



SHIPPING FOR
GLOBAL RECOVERY

2021 Sustainability Report

COSCO Shipping Holdings Co., Ltd.

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About this report

Reporting period

January 1, 2021 to December 31, 2021 (the "reporting period")

Reference standard

This report is compiled with reference to the Guidelines for Environmental, Social and Governance Reporting issued by The Stock Exchange of Hong Kong Limited and the GRI Standards issued by the Global Reporting Initiative (GRI) in 2021.

The compilation of this report mainly follows the following basic principles:

Materiality

The report shall disclose the environmental, social and management matters that are relevant to investors and other stakeholders and will have a significant impact on them.

Quantitative

Key performance indicators should be measurable so that the benefits of the environmental, social and governance policies and management systems can be evaluated and verified. Quantitative data should be accompanied by explanations for their purpose and impact, and comparative data should be provided when appropriate.

Consistency

The report should use consistent statistical methods for disclosure so that environmental, social and governance data can be collated for meaningful purpose in the future. The report should disclose the change of statistical methods (if any) or any other relevant factors that may affect meaningful collation.

Scope of report

This report covers COSCO Shipping Holdings Co., Ltd. (hereinafter referred to as "the Company") and its subsidiaries (hereinafter referred to as "COSCO Shipping Holdings" or "we"). This report carefully selects the disclosed entities with "whether there is actual business operation" as the criterion for selection, and filters out production units and companies that have no actual business operation or that have actual operation with little or no impact based on the overall impact of the actual entities on the environment, society and

governance of COSCO Shipping Holdings Co., Ltd. We selected three first-level subsidiaries, namely COSCO Shipping Lines Co., Ltd., COSCO Shipping Ports Limited, and Orient Overseas (International) Limited, as well as the subsidiaries covered by the financial reports of these three first-level subsidiaries. In case of special circumstances, the statistics of specific data will be explained in the corresponding part. See the Scope of Report in the appendix for the specific list of companies.

Speech of Chairman



Chairman of COSCO
Shipping Holdings Co., Ltd.

Wan Min

A handwritten signature in black ink, appearing to be 'Wan Min' in a stylized cursive script.

As the world's leading integrated provider of container shipping service, COSCO Shipping Holdings entered the new development stage during the "14th Five-Year Plan" in 2021. It actively rises to the challenges and opportunities brought by the global economy and the shipping market and constantly improves its management for sustainable development to create value for the society, customers and employees, and achieve higher quality and more sustainable development.

Global business building a new pattern of internationalized development

COSCO Shipping Holdings has overcome multiple problems such as the global Covid-19 and strengthened investigation to set the right direction of its long-term development. By analyzing domestic and international situations, COSCO Shipping Holdings has turned development opportunities into development advantages, deepened innovation-based cooperation, improved the quality and efficiency of development, and solved the pain points of the industry, which has created a new situation for COSCO Shipping Holdings's development during the "14th Five-Year Plan".

Under the background of global economic recovery, actively shouldering its due responsibility, COSCO Shipping Holdings ensures smooth operation, keeps abreast of the market trend, and continuously promotes the optimization and upgrading of global business distribution and customer structure. Striving for the more balanced global business distribution, COSCO Shipping Holdings has vigorously expanded its business in emerging markets, third-country markets and regional markets. At the same time, COSCO Shipping Holdings has increased its global capacity investment and enhanced its flexible allocation to achieve the maximum operational efficiency of capacity and shipping space. Despite the volatile global situation, COSCO Shipping Holdings is dedicated to promoting international trade and global economic development with its robust shipping business.

Service

creating a new model of customer service

Adhering to the concept of providing customer-centered service, COSCO Shipping Holdings puts the maintenance of the stability and security of the industrial chain and supply chain in a prominent position during the reporting period. Focusing on issues of "stable and reliable service" that customers are concerned about, COSCO Shipping Holdings has upgraded the service standards for domestic and foreign trade and accelerated the construction of new land-sea channels, to provide customers with more reliable shipping channels and shipping services.

Facing the surging needs for transportation and the poor supply chain of container logistics, COSCO Shipping Holdings is committed to creating a transportation service mode to meet customer demands. By giving full play to its advantages of industrial chain management, COSCO Shipping Holdings continuously optimizes the allocation of its global transportation resources, and takes measures such as chartering ships and arranging special ships to address the imbalance between supply and demand in the container transportation market and meet customers' urgent needs, which has won wide acclaim from customers.

Science and Technology

Creating a new digital ecological system

Relying on its advanced digital technology, COSCO Shipping Holdings has engaged in the field of information-based intelligent business, and rapidly integrated its multi-dimensional business.

During the reporting period, by launching the Global Shipping Business Network (GSBN) and giving full play to advanced digital technologies such as e-commerce platforms and 5G network, COSCO Shipping Holdings' core products have been put into production in 11 ports at home and abroad. In many countries and regions, COSCO Shipping Holdings has realized "paperless delivery of goods", which has greatly simplified the means of data exchange. While reducing operating energy consumption and operating costs, COSCO Shipping Holdings provides customers with value-added supply chain services with higher operating efficiency, faster response to demand and lower comprehensive logistics cost, which has improved its services for the customers and enhanced its influence in the industry.

Talent training

Creating more opportunities for shipping talents

COSCO Shipping Holdings adheres to the people-oriented principle in its efforts to strengthen the cultivation of high-quality talents and create diverse working teams and a fair, equal, healthy and safe working environment. COSCO Shipping Holdings attaches great importance to the development of every employee, protects their legitimate rights and interests, provides assistance to employees in need, and builds platforms for employees to realize career development.

Green development

Leading the sustainable development of the industry

To implement the national strategy of "peak carbon dioxide emissions and carbon neutrality", COSCO Shipping Holdings has identified climate change risks and put forward countermeasures, actively formulated goals and policies for sustainable development, implemented management system and measures for green and low-carbon development, and joined hands with upstream and downstream industrial chains to promote the green and low-carbon development of the shipping industry.

COSCO Shipping Holdings actively builds sustainable communities through its efforts made in rural revitalization, volunteer service, caring activities, and responsible transportation. It shoulders its due responsibility and makes great contribution to the development of communities and cities.

COSCO Shipping Holdings will actively rise to the changes and challenges in the future market. While doing a good job in the normalized prevention and control of the epidemic, COSCO shipping will put customer needs in a more prominent position, continue to deepen the integration of its container shipping business and terminal business, create more industrial chain value, enhance its comprehensive competitive edge, deepen its cooperation with innovative first-class business forms, create more value for customers and fulfill its social responsibilities.

Board statement

The data used in the report are from public publications, COSCO Shipping Holdings' internal statistical reports, third-party questionnaires and interviews, etc. The economic data used in this report is consistent with the data in COSCO Shipping Holdings' 2021 Annual Report, including the data in COSCO Shipping Lines Co., Ltd. (referred to as "COSCO Shipping Lines"), COSCO Shipping Ports Limited (referred to as "COSCO Shipping Ports") and Orient Overseas (International) Limited (Stock Number: 316.HK) (referred to as "OOIL").

Board responsibility

The Board of Directors bears the ultimate responsibility for COSCO Shipping Holdings' ESG strategy and performance, and the Risk Control Committee takes the lead in formulating the sustainable development strategies, objectives and management policies, and coordinating the resources for and implementation of sustainable development objectives. The Risk Control Committee consists of three board members, including two independent non-executive board members. See the Rules of Procedure of the Risk Control Committee of the Board of Directors of COSCO Shipping Holdings for details of its responsibilities (<http://hold.coscoscshipping.com/attach/0/f779f2fcfd984998909c52b1d0b4d559.pdf>).

Implementation

COSCO Shipping Holdings carries out the following four tasks for sustainable development and applies sustainable development management to its daily operation to continuously improve the performance of sustainable development:

System building: COSCO Shipping Holdings has set up the Sustainable Development Management Enhancement Project Team made up of the responsible persons of COSCO Shipping Lines, OOIL and COSCO Shipping Ports who have their respective responsibilities for promoting sustainable development;

Improvement of information collection system: COSCO Shipping Holdings has compiled the unified information collection management manual to specify the sources of data and the approach to and criteria for data collection;

Risk identification

The Risk Control Committee is responsible for identifying, managing, supervising and controlling various risks, as well as providing risk analysis and decision-making support to the Board of Directors.

Significance analysis

COSCO Shipping Holdings keeps close contact with internal and external stakeholders to identify and evaluate major issues related to sustainable development, and formulate sustainable development strategies. COSCO Shipping Holdings has discussed and approved the identified major issues related to sustainable development, and will formulate sustainable development strategies, objectives and management policies according to related issues, keep abreast of the international sustainable development trend and peer performance, and regularly review the progress of related work.

Climate change risk identification: COSCO Shipping Holdings analyzes the possible impact of climate change on its business according to the framework designed by Task Force on Climate-Related Financial Disclosures (TCFD) to evaluate and identify climate change risks from the perspectives of impact scope and occurrence probability, and work out countermeasures;

Formulation of sustainable development goals and guidelines: COSCO Shipping Holdings analyzes and identifies the development trend of its environment-related data to work out environment-related objectives based on its development plans.

Performance highlights

Container shipping business



Economic data

240,000 TEU

The capacity of COSCO's self-operated container fleet exceeds

26.91 million TEUs

Container freight volume

International routes (including international feeder lines)

294

Coastal routes in China

54

Branch lines in Pearl River Delta and Yangtze River

84

Environmental performance

Greenhouse gas emissions

22,214,824 tons

Total marine fuel consumption

6,891,362 tons

Sulfur oxide emissions

132,479 tons

Emissions of nitrogen oxides

522,229 tons

Fresh water consumption

343,822 tons

Seawater desalination capacity

297,840 tons

Oil spill accident

0

Terminal business



Economic data

Number of ports

37

Number of docks

46

Number of berths

367

Number of container berths

220

Total terminal throughput

129.286 million TEUs

Target annual processing capacity

141 million TEU

Environmental performance

Greenhouse gas emissions

636,020 tons

Natural gas consumption

450,549 cubic meters

Hazardous waste discharge

5,592.2 tons

Diesel consumption

84,822,636 liters

Waste water discharge

834,336 cubic meters

Social performance



Employment performance

Total number of people trained

33,406

Average training hours

12.5 hours

Safety performance

Injury rate per thousand people

1.71 ‰

Community

Investment in community activities

CNY **349.729** million

Number of people participating in community activities

2,104 persons/time

Hours of community activities

3,691 hours

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Business introduction

With the strategic goal of becoming a "customer-oriented, value-leading and world-class integrated service provider of container ecosystem", COSCO Shipping Holdings is dedicated to providing customers with high-quality whole-process and "end-to-end" transportation solutions through its container transportation service network with global operation and integrated services. COSCO Shipping Holdings' main business includes:

Container shipping business

COSCO Shipping Holdings manages its international and domestic maritime container transportation services and related business through its wholly-owned subsidiary of COSCO Shipping Lines and its indirectly-controlled subsidiary of OOIL. COSCO Shipping Holdings carries out container-based cargo transportation and related business through its own container fleet. Dedicated to high-quality, leapfrog and integrated development, COSCO Shipping Holdings has continuously deepened collaborative and integrated development, enhanced quality and efficiency, and promoted digital transformation and upgrading to improve its ability to create more value for customers.

By the end of the reporting period, COSCO Shipping Holdings has operated 294 international lines (including international branch lines), 54 coastal lines in China and 84 branch lines in Pearl River Delta and Yangtze River. COSCO Shipping Holdings has achieved fleet affiliation in 548 ports in about 139 countries and regions around the world. The capacity of its self-operated container fleet has exceeded 2.94 million TEUs.

Wharf operation business

COSCO Shipping Holdings is mainly engaged in the loading, unloading and stockpiling of containers and bulk cargoes through COSCO Shipping Ports. The wharves of COSCO Shipping Ports are distributed all over the five major port groups along China's coastline, and major overseas hub ports in Europe, South America, the Middle East, Southeast Asia and the Mediterranean Sea. By the end of the reporting period, COSCO Shipping Ports has invested in 46 wharves in 37 ports around the world, and is operating 367 berths, including 220 container berths, with a total target annual processing capacity of about 141 million TEUs. COSCO Shipping Port is committed to building a meaningful holding network around the world to provide customers with a perfect network with linkage effect in cost, service and coordination.

Economic performance

Global economic recovery drives the development of the shipping industry

In 2021, thanks to the accelerated promotion of global COVID-19 vaccination, the effective economic stimulus plans and the continued implementation of loose monetary policy, the global economy has recovered from recession faster than expected, driving the surging demand for container transportation.

COSCO Shipping Holdings has overcome multiple problems such as the global Covid-19 epidemic and strengthened investigation to set the right direction of its long-term development. By analyzing domestic and international situations, COSCO Shipping Holdings has turned development opportunities into development advantages, deepened innovation-based cooperation, improved the quality and

efficiency of development, and solved the pain points of the industry, which has created a new situation for COSCO Shipping Holdings' development during the "14th Five-Year Plan". COSCO Shipping Holdings keeps abreast of the market trend, and continuously promotes the optimization and upgrading of global business distribution and customer structure. Striving for the more balanced global business distribution, COSCO Shipping Holdings has vigorously expanded its business in emerging markets, third-country markets and regional markets. At the same time, COSCO Shipping Holdings has increased its global capacity investment and enhanced its flexible allocation to achieve the maximum operational efficiency of capacity and shipping space and achieve the sustainable growth of economic benefits.



Audited corporate income tax

333,694
CNY million

Year-on-year change

94.85%



Audited operating costs

193,568
CNY million

Year-on-year change

31.57%



Audited equity holder's attributable profit (net profit attributable to parent company)

89,296
CNY million

Year-on-year change

799.52%



Audited corporate income tax

24,097
CNY million

Year-on-year change

3070%

Tax performance

COSCO Shipping Holdings strictly abides by the *Enterprise Income Tax Law of the People's Republic of China* and other relevant tax laws and regulations of the place where it operates. It fulfills its due obligations as a taxpayer and pays taxes to local tax authorities in time. In 2021, COSCO Shipping Holdings pays an enterprise income tax of CNY 24,097 million according to law. During the reporting period, COSCO Shipping Holdings has not been involved in any tax-related disputes or got high fines and sanctions due to the violation of tax-related laws.

International influence

COSCO Shipping Holdings, as a leading international ocean-going shipping enterprise, is dedicated to promoting the sustainable development of all participants in global trade while realizing self-development.

Promoting the establishment of Global Shipping Business Network (GSBN)

On March 17th, 2021, GSBN was established in Hong Kong and started to operate after being examined and approved by the relevant global regulatory agencies. GSBN's shareholders include well-known liner companies and port operators such as COSCO Shipping Lines, COSCO Shipping Port, Hapag-Lloyd, Hutchison Port Holdings, OOIL, Qingdao Port of Shandong Port Group, PSA International and Shanghai International Port (Group) Co., Ltd.

GSBN, as a non-profit organization, is committed to creating a platform for participants to exchange first-hand, real-time and trusted data with the help of the blockchain technology. GSBN's vision is to promote the digital transformation of the shipping industry by establishing a secure data exchange platform so as to improve the resilience of the shipping industry in the following aspects:

- Assisting stakeholders in digital connection and collaboration;
- Improving data visualization and the sustainability and reliability of operations;
- Creating a data infrastructure platform to help all participants benefit more from digital transformation.



Promoting the coordination of Ocean Alliance

Over the past five years since its establishment, Ocean Alliance has become a vigorous organization whose members include COSCO Shipping Lines, CMA-CGM, Evergreen Shipping Agency (China) Co., Ltd. and OOIL. Ocean Alliance has always adhered to the service principle of "Pursuing Excellence" in its relationship with customers. On the basis of the achievement it made last year, it will continue to improve and optimize the distribution of the lines through its 333 ships with a total capacity of about 4.1 million TEUs. Ocean Alliance will continue to meet customer needs and provide better services for customers relying on its big ships and large-scale operation.

In 2021, Ocean Alliance provided service and products for 40 lines (including one Atlantic line outside the Alliance), including 7 lines from Asia to Northwest Europe, 4 lines from Asia to the Mediterranean, 20 trans-Pacific lines (including 13 America-West lines, 7 America-East lines and America-Gulf lines), 3 trans-Atlantic lines, 4 lines from the Far East to the Persian Gulf and 2 lines from the Far East to the Red Sea.



International initiative

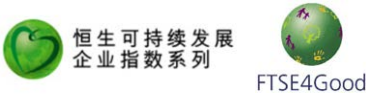
As a leading global container transportation enterprise, COSCO Shipping Holdings fulfills its social responsibility of clean cargo transportation, and continuously communicates with all parties in the world to work together to protect the global environment.

During the reporting period, COSCO Shipping Holdings continued to participate in the activities of CCWG (Clean Cargo Working Group), a subsidiary of BSR (Business for Social Responsibility). Adhering to the purpose of CCWG, COSCO Shipping Holdings actively reported its carbon dioxide emissions on global lines through its shipping companies and compared with the average emission level of companies in the same industry to know more about its environmental protection performance and room for improvement and provide frames of reference for container transport customers and freight forwarders among its members for supplier evaluation. At the same time, as a member of WPCI (World Ports Climate Initiative), COSCO Shipping Holdings started to participate in ESI certification initiated by WPCI in 2012 and is making continuous efforts in environmental management.



Awards

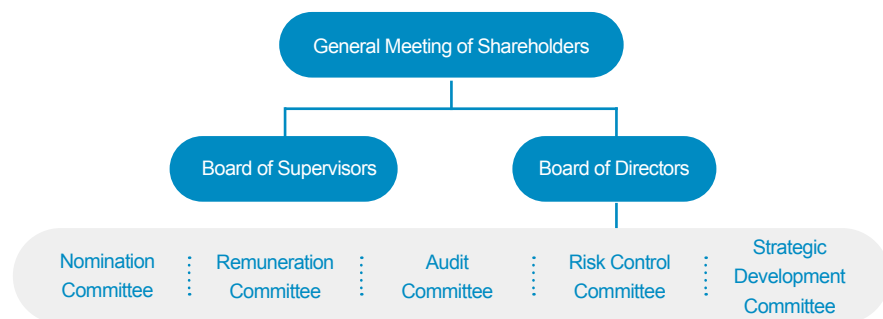
COSCO Shipping Holdings fulfills its environmental, social and governance responsibilities, continuously develops its health and public welfare undertakings for the benefit of the society, urged its subsidiaries to comply with relevant regulations, and improves its management of sustainable development, which has been widely recognized in the international community. COSCO Shipping Holdings was selected into HSSUSB and FTSE4Good Index.



Sustainable development governance

COSCO Shipping Holdings adheres to transparent operation, values the diversification and professionalism of the board of directors, and believes that a sound and efficient board of directors is the foundation of sustainable development and governance of the enterprise. In our daily operation, COSCO Shipping Holdings always adheres to the concept of sustainable development, actively fulfills its social responsibility amid global economic recovery, and works hard with all stakeholders to pursue common development and create a better future for the world.

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COSCO Shipping Holdings' governance structure

COSCO Shipping Holdings has continuously improved its corporate governance structure and governance structure for sustainable development. It is committed to maintaining high standards of corporate governance to ensure its sustainable development. The general meeting of shareholders is our supreme decision-making body, which fully protects the rights and interests of shareholders. The meeting consists of a board of directors and a board of supervisors, and the board of directors is the decision-making body for daily business, which is made up of 8 members, including 4 independent non-executive directors, accounting for 50% of the total members,

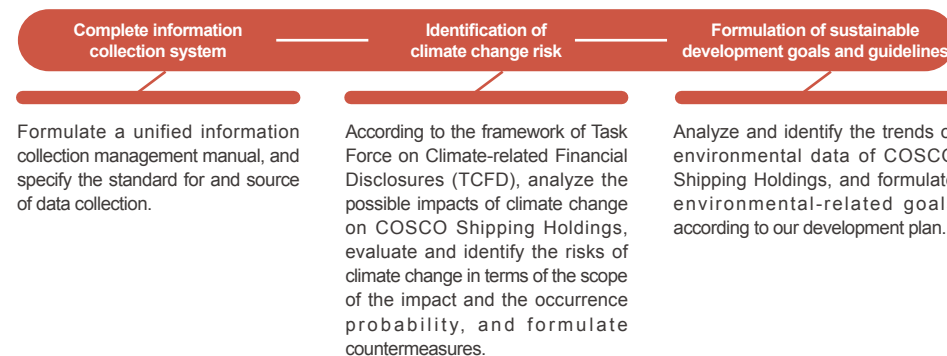
and all the board members have rich industry experience and strong professional abilities in shipping, port management, ship design and business administration, who can improve the decision-making capability of the enterprise with more comprehensive perspectives and concept. The Board of Supervisors performs the dual supervisory functions of the board of directors and the management. There are five professional committees under the board of directors: Strategic Development Committee, Risk Control Committee, Audit Committee, Remuneration Committee and Nomination Committee.

To better implement the strategy of sustainable development in its daily governance, the Risk Control Committee under the board of directors takes the lead in managing matters related to sustainable development and comprehensively supervises the work related to sustainable development. The Risk Control Committee is mainly responsible for working out sustainable development strategies, objectives and management policies, coordinating the resources required for fulfilling sustainable development objectives, supervising the implementation of sustainable development strategies, reviewing the progress of the implementation of sustainable development objectives, inspecting activities related to sustainable development, reviewing the annual sustainable development report, and submitting the report to the board of directors for approval. See the Rules of Procedure of the Risk Control Committee of the Board of Directors of COSCO Shipping Holdings for details (<http://hold.coscocossipping.com/attach/0/f779f2fcfd984998909c52b1d0b4d559.pdf>).

[coscocossipping.com/attach/0/f779f2fcfd984998909c52b1d0b4d559.pdf](http://hold.coscocossipping.com/attach/0/f779f2fcfd984998909c52b1d0b4d559.pdf)

To implement the sustainable development strategies, COSCO Shipping Holdings has set up a Sustainable Development Management Enhancement Project Team to assist the Risk Control Committee in implementing and improving the work related to sustainable development. The Team is responsible for carrying out tasks related to sustainable development, including improving the system of collecting information related to sustainable development, analyzing and identifying climate change risks, and formulating sustainable development goals and policies. The Team reports the progress and results of relevant work to the Risk Control Committee, who submits the annual report to the board of directors to improve the mechanism for bottom-up communication.

Responsibilities of the Sustainable Development Management Enhancement Project Team



In addition, every year, COSCO Shipping Holdings will invite a third party to conduct internal and external audits and supervise the operation of the internal control system for sustainable development so as to improve its governance system for sustainable development.



COSCO Shipping Holdings' ESG governance structure

Substantive topic analysis



COSCO Shipping Holdings analyzes the substantive issues related to sustainable development of concern to stakeholders through a series of ways of communication to fully understand our stakeholders' opinions and suggestions. Our main stakeholders include employees, investors, business partners, suppliers, government and regulatory authorities, distributors, customers/consumers, social organizations and media. We have conducted frequent and irregular communication with our stakeholders through online and offline meetings, face-to-face interviews, opinion surveys and visits about issues in economy, corporate governance, environment, employees, supply chain and community to listen to their opinions and suggestions, and determine sustainable development topics that are extremely important for COSCO Shipping Holdings and form the topics matrix based on the research results of the importance of related topics on COSCO Shipping Lines, COSCO Shipping Ports and OOIL. These highly important topics will be the focus of disclosure in this report.

We have a clear understanding of the stakeholders involved in the various substantive topics and established diversified communication channels. The important topics are shown in bold in the table.

Category	Topics	Major stakeholders	Communication channel
Economic	1. Economic performance	Investors Business partner Government and regulatory authorities Customers	General meeting of shareholders Roadshow/reverse roadshow Investor Summit Public mailbox Information bulletin Press release
	2. Indirect economic impacts		
	3. Transparent tax		
	4. Market performance		
Corporate governance	5. Corporate governance	Investors Government and regulatory authorities Customers Business partner	Press release Customer satisfaction survey Customer complaint mechanism Supplier assessment Technical training On-site review
	6. Anti-corruption		
	7. Risk management		
	8. Anti-competitive behavior		
	9. Political donation		
	10. Socio-economic compliance		
	11. Product service and safety		
	12. Customer Complaints		
	13. Customer Privacy Protection		
	14. Optimize terminal operations		
	15. Scientific and technological innovation		
	16. Contraband management and anti-smuggling of marine goods		
	17. Shipping safety		

Category	Topics	Major stakeholders	Communication channel
Environmental	18. Environmental compliance	Government and regulatory authorities Social organization Media	Press release Community public welfare activities Interview Performance conference
	19. Exhaust emissions		
	20. Waste disposal		
	21. Waste water discharge management		
	22. Energy management		
	23. Material use		
	24. Water resources management		
	25. Greenhouse gas emission		
	26. Climate change and response		
	27. Biodiversity		
	28. Marine plastic		
Employee	29. Enhance employees'awareness of environmental protection	Employees Media Investors Government and regulatory authorities Social organization	Employee training Employee communication/forum Employee satisfaction survey
	30. Employment		
	31. Occupational Health and Safety		
	32. Training and education		
	33. Diversity and equal opportunities		
	34. Anti-discrimination		
	35. Labor complaints mechanism		
	36. Employee rights and interests		
	37. Freedom of association and collective bargaining		
	38. Child and forced Labor		
	39. Human rights assessment		
	40. Employee care		
Supply chain	41. Responsible procurement	Suppliers Investors	Supplier assessment Supplier review Technical training Online communication
	42. Environmental and social assessment of suppliers		
	43. Strengthen the safety management of business outsourcing		
Social	44. Community welfare	Media Government and regulatory authorities Social organization Customers/consumers	Press release
	45. Cooperation for empowerment		

Risk management

As a global enterprise, COSCO Shipping Holdings has always attached importance to risk management and control and has established and continuously improved its risk management and internal control system to identify and resist risks related to enterprise operation in multiple ways. COSCO Shipping Holdings has established the risk management system based on the international COSO-ERM framework and the Basic Standards for Internal Control of Enterprises in China, and our own operating system

To ensure the sustainable, standardized and healthy development of COSCO Shipping Holdings, standardize the risk control procedures and ensure that its sustainable development objectives will be achieved, the board of directors of COSCO Shipping Holdings sets up the Risk Control Committee, which is mainly responsible for identifying, managing, supervising and controlling various risks of the enterprise, including but not limited to strategic risks, financial risks, market risks, legal risks and ESG risks. The Committee is also responsible for providing risk analysis and decision-making support for the board of directors.

The Risk Control Committee is made up of three board members, including two independent non-executive board members. The Chairman of the Committee is nominated by the Chairman of the board of directors.



To achieve sustainable development in the complex and volatile environment, during the reporting period, COSCO Shipping Holdings continued to improve its risk early warning and supervision mechanism in the following aspects:



COSCO Shipping Holdings terminal and container shipping business are subject to climate change. We are aware that at present, major countries and regions in the world have reached a consensus on the response to climate change, and the impact of climate change on the future transformation of the shipping industry has gradually emerged.

Therefore, during the reporting period, we carried out corresponding assessment and determination of climate change risks. We will discuss the impact of climate change on COSCO Shipping Holdings and the measures we take to resist the change in the chapter of "Environmental Protection-Climate Change".

Business ethics

Adhering to the principle of "honesty and integrity", COSCO Shipping Holdings adopts a zero-tolerance policy for all acts violating business ethics, including bribery, fraud, extortion and monopoly. We have built and continuously improved the moral and legal compliance system, including identification, response, review and other related processes. The management is responsible for setting an example for all employees. At the same time, we encourage business honesty and integrity by educating employees and promote correct business ethical values.

Corruption management

COSCO Shipping Holdings strictly abides by all regulations and laws related to bribery, extortion, monopoly and fraud, including the *United Nations Convention against Corruption*, *Foreign Corrupt Practices Act (FCPA)*, and *Criminal Law of the People's Republic of China*. We have set up a Commission for Discipline Inspection to formulate and implement anti-corruption policies, manage and supervise the legal compliance of employees' behaviors, and promote the coordination between the anti-corruption management mechanism and the anti-corruption prevention system within the enterprise based on the principles of openness, transparency, fairness and justice. At the same time, to keep abreast of the development of the industry, COSCO Shipping Lines and OOIL have joined the Maritime Anti-Corruption Network to join hands with all organizations in the industry to eliminate corruption. During the reporting period, there has been no corruption-related lawsuits against COSCO Shipping Holdings or its employees.

Special inspection of risk points of corruption

Supervision of special affiliated enterprises: To prevent business dealings with prohibited enterprises, COSCO Shipping Lines has formulated the *Regulations on the Administration of Special Affiliated Enterprises (2019 Revised Edition)*, the *Measures for the Administration of Freight Rates and other regulations*, and has locked the codes of prohibited enterprises in IRIS, SAP and CBS systems. By strengthening the management of special affiliated enterprises and

clarifying the level, responsibility and authority of freight rate management, COSCO Shipping Lines has put an end to unfair competition and all kinds of tunneling and propping, and purified the business environment of the enterprise. At the same time, COSCO Shipping Lines conducted special inspections of special affiliated enterprises and summarized the regulation situations to ensure the compliance and rationality of current business.

Special inspection of container space allocation in peak seasons:

Check existing problems

Whether the space allocation system is sound;
Whether the space allocation policy is implemented;
Whether the risk prevention and control mechanism is reasonable;
Whether the management requirements are met;

Rectify all kinds of problems

Improve the mechanism of preventing and controlling the integrity risk of shipping space allocation in peak season;
Optimize the internal control system;

Establishment of integrity risk prevention and control system

Guided by integrity risk management;
Focus on compliance management;

Special inspection of procurement management of domestic affiliated companies:

Check existing problems

Procurement Management System;
Management regulations on supplier warehousing procedures;

Rectify all kinds of problems

Build the system and mechanism for each functional department;
Control purchasing cost;
Build the information system

Results

Standardized purchasing behavior;
Improved procurement efficiency;

Awareness promotion

To continuously improve the awareness of compliance with business ethics and create a compliance atmosphere, COSCO Shipping Holdings has conducted various anti-corruption training and activities to encourage employees to truly understand the importance of business ethics through practice. It has also promoted employees' anti-corruption awareness and created an incorruptible environment through anti-corruption training for all employees and directors, face-to-face communication, special courses and professional lectures.



Meeting on anti-corruption work

This meeting was presided over by the executive director of COSCO Shipping Holdings and the Chairman of COSCO Shipping Lines. They conveyed the spirit of the meeting on anti-corruption work, and made demands for specific anti-corruption work:

- Leaders at all levels should fulfill their responsibilities and tighten supervision in their daily management;
- Leaders at all levels should strictly abide by anti-corruption rules and regulations and resist corruption;
- Leaders at all levels should punish corrupt employees so that no one dares to be corrupted, is able to be corrupted and wants to be corrupted ;

"Three Positions" of anti-corruption education

COSCO Shipping Holdings made full use of the "three positions" of anti-corruption education to create the anti-corruption culture, including "public opinion positions", "warning positions" and "cultural positions", focusing on issues such as bureaucratic formalism, illegal information disclosure and insider trading. COSCO Shipping Holdings organized the compilation of more than 40 online education materials and published nearly 20 articles.

Collective face-to-face communication

Cosco Shipping Lines held the collective face-to-face communication with its transportation management and sales staff, circulated the special supervision and inspection situations, analyzed the characteristics of honesty risks in shipping space allocation, and laid down requirements for strengthening honesty and self-discipline to help staff on key posts to make clear the impact of corruption on their political status, personal wealth, reputation, emotional ties and freedom.

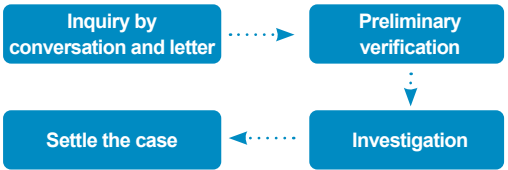
"Six bans", "six prohibitions", "slight corruption" and "new atmosphere"

COSCO Shipping Lines carried out the monthly education activity on the theme of "six bans" in ship management, "six prohibitions" in shipping space allocation, reducing "slight corruption" affecting the masses, creating "new atmosphere" for leaders' style of work. Through various forms of discipline education, education on the rule of law and case warning education, COSCO Shipping Lines has promoted anti-corruption culture within the enterprise.

Whistle-Blower protection

COSCO Shipping Holdings has always adhered to the principle of honesty and compliance and is committed to creating an open and honest communication environment to guide its business practices with the highest standards. COSCO Shipping Holdings strictly abides by its internal rules, regulations and procedures, including *Regulations on Handling Complaints by Letters and Visits*, *Regulations on Clarification of False Reports and Accusations*, and *Regulations on Clue Handling, Examination and Investigation (Trial)*. COSCO Shipping Holdings encourages and supports its employees and external personnel to report any violation of regulations, disciplines, laws and professional ethics by its employees. All parties can report through email and the designated correspondence address of the department of the Commission for Discipline Inspection. We respect and attach importance to all reported cases, and accept all letters, calls and visits from the public, and letters, reports and other clues handed over by superior discipline inspection and supervision institutions, public security organs and other units or departments.

We promise to protect the privacy and safety of every informer, and strictly prevent anyone from discriminating against, harassing, or adopting an improper attitude towards the informers or employees assisting investigation. We have established an informer protection system to encourage employees to report corruption occurring around them.

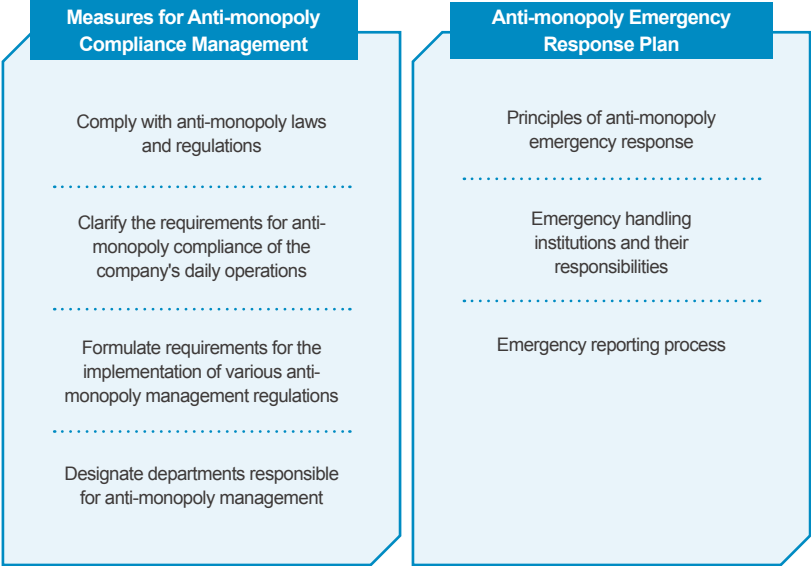


Reporting process

Anti-monopoly

As a leading shipping enterprise, COSCO Shipping Holdings is obligated to promoting proper and healthy development of the shipping industry through fair competition and safeguarding the welfare of customers and social public interests. COSCO Shipping Holdings strictly abides by the international and local anti-monopoly laws, keeps an eye on the latest amendments of anti-monopoly laws and regulations in the industry, takes timely follow-up measures, and stays away from unfair competition for interest.

In 2021, COSCO Shipping Lines revised the *Anti-monopoly Compliance Management Measures* and issued and implemented the *Anti-monopoly Emergency Response Plan*.



Anti-monopoly management policy adopted by COSCO Shipping Lines

COSCO Shipping Lines organized special anti-monopoly training in which it introduced the main provisions of anti-monopoly laws of China, the European Union and the United States, the compliance rules of employees in their daily work, and the key tasks and behavioral guidelines for anti-monopoly investigation. The training was provided both online and offline for all departments of COSCO Shipping Lines and its subordinate companies at home and abroad.



To help employees learn more about anti-monopoly compliance management and understand their own anti-monopoly compliance management level, COSCO Shipping Lines organized an online anti-monopoly compliance test for all domestic and foreign employees of the company separately, and 99% of the employees passed the test.

Economic co-promotion

Express line

Since the outbreak of the pandemic, the efficiency of global logistics chains has been seriously affected by the imbalance between supply and demand in the global shipping market, coupled with a series of "Black Swan" incidents and "Gray Rhino" incidents. To address this problem, COSCO Shipping Holdings adheres to the essence of shipping services, and concentrates on addressing the three major problems of limited shipping space, difficulty in goods delivery and difficulty in raising the cabinet. By accurate line design, transport capacity distribution and service provision, COSCO Shipping Holdings is committed to providing the best resources for customers that need them most to meet their most urgent needs and removing the impediments to logistics.



COSCO Shipping CEN-EXPRESS

In October 2021, COSCO Shipping Lines conducted an accuracy analysis of the current supply and demand situation and logistics situation in the North American market, and actively mobilized incremental capacity resources with the help of its strong overall planning ability to launch the industry-leading service: "COSCO Shipping CEN-EXPRESS", which not only met the urgent needs of its direct customers, but also provided strong support for the security and stability of global industrial chain and supply chain, thereby helping the global economy to get out of the serious imbalance between supply and demand.

The two "express lines" launched by COSCO Shipping Lines are "CEN-EXPRESS" affiliated to Qingdao-Shanghai-Prince Rupert and "CEN-PLUS" affiliated to Tianjin-Qingdao-Shanghai-Los Angeles Port.



"CEN-EXPRESS" is a new direct line based on COSCO Shipping Lines' ten years' operation in Prince Rupert. Relying on its close cooperation with local railway companies, COSCO Shipping Lines set up this direct line to make full use of ocean-rail through service, with its delivery time reduced by over 2 weeks compared with conventional lines.

"CEN-PLUS" is an upgraded line COSCO Shipping Lines opened up on the basis of its trans-Pacific CEN line with years of brand reputation. By enhancing the transportation capacity of the ports in the southwest of the United States, COSCO Shipping Lines has strengthened its scale advantage, obtained the superior services such as affiliation to and stockpiling on wharves of the ports, and established independent and exclusive pick-up areas. COSCO Shipping Lines' direct customers will be able to enjoy an extraordinary experience of fast delivery.

Assistance between enterprises

COSCO Shipping Holdings actively shoulders its social responsibility by providing customers with professional and high-quality services in LCL and FCL, sea freight and air freight. It is dedicated to solving the problems confronted by small and medium-sized enterprises and safeguarding their development.

Providing special services for small and medium-sized customers

As one of the leading shipping companies, COSCO Shipping Lines favors small and medium-sized foreign trade enterprises in terms of resource allocation and provides special services for SMEs to help them lock the shipping space and freight rates and avoid unexpected situations such as cargo jettisoning and rising freight rate in the shipping process.

COSCO Shipping Lines has set up special service teams for small and medium-sized direct customers at all ports, and provided special products and services for small and medium-sized customers on the e-commerce platform. The special products and services on the European Route, American Route, Latin America Route, African Routes and Australian Route include "Special Shipping for Small and Medium-Sized Direct Customers on the European Route", "Fast Shipping Route for Small and Medium-sized Customers in Mexico" and "Fast Shipping Route for Australian and New Zealand" to meet the needs of small and medium-sized direct customers for shipping space. During the reporting period, COSCO Shipping Lines served more than 1,600 small and medium-sized direct customers with a cumulative shipment exceeding 55,000 TEUs relying on its special express resources for small and medium-sized direct customers.

Sustainable operation



In 2021, the risks and disturbances brought by the pandemic may gradually weaken, with the global economy expected to recover. COSCO Shipping Holdings actively adapts itself to the post-COVID era by providing support for global shipping industry, continuously improving service quality and reducing environmental impact, protecting employees' physical and mental health. Meanwhile, COSCO Shipping Holdings strives to ensure smooth operation of its container transportation and terminal businesses, so as to assist with global economic recovery.

Environmental protection

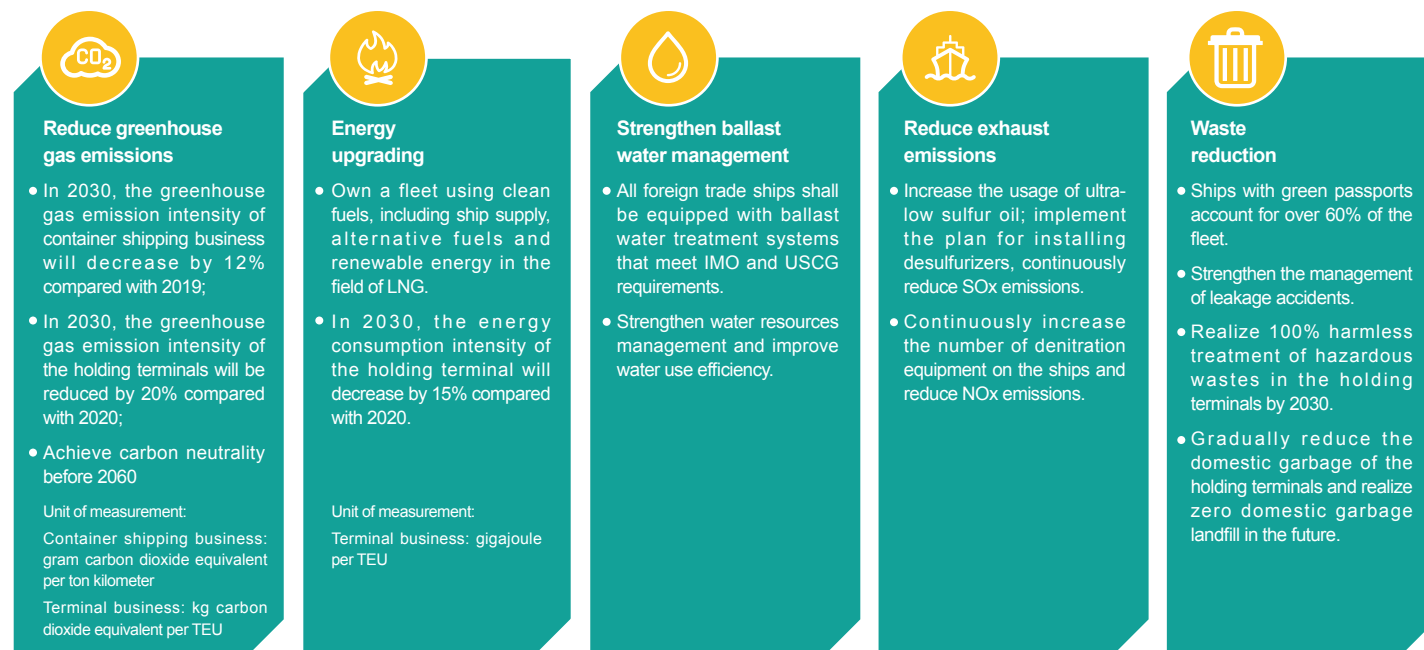
As the artery of global trade, the shipping industry faces the increasingly higher expectations of the international community on environmental protection. The International Maritime Organization (IMO) and the European Union have issued their respective greenhouse gas emission reduction strategies for the shipping industry in 2021 to promote the development of low-carbon and green shipping system.

As the pioneer of ecological and environmental protection in the global shipping industry, COSCO Shipping Holdings is committed to integrating the concepts of "innovation, coordination, green, openness, sharing" and sustainable development to the whole process of operation and management. COSCO Shipping Holdings actively promotes high-quality development of the shipping industry in an environmentally-friendly manner to help the international community cope with climate change, promote green transformation of the international shipping industry and achieve the goal of carbon neutrality.

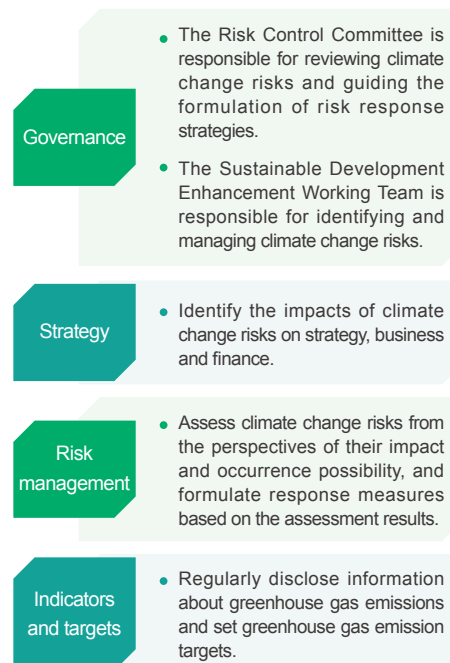
COSCO Shipping Holdings attaches great importance to the impact of its production and operation on the environment. As a result, it has formulated environmental protection objectives and guidelines, and gives full play to its professional advantages to take new measures including green shipping, energy conservation and carbon reduction, and higher-quality shipping. It has made great efforts to cope with climate change, promote green transformation of the international shipping industry and achieve the goal of carbon neutrality.

Climate change

Coping with climate risk is key to the strategic development of shipping enterprises. This requires shipping enterprises to continuously improve their understanding of the green development of shipping industry, the challenges brought by climate change, and the adaptability of the shipping system to climate change. Based on the framework of TCFD, COSCO Shipping Holdings has systematically identified the risks related to climate change.



COSCO Shipping Holdings' environmental protection objectives



Based on the characteristics of our own business, we have identified the possible impact of climate change on the Group's finance from two perspectives: the physical risk of climate change and the risk related to the transformation to low-carbon economy.

List of identified risk of climate change

Category	Risk	Description	Potential financial impact	Countermeasures
Transformation risk-market risk	Existing requirements and supervision of products and services	<ol style="list-style-type: none"> 1.The International Maritime Organization issued the IMO Preliminary Strategy for Greenhouse Gas Emission Reduction from Ships, which requires the shipping industry to reduce the total greenhouse gas emissions by 50% by 2050 2.The Chinese government has continuously promoted green shipping, supported the low-carbon transformation of the shipping industry, and strengthened the requirements for enterprises' energy use 3.The shipping industry will be included in the EU Emissions Trading System, and enterprises are required to monitor, report and verify carbon dioxide emissions 	Increase operation and maintenance costs	<ol style="list-style-type: none"> 1. Continuous disclosure of greenhouse gas emissions 2. Abide by IMO requirements and regulations 3. Set greenhouse gas emission targets 4. Implement energy-saving and emission-reduction measures to reduce the use of fuel oil through process control of navigation and shore power transformation 5. Provide carbon emission calculator for customers to calculate carbon emissions during sea transportation
	Implement carbon pricing mechanism	<ol style="list-style-type: none"> 1. The shipping industry will be included in the EU Carbon Emissions Trading System, and enterprises will have to pay for the carbon dioxide generated by their ships 2. China has opened up the national carbon trading market and will incorporate the shipping industry into carbon trading in the future 	Increase operating costs	
	Strengthen emission reporting obligations	<ol style="list-style-type: none"> 1. The new IMO regulations include the requirements for installing DCS (Data Collection System) and for data disclosure (actual fuel consumption data and other data that need to be disclosed). Companies that do not meet the requirements may be prohibited from engaging in the shipping industry. 2. The shipping industry will be included in the EU Emissions Trading System, and enterprises are required to monitor, report and verify carbon dioxide emissions 	Increase operating costs	
	Customer behavior change	<ol style="list-style-type: none"> 1. Some customers have begun to set carbon emission targets and incorporate carbon emissions in the supply chain into their management. They have also begun to take environmental issues such as low-emission transportation into consideration when making decisions. 	Changes in consumer preferences lead to a decline in demand for goods and services	
	Rising cost of fuel oil	<ol style="list-style-type: none"> 1. Climate change has continuously raised global attention to low-carbon supply chain. The transformation of global low-carbon supply chain will lead to increased attention to low-carbon fuel oils such as low-sulfur oil and clean fuel oil, which will result in increasing demand and large price fluctuations. 	Rising raw material price leads to the increase of production cost	
	Change in customer preferences	<ol style="list-style-type: none"> 1. During the transformation of the global low-carbon supply chain, customers pay more and more attention to the carbon emission performance of enterprises 	Decline in demand for goods and services	

Category	Risk	Description	Potential financial impact	Countermeasures
Entity risk -Acute risk	Floods (including rainstorms and river overflows)	<ol style="list-style-type: none"> 1. Heavy rains and floods damage port infrastructure and related facilities, and cause power failure in ships, equipment and facilities, which leads to evacuation of personnel, interruption of operations and loss of assets 2. Low visibility and abrupt rise in water levels and water velocities lead to reduced manoeuvrability of ship locks and ships, which affects navigation restrictions and ship berthing of sea routes 3. Extreme precipitation may lead to sudden flooding, affect the operation of inland roads, railways, docks and inland waterways, and hinder normal business operations 4. The safety of the ship, crew and cargo is affected, resulting in delayed shipment and claims for damage to the cargo 	<p>Verification and early scrapping of existing assets</p> <p>Difficulties in transportation</p> <p>Increased operating costs</p>	<ol style="list-style-type: none"> 1. Make emergency plans 2. Strengthen meteorological monitoring and early warning 3. Regularly update the guidance on preventing typhoon and floods 4. Strengthen ship-shore contact to ensure the smooth progress of typhoon and flood prevention and control
	Strong wind/ cyclone	<ol style="list-style-type: none"> 1. It is difficult to forecast strong winds/cyclones, which could damage ship and port infrastructure and related facilities and ships, causing continuous interruption of port operations and loss of assets 2. Extreme weather affects the speed and direction of ships, making them deviate from or change their sea routes. This would result in shipment delay. Strong winds also prevent ships from berthing and arriving at the port on time and increase cargo transportation time and fuel consumption. 3. If ships encounter typhoon/cyclone/storm, they may sink due to high waves and storms caused by typhoon/cyclone/storm. 4. Typhoon/cyclone may cause damage to goods, and customers will claim for compensation for damage to their goods 	<p>Verification and early scrapping of existing assets</p> <p>Difficulties in transportation</p> <p>Increased operating costs</p>	
	Drought	<ol style="list-style-type: none"> 1. Drought may lead to closure of routes, waterways or canals 	Difficulties in transportation	
Physical risk -chronic risk	Ocean acidification Rising sea level	<ol style="list-style-type: none"> 1. Seawater temperature rise and ocean acidification accelerate the corrosion of ship hull and port infrastructure, so it is necessary to use materials with higher corrosion resistance and pay higher maintenance fees 	Increase maintenance costs	<ol style="list-style-type: none"> 1. Commit to mitigating global climate change and setting greenhouse gas emission reduction targets 2. Achieve carbon neutrality before 2060 3. Take energy-saving and emission-reduction measures to reduce the use of fuel oil through management and control of the navigation process and shore power transformation
	Temperature rise	<ol style="list-style-type: none"> 1. Temperature rise leads to damage to infrastructure and goods, and shortens assets life 2. Temperature rise leads to an increased probability of damage to goods, and an increased risk of claim for compensation for damage to goods. More refrigeration equipment is needed to avoid damage to goods 3. Employees may not be able to work outdoors for a long time in hot seasons, which affects operational efficiency 	<p>Affect workforce management and planning</p> <p>Increased operating costs</p>	

Low carbon operation

COSCO Shipping Holdings adheres to the concept of green, low-carbon, safe and sustainable shipping development, and pursues to reduce carbon emissions and achieve low-carbon operation while providing quality services.

Green shipping

To meet the requirements of global sustainable development and realize green and environmental-friendly development, COSCO Shipping Holdings meets the requirements for the shipping industry to realize green and environmental-friendly development, keeps track of and researches the development trend of fuel oil technology and market, and prepares well for the realization of its low-carbon goals.

Energy use

Fuel oil is the main energy source of container shipping business. We actively explore high-quality use of fuel oil, monitors the use of fuel oil, implements fuel-saving measures, conducts shore power transformation, and sets scientific goals of reducing fuel oil use to improve the effectiveness of fuel oil management and control.

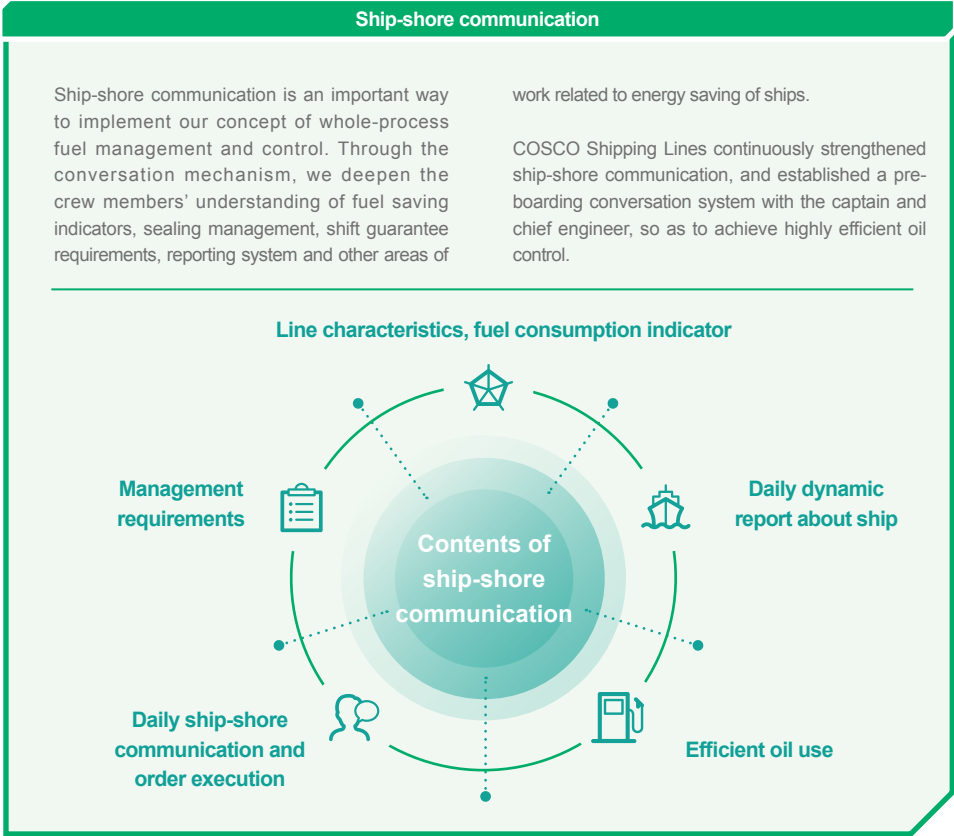
In response to *IMO's 2020*, COSCO strictly abides by the relevant international rules and regulations, and its OOIL has switched to low-sulfur fuel oil for all its lines. COSCO Shipping Lines has met the sulfur emission upper limit set by IMO by using low-sulfur fuel oil and installing desulfurization tower.

Confronted with the increasingly strict control and industry requirements of the global shipping industry, COSCO Shipping Holdings has strengthened its collection and analysis of fuel consumption data. It has established a strict daily dynamic monitoring system to conduct the whole-process management of fuel oil

budget (pre-control), operation monitoring (in-process monitoring), fuel oil cost analysis (post-inspection), and enhanced the closed-loop management of fuel oil use. In addition, COSCO Shipping Holdings conducts real-time monitoring of fuel oil consumption of its ships in a 24/7 manner to realize the shift from "averaging ship speed" to "averaging ship power" and reduce the instantaneous fuel consumption and carbon emissions of ships.

During the reporting period, COSCO Shipping Holdings has shown excellent performance in fuel oil management. The total amount of fuel oil consumed by its container transportation services in the whole year was about

6.891 million tons



Shore power transformation

When a ship pulls into a port without shore power supply facilities, it needs to rely on its own generating set to generate electricity. The fuel oil will emit NOX (nitrogen oxides), SOX (sulfur oxides) and particulate matter during combustion, which will cause environmental pollution to varying degrees. By contrast, if the port has shore power system, the ship may turn off its generating set after pulling into the shore and instead use the shore-based power supply for electricity. Compared with traditional marine fuel, shore power can reduce NOx, SOx and particulate matter emissions by 97%, 96% and 96% respectively.

COSCO Shipping Holdings actively promotes the construction of show power supply facilities and has completed the renovation of the shore power facilities of some ships. We will strengthen the renovation of shore power facilities of ships and promote port green development while ensuring transportation capacity during dock repair.

Shore power use

According to the data of California Air Resources Management Board (CARB), a total of 162 ships of COSCO Shipping Lines have berthed at Port of Long Beach/Los Angeles Port/Oakland Port in 2021 (170 ships were expected to berth at the ports in 2021), and the compliance rate of shore power use was over 92%, and the total power of auxiliary fuel used by the ships drop by over 96% after berthing at the ports.

Navigation fuel oil-saving measures

We continuously monitor navigation fuel oil consumption and analyze problems such as unreasonable fuel oil consumption in certain navigation segments and fuel oil theft during stranded navigation. While avoiding the risks, COSCO Shipping Holdings takes safety, punctuality and economy into account, and helps ships improve shipping efficiency to save fuel oil.



Carbon footprint calculator

As the pioneer of ecological and environment protection in the shipping industry, COSCO Shipping Lines and OOIL have launched a carbon emission calculator in 2010. It is an advanced dynamic carbon emission calculation tool for customers all over the world to calculate the carbon dioxide emissions in their supply chain. The calculator also helps us achieve carbon emission targets. In addition, as a member of CCWG, We accept supervision from society and actively report the emissions of carbon dioxide, sulfur oxides and nitrogen oxides in daily operations. By comparing with the emission level of counterparts in the same industry, we can gain a better understanding of the environmental protection performance of its own operation and the room for improvement.

Greenhouse gas emission

During the reporting period, COSCO Shipping Holdings optimized management and control of fuel oil use, navigation and fleet operation, and shipping business, upgraded the power receiving facilities of ships and shore power facilities at ports. It has also achieved remarkable results in reducing energy consumption and carbon dioxide emissions by innovative scientific, technical and managerial means.

The greenhouse gas emissions of the container shipping business were

22,214,824

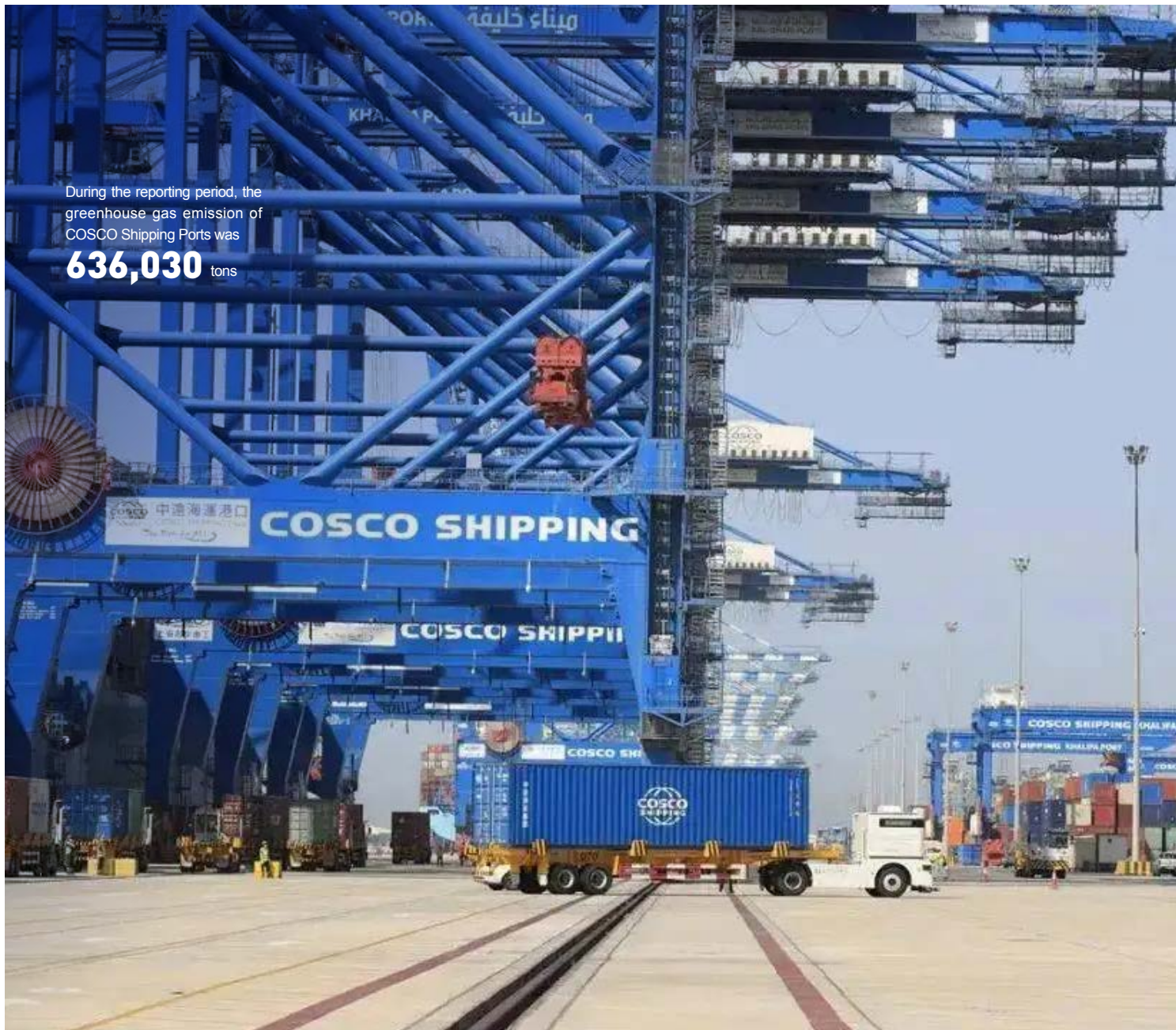
tons



Exhaust emission

Exhaust pollutants of SO₂ and NO_x emitted by fuel combustion during shipping and berthing have become the major sources of air pollution in China's coastal and inland ports. COSCO Shipping Holdings strictly abides by the *Implementation Plan of Air Pollutant Emission Control Zones for Ships* issued by the Ministry of Transport of People's Republic of China and sets more stringent emission standards to reduce the amount of sulfur in marine fuels used for shipping, and sulfur oxides (SO_x) and particulate matter emissions of ships.





During the reporting period, the greenhouse gas emission of COSCO Shipping Ports was

636,030 tons



Green port

As for the terminal business, with rising sea level and more frequent severe storms caused by climate change, the risks of infrastructure destruction to ports and ships are increasing. The terminal business also faces the risk of transformation into low-carbon economy to achieve the goal of "peak carbon dioxide emissions and carbon neutrality" and implement the energy conservation and emission reduction strategy. COSCO Shipping Ports continues to expand its terminal business and promote its global business distribution. At the same time, it has been actively fulfilling its corporate social responsibility, devoting itself to energy conservation and ecological and environmental protection of its wharves, speeding up the construction of "green ports" and realizing sustainable development.

Energy conservation and emission reduction

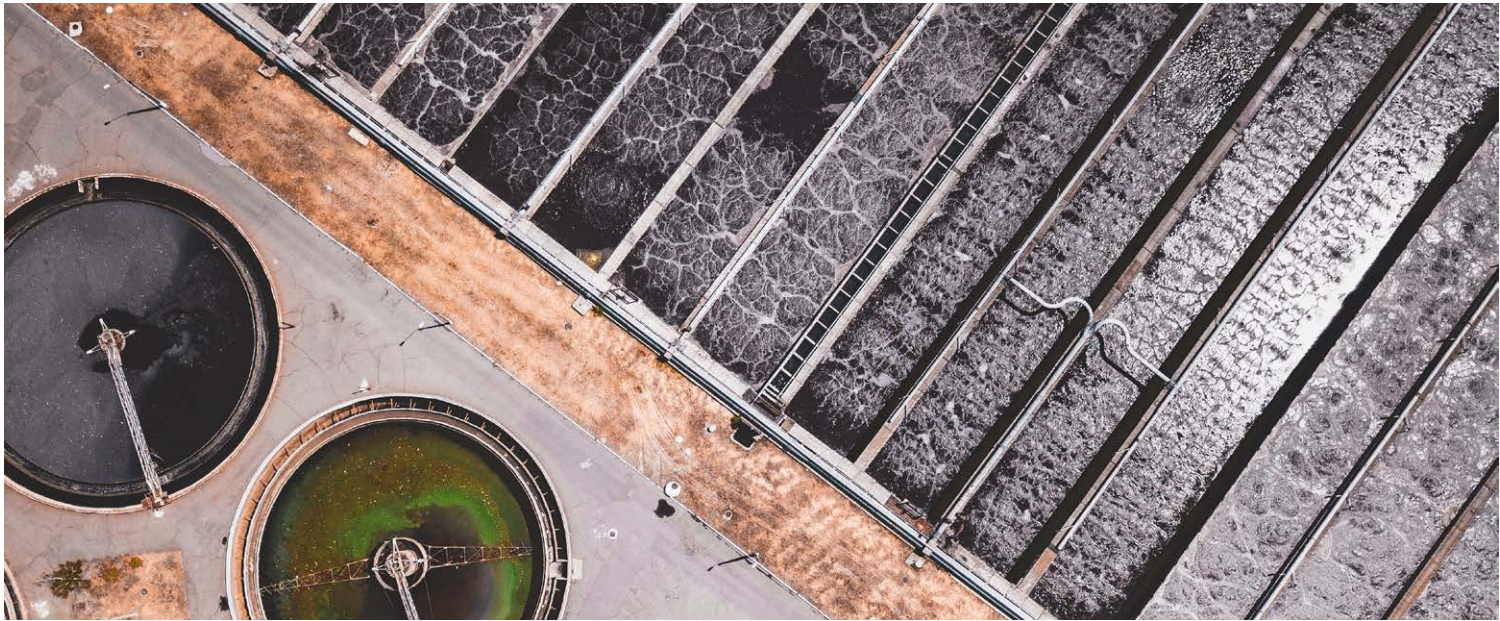
COSCO Shipping Ports is committed to promoting energy conservation and emission reduction. It has set up a team and a management office for energy conservation and emission reduction. The team and the office are responsible for supervising the implementation of emission reduction policies, performance and targets of its headquarters and domestic holding wharves, assessing their energy conservation and emission reduction work, and issuing regulations concerning rewards and disciplinary sanctions.

Carbon emissions mainly come from power consumption during port operation and power supply for ships berthing at the port. COSCO Shipping Ports is accelerating the construction of green ports by means of shore power construction, energy-saving lighting, electrification of infrastructure and continuous optimization of yard system.

Waste water management

Water is used for mechanical operation and daily use by crew during shipping. The main sources of wastewater that causes marine pollution during shipping are ballast water and oily sewage discharged by ships. COSCO Shipping Holdings strictly implements the regulations on the treatment and compliance discharge of sewage and wastewater from shipping vessels. COSCO Shipping Holdings also strictly abides by relevant laws and regulations at home and abroad, such as the *Law of the People's Republic of China on Water Pollution Prevention and Control*, as well as relevant laws, regulations and conventions of the industry, such as the *Law of the People's Republic of China on Marine Environmental Protection*, the *Regulations on the Prevention and Control of Marine Environmental Pollution from Ships*, the *Emission Standards of Pollutants from Ships*, and the *International Convention on the Prevention of Pollution from Ships*.

Based on domestic and foreign laws, regulations and industry conventions, we have formulated and implemented the *Operation Regulations of Ship Oil and Sewage Disposal* to clarify the complete oil and sewage disembarkation operation process, and the *Ship Oil Pollution Emergency Plan* to help the crew take immediate measures to reduce the impact of accidental oil spills.



Sea water desalination

COSCO Shipping Holdings attaches great importance to the use of water resources. In order to improve the efficiency of water use on board, our ships use seawater desalination equipment to convert seawater into drinking water to supplement the domestic water for ships and reduce the consumption of fresh water. At the same time, we continue to cultivate our employees' water-saving awareness and habits and encourage them to participate in the optimal utilization of water resources on ships.

In 2021, the total fresh water consumption of COSCO Shipping Holdings' ships was

343,822 tons

and

297,840 tons

of seawater was desalinated



Oily sewage management

By strengthening the monitoring of discharging oily sewage off the shore and the management of oily sewage sealing, we ensure that all indicators of the discharged oily sewage are in line with national and local standards. We strictly regulate how its ships discharge oily sewage offshore. At the same time, a "blacklist system" of ships is set up to monitor key ships to prevent oily water leakage.

During the reporting period, our flight oily sewage measuring team strengthened the plastic sealing management of all ships' discharging of oily sewage offshore and monitored the whole process of fuel oil control for all ships.

At the same time, COSCO Shipping Lines instructed the crew to deal with fuel oil spill

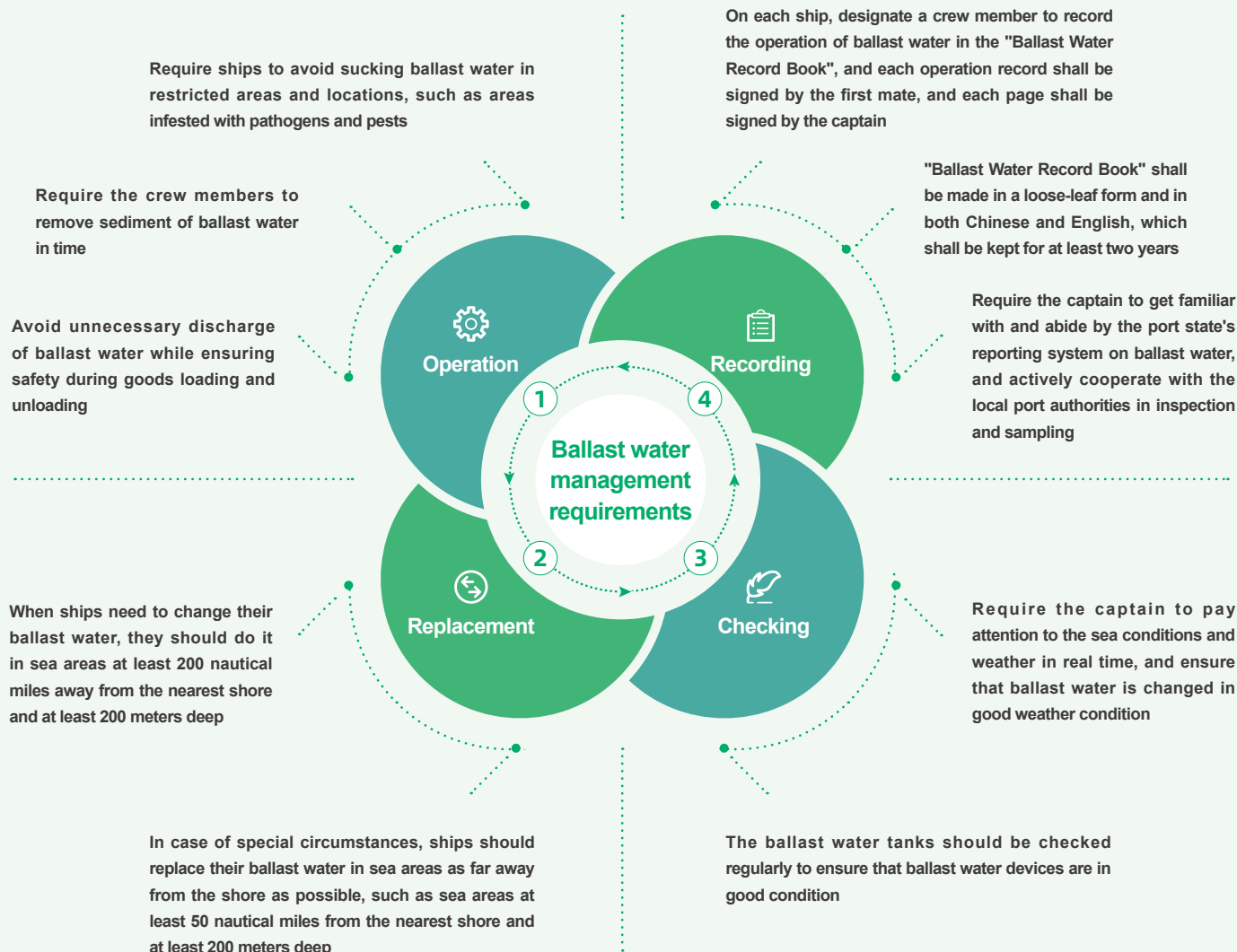
accidents by implementing the *Emergency Plan for Oil Pollution on Board* to reduce the impact of fuel oil spill accidents. In case of fuel oil spill, the personnel on duty shall promptly report to the captain or other persons in charge. After receiving the report, the captain or other persons in charge shall immediately send out the oil spill alarm and organize the whole crew to take emergency measures.



Ballast water management

In 2004, IMO issued the *International Convention on the Control and Management of Ship Ballast Water and Sediments* (i.e. the *Ballast Water Convention*), which requires commercial ships sailing internationally to install the ballast water management system and treat the ballast water before discharging it so that at least 99.9% of the organisms in the discharged water are killed or removed before discharging. This can prevent and reduce the risk of species invasion and dispersion so as not to cause harm to the local marine ecosystem.

COSCO Shipping Lines has formulated and implemented Instructions for *Ballast Water Management Notice and Ballast Water Management Plan*. All ships are equipped with ballast water treatment devices, and any violation of ballast water convention by is prohibited. We manage ballast water through the operation, replacement, safety inspection and recording of ballast water. In addition, OOIL has been actively exploring different technologies to treat ballast water. It requires its fleet to replace ballast water at least 200 nautical miles offshore on the high seas and plans to achieve the goal of zero ballast water replacement at ports.



Solid waste management

We strictly abide by the laws, regulations and international conventions on garbage disposal on ships to strictly control the disposal and compliance discharge of harmful waste from ships, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Marine Environmental Protection Law of the People's Republic of China*, the *Regulations on the Prevention and Control of Marine Environmental Pollution by Ships*, the *Emission Standards of Pollutants from Ships*, the *International Convention for the Prevention of Pollution from Ships*.

Based on the *MARPOL Anti-pollution Convention* and the relevant laws and regulations of the flag country, we formulated and implemented the Waste Management Plan to avoid pollution caused by ship waste. We requires that domestic garbage in the port be stored in the garbage pool for the government to transport to the designated place for disposal so that the garbage can be treated on the same day of generation.

Ship garbage management

We formulated *Waste Management Plan* for the management of shipping vessels, which specifies the responsibilities of each crew member, and requires managers to train crew members on the collection, disposal and storage of ship garbage. Ship garbage must be classified, processed, stored, burned and disposed according to relevant regulations.

To prevent and control the spread of the pandemic as it continued to develop in 2021, COSCO Shipping Holdings strengthened training for its crew members, carried out the classification and disposal of ship garbage more stringently, disposed pandemic prevention wastes in a more reasonable manner, and enhanced pandemic prevention and control on the ships and shores to facilitate garbage acceptance and disposal by the ports.

We carry out effective classification and

management of garbage on ships. All ships are equipped with red, green, blue and black garbage cans to collect plastic garbage, food garbage, domestic garbage, and industrial garbage respectively. To meet the requirement of pandemic prevention and control, we also place yellow garbage cans on the ships to collect medical garbage, disinfect pandemic prevention equipment such as protective clothing and masks discarded by health care personnel, and store them separately. If the garbage is mixed with or polluted by other substances that are forbidden to be discharged or should meet different discharge and disposal requirements, the garbage should be disposed of to meet more stringent standards.

By collecting the pandemic prevention and control measures for the recycling of garbage on ships approaching or berthing at the ports, we adjust the garbage disposal plans. Garbage that needs to be

stored harmlessly on the ship for a long time should be disposed of by incinerators, food distributors, and garbage mashers on the ship according to *International Convention for the Prevention of Pollution from Ships*. If the garbage is disposed of through incineration, crushing, grinding and compaction, the disposal records must include the date, time, ship position (latitude and longitude) at the beginning and end of incineration, the classification of the incinerated garbage, and the estimated amount of each category of incinerated garbage.

During the garbage storage period, ships are cleaned and disinfected on a regular basis and are equipped with fire-fighting equipment. we also strengthen garbage management and inspection and appoints qualified ship pollutant receiving companies transfer the garbage away from the ships after the ships berth at the port.

Crew training

We offered training for crew members on *Waste Management Plan* and the use of pollution prevention equipment to help them get more familiar with the requirement of ship waste management and garbage disposal equipment. By implementing the Garbage Management Plan and using garbage disposal equipment on the ship, COSCO Shipping Holdings reduced the amount of garbage generated by ships to the minimum. At the same time, we carried out self-inspection of pollution prevention many times and conducted closed-loop pollution prevention inspection of sulfur oxide emission, power equipment use, fuel garbage, domestic garbage, household garbage and dangerous goods management to prevent all sorts of pollution incidents.

Green passport

Inventory Of Hazardous Materials (IHM) is a key requirement in the Ship Recycling Convention, which identifies all dangerous and potentially dangerous materials on board to facilitate ship recycling in a safer and more environmentally-friendly way and help recyclers customize a safer and environmentally-friendly decommissioning plan for ships. COSCO Shipping Holdings shows great concern over the impact of ships on the environment, actively helps ships get IHM, and conducts life cycle assessment for ships to reduce the impact of ship recycling on the environment.

OOIL IHM and Ship Life Cycle Assessment

Most ships of OOIL have their IHM to identify dangerous and potentially dangerous substances on the ships and reduce the generation of these substances during the use of the ships.

Considering the impact of ship life cycle on the environment and its importance to OOIL's container business, OOIL adopts ship life cycle assessment at the planning stage to reduce the impact of ship decommissioning on the environment.



Ocean ecology

As a pioneer in ecological environment protection in the global liner industry, COSCO Shipping Holdings attaches great importance to ecological environment protection, and incorporates the concept of low carbon and high efficiency into its comprehensive management policy. COSCO Shipping Holdings actively reduces the ship speed when entering and leaving whale sanctuaries to promote green and low-carbon shipping.

Protecting the Blue Whale and the Blue Sky

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We realize that the speed limit of ships can effectively prevent collision between marine fish and ships. In order to protect whales, COSCO Shipping Lines and OOIL put forward the voluntary deceleration plan to slow down their ships in important whale habitats to prevent whale injury or death caused by shipping.

"Protecting the Blue Whale and the Blue Sky" project is jointly launched by several environmental protection departments and organizations in the United States as a non-mandatory project. During the reporting period, COSCO Shipping Lines was awarded the Gold Prize by project organizers for its positive actions and remarkable results.

Safe shipping

Given the professionalism, particularity and high risk of ocean shipping, shipping companies should shoulder their unique responsibility for safe shipping while assuming operational risks other enterprises face. Confronted with the challenges of disasters, pirate attacks, extreme weather, dangerous goods and pandemic prevention and control, COSCO Shipping Holdings fulfills its main responsibility for safe production, strictly implements various safety management systems, and makes full use of safety management systems to ensure ship safety.



COSCO Shipping Holdings strictly abides by relevant rules and regulations to regulate the important matters to be observed for production safety and clarify the responsibilities of relevant departments, including the *International Safety Management Rules*, the *Safety Production Law of the People's Republic of China*, the *Regulations on Reporting, Investigation and Handling of Production Safety Accidents* and other relevant laws and regulations, and internally formulates and implements the *Safety Code*, the *Safety Production Management Measures*, the *Safety Management Responsibility Provisions*, the *Comprehensive Emergency Plan for Production Safety* and the *Emergency Plan Management Measures*.

COSCO Shipping Lines and COSCO Shipping Ports sign the *Letter of Responsibility for Safe Production* every year, and takes safe production performance as an assessment standard, and the assessment results are directly pegged to the salary of the management. At the same time, COSCO Shipping Lines has set up a team for the safety inspection of shore-based personnel on board to know more about the crew's performance of duties on board and their implementation of various systems and ensure production safety.



Emergency management

To continuously improve the level of safety management, COSCO Shipping Holdings constantly strengthens its emergency management system and makes unremitting efforts to improve its emergency response capability.

During the reporting period, COSCO Shipping Lines continued to attach importance to shipping safety. It updated

the *Management Measures for Emergency Plans for Unexpected Events*, carried out emergency plan management, emergency team training and emergency drills, and strengthened its personnel's awareness of and ability in production safety. At the same time, it incorporated emergency resource survey into its emergency plans, and early warning and emergency response into its comprehensive emergency plans.

Measures taken by of COSCO Shipping Lines to improve emergency capacity

Emergency plan management	According to the actual situation and problems in safe production, constantly improve the emergency plan of COSCO Shipping Lines, and take more effective and reasonable measures to deal with emerging risks and challenges.
Emergency personnel training	Strengthen the training of emergency personnel, carry out more emergency drills, and improve the emergency team's ability to deal with emergencies.
Emergency drills	In 2021, COSCO Shipping Lines held three ship-shore joint emergency drills for dealing with emergencies and security incidents and responding to the COVID-19 epidemic. The drills tested the effectiveness and feasibility of the emergency plan, and provided the basis for improving the emergency plan and the ship-shore emergency response capability.

Accident management

During the reporting period, an event of ship collision occurred in COSCO Shipping Lines. To investigate the cause of the accident, sum up the experience and prevent similar accidents from happening, COSCO Shipping Lines held a special meeting on collision and machine damage

prevention. Meeting participants were briefed on the investigation of the accident of the "Tianfuhe" ship, analyzed the possible causes, summarized the experience, and worked out preventive and corrective measures.



Investigation report on the "Tianfuhe" ship collision

On August 10, 2021, the right stern of the "Tianfuhe" ship collided with the overtaking Korean "HONGKONG VOYAGER" ship, causing the starboard stern deck and guardrail to cave in and deform. The accident did not cause injuries to any side or environmental pollution. The "Tianfuhe" ship took secondary responsibility for this accident.

After the collision happened, "Tianfuhe" ship immediately started the emergency procedure according to *Ship Emergency Manual and Emergency Plan Management Measures*. It immediately inspected the actual damage to the ship and the Korean ship, checked whether there were casualties, damage to machinery and equipment, or environmental pollution, reported to the competent authority of the maritime space where the accident occurred in a timely manner, assisted accident investigation and handling, and signed a collision notice with the Korean ship.

To prevent similar accidents from happening again, we plan to strengthen accident risk control in the following four aspects:

System building	Revise and improve relevant system documents to strengthen their operability.
Skill training	Strengthen pre-job skills training and on-board instruction of the captain, and continuously improve the safety risk awareness and navigation safety support ability of crew members.
Warning education	Strengthen warning education, enhance crew members' awareness of abiding by rules, and help them develop good habits.
Tracking administration	Strengthen the supervision of key ships and follow-up guidance of key personnel.

Emergency drill

During the reporting period, COSCO Shipping Lines organized a joint emergency drill to improve emergency response ability, test the effectiveness of the emergency plans and enhance the emergency team's ability to deal with emergencies.

"New Suzhou" ship participated in emergency drill

The "New Suzhou" ship participated in the emergency drill to improve its capability to deal with the loss of maneuverability, emergency towing, cyber-attack, and loss of contact with the external world. This drill highlighted the effectiveness and feasibility of the emergency plan and improved the capability of COSCO Shipping Lines to handle emergencies.



Accident rectification and prevention measures

Place the responsibility for guidance and supervision on the shore-based ship management authorities, and ensure that the company's instructions on safety are implemented. The director should pay more attention to daily management so as to find and solve the problems and defects of the ships in time.

1

Strengthen the maintenance of ship equipment, and ensure the normal working conditions of power equipment and emergency equipment on all ships.

2

Strengthen the basic and urgent management of the spare parts and materials on the ships; strengthen supervision of ships and ensure that the management of the spare parts and materials on ships is standardized and orderly. In case of emergency, the ship-shore director should report it in time to improve the handling efficiency.

3

Strengthen the ship's response to fire accidents, implement the patrol system for fire prevention, and strengthen crew training so that they will get more familiar with the operation of important fire extinguishing equipment such as large carbon dioxide system.

4

Implement the labor safety protection measures for crew members, learn the experience and lessons from previous accidents, and require the ships to take protective measures for high-altitude operation, outboard operation, closed cabin operation, machine room operation and mooring operation.

5

Strengthen refined cost management to ensure the basic investment into safe production of ships.

6

Pirate attack

Pirate attacks seriously threaten the safety of crew members. Once a ship is attacked by pirates, the shipping company will suffer huge economic losses. According to the statistics of the Piracy Reporting Center of the International Maritime Bureau of the International Chamber of Commerce, there were 132 incidents of piracy and armed robbery against ships worldwide in 2021. Although the crime has dropped to the lowest point over the past 28 years since 1994, it remains a warning.

To avoid pirate attacks, COSCO Shipping Lines has always adhered to the anti-piracy policy of "prevention first, constant vigilance, self-reliance, early preparation, quick action, and proactive action", formulated and implemented the Notice for Ship Anti-Piracy. It has also established a ship management center and security department to supervise, inspect, and guide daily anti-piracy work, given early warnings of piracy and regularly trained the crew.

Pirate risk prevention and control

We will analyze the areas where pirate attacks happen frequently around the world and determine the key sea areas for piracy prevention. It will keep the shipping lines away from the pirate areas. Before entering the pirate areas, a third-party armed escort fleet will be hired to follow and monitor the ships 24/7, and ship captains will mobilize all the crew members to prepare for pirate attacks and inform the whole crew of the alarm signals and contact information. In addition, ships will be equipped with safety cabins where attacked crew members can hide to ensure their personal safety.

To improve the awareness of COSCO Shipping Lines of pirate prevention, Rules for Risk Assessment of Pirate Harassment have been formulated to standardize the risk assessment procedure of pirate

harassment. Sea areas subject to pirate harassment are divided into three levels to avoid navigation in high-risk sea areas.



Anti-piracy drill

During the reporting period, regular anti-piracy drills and emergency drills had been organized to train crew members in the use of anti-piracy safety cabin,

anti-piracy measures, emergency procedures and safe use of anti-piracy equipment.

"CSCL Atlantic Ocean" emergency drill

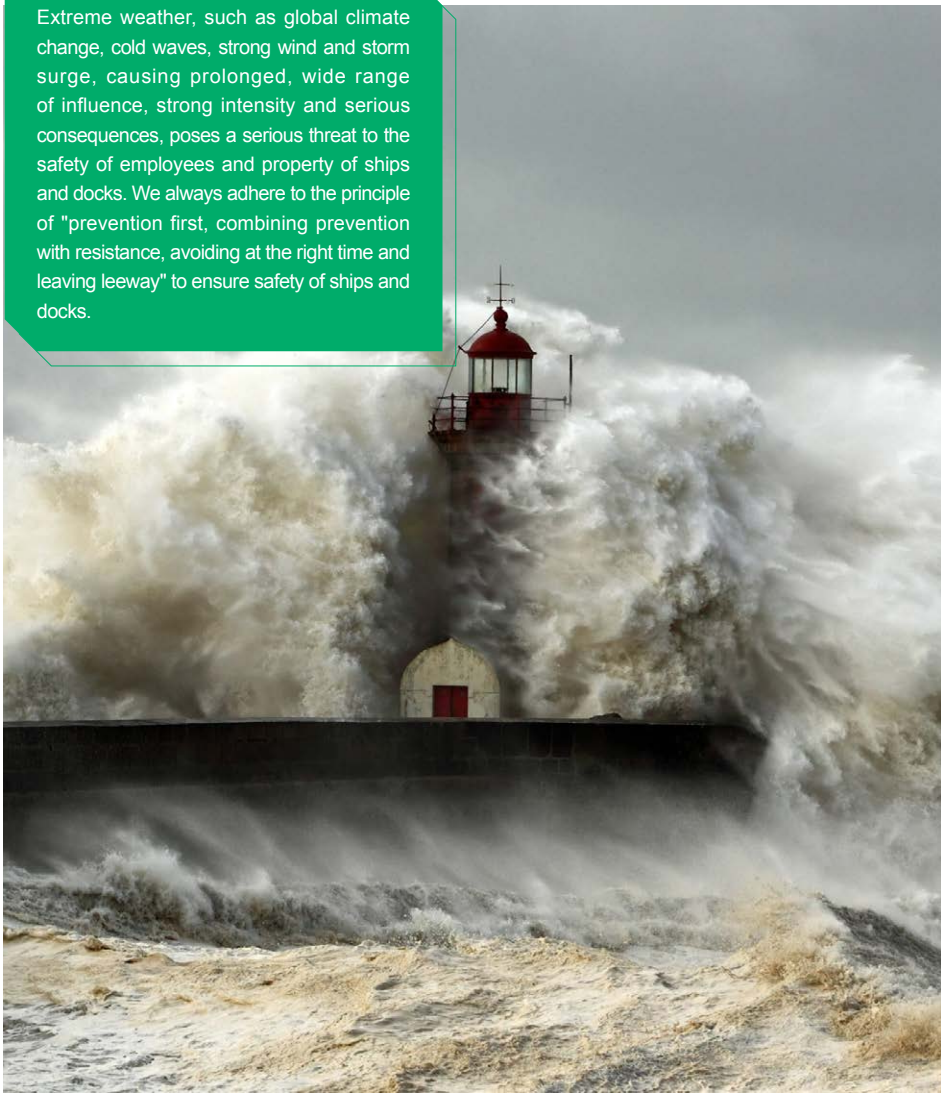
On March 26, 2021, COSCO Shipping Lines held a joint ship-shore emergency drill on the "CSCL Atlantic Ocean" ship to test its capability to deal with emergencies that happen on multiple ships. Training on preventing and handling terrorist attacks was included in the drill.

This drill simulated how crew members implemented the emergency plan when the ship was chased by pirate speedboats in the waters of the Gulf of Aden, how they contacted the escort fleet of the Chinese navy in the Gulf of Aden, how the Chinese navy repelled the pirates, and how the crew members got out of the safety cabins after confirming safety.

Through these rigorous and realistic drills, COSCO Shipping Lines hopes to improve crew members' emergency awareness and handling ability and test their emergency management ability and emergency preparedness ability. To tackle the problems and shortcomings existing in the drills, COSCO Shipping Lines immediately organized analysis and evaluation of the drills, took improvement measures, and organized training and discussion to improve its ability to handle pirate attack and other emergencies.

Extreme weather

Extreme weather, such as global climate change, cold waves, strong wind and storm surge, causing prolonged, wide range of influence, strong intensity and serious consequences, poses a serious threat to the safety of employees and property of ships and docks. We always adhere to the principle of "prevention first, combining prevention with resistance, avoiding at the right time and leaving leeway" to ensure safety of ships and docks.



Avoidance of disastrous weather and sea conditions

While ensuring the safety of personnel, ships and cargo, we formulated targeted measures according to the actual conditions of ships to avoid disastrous weather and sea conditions.

Measures to Avoid Extreme Weather for Ships in Different Conditions



Ships carrying 5000 TEUs and below should avoid continuous surge of 6m or above for more than 12 hours in any loading state.



Heavy-duty ships carrying more than 5000 TEUs should avoid continuous surges of 7 meters and above for more than 12 hours, and ships with a half load and below should avoid continuous surges of 6 meters and above for more than 12 hours.



Once a ship has to stay in the above-mentioned high-risk areas for a short time, the air guide service provider must remind the ship to take measures to adjust its course and speed to ensure the safety of its crew members, ships and goods.



If the ship's stability, hull strength, container binding strength and other parameters exceed the safety range or carries special cargoes (e.g. 53-foot container), the captain of the ship should immediately report to the general duty room of the Global Maritime Operation Center, which will work with the relevant departments to discuss the relevant issues, adjust the above-mentioned high-risk areas, and notify the air guide service providers to take corresponding measures to avoid risks.

Dealing with extreme weather

In response to severe weather such as typhoons and cold waves, we took a series of measures to deal with disasters caused by frequent extreme weather conditions. Typhoon is one of the most serious natural disasters for the great destruction, which often causes heavy casualties and huge property losses. we obtained typhoon-related information by applying high-altitude, ground and global meteorological network and other high technologies. For the container business, we regularly updated the guidance on typhoon prevention and flood

control and strengthened ship-shore contact to ensure a smooth progress of typhoon prevention and flood control. Given the business particularity, we appointed captains as the first responsible person of ship safety who has the right to decide what measures to take to avoid typhoon. Captains shall also organize all crew members to acquire knowledge about typhoon prevention according to the changes of seasons and navigation areas.

Disasters such as large-area drastic cooling, strong wind, frost, and wind and snow along the lines caused by cold wave have a severe impact on shipping. When cold wave comes, close attention should be paid to the weather forecast and ship condition, especially the safety of personnel in offshore operations and ports. the supervision and on-site inspection of ships should be strengthened and an early warning should be given to eliminate potential danger in time.

Response to Super Typhoon Chanthu

During the reporting period, No.14 Super Typhoon "Chanthu", which had a strong intensity, long radius and changeable path, swept the southeast coast of China, affecting Hangzhou Bay and Shanghai to a certain extent, which made it more difficult to prevent typhoon.

The Security Committee held a special meeting on typhoon prevention and worked out the following anti-typhoon measures.

COSCO Shipping Lines continued to inspect and rectify problems in key areas of typhoon prevention and flood control, eliminate hidden dangers to the greatest extent to ensure that the typhoon prevention and flood control would be successful. These measures helped avoid ship accidents and casualties and ensured ship safety.

- Strengthen classified guidance to ships and urge them to take typhoon prevention measures.
- Attach great importance to flood control on the shore. All departments in Jiangsu, Zhejiang, Shanghai and Fujian should investigate and eliminate the hidden dangers of flood control in stockyards, warehouses and office buildings, prevent materials and key facilities and equipment from being flooded or damaged, and ensure the safety of employees involved in flood control and on duty.
- Give full play to the leading role of the person in charge. All responsible department should perform their duties and work closely together to prepare for emergency response at any time to ensure effective response to all kinds of emergencies.

"Cold Wave, Rain and Snow" Weather Warning

On December 28, 2021, the weather warning of "cold wave, rain and snow" was issued. The leaders of COSCO Shipping Lines attached great importance to the warning, began to implement the severe weather emergency plan, made relevant arrangement in advance, made sure that all personnel were on duty and on guard, and made every effort to provide emergency support.

To ensure ship safety, the ship dispatching room monitored the situation of ships 24/7, paid close attention to weather warnings issued by the meteorological department and the port and shipping supervision department, kept close contact with the port, adjusted the ships, anchored the ships before the wharf was closed to avoid typhoon, and set for weighting anchors after the wharf reopened to ensure shipping safety.



Dangerous goods

In recent years, the total amount of dangerous goods transported by sea has shown an obvious upward trend. The operation and transportation of dangerous goods is one of the high-risk business of shipping enterprises. By institutionalizing and standardizing the operation procedures of dangerous goods, We have been working to prevent and control accidents related to the transport of dangerous goods by sea.

Dangerous goods management

In daily transportation, accidents caused by violation of the regulations on the safety management of dangerous goods transportation occur from time to time. Accidents happen on ships transporting dangerous goods will not only cause casualties and property loss, but also bring disastrous consequences for the marine environment and the fishing industry. During the reporting period, the *Law of the People's Republic of China on the Protection of the Yangtze River* came into effect, which prohibited the transportation of highly toxic chemicals and other dangerous chemicals in the Yangtze River basin and inland rivers designated by the state. To fulfill the responsibility for managing the transportation of dangerous goods, we offered internal training for employees engaged in the transportation of dangerous goods to ensure compliance operation.

We has always abided by the IMDG Code formulated by the International Maritime Organization, which prescribes the operation procedures for the whole process from customers' cargo space booking to

goods transportation. According to the types of cargo space for dangerous goods booked by customers, we will check whether the products provided by customers are dangerous goods. After confirming the category of the dangerous goods or the UN number, dangerous goods will be classified into prohibited goods or restricted goods according to the relevant policies of handling dangerous goods, and their transportation routes determined. During transportation or stacking, dangerous goods shall be loaded, unloaded and isolated based on the relevant requirements.

According to the division of responsibilities and approval process, the dangerous goods operation team of COSCO Shipping Lines will conscientiously confirm and examine the whole process from customers' cargo space booking to goods transportation. The team will also strengthen the daily management and operation of dangerous goods to ensure the safety of the transportation of dangerous goods.

Strengthen safety awareness



- Check the safety of dangerous goods and confirm their application for boarding to avoid transportation safety problems caused by negligence or omission.
- Collect, sort out, update and summarize the dangerous goods policy of charter clauses, Dangerous Good Certificate of Suitability and relevant agreements on dangerous goods on routes, and provide guidance and training to operators of dangerous goods on dangerous goods policies and transportation safety.

Strengthen daily safety management of dangerous goods and communication of relevant matters to ensure transportation safety



- Keep abreast of the changes of relevant maritime laws and policies, implement relevant measures in time, and reduce failure to report, misinformation and false reports during the transportation of dangerous goods.
- Establish the blacklist system of dangerous goods, and regularly update the collection, summary and notification to the departments and personnel related to dangerous goods operation to avoid and put an end to concealed reports, false reports, disclosure of accidents, including fire accident, caused by dangerous goods.

Cooperate with OOIL and COSCO Shipping Lines

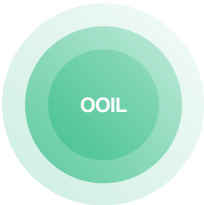


- The Dangerous Goods Management Teams of COSCO Shipping Lines and OOIL regularly communicate with each other and share dangerous goods management policies, operation modes, dangerous goods blacklists and dangerous goods accident cases with each other to learn from each other's strengths and make up for each other's weaknesses, and to improve the safety and management efficiency of dangerous goods, business development and transportation safety.

Daily management of the transportation of dangerous goods

In addition, we have established an intelligent dangerous goods system to reduce the risks of dangerous goods transportation.

Established a dangerous goods system to connect all the processes of dangerous goods transportation, which includes the training courses and the responsibilities each party should take for the transportation of dangerous goods.



Developed a dangerous goods operation platform and a global network of designated personnel for dangerous goods and global port dangerous goods restriction policy; cooperated with the partners to compile and update dangerous goods policies, certificate of fitness for dangerous goods on board, and dangerous goods restriction clauses for chartered ships.

Risk management system for dangerous goods transportation

Response to epidemic

Since the outbreak of the pandemic, COSCO has attached great importance to the prevention and control of COVID-19 on its ships and on the shore. All employees at home and abroad have strengthened the implementation of pandemic prevention and control measures to prevent the recurrence of outbreak by following the strategy of "preventing the pandemic from re-entering the country to cause a new outbreak and taking precise measures to fight the virus". Engaging in a key industry, COSCO will actively fulfill its social responsibilities, pay close attention to employees' physical and mental health, promote the resumption of work and production and give full play to the advantages of its service network to provide strong logistics support for global anti-pandemic endeavor.

Management of pandemic prevention drugs

To protect the health of the crew members, build a pandemic prevention system for ships, and implement pandemic prevention concept of "paying utmost attention to outbreak prevention and control", COSCO provided pandemic prevention drugs for ships and worked out the management plan for standardizing the supply and use of drugs on ships to ensure sufficient drug supply.

Pandemic prevention and control on ships

To prevent and control the pandemic on the ships, COSCO took measures such as the management of pandemic prevention drugs, crew shift change and outbreak drills to ensure the smooth operation of ships in the pandemic era.

Management measures for epidemic prevention drugs

Anti-epidemic drugs should be separated from other drugs on the ship, and should be specially managed and stored. Only crew members who have shown symptoms, or have close contact with people suspected of COVID, or have been advised by the shore-based authorities can take anti-epidemic drugs.

Exclusive use

The political commissar of the ship is the responsible person for the use and management of anti-epidemic drugs, and is also fully responsible for the application for, use and management of these drugs. The first mate of the ship is the direct supervisor of these drugs, and is also fully responsible for applying for, registering, storing, distributing and checking and sorting out these drugs.

Intensive management

Depending on the actual use and the inventory of the ship, once the number of anti-epidemic drugs is lower than 50% of the delivered drugs, or when the route is adjusted to a third country route, or when the crew members exchange shift with crew members of a third country ship, the ship shall apply for replenishment of anti-epidemic drugs in time.

Timely replenishment

Crew shift change

COSCO Shipping Holdings attaches great importance to crew shift, as crew serves are the core strategic resources. We conduct crew shift rotation by strictly following the six procedures of "ship self-management, customs quarantine, border

inspection, information notification, shuttle bus and designated isolation area", actively cooperates with government departments, utilizes resources to arrange quarantine hotels for crew on shore, and offer guidance for shift change in domestic ports.



CSCL STAR Ship and New Qinhuangdao Ship completed crew shift change at Singapore anchorage

CSCL STAR Ship crew shift change

CSCL Venus Ship and New Shanghai Ship conducted crew shift change in the Suez Canal

Fengyunhe Ship conducted crew shift change in Xiamen

Pandemic prevention drill

To enhance pandemic prevention and control, improve emergency response, and ensure effective execution of pandemic prevention and control

measures, we organized a joint pandemic prevention drill.

"COSCO Ashdod" ship participated in ship-shore joint drill in response to pandemic

During the reporting period, COSCO Shipping Lines held ship-shore joint drill in response to the pandemic in which the "COSCO Ashdod" ship participated.

In this drill, a sailor was suspected to be infected with COVID. The company surveyed the receiving capacity and conditions of nearby coastal ports. After arriving at the anchorage, the ship

underwent quarantine inspection. After the sailor was diagnosed with COVID, the company took corresponding measures and resumed loading and uploading of cargoes to minimize the loss.

The drill tested the effectiveness and feasibility of the emergency plan and provided basis for improving the emergency plan and the emergency response capability and ship and shore.

Employee care

To attract more talents to the shipping industry and highlight the guiding role of the strategies, in 2021, COSCO promoted the deep integration of its talent strategy and business strategy, strengthened the training for high-quality talents, built a professional talent team, constantly stimulated the vitality of talents, adhered to the talent-oriented principle, and created a good atmosphere of caring for talents.

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Compliant recruitment

COSCO Shipping Holdings attaches great importance to talents, especially the development of a talent team that meets the needs for development. It has built a high-quality talent team in a fair and transparent way through campus, online and social recruitment. COSCO Shipping Holdings abides by all employment-related laws and regulations in the place where it operates and fulfills its obligations in legal recruitment. By constantly optimizing the Employee Management Program and the Recruitment Program of Personnel for Institutions and other human resource management systems, COSCO Shipping Holdings has specified post responsibilities and assessment system, and built a sound

employee management system to ensure that the employment and dismissal of employees are in line with relevant laws.

COSCO Shipping Holdings abides by the laws and regulations of the place where it operates, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Trade Union Law of the People's Republic of China*. Child labor and forced labor are strictly prohibited. COSCO Shipping Holdings is committed to promoting legal employment in its partners and suppliers. If child labor or forced labor is found, we will deal with them according to local laws and regulations. There were no

cases of child labor or forced labor during the reporting period.

COSCO Shipping Holdings actively builds a diverse and inclusive team, prohibits any form of discrimination or unfair treatment caused by non-work related factors, provides equal employment opportunities for employees regardless of skin color, nationality, race, age, sex, religious belief or health conditions. In addition, COSCO Shipping Holdings provides employees with disabilities and ordinary employees with the same salary and welfare so that employees with disabilities can also get employed to create a fair and equal corporate culture.



By the end of the reporting period

COSCO Shipping Holdings has a total of
41,482 employees



33,827
regular employees



In 2021
the number of new
employees totaled

2,755

1,344
male



1,411
female



During the reporting period,
COSCO Shipping Holdings has a
total turnover of

1,818 people



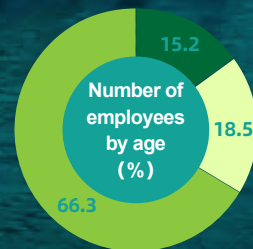
with a turnover rate of
5.37 %



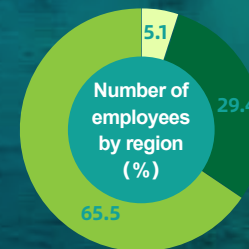
COSCO Shipping Holdings respects
employees' personal choices, and
when employees leave, they will
be guided through the resignation
formalities according to law.



Male Female



Less than 30 years old.
30-50 years old (not including
30 and 50 years old)
50 years old or above



Mainland China
Hong Kong
Overseas



Ordinary employees
management

Promotion

The promotion and development of employees is the foundation of enterprise development. COSCO Shipping Holdings attaches great importance to employee promotion and ability enhancement by constantly improving assessment policy and system, talent promotion mechanism, salary and incentive mechanism and diversified training programs to provide a platform for employees to achieve continuous promotion and growth.

Assessment optimization

COSCO Shipping Holdings continues to optimize salary verification, post appointment, education and training, and career design for employees. By perfecting the *Cadre Management Method*, *Assessment Management Method* and *Salary Management Method*, we clarified the aspects and frequency of employee assessment and the application of the assessment results. At present, the monthly and annual employee assessment covers employees' annual work performance, including their quality and ability. As an important basis for employee reward, promotion, appraisal and training, the assessment results provide a fair career development environment for employees. We constantly improve the incentive mechanism of salary distribution, strengthens the linkage between performance appraisal and reward, and improves the salary system for the management, which has played a positive role in building a high-quality workforce.



Employee training

Employee enhancement serves as a foundation for further development of a company. COSCO has formulated all-round training plans for employees of different ranks and built a digital network platform to meet the training and improvement needs of all employees.

Main training provided by COSCO

COSCO Shipping Lines

- Actively promote cooperation with the Institute of Talent Development and jointly establish the mode of "co-construction of teachers and courses"
- Organize training on the online learning platform of COSCO Shipping Talent Development Institute
- The training includes professional training, qualification training and enterprise publicity training.

OOCL

- Provide online training in codes of conduct for all employees and business representatives.
- Cooperate with colleges and universities to carry out Zhuhai IT Intern Program and Information Communication Business Service Center School Project to provide professional business training, help interns improve their technical ability and attract talents.

COSCO Shipping Ports

- Invest a lot of resources in vocational skills training for employees, including training courses for senior executives, training in operation management, special training in marketing, lectures on lean management, training in port industry development, and training in business introduction.
- Provide subsidies for employees for further studies and encourage them to continue their studies in their spare time to upgrade their skills.

In 2021, COSCO provided a total of **418,753** hours of training for its employees; a total of **33,406** employees received training.

COSCO held the 2021 Training Manager Exchange Meeting and the certification training of "Workplace Rubik's Cube"



COSCO "Rubik's Cube in the Workplace" course certification training

COSCO Shipping Holdings held the 2021 Training Managers' Exchange Meeting with the theme of "Persistence and Innovation, Steady and Sustainable Development" in which 22 domestic training managers participated. COSCO Shipping Holdings reviewed the training it had provided in the past three years and decided to continue to conduct follow-up management of the training.

COSCO Shipping Holdings maintained high standards in building a team of training managers and of internal trainers, and in establishing and improving the on-job curriculum system. Relying on its online learning platform, COSCO Shipping Holdings improved its internal curriculum system and helped its branches innovate their training mechanism, training mode and training means

so that they would provide stronger support for talent training, business development and strategic advancement.

Between May 12-14, training managers and some internal trainers participated in the three-day certification training "Rubik's Cube in the Workplace". COSCO Shipping Holdings introduced this course and cooperated with COSCO Shipping Talent Development Institute to carry out the certified teacher-course co-construction project. To share resources, achieve mutual complementarity in the interest of common development, and cooperate for win-win outcome, COSCO Shipping Holdings created a new mode of cooperation with COSCO Shipping Talent Development Institute.

Health and safety

COSCO Shipping Holdings attaches great importance to employees' health and safety. Adhering to the concept of "always putting employees' health and safety in the first place" and emphasizing on "precaution and implementation", COSCO Shipping Holdings fulfills its responsibility for the occupational health and safety of employees, and strictly implements laws, regulations and system concerning occupational health and safety.

COSCO Shipping Lines

- To implement Key points of Occupational Health and Safety in 2021, each division improved the Safety Management Manual to establish and perfect an occupational health and safety system that is practical, highly operable, scientific, standardized and comprehensive, and sorted out and perfected the management system and operating rules related to occupational health and safety.
- The property company of the Land Industry Division of COSCO Shipping Lines started the certification of occupational health and safety management system.

OOIL

- OOIL signed the Declaration on the Suppression of Piracy in the Gulf of Guinea with maritime industry organizations to guarantee that its crew members would not face serious risk of kidnapping and violence when transporting goods in the Gulf of Guinea.
- OOIL implemented emergency response measures for safety accidents and set up emergency response teams to ensure that accidents are properly and timely handled.
- OOIL put the health and safety of employees first and decided to have zero tolerance of accidents.

COSCO Shipping Ports

- COSCO Shipping Ports formulated the Regulation on Safety Management Responsibilities to specify the supervisory responsibilities of the headquarters and the holding wharves and the safety management responsibilities of the responsible personnel.
- COSCO Shipping Ports asked all its departments to sign the Safety Production Responsibility Letter, incorporated the latest safety target requirements into the scope of job performance assessment, and strengthened the execution of safety regulations.

The goals of COSCO Shipping Holdings in 2021 included achieving overall safety and stability, putting an end to occupational illnesses and massive deaths and injuries, avoiding serious injuries and reducing minor injuries and constantly improving working conditions. It also provided training for all new employees, including new crew members, eliminated all hidden dangers, enhanced employees' awareness of occupational injury prevention, and improved their ability to avoid occupational injuries.

To achieve the goal of occupational health and safety, COSCO Shipping Holdings established a sound occupational health and safety work point in 2021 and implemented occupational health and safety measures to enhance employees' awareness of occupational safety, strengthen safety management, deepen occupational safety training and promote safety risk management.

Enhance occupational safety awareness

Strengthen the awareness of bottom line and responsibility, establish the concept of prioritize prevention and safety, strengthen the process control of occupational health and safety management, and fulfill the responsibility for occupational health and safety.

Strengthen the construction of safety management

Strengthen system construction, establish and improve the occupational health and safety system to make it practical, operational, scientific, standardized and comprehensive.

Strengthen team building, improve the comprehensive ability of occupational health and safety supervision team, and train a group of excellent grass-roots safety management personnel and employees through activities.

Deepen occupational safety training

Strengthen safety training, incorporate occupational health and safety education and training into departments' annual development plan, ensure that department leaders, occupational health and safety management personnel and personnel of special operations are 100% certified, and constantly improve employees' awareness of occupational injury prevention and self-protection.

Strengthen safety risk management

Strengthen risk management, identify and analyze possible occupational health hazards in operations, sign safety management agreements, clarify safety responsibilities, and eliminate potential safety production risks in a timely manner.

Carry out physical examination for employees, organize timely treatment, physical examination and medical observation for employees who suffer or may suffer from acute occupational hazards.

Strengthen emergency management, improve emergency plans and measures, set up emergency response teams, carry out emergency training, strengthen emergency drills, and continuously improve emergency rescue capability.

Key points of occupational health and safety

To raise employees' awareness of occupational health and safety, COSCO Shipping Holdings carried out activities such as safety production month and fire prevention publicity month to fulfill responsibility for safe production and promote safe development. Each subsidiary conducted training programs such as employee training, fire evacuation drills, fire safety lectures, hidden danger investigation and elimination, and lectures on occupational disease prevention.



Lectures on safe production

According to the arrangement of the "Safe Production Month" activity in 2021, COSCO Shipping Lines carried out educational activities including employee training, exposure to hidden dangers, problem rectification, case warning and knowledge contest to fulfill responsibility for safe production and promote safe development.

To understand the needs of employees in different places, COSCO Shipping Lines collected employees' suggestions regarding production safety, especially occupational health and safety, through activities including "lecture hall", "everyone talks", "open course" and "micro class". Based on the feedback from employees, COSCO Shipping Lines issued the Manual of Employees' Occupational Health and Safety Knowledge, improved the management of occupational health and safety in the workplace and enhanced employees' awareness of occupational health and safety to ensure their physical and mental health.

Fire safety training and emergency evacuation drills

To carry out the activities of the safety production month more effectively, COSCO Shipping Lines and the property management center jointly held a lecture on fire safety in the afternoon of June 10th. The center introduced the fire-fighting facilities and fire exits of the building, as well as emergency evacuation and fire rescue skills. COSCO Shipping Lines introduced some of the fire-fighting cases, fire treatment methods, fire prevention measures, electrical safety and hidden dangers in the office area of the building. The shocking cases introduced in the lecture heightened participants' awareness of fire prevention and increased their fire safety knowledge.

COSCO Shipping Lines provided training such as the fire safety training and evacuation emergency drills for all its grass-root employees to enhance their safety awareness, improve their ability to use fire-fighting equipment properly, and promote production safety.

Lecture on occupational disease prevention

On the occasion of the 19th Publicity Week of the *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China*, COSCO Shipping Holdings invited lecturers of safety education to offer a lecture on occupational disease prevention and health to all employees in the afternoon of April 25th to improve their occupational health and create a safe business environment for the company.

This lecture mainly covers normalized pandemic prevention and control, giving first aid, handling public health emergencies, healthy lifestyle for occupational disease prevention, and prevention of major malignant diseases. During the lecture, employees followed the lecturer to practice and gained a lot of knowledge about occupational disease prevention and health protection.

During the reporting period, COSCO suffered 72 work-related casualties, including one death, with an injury rate of 1.71‰.

Protection of rights and interests

COSCO Shipping Holdings is dedicated to protecting the rights and interests of every employee. It provides all-round welfare for employees, tries its best to meet the demands of every employee, and provides assistance to employees in need.

Employee welfare

According to the national and regional regulations, COSCO Shipping Holdings has formulated a comprehensive employee welfare policy covering insurance, holiday, medical examination, subsidy and equity incentives to protect employees' rights and interests in an all-round way.



Communication with employees

COSCO Shipping Holdings attaches great importance to the communication with employees. It communicates internal information to employees through its Office Automation System (OA) and company mailbox to understand the needs of employees through informal discussions.

Meeting with young employees

COSCO Shipping Lines held a meeting with its youth employees to understand their thoughts and feelings.

At the meeting, 41 young employees from Shanghai, Dalian and Wuhan shared their work and life experiences, and offered suggestions and opinions on the future development of the company. COSCO Shipping Lines summarized and sorted out their suggestions and provided timely feedback.

Employee assistance

COSCO Shipping Lines has established a Three-level Assistance Mechanism for Employees in Need. When workers are in need, the Trade Union of their unit will help them solve the problems and report to the superiors on the supporting measures according to the problems encountered and needs for assistance so that these employees will devote themselves wholeheartedly to the production and operation of the company.

COSCO Shipping Lines Trade Union and its Qingdao and Henan branches initiated the rescue procedure for employees of the Henan branch suffering from the rainstorm and flood in Henan province, and helped them solve problems in life through the Three-level Assistance Mechanism for Employees in Need.

Insurance

Basic social insurance premiums are paid in strict accordance with the national standards, and additional supplementary medical insurance is paid for employees, and an enterprise annuity system has been established.

Buy traffic accident insurance and employer liability insurance for all employees of the department; buy liability insurance for directors, supervisors and senior management; buy employer liability insurance for overseas employees; and fully protect employees' rights and interest through perfect insurance benefits.

Holiday

Established a perfect paid annual leave system, and linked the number of annual leave days to the accumulated length of service.

Physical examination

Based on the principle of "safety, economy, effectiveness, unity" and employee satisfaction, provided physical examination for all employees according to their age, gender and other factors

Subsidy

Paid monthly health expenses and one-child expenses for eligible female employees, and offered rental subsidies to employees who had not registered their residence in Shanghai.

Stock option incentive

Revised the equity incentive system, and adjusted the exercise price and the number of options of the stock option incentive plan accordingly.

To protect labor rights and interests, COSCO Shipping Lines' Trade Union formulated the *Administrative Regulations on Strengthening the Membership and Service of COSCO Shipping Lines Trade Union* and drafted the *Implementation Opinions on the Treatment and Rest of COSCO Shipping Lines Workers (for Trial)* to include all employees, including labor dispatchers, into the Trade Union and safeguard their legitimate rights and interests. COSCO Shipping Lines further protected the rights and interests of workers by holding workers' congresses and lectures on legal knowledge related to their rights and interests.



COSCO Shipping Lines held Workers' Congress

During the reporting period, COSCO Shipping Lines held the Workers' Congress. A total of 145 worker representatives attended the meeting, who submitted 16 proposals covering selection of employee representatives, organizational construction and talent team building, employee care and risk prevention and control. After the Workers' Congress, COSCO Shipping Lines classified the proposals and solved the problems in time.

Wuhan Branch Trade Union held a lecture on legal knowledge for staff



Lecture on legal knowledge held by Wuhan branch Trade Union

COSCO Shipping Holdings conducts legal education for employees to improve their legal quality. The Wuhan branch Trade Union held a lecture on the impact of major changes of Book V: Marriage and Family and Book VI: Succession of the Civil Code of People's Republic of China in our daily life. The branch Trade Union invited

public welfare lawyers for employees' labor rights recommended by the Municipal Federation of Trade Unions. The experts introduced the updates in the Civil Code and specific cases to employees. Participants spoke actively and learned a lot in the lecture.

This lecture is an action the Wuhan branch Trade Union took for its employees to help improve their ability to protect themselves with laws and enhances their law-abiding awareness. This lecture also embodied the Trade Union's care for employees and was warmly welcomed by employees.

Vibrant team

COSCO Shipping Holdings attaches great importance to all-round development of employees and team cohesion and enhances employees' sense of belonging to the team and the company as well as team cohesion and collaboration capability through a series of team building activities. These activities help employees reduce work pressure and enhance mutual understanding, which lays a solid foundation for future development.



Team building activities

COSCO Shipping Holdings is committed to improving team collaboration and sense of community through diversified team building activities so that employees can feel the strength of the company and the team.

Shanghai Aoji organized autumn team-building activities

Aoji Industrial, a subsidiary of COSCO Shipping Lines, carried out outdoor team-building activities with the theme "Challenging yourself and going all out".

Divided into four groups, team members familiarized themselves with the rules of activities with the help of trainers and carried out team-building activities. In each activity, they should be bold and careful, dare to challenge and encourage each other. Through activities, each group would develop a better understanding of their strengths and weaknesses and realize the importance of cooperation and communication. By learning through practice, all team members would realize the importance of "responsibility, cooperation and self-confidence", and derive joy from dedication, cooperation and courage.

These team-building activities have enabled employees to get closer to nature and reduce their pressure, so that they will be more passionate, active and efficient in their future work. These activities have also laid a solid foundation for the company's humanistic construction and sustainable development.



Aoji Industry, a subsidiary of COSCO Shipping Lines, organized autumn team-building activities

Guangxi branch carried out outdoor team-building activities

To promote team building, the Guangxi branch of COSCO Shipping Lines organized outdoor team-building activities for its employees.

There were a variety of wonderful team-building activities, including "Fruit Ninja" and "Battlefield",

in which team members helped and encouraged each other. Their positive attitude and happiness infused everyone present. Despite the cold winter, the strength of unity and care as a team warmed the heart of every member.



▲ Guangxi branch organized outdoor team-building activities

COSCO Shipping Ports organized team-building activities

The Shanghai headquarters of COSCO Shipping Ports organized running activity in April. All employees of the Shanghai headquarters had the opportunity to visit the Dongping National Forest Park and pick strawberries in the strawberry

garden. By organizing this activity, the Shanghai headquarters hoped to promote the habit of exercising and encourage its employees to expand their social networks.



▲ COSCO Shipping Ports organized team-building activities

These team building events aimed to strengthen the communication and cooperation among various departments of the company, eliminate the barriers between departments, encourage departments to make joint efforts and deepen communication within teams.

Aoji Industry carried out simulation activities to strengthen team cohesion and eliminate barriers between departments



Aoji Industry, a subsidiary of COSCO Shipping Lines, conducted a two-day full-time training on "cross-departmental collaboration and conflict management (sand table simulation)" for middle-level managers and above.

Taking the Fukushima earthquake in Japan as an example, the training required participants to play the role of an emergency working group composed of senior government officials. Each department performed its own duties and used its own limited resources and information to help the Prime Minister minimize casualties and economic losses. Under the guidance of the trainer, participants conducted three rounds of sand table simulation, strengthened their communication and realized the importance of cooperation for win-win results.



▲ Aoji Industry carried out simulation activities

The training has greatly inspired participants and helped them gain a better understanding of communication skills with other departments, cross-departmental conflict management for the best interest of the company, information and resources sharing to reach the overall goals of the company more efficiently.

Service promotion

"Digital empowerment, intelligent shipping" is the future development goal and direction of shipping logistics set by COSCO Shipping Holdings. To promote global economic recovery and meet the growing needs of customers, COSCO Shipping Holdings designated the year of 2021 as a special work year for improving customer service. By implementing its digital strategies, COSCO Shipping Holdings is working hard to improve its services for customers and service efficiency.

Digital transformation

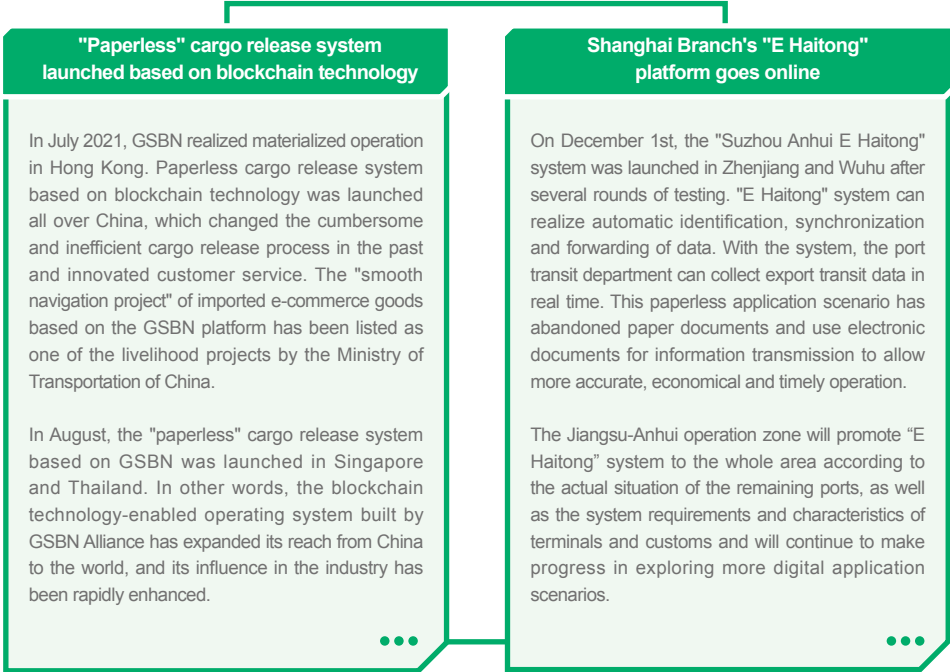
In 2021, COSCO Shipping Holdings continuously improved its service level through digital development. Taking advantage of the blockchain technology, we gathered at the Global Shipping Business Network (GSBN), and successfully tested a number of new products in the industry and in cross-border cooperation. At the same time, relying on the Internet of Things,

COSCO Shipping Holdings greatly improved the transportation service quality through upstream and downstream collaboration. These new technologies promoted the shift of container transportation information from fragmented to multi-party sharing, construction, cooperation and multi-win result for all. A new cooperation platform for container transportation industry was built.

Focusing on new digital platform

Digitalized development is the future of the shipping industry, the strategic arrangement by COSCO Shipping Holdings, and the key to high-quality development driven by innovation and intelligence. We will break down the barriers and constantly strive for perfection to promote the construction of digital shipping.

To promote the construction of digital shipping and improve customer service, COSCO Shipping Holdings launched the service mode of "one-stop acceptance, centralized handling and whole-process tracking" through its paperless projects to promote high-quality digital development of the enterprise.



Relying on the existing intelligent customer service platform on PC platform of the PanHub electronic booking platform,COSCO Shipping Holdings has launched "AI-based customer service assistant" and "online booking on mobile phones". These new systems will continue to offer sincere services to customers and promote the quality and efficiency of domestic shipping services.

In 2021, COSCO Shipping Holdings developed the Transportation Management System (TMS) based on the cloud platform technology to manage the whole process of ordering, vehicle dispatching, execution, tracking and settlement, and to conduct visualized management of the whole process through mobile phone (micro-card) application and GPS.

Accelerate development of shipping e-commerce platform

SynCon Hub, an e-commerce service platform, is using the digital platform to provide customers with instant booking service, WYSIWYG freight rate information, and meet customers' demand for shipping space and containers. CosPlus e-commerce products of COSCO Shipping Lines will provide

more efficient solutions for enterprises to solve their difficulties in booking shipping space, making contact and cargo delivery. Meanwhile, we will launch Channel D (Diamond Channel), Channel A (Peripheral Channel) and Channel L (Logistics Channel).

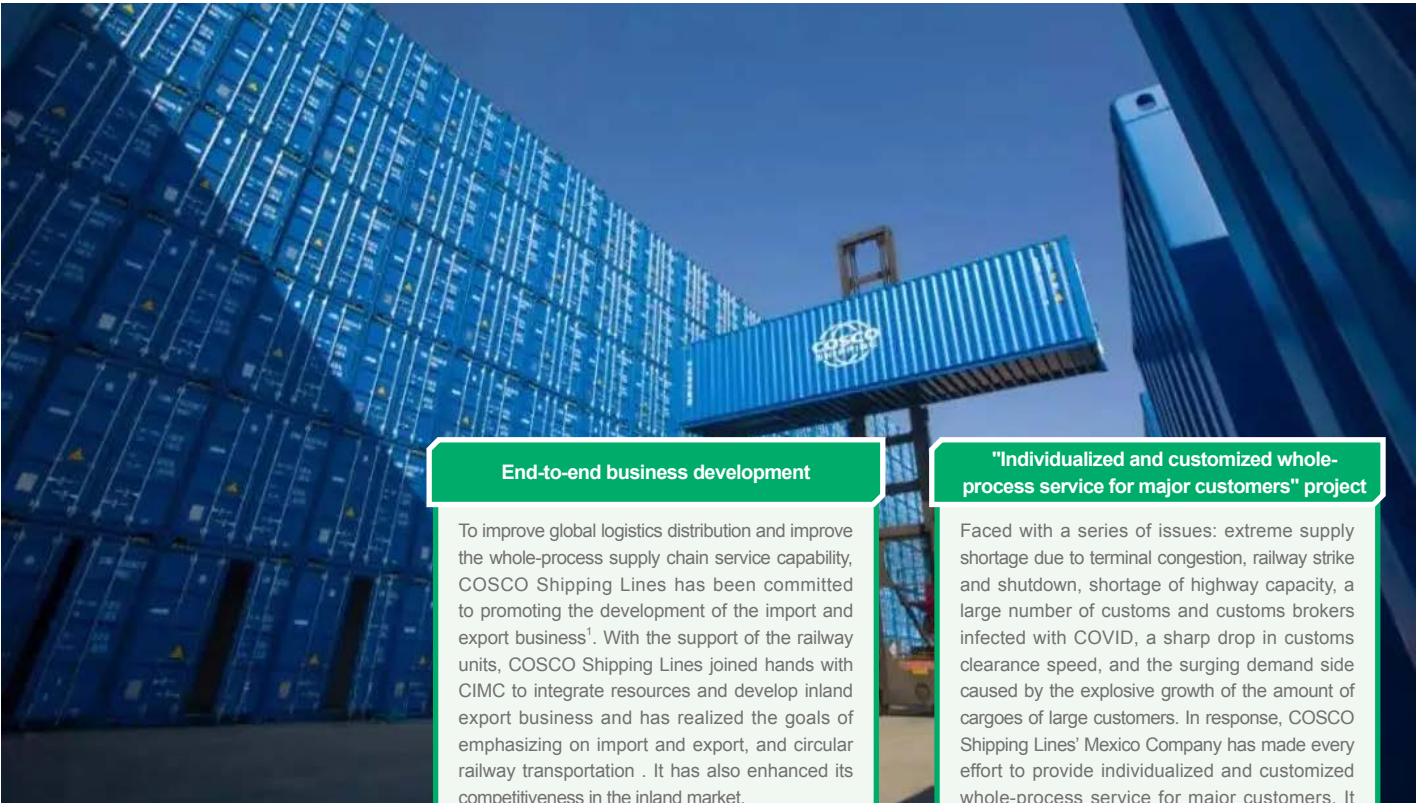


Direct service

COSCO Shipping Holdings has dedicated itself to the end-to-end business and e-commerce platform for enterprise development and business expansion. Guided by the "customer-centered concept and delivering service value", COSCO Shipping Holdings has been innovating ideas and improving services in marketing development, platform construction, resource guarantee and professional services for steady business development.



In the future shipping market, the whole-process supply chain service capability will occupy an increasingly important position. COSCO Shipping Holdings will continue to stay true to its original aspiration to serve its customers wholeheartedly, adhere to the concept of providing whole-process logistics service, implement the "end-to-end core strategy", and optimize and integrate internal resources. The goal is to create a high-quality and efficient integrated logistics channel and help the shipping business achieve innovation-based transformation and leapfrog development.



End-to-end business development

To improve global logistics distribution and improve the whole-process supply chain service capability, COSCO Shipping Lines has been committed to promoting the development of the import and export business¹. With the support of the railway units, COSCO Shipping Lines joined hands with CIMC to integrate resources and develop inland export business and has realized the goals of emphasizing on import and export, and circular railway transportation . It has also enhanced its competitiveness in the inland market.

COSCO Shipping Lines makes full use of its global network to contact customers at home and abroad to know more about their needs. After a series of in-depth investigations and elaborate designs, the product has been introduced recently. Circular transportation from the United States, Inner Mongolia of China to South Africa has been developed. Through resource integration, COSCO Shipping Lines has improved the efficiency of container use, reduced logistics costs and provided satisfactory services for import and export customers.

"Individualized and customized whole-process service for major customers" project

Faced with a series of issues: extreme supply shortage due to terminal congestion, railway strike and shutdown, shortage of highway capacity, a large number of customs and customs brokers infected with COVID, a sharp drop in customs clearance speed, and the surging demand side caused by the explosive growth of the amount of cargoes of large customers. In response, COSCO Shipping Lines' Mexico Company has made every effort to provide individualized and customized whole-process service for major customers. It also manages its end-to-end service by IT-based means under the guidance of the headquarters to ensure the stability of the supply chain in the post-pandemic era and achieve win-win results for COSCO Shipping Lines and its customers.

¹ Import and export business: a practice that fleet can complete unloading and loading of import and export cargo at the same terminal without the need for cross-region or cross-border loading

Customized service

COSCO Shipping Holdings takes advantage of its global supply chain network to develop special shipping business to make foreign trade logistics channels clearer and open up a new path for the high-quality development of export of local industries.

All along, COSCO Shipping Holdings has always adhered to the customer-centered service concept and served every customer wholeheartedly. In the current complex

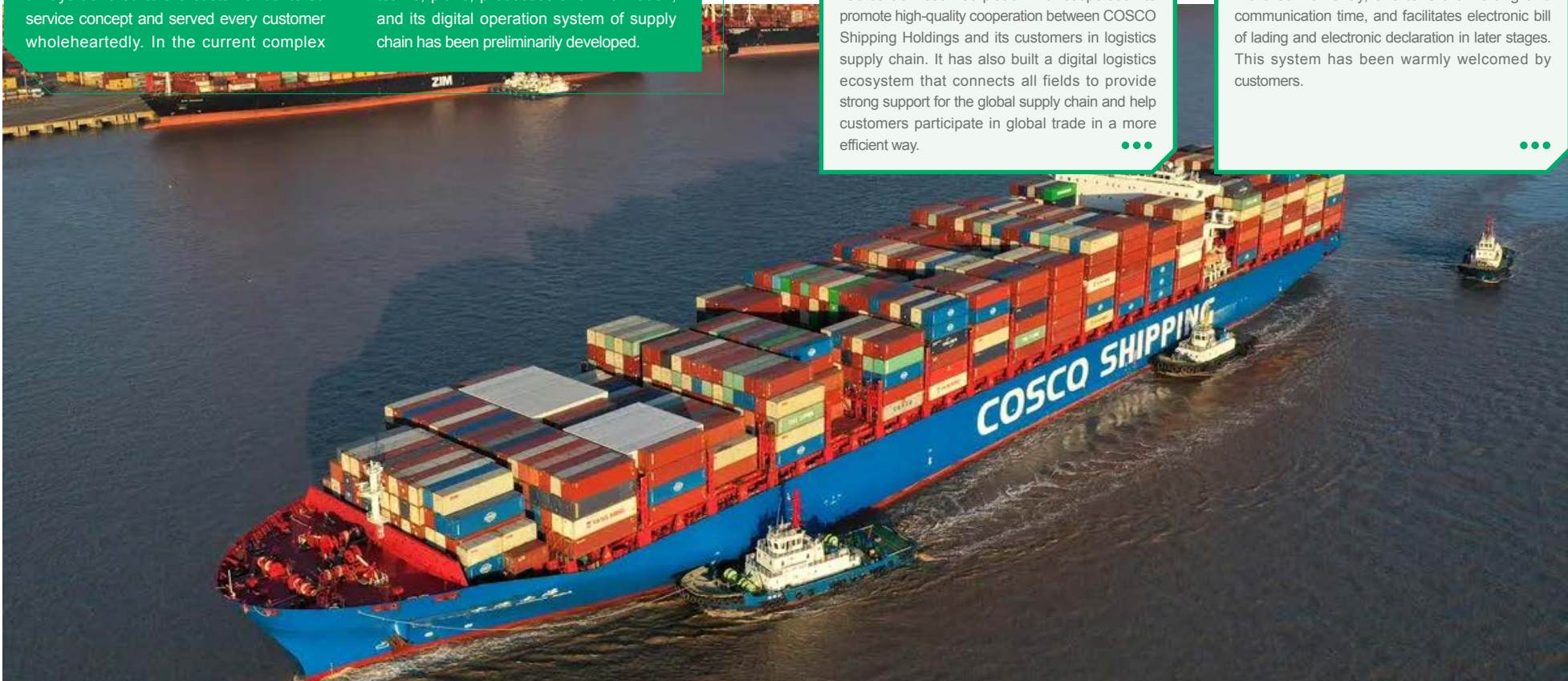
and changeable shipping market, COSCO Shipping Holdings launched customized services guided by the supply chain value to meet major customers' needs for high-standard supply chain management and logistics operation. At present, COSCO Shipping Holdings has achieved multi-dimensional collaboration with customers in teams, plans, processes and information, and its digital operation system of supply chain has been preliminarily developed.

Customized service projects to safeguard global supply chain

The customer-centered customized service projects aim at creating a "consultant + housekeeper" service model for customers and providing customers with high-quality customized service solutions based on our values. COSCO Shipping Holdings promotes digital innovation and has built a visualized platform for cooperation to promote high-quality cooperation between COSCO Shipping Holdings and its customers in logistics supply chain. It has also built a digital logistics ecosystem that connects all fields to provide strong support for the global supply chain and help customers participate in global trade in a more efficient way.

Exclusive service for major customers—EDI electronic shipping space booking service

In November 2021, EDI electronic shipping space booking system, an exclusive service for major customers, was launched. It greatly shortens the time of information circulation for shipping space booking, avoids mistakes caused by manual booking, helps customers get feedback on booking more conveniently, shortens the waiting and communication time, and facilitates electronic bill of lading and electronic declaration in later stages. This system has been warmly welcomed by customers.



Customer experience

COSCO Shipping Holdings attaches great importance to customer experience. It takes full advantage of its digital and intelligent customer and merchant platforms to promote the coordinated development of business operation and financial management so as to provide customers with high-quality and more efficient service, solve their problems and meet their needs.

To solve the problems in export for small and medium-sized customers, stabilize foreign trade and guarantee export, and serve the masses, COSCO Shipping Holdings has joined hands with other parties to provide accurate and considerate services for small and medium-sized customers.

"Shipping Through Train Project" to improve customer's payment experience

To improve settlement efficiency, COSCO Shipping Lines worked with relevant banks to carry out the "Shipping Through Train Project". The project has the following characteristics: First, the invoice information will be automatically and efficiently transmitted to the banking system and pushed to the customer's online banking within 20 minutes; second, the payment results are available in real time; third, account cancellation after verification can be done automatically; fourth, collection can be done online.

The project realizes the automation of information transmission, fund registration and claim, greatly improves work efficiency and reduces error rate. Through the settlement realize by the project, customers can enjoy the convenience and safety of not having to go to the bank and fill in payment vouchers.

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SMEs in foreign trade could "hardly secure one cabin", and the South China branch has a zero distance to solve problems

On July 14th, COSCO Shipping Holdings held a meeting on solving problems in export for SMEs. As the shipping price continued to rise and cargoes were held up on the wharf unable to be loaded and shipped in time, it was difficult for SMEs in foreign trade to book shipping space. To solve their problems, COSCO Shipping Holdings communicated with its direct customers face to face to provide targeted services and solutions.

Since COSCO Shipping Holdings began to solve problems for SMEs in June, its Zhongshan Company of the South China Branch has contacted 43 SMEs by telephone and door-to-door visits and communicated with them on a regular basis through WeChat and telephone to keep abreast of their latest needs. Among them, 10 SMEs had their urgent needs met by booking shipping space in June with the help of marketing personnel.

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Customer satisfaction survey

In 2021, COSCO Shipping Lines continued to conduct global customer satisfaction survey among domestic and foreign trade customers via online questionnaires. COSCO Shipping Lines distributed questionnaires to its customers all over the world through its independently-developed satisfaction survey platform, and received 2,185 questionnaires, 1,648 of which from China and 537 from overseas.

The survey results show that the total customer satisfaction index in 2021 is 91.78, recording an increase of 1.31 from 90.47 in 2020. The customer satisfaction index in China increased from 93.25 in 2020 to 94.45, and the overseas customer satisfaction index increased from 84.36 in 2020 to 85.90.

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Procedure of customer complaint management

COSCO Shipping Holdings has established a perfect customer complaint process and system. It collects and sorts out the complaints through its responsible departments to determine the authenticity, factual process, main responsible party, degree of negligence and caused or potential losses of these customer complaints. It then collects other relevant information and pays follow-up visits through its "Customer Service Hotline Acceptance Form". The Customer Service Department is responsible for confirming complaining customers, understanding the processing results and obtaining customer satisfaction of complaints acceptance.

1

Preliminary judgment

Customer Service Department makes a preliminary judgment and contacts the responsible departments for complaint acceptance based on the content of customer complaints.

2

Determine the type of complaints

Customer Service Department makes a judgment on the type of complaint after obtaining the investigation results, and issues the "Customer Service Hotline Acceptance Form" for complaints to the responsible departments.

3

Investigate, collect and sort out evidence

Responsible departments investigate, collect and sort out evidence of the complaints to determine the authenticity, factual process, main responsible party, degree of negligence and caused or potential losses of customer complaints.

4

Pay a return visit to confirm the processing results and customer's satisfaction of complaints acceptance

After receiving the "Customer Service Hotline Acceptance Form" from the responsible departments, the Customer Service Department pays a return visit to the complaining customers, confirms the processing results and obtain customers' satisfaction of complaints acceptance.

During the reporting period
630
customer complaints were received.

Supplier management

COSCO Shipping Holdings attaches importance to supplier management by incorporating its suppliers into the management system and formulating long-term principles and requirements for them. COSCO Shipping Holdings constantly improves its supply chain management system to promote the sustainable development of the industrial chain and lead our partners to fulfill social responsibilities together.

Regulation methods

Based on the relevant laws and regulations of the regions where COSCO Shipping Holdings operates, COSCO Shipping Holdings revised *Measures for Procurement and Supplier Management of COSCO Shipping Holdings* and other policy documents to specify the regulations on bidding, procurement and supplier selection for all suppliers, and COSCO Shipping Holdings' subsidiaries formulated their own supplier management methods for all their suppliers.

COSCO Shipping Holdings revised the *Regulations on Transportation Procurement and Supplier Management of COSCO Shipping Lines* to adjust the division of responsibilities of relevant departments and change the main body of the signing agreements with suppliers so as to manage its suppliers in a stricter manner.

COSCO Shipping Holdings strives for coordinated development of the whole logistics industry chain of container transportation services. In 2021, COSCO Shipping Holdings managed and integrated fuel oil procurement for COSCO Shipping Lines and OOIL to strengthen their supply chain management capability.

Supplier assessment

COSCO Shipping Holdings carries out annual assessment and rating of its suppliers every year, scores them according to their performance during the period of supplier evaluation every year, and punishes suppliers with poor performance. COSCO Shipping Holdings evaluates its suppliers in terms of basic qualification, service capability, environmental safety guarantee, employee safety guarantee and business ethics, and inspects its key suppliers on site to ensure that their technical capability, scale and equipment, quality management and management ability are all up to standard.



Supplier risk assessment

In 2021, COSCO Shipping Holdings evaluated major risks and the risks of suppliers, identified risk categories, and put forward measures to deal with these risks. To reduce the risk of suppliers and strengthen their capability of transformation to digital operation, COSCO Shipping Holdings optimized the supply-side network effect, gave full play to the technical advantages of IRIS4 system, and accelerated the development and application of digitalized and intelligent technologies for revenue increase and operational efficiency improvement. By building the supply chain management platform, COSCO Shipping Holdings achieved the standardized data interaction of end-to-end supplier system, whole-process visualized services, and continuous management and optimization.

To avoid risks, COSCO Shipping Holdings strictly selects qualified suppliers with good credits and long-term cooperation so as to protect the interest and rights of our customers and business development.

Supplier access

COSCO Shipping Holdings sets strict access and selection requirements for suppliers, makes relevant industry qualification and certification requirements for new suppliers not selected by public bidding according to actual business needs, and fills in the Supplier Information Registration Form. We not only assesses the suppliers' commercial ability and supply ability, but also investigates their fulfillment of environmental and social responsibilities and specifies how they should fulfill their environmental and social responsibilities in its agreement with suppliers. COSCO Shipping Holdings requires that its suppliers should be able to identify and control major occupational health and safety hazards, control and influence related environmental factors and their impacts, and determine, update and manage key environmental factors.

COSCO Shipping Holdings chooses suppliers that respect its values. COSCO Shipping Holdings would ask its new suppliers not selected by public procurement to sign the *Commitment Letter of Anti-Commercial Bribery for Suppliers* and the *Self-examination Questionnaire of Supplier's Social Standards Compliance*. COSCO Shipping Holdings requires them to answer questions about their health, safety and environment in the self-examination questionnaire to select qualified suppliers.

Communication with suppliers

COSCO Shipping Holdings keeps strengthening communication with suppliers, improving their safety awareness, solving their problems and improving their service capabilities by holding supplier conferences and other related conferences.

Domestic Suppliers in Mainland China
19,762

Overseas suppliers (including Hong Kong, Macao and Taiwan)
21,456



Qingdao Sanlly held meeting to ensure suppliers' safety during pandemic prevention and control

To ensure pandemic prevention and control and safe production, Qingdao Sanlly held a meeting on pandemic prevention and control and safe production. All persons in charge of the suppliers attended the meeting.

Qingdao Sanlly communicated the requirements for pandemic prevention to the suppliers, analyzed their work performance, advantages and disadvantages in the past year, helped them find solutions to pandemic prevention safety, and emphasized the key and difficult points in pandemic prevention and safety management and the details of management in their future work. Through this meeting, Qingdao Sanlly heightened the suppliers' awareness of safe operation amid volatile pandemic situations and solved the difficult problems of pandemic prevention suppliers were facing.

Fuzhou company held meeting for fleet suppliers to guarantee transport capacity

In the afternoon of January 6th, the Customer Service Department of the Fuzhou Company held the first meeting on transport capacity coordination in the new year with the trailer suppliers of Mawei Port and Jiangyin Port in Fuzhou in the conference room of the company. In the meeting, arrangements were made for guaranteeing transport capacity during the Spring Festival and the trailer business in 2021.

Fuzhou Company communicated the basic situations of trailer import and export in Fuzhou in 2020 to the attending trailer suppliers, analyzed their problems in cooperation in the past year and the room for improvement in the new year. Fuzhou Company also helped them come up with solutions to the problems and offered suggestions that they should report the change of transport capacity on a weekly basis, try their best to retain drivers and prevent them from returning home too early to ensure normal business operation and service during the Spring Festival. Fuzhou Company also discussed with these trailer suppliers on transport capacity guarantee, the use of micro-card and business promotion to help them solve problems in these areas.



Privacy protection

COSCO Shipping Holdings strictly protects customers' privacy by signing Confidentiality Agreements with them and designating specially-assigned person to manage them according to the industry they are in to prevent leakage of their secret information.

In 2021, we continued to improve the network information security management system in accordance with the Cybersecurity Law of the People's Republic of China, Grade Protection 2.0 and Personal Information Protection Law of the People's Republic of China. Management and technology of the system had also been strengthened, and an effective mechanism established for identifying and preventing information security risks.

COSCO Shipping Holdings actively prevented and managed cyber security threats and dealt with cyber security threat intelligence in a timely manner, as well as fixed relevant vulnerabilities in time through patch update, version upgrade and system setup. Meanwhile, COSCO Shipping Holdings also deployed situational awareness platform, strengthened the 24-hour monitoring of network security traffic to discover and deal with security threats in time.



Computer Center strengthened refined security management and improved level of intelligent security operation and maintenance

It has been 20 years since the Data Center of COSCO Shipping Lines' Waigaoqiao Branch was built and put into use in 2001. There is room for improvement in its physical security protection system compared with other data centers in the industry. According to the upgrade plan of the Data Center, the Computer Center carried out the security system upgrade project this year.

The project improves the level of intelligent security operation and maintenance and the privacy protection ability of the Data Center through physical reinforcement and digital upgrade. First, it reinforced the core areas including the machine room of the Data Center, the auxiliary equipment room and the monitoring center so that they could better resist physical invasion and severe weather. Second, it built a video identification system to track and identify vehicles and people entering the Data Center in the whole process, detect intruders and give alarm, and replay the video of intruders' route.

South China Branch offered training on improving network security awareness

On November 12th, the South China Branch offered training on network security awareness to improve employees' awareness of network security. Employees of the branch and its directly affiliated units attended the training offline and online.

At the training, the trainer introduced the Network Security Management Measures (2021 revised edition) and the current severe situation of network security and analyzed the basic rules to be observed in ensuring network security. Meanwhile, the trainer also emphasized the importance of improving the ability to identify network security risks, and introduced computer terminal standardization, password strategy, terminal management and web page browsing safety. The training enhanced employees' awareness of online information security, improved their ability to identify risks, and promoted COSCO Shipping Holdings' high-quality development.

Sustainable **community**

55 Investment in
community

Investment in community

In 2021, COSCO Shipping Holdings continued to promote public welfare undertakings and investment in communities and made every effort to build Passage of Life through rural revitalization, volunteer service, caring activities and responsible transportation.

During the reporting period, COSCO Shipping Holdings Fund made a total donations of CNY 350 million.

Responsible transportation

In 2021, COSCO Shipping Holdings Fund joined hands with multiple international and domestic organizations to provide humanitarian transportation logistics to at home and abroad making use of COSCO Shipping Holdings' strong transportation capacity.

COSCO Shipping Lines signed a global cooperation agreement with WFP in Rome

On May 20th local time, COSCO Shipping Lines and the World Food Program signed a global cooperation agreement in Rome. According to the agreement, COSCO Shipping Lines will provide transportation services of UN aid goods such as food for WFP.

As these goods are humanitarian relief materials, WFP had higher requirements of their container condition, delivery time and time for the free use of containers compared with goods in general trade. In 2020, COSCO Shipping Lines established a communication mechanism with WFP, set up a specialized marketing service team despite COVID, and carried out transportation cooperation with WFP.

The signing of this agreement proves that WFP has recognized COSCO Shipping Holdings' shipping services. It also lays a solid foundation for closer humanitarian cooperation between the two sides worldwide in the future.

COSCO Saturn Ship assisted rescue of offshore fishing yachts

In the evening of February 13th, COSCO Saturn Ship, which was sailing to Singapore at South China Sea, assisted the rescue of a Chinese offshore fishing yacht which had been adrift for more than 8 hours due to fuel exhaustion. The rescued yacht was carrying 9 men and 1 child.

COSCO Scorpio Ship assisted rescue of fishing boats

On January 16th, COSCO Scorpio Ship, which was sailing along AEU3, assisted the rescue of AGRIAO fishing boat near the MALTA sea area. The rescue boat tied the fishing boat by a towing cable, and successfully dragged it out of the risk area.

"Public Welfare Delivery" Project

COSCO Shipping Holdings has set up a "Public Welfare Delivery" platform to support the transportation of public welfare materials by donating freight and has designated COSCO Shipping Holdings as the sole project undertaker to be responsible for carrying out the "Public Welfare

Delivery" project. After nearly two years, COSCO Shipping Holdings completed the construction of the platform in cooperation with COSCO Shipping Holdings Fund, and the platform was open to public in 2021.



▼ The "Public Welfare Delivery" Project

Rural vitalization」

In 2021, COSCO Shipping Holdings continued to promote rural vitalization through its new trains

COSCO Shipping Lines' train for
Wulingshan Village



The first Xiushan train across land and sea operated by COSCO Shipping Lines was dispatched. It has solved the urgent problems in transportation in the inland mountainous areas of southeast Chongqing, reduced cost, increased shipment volume, and connected the areas with the outside world. The train also signifies that the

new international land-sea trade corridor of the West built by COSCO Shipping Lines has been greatly improved, and that customer and goods agglomeration effect has been fully strengthened to provide more logistics assistance for the container industry and bring more hope for rural revitalization.



Volunteering service」

In 2021, COSCO Shipping Holdings continued to set up volunteer teams and "cloud" volunteer corridors to contribute to communities and cities across the nation

Tianjin Branch set up
online volunteer team



On December 5th, 2021, Tianjin Branch offered an online training session on registering for the mini-program called "Volunteer Tianjin", and recruited online volunteers from employees in the Tianjin and Tangshan companies. The volunteer team of the Tianjin branch may pay attention to the published volunteer activities at any time. After signing up and participating in the volunteering activities, the system will record the volunteer service time, and volunteers can participate in the evaluation of Tianjin star-rated volunteers. After reporting their children's information, registering as volunteers and applying to join the team, employees can participate in parent-child volunteering service activities to foster their children's enthusiasm for volunteer service. Every volunteer can not only gain a sense of belonging to the organization, but also derive happiness from their voluntary activities, which opened up an effective online platform for the follow-up volunteer service activities.



Xiamen branch volunteers participated
in traffic post duty activities



On December 8th and 10th, volunteers from Xiamen Branch participated in the traffic post duty activities in Xiamen to assist traffic police in traffic exhortation at the intersection of Tiyu Road and Lianyue Road in Xiamen. They exhorted pedestrians to obey traffic rules and ensure smooth traffic at the intersection. By participating in such activities, the volunteers of Xiamen Branch gained a deeper understanding of the importance of traffic exhortation and contributed to making the city more civilized.



Caring activities

Love is more than just an impulse, it requires persistence. COSCO Shipping Holdings keeps giving back to society by helping poor students and donations

Donation

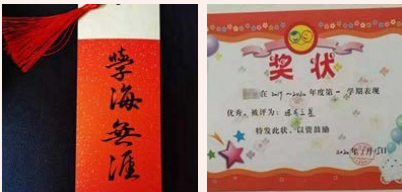
In 2021, COSCO Shipping Holdings' volunteers donated to the community and Tibet.

Donation for poverty alleviation in Tibet

In 2021, COSCO Shipping Holdings organized a charity activity and donated 11,300 pieces of clothing, 8,800 books, 5,930 school supplies, 200 sports items and 2,560 toys to poor farmers and herdsmen, and students in kindergartens and primary schools in Luolong County and Luwuqi County, Tibet.

COSCO Shipping Lines donated to poor families in community

COSCO Shipping Lines persevered in donating money, oil, rice and other relief to poor families in community.



Financial aid to students

COSCO Shipping Holdings has been carrying out precise poverty alleviation for a long time. In 2021, it continued to provide financial aid for schools and welfare homes.

Ningbo Branch provided financial aid to poor students in Guizhou

Ningbo Branch continued to provide financial aid to Ningbo Hongda Lining Hope Primary School in Taijiang County, Guizhou Province. Employees set up "Ningbo COSCO Shipping Lines Scholarship" for top three students in the first to fourth grades of the primary school. Meanwhile, employees themselves provided one-on-one financial aid to poor students. In 2021, the employees helped a total of 40 students and donated CNY 120,000 to the primary school.

Huizhou Shipping visited Shenzhen Min'ai Welfare Home for Special Children

To cultivate and enhance the youth's sense of responsibility, actively fulfill its corporate social responsibility, and obtain spiritual force to promote enterprise development, Huizhou Shipping organized a team to visit Shenzhen Min'ai Welfare Home for Special Children during the Spring Festival. Young volunteers gave learning materials

and everyday items to children with special needs there, chatted with them, played puzzles and badminton with them. The of happiness of the children had infused all volunteers.



Appendix

Laws, regulations and internal policies

Laws and regulations

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

Basic Norms of Enterprise Internal Control

United Nations Convention against Corruption

Foreign Corrupt Practices Act (FCPA)

Criminal Law of the People's Republic of China

IMO Preliminary Strategy for Greenhouse Gas Reduction of Ships

International Safety Management Rules

Safety Production Law of the People's Republic of China

Regulations on Reporting, Investigation and Handling of Production Safety Accidents

International Convention on the Control and Management of Ships' Ballast Water and Sediments

Environmental Protection Law of the People's Republic of China

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

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

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

Regulations on Prevention and Control of Marine Environment Pollution by Ships

Discharge standard of pollutants from ships

International Convention for the Prevention of Pollution from Ships

MARPOL Anti-pollution Convention

Yangtze River Protection Law of the People's Republic of China

International Maritime Dangerous Goods Code

Law on Prevention and Control of Occupational Diseases

Personal Information Protection Act

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

Bidding Law of the People's Republic of China

General data protection regulations

Measures for the Administration of Information Security Level Protection

Advertising Law of the People's Republic of China

Internal policies

Rules of Procedure of Risk Control Committee of COSCO Shipping Holdings Board of Directors

Regulations on Letters and Visits Reporting

Regulations on Clarification of False Reporting Accusations

Rules for Handling, Examining and Investigating Clues (for Trial Implementation)

Measures for the Administration of Anti-monopoly Compliance

Anti-monopoly Emergency Response Plan

Security Code

Measures for the Administration of Safety Production

Regulations on Safety Management Responsibilities

Comprehensive Emergency Plan for Safety Production

Measures for the Administration of Emergency Plans for Emergencies

Ship Emergency Manual

Safety Production Responsibility Letter

Instructions for Ship Piracy Prevention

Rules for Risk Assessment of Pirate Assault

Measures for Supplier Management

Measures for Procurement and Supplier Management of COSCO Shipping Holdings

Instructions for Management of Ship Ballast Water

Ballast Water Management Plan

Waste Management Plan

Operating Regulations for the Treatment of Ship Oil and Sewage Returning to the Bank

Emergency Plan for Oil Pollution on Ships

Employee management program

Recruitment Procedures for Government Personnel

Measures for the Administration of Cadres

Assessment Management Methods

Salary Management Method

Employee Occupational Health and Safety Knowledge Learning Manual

Administrative Regulations on Strengthening the Membership and Service of Labor Dispatchers of COSCO Shipping Lines

Implementation Opinions on the Rest Cure of Employees of COSCO Shipping Lines (for Trial Implementation)

"Three-level Assistance Mechanism for Workers in Need"

Regulations on Transportation Procurement and Supplier Management of COSCO Shipping Lines.

Measures for the Administration of Network Security (Revised in 2021)

Sustainable development data

Environmental data

Container shipping business					
Indicators		Unit	2019	2020	2021
Indirect energy use	Purchased power	1,000 kWh	33,610	25,090	25,720
Intensity of indirect energy use		1,000 kWh/million RMB of operating income	0.22	0.15	0.08
Direct energy use	Gasoline	Tons	100.0	111.3	109.6
	Fuel oil (heavy oil)	Tons	6,702,633	6,498,425	6,891,362
	High-sulfur oil	Tons	/	1,902,475	563,026
	Low-sulfur oil	Tons	/	4,595,951	6,328,336
	Diesel oil (light oil)	Tons	172,722	187,102	202,607
	Natural gas	Cubic meters	330,515	282,698	371,662
	Liquefied petroleum gas	Kilogram	7,694	7,370	6,475
	Kerosene	Liters	/	597	1,423
	Acetylene	Kilogram	1,578	1,371	1,554
Total		1,000 kWh	79,964,750	77,761,107	82,520,494
Intensity of direct energy use		1,000 kWh/million RMB of operating income	529.37	454.06	247.29
Water for production	Freshwater consumption	Tons	149,970 ²	297,323	343,822
	Seawater desalination capacity	Tons	183,350	303,986	297,840
	Total consumption of water for production	Tons	350,647	476,553	641,662
Domestic water		Tons	188,942	118,946	132,915
Total water consumption		Tons	539,591	595,499	774,577
Intensity of Water resources use		Tons/million RMB of operating income	3.73	2.86	2.32
Greenhouse gas emissions ³	Category I greenhouse gas emissions	Tons of carbon dioxide equivalent	21,407,859	20,927,960	22,198,758
	Category II greenhouse gas emissions		22,562	15,454	16,066
	Total greenhouse gas emissions (category I + category II)		21,430,421	20,943,414	22,214,824

Container shipping business					
Indicators		Unit	2019	2020	2021
Intensity of greenhouse gas emission		Tons of carbon dioxide equivalent/ million RMB of operating income	147.99	126.07	66.57
Exhaust gas ⁴	Nitrogen oxides	Tons	622,858	545,325	522,229
	Sulfur oxide		381,655	122,181	132,479
	Particulate matter		46,518	45,070	47,066
Wastewater	Industrial wastewater-discharge of treated wastewater	Tons	91,671	150,902	84,464
	Domestic wastewater	Tons	35,075	168,559	129,308
Waste	Hazardous waste	Tons	159	261	458
	Intensity of hazardous waste	Kilogram/million RMB of operating income	1.10	1.57	1.40
	Number of dangerous goods containers	Standard container	289,387	309,050	333,062
	Harmless domestic waste	Tons	1,666	1,651	1,341
	Intensity of harmless waste	Kilogram/million RMB of operating income	11.51	9.95	4.09
Lubricating oil		Tons	14,777	25,881	36,345

2 Freshwater consumption and seawater desalination (data of OOIL in 2019 only)

3The emission factor of greenhouse gases mainly refers to Third IMO Greenhouse Gas Study 2014, and the emission of electricity consumption refers to the emission factor of each country or power company.

4The calculation method of exhaust gas mainly refers to the method of Clean Cargo Working Group (CCWG).

Terminal business					
Indicators ⁵		Unit	2019	2020	2021
Direct energy use	Diesel oil	Litres	74,441,466	76,178,299	84,822,636
	Gasoline		726,817	597,858	1,094,696
	Liquefied petroleum gas		140,564	177,740	100,300
	Liquefied natural gas		17,129,551	13,670,733	9,650,634
	Natural gas	Cubic meters	417,234	372,410	450,549
	Total	1,000 kWh	911,389	901,944	973,333
Intensity of direct energy use		1,000 kWh/million RMB of operating income	6.03	5.27	2.92
Indirect energy use	Purchased power	KWh	547,035,996	576,429,121	605,551,077 ⁷
	Purchased heating power	Million joules	6,562	5,867	6,086
	Total	1,000 kWh	546,944	576,389	605,555
Intensity of Indirect energy use		1,000 kWh/million RMB of operating income	3.62	3.37	1.81
Total water consumption		Tons	2,738,852	2,630,837 ⁶	2,604,763
Intensity of total water consumption		Tons/million operating income	18.13	15.36	7.81
Greenhouse gas emissions ⁸	Category I greenhouse gas emissions	Tons of carbon dioxide equivalent	221,031	219,941	245,656
	Category II greenhouse gas emissions	Tons of carbon dioxide equivalent	409,555	398,664	390,364
	Total greenhouse gas emissions (category I + category II)	Tons of carbon dioxide equivalent	630,586	618,605	636,020

Terminal business					
Indicators ⁵		Unit	2019	2020	2021
Intensity of greenhouse gas emission		Tons of carbon dioxide equivalent/ million RMB of operating income	4.17	3.61	1.91
Wastewater discharge		Cubic meters	989,880	1,146,216 ⁶	834,336
Total amount of hazardous waste		Kilogram	4,123,816	4,529,665 ⁶	5,592,200
Intensity of Hazardous waste		Kilogram/million RMB of operating income	471.24	646.54 ⁶	705.11
Total amount of harmless waste		Kilogram	2,467,852	1,226,269 ⁶	1,471,781
Intensity of Harmless waste		Kilogram/million RMB of operating income	282.01	175.03 ⁶	185.57
Material used	Lubricating grease	Kilogram	840,503	923,945 ⁶	1,001,547
Dangerous goods	Handling volume of dangerous goods	Standard container	533,595	306,226	386,907

5 The energy consumption value of each fuel is uniformly calculated and referred to according to the total calorific value, density or conversion factor of the UK Government GHG Conversion Factors for Company Reporting (2019). The energy consumption value of electricity is calculated uniformly as 1 kWh equals 0.0036 gigajoules (from the Electrical and Mechanical Services Department of the Hong Kong SAR Government).

6 Data in 2020 is restated after review.

7 Data is restated after review.

8 The calculation of greenhouse gas emissions is based on the 100-year global warming potential provided in the Fifth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC). Greenhouse gas emissions in mainland China are calculated uniformly according to the Guide to Tools for Calculating Greenhouse Gas Emissions Caused by Energy Consumption (Version 2.1) issued by the Greenhouse Gas Accounting System. The calculation of greenhouse gas emissions in Hong Kong is based on Appendix II: Reporting Guidelines for Environmental Key Performance Indicators issued by the Hong Kong Stock Exchange. The calculation of data in overseas regions is based on Emissions Factors from Cross-Sector Tools issued by the Greenhouse Gas Accounting System.

Social data

Indicators		Unit	2019	2020	2021
Number of employees					
Total number of people ⁷	Total number of employees	People	40,781	40,405	41,482
By gender	Total number of regular male employees	People	22,032	21,712	21,432
	Total number of regular female employees	People	12,178	11,736	12,395
By age	Regular employee at the age of 30 or below:	People	7,249	6,454	6,265
	Regular employees at the age between 30 and 50 (not including the age of 30 and 50)	People	21,191	22,373	22,420
	Regular employees at the age of 50 or above	People	5,770	4,621	5,142
By type of employment	Regular employees	People	33,618	33,448	33,827
	Labor dispatcher	People	7,163	6,957	7,655
By type of employment (full-time or part-time)	Full-time	People	35,647	35,868	33,677
	Part-time	People	595	68	150
By region	Regular employees in mainland China	People	22,476	21,592	22,144
	Regular employees in Hong Kong	People	1,821	1,818	1,726
	Overseas regular employee	People	9,913	10,038	9,957
By rank	Management	People	1,269	1,683	1,724
	Ordinary employee	People	32,941	31,765	32,103
New employees	By gender				
	Total number of new male employees	People	1,392	990	1,344
	Total number of new female employees	People	1,154	957	1,411
	By age				
	Total number of new employees aged 30 or below	People	1,788	1,384	1,849
	Total number of new employees aged between 30 and 50 (excluding 30 and 50)	People	720	525	796
	Total number of new employees aged 50 or above	People	38	39	111
	By region				
	Total number of new employees in mainland China	People	1,399	1,093	1,680
	Total number of new employees overseas	People	1,147	855	1,075

7 The total number of employees in the Sustainable Development Report includes labor dispatch employees.

Indicators		Unit	2019	2020	2021
Total turnover					
		%	4.11	3.95	5.37
Total number of employees leaving office		People	1,230	1,610	1,818
Number of employees leaving office by gender	Regular male employee	People	1,179	823	1,106
	Regular female employees	People	930	535	712
Employee turnover by sex	Regular male employee	%	5.35	2.74	5.16
	Regular female employees	%	7.64	3.26	5.74
Number of employees leaving office by region	Regular employees in mainland China	People	1,338	690	875
	Regular employees in Hong Kon	People	188	166	215
Employee turnover by region	Overseas regular employee	People	583	502	728
	Regular employees in mainland China	%	5.95	3.20	3.95
	Regular employees in Hong Kong, China	%	10.32	9.13	12.43
Number of employees leaving office by age	Overseas regular employees	%	5.88	5.00	7.31
	Regular employee aged 30 or below	People	1,246	562	833
	Regular employees aged between 30 and 50 (excluding 30 and 50)	People	652	622	881
Employee turnover by age group	Regular employees aged of 50 or above	People	84	173	104
	Regular employee aged 30 or below:	%	17.19	8.71	13.30
	Regular employees aged between 30 and 50 (excluding 30 and 50)	%	3.08	2.78	3.93
Work injury	Regular employee aged 50 or above	%	1.46	3.74	2.01
Total number of deaths	Number of work-related deaths	People	0	0	1
	Proportion of work-related deaths	%	0	0	0.02
Work injury	Number of accidents causing work-related injuries	piece	/	78	72
	Number of work-related injuries	People	83	78	71
	Work injury rate per thousand people	%	8.40	2.17	1.71
Number of hold-up working days due to work-related injuries					
	Total number of hold-up working days	Days	1,979	2,010	1,295

Indicators	Unit	2019	2020	2021
Total number of employees receiving training				
People		15,432	18,561	33,406
Number of employees receiving training by gender				
Male	People	8,723	10,340	20,508
Female	People	6,709	8,221	12,899
Percentage of trained employees by sex				
Percentage of trained male employees	%	52	47	96
Percentage of trained female employees	%	86	68	104
Number of trained employees by rank				
Management	People	158	569	1,433
Ordinary employees	People	15,274	17,992	31,973
Percentage of trained employees by rank				
Percentage of trained management-level personnel	%	20	45	83
Percentage of trained ordinary employees	%	64	55	99
Total training hours of employees by sex				
Male	Hours	/	115,894	273,345
Female	Hours	/	137,883	145,409
Average training hours of employees by sex				
Male	Hours	/	11.2	13.3
Female	Hours	/	16.8	11.3
Total training hours of personnel by rank				
Management	Hours	/	8,950	47,722
Ordinary employee	Hours	/	330,924	371,031
Average training hours of personnel by rank				
Management	Hours	/	15.7	33.3
Ordinary employees	Hours	/	18.4	11.6
Total training hours of personnel by training category				
Anti-corruption and integrity	Hours	/	/	22,231
Safety and environmental protection	Hours	/	/	76,037
Others	Hours	/	/	320,485
Number of suppliers				
Suppliers in mainland China	home	15,752	33,827	19,762
Suppliers outside mainland China (including Hong Kong, Macao and Taiwan)	home	19,847	34,043	21,456

Indicators	Unit	2019	2020	2021
Suppliers outside mainland China (including Hong Kong, Macao and Taiwan)				
Number of complaints	piece	191	213	630
Number of concluded corruption lawsuits filed against the company or its employees	piece	0	0	0
Expenditure on participating in or organizing community or public welfare activities				
100,000 yuan	/		2,058	34,973
Total number of people participating in community or public welfare activities	Person/time	/	1,686	2,104
Total number of hours of participation in community or public welfare activities	Total number of hours of participation in community or public welfare activities	/	2,351	3,691

Hong Kong Stock Exchange Guidelines

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Environmental, social and governance areas and general disclosure and key performance indicators (KPI)			Chapter
Environmental			
A1: Emissions	General disclosure	Related to emissions of exhaust gases and greenhouse gases, pollution discharge to water and land, generation of harmful and harmless wastes: (a) Policies; (B) Data on compliance with laws and regulations that have a significant impact on the issuer.	Environmental Protection-Low Carbon Operation
	A1.1	Types of emissions and data on emission	Data on sustainable development
	A1.2	Total emissions and density of greenhouse gases	Data on sustainable development
	A1.3	Total amount and density of hazardous wastes produced	Data on sustainable development
	A1.4	Total amount and density of harmless waste generated	Data on sustainable development
	A1.5	Description of emission targets set and steps taken to achieve them	Environmental protection
	A1.6	Description of disposal methods of hazardous and harmless wastes, and that of waste reduction objectives set and steps taken to achieve these objectives	Environmental Protection-Solid Waste Management
A2: Resources use	General disclosure	Policies for efficient use of resources (including energy, water and other raw materials).	Environmental Protection-Low Carbon Operation
	A2.1	Total consumption and density of direct and/or indirect energy sources (such as electricity, gas or oil) by type	Data on sustainable development
	A2.2	Total water consumption and density	Data on sustainable development
	A2.3	Description of energy efficiency goals set and steps taken to achieve these goals	Environmental protection
	A2.4	Description any problems in obtaining suitable water sources, the water efficiency targets set and steps taken to achieve these targets	Environmental protection-wastewater management
	A2.5	Total amount of packaging materials used for finished products and their share per production unit	COSCO Shipping Holdings' operation does not involve the use of packaging materials

Environmental, social and governance areas and general disclosure and key performance indicators (KPI)			Chapter
A3: Environment and natural resources	General disclosure	Policies to reduce the significant impact of the issuer on the environment and natural resources	Environmental protection-marine ecology
	A3.1	Description of the significant impact of business activities on the environment and natural resources, and the actions taken to manage the impact	Environmental protection-marine ecology
A4: Climate change	General	Policies for identifying and responding to significant climate-related issues that have and may have an impact on the issuer	Environmental protection-climate change
	A4.1	Description of major climate-related issues that have and may have an impact on the issuer, and the response actions	Environmental protection-climate change
Society			
B1: Employment	General disclosure	Related to salary, dismissal and recruitment, promotion, working hours, leave, equal opportunities, diversity, anti-discrimination and other welfare and benefits: (a) Policies; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee care-compliance recruitment
	B1.1	Total number of employees by sex, employment type, age group and region	Data on sustainable development
	B1.2	Employee turnover by sex, age group and region	Data on sustainable development
B2: Health and Safety	General disclosure	Related to the provision of safe working environment and the protection of employees from occupational hazards: (a) Policies; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee care-health and safety
	B2.1	Number and rate of work-related deaths in each of the past three years (including the reporting year)	Data on sustainable development
	B2.2	Number of hold-up working days due to work-related injuries	Data on sustainable development
	B2.3	Description of the occupational health and safety measures adopted, and the relevant implementation and monitoring methods	Employee care-health and safety

Environmental, social and governance areas and general disclosure and key performance indicators (KPI)			Chapter
B3: Development and training	General disclosure	Policies on improving employees' know-how and skills in performing their duties. Description of relevant training activities.	Employee care-promotion and development
	B3.1	Percentage of trained employees by sex and employment category	Data on sustainable development
	B3.2	Average number of training hours per employee by sex and employee type	Data on sustainable development
B4: Labor code	General disclosure	Related to the prevention of child labor or forced labor: (a) Policies; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee care-compliance recruitment
	B4.1	Description of measures taken to review recruitment practices to avoid child labor and forced labor	Employee care-compliance recruitment
	B4.2	Description of the steps taken to eliminate violations when they are found	Employee care-compliance recruitment
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks in the supply chain.	Service improvement-supplier management
	B5.1	Number of suppliers by region	Data on sustainable development
	B5.2	Description of the practice of employing suppliers, the number of suppliers on which the practice is enforced, and the relevant enforcement and monitoring methods	Service improvement-supplier management
	B5.3	Description of the practices for identifying environmental and social risks at each stage of the supply chain, and the related implementation and monitoring methods	Service improvement-supplier management
	B5.4	Description of the practices of promoting the use of environmentally friendly products and services during the selection of suppliers, and the related implementation and monitoring methods	Service improvement-supplier management
B6: Product liability	General disclosure	Related to the health and safety, advertising, labelling and privacy issues and remedies of the products and services provided: (a) Policies; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Safe shipping Service upgrading COSCO Shipping Holdings' daily operation does not involve label management

Environmental, social and governance areas and general disclosure and key performance indicators (KPI)			Chapter
B6: Product liability	B6.1	Percentage of products that need to be recalled for safety and health reasons of all sold or shipped products	COSCO Shipping Holdings mainly provides container services and conducts port business, and does not involve product recall
	B6.2	Number of complaints received about products and services and measures to deal with the complaints	Service improvement-customer experience
	B6.3	Description of the practices related to the maintenance and protection of intellectual property rights	COSCO Shipping Holdings' business does not involve intellectual property rights
	B6.4	Description of quality verification process and product recall procedures	COSCO Shipping Holdings mainly provides container services and conducts port business, and does not involve product recall
	B6.5	Description of consumer data protection and privacy policies, and related enforcement and monitoring methods	Service improvement-privacy protection
B7: Anti-corruption measures	General disclosure	Related to the prevention and control of bribery, extortion, fraud and money laundering: (a) Policies; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Business ethics-corruption management
	B7.1	The number of concluded corruption cases filed against the issuer or its employees during the reporting period and the results of the proceedings	Business ethics-corruption management
	B7.2	Description of preventive measures and reporting procedures, as well as related enforcement and monitoring methods	Business Ethics-protection of crime-reporters
	B7.3	Description of anti-corruption training provided for directors and staff	Business Ethics-awareness promotion
B8: Community Investment	General disclosure	Policies on understanding the needs of the communities in which the company operates through participation in community activities to ensure that the interests of the communities will be taken into account during business activities.	Investment in communities
	B8.1	Areas of focus	Investment in communities
	B8.2	Resources invested in areas of focus	Data on sustainable development

GRI Index

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GRI 418: Customer Privacy 2016			
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Independent verification 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 2021 Sustainability Report (“Sustainability Report”), and disclosed the results 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 (“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 has been selected in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) published by the Stock Exchange of Hong Kong Limited (“SEHK”).

Should there be any discrepancies or differences 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 involved in the Sustainability Report, or in the development of the Sustainability Report. CECEPAC (HK)’s activities of Assurance Engagement are independent from COSCO SHIPPING Holdings. There is no relationship between CECEPAC (HK) and COSCO SHIPPING Holdings beyond the contractual agreement for providing proper service of assurance.

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 Sustainability Reporting Standards issued by Global Reporting Initiative, AA1000AS v3, the ESG Reporting Guide issued by SEHK, ISO 14001, ISO 9001, etc.

CECEPAC (HK)’s assurance team has rich experience in conducting assurance 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 protocol 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 published by SEHK. COSCO SHIPPING Holdings is also responsible for implementing internal control procedures to ensure 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 Engagement. All results of 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 data and information in the Sustainability Report that related to COSCO SHIPPING Holdings and its subsidiaries, and does not include COSCO SHIPPING Holdings’s suppliers, contractors and data or information provided by other third parties;
- AA1000AS 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 (Inclusivity,

Materiality, Responsiveness and Impact) set out in the AA1000AS v3;

- Assuring the degree of conformity of the general disclosure and key performance indicators of the environmental and social subject areas of the Sustainability Report disclosed in accordance with the “comply or explain” provisions in the ESG Reporting Guide of SEHK;
- 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 specified performance information is as follows:
 - Number of suppliers (by region) – suppliers in mainland China
 - Container shipping business – purchased power
 - Total training hours of personnel by training category – anti-corruption and integrity
- The Assurance Engagement was with respect to information disclosed from January 01, 2021 to December 31, 2021 only. Any information that falls outside this period that is disclosed in the Sustainability Report is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- The scope of the Assurance Engagement is confined to the information and data provided by COSCO SHIPPING Holdings. Any queries regarding

the content or related matters within this independent 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 subsidiaries of COSCO SHIPPING Holdings and the work included:

- Evaluating the appropriateness of COSCO SHIPPING Holdings's stakeholder engagement process;
- Conducting online interviews⁸ with COSCO SHIPPING Holdings's employees involved in sustainability management, preparation of the Sustainability Report and the provision of relevant information;
- Assessing whether the reporting and management approach disclosed for the Sustainability Report responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Conducting sampling of evidence pertaining to the reliability and quality of the selected specified performance information;
- Recalculating the selected specified performance information;
- Assessing the degree of conformity of the Sustainability Report with the ESG Reporting Guide; and

Performing other procedures we deemed necessary.

- Assurance Engagement was performed and the conclusions within were based upon information and data provided to CECEPAC (HK) 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 degree of conformity with the ESG Reporting Guide, our findings and conclusions are as follows:

Inclusivity

COSCO SHIPPING Holdings has identified key stakeholders and continuously communicated with key stakeholders 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 a materiality assessment for the Sustainability Report,

collected the opinions of key stakeholders, identified material issues through appropriate methods, and presented the results of material assessment 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 a process to understand, evaluate, assess and manage impacts. COSCO SHIPPING Holdings carried out an 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 subject areas 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 materiality assessment, objectively described the impact of its business and calculated and disclosed

relevant environmental and social data. Our assurance comments for the Sustainability Report have been adopted by COSCO SHIPPING Holdings before the issuance of this independent assurance statement.

Specified Performance Information

Based on the procedures CECEPAC (HK) performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the disclosures of the three selected specified performance information in the Sustainability Report is unreliable and unqualified or not prepared in all material respects in accordance with the basis of reporting.



2022 年 3 月 25 日
March 25, 2022
Hong Kong, China

8 Due to the limitation brought by COVID-19 pandemic, the assurance engagement was conducted online and the interview was conducted by teleconference.



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