

CHAPTER 2

STATEMENT OF THE BOARD

The Board of COSCO SHIPPING Ports has always strived to achieve sustainable development, and proactively engages with stakeholders, pays attention to and evaluates the impacts of the business activities of the Company on the environment and society with an objective to monitor the Company's environmental, social and governance practices, and ensure the relevance and effectiveness of sustainable development strategies and related works.

The Board is responsible for overseeing and leading the Company's overall environmental, social and governance management approach and strategy, considering and approving the materiality assessment of sustainability issues, approving environmental, social and governance-related targets and reviewing the progress made against the targets, and approving sustainability reports.

To enhance effective supervision of sustainable development-related issues, the Board has delegated the responsibility to the Environmental, Social and Governance Committee (the "Committee") of reviewing and supervising the environmental, social and governance practices of the Company. The Committee, comprising the Chairman of the Board of the Company and two independent non-executive directors, guides and monitors the policies and practices on corporate governance, reviews environmental performance targets and evaluates material sustainability issues, and reports to the Board.

The Committee holds regular meetings to achieve effective governance on corporate sustainability. In 2022, the Committee reviewed the Company's environmental performance targets set for its Subsidiaries in China and overseas, and engaged an external consultant to report on sustainability disclosure guidance and analysis on environmental, social and governance practice disclosure issued by the SEHK to further enhance the Committee's understanding of market trends in sustainability and related disclosure practices. Reports on the effectiveness of relevant work and measures are made by relevant functional departments to the Committee regularly. For details on the Environmental, Social and Governance Committee, please refer to the section headed "Corporate Governance Report – Delegation by the Board" in the 2022 Annual Report of the Company.

The Company maintains regular engagement with stakeholders, examines its sustainability issues, and conducts materiality assessment through three major steps, including identification, analysis and confirmation, to evaluate the impact of each issue, and to improve its strategies and formulate objectives based on the results of the assessment. Through stakeholder engagement and materiality assessment, the Board strikes a balance between the opinions of the stakeholders and business operations, and uses it as the basis to review the Company's environmental, social and governance strategies and objectives to drive sustainable development. In 2022, the Company has conducted an online questionnaire to understand the opinions of the stakeholders and the Company's impact on the economy, environment, and people. For details on the results of the materiality assessment and the Company's response to material topics, please refer to the section headed "Stakeholder Engagement and Materiality Assessment" set out in Chapter 6 of this report.