

CHAPTER 2

STATEMENT OF THE BOARD

The Board of COSCO SHIPPING Ports views sustainability as the cornerstone of its business development. Upholding the corporate mission to build “The Ports for ALL”, the Company proactively engages with stakeholders, and aspires to create long-term value for shareholders, customers, employees, business partners and the public. The Board pays attention to and evaluates the impacts of the Company’s business activities on the environment and the society. The Board is also responsible for overseeing and leading the Company’s overall ESG management approach and strategy, considering and approving the materiality assessment of sustainability issues, approving ESG-related targets and reviewing the progress made against them, and approving sustainability reports.

To enhance effective supervision of sustainable development-related performance, the Board has delegated the responsibility to the Environmental, Social and Governance Committee (the “ESG Committee”) of reviewing and supervising the ESG-related practices of the Company. The ESG Committee, comprising the Chairman of the Board of the Company and two independent non-executive directors, is responsible for monitoring the policies and practices on corporate governance, guiding the integration of ESG-related work into day-to-day business, reviewing environmental performance targets and evaluating material sustainability issues. Reports on the effectiveness of relevant work and measures are made by relevant functional departments to the ESG Committee regularly. The ESG Committee meets at least twice a year and reports to the Board to ensure that sustainability strategies and material issues are regularly discussed at Board meetings.



In 2023, the ESG Committee reviewed the Company's double materiality assessment result, and engaged an external consultant to report on sustainability disclosure guidance and analysis on International Financial Reporting Standards S1 General Requirements for Disclosure of Sustainability-related Financial Information, and International Financial Reporting Standards S2 Climate-related Disclosures issued by the International Sustainability Standards Board (the "ISSB"), proposed amendments to the ESG Reporting Guide issued by the SEHK, and the global development trends in ESG, to further enhance the ESG Committee's understanding of development trends in sustainability and related disclosure practices.

For details on the ESG Committee, please refer to the section headed "Corporate Governance Report – Delegation by the Board" in the 2023 Annual Report of the Company.

The Company 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. In 2023, the Company conducted its first "double materiality" assessment, to identify and evaluate sustainability issues that have a significant impact on us from the perspective of financial materiality and impact materiality. Through online surveys and interviews, the Company understands the financial impacts of different sustainability issues on the Company as well as the impacts on the economy, environment and society, and uses the results as a reference for reviewing its strategies and objectives.

For results of the double materiality assessment and details on the Company's response towards the material issues, please refer to Chapter 6 "Stakeholder Engagement and Double Materiality Assessment" in this report.

