

CORPORATE SUSTAINABLE DEVELOPMENT

SUSTAINABILITY APPROACH

Sustainable Development Goals of the United Nations		The Company's Five Key Areas of Sustainable Development
 4 QUALITY EDUCATION	 8 DECENT WORK AND ECONOMIC GROWTH	<p>Caring for our People</p> <p>Providing a safe, healthy, diverse and inclusive workplace to attract and nurture talents for sustained growth.</p>
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 17 PARTNERSHIPS FOR THE GOALS	<p>Customers First</p> <p>Increasing brand awareness and expanding global terminal network to improve operational efficiency and offer high-quality customer services.</p>
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 13 CLIMATE ACTION	<p>Green Development</p> <p>Investing in building "green ports", minimising the environmental impacts arising from operations by targeting reduction in energy consumption and carbon neutrality, and promoting environmental awareness of employees, business partners and the public to facilitate green and low-carbon development together.</p>
 8 DECENT WORK AND ECONOMIC GROWTH		<p>Win-win Cooperation</p> <p>Incorporating sustainability criteria into supplier and business partner selection and management, and deepening strategic partnerships to enable value chain enhancement.</p>
 4 QUALITY EDUCATION	 17 PARTNERSHIPS FOR THE GOALS	<p>Investing in Communities</p> <p>Upholding business ethics and ensuring operational compliance to promote the development, inclusiveness and construction of the communities where we operate in to foster a favourable business environment</p>

Corporate Sustainable Development

ENVIRONMENTAL TARGETS FOR THE TERMINALS IN WHICH THE GROUP HAS CONTROLLING STAKES^{Note}

Greenhouse Gas (GHG) Emissions

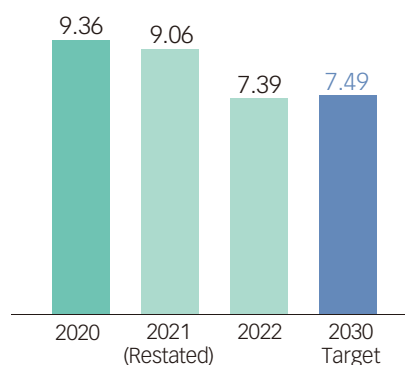
Long-term Commitment:

- To achieve carbon neutrality no later than 2060

Short-term Target:

- To reduce greenhouse gas (scope 1 and scope 2) emission intensity of the terminals by 20% in 2030, as compared with 2020

GHG EMISSION INTENSITY

(kg of CO₂e per TEU)

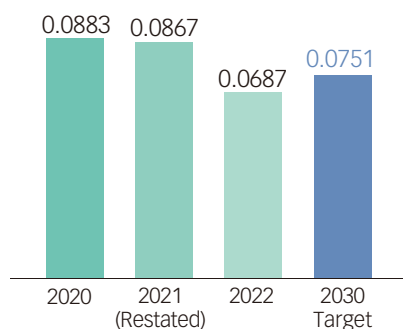
Energy Consumption

Short-term Target:

- To reduce energy consumption intensity of the terminals by 15% in 2030, as compared with 2020

ENERGY CONSUMPTION INTENSITY

(GJ per TEU)

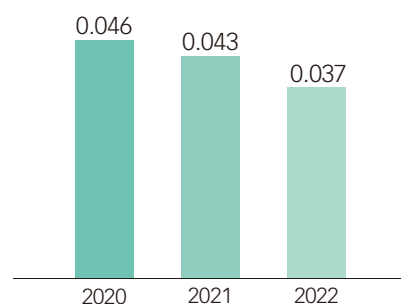


Water Consumption

Target:

- To enhance the management of water resources and improve water use efficiency

WATER CONSUMPTION INTENSITY

(m³ per TEU)

Waste

Target for Hazardous Waste:

- To maintain 100% hazard-free disposal of waste

Target for Non-hazardous Waste:

- To reduce domestic waste by terminals and, in the long term, achieve the goal of zero waste sent to the landfill

Hazardous Waste Treatment in 2022:

- 100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications

Note: CSP Chancay Terminal is under construction and the acquisition of Tianjin Container Terminal was completed in December 2021, therefore their environmental performance was not included in the environmental performance for 2020 and 2021. Tianjin Container Terminal became a terminal in which the Company has a controlling stake since December 2021, therefore its environmental performance was included in 2022.

Corporate Sustainable Development

In 2022, amidst the uncertainties caused by the volatile pandemic and disrupted logistics, the Company has remained devoted to maintaining stability and driving further growth, integrating the concept of sustainable development into its daily operations with the aim of building long term growth.

CARING FOR OUR PEOPLE

Fostering talent is the key to the Company's long term and steady development. The Company has always actively developed talent pipeline to effectively implement business strategies. During the year, the Company set up an internal training team, selected from highly experienced staff from different positions at the Company and its subsidiary terminals, to pass on their knowledge and professional skills to other employees, thus enhancing internal training and knowledge sharing.

CUSTOMERS FIRST

The Company's subsidiary terminals have promoted new shipping methods such as "land to sea" and "land to rail" in order to ensure smooth logistics and transportation. In addition, the Company launched several measures to help micro, small and medium enterprises, including waiving storage fees, streamlining customs procedures, and prioritising berthing operations, to solve potential logistical issues that micro, small and medium customers faced.

GREEN DEVELOPMENT

To advance towards our goal of carbon neutrality, the Company has promoted the construction and use of shore power systems, the upgrading of terminal equipment, and the use of new energy and clean energy in terminal areas, in order to build green ports with low carbon emission. During the year, the subsidiary terminals of the Company in China were equipped with shore power systems at all container berths and proactively increase the utilisation rate to reduce fuel consumption and carbon emissions by shipping companies.

WIN-WIN COOPERATION

The Company, together with its business partners, has built a 5G smart port demonstration area at Xiamen Ocean Gate Terminal through applications such as 5G, artificial intelligence, blockchain and big data, raising the level of digitalized services at the terminal. Furthermore, the first project in the world to fully convert a traditional container terminal to a fully automated terminal, at Tianjin Container Terminal, has been successfully completed. The Company will use its successful experience in building automated terminal and implement it at other subsidiary terminals as and when appropriate.

INVESTING IN COMMUNITIES

On the strength of its global network of terminals, the Company supports the economic and social development of the areas in which it operates through investments, and the construction and upgrading of terminals, creating job opportunities for local residents. At the same time, the Company encourages its subsidiary terminals to donate to charity and engage in charitable activities to give back to the local communities and fulfil the concept of corporate social responsibility.