated according to the guidelines for energy-caused greenhouse gas (GHG) accounting tools (version 2.1) issued by the greenhouse gas accounting system. The calculation of greenhouse gas emissions in Hong Kong is based on the Appendix 2 Reporting Guidance on Environmental KPIs of How to Prepare an ESG Report. The reference for overseas data calculation is Emissions Factors from Cross Sector Tools issued by the greenhouse gas accounting system.



Social data¹¹

Indicators		Unit	2018 ¹²	2019	2020
Employees					
Total	Total employee	person	29,931	40,781	40,405 ¹³
By gender	Formal male employee	person	16,809	22,032	22,253
	Formal female employee	person	7,794	12,178	11,736
By age	Formal employee: ≤30	person	4,305	7,249	6,454
	Formal employee: 30-50 (excluding 30 and 50)	person	17,497	21,191	22,914
	Formal employee: ≥50	person	2,801	5,770	4,621
By employee type	Formal employee	person	24,603	33,618	33,448
	Infromal employee	person	5,328	7,163	6,957
By full-time, part-time type	Full-time	person	/	35,647	35,868
	Part-time	person	/	595	68
By region	Formal employee in mainland China	person	18,200	22,476	22,133
	Formal employee in Hong Kong	person	489	1,821	1,818
	Formal employee in Oversea region	person	5,914	9,913	10,038
By level	Management	person	802	1,269	1,683
	Average employee	person	23,801	32,941	32,306
New employee	By gender				
	Total number of new male employees	person	599	1,392	990
	Total number of new female employees	person	209	1,154	957

¹¹The disclosed data covers COSCO Shipping Holdings: Data dimension includes COSCO SHIPPING Holdings headquarters, COSCO SHIPPING Group, CSP and OOCL.

¹²In 2018, the data only covers COSCO SHIPPING Holdings headquarters, COSCO SHIPPING Group, and CSP.

¹³ Employees in Annual report only includes non-contract employees. 2020 Sustainability Report for A Shares did not include informal employees in CLP.

New employee	By age				
	Total number of new employees under 30	person	579	1,788	1,384
	Total number of new employees at the age of 30-50 (excluding 30 and 50)	person	223	720	525
	Total number of new employees over 50	person	6	38	39
	By region				
	Total number of new employees in China	person	452	1,399	1,093
Governing body	Total number of new employees in overseas region	person	356	1,147	855
	Total number of board members	person	36	45	39
	By gender				
	Number of male board members	person	24	40	35
	Number of female board members	person	9	5	4
	By age				
	Board of Directors under 30	person	0	0	0
	Board of Directors at the age of 30-50	person	17	12	8
	Board of Directors over 50	person	19	33	31
	Turnover				
Employee turnover by gender	Total turnover rate	%	4.11	3.95	3.36
	Total number of turnovers	person	1,230	1,610	1,358
Employee turnover rate by gender	Formal male employees	person	841	1,179	823
	Formal female employees	person	390	930	535
Employee turnover rate by gender	Formal male employees	%	5.00	5.35	3.70
	Formal female employees	%	5.00	7.64	4.56



Indicators		Unit	2 018	2019	2020
Employee turnover by region	Formal employee in Mainland China	person	898	1,338	690
	Formal employee in Hong Kong	person	70	188	166
	Formal employee in Overseas	person	263	583	502
Employee turnover rate by region	Formal employee in Mainland China	%	4.93	5.95	3.12
	Formal employee in Hong Kong	%	14.31	10.32	9.13
	Formal employee in Overseas	%	4.45	5.88	5.00
Employee turnover by age	Formal employee: ≤30	person	508	1246	562
	Formal employee: 30-50 (excluding 30 and 50)	person	408	652	622
	Formal employee: ≥50	person	315	84	173
Employee turnover rate by age	Formal employee: ≤30	%	11.80	17.19	8.71
	Formal employee: 30-50 (excluding 30 and 50)	%	2.33	3.08	2.71
	Formal employee: ≥50	%	11.25	1.46	3.74
Work-related injuries					
Total number of deaths	Work-related deaths	person	1	0	0
	Rate of work-related deaths	%	0.01	0	0
Date of work-related injuries	Number of accidents causing work-related injury	No.	/	/	78
	Number of work-related injuries	person	95	83	78
	Injury rate by thousand-person	‰	7.4	8.3957	1.93
Working days lost due to work-related injury	Total working days lost due to work-related injury	Days	1,414	1,979	2,010

Number of trainees and training hours				
Total trainees	person	15,432	18,561	34,049
Trainees by gender				
Male	person	8,723	10,340	22,595
Female	person	6,709	8,221	11,454
Percentage of trainees				
Percentage of male	%	52	47	100
Percentage of female	%	86	68	98
Trainees by level				
Management	person	158	569	4,050
Average employee	person	15,274	17,992	29,999
Percentage of trainees by level				
Percentage of management	%	20	45	100
Percentage of average employee	%	64	55	93
Trainees by training type				
Anti-corruption and integrity	person	/	/	7,992
Safety & environment	person	/	/	7,846
Other	person	/	/	8,815
Total training hours by gender				
Male	hours	/	115,894	267,987
female	hours	/	137,883	77,226



Indicators		Unit	2018	2019	2020
Total training hours by level					
Management		hours	/	8,950	51,632
Average employee		hours	/	330,924	293,723
Supply chain					
Suppliers by region	Suppliers in mainland China	No.	10,618	15,752	33,827
	Suppliers outside mainland China (including Hong Kong, Macao and Taiwan)	No.	4,211	19,847	34,043
Product					
Complaints about products and services received	Number of complaints	piece	8	191	213
	Rate complaint handled	%	100	100	100
Number of concluded legal cases regarding corrupt practices brought against the Company or its employees during the reporting period and the outcomes of the cases.		piece	0	0	0
Community dedication					
Expenses for participating in or organizing community or public welfare activities		10 thousand RMB	/	/	1,909
Total number of people engaged in community / public welfare activities		person/ time	/	/	1,686
Total hours of people engaged in community / public welfare activities		hours	/	/	2,351



Assurance and statement

Independent Assurance Statement

CECEP (HK) Advisory Company Limited ("CECEPAC (HK)" or "We") has been engaged by COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings") to conduct an independent limited assurance engagement ("Assurance Engagement") on the information and data related to sustainable development in COSCO SHIPPING Holdings Co., Ltd. Sustainability Report 2020 ("Sustainability Report"), and disclosed the findings and conclusions of the Assurance Engagement to the intended users of the Sustainability Report in the form of an independent assurance statement.

CECEPAC (HK) has been engaged to assure COSCO SHIPPING Holdings's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness, and Impact) set out in the AA1000 Assurance Standard v3 (2018) ("AA1000AS v3"). CECEPAC (HK) has also been engaged to provide limited assurance on the reliability and quality of specified performance information disclosed in the Sustainability Report that have been selected in accordance with the 2020 version of Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") published by the Stock Exchange of Hong Kong Limited ("SEHK").

Should there be any discrepancies between the Chinese and English versions of the independent assurance statement, the Chinese version shall prevail.

I. Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating data, or in the development of the Sustainability Report. CECEPAC (HK)'s activities are independent from COSCO SHIPPING Holdings. There is no relationship between COSCO SHIPPING Holdings and CECEPAC (HK) beyond the contractual agreement for providing this Assurance Engagement.

CECEPAC (HK)'s assurance team consists of professional personnel who are experienced in the industry and have received professional training in sustainability-related standards such as GRI Standards issued by Global Reporting Initiative, AA1000AS v3, the ESG Reporting Guide by SEHK, ISO 14001, and ISO 9001, etc.

CECEPAC (HK)'s assurance team has rich experience in conducting assurance work and has a full understanding and practical ability of AA1000AS v3. Meanwhile, the assurance team of CECEPAC (HK) carries out assurance work on sustainable development issues in accordance with the internal assurance regulation of CECEPAC (HK).

II. COSCO SHIPPING Holdings's Responsibilities

COSCO SHIPPING Holdings is responsible for the preparation and presentation of the Sustainability Report in accordance with the ESG Reporting Guide by SEHK. COSCO SHIPPING Holdings is also responsible for implementing internal audit procedures and ensuring that contents of the Sustainability

Report are free from material misstatement, whether due to fraud or error.

III. Assurance Provider's Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to AA1000AS v3 and the ESG Reporting Guide by SEHK to the Board of Directors of COSCO SHIPPING Holdings. This independent assurance statement applies solely to the Sustainability Report in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in assurance work meet professional qualification, training, and experience requirements, and are proficient in conducting assurance engagements. The results of all assurance and certification audit are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

IV. Scope of the Assurance Engagement

The scope of the Assurance Engagement is limited to the Sustainability Report only, and the contents only involve COSCO SHIPPING Holdings and its subsidiaries. The scope of this assurance does not include COSCO SHIPPING Holdings's suppliers, contractors, and data or information provided by other third parties.

Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of COSCO SHIPPING Holdings's adherence to

the four AA1000 Accountability Principles set out in the AA1000AS v3.

COSCO SHIPPING Holdings and CECEPAC (HK) reached an agreement to select the specified performance information in the Sustainability Report as part of the content for Assurance Engagement; The selected information is as follows:

-Number of complaints received about products and services - number of products complaints.

-Number of working days lost due to work-related injury - total days lost.

-Employee turnover by age - age of contracted employees (30-50).

CECEPAC (HK)'s assurance work was with respect to information disclosed from January 01, 2020 to December 31, 2020 only. We have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report, and therefore, these do not constitute a part of our conclusions; and

-The scope of the assurance is confined to the information and data provided by COSCO SHIPPING Holdings. Any queries regarding the content or related matters within this Assurance Statement should be addressed to COSCO SHIPPING Holdings only.

V. Methodology of the Assurance Engagement

CECEPAC (HK)'s Assurance Engagement was conducted at the headquarters and some



of its subsidiaries of COSCO SHIPPING Holdings and the assurance work included:

-An assessment on the suitability of COSCO SHIPPING Holdings stakeholder engagement participation process.

-Online interviews with COSCO SHIPPING Holdings's sustainability management and other personnel involved in the preparation and provision of the content and information in the Sustainability Report.

-An assessment on whether the reporting and management approach disclosed in the Sustainability Report responded to the principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000AS v3.

-Random sampling of sources of reliability and quality evidence pertaining to selected key performance indicators.

-Recalculation of selected key performance indicators.

-Assessing the degree of conformity of the Sustainability Report with the ESG Reporting Guide; and

-Other procedures we deemed necessary.

Assurance work was performed and the conclusions within were based upon information and data provided by COSCO SHIPPING Holdings, and on assumptions that the information provided was complete and accurate.

VI.Limitations

The absence of a significant body of established practice on which to draw

to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

VII.Conclusions

In accordance with the principles of Inclusivity, Materiality, Responsiveness, and Impact in the AA1000AS v3, the specified performance information and the ESG Reporting Guide, our conclusions are as follows:

Inclusivity

COSCO SHIPPING Holdings has identified key stakeholders. Regular communication with the key stakeholders is carried out in various way to understand their expectations and concerns. On this basis, COSCO SHIPPING Holdings has formulated policies in consideration of key stakeholders' expectations and concerns. Our professional opinion is that COSCO SHIPPING Holdings adheres to the principle of Inclusivity.

Materiality

COSCO SHIPPING Holdings has conducted an analysis of material issues for the Sustainability Report, collected the opinions of key stakeholders, identified material issues through appropriate methods, and presented the evaluation results of material issues in its Sustainability Report. Our professional opinion is that COSCO SHIPPING Holdings adheres to the principle of Materiality.

Responsiveness

COSCO SHIPPING Holdings has established relevant communication channels with its key stakeholders to collect their concerns

and responded to the key stakeholders on material issues related to sustainability. Our professional opinion is that COSCO SHIPPING Holdings adheres to the principle of Responsiveness.

Impact

In its risk management system, COSCO SHIPPING Holdings has established process to understand, evaluate and manage impacts. COSCO SHIPPING Holdings carried out annual corporate significant risk evaluation to identify and rank related risks based on their significance levels. Our professional opinion is that COSCO SHIPPING Holdings adheres to the principle of Impact.

SEHK's ESG Reporting Guide

The general disclosure and key performance indicators of the environmental and social aspects of the Sustainability Report are disclosed in accordance with the "comply or explain" provisions in the ESG Reporting Guide of SEHK in all material aspects. COSCO SHIPPING Holdings disclosed the process of its key stakeholders' participation in the procedure of material issues analysis, objectively described the impact of its business and calculated and disclosed relevant environmental and social data. The suggestions of improvement on the Sustainability Report have been adopted by COSCO SHIPPING Holdings before the issuance of this assurance statement.

Specified Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, nothing has come to our attention that causes us to suspect the reliability and

quality of the disclosures of the selected specified performance information of the Sustainability Report.

VIII. Recommendations

We recommend that COSCO SHIPPING Holdings to consider the following work in the future:

-To improve strategy development related to ESG issue and set sustainability goals and action plan, building up the impact of ESG strategy.

-To improve the ESG KPIs data collection and management system and extend collection scope of the relevant data, enhancing the management and control of the company's impact to the environment, society, and economics.



March 26, 2021
Hong Kong, China



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