

CHAPTER 3

CHAIRMAN'S MESSAGE



FENG Boming
Chairman

The persistent uncertainty caused by the COVID-19 epidemic globally and the acceleration of decarbonisation plans due to climate change have casted major challenges to the ports and shipping industry. COSCO SHIPPING Ports has always adhered to the concept of sustainable development and is committed to maintaining a high standard of corporate governance. At the same time, we have been actively driving terminal companies to facilitate epidemic prevention on one hand and business development on the other, and commits to aim for carbon neutrality as our goal in order to speed up green and low-carbon transformation, and join hands with the society and the industry to create value.

I am pleased to present the 2021 Sustainability Report of COSCO SHIPPING Ports to review on our work in promoting sustainable development last year.

Confronted with the severe challenges brought by the COVID-19 epidemic and climate change, COSCO SHIPPING Ports stepped into the game and responded with a positive and pragmatic attitude. In order to manage risks more effectively and systematically and to promote corporate sustainability, we officially incorporated the management of environmental and social issues into our governance structure and established the Environmental, Social and Governance Committee. With the support of the Board, the Company will be able to manage various material sustainable development issues more efficiently, incorporate high-level environmental, social and governance principles into business operations and risk management, and protect the interests of the Company and its stakeholders.

The mutation of the novel coronavirus has put the pace of global economic recovery to the test. Coupled with port closures and supply chain pressure causing port congestion, it posed challenges to the ports and shipping industry. We pay close attention to local epidemic information, schedule deployment in a timely manner, and strive to ensure that production capacity is not reduced and operations are not interrupted. On the one hand, we strictly implement epidemic prevention and control measures, and maintain epidemic prevention drills to provide solid support for the smooth operation of our business. On the other hand, we are actively accelerating the research and development of technology, promote the optimisation of business processes of our terminals, and maintain close communication with customers to maintain service quality. The effective implementation of various measures drove the Group's total throughput to maintain a good momentum in 2021.

While ensuring safe operations, green and low-carbon transformation remains the top priority of our sustainable development plans. In order to fully support China's "dual carbon" national goals and to respond to the emission reduction plans of the International Maritime Organization and shipping companies, we are determined to strengthen and accelerate decarbonisation. Compared with 2020, we pledge to reduce carbon emissions of our Subsidiaries by 20% by 2030 and aim for carbon neutrality no later than 2060. With the effective implementation of a series of energy-saving and emission-reduction measures over the years, the carbon emissions of our Subsidiaries in 2021 continued to decline, laying a good foundation for us to speed up green, low-carbon and high-quality development in green shipping. In addition, we have launched a green finance framework to facilitate more investments in energy-saving and emission-reduction projects in the future and accelerate the construction of green and smart ports. As our 5G smart port pilot, Xiamen Ocean Gate Terminal continues to promote green and low-carbon development through the use of new technology and forward-looking technology research, and was awarded the title of "Green Port" by the APEC Port Services Network during the year.

We adhere to the development concept of "The Ports for ALL", maintain a high standard of corporate governance, actively fulfill environmental and social responsibilities, and strive to contribute to our stakeholders. Our sustainable development concept has gained wide attention and recognition from the market, where we received several awards during the year, including the "ESG Report of the Year Awards – Middle Market Capitalization", the "Best in ESG Awards – Middle Market Capitalization" and the "Best in Reporting Awards – Middle Market Capitalization" by BDO Limited; the "Gold Award in Environmental, Social and Governance" by The Asset Magazine, among others, fully reflecting market recognition. In the future, we will continue to push forward the pace of sustainable development and increase our contribution.

Despite the lingering effects of the epidemic, we promise to always abide by our corporate social responsibility, implement the concept of sustainable development into all levels of business operations, and create long-term value.



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