

## CHAPTER 2

# STATEMENT OF THE BOARD

The Board of COSCO SHIPPING Ports acknowledges the importance of sustainable development, and is committed to guiding the Company to continuously improve the management and practice of environmental, social and governance issues with the aim of managing related risks properly as well as minimising the impact of our business operations on the environment and societies.

The Board is responsible for overseeing the Company's overall management directions and strategies of environmental, social and governance issues, and reviewing and approval of sustainability reports. To enhance effective management and implementation of sustainability-related issues, in March 2021, the Board decided to expand the terms of reference of the former Corporate Governance Committee by officially incorporating environmental, social and sustainability-related issues, and renamed it as the "Environmental, Social and Governance Committee" with an objective to further enhance the involvement of the Board, and emphasise the Board's leadership in terms of environmental, social and governance.

The Environmental, Social and Governance Committee holds regular meetings for the purposes of improving the standard of corporate governance of the Company, evaluating material environmental, social and governance issues, overseeing and reviewing the development and implementation of corporate social responsibility and sustainability-related measures, reviewing the targets set by the Company and their progress as well as reporting and making recommendations to the Board. Reports on the effectiveness of relevant work and measures are made by relevant functional departments to the Environmental, Social and Governance Committee on a regular basis. For details of the Environmental, Social and Governance Committee of the Company, please refer to the section headed "Corporate Governance Report – Delegation by the Board" in the 2021 Annual Report of COSCO SHIPPING Ports.

The Company maintains regular communication with stakeholders. Through identification, analysis and confirmation, the Company examines its sustainability issues and conducts materiality analysis, which is for its assessment on the impact of each issue and determination on the handling priority, and to improve its strategies and formulate objectives. The Board promotes the Company to optimise its environmental, social and governance strategies and plans to achieve sustainable development with the results of stakeholder engagement and materiality assessment. For details of the results of the materiality assessment and the Company's response to relevant issues, please refer to Chapter 6 – Stakeholder Engagement and Materiality Assessment of this report.