



中遠海運控股股份有限公司  
COSCO SHIPPING Holdings Co., Ltd.

Access to the world  
Connect to the green future



**2023**  
Sustainability Report

# Contents

## 01

### Foreword

About this Report	2
About COSCO SHIPPING Holdings	3
Message from the Chairman	5
Performance Highlights	7
Board Statement	8

## 02

### Strengthening Governance

Promoting a green future with sound corporate governance

Corporate Governance	10
ESG Governance	10
Risk Management	14
Business Ethics	15
Information Security	19

## 03

### Green Transformation

Achieving a green future through low-carbon strategy

Climate Change Response	21
Green and Low-Carbon Development	25
Implementing Environmental Protection	31

## 04

### Empowering Shipping

Building a green future through exceptional services

Maritime Safety	36
Sustainable Supply Chain	41
End-to-End Supply Chain Services	42
Customer Service	47

## 05

### Harmonious Development

Securing a green future with talent resources

Employment Compliance	52
Rights and Interests Protection	52
Talent Development	55
Employee Communication	56
Occupational Health and Safety	57

## 06

### Community Commitment

Giving back to a green future with corporate responsibility

Responsible Citizens	60
Community Engagement	62

## 07

### Appendix

Sustainability Data	63
Reporting Indicators Guidelines	66
GRI Standards	69
Independent Assurance Statement	72



# 01

## Foreword

- About this Report
- Message from the Chairman
- Board Statement
- About COSCO SHIPPING Holdings
- Performance Highlights



## About this Report

### Reporting period

1 January, 2023 to December 31, 2023 (the "Reporting Period").

### Scope of report

The scope of this report covers COSCO SHIPPING Holdings Co., Ltd. (hereinafter referred to as "the Company" or "COSCO SHIPPING Holdings") and its subsidiaries (hereinafter referred to as "the Group" or "We"). This report carefully selects the disclosed entities with "whether there is actual business operation" as the criterion for selection and filters out 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 the Group. We selected three first-level subsidiaries, namely : COSCO SHIPPING Lines Co., Ltd. (hereinafter referred to as "COSCO SHIPPING Lines"), COSCO SHIPPING Ports Limited (hereinafter referred to as "COSCO SHIPPING Ports") and Orient Overseas (International) Limited (hereinafter referred to as "OOIL"), 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.

### Reporting version

In case of discrepancies between the versions of this report, please refer to the traditional Chinese version.

### Reference standard

This report complies with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (HKEx), the Guidelines No. 1 of the Shanghai Stock Exchange on the Self-Regulation Rules for Listed Companies-Regulated Operation and the GRI Standards issued by the Global Reporting Initiative (GRI). The compilation of this report mainly follows the following basic principles:

#### Materiality

The report shall disclose the environmental, social and governance 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.

#### Balance

The report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

#### Consistency

The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The report should disclose the change of statistical methods (if any) or any other relevant factors that may affect meaningful comparison.



## About COSCO SHIPPING Holdings

COSCO SHIPPING Holdings, a key subsidiary of COSCO SHIPPING Corporation Limited (COSCO SHIPPING Corporation) focusing on shipping and terminal operations, was established on March 3rd, 2005. The Company made its debut on the HKEx on June 30th, 2005 (1919.HK), and later on Shanghai Stock Exchange on June 26th, 2007 (601919). COSCO SHIPPING Holdings stands as a pioneering global platform for digital supply chain operation and investment platform with container shipping as the core. It plays a vital role in fulfilling the Group's vision of "create a world-class global integrated logistics supply chain service ecosystem", and is committed to providing customers with a end-to-end solution with "container shipping + port + related logistics services".

### • Container shipping business

The Company mainly operates international and domestic maritime container transport services and related businesses through its wholly-owned subsidiary COSCO SHIPPING Lines and indirectly controlled subsidiary Orient Overseas (International) Limited. By the end of the Reporting Period, the company operated 283 international services (including international feeder lines), 53 coastal services in China and 84 branch lines in Pearl River Delta and Yangtze River.

By the end of 2023, the Group has a fleet of 502 vessels, with a total of 31,683 berthing times, 27,749,892 nautical miles, 125,944 operating days, 26,877,048 dead weight tonnage and 16,216,860 TEU transportation capacity.

### • Port operation business

The Company conducts loading, unloading and stacking operations of containers and bulk cargo terminals through COSCO SHIPPING Ports. COSCO SHIPPING Ports's terminal portfolio covers five major port clusters along the coast of China and the middle and lower reaches of the Yangtze River and major overseas hub ports in Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa etc. By the end of the Reporting Period, COSCO SHIPPING Ports operates 38 ports worldwide and manages a total of 371 berths, of which 224 are container berths, with a current target annual processing capacity of 123 million TEUs. COSCO SHIPPING Ports is committed to building a meaningful holding network around the world to provide customers with an integrated network leveraging linkage effect in cost, service, and coordination.





## Economic performance

2023

Audited operating income .....

**175,448** million CNY

Audited operating costs .....

**146,755** million CNY

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

**23,860** million CNY

Audited corporate income tax .....

**4,681** million CNY

## Recognitions

The Group's achievements in corporate development and sustainability have been recognized and honored domestically and abroad.

### COSCO SHIPPING Holdings Awards Recognition

<p>2023.5</p> <p>China Listed Company Investor Relations Tianma Award by Securities Times</p>	<p>2023.6</p> <p>The Company's shares were included in the constituent stocks of the CSI China Reform Central-SOEs ESG Growth 100 Index</p>	<p>2023.8</p> <p>2023 Typical Case of Digital Economy Development (Innovation) Award at the 2023 Digital Economy Pilot Forum organized by Securities Daily</p>
<p>2023.8</p> <p>The Company's China A (601919. SS) is included in the Hang Seng (China A) Corporate Sustainability Index, the Hang Seng (Mainland and HK) Corporate Sustainability Index and the Hang Seng (China A) Corporate Sustainability Benchmark Index</p>	<p>2023.8</p> <p>The Company's Hong Kong stocks (1919. HK) is included in the Hang Seng (Mainland and HK) Corporate Sustainability Index, the Hang Seng Corporate Sustainability Benchmark Index</p>	<p>2023.9</p> <p>Awarded "Top 100 ESG Companies" in the 17th China Listed Companies Value Award by Securities Times</p>
<p>2023.11</p> <p>The 25th Golden Bull Awards for Listed Companies - "Most Valuable Investment Award" and "Golden Bull Award for Hong Kong Stocks"</p>	<p>2023.11</p> <p>List of the "Top 50 Carbon Neutralization" of the First China Reform Cup · ESG Golden Bull Award</p>	<p>2023.11</p> <p>Awarded "Excellent Case of ESG Green and Low Carbon Technology Innovation Award" of Xinhua Credit Jinlan Cup</p>
<p>2023.12</p> <p>Awarded the 2023 "ESG Pioneer Award" of Cailian Press "Zhiyuan Award"</p>		
<p><b>COSCO SHIPPING Holdings</b></p> <p>Listed in the Hang Seng Corporate Sustainability Benchmark Index and rated AA in Wind ESG Rating</p>	<p><b>OOIL</b></p> <p>Included in the Hang Seng Corporate Sustainability Benchmark Index and FTSE4Good Index Series, and was selected into the S&amp;P Global Sustainability Yearbook (China Edition) 2023, obtaining the award of "the best 1% of the global ESG score of Chinese enterprises" in the industry</p>	<p><b>COSCO SHIPPING Ports</b></p> <p>Included in the Hang Seng Sustainability Corporate Benchmark Index and FTSE4Good Index Series, and the CDP was rated B</p>



## Message from the Chairman

I am delighted to share with our esteemed stakeholders and employees that, in the face of the evolving challenges within the global container market in 2023, COSCO SHIPPING Holdings steadfastly pursued our commitment to sustainability and our journey towards energy conservation and carbon reduction. At the heart of our governance structure, the integration of Environmental, Social, and Governance (ESG) principles into our strategic planning and daily operations signifies our dedication to not just business excellence but also corporate responsibility. The Board of Directors takes comprehensive responsibility for ESG matters, conducting regular reviews of our targets, the emerging regulatory landscape, and our strategic directives and policies. Aware of the market and public expectations to address environmental concerns, we have vigorously advanced our company's transformation towards digitalization, intelligence, and green, low-carbon operations, thereby deepening our value creation and steadfastly progressing toward our vision of green shipping.

### Strengthening Governance

COSCO SHIPPING Holdings is deeply committed to cultivating a culture of compliance and continuously elevating our governance standards. Centering on sustainability management, risk management, anti-corruption efforts, and information security, we are dedicated to fostering a transparent and robust management framework that safeguards the interests of stakeholders. Through the revision of our integrated manual on risk management, internal control, and compliance management, we achieved the enhanced risk management capabilities. Moreover, with the development of a comprehensive three-year work plan for internal control supervision and evaluation for 2023-2025, alongside effective monitoring and evaluation mechanisms, we are bolstering our internal control systems to ensure the Company's steady navigation through the complexities of the market landscape.

### Green Transformation

As pioneers in low-carbon and environmental stewardship, we are accelerating the development of our green and low-carbon fleet, establishing a secure green low-carbon fuel supply chain, and optimizing our fleet's energy efficiency to comply with new environmental regulations. During the Reporting Period, we have steadily progressed in constructing twelve 24,000 TEU methanol dual-fuel powered container ships, completed contracts for the world's first methanol dual-fuel retrofit projects for both MAN main engines and WARTSILA auxiliary engines across four vessels, and proudly launched the world's first 700 TEU all-electric container ship into service. Additionally, the successful trial of biofuels on the COSCO Venus and Sagittarius vessels marks a significant milestone in our green and low-carbon transformation journey. In terms of green terminal construction, we have achieved a shore power facility coverage rate of 100% at our domestic holding terminals, reflecting our "full coverage" commitment. Leading by example, we have issued the "Initiative on Promoting the Use of Shore Power for Vessels Docking at Ports", advocating for the advancement of shore power facilities across the industry, thus contributing collectively to the green and low-carbon shipping future.

### Empowering Shipping

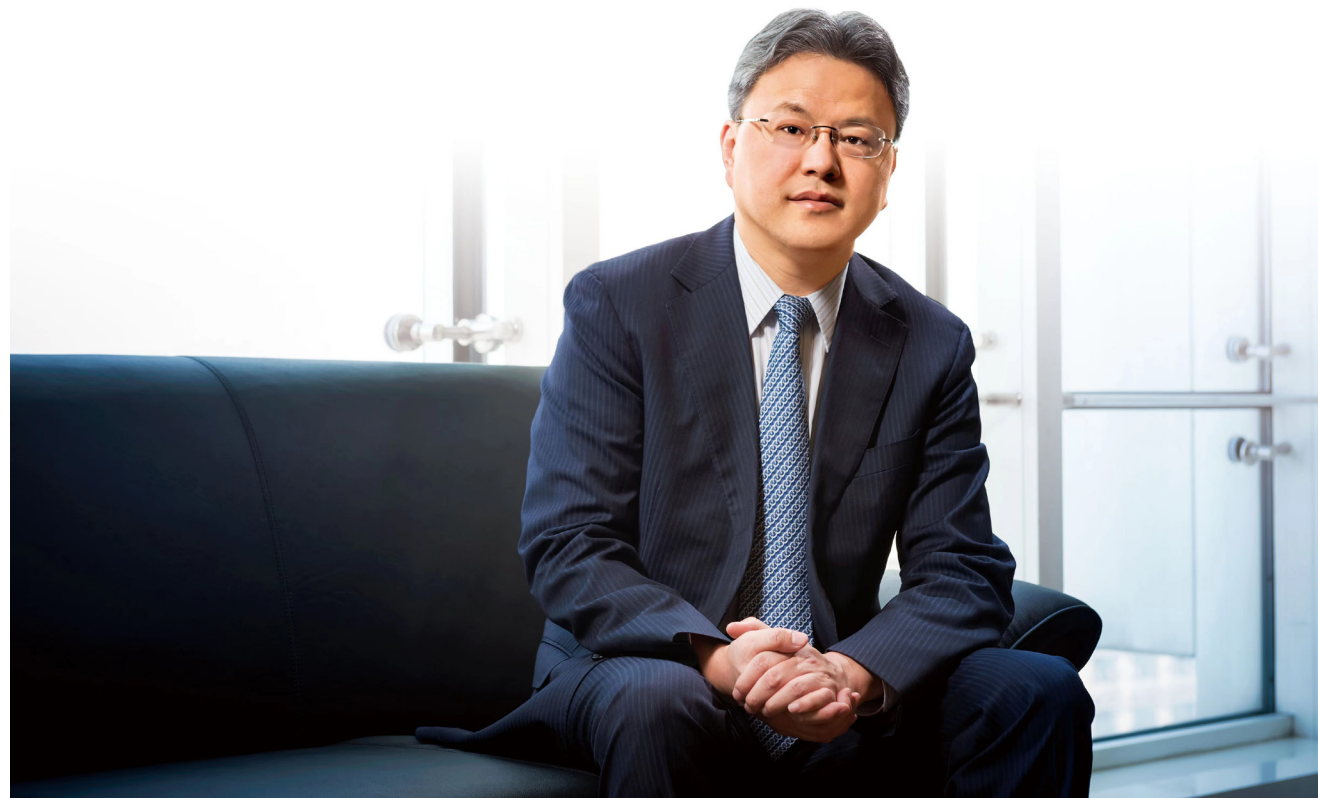
From a customer-centric perspective, the Group has promoted deep integration with our clients, leveraging digital and intelligent empowerment to continually enhance the efficiency of resource operations, spur product innovation, and foster synergistic development of the industry and supply chains towards mutual growth and innovation. With a "customer-first" approach, we offer secure and comprehensive supply chain solutions, underscored by our high-level professional services. Furthermore, exploring the application of various green technologies and intelligent solutions, the GSBN platform, co-developed and managed by COSCO SHIPPING Holdings, now encompasses a wide range of enterprises, including shipping, ports, banking, insurance, and cargo owners, and has introduced innovations such as blockchain bills of lading, paperless cargo release, electronic insurance policies, and e-certificates of conditions of carriage of goods. Remarkably, COSCO SHIPPING Corporation's blockchain electronic bill of lading issuance has surpassed 100,000, and our paperless cargo release service has exceeded 2 million TEUs, marking significant milestones in our journey towards a blockchain-enabled ecosystem.

### Harmonious Development

Consistently, we regard our employees as our most valuable asset. To ensure an inclusive and open working environment, we uphold all standards and guidelines related to employee ethics and rights, fostering a culture of fairness, candid communication, and appreciation through clear policies and active engagement. We are committed to offering diverse and long-term development opportunities for our employees through various training programs, emphasizing the importance of a healthy and safe workplace environment aimed at achieving "zero-accident". Moreover, in our pursuit of contributing to a harmonious society, we place great importance on fostering positive community relations, addressing community needs, and collaborating with societal forces to support charitable efforts, organize community assistance, and charity sales, thereby contributing to community development and achieving both economic and social benefits.



2023 has indeed been an extraordinary year. COSCO SHIPPING Holdings has been honored with the Sapphire Award from the American "Protecting Blue Whales and Blue Skies" program for consecutive years and was included in the "CSI China Reform Central-SOEs ESG Growth 100 Index" and the "Hang Seng Corporate Sustainability Index Series" during the Reporting Period. These accolades not only affirm our exemplary commitment to ESG practices and transparency but also our dedication to creating value for our stakeholders and fostering sustainability. To maintain and enhance our competitive edge and capabilities, we will continue to reinforce our port and shipping synergies and bolster the competitive synergy of our dual-brand container shipping strategy, with a long-term vision focused on digital transformation. Looking ahead, COSCO SHIPPING Holdings will center its efforts on being a "global digital supply chain operation and investment platform with a core focus on container shipping," accelerating innovations in supply chain ecology, intelligent connectivity, and green low-carbon development to better empower the domestic and international dual circulation. We eagerly anticipate collaborating with all stakeholders to make a positive impact on sustainable shipping.



COSCO SHIPPING Holdings Co., Ltd.

Chairman Wan Min

April 2024





# Performance highlights



## Container shipping business

**Economic performance**

The capacity of COSCO SHIPPING Holdings' self-operated container fleet has exceeded **3.04 million TEU**

Container freight volume **26.88 million tonnage**

Total fleet <b>502</b> vessels	Coastal routes in China <b>53</b> lines	International routes <b>283</b> lines	Branch lines in Pearl River Delta and Yangtze River <b>84</b> Lines
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**Environmental performance**

Greenhouse gas emissions equivalent <b>19,842,941</b> tons	Total marine fuel consumption <b>6,165,618</b> tons	Sulfur oxides emissions <b>114,681</b> tons
Nitrogen oxides emissions <b>433,000</b> tons	Fresh water consumption <b>392,719</b> tons	Oil spill accident <b>0</b> accidents



## Port business

**Economic performance**

Number of ports <b>38</b>	Number of berths <b>371</b>	Number of container berths <b>224</b>
Total terminal throughput <b>135.81</b> million TEUs	Annual processing capacity totaled <b>123</b> million TEU	

**Environmental performance**

Greenhouse gas emissions equivalent <b>226,989</b> tons	Natural gas consumption <b>355,461</b> cubic meters	Solar power generation <b>2,542,791</b> kWh
Diesel consumption <b>69,075,365</b> liters	Waste water discharge <b>980,339</b> cubic meters	



## Social performance

**Employment training**

Total number of employees trained <b>31,654</b> person	Total turnover rate <b>3.94%</b>
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**Safety**

Thousands of injuries  
**2.58%**

**Community**

Total number of people participating in community or public welfare activities <b>4,939</b>	Total number of hours of participation in community or public welfare activities <b>16,496</b>
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## Board Statement

### Board Responsibility



The Board of Directors of COSCO SHIPPING Holdings is responsible for the Group's overall ESG development direction and ESG strategy formulation, supervising and coordinating ESG-related risk management, and is the highest responsible and decision-making body for ESG matters. The Board of Directors has the ultimate responsibility for COSCO SHIPPING Holdings' ESG strategy and disclosure. The Group regularly evaluates the materiality of environmental, social and governance issues, and analyzes to makes decisions on the potential impact and opportunities of the overall strategy.

### Risk Identification



A Risk Control Committee is established under the Board of Directors, responsible for identifying, analyzing, managing, and timely controlling ESG-related risks and making decisions on ESG-related matters. The Risk Control Committee regularly reports the list of identified risks to the Board of Directors and provides risk analysis and decision-making support.

### Materiality Analysis



The Group pays continuous attention to the needs of internal and external stakeholders, and identifies and evaluates material ESG issues according to the communication and feedback of stakeholders to keep improving the sustainability strategy. During the Reporting Period, the Group conducted stakeholder surveys, updated the material issues, and defined the priorities of ESG management.

### Target Progress



In 2021, the Group has set five environmental targets, including greenhouse gas emission reduction target, energy upgrade target, ballast water management target, exhaust emission reduction target, and waste reduction target. In 2023, the Board of Directors continued to pay attention to the progress towards the environmental targets, supervise sustainability tasks related to the target, and review target achievement.





# 02

## Strengthening Governance

Promoting a green future with sound corporate governance

- Corporate Governance
- ESG Governance
- Risk Management
- Business Ethics
- Information Security

As a responsible enterprise, COSCO SHIPPING Holdings strictly abides by relevant laws domestic and aboard, builds an enterprise compliance culture, strengthens its corporate governance level, focuses on sustainability management, risk management, integrity construction and information security, and strives to build a transparent and sound management framework to promote sustainability of the enterprise while ensuring the rights and interests of stakeholders.



COSCO SHIPPING Holdings integrates the concept of sustainability into daily governance and operation, and is committed to implementing transparent and stable corporate governance, bringing positive impact to stakeholders and contributing to the vigorous and healthy development of the industry and society.



## Corporate Governance

COSCO SHIPPING Holdings has the Shareholders' General Meeting as the highest decision-making body to decide on major issues of operation and management to protect shareholders' rights and interests. The Shareholders' General Meeting consists of the Board of Directors and the Board of Supervisors. The Board of Directors is responsible for managing and making decisions on the daily business of the enterprise, and it is underpinned by five professional committees, which safeguard the common interests of the Group and its shareholders in a comprehensive manner.



### Board of Directors of COSCO SHIPPING Holdings

COSCO SHIPPING Holdings attaches great importance to the diversity and professionalism of Board members. The Board of Directors includes 3 independent non-executive directors, with independent directors accounting for 33.3%, and includes 1 female director. Members of the Board of Directors have extensive industry experience and professional knowledge in the extensive of finance, shipping, port management, ship design, business administration, the internet and digitalization, etc., which enhance the decision-making level of the Company from a comprehensive and scientific perspective.

## ESG Governance

COSCO SHIPPING Holdings consistently enhances its ESG governance framework throughout its operations. The Risk Control Committee under the Board of Directors takes the lead in initiatives related to sustainability and comprehensively oversees the relevant work. The Committee plays a pivotal role in shaping sustainability strategies, setting goals, and crafting management policies, and coordinating the resources required to achieve those objectives. Moreover, the Committee keeps tracking and reviewing the process of implementation, supervises and oversees related activities, and submits the annual sustainability report to the Board of Directors for approval.

### Stakeholder Engagement

We value the opinions and needs of our stakeholders and have established regular and diversified communication channels in order to keep abreast of the opinions and expectations of our stakeholders and to provide important decision-making references for sustainability management. The Group has repeatedly communicated with various stakeholders in five aspects, i.e. corporate governance, people, customer service, green development and win-win co-operation, to fully understand the impact of its operations on various stakeholders.





### COSCO SHIPPING Holdings Stakeholder Engagement

Category	Topics	Major Stakeholders	Communication channel
<b>Corporate Governance</b> 	Economic Performance	<ul style="list-style-type: none"> <li>Public Interest Organizations/NGOs/ Industry Associations</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' general meeting</li> </ul>
	Tax Transparency		<ul style="list-style-type: none"> <li>Roadshow/reverse Roadshow</li> </ul>
	Corporate Governance	<ul style="list-style-type: none"> <li>Investment institutions/ shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Investor summit</li> </ul>
	Business Ethics and Anti-Corruption	<ul style="list-style-type: none"> <li>Employees</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Press release</li> </ul>
	Risk Management	<ul style="list-style-type: none"> <li>Business partner</li> </ul>	<ul style="list-style-type: none"> <li>Community public welfare activity</li> </ul>
	Anti-Competitive Conduct	<ul style="list-style-type: none"> <li>Government and regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Public mailbox</li> </ul>
	Compliance Operation	<ul style="list-style-type: none"> <li>Customers</li> </ul>	<ul style="list-style-type: none"> <li>Information announcement</li> </ul>
<b>People</b> 	Compliance Employment		
	Occupational Health and Safety		<ul style="list-style-type: none"> <li>Employee training</li> </ul>
	Training and Education		<ul style="list-style-type: none"> <li>Employee communication/ forum</li> </ul>
	Diversity and Equal Opportunities	<ul style="list-style-type: none"> <li>Employees</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction survey</li> </ul>
	Anti-Discrimination	<ul style="list-style-type: none"> <li>Government and regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Interview</li> </ul>
	Employee Communication	<ul style="list-style-type: none"> <li>Others</li> </ul>	<ul style="list-style-type: none"> <li>Performance presentation</li> </ul>
	Employees' Rights		<ul style="list-style-type: none"> <li>Public mailbox</li> <li>Information announcement</li> <li>Press release</li> </ul>
	Freedom of Association and Collective Bargaining		<ul style="list-style-type: none"> <li>Technical training</li> </ul>
<b>Customer Service</b> 	Customer Satisfaction		<ul style="list-style-type: none"> <li>Press release</li> </ul>
	Customer Complaints	<ul style="list-style-type: none"> <li>Charity Organizations/ NGOs/Industry Associations</li> </ul>	<ul style="list-style-type: none"> <li>Community public welfare activity</li> </ul>
	Customer Privacy Protection	<ul style="list-style-type: none"> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>On-site review</li> </ul>
	Optimize Terminal Operations	<ul style="list-style-type: none"> <li>Business partners</li> </ul>	<ul style="list-style-type: none"> <li>Information announcement</li> </ul>
	Scientific and Technological Innovation		<ul style="list-style-type: none"> <li>Interview</li> </ul>

Category	Topics	Major Stakeholders	Communication channel
<b>Customer Service</b> 	Contraband Management and Anti-Smuggling of Seaborne Goods	<ul style="list-style-type: none"> <li>Customers</li> </ul>	<ul style="list-style-type: none"> <li>Performance presentation</li> <li>Shareholders' general meeting</li> </ul>
	Safety of Shipping	<ul style="list-style-type: none"> <li>Investment institutions/ shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Roadshow/reverse Roadshow</li> </ul>
	Digital Security		<ul style="list-style-type: none"> <li>Investor Summit</li> <li>Technical training</li> </ul>
<b>Green Development</b> 	Exhaust Emissions Management		
	Waste Disposal		
	Wastewater Discharge Management		
	Energy Management	<ul style="list-style-type: none"> <li>Business partner</li> <li>Media</li> </ul>	
	Material Use	<ul style="list-style-type: none"> <li>Public Interest Organizations/NGOs/ Industry Associations</li> </ul>	<ul style="list-style-type: none"> <li>Press release</li> <li>Interview</li> </ul>
	Water Resources Management		<ul style="list-style-type: none"> <li>Performance presentation</li> </ul>
	Greenhouse Gas Emissions Management	<ul style="list-style-type: none"> <li>Government and regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Community public welfare activity</li> </ul>
	Climate Change and Response	<ul style="list-style-type: none"> <li>Social Organization</li> <li>Suppliers and Contractors</li> </ul>	
	Biodiversity		
	Marine Plastics		
<b>Win-win Co-operation</b> 	Enhance Staff Awareness of Environmental Protection		
	Responsible Procurement		<ul style="list-style-type: none"> <li>Public mailbox</li> </ul>
	Environmental and Social Assessment of Suppliers	<ul style="list-style-type: none"> <li>Suppliers and Contractors</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Information announcement</li> </ul>
	Inclusive Trade Development	<ul style="list-style-type: none"> <li>Government and regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Press release</li> <li>Supplier assessment</li> </ul>
	Community Public Welfare		<ul style="list-style-type: none"> <li>Interview</li> </ul>



## ESG Materiality Matrix

In 2023, the Group conducted a stakeholder survey in the form of questionnaires and interviews, covering internal and external stakeholders of the three subsidiaries, including COSCO SHIPPING Lines, COSCO SHIPPING Ports, and Orient Overseas (International) Limited. Sustainability issues and materiality matrix are identified and developed from the survey in accordance with their significance to the Group, which are disclosed as the focus in this report.



## 2023 COSCO SHIPPING Holdings Materiality Matrix





2023 COSCO SHIPPING Holdings List of Material Topics

Economic Topics	Corporate Governance Topics	Employee Topics	Product Service and Safety Topics	Environmental Topics	Social Topics
 <p>Economic Performance Tax Transparency</p>	 <p>Corporate Governance <b>Business Ethics and Anti-Corruption</b> Risk Management Anti-Competitive Conduct <b>Compliance Operation</b></p>	 <p>Compliance Employment <b>Occupational Health and Safety</b> Training and Education Diversity and Equal Opportunities Anti-Discrimination Employee Communication Employees' Rights Freedom of Association and Collective Bargaining Employee Care Compliance Employment</p>	 <p><b>Customer Satisfaction</b> Customer Complaints Customer Privacy Protection Optimize Terminal Operations <b>Scientific and Technological Innovation</b> <b>Contraband Management and Anti-Smuggling of Seaborne Goods</b> <b>Safety of Shipping</b> <b>Digital Security</b></p>	 <p>Exhaust Emissions Management Waste Disposal Wastewater Discharge Management Energy Management Material Use Water Resources Management <b>Greenhouse Gas Emissions Management</b> <b>Climate Change and Response</b> Biodiversity Marine Plastics Enhance Staff Awareness of Environmental Protection</p>	 <p>Responsible Procurement Environmental and Social Assessment of Suppliers Inclusive Trade Development Community Public Welfare</p>

2023 COSCO SHIPPING Holdings List of Material Topics<sup>1</sup>

<sup>1</sup>Bolded topics are highly important.



## Risk Management

As a global enterprise, COSCO SHIPPING Holdings attaches great importance to enterprise risk management and control, and achieves sound risk management by continuously improving the risk management structure, enhancing the effectiveness of the internal control system, and strengthening the risk management and warning mechanism. We have been improving our risk management system with reference to the international COSO Enterprise Risk Management (ERM) framework and domestic *Basic Rules for Enterprise Internal Control*. During the Reporting Period, COSCO SHIPPING Holdings integrated risk management, internal control and compliance management, revised and completed the *Risk Management, Internal Control and Compliance Management Manual*, formulated and released COSCO SHIPPING Holdings compliance standards, so as to realize the systematic construction of a compliance culture.

### Management Framework

COSCO SHIPPING Holdings carries out risk identification, assessment, response and monitoring through a clear risk management structure. As the highest decision-making body for risk management, the Board of Directors is responsible for risk management. Under the leadership of the Board of Directors, the Risk Control Committee has been established to implement risk management and provide feedback and recommendations to the Board of Directors. After the Risk Control Committee has completed the work of risk identification and analysis, the Legal and Risk Management Department will ultimately implement the work.

The Risk Control Committee carries out annual internal audits and assessments of major risks on a regular basis, and forms a comprehensive risk assessment report and submits it to the Board of Directors for approval. After approval, the Risk Control Committee will break down the risk management tasks and assign them to the departments responsible for the risks to formulate risk response measures, and regularly monitor the mitigation and response of each risk, as well as staying updated on their latest developments.

### Risk Prevention and Warning Mechanism

The Group carries out risk evaluation, identification, rectification and other work in compliance with its *Internal Risk Management and Internal Control Management System* and attaches great importance to the prevention and control of internal risks while focusing on external risks. The Risk Management Department organizes each department to conduct annual risk assessment and prepare risk management reports, considering the nature of the Company's business and actual business situation.

COSCO SHIPPING Lines has formulated the three-year overall work plan for internal control supervision and evaluation from 2023 to 2025 to strengthen its internal control management and has promoted the supervision and evaluation of the effectiveness of the internal control systems of its subsidiaries year by year according to the plan, so as to ensure that all subsidiaries are covered every three years. So far, supervision and evaluation have been conducted for 8 subsidiaries of COSCO SHIPPING Lines on the design and implementation effectiveness of internal controls. In response to the internal control deficiencies reflected in the results of the internal control supervision and evaluation, the Company organized the formulation of a rectification plan and tracked the progress of rectification of internal control deficiencies.

COSCO SHIPPING Ports comprehensively sorted out the existing standards on risk management, internal control and compliance, deeply interpreted the Group's control requirements and analyzed the gaps, and compiled three standard documents that closely matched the Company's operation and management status. In terms of risk assessment, the scoring criteria are set according to the possibility of occurrence and the degree of impact; in terms of internal control, the criteria for identifying deficiencies are divided into the criteria for identifying deficiencies in financial reporting control and the criteria for identifying deficiencies in non-financial reporting control; and in terms of compliance management, the evaluation criteria integrate the prevention

of compliance events and the construction of a compliance system, and the compliance management work is evaluated from the perspective of combining quantitative and qualitative aspects. Through the unified establishment of the three standards, COSCO SHIPPING Ports has further clarified the focuses of internal control evaluation, risk assessment and compliance management, unified the management concepts and behavioral standards, given full play to the role of internal control in strengthening the company's foundation, enhanced the company's ability to prevent and resolve major risks, and facilitated compliance management and control. The control objective of "strengthening internal control, preventing risks and promoting compliance" has been effectively achieved.

The Group engages a third party to carry out annual internal control evaluation every year to monitor the operation of internal control and risk management and actively listen to the opinions of external experts. During the Reporting Period, subsidiaries of COSCO SHIPPING Holdings invited external consulting organizations to conduct internal control evaluations in accordance with their respective circumstances.

In order to adequately prevent the occurrence of unexpected risks, the Group has established a warning mechanism for major risks and an emergency response mechanism for emergencies, identifying and tracking major risks to ensure that it is aware of the background and current status of the risks, so that it can implement timely measures to mitigate and respond to the risks. On a quarterly basis, the Group tracks the control and management of annual significant risks, summarizes and analyzes the external environment, monitors the trend of changes in the impact of each significant risk on the Group, and issues quarterly risk briefing notes. In addition, hotspot events leading to changes in major risks are continuously tracked, their impacts are analyzed, and prompts are made to prepare for timely responses.





## Business Ethics

The Group's operation are in compliance with the code of business ethics. We categorically reject any conduct that breaches these ethics and adopt a zero-tolerance attitude towards them, including corruption, bribery, and monopolistic practices. In order to implement business ethics management and raise employees' awareness of business ethics in our daily operations, we have set up a comprehensive business ethics system and formulated a series of business ethics management systems and norms. During the Reporting Period, we issued COSCO SHIPPING Holdings *Compliance Initiative and Compliance Standards*, alongside conducting various training programs. These efforts aim to implement a culture of business ethics throughout our organization, from top to bottom.

The Group conducts specialized business ethics training for the Directors on a regular basis to ensure that the latest compliance requirements are met. The Company organizes training for directors, supervisors and senior management in accordance with the requirements of the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Tianjin Listed Companies Association. The training includes the special training on the reform of the independent director system for listed companies, the training on the responsibilities of directors of listed companies, etc. It also elaborates on and publicizes the duties, declaration of commitment, onboard instructions, business ethics, listing rules and financial compliance for directors, supervisors and senior management.



## Integrity and Anti-Corruption Management

Anti-corruption is one of the core principles of the Group's business development. We strictly follow the requirements of the *United Nations Convention Against Corruption*, the *Foreign Corrupt Practices Act (FCPA)*, the *Criminal Law of the People's Republic of China* and other relevant laws and regulations, and promote a clean corporate culture. The Group's Commission for Discipline Inspection is responsible to formulate and implement anti-corruption policies, strictly regulate the business activities of the entire Group, strengthen anti-corruption supervision and management, and expressly prohibit any employee from offering, accepting or soliciting any form of bribery, or utilizing a third party to offer, accept or solicit any form of bribery, as stipulated in the *COSCO SHIPPING Holdings Compliance Standard*.

**COSCO SHIPPING Holdings**

COSCO SHIPPING Holdings Compliance Standards  
Nine Prohibitions on Bidding

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<p><b>COSCO SHIPPING Lines</b></p> <p>COSCO SHIPPING Lines Compliance Standards Six Prohibitions on the Construction of Ship Management Practices</p>	<p><b>COSCO SHIPPING Ports</b></p> <p>Anti-Corruption Policy</p>	<p><b>OOIL</b></p> <p>Anti-Bribery Management System</p>
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We regularly conduct internal and external integrity audits to prevent and promptly identify any bribery and corruption risks. In addition, as members of the Maritime Anti-Corruption Network, COSCO SHIPPING Lines and Orient Overseas Container Line (OOCL) actively call on all sectors of the industry to take action and work for a clean and fair maritime environment. During the Reporting Period, there were no major litigation cases involving corruption or unfair competition.

To continuously elevate our employees' awareness of compliance in their work, the Group conducts integrity training across multiple frequencies and dimensions. This training is designed to instill the principles of ethical conduct in our employees, alerting them never to cross the line into corruption. Beyond training sessions, we have also launched a "Month of Integrity Education," essay columns, and a variety of other soft measures to promote integrity. These initiatives subtly embed the culture of corporate integrity into the hearts of all members of our organization.



### COSCO SHIPPING Lines Integrity Education Activities



In October 2023, the Discipline Inspection Committee of COSCO SHIPPING Lines carried out the "Integrity Education Month" throughout the company, advocating the establishment of a clean and healthy relationship between employees, customers and suppliers. The activities carried during the month provided positive guidance and negative warnings on Integrity practices by broadcasting integrity education videos, organizing integrity studies, signing integrity initiatives, and releasing the brochure "Appreciation of Integrity".



Since 2001, COSCO SHIPPING Lines has launched the "A Glance of Integrity" column, which publishes new regulations, instructions and internal articles on integrity culture of the Party on a monthly basis. By the end of the Reporting Period, nearly 900 issues had been published. On the 20th anniversary of the establishment of the column, COSCO SHIPPING Lines organized an writing campaign to encourage everyone to bear integrity in mind.

### COSCO SHIPPING Ports "Anti-Corruption" Training and Education



The Hong Kong headquarters of COSCO SHIPPING Ports sent all members of the Board of Directors a training package on business ethics for listed companies produced by the Independent Commission Against Corruption (ICAC) of Hong Kong in November 2023, with the main contents including a practical guide on anti-corruption systems for listed companies, and a short learning focus on the practical guide on integrity for directors training.

The Shanghai headquarters of COSCO SHIPPING Ports and its holding companies in China have selected excellent materials to carry out "anti-corruption" training and education. In the training and education, the headquarter organized 66 people to answer questions on anti-corruption knowledge, 58 people to visit integrity education bases, and carried out conversations on integrity in key areas and key positions such as procurement of materials, investment in major projects, engineering construction and management of scientific research funds.



COSCO SHIPPING Ports' Shanghai Headquarters and Domestic Holding Companies Conducted Anti-Corruption Training and Education

### COSCO SHIPPING Ports Invites Hong Kong Independent Commission Against Corruption to Conduct Specialized Training on Integrity in Practice



In order to further enhance corporate integrity management, promote the construction of a culture of integrity, ensure healthy development of the company and comply with the rules of listed companies, COSCO SHIPPING Ports' Hong Kong Headquarter invited the Hong Kong Independent Commission Against Corruption (ICAC) to visit COSCO Tower in October 2023 in cooperation with COSCO Hong Kong to provide special training on integrity for the staff of Hong Kong Headquarter and the in-service staff of Hong Kong terminals, with a total of 18 employees attending. The main contents of the seminar included introduction of corruption prevention legislation, handling of conflict of interest, and duties of managers.

Special training on integrity with a total of

**18** employees attending



Integrity Training for COSCO SHIPPING Ports' Hong Kong Headquarters



## Whistleblowing and Whistleblower Protection

The Group has all along established a mechanism for reporting and supervision of compliance management violations, encouraging all stakeholders, including employees and external related parties, to report or complain about the Group's violations through open reporting channels, and to promptly conduct investigations and handle the clues of problems reflected in accordance with relevant regulations. The Group has clearly stipulated the reporting requirements, scope of reporting, investigation process and whistleblower protection mechanism of the Company in the *Reporting Management Regulation* of COSCO Shipping Holdings and other rules and regulations.

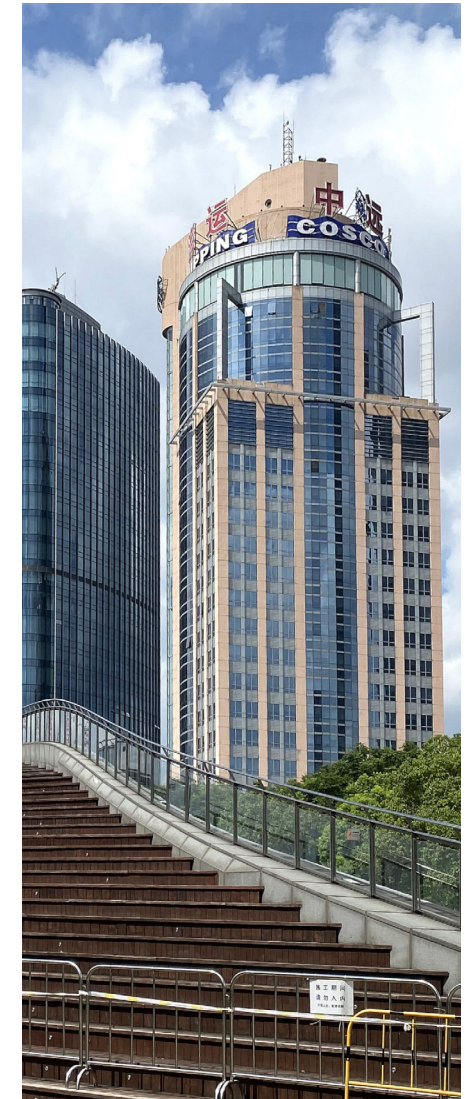
The Group's reporting channels include reporting mailboxes and telephones. In addition, the Group encourages internal employees and external partners to report actual violations of the Group's laws and regulations by setting up a reception day for its leaders, opening up the reception of letters and telephone calls from the public, and carrying out

inspections and special investigations. After a whistleblower initiates a real-name report, the Discipline Inspection Commission will notify the whistleblower to acknowledge the receipt of report and will process the investigation within 15 working days, as far as reasonably practicable. During the investigation, the Disciplinary Committee will provide feedback to the whistleblower on the completion of the investigation as appropriate. Upon full completion of the investigation, the Group will deal with the matter appropriately based on the results. If the suspect has indeed violated the provisions of compliance management and relevant laws, regulations and policies, he/she will be punished in accordance with the provisions of the relevant procedures of the Company, and the relevant responsible persons will be held accountable as appropriate. In case of suspected crimes, they will be transferred to the state supervisory authorities and judicial authorities in accordance with the law.

### Reporting Process



The Group has also established a whistleblower protection mechanism, strictly restricted the accessibility of the whistleblower's information to specialized personnel, and resolutely protect the personal information and personal rights of the whistleblower. The Group commits to protect all privacy and security of whistle-blowers. It is strictly prohibited to dismiss, demote, suspend, threaten, harass, or discriminate in any other form against whistle-blowers, or conduct malicious infringement such as personal injury, and has zero tolerance for retaliation. In the process of verifying the whistle-blower information, we promise to neither actively inquire about the whistle-blower information nor voluntarily disclose the whistle-blower information.





## Anti-Monopoly and Unfair Competition

As an industry leader in ocean shipping, COSCO SHIPPING Holdings insists on leading by example in opposing monopolization, encouraging fair competition, and promoting sustainability of the shipping economy. The Group strictly complies with international and regional antitrust laws and regulations in the regions in which it operates. We formulate and revise internal policies to strengthen antitrust management within the Group and ensure compliant operations. We expressly prohibit disclosure of sensitive company information to competitors, acquisition of competitors' intelligence by improper means, maligning or rumormongering about competitors, entering into monopoly agreements with competitors or counterparties to the transaction, and abuse of dominant position of market power for violations.

### COSCO SHIPPING Holdings



*COSCO SHIPPING Holdings Compliance Standards*

#### COSCO SHIPPING Lines

- Anti-monopoly Compliance Management Measures*
- Anti-monopoly Emergency Response Plan*
- Anti-monopoly Compliance Management Handbook*

#### COSCO SHIPPING Ports

- Anti-monopoly Compliance Guidelines*
- Legal Guidelines on Overseas Mergers and Acquisitions*

#### OOIL

- OOCL Competition Compliance Manual*

The Group actively implements the downward communication of antitrust-related laws and regulations and management systems, and has carried out a number of antitrust-related trainings and activities covering the entire staff of COSCO SHIPPING Holdings. For the continuous updating of international antitrust compliance regulations, such as the *EU Antitrust Exemption Regulation*, COSCO SHIPPING Holdings organized relevant personnel to study, interpret and discuss them in the first instance, to ensure that the management norms are consistent with the latest laws.

### COSCO SHIPPING Holdings Anti-Monopoly Compliance Live Streaming and Web Training



On March 1, 2023, COSCO SHIPPING Holdings conducted a live broadcast and online training on anti-monopoly compliance, focusing on the recent development of competition laws in China, the EU and the U.S., with in-depth explaining on the compliance standards for employees and the response to unannounced anti-monopoly investigations in the context of the company's business, in order to strengthen the awareness of anti-monopoly risks among frontline personnel and enhance the level of anti-monopoly compliance management.



Anti-Monopoly Compliance Training

## Information Security

The Group attaches great importance to information security and strictly complies with the relevant laws and regulations, and has always considered information security as the lifeline of our business operations. As the cyber environment becomes increasingly complex and threats to cyber security continue to grow, we actively take measures to safeguard information and data security and cyber security, and conduct training and drills to implement information security awareness.

COSCO SHIPPING Lines has upgraded its application defense level and systematically ensured the implementation of security measures by continuously standardizing the network security operation mechanism, introducing cutting-edge protection technologies and conducting in-depth research on hacking behaviors and their hazards. COSCO SHIPPING Lines' IRIS4 main business system was used as a target system for two consecutive times to participate in the national network protection operation organized by the Ministry of Public Security.

OOIL has formulated the *Office Data Protection Framework* and implemented data protection in strict accordance with the framework. The framework categorizes all business documents and e-mails into four categories according to their sensitivity, i.e. Secret, Confidential, Restricted and Public, in order to enhance data privacy and cybersecurity in daily operations and to further strengthen risk awareness as well as data protection. OOIL has obtained ISO 27001 certification.

In addition, COSCO SHIPPING Ports has formulated the *"Provisions on Network Security Management of COSCO SHIPPING Ports Company Limited"* and issued the *"Measures on the Duties of COSCO SHIPPING Ports Company Limited on Network Security and Management of Headquarters Informatization Office Equipment (Trial)"* and the *"Provisions on the Management of Informatization and Measures on Examination of COSCO SHIPPING Ports Limited (Revised)"* to standardize the management of informatization and network security of the COSCO SHIPPING Ports and to improve the capability and level of overall protection and to safeguard and promote the healthy construction of informatization.

### Lianyungang New Oriental Port Cybersecurity Drill



On August 9, 2023, Lianyungang New Oriental Port organized and held a kick-off meeting of network security drill, aiming at proactively guarding the network security defense line and creating a safe and stable network environment. At the kick-off meeting, Lianyungang New Oriental Port publicized the precautions in information security work, focused on the threats of weak passwords, WeChat and email phishing, and formulated the methods of standardized operation for key positions and people.

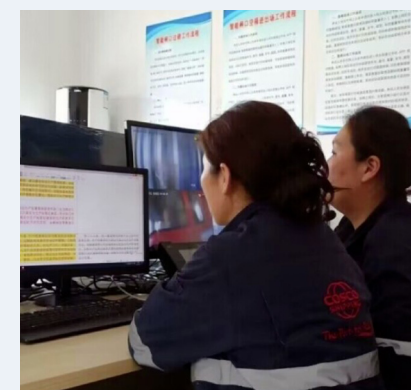


Cybersecurity Drill Kickoff Meeting

### Lianyungang New Oriental Port Cybersecurity Detection



On August 30, 2023, the checking and recording team of Cargo Management team of Lianyungang New Oriental Port's Operation Department organized the training of "network security" around the "matters that should be known and understood about network security". In addition, the team inspected the computers in the centralized control room and each shift room systematically to comply with the requirements of not opening electronic documents of unknown source, preventing multiple systems from using a set of passwords, and strictly prohibiting computers from opening without passwords. Once network abnormalities were found, the team contacted the IT in a timely manner and took measures.



Cybersecurity Learning

# 03

## Green Transformation

Achieving a green future through low-carbon strategy

- Climate Change Response
- Green and Low-Carbon Development
- Implementing Environmental Protection



COSCO SHIPPING Holdings actively responds to climate action, identifies climate change risks and develops strategies to address them. We are committed to building a climate-friendly shipping business with green fuels, green shipping and green ports, and helping the sustainability of the global shipping industry by implementing energy-saving and carbon reduction initiatives.



The shipping industry is one of the industries that are highly affected by climate change. As a leader in the shipping industry, the Group actively responds to climate change and deeply recognizes the importance of living in harmony with nature, incorporating the concepts of green development and environmental friendliness into its corporate development plans.

COSCO SHIPPING Lines, and 57%<sup>2</sup> of the terminals held by COSCO SHIPPING Ports have been awarded the Environmental Management System (EMS) Certificate (ISO 14001). OOCL has also strictly complied with the environmental management requirements of the Safety, Quality and Environmental Management System (SQE). By exploring the possibilities and opportunities of energy transition, implementing energy-saving and carbon reduction initiatives, reducing pollutant emissions and minimizing environmental impacts, we are injecting China's power into the green development of global maritime transportation.

<sup>2</sup> The scope of the data is the completed terminals of COSCO SHIPPING Ports



## Climate Change Response

With the growing problem of global climate change and the increasing risks faced by the shipping industry, actively responding to climate change has become a key factor for ocean shipping companies to achieve positive development. The Group, as a leading player in the industry, has made ecological environmental protection a fundamental principle of its operations. While actively exploring the feasibility of green shipping, we have carried out systematic identification and response analysis of risks and opportunities related to climate change with reference to the framework of the Working Group on Climate-Related Financial Disclosure (TCFD) and set up GHG emission reduction targets.

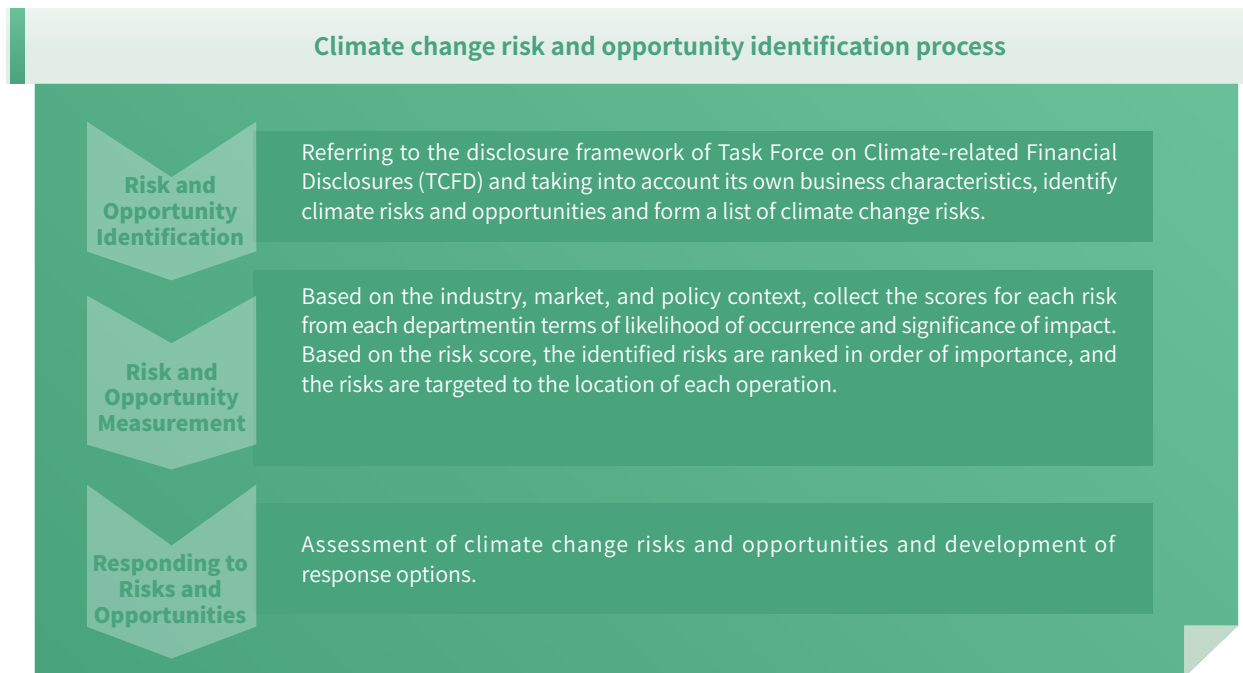
### Governance

COSCO SHIPPING Holdings has established a comprehensive climate risk governance structure and has incorporated climate-related risk management into the company's risk management system, and has included energy saving, emission reduction and environmental protection-related indicators in the remuneration of its executives. The Board of Directors is responsible for COSCO SHIPPING Holdings' ESG strategy and performance, and the Risk Control Committee is responsible for considering the climate change risk control strategy and risk assessment report, and guiding the formulation of sustainability strategies, objectives and management policies.

### Strategy

Based on its own business characteristics and global shipping development trends, the Group is actively engaged in the identification of climate-related risks and the sorting out of potential financial impacts. A well-established risk identification process is the key to accurately assessing climate change risks and opportunities in the course during business operations. Through the three-step process of risk and opportunity identification, measurement and monitoring, the Group evaluates and prioritizes

the business and financial impacts that may be generated by climate change risks and opportunities, and adopts measures to mitigate, transfer or control the risks, while proactively grasping the important opportunities arising from climate change.



With reference to different climate change scenarios and in conjunction with business development, the Group has identified several physical risks and transition risks and further analyzed the corresponding operational and financial impacts. Among them, physical risk refers to the risk associated with the impact of acute climate events and long-term climate pattern shifts on physical assets; while transition risk refers to the risk associated with the process of transitioning to a low-carbon economy, such as the market risk arising from changes in policy and regulation, and customer behavior. Based on the identified risks and opportunities related to climate change, the Group has formulated a climate change response strategy, proactively put in place an extreme weather response plan to ensure the smooth operation of its business, and promoted the green transformation of international shipping from different dimensions to be an actor in addressing climate change.



### COSCO SHIPPING Holdings Climate Change Risk Identification Checklist

Climate Change Risk Identification				
Category	Risk	Description	Response	Potential financial impact
Physical risks	Acute risk	<p>Flood (including rainstorms and river overflows)</p> <ol style="list-style-type: none"> <li>1. Heavy rain 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.</li> <li>2. Low visibility and abrupt rise in water levels and water velocities lead to reduced maneuverability of canal locks and ships, which affects navigation restrictions and ship berthing of sea routes.</li> <li>3. Extreme precipitation may lead to sudden flooding, affect the operation of inland roads, railways, docks and inland waterways, and hinder normal business operations.</li> <li>4. The safety of the ship, crew and cargo is affected, resulting in delayed shipment and claims for damage to the cargo.</li> </ol>	<ol style="list-style-type: none"> <li>1. Formulating emergency plans</li> <li>2. Conducting emergency drills for typhoon and flood control</li> <li>3. Providing equipment to prevent and combat typhoons</li> <li>4. Formulating safety inspection system and conduct regular inspections</li> <li>5. Strengthening meteorological monitoring and early warning</li> <li>6. Regularly updating the guidelines for typhoon and flood control</li> <li>7. Strengthening ship-shore liaison to ensure smooth operation of typhoon and flood prevention work</li> </ol>	<p>Verification and early scrapping of existing assets</p> <p>Difficulties in transportation and Increased operating costs</p>
		<p>Strong wind/cyclone</p> <ol style="list-style-type: none"> <li>1. It is difficult to forecast strong winds, which could damage the ship infrastructure and related facilities, ships or cargo, causing continuous interruptions of operations and loss of assets.</li> <li>2. Strong wind or cyclone affects the speed and direction of ships, making them deviate from or change their sea routes. This would result in shipment delay and also prevent ships from berthing and arriving at the port on time, resulting in the containers not being delivered on time, which increases the operating costs and reduces income. For ports, ships delays caused by strong wind and cyclone will increase the pressure on traffic management, resulting in increased cost.</li> <li>3. Extreme weather will threaten the safety and health of personnel. Under the condition of strong wind/cyclone, the working hours and conditions of employees should be strictly limited, which will affect the operating efficiency and increase the operating cost.</li> <li>4. If ships encounter typhoon/cyclone/storm, they may sink due to high waves and storms caused by typhoon/cyclone/storm, resulting in loss of profits.</li> <li>5. Under the condition of typhoon with high wind velocity, the port crane not being able to unload/load cargo will interrupt the operation and result in loss of profits.</li> </ol>		
	Chronic risk	<p>Ocean acidification</p> <p>Sea temperature rise</p>	<ol style="list-style-type: none"> <li>1. Seawater temperature rise and ocean acidification accelerate the corrosion of ship hull, so it is necessary to use materials with higher corrosion resistance and pay higher maintenance fees.</li> <li>2. Seawater temperature rise and ocean acidification accelerate the corrosion of port infrastructure submerged in seawater and related infrastructure and facilities, so it is necessary for the port to use materials with higher corrosion resistance and pay higher maintenance fees.</li> </ol>	<p>Carrying out a number of energy-saving and carbon-reducing green initiatives to help keep the global temperature rise within 1.5° C:</p> <ol style="list-style-type: none"> <li>1. Implementing fuel-saving initiatives for shipping to reduce carbon emissions in the shipping process</li> <li>2. Connecting to shore power to create green operations in ports</li> <li>3. Trying to use biofuel to reduce fuel emissions from shipping</li> </ol>
<p>Rising sea level</p>		<ol style="list-style-type: none"> <li>1. Rising sea levels change wave and tidal patterns, affecting the schedule of shipping companies.</li> <li>2. Tidal changes affect the sedimentation of the waterways, which reduces the smoothness of the waterways. So dredging works are required, and the operating costs rise.</li> <li>3. If the sea level rises, some ports in low sea level areas may sink and no longer be used. The routes must be changed, and the operating costs rise.</li> </ol>	<ol style="list-style-type: none"> <li>1. Timely tracking and forecasting of sea level rise</li> <li>2. Tidal change affects the sedimentation of waterways to reduce their accessibility, requiring dredging and increasing operating costs</li> <li>3. If the water rises, some ports in low sea level areas may sink and will no longer be able to be used. Navigation routes will have to be changed, increasing operating costs</li> </ol>	<p>Affected workforce management and planning</p> <p>Increased operating costs</p>





Climate Change Risk Identification						
Category	Risk	Description	Response	Potential financial impact		
Transition risks	Laws and Regulation Risk	Existing requirements and supervision of products and services	1. In July 2023, the International Maritime Organization (IMO) revised its initial strategic target for GHG emissions reduction from ships at its MEPC80 meeting, requiring total annual GHG emissions from the international shipping industry to be net-zero by 2050 or thereabouts. 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.	1. Setting GHG emission targets and committing to meet the IMO Net Zero Emission Standard for ships by 2050 2. Continuous disclosure of greenhouse gas emissions 3. Carrying out a number of energy saving and consumption reduction initiatives: voyage process control, shore power retrofitting 4. Trying to use biodiesel and analyzing its cost feasibility	Increased operating and maintenance costs	
		Implement carbon pricing mechanism	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.	1. Carrying out a number of energy saving and carbon reduction initiatives to reduce carbon emissions from operations 2. Continuous tracking and management of carbon emissions from operations	Increased operating costs	
		Strengthen emission reporting obligations	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.	1. Continuous disclosure of greenhouse gas emissions 2. Establishment of a rigorous ship dynamics monitoring system to track fuel consumption during ship transportation and disclosure of relevant data	Increased operating costs	
	Market risk	Customer behavior change	1. Customers put forward relevant requirements for reducing carbon emissions in container transportation business. If customers' energy-conservation and carbon-reducing targets can't be met, there will be fewer orders or more idle ships, which will increase operating costs. COSCO SHIPPING Holdings should be aware of these risks, actively communicate with customers, and make clear their needs to ensure that the company can still provide flexible end-to-end logistics services for them. 2. Increase in indirect (operating) costs: The increase in customers' demand for low-carbon services and green transportation will accelerate the formulation of the transition strategy to carbon neutrality, which increases R&D expenses.	1. Carrying out a number of initiatives to save fuel for shipping 2. Connecting to shore power and building green low-carbon terminals 3. Providing customers with Hi Eco green shipping low-carbon services 4. Providing carbon emission calculator for customers to calculate the carbon emission in the process of shipping	Changes in consumer preferences lead to a decline in demand for goods and services	
		Rising cost of fuel oil	1. Higher oil prices increase operating costs. 2. The market price of low-sulfur oil fluctuates greatly, which will affect the operating cost. 3. The use of other energy sources increases operating costs.	1. Installing desulphurization device to reduce the emission of sulfide from common fuel oil 2. Connecting to shore power to reduce the consumption of fuel oil by vessels	Rising raw material price leads to the increase of production cost	
	Reputation	Change in customer preferences	1. Customers put forward relevant requirements for reducing carbon emissions in container transportation business. If customers' energy-saving and carbon-reducing targets can't be met, there will be fewer orders or more idle ships, which will increase operating costs. 2. If the Group fails to meet the customers' requirements for sustainability, such as energy conservation and consumption reduction, and become a low-carbon leader in the industry, then the existing customers may turn to other companies. The loss of corporate customers, which in turn reduces income.	1. Carrying out a number of initiatives to save fuel for shipping 2. Connecting to shore power and building green low-carbon terminals 3. Providing customers with Hi Eco green shipping low-carbon services 4. Providing carbon emission calculator for customers to calculate the carbon emission in the process of shipping	Decline in demand for goods and services	
		Growing concern of stakeholders about negative feedback	1. If the environmental performance and disclosure are not inadequate, then investors and customers may choose the company's competitors instead, resulting in a decrease in the company's income. 2. Investors put forward requirements for the use of new/renewable energy. 3. Customers and investors are increasingly interested in environmental performance. If the Group does not comply with IMO regulations, it may lose its contracts and investment.	1. Actively disclosing the Group's environmental performance 2. Carrying out a number of energy-saving and carbon reduction initiatives, and committing to providing green shipping services to our customers 3. Exploring the application of renewable energy in the shipping industry by trying to use biodiesel instead of conventional fuels	Decline in demand for goods and services	



### Strategies for Responding to Climate Change Opportunities

#### Energy Sources

#### Use of biofuels on cargo ships

- Replacing high carbon emission fuel oils requires the use of renewable energy sources with low/zero carbon emissions in long-term development. Therefore, biofuel-related products can be developed to attract more customers with low carbon requirements while reducing emissions.

#### Resource Efficiency

#### Adoption of more energy efficient transportation modes

- Continuous improvement of energy efficiency, meeting the requirements of energy efficiency management such as IMO, EEDI, etc., reducing fuel consumption and thus reducing costs and emissions.

#### Products & Services

#### Reduction of Carbon Emissions from Shipping Services

- Reducing carbon emissions associated with shipping services through the implementation of initiatives such as fuel saving and efficiency in navigation, building green terminals, and planning for energy transition, in order to provide customers with low-carbon and sustainable shipping services and attract customer with a tendency to consume in a green manner.

#### Markets

#### Climate change affects customer choice

- Developing Hi Eco Green Shipping Low Carbon Service by providing customers with low carbon service options and providing customers with a carbon calculator to calculate carbon emissions during shipping to enhance market competitiveness.

### Metrics and Targets

In order to actively respond to the global call for greenhouse gas (GHG) emission reduction, COSCO SHIPPING Holdings continuously monitors and regularly discloses its GHG emissions. In addition, in order to further control the impact on the environment in the course of production and operation, the Group has set a GHG emission target and is moving towards the target in an orderly manner through the building of green ships, energy saving and carbon reduction, emission management and other initiatives, so as to achieve the carbon neutral target. The Group will continue to track the process of this target as the quantitative achievements of the emission reduction initiatives during the Reporting Period, and strive to achieve the IMO target for the shipping industry to reach net-zero GHG emissions by or around 2050.

### COSCO SHIPPING Holdings' GHG Emission Goals and Current Status

#### Goals set for GHG emissions<sup>3</sup>

In 2030, the GHG emission intensity of container shipping business will decrease by

**12%** compared with 2019

In 2030, the GHG emission intensity of the holding terminals will be reduced by

**20%** compared with 2020

**Achieve carbon neutrality** by 2060

**Achieve IMO net-zero emissions standards for vessels** by or around 2050

#### Total GHG emissions in 2023

In 2023, the total GHG emissions of container shipping business were

**19,842,941** t CO<sub>2</sub> eq.

In 2023, the total GHG emissions of the holding terminals were

**226,656** t CO<sub>2</sub> eq.

<sup>3</sup>Unit of measurement: container business: grams of carbon dioxide equivalent per ton kilometer; terminal business: kilograms of carbon dioxide equivalent per TEU



# Green and Low-carbon Development

As a leading company in the shipping industry, COSCO SHIPPING Holdings leads by example, always practicing the concept of "energy conservation, carbon reduction, and green development" in its operations, and is committed to reducing the environmental impact of its business operations. In the Group's container shipping business, we continue to reduce GHG emissions from our operations through the promotion of cleaner fuels, ship maintenance and route optimization. Meanwhile, in the port business, the Group continued to optimize energy consumption in ports, further implement the use of shore power, and reduce fuel emissions from vessels, so as to achieve the sustainability of the enterprise and the harmonious coexistence of the ecological environment. By strengthening green and low-carbon management and implementing energy saving and emission reduction initiatives, the Company was awarded as follows during the Reporting Period.

## Awards



November 2023 List of the "Top 50 Carbon Neutralization" of the First China Reform Cup · ESG Golden Bull Award



November 2023 Awarded "Excellent Case of ESG Green and Low Carbon Technology Innovation Award" of Xinhua Credit Jinlan Cup



## Green Energy Consumption

Against the background of global climate change, "green shipping" has become an important momentum in the international shipping industry. Fuel oil is the main energy source for container transportation, but traditional fuels have the disadvantages of high emissions and non-renewable. The use of biofuel to replace traditional fossil fuels has become a widely recognized international solution to reduce emissions. The Group endeavors to reduce carbon emissions from its own operations by replacing traditional fuels with biofuel.

During the Reporting Period, COSCO SHIPPING Lines carried out a biofuel pilot project on COSCO Venus and Sagittarius, with a total consumption of 2,500.5 tons of biofuel, to promote the reduction of GHG emissions from vessels. OOIL also actively carried out work related to the biofuel substitution project. During the Reporting Period, it has successfully secured the supply of customized B24 biofuel, which is a blend of used cooking oil methyl ester (UCOME) and very low-sulphur fuel oil (VLSFO), and was refueled by barge to OOCL's container vessels. COSCO SHIPPING Holdings will continue to explore the possibility of using biofuels in a further effort to promote the process of sustainability.

### COSCO SHIPPING Lines Biofuel Pilot Project



During the Reporting Period, in order to improve the CII rating of COSCO Venus, it was decided to refuel the vessel with 1,996.7 tons of B24 biofuel after discussion and coordination, which could reduce CO<sub>2</sub> emissions by approximately 1,240.5 tons. During the Reporting Period, COSCO SHIPPING Lines used a total of 503.8 tons of B20 biofuel onboard Sagittarius, which was used under normal conditions, and achieved a reduction of about 259 tons of CO<sub>2</sub> emissions.

### Goals set for energy use

Own the Clean Fuel Fleet

Based on the use of biofuel, COSCO SHIPPING Lines has launched the Hi ECO Green Shipping product created through the use of green biofuel, which is based on the Well To WAKE full life cycle model statistics, and through which customers can order climate-friendly shipments, reduce carbon emissions in the transportation process, satisfy customers' needs for environmentally friendly transportation, and realize green shipping. Customers using this product will also be awarded a green shipping certificate, which encourages customers and partners to join us in reducing emissions and environmental protection actions to protect the Earth's homeland.



## Green Fleet Building

One of the most important ways to realize fuel-efficient and low-carbon voyages is to build an advanced, energy-saving green fleet. COSCO SHIPPING Holdings has ordered twelve 24,000 TEU methanol dual-fuel-powered container ships, which are expected to be delivered from the end of 2026. When these new vessels come into operation, their GHG emissions will be significantly lower than those of traditional fuel vessels. In the future, COSCO SHIPPING Lines and OOCL will adopt green and low-carbon or zero-carbon fuel technologies for all newly built ships, contributing to the green and low-carbon transformation of the fleet.

### COSCO SHIPPING Holdings Ship Energy Efficiency Improvement Design Solution

#### Energy efficiency improvement in ship design

- Select the best combination of hull form, propeller, and energy-saving device that meets the needs for operational conditions through optimization, screening, and comparison test of the ship models to maximize the propulsive performance.
- Use energy-saving devices installed before and after the propulsion system to raise propulsive efficiency and reduce fuel consumption.
- Equip new ships with various energy saving and emission reduction technologies including efficient main engine, axle generator, frequency conversion control system, heating ventilation and air conditioning (HVAC) system, high voltage shore power facilities, and reserve adequate space for air lubrication systems to make it possible to upgrade and retrofit in the future.

COSCO SHIPPING Lines' newly built ships consistently follow the design plan for energy efficiency improvement of ships and adopt advanced technologies for energy saving and emission reduction. As of the end of the Reporting Period, all newly built ships of COSCO SHIPPING Lines meet the requirements of the International Maritime Organization Ship Energy Efficiency Design Index Phase III.

COSCO SHIPPING Lines has also carried out a series of maintenance and renovation initiatives for its old vessels, such as hull scavenging of marine organisms and technological renovation, etc., with the aim of improving the energy efficiency of its old vessels, lowering their operating fuel consumption, and reducing carbon emissions in the course of shipping. During the Reporting Period, COSCO SHIPPING Lines completed the combination of propeller and bulbous bow modification for four 4,250 TEU vessels, and propeller modification for one 10,000 TEU and three 13,000 TEU vessels.

OOCL continued to push forward the delivery of 22 new containerships to strengthen the competitiveness of its fleet through the introduction of large, modernized vessels with low energy consumption. The new vessels, which will be delivered between 2024 and 2025, are expected to have an Energy Efficiency Design Index (EEDI) that is 52% lower than the maximum allowable index set by IMO, and will use the latest engine technology, intelligent vessel performance monitoring systems and other state-of-the-art equipment to achieve better digitalization and higher operational efficiency and reduce carbon emissions.



## Green Ports Construction

As an important part of shipping transportation, ports provide loading and unloading places and energy material supplement for ships. Due to the large amount of air pollutants and particles etc. generated by the combustion of fuel oil, causing environmental pollution, the use of shore power system to deliver electricity to ships when they are docked instead of generating electricity through fuel oil combustion of their own units can significantly reduce the consumption of fuel oil by ships, thus realizing the reduction of air pollution. Adhering to the principle of green development, the Group actively promotes the construction and use of shore power at ports and shore power for vessels, so as to reduce fuel oil consumption and exhaust gas emission when vessels are docking while ensuring transportation capacity. After the transformation to shore power, the vessel can realize 97% reduction of NOx, 96% reduction of SOx and 96% reduction of particulate emissions compared with traditional marine fuel oil, which greatly reduces air pollution and creates green ports.

### Goals set in 2022 for energy use

In 2030, the energy consumption intensity of the holding terminals will decrease by

**15%**

compared with 2020.

### Progress towards the goals by 2023

Number of ships installed with shore power systems: .....

**145**

Compared to 2020, the energy intensity of holding terminals is reduced

**19%**

in 2023

At present, COSCO SHIPPING Ports has realized full coverage of shore power at container berths of its domestic holding terminals, providing ships with marine power and assisting them in effectively reducing carbon emissions, exhaust gas emissions and noise pollution during port calls. In addition, COSCO SHIPPING Ports, OOCL and COSCO SHIPPING Lines have jointly initiated and promoted *the Initiative to Promote the Use of Shore Power by Vessels at Berth*, to promote shore power renovation projects, and to turn terminals into green harbors for shipping.

### Shore power usage of the Group's fleet in 2023

#### Overseas ports

The amount of shore power connections were made at the ports of Long Beach, Los Angeles, and Oakland in California, U.S.A.

**135** times

Shore power consumption .....

**10,120** MWh

#### Domestic ports

Domestic ports used shore power for a total of

**699** vessels

Shore power consumption .....

**13,640** MWh

In addition to accessing shore power, COSCO SHIPPING Ports vigorously develops distributed photovoltaic in its holding terminals, utilizing the building roofs on the terminal sites to build photovoltaic power stations to provide clean power for the port. COSCO SHIPPING Ports has formulated and strictly enforced the *Management Regulations on Energy Conservation and Emission Reduction of COSCO SHIPPING Ports Limited (Revised)*, and has realized the goal of saving energy consumption and improving energy efficiency at its terminals by upgrading and installing energy-saving lighting systems and upgrading the energy efficiency of equipment. We promoted electric unmanned collector trucks and other equipment at terminals in Xiamen and Wuhan to improve the intelligence of the terminals while significantly reducing the carbon emissions generated by the loading and unloading process at the terminals. We upgraded the lighting systems at our terminals in Xiamen, including loading and unloading and warehouses, and installed more than 1,500 sets of energy-saving LED lamps. In addition, air-source heat pumps and ground-source heat pumps are used for heating in some terminals, saving 90 tons of diesel fuel and reducing carbon dioxide emissions by 275 tons per year.



## Fuel-Saving Initiatives for Navigation

As a pioneer in the global shipping industry, the Group implements and promotes the monitoring and control of fuel oil usage with the help of advanced technology in digital shipping, and promotes fuel-saving measures in navigation to realize the efficient use of fuel oil. COSCO SHIPPING Lines promotes green development by formulating the "Management Measures for Energy Conservation and Emission Reduction" and cooperating with all relevant departments to implement fuel saving and carbon reduction initiatives in the shipping process.

In order to avoid unnecessary carbon emissions during the shipping process, COSCO SHIPPING Lines has imposed

requirements on the shipping speed of all transportation vessels to avoid excessive fuel consumption caused by unreasonable acceleration. During the Reporting Period, COSCO SHIPPING Lines formulated a deceleration plan, and through enhanced coordination with vessels as well as domestic and overseas ports and terminals and other parties, scientifically and reasonably arranged the shipping schedules to minimize the vessels' stay in ports and avoid over-consumption of fuel due to accelerated rush.

The actual situation of ship navigation fuel consumption lays the foundation for the formulation of fuel saving plans and the implementation of fuel saving measures. COSCO

SHIPPING Lines has established a rigorous ship dynamic monitoring system (COVRS) to achieve full coverage of ship operation monitoring, actively optimize route selection, avoid adverse sea conditions, realize berthing plan, rationally arrange arrival speed and reduce fuel consumption. Based on the data obtained from the COVRS system, COSCO SHIPPING Lines follows the whole process of management and inspection of budget (pre-control) - operation monitoring (mid-monitoring) - fuel cost analysis (post-checking, etc.), and carries out 24-hour real-time monitoring and control of ship fuel consumption.

### COSCO SHIPPING Lines Fuel Control Measures

#### Captain's pre-sailing feedback

The captain gave feedback on voyage fuel consumption in accordance with the fuel consumption feedback form for completed voyages stipulated by the fuel management, and overconsumption voyages need to be reported strictly according to the voyage section for overconsumption caused by cold box, waiting for berth (anchoring, terminal delay), demurrage and rounding, adding vehicles and high slip rate in bad weather. During the reporting period, the pre-sailing feedback from the chief engineers reached more than 350 times, with a coverage rate of 100%.

#### Strengthen the assessment of fuel consumption of vessels

Considering several dimensions, such as unit consumption, voyage fuel consumption, cold tank fuel consumption, whether it is technologically reformed, whether it is an energy-saving ship, main and auxiliary engine fuel consumption rate, berthing fuel consumption, stopping and waiting for berthing fuel consumption, etc., the ship has formulated the standards for controlling the berthing fuel consumption, stopping and waiting for berthing fuel consumption, and the standard for the quota of cold tank fuel consumption. During the reporting period, more than 3,600 vessels were assessed, with a coverage rate of 100%.

#### Refinement of fuel quantity inspection

Maintain a comprehensive checking posture on fuel oil supervision of vessels and removal of dirty oil and water, strengthen all-round monitoring of vessels before arrival, during the period of harbor and after departure, seal the oil spill hatches of all owned vessels and include them in the scope of sealing management, and arrange barge monitoring for all vessels that can not board the vessels to measure the fuel oil in the event of force majeure.

#### Regularly update the ship's fuel consumption control index and monitor it

Vessel fuel consumption control indexes are regularly updated, and effective monitoring of vessel fuel consumption is carried out in the form of completed voyage fuel consumption feedback form and cold tank fuel consumption feedback form. During the reporting period, more than 880 vessels were issued with voyage fuel consumption indicators, with a coverage rate of 100%.

#### Strengthen the audit of vessel refueling documents

Closely monitor the bunkering and fuel consumption quantities of all vessels to ensure that the bunkering, fuel consumption and fuel storage of each vessel are within reasonable limits; provide timely feedback to the Bunker Procurement Department on disputed bunkering quantities and track the follow-up results.

#### Award the best ship in fuel consumption control

The best ship in fuel consumption control is selected monthly and quarterly according to routes and ship types and announced to all relevant departments and fleets of the company, so as to stimulate the motivation of energy saving and consumption reduction of the ships, thus realizing the fine management of fuel oil of the ships.



OOCL also monitors the fuel energy efficiency of its vessels and continuously optimizes vessel performance to achieve fuel energy efficiency improvements through the implementation of the Energy Efficiency Management Plan (SEEMP), which provides an Energy Efficiency Operating Index (EEOI) for all vessels and measures the impact of sailing schedules and new technologies on the efficiency of fuel use.

## Carbon Emission Calculator and Emission Monitoring

In order to assist customers in calculating the amount of carbon dioxide emissions in their supply chains, and to better help them drive their supply chains to achieve their emissions reduction targets, COSCO SHIPPING Lines and OOIL launched the Carbon Emissions Calculator in 2010, which provides customers around the world with an advanced dynamic carbon emissions calculation tool in accordance with the requirements of the guidelines of *Circular MEPC.1/Circ.684* issued by the International Maritime Organization (IMO).

During the Reporting Period, the Group upgraded the calculator, reorganized and created the fuel oil carbon emission calculation model, added the Carbon Intensity Indicator (CII) monitoring data, which more intuitively shows the current CII ratings of all the vessels in the fleet, and based on the fuel oil model combined with the ship schedules, predicted the CII of the vessels by the end of the year, in order to Ensure compliance with IMO's CII requirements and make progress in decarbonization.



## Carbon Intensity Management of Vessels

### Track key CII vessels

Weekly tracking of key CII vessels, the main tracking parameters include mileage, sailing time, berthing time, main engine rotational speed, speed, slip rate, total fuel consumption, single nautical mile fuel consumption, etc., and analyze the change of CII value and other aspects, and form a report on the results of tracking and analysis and submit it to the relevant departments for early warning.

### Analyze and communicate with CII-rated E-class vessels

Analyze and compare half-year voyage and fuel consumption data of CII-rated E-class vessels and historical voyage fuel consumption data of vessels of the same route and type, and communicate with the vessels on the analysis results for early warning.

### Analyze CII value during vessel repair

Tracking the fuel consumption during the repair of 86 docked vessels during the reporting period, adding the function of adding energy consumption data during the period of vessel surrender or ship repair, analyzing its impact on the CII value, and submitting optimization suggestions to the relevant management departments and vessels.

As of the end of the Reporting Period, COSCO SHIPPING Lines had a total of 178 owned vessels and 208 chartered vessels, with an overall good performance in terms of vessel CII ratings.



## Green Office

COSCO SHIPPING Holdings implements the concept of green office into the daily office operation process, and through a series of scientific management and technical measures, it has effectively reduced the comprehensive energy consumption of office buildings. In the daily management of office buildings, the Group analyzes energy consumption statistics and the actual situation, reasonably formulates future energy consumption plans, and selects new energy-saving technologies and energy-efficient products. We also strengthen the training of the property management staff of the buildings in energy consumption measurement, and analyze the energy consumption and expenses every month, so as to control the energy consumption of the office premises within a reasonable range as far as possible. In addition, we advocate our employees to "use less, not more, and turn off, not turn on", encouraging everyone to conserve resources as much as possible, and to work in a green office.

## Green and Low Carbon Training

While paying attention to the impact of our operations on the environment, we are committed to instilling the concept of living in harmony with nature into the hearts of every employee. Through education and training and energy saving programs, COSCO SHIPPING Holdings conveys green concepts to its employees and builds a corporate culture that contributes to sustainability.



### Education and Training on Green and Low Carbon Transformation and Development



During the Reporting Period, a total of 11 training sessions on green transformation were conducted, covering some employees of COSCO SHIPPING Lines and Shanghai Ocean Shipping Co., Ltd. The contents of the training included new policies and development trends of international and domestic green and low-carbon shipping, technical routes of carbon emission reduction in shipping, the most urgent work and response strategies currently faced by shipping enterprises, and policies and practices of pollution reduction and carbon reduction in shipping.

During the Reporting Period, a total of .....

**11** training sessions on green transformation were conducted

### "Energy Saving and Carbon Reduction, We Are Together" publicity activities



In accordance with the theme of "Energy Saving and Carbon Reduction, We Are Together" in 2023, the Company focuses on the theme of the activity, and carries out a variety of publicity activities in accordance with the actual situation of the enterprise itself. We actively publicize energy-saving culture, popularize energy-saving knowledge, enhance the energy-saving awareness of all employees, and cultivate the thrifty and frugal mode of production and consumption among all employees. During the Energy Conservation Awareness Week, the theme slogans of the activity were scrolling on the big screen in the public area, popularizing the knowledge and concept of the activity. The concept of energy saving and environmental protection was incorporated more deeply into the daily work of the staff, and the publicity and education activities on the current national conditions of our country and resource conservation were carried out in depth, which further strengthened the awareness of resource worries of all staff.





## Implementing Environmental Protection

As a pioneer of ecological environment protection in the global shipping industry, COSCO SHIPPING Holdings has always strived to make a positive impact on the protection of the marine environment. In compliance with laws and regulations, the Group is responsible for making its best efforts to minimize the impact of shipping on the environment and contribute to the development of green and low-carbon shipping.

### Goals set for ballast water management

All foreign trade ships shall be equipped with ballast water treatment systems that meet IMO and USCG requirements

Strengthen water resources management and improve water use efficiency

### Progress in achieving the goals in 2023

The number of ships installed with ballast water treatment system in the Group is

225

The percentage of ships of the Group installed with ballast water treatment system:

90.7%

The efficient use of water resources and compliant discharges are closely linked to the daily lives of crews and the health of marine ecosystems when sailing the vast ocean. During the shipping process, the Group strictly manages the ballast water and oily sewage discharged from ships, establishes a clear and comprehensive ballast water and oily sewage management process, explicitly prohibits ships from violating relevant laws and regulations as well as industry conventions, and protects the blue sea with a high degree of self-discipline and social responsibility.

### Water Usage

COSCO SHIPPING Holdings attaches great importance to the efficient use of water resources and optimizes the utilization of water resources by continuously exploring seawater desalination technology. The Group's water is mainly derived from desalination and only a small part is sourced from freshwater consumption, so water source has not been an issue. The ships of the Group are equipped with desalination equipment that converts seawater into drinking water to provide onboard water for the crew. To further improve the efficiency of water resources use, the Group continuously cultivates its employees' water-saving awareness and habits, and encourages them to actively participate in the optimization and utilization of water resources on ships.

COSCO SHIPPING Ports also actively implements various water resources management measures, regularly checks the water supply network, water-saving equipment, and systems of the affiliated holding terminal, confirms the facilities and water resources utilization, and avoids waste of resources. In addition, the affiliated holding terminal also reuses the wastewater from vehicle washing to improve the utilization rate of water resources, and regularly carries out publicity and education on natural resource management to strengthen employees' awareness of water conservation.

### Ballast Water Management

Excellent ballast water management not only prevents damage to marine ecosystems, but also reduces the risk of species invasion and dispersal, contributing to the protection of marine ecosystems and biodiversity. In order to effectively manage ballast water, the

Group strictly abides by *the International Convention on the Control and Management of Ship Ballast Water and Sediments* issued by IMO, and implements a series of system documents such as *the Instructions for Management of Ballast Water and the Ballast Water Management Plan*.

The Group strives to ensure that vessels are always operated in accordance with the highest environmental standards. We continually improve and innovate by equipping commercial ships on international voyages with advanced ballast water treatment devices, and comprehensively manage ballast water through four aspects: ballast water operation, replacement, safety inspection and recording.

Control ship speed	Control the ship speed according to the schedule, meet the requirement of "on-time arrival", and avoid anchoring or stagnation as much as possible
Control MGPS current	Control the current of marine growth prevention system (MGPS) of large container ships within a reasonable range to prevent marine organisms from breeding in seawater pipelines, causing pipeline corrosion and affecting the safe navigation of ships
Cleaning the filter	Regularly clean the submarine gate filter and cooler filter, try to complete the cleaning work during the berthing of the ship, and uniformly withdraw the cleaned garbage and other garbage from the shore
Regulation of ballast water	Correct use of ballast water treatment systems to regulate ballast water and minimize impacts on ecosystems while ensuring the safe operation of vessels

### Ballast water management measures

Meanwhile, the Group requires the crew to clean the ballast water and sediment of all parts of the ship in a timely manner to minimize the impact of ballast water on the marine environment during navigation.



## Oily Sewage Management

The Group strictly abides by the international traffic rules and relevant laws and regulations of port state on oily sewage treatment, formulates and implements the *Regulations on the Management of Oily Sewage Treatment*, and standardizes the operation process of oily sewage treatment. In accordance with the Operation Rules for Sealing Management, the Group carries out sealing operation and inspection of connectors and valves to ensure full coverage of refueling and sealing management of oily sewage.

To strengthen the monitoring of fuel consumption of the fleet, the Group has also formulated the *Operating Rules for Unannounced Fuel Inspection* to ensure the implementation of fuel management. We carried out unannounced inspection of fuel metering, on-site inspection and review of ship fuel and oil sewage stock, on-site monitoring of ship oil sewage treatment operation throughout the process, to effectively prevent the risk of fuel leakage.



## Solid Waste Management

### Goals set for solid waste disposal

Ships with IHM account for over

60%

of the fleet

Strengthen the management of leakage accidents

Realize

100%

harmless treatment of hazardous wastes in the holding terminals by 2030

Gradually reduce the domestic garbage of the holding terminals and realize zero domestic garbage landfill in the future

### Progress towards the goals by 2023

Amount of solid waste recycled and discharged from ships (containers)

8,031<sup>m<sup>3</sup></sup>

### Solid waste management of PERU (Chancay) Project



During the construction of PERU (Chancay) Project, we adheres to the concept of "green environmental protection", strictly follows the relevant laws and regulations of HSE (health, safety and environment) in Peru and the instructions of competent government departments, effectively implements the relevant requirements in the environmental impact assessment (MEIA) of the project, and manage the noise, vibration, dust, water, solid waste, ecological protection and other aspects during the construction in a compliant manner. For solid waste, the Group requires entities involved to sign solid waste disposal agreements with local qualified institutions, and regularly dispose the solid waste produced in construction in compliance with regulations, so as to eliminate the pollution of solid waste and achieve harmonious and sustainability of port construction, community and environment.

Reducing marine waste discharge is one of the important topics in shipping industry. For the management of ship wastes, COSCO SHIPPING Holdings has established a strict waste management system in accordance with *International Convention for the prevention Pollution from Ships (hereinafter referred to as MARPOL)* and the waste management requirements of the operation site, so as to ensure that wastes are treated in a safe and responsible manner.

According to the *Waste Management Plan*, when disposing of garbage, the crew members shall classify and process the garbage according to the requirements, and adopt proper disposal methods such as storage and incineration. The ships are equipped with garbage disposal facilities such as incinerators and food mashing machines and are regularly cleaned, disinfected, managed and inspected to facilitate timely disposal of different types of wastes by crew members. For waste to be incinerated, the Group requires crew members to record relevant data on waste incineration and provide fire extinguishing equipment to ensure the safety of cargo and crew members. After the ship docks at the port, the waste generated during the navigation shall be disposed by entrusting a qualified third party to minimize the environmental pollution caused by the ship garbage.

Crew members receive regular training on waste management and the use of antipollution equipment on board to ensure proper implementation of the ship's waste management planning procedures. In addition, we prevent marine pollution incidents from the source by carrying out regular self-inspections of anti-pollution work to ensure that the discharge and treatment of wastes on board are in compliance with the regulations.

COSCO SHIPPING Ports has established *Management Regulations on Ecological and Environmental Protection* to inspect the implementation of ecological and environmental protection work at the holding terminal. During the reporting period, the domestic holding terminal of COSCO SHIPPING Ports met the requirements of laws, regulations and standards in terms of solid waste treatment, hazardous waste treatment (entrusted third parties with the transit treatment) and food waste treatment.



Waste classification and disposal at the Chancay Port, Peru



In terms of waste fuel disposal, the Group complies with the relevant laws and regulations of the competent authorities of the port state and disposes of waste fuel offshore.

## Exhaust Gas Management

The Group complies with *MARPOL, Marine Environmental Protection Law of the People's Republic of China, Regulations on Prevention and Control of Marine Environment Pollution by Ships, Regulations on Prevention and Control of Pollution from Ships in Shanghai* and other requirements. In the process of business and operation, the Group is committed to reducing exhaust gas and other pollutants that may cause harm to the environment, minimizing pollution and mitigating the impact on marine, coastal and terrestrial ecosystems.

The Group actively responds to IMO's 2020 Sulphur Limit and IMO 2023 Regulation and pays close attention to the technological development of clean fuel for ships, continuously promotes the application of clean fuel in different scenarios such as fleet and yard trailer, and reduces exhaust emissions. In 2023, COSCO SHIPPING Lines carried out desulfurization tower transformation on ships and increased the use of biofuels<sup>4</sup>, to reduce exhaust gas emissions from the operation side. 9 ships have been renovated for desulfurization towers and 1 new ship has been delivered so far. By 31 December 2023, a total of 58 vessels have installed desulfurization towers to meet emission requirements when travelling in the Sulfur Emission Control Area (SECA). For marine mechanical and electrical equipment, we strengthen the maintenance work to ensure the smooth operation of the equipment and prevent black smoke emission due to poor working conditions of the equipment. In addition, we have reduced nitrogen oxide emissions by installing decarbonize equipment to new ships.

Meanwhile, the Group strives to promote the use of shore power, build a green port, and achieve sustainability of enterprises and harmonious coexistence of the ecological environment. The Group continues to implement the transformation of high-voltage shore power for ships, and the shore power for ships approaching the port shall be fully connected, so as to reduce the exhaust gas emission during ship berthing.



<sup>4</sup>See the "Green and low-carbon development" section for the use of biofuels

### Goals set in 2022 for exhaust emissions

- implement the plan for installing desulfurizers, and continuously reduce SOx emissions.
- Continuously increase the number of denitrification equipment on the ships to reduce NOx emissions

### Progress towards 2023 targets

Number of ships equipped with desulfurizers

58

The percentage of ships installed with desulfurizers

23.4%



## Biodiversity

Ship navigation will inevitably have a certain impact on the marine ecosystem. COSCO SHIPPING Holdings, as a mega shipping company with global operations, fully recognizes the importance of biodiversity to the global ecosystem, strives to mitigate the impact of production and operation on biodiversity, and makes every effort to protect underwater and terrestrial life. While strictly managing the discharge of ballast water, we have taken a variety of measures to avoid the ecological impact of biological invasion, such as the use of paint materials for ship hulls that prevent marine organisms from attaching, underwater camera exploration around the ship bottom, and regular ship bottom removal.

COSCO SHIPPING Ports is also committed to promoting biodiversity conservation. *Regulations on the Management of Ecological Environment Protection* has been formulated and an ecological environment protection management office has been set up to coordinate and manage the ecological protection of the holding terminal and to fulfill the social responsibility of biodiversity conservation.

### Participation in the "Protecting Blue Whales and Blue Skies Program"



The Protecting Blue Whales and Blue Skies Program, organized by NOAA (National Oceanic and Atmospheric Administration), aims to protect whales near the Los Angeles coastline from deadly ship strikes and reduce underwater noise by reducing speed and air pollution. COSCO SHIPPING Lines has been participating in the Protecting Blue Whales and Blue Skies Program since 2018, and OOCL joined the program in 2022 and continued to participate in 2023.

COSCO SHIPPING Lines and OOCL were awarded the "Sapphire" award by NOAA in 2023 and 2022 respectively for their support for the protection of the marine environment and marine life. COSCO SHIPPING Lines, OOCL commit to reinvesting all financial awards granted into the program.



OOCL was awarded "Sapphire" award in the 2022 Protecting Blue Whales and Blue Skies Program

### COSCO SHIPPING Ports to assist Chancay Port, Peru in oil cleanup and animal rescue



Due to an undersea volcanic eruption in The Kingdom of Tonga, country in the southwestern Pacific Ocean, a ship encountered a wave that caused a leak when unloading crude oil, with the oil spreading around with the ocean currents. The leakage point is only 30 kilometers from Chancay Port, and a large area of contaminated seawater appears near it, posing a major threat to marine life. COSCO SHIPPING Ports actively coordinates the construction entities to invest a large amount of manpower and equipment to participate in marine oil pollution cleaning and animal rescue. During this time, project personnel found and rescued 2 Humboldt Penguin (vulnerable species), 7 seals, a variety of birds and other marine life trapped in the contaminated area.

In addition to animal rescue, the project team also carried out environmental protection day theme activities such as "World Wetlands Day" and "World Ocean Day", actively cooperated with the local city hall, marine bureau and community to maintain the surrounding wetland environment and beaches. The project team also invited local people and students to learn and protect the local wetland ecology, and achieved remarkable results.



Animal rescue



# 04

## Empowering Shipping

Building a green future through exceptional services

- Maritime Safety
- Sustainable Supply Chain
- End-to-End Supply Chain Services
- Customer Service

The Group strives to promote digital innovation, empower sustainable supply chain construction while continuously improving its shipping services, and work with suppliers, partners, and customers to practice responsible consumption and production to achieve sustainable development goals.



Facing the fierce competition and multiple external challenges in the container shipping industry, COSCO SHIPPING Holdings has focused on the strategic goal of becoming a "customer-oriented, value-leading and world-class integrated container ecosystem service provider", adhered to the trend of the industry and customer needs, comprehensively accelerated the transformation of digital supply chain, innovated the integrated land and sea operation mode, improved customer service level, and improved safety and security capabilities, striving to build a resilient supply chain.



# Maritime Safety

The safety of shipping is related to the overall sound and stable development and the life safety of employees, and is the basic premise for promoting the high-quality development of the Group. We firmly establish the concept of safety development and enhance the capacity to ensure shipping security comprehensively. We continuously improve the management level around emergency management, extreme weather prevention, dangerous goods management, piracy attack prevention and other aspects, and constantly specify the responsibilities for safe production to build a strong safety defense.

## Safety Management

COSCO SHIPPING Holdings deeply implements the safety production management principle of "prioritizing safety and emphasizing prevention". The Group formulates and issues *Safety Management Guidelines*, which focuses on safety hazards such as safe transportation of dangerous goods, tanks and containers, freight fire incidents, etc., to raise the safety awareness of crew members, promote the implementation of safety production responsibilities in an orderly and effective manner, and continuously improve safety management level, so that the Group's high-quality development is escorted by a high level of safety.

In 2023, the Group issued the basic norms of "three habits" and "two approaches" to further deepen and refine safety risk management and control, strengthen process management, and ensure the continuous stability of the Group's safety production situation. During the reporting period, there were no safety accidents happened, the work-related injury rate per thousand people dropped to 2.58‰, and zero ship accidents occurred.

### Three Habits

- The habit of "managers to identify and manage safety risks on a daily basis"
- The habit of "operators to remind and control safety risks before each operation"
- The habit of "ships shall avoid a distance of at least 1 nautical mile in open water"

### Two approaches

- List Management
- Closed loop management

### During the reporting period, the Group's safety emergency drills were as follows:

COSCO SHIPPING Lines and its 16 subordinate units and 178 ships successfully completed the emergency drill plan, and conducted 382 drills, including 103 comprehensive drills and 279 individual drills, including 7 ship and shore joint drills and 13 land-to-shore joint drills, with 16,145 people participating in the drills.

OOIL and its 70 ships have successfully completed the emergency drill plan. A total of 2,743 drills were carried out throughout the year, including 16 onboard safety and security emergency drills and 1 ship and shore joint drill.

COSCO SHIPPING Ports: During the Reporting Period, the domestic holding terminals successfully completed the emergency drill plan, holding 138 drills, including 33 emergency drills and 36 fire safety drills, with 3,227 people participating in the drills.

A total of 3,263 drills were conducted throughout the year.

**3,263**

drills were conducted .....  
throughout the year



## Emergency Management

The Group adheres to the principle of "preventing problems before they occur", and has formulated the *Special Contingency Plan for Ship Emergencies* in combination with ship safety risk analysis and emergencies over the years to provide guidance for ship emergencies such as disastrous weather, maritime navigation safety and marine pollution.

The Group continuously carries out ship-to-shore and land-to-shore emergency drills to ensure that the ship and shore foundation can take emergency actions quickly and accurately to minimize casualties, environmental hazards and property losses, and inspect the feasibility and effectiveness of the emergency plan.

### The content of the ship andshore joint emergency response drill

- Natural disaster, vessel stranding, groundings
- Smuggling incidents
- Smuggling of weapons of mass destruction
- Closed premises rescue
- Cargo incidents
- Overboard

## Extreme Weather

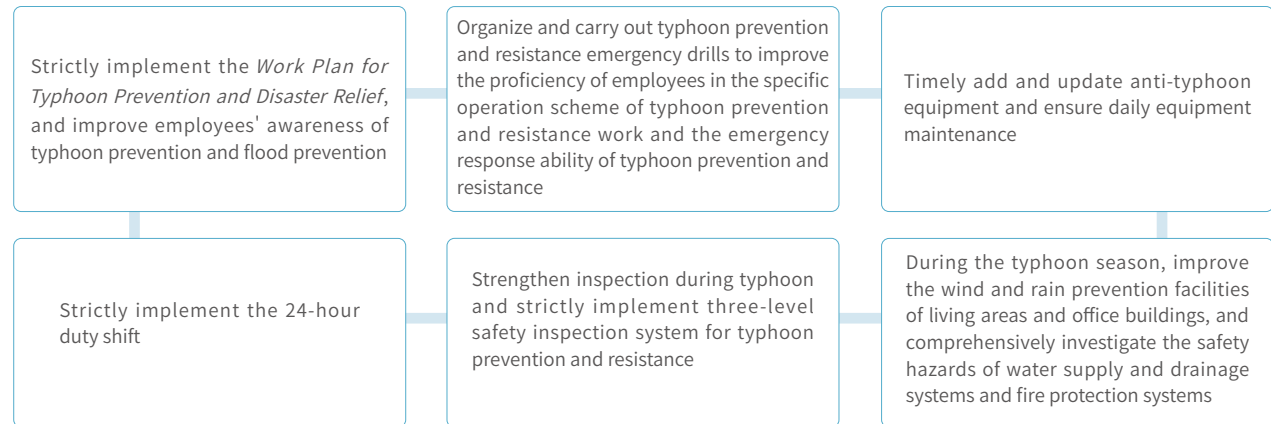
As the trend of global warming continues, extreme weather events are increasing and intensifying, which has posed a serious threat to the lives of crews and property on ships and shores. In 2023, a total of 17 typhoons were generated in the northwest Pacific Ocean, including 8 super typhoons, with a super typhoon rate of 50%, which is one of the highest years since 2016. The Group has always maintained a high degree of vigilance and resolutely implemented the typhoon prevention policy of "prevention as a priority, early avoidance at the right time, leaving adequate leeway" to ensure the safety of ships.

COSCO SHIPPING Lines formulates and issues operational procedures for typhoon and flood prevention, consolidates the responsibilities of various management agencies in case of typhoon and flood, clarifies operational procedures, improves emergency command level, ensures timely, effective and correct actions for typhoon and flood prevention, and ensures the safety of personnel, ships

and the environment. The Group has also established an emergency response plan to deal with the loss of personnel, production and property caused by typhoon, rainstorm and other natural phenomena.

OOIL invested in an advanced weather routing system allowing captains to plan the best route to avoid adverse weather areas and ensure shipping safety. At the same time, OOIL actively identifies the frequency and severity of extreme weather such as typhoons and floods, and takes appropriate actions to prevent or reduce the damage they may cause.

COSCO SHIPPING Ports has also issued management regulation on typhoon and flood prevention in accordance with the Group's work guidance on typhoon and flood prevention and control, combined with the actual situation of port operation, to prevent and reduce safety risks and losses caused by typhoon and flood disasters.



COSCO SHIPPING Ports: Typhoon and Flood Prevention Measures



### Safety shipping training



In 2023, to enhance the crew's capacity to navigate adverse weather conditions, the Group conducted "Navigation Safety Simulator Training" for large container ships entering and exiting Yangshan Port. This training involved crew members, pilots, and attendants from the Yangshan Branch of the Shanghai Maritime Pilots' Association and the Yangshan Vessel Traffic Management System (VTS). The initiative was aimed at ensuring the safe navigation of the company's vessels through Yangshan Deep Water Port during periods of poor visibility.

### During the reporting period

COSCO SHIPPING Lines guided and tracked the affected ships to take prevention actions for

260<sub>times</sub>

8

prevention actions were taken by tracking and guiding ships

54

tropical cyclones (including hurricanes) were generated in other ocean areas or waters

with a success rate of

100%







## Dangerous Goods

Dangerous goods management is an important part of transportation safety management, and also an important safety risk prevention and control point. The Group strictly abides by the provisions on the classification and operation process of dangerous goods in the *International Maritime Dangerous Goods Code* formulated by IMO, to fulfill the responsibility of safety management of dangerous goods and protects the marine economy.

COSCO SHIPPING Lines has established a series of management measures for the transportation of dangerous goods to strictly manage the carrying and receiving of dangerous goods, resolutely prevent the occurrence of false reports and concealed reports of dangerous goods, prevent and reduce ship safety accidents caused by dangerous goods, and ensure the safety of personnel and property.

Management system	Content
<i>Management Measures for the Administration of Transport of Dangerous Goods</i>	Make corresponding provisions on the work responsibilities of relevant departments and port branches related to the transportation of dangerous goods
<i>Operation Instructions for Transportation of Dangerous Goods</i>	
<i>Measures for the Prevention and Disposal of False Reports and Conceals of Dangerous Goods</i>	Prevent and monitor false reports and concealments of dangerous goods, give tips from various sections of transportation such as product name review, document review, product name change review and exit goods review, and strictly prevent false reports and concealments of dangerous goods
<i>Administrative Measures for False Reporting and Concealing of Black List of Dangerous Goods from Customers</i>	For the subjective malicious cases of false reporting and concealment of dangerous goods, the responsible party shall be seriously held accountable, the company's blacklist of false reporting and concealment of dangerous goods shall be added, and the punishment for illegal customers and the illegal cost of offenders shall be increased
<i>Operation Procedure for Confirmation of Loading of Dangerous Goods</i>	Specific requirements and regulations have been made for the confirmation operation process of dangerous goods loading
<i>Dangerous Goods Policy</i>	It is required to accept dangerous goods in strict accordance with the company's dangerous goods policy

In terms of preliminary audit, the Group continuously optimizes the rules for booking and loading, updates the thesaurus of suspected dangerous goods, improves the tips on the loading requirements of suspected dangerous goods and sensitive goods, expands the scope of prevention and control of dangerous goods, and improves the audit of dangerous goods in daily booking. The Group strengthens multi-dimensional customer guidance, strengthens customers' awareness of independent declaration of dangerous goods, and requires customers to declare truthfully and transport in good faith from time to time in the form of *Notice to Customers*.

Currently, the transportation demand of new energy vehicles and lithium battery goods is growing, and there are high safety standards in transportation, storage, loading and reporting

such goods. To ensure transportation safety and reduce the transportation risk of lithium battery-related goods, the Group actively takes measures to organize ships to carry out special fire drills in cargo holds to improve the emergency ability of crew members for ship fires.

COSCO SHIPPING Holdings also continues to promote cooperation with the competent authorities of dangerous goods. On the one hand, it continues to promote joint prevention and control, strengthen source control, explore cooperation in unpacking inspection, and strengthen the supervision of false reports and concealed reports and accident prone goods; On the other hand, it is necessary to establish a multi-dimensional information sharing mechanism, such as the interpretation of laws and regulations, the information sharing of hidden cases of dangerous goods in the industry, and smooth communication channels.



## Piracy Attacks

Piracy attacks seriously threaten the safety of crew members. Once a ship is attacked by pirates, it will also bring huge economic losses to shipping companies. COSCO SHIPPING Holdings is fully aware of the importance of counter-piracy work, sorts out and improves counter-piracy policies, pays close attention to global piracy attacks, and carries out targeted counter-piracy work to ensure navigation safety.

### Counter-Piracy Measures

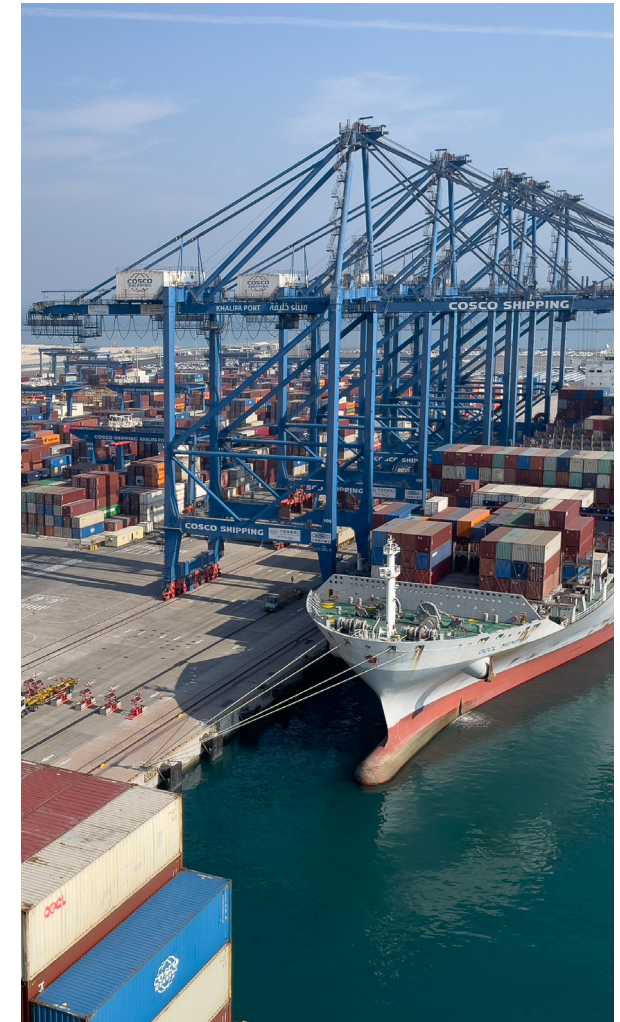
- Conduct analysis on high-risk piracy areas based on the latest international situation, and try to avoid piracy areas when designing routes
- For areas where frequent pirates cannot be avoided, the Group performs 24-hour and 360 degree dynamic tracking and monitoring on its own ships. At the same time, the captain will deploy all crew members and clarify the counter-piracy alarm signal and contact information of the whole ship
- The ships are equipped with safety cabins as places of refuge and retreat. In case of emergency, the Group will ensure the personal safety and basic living needs of the crew members are guaranteed
- Carry out counter-piracy emergency drill to improve emergency response capability against piracy incidents
- Convene special meetings on navigation safety, counter-piracy work and labor safety work, highlight the decisive role of "people" in safe production, strengthen crew training and education, stimulate crew's positivity for safe production, and further consolidate the foundation of safe shipping

### Forum was held to prevent piracy on Vessel CSCL JUPITER



Prior to the arrival of Vessel CSCL JUPITER 080W at the Indian Ocean piracy prevention monitoring area, the ship organized pilots, crew members and trainees to hold a safety management forum, focusing on the implementation plan of safety management in 2023, combining the current safety situation of collision avoidance at sea and the early warning mechanism of piracy prevention, to carry out special learning and exchanges.

At the forum, the captain organized the bridge team to study the *Control Panel Rules*, *Navigation Watch Instructions*, *Counter-Piracy Instructions* for Ships and other key contents. The captain analyzed the causes of most ship navigation accidents to the officers, and stressed that in the relatively urgent situation, the navigation personnel on duty must strictly follow the prescribed process operation procedures and comprehensively use various means to ensure navigation safety.





## Sustainable Supply Chain

COSCO SHIPPING Holdings strives to build a resilient supply chain, and provides global customers with high-quality services to reduce costs and increase value with high-quality supply chain management. The Group thoroughly implements its commitment to responsible procurement, strictly manages the whole process of supplier access, assessment, and review, and makes every effort to promote the integration of logistics resources, so as to inject continuous momentum into the industrial chain and economic development.

### Supplier Access

COSCO SHIPPING Holdings adheres to the principle of open, fair and justice supplier management, implements strict supplier management mechanism and continuously improves it on the existing basis. In 2023, the Group updated the *Regulations on Non-transportation Procurement and Supplier Management of Extended Services (China)* and other systems to further improve the supplier management system, so that different types of procurement management have rules and guidance to follow.

The Group requires suppliers to adhere to high standards of business ethics practices and requires all newly admitted

suppliers to sign a *Commitment Letter of Anti-Commercial Bribery for Suppliers*. By the end of the reporting period, all suppliers providing trailer services in China had completed the signing of the commitment letter. The Group also requires new non-bidding suppliers to complete the *Self-examination Questionnaire of Supplier's Social Standards Compliance*, which explicitly requires suppliers to make commitments in terms of social responsibility, employee health and work safety. In addition, the Group conducts spot checks on suppliers at the end of the year and summarizes and gives feedback on their performance.

During the Reporting Period, COSCO SHIPPING Lines had 46,150 suppliers, as follows:

Suppliers in Mainland China

24,207

Suppliers outside Mainland China (including  
Hong Kong, Macao, and Taiwan)

21,943

### Supplier Assessment

In order to ensure the service quality of suppliers, the Group conducts assessment and rating on existing suppliers every year to form an annual average service score and rating, and timely discovers and solves problems existing in suppliers. For suppliers with poor performance, the Group will put forward targeted rectification suggestions and urge suppliers to actively solve them. The Group will eliminate suppliers that fail to pass the periodic evaluation and fail to rectify within the time limit.

Suppliers' performance in product and service quality, occupational health and safety management, business ethics, human rights and labor management, corporate governance and environmental management is comprehensively considered in the assessment of suppliers in multiple dimensions, to ensure that they have good environmental, social and corporate governance while having high-quality service capabilities.

### Supporting Supplier

The Group attaches great importance to good communication with suppliers. While building a digital supply chain management system, it actively carries out supplier meetings and communication, assists suppliers in improving service capabilities and quality, and works with suppliers to build a high-quality supply chain and jointly provide better services. During the Reporting Period, the Group provided micro-card driver training and self-reconciliation operation process training for ECBS centralized transportation suppliers to trailer suppliers in China.



## End-to-End Supply Chain Services

COSCO SHIPPING Holdings has orderly promoted various digital empowerment projects, continued to focus on digital construction, and turned digital transformation into the internal driving force of high-quality development. With digital means, the Group strives to build a three-dimensional supply chain service system of "container shipping + port + related logistics services", provide customers with one-stop end-to-end solutions, help domestic enterprises take the Maritime Silk Road and the New Land-Sea Channel, and provide stable support and guarantee for global trade.

### Opening up New Land-Sea Trade Corridor

In 2023, the New Land-Sea Trade Corridor in Western China continue to accelerate. COSCO SHIPPING Holdings will firmly seize the development opportunities of the China Western Land-Sea Trade Corridor, strive to build a service network integrating sea and land, fully guarantee service demand, give full play to the main role of national transportation guarantee, and inject new impetus into the "dual circulation" of domestic and international markets.

The Group actively participated in the construction of the China Western Land-Sea Trade Corridor, closely followed the pulse of the market, and closely followed the needs of customers. In 2023, the sea railway traffic volume of the New Land-Sea Trade Corridor was 121,000 TEU, an increase of more than 30% over the same period last year, helping the New Land-Sea Trade Corridor in the west to become a transportation artery and economic corridor connecting all economies.

Achieving the empowerment of supply chain digital intelligence is the necessary support for the new channel to enhance development resilience and maximize value. The Group accelerated the promotion of railway productization and digitalization, empowered the construction of domestic sea-rail channels with digital intelligence, and accelerated the transportation arteries of the channels. The Group has built 25 domestic channel products and promoted the launch of railway TMS system and products on SynCon Hub. In 2023, the Group completed 920,000 TEU of domestic sea-rail transportation.

The Group is deeply engaged in the New Land-Sea Trade Corridor railway business, relying on a strong route network and digital capabilities to provide core customers with full-process supply chain services.

In 2023, the sea railway traffic volume of the New Land-Sea Trade Corridor was

121,000<sub>TEU</sub>

an increase of more than

30%

The Group has built domestic channel products

25

the Group completed of domestic sea-rail transportation

920,000<sub>TEU</sub>

### New energy customers export its products through the China Western Land-Sea Trade Corridor



The Group has opened a whole-process supply chain service product of "Chuzhou - Xi'an - Tashkent" for leading new energy customers. While providing excellent services for customers, it strengthens the coordination and integration ability of the Group's high-quality resources and accumulates experience for the high-quality development of supply chain business.





## Improving the Sea-Rail Intermodal Transport Network

COSCO SHIPPING Holdings actively improves the layout of sea-rail intermodal transport network, integrates resources of all parties, opens up sea-rail service network, improves channel operation capacity, and ensures the smooth operation of logistics chain of enterprises around the country.

The Group relies on the service network composed of more than 50 sea-rail lines covering Yunnan, Guizhou, Sichuan and Chongqing and other major inland points, as well as the increasingly mature innovative service mode, to truly extend the end of the supply chain to the forefront of the industrial chain, so as to stimulate new consumption vitality and help the real economy development of the areas along the line.

We will further improve the operation and management of Shanghai Sea-Rail Combined Port, Qinzhou Central Station and Kazakhstan Waterless Port, and pay attention to the linkage between relevant resources and the supply chain strategy of freight collection.

Build Guizhou supply chain operation platform, establish Guizhou Railway Investment Group Co., Ltd jointly with Guizhou Railway Investment Group, as a provincial supply chain platform of Guizhou and a new carrier of Guizhou's opening up to the outside world, and build it into a new channel node resource of land and sea.

Actively promote joint ventures such as Qinzhou New Land-sea Corridor Corporation, Nanchang Dry Port Company and Huaihua Dry Port Company, and improve the resource layout of the Group in Guangxi Zhuang Autonomous Region, Jiangxi Province and Hunan Province.

COSCO SHIPPING Holdings will continue to make every effort to implement the construction plan of the New Land-Sea Trade Corridor, strengthen the linkage between port and shipping resources and supply chain extension resources, promote the convergence of superior resource elements, improve regional logistics service upgrading, serve regional industrial development, and help regions better link the new development pattern of double circulation.

## Digital Supply Chain Construction

In the context of the accelerated restructuring of the global industrial chain and supply chain, COSCO SHIPPING Holdings leverages its "digital supply chain transformation and development strategy". By focusing on systemic integration, the Company ensures digital technologies permeate every facet of its operations, and transforms the Company's end-to-end business into a standardized, visualized, plasticized and intelligent business.

The Group has launched digital management platforms such as customer management platform, freight platform, cabin platform, supply chain control tower, trailer platform, warehouse management platform, and customs affairs platform, which provide important support for the promotion of the Company's digital supply chain strategy.

### Digital management platform

Cabin management platform	Customer management platform	Freight platform	Customs affairs platform	Supply chain control tower	Trailer management platform	Warehouse management platform	
Customer management platform	Complete the establishment of the label system and the landing of system functions such as customer portrait, customer scoring and customer label	Freight platform	Achieve accurate customer quotation and billing for group customers and FAK's flexibility and agility	Cabin management platform	According to different dimensions such as customer contract, customer attribute and business type, inventory is divided into different tracks according to priority to achieve class management	Supply chain control tower	Complete the whole process visualization and exception monitoring function development, and provide system support for the service work of the customer service management team
Trailer management platform	Achieve full coverage of domestic and foreign trade orders and joint freight orders, initially build an intelligent scheduling platform, and optimize the engine through intelligent algorithms to achieve efficient trailer matching and optimal route planning						



## Digital Container Management



In 2023, the Group optimized the intelligent box repair AI model to improve the accuracy and coverage of automatic approval and third-party claims. At the same time, GNN neural network model is used to predict the inventory of empty containers, and AI learning combined with man-machine interaction technology is used to optimize the empty container dispatching plan.

The AI model of intelligent box repair includes automatic approval of valuation sheet and automatic identification of third-party claims. At present, the automatic approval model of the valuation sheet has realized the identification of container damage photos, judging the matching degree with the damage accounts, providing a reference for manual approval, and users can conduct batch approval according to the judgment results of the AI model, greatly improving the approval efficiency. In the next stage, the intelligent box repair model will strive to achieve automatic approval. By 31 December 2023, COSCO SHIPPING Lines automatically approved 168,176 valuation sheets and OOIL automatically approved 16,370 valuation sheets.

The first stage of the automatic identification model for third-party claims has realized the prediction of box loss reasons for some damaged accounts based on the foreign trade shipment data. In the next stage, the model will add picture recognition technology to further improve the accuracy of damage cause determination.

## Warehouse Management System



Warehouse Management System(hereinafter "WMS") is an important part of the supply chain. In addition to helping the company understand the overall inventory situation, the system also provides a visual reservation platform for suppliers and carriers to achieve dynamic management, real-time monitoring and risk warning of warehousing operations.

In terms of docking with customers, WMS has built a customer shipping plan interface to help customers follow up the shipping situation in a timely manner. Customers can track the vehicle delivery situation, vehicle status, container number loaded on each vehicle and other information in a timely manner. In terms of docking with the port company, WMS provides convenience for the packing station to arrange the box adjustment and packing operation in advance, and customers can pay attention to the relevant data of packing and unpacking in time on the data platform through docking with the port company.

The Group has successively implemented WMS at the packing and unpacking points of domestic and foreign automobile enterprises, replacing manual copying with systematic code scanning, improving work efficiency, and cooperating with the landing of warehousing projects in various places. At present, WMS has been implemented in many warehousing projects around the world.





## Improving Customer Experience with Digital Intelligence

Digital transformation is not only an important measure to promote the deep integration of industrial chain and supply chain, but also a key to enhance customer experience and build a good brand image. COSCO SHIPPING Holdings is committed to promoting and optimizing digital logistics solutions, building a digital "bridge" for customer communication, and working with customers to build an ecosystem and link the future.

In 2023, the Group launched a new version of the intelligent customer service platform, improving the depth and breadth of customer service quality through measures such as optimizing platform functions, promoting digital docking with strategic customers, and creating a one-stop communication platform entrance.

### Functional optimization

- Optimize multiple service functions of e-commerce EB platform to enhance service efficiency

### Digital docking

- Realize digital docking of multiple strategic customers and provide customers with intelligent and visual digital solutions

### Building a one-stop entrance

- Through the one-stop entrance, users' multi-platform accounts are opened up, and a unified customer communication platform entrance is established

Digital customer service

## Intelligent Customer Service Platform



The Group continues to promote the intelligent transformation of marine customer service to one-stop end-to-end full-chain customer service, effectively improving operational efficiency for customers and solving their worries. On the basis of the original agent platform tools, the Group has completed the upgrade of the intelligent customer service platform, and improved the one-stop acceptance ability of the new version of the intelligent customer service platform through the perfect knowledge base, intelligent navigation and agent platform tool configuration of robot intelligent reply. In 2023, Ningbo Port and eight other ports in China launched an intelligent customer service platform in October and November respectively, completing the switching of one-stop customer service seating mode throughout the route.

## Blockchain Paperless Shipping



Blockchain paperless delivery provides a document operation solution based on blockchain technology, bringing customers paperless, online and visual delivery experience. Blockchain paperless shipping replaces the traditional multi-platform, multi-process and multi-participant document process by opening up the data flow between port, shipping and logistics enterprises, greatly shortens the processing time of import container documents, and improves customer experience while reducing logistics costs.

After continuous promotion and application, the technology and products of the platform have been promoted and applied in major domestic coastal and inland ports, new land and sea channels, Thailand Linchaban, Mexico and other overseas ports, marking that COSCO SHIPPING Holdings has taken another solid step on the road of promoting digital supply chain strategy.

Up to now, COSCO SHIPPING Lines has delivered more than 2 million TEUs of goods without paper, and the number of online customers and freight forwarders has exceeded 10,000.

## IQAX eBL Blockchain Electronic Bill of Lading



IQAX eBL blockchain electronic bill of lading uses blockchain technology to replace the original entity's whole bill of lading delivery operation mode, effectively ensuring the authenticity, reliability and uniqueness of electronic bill of lading. IQAX eBL provides a solution for online issuance and circulation of electronic bills of lading for all parties involved in the bill of lading. While realizing the digital management of bills of lading, IQAX eBL provides contactless document services for all parties involved to ensure the security of the whole bill of lading and reduce the time and labor costs of customers.

Up to now, COSCO SHIPPING Lines has issued more than 60,000 blockchain electronic bills of lading.



### Upgrade IRIS-4 system to improve digital management



In order to support business development, COSCO SHIPPING Holdings continues to upgrade the IRIS-4 system, achieve digital interaction and docking with global customers, and make services more accurate.

The Group upgraded ACzone's existing booking capabilities and introduced new booking capabilities. The new booking function interface supports product query, freight rate and inventory display, improves the transparency of freight rate and inventory, and creates a new experience of digital booking services for customers. In order to cooperate with the launch of the latest combination products in the middle platform of the product, the Group has completed the optimization and transformation of the IRIS-4 document module. In order to improve the port change service, the COD business process and function are reorganized and reconstructed, and the system rules replace manual judgment to improve the data quality. Through the use of VOI to track port and terminal dynamics, the operating efficiency of the fleet in the port and the accuracy of berth arrangement are improved. In 2023, the IRIS-4 system was upgraded 21 times.

In 2023

the IRIS-4 system was upgraded

21 times

With the steady progress of digital supply chain transformation, COSCO SHIPPING Holdings will continue to promote in-depth cooperation with customers in the digitalization of the whole logistics chain, providing customers with more diversified and personalized green low-carbon digital supply chain solutions.

### COSCO SHIPPING Lines as of 31 December 2023

Paperless delivery exceeding

2 million TEU

More than

60,000

blockchain electronic bills of lading were issued







## Customer Service

With the fundamental purpose of serving customers, COSCO SHIPPING Holdings continuously innovates, brings the traditional mode into the rapid channel of digital development, improves the service quality and process standards of each link, and brings customers a wonderful service experience. At the same time, the Group continues to improve customer service management, enhance the professionalism and service attitude of customer teams, and provide customers with high-quality and reliable delivery.

### Upgrade of Customer Service Management Process

In order to improve the quality of customer service, the Group has established a two-layer customer service system composed of one-stop customer service and ground service. In the double-layer customer service system, professional ground service personnel from sea section, trailer and customs affairs are responsible for the acceptance of specific transportation services in each section. As the entrance of the whole chain service, one-stop customer service is responsible for tracking abnormal events occurring in the whole service and coordinating and handling special situations.

In order to improve the construction of the vertical system of the Supply Chain Department, the Group has formulated the *Operation Process of Customer Service Documents for Composite Products* and the *Process of Trailer Business Linkage between Customer Service Team and Supply Chain Team (Trial Version)*, to clarify the division of responsibilities between one-stop customer service and trailer, customs declaration and local service, and ensure that one-stop customer service and local service teams perform their respective duties and fulfill their respective responsibilities.

In terms of customer service assessment, the Group refined the customer service assessment indicators of the whole process, striving to maintain high quality and efficiency at each node of end-to-end service and live up to the trust of customers.

#### Booking

- Confirmation rate of cold box and ordinary cargo booking within 2 hours is 98%, and confirmation rate of dangerous and large parts booking within 48 hours is 95%

#### Voucher preparation

- Complete document preparation and provide Proforma within 8 hours after receiving E-SI, with 97% accuracy rate of bill of lading

#### Transfer

- Within one day after leaving the transit port, the maintenance rate of shipping results provided is 99%, and the accuracy rate is 98% (including transfer from branch to dry and transfer from dry to branch)

#### Arrival notice

- Timely delivery rate of arrival notice 1 day before arrival of goods at the port of discharge 96%

#### Daily business response

- Attendant telephone answering rate shall not be less than 96%, and online response rate shall not be less than 98%
- Timeliness rate of node processing of port change business 80%



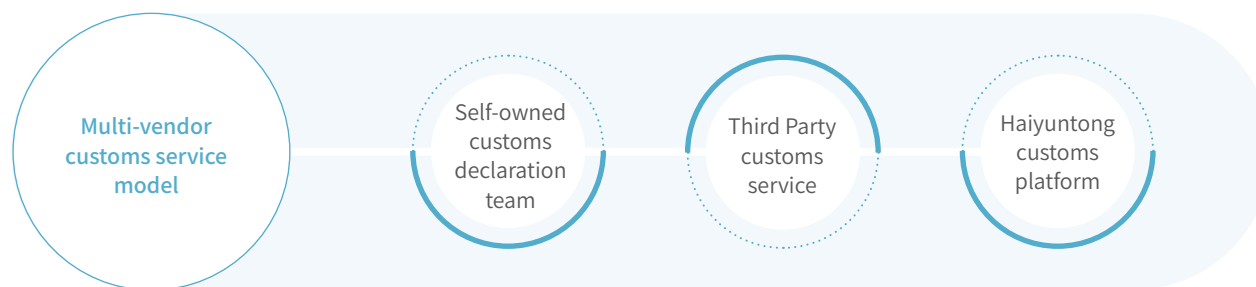


## Digital Customs Service

COSCO SHIPPING Holdings is committed to promoting the standardization, digitalization, and process of supply chain management through digital supply chain transformation. The Group gives full play to the advantages of integrated resources of the customs affairs platform, and uses the digital intelligent customs affairs service platform to audit customs affairs suppliers. The dimensions of consideration include customs declaration operation efficiency, document operation quality, service attitude, customer satisfaction, timeliness of information feedback, etc., and strives to improve the service level of customs affairs suppliers and improve customer experience.

In 2023, the Group initially formed an online and offline integrated multi-supplier customs declaration service network, covering nine major ports and 151 prefecture-level cities in China, with four self-owned customs declarations and 89 outsourced customs declaration suppliers. In the overseas region, 43 countries have provided customs declaration services to customers through 8 self-owned customs brokers and 91 negotiated customs brokers.

Through the introduction of the Yuanduyun Software as a Service (SAAS) to deploy and launch at ports with its own customs declaration capabilities, the Group has formed a multi-supplier customs declaration service model with its own customs declaration team, Haiyuntong customs platform and third-party customs brokers, expanded the scope of online customs services, expanded online customs reporting outlets to 76 prefecture-level cities and 187 terminals, and steadily improved its ability to deliver customs declaration products to customers.





## Customized Service Plan

The Group listens attentively to customer needs, relies on the company's digital and intelligent service capabilities, provides customers with full-process customized solutions, and improves customer satisfaction.

In the service of customers in the household appliances industry, the Group reduces manual intervention and improves the timeliness of information transmission through the digital docking of the whole process. According to the logistics management needs, customize the whole process logistics management interface for customers, improve the logistics operation level, and ensure the service quality of the whole process transportation.

In the service of customers in the new energy industry, COSCO SHIPPING Holdings closely follows the global layout of customers and customizes overseas service solutions, covering Europe, North America, South America, Australia, Southeast Asia and other places. At the same time, digital means are used to customize the humidity monitoring service of intelligent IOT

## Customer Privacy Protection

In the digital era, privacy and data security protection are the basic premise and important guarantee for high-quality development. With the continuous promotion of digital construction, the Group attaches great importance to the protection of customer privacy and internal data security, and continues to increase privacy and data security protection to escort high-quality development.

In terms of personal information protection compliance, the Group cooperated with external professional lawyers to sort out the scenarios involving personal information in the existing business, formulate perfect and unified privacy clauses, and apply them to the Group's external websites and applications. In terms of data exit compliance, according to regulatory requirements, the Group timely carried out data exit security assessment projects, effectively identified personal data and important data according to the assessment methods, and prepared self-assessment reports to ensure the legality and compliance of business operations.

boxes, promote the data docking of the whole process services such as resource collaboration platform, booking, documents, reconciliation, trailer and warehousing, continuously improve service efficiency and deepen digital cooperation with customers.

In the service for customers in the automotive industry, the Group innovatively customized data management refined to the frame number dimension in combination with the construction of supply chain control towers and the characteristics of the industry. Customers can log in to the customized visual interface to track key business nodes in the whole process, such as automobile packing, boarding, unloading, unpacking and terminal transportation.

In 2023, the relevant departments of the Group visited the main core customers to further understand the service needs of core customers, enrich the breadth of customer cooperation, and improve the matching degree of customized service needs.

COSCO SHIPPING Lines promises to collect necessary customer information and relevant personal information only for legitimate business and legitimate purposes, always adhere to the spirit of business ethics and contract, properly protect users' privacy data, actively strengthen computer network technology protection and intrusion risk prevention, adopt data classification to ensure the security of hard copies, electronic documents and data from information system, and prevent users' data leakage. We clearly inform users of the purpose of personal information and sensitive data collected and the corresponding confidentiality provisions to strengthen the protection of important data and personal information.

OOIL has a *Personal Data Protection and Privacy Policy to comply with the General Data Protection Regulation (hereinafter "GDPR")* and other data protection laws related to personal data protection. The policy also sets out the responsibility of employees to protect data when processing personal data from suppliers and customers.



COSCO SHIPPING Ports has established the Confidentiality Management Regulations of COSCO SHIPPING Ports Limited (Revised), established the Confidentiality Management Committee as the management organization of confidentiality management, and clarified personnel responsibilities, management of trade secret carriers and equipment, management of confidential personnel and confidentiality discipline, confidentiality management of internal data, confidentiality inspection and reward and punishment system. In accordance with the principle of unified leadership and hierarchical management, the confidentiality management of COSCO SHIPPING Ports continuously monitors and controls the confidentiality work to ensure that the Company's important information and customer privacy are secured.



## Customer satisfaction

Customer satisfaction is an important indicator to measure the quality of full-link service of the Group. It is also an important reference to deeply understand customer needs and suggestions, improve customer service level and improve customer experience. In 2023, COSCO SHIPPING Lines continued to carry out a global satisfaction survey, recycling 2,364 questionnaires, and the overall customer satisfaction reached 92.4, an increase of 0.51 over 2022. According to the results of customer survey, COSCO SHIPPING Lines has carried out targeted customer return visits to understand the actual problems and needs of customers, and formulated corresponding service improvement measures.

### Customer satisfaction improvement at COSCO SHIPPING Lines



In terms of handling customer complaints, the Group strictly follows the customer complaint system and acceptance process, adheres to the active service awareness of "no perfunctory, no prevarication" and the working style of positive response, and handles customer complaints quickly, properly and in place.

For customer complaints, the responsible department will be responsible for investigating, obtaining evidence and sorting out the complaints, so as to determine the authenticity of customer complaints, the actual process, the main responsible party, the degree of fault and the losses caused or potential. If the complaint is investigated, the Group will initiate a response process to address the complaint within the promised period, depending on the type of complaint.

In order to ensure that the problems of customers are properly solved, the Group continuously optimizes business processes, improves management systems and improves customer experience through compliant follow-up and case analysis of customer feedback problems.

#### Preliminary judgment

- According to the content of customer complaints, preliminarily judge the type of cases and timely contact the responsible department for acceptance, and issue the *Customer Service Acceptance Form* to the responsible department for cases identified as complaints

#### Investigate, collect evidence and organize

- Investigate, obtain evidence and sort out the contents of customer complaints. If the complaints are true after investigation, contact the customer for coordination and handling as soon as possible

#### Complete the processing within limited time

- According to different types of general consultation, general complaint, complaint and emergency, the handling shall be completed within the prescribed time limit

#### Customer return visit

- After receiving the *Customer Service Acceptance Form* fed back by the responsible department, make a return visit to the complaint customers, and confirm the handling results and acceptance satisfaction with the customers

#### Case study

- Analyze complaint cases and make suggestions for improvement

#### Organize and archive

- Organize and archive the processing results, customer satisfaction, rectification measures and process optimization

### Closed Loop Process for Customer Complaints

In 2023, COSCO SHIPPING Lines received three complaints from customers, all of which were related to the delivery of goods without bills of lading in overseas regions, involving Malaysia, Egypt and Turkey, with a complaint handling ratio of 100%.



# 05

## Harmonious Development

### Securing a green future with talent resources

- Employment Compliance
- Rights and Interest Protection
- Talent Development
- Employee Communication
- Occupational Health and Safety

We strive to build a diversified and inclusive work culture, provide a safe and healthy work environment, build a fair and efficient human resources system, respect and protect the personal rights and interests of employees, help employees grow, and build a talent team.



COSCO SHIPPING Holdings always adheres to the people-oriented employment concept, protects the basic rights and interests of employees, and strives to create an equal, harmonious and free workplace environment. We constantly improve and iterate the internal talent management system, provide employees with diversified development opportunities and performance stages, care for talents and promote healthy development.



## Employment Compliance

COSCO SHIPPING Holdings strictly abides by the *Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Special Provisions on Labor Protection of Female Employees, Trade Union Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, Provisions on Prohibition of Child Labor* and other national laws and regulations, and regulates the employment, remuneration, benefits, working hours and holidays of employees to ensure fairness and justice in the recruitment process, protect the rights and interests of employees. The Group expressly prohibits child labor and forced labor. If child labor and forced labor are found, the Group will deal with illegal employment in accordance with local laws and regulations. During the Reporting Period, the Group did not have any cases of using child labor and forced labor.

The Group adheres to the principle of equal employment and creates a diversified and inclusive working environment. In the *COSCO SHIPPING Holdings Compliance Standards*, we clearly provide job opportunities on the principle of equality and fairness. When selecting, appointing, hiring and retaining employees, we do not discriminate on the basis of age, ethnicity, gender, race, religious belief and social status, and are committed to providing equal opportunities for employees. At the same time, we have also built a "green channel" for the resettlement of retired personnel, highlighting the "responsibility of state-owned central enterprises".

COSCO SHIPPING Holdings is committed to building a sustainable talent development team, constantly establishing, and improving the personnel management system, standardizing the recruitment process, and widely absorbing excellent talents through multiple channels and methods. During the Reporting Period, the Group actively carried out campus recruitment in 14 universities in Beijing, Shanghai, Guangzhou, Wuhan and other regions in 2024 in accordance with the principle of "strictly controlling the human resources by replacement" to manage the "direct channel" for college talents. We also carried out open special recruitment for talents in the fields of digital, green and low-carbon, investment management and others. A total of 8 on-site interviews were carried out, with nearly 75 special talents interviewed. 16 digital talents and 3 investment management talents were successfully recruited, so as to establish a "fast lane" for special recruitment and enrich the Company's talent pool.

## Rights and Interests Protection

COSCO SHIPPING Holdings respects and protects the rights and interests of the employees, and is committed to achieving a beautiful vision of harmony and win-win with employees. The Group has set up a labor union and holds an annual employee representative meeting to conduct collective negotiation and discussion on issues of concern to employees, deeply understand and listen to employees' work opinions and demands, and achieve democratic participation and decision-making. During the Reporting Period, COSCO Shipping Lines collected 8 proposals, which were carefully replied and handled by all relevant functional departments in accordance with the procedures, and the satisfaction rate of staff representatives reached 100%.

### COSCO SHIPPING Lines revises collective agreement policy



According to the formulation of the COSCO SHIPPING Group's collective agreement, COSCO SHIPPING Lines has carefully considered the *Collective Contract of COSCO SHIPPING Lines Co. Ltd.*, made some amendments in light of the situation of the company, voted and adopted the contract by secret ballot.

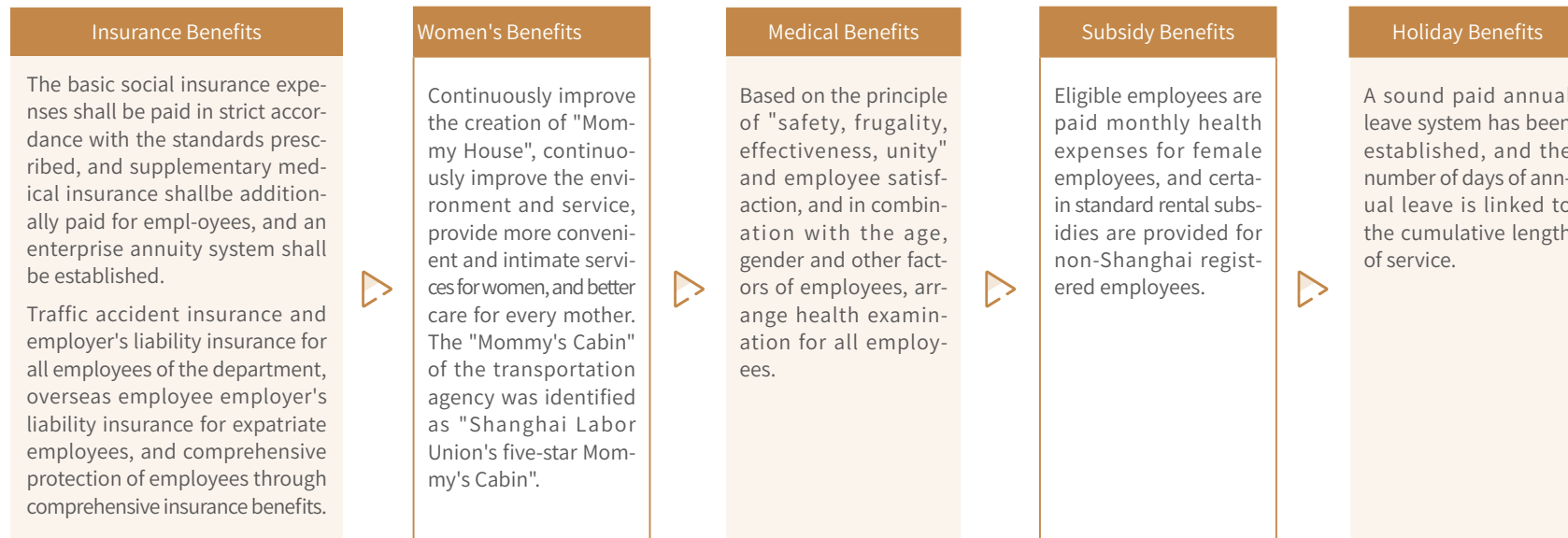
COSCO SHIPPING Lines has always adhered to the system of collective negotiation and signing of collective contracts, which is a concrete manifestation of the spirit of the 18th National Congress of the Communist Party of China, safeguarding the legitimate rights and interests of employees and the overall interests of the enterprise, and consolidating harmonious and stable labor relations of the enterprise. It plays a very important role in further protecting and mobilizing the enthusiasm, initiative and creativity of employees and promoting sound and rapid development.

Adhering to the concept of humanistic care and caring for the value contribution of employees, we provide employees with all-round welfare protection, safeguard their rights and interests and health, and encourage the Group's enterprises to further strengthen the flexibility and security of employee welfare system.





### Employee Welfare



COSCO SHIPPING Holdings always strives to provide meticulous care for employees, and carries out a series of care and assistance activities for female employees, vulnerable groups and employee families in need, such as hiring legal and health consultants for employees, organize regular consultations to create a warm and loving home. The Group provides care and support to its employees by organizing cultural activities related to female employees. We also take care of the needs of special groups, eagerly help any employees in need, mobilize collective help and mutual assistance, and strive to become the strongest backing for employees to tide over every difficulty hand in hand.

#### Special lectures on International Women's Day



On the afternoon of March 7, the special lecture on "Inheritance of Chinese Classics and Happy Life for Wise Women" hosted by COSCO SHIPPING Holdings was held as scheduled, and nearly 350 female staff representatives of the headquarters and various subsidiaries jointly listened to the lecture on "Chinese Studies". In response to this special lecture, President Wang Jin, representing the group's party and government leaders, delivered a speech expressing heartfelt gratitude to all female compatriots for their hard work and outstanding achievements.

The special lecture mainly uses the way of life Zen to convert Chinese classics such as "The Book of Changes (Yi Jing)", "The Analects of Confucius", "Tao Te Ching" and "Huang Di Nei Jing" into enlightenment quotations of wisdom and humor, so as to offer insights that help calm restlessness, purify the spirit, and nurture and perfect the self.



### COSCO SHIPPING Lines has set up a caring fund to help needy employees



COSCO SHIPPING Lines has set up a caring fund to help employees and their immediate relatives who are stranded due to accidental injuries and major diseases. This caring fund has helped 3 employees in need and 2 family members of deceased employees to apply for death insurance from the Municipal Vocational Insurance Center.

Through the caring fund, the Group helps employees get out of difficulties, creates a comfortable working environment for employees, improves employees' work enthusiasm, closes the distance between employees and the Group, enhances the internal cohesion of the Group, and builds a friendly and harmonious family.

This caring fund has helped

3

employees in need

2

family members of deceased employees to apply for death insurance from the Municipal Vocational Insurance Center

### COSCO SHIPPING Lines Labor Union Launches Activity of "Sending Coolness" for High Temperature Sympathy



COSCO SHIPPING Lines has formulated the "2023 COSCO Shipping Lines' Labor Union High-temperature Comfort Activity Arrangement Plan", which requires all departments and subordinate units to make effective arrangements in accordance with the spirit of the notice, so as to carry out activities in a planned, organized, implemented and tracked manner, and ensure the sustained and stable safety production. The managements of COSCO SHIPPING Lines led a team to express condolences to the employees of ships, port network companies, storage yards, night shift teams, property management companies, communication companies and other front-line positions with harsh and high temperatures, distribute heatstroke prevention and cooling materials, and supervise and urge the labor protection work against high temperatures on the spot. We effectively maintain, mobilize and give full play to the enthusiasm and initiative of employees to participate in the operation. During the high temperature period, the Labor Unions at all levels organized:

high temperature sympathy activities

563

times

comforted front-line employees

24,977

person-times

distributed heatstroke prevention and cooling labor protection articles of more than

4.16

million yuan

comforted ships

199

times

distributed money and goods of

1.4743

million yuan

Through practical actions, employees can truly feel the warmth and care of the company.





## Talent Development

COSCO SHIPPING Holdings insists on putting talent training in the first place, providing smooth promotion channels for talents, setting up a scientific and perfect assessment and incentive system, and carrying out diversified vocational training to enable employee growth.

COSCO SHIPPING Lines has established internal assessment management systems such as *Management Measures for Business Positions and Ranks at Headquarters (Trial)* and *Administrative Measures for Staff Assessment at Headquarters (Trial)*, and followed *Management Measures for Remuneration of Overseas Employees of COSCO SHIPPING Group Co., Ltd. (Trial)* for overseas employees, so as to continuously promote performance assessment, provide an important reference basis for employee selection and training, job promotion, excellence evaluation, year-end bonus distribution and other incentive constraints. The Group adheres to the principle of matching the income level with the job responsibilities and inclining to the grass-roots level to ensure internal fairness. We adhere to the link between salary distribution and performance appraisal, give full play to positive incentive orientation, effectively help employees achieve management objectives and tasks, and achieve common growth of employees and enterprises.

COSCO SHIPPING Holdings has continuously expanded the career development space and promotion channels of employees, and opened dual channels of management channel and business channel. Among them, the most important sources of management channels are department recommendations, democratic recommendations, daily assessment results, etc., and we will promote them from time to time. The business channel is linked to the comprehensive assessment results and is carried out twice a year, covering all employees, so as to provide sufficient motivation and support for the continuous development of employees.

At the same time, for long-term incentives, we revised and improved the stock option incentive plan, and introduced employee stock ownership plans and other incentive programs to eligible employees. During the Reporting Period, 393 employees with their first-time incentives and 35 with reserved incentives met the incentive program conditions.

The Group is committed to building an excellent talent team, improving the quality and professional skills of employees, and promoting the standardization of training. Guided by strategic objectives and based on job requirements, the Group actively carries out diversified training courses to improve employees' professional skills and job competencies to help employees grow continuously. On the basis of existing training resources and platforms, we have also introduced high-quality curriculum resources such as "Chaos Learning Park" and "Global Operation Navigation", and pushed 30 selected courses to employees through special operation, to help students achieve rapid screening and targeted learning of high-quality courses and further improve their overall quality. As at the end of the Reporting Period, the total number of training hours for the Group's employees was 944,705 hours, and a total of 31,654 employees were trained.

### COSCO SHIPPING Lines implements the second phase of the "Elite Talents Plan"



COSCO SHIPPING Lines has launched the "Elite Talents Plan" to attract outstanding talents and strive to improve the students' own strategic ability, efficient execution, ability to challenge themselves, ability to unite and cooperate and ability to endure hardship. In 2023, based on the first phase of experience, we formulated the second phase of the implementation plan of the "Elite Talents Plan", and selected 50 young employees from among the registered employees through procedures such as department recommendation, unified written examination, and leaderless group discussion. The plan hopes that students will take ability improvement as the anchor, focus on improving their own strategic ability, efficient execution ability, self-challenging ability, cooperation ability and the ability to be willing to endure hardship, and contribute new strength to the development to the company. In 2023, two centralized trainings were carried out, including group building expansion, digital thinking training, communication technology, political theory, official document writing, special economic learning of the 20th National Congress, business speeches, etc. Through this plan, we can effectively cultivate key talents and further improve the company's business efficiency.

### COSCO SHIPPING Ports Holds Seminar for Middle and Senior Management



COSCO SHIPPING Ports has held training courses for middle and senior management personnel for department general managers/senior experts of headquarters, department deputy general managers/senior experts, general managers of terminals, executive deputy general managers, deputy general managers and other management personnel. The course is divided into four modules: political discrimination, work motivation, continuous innovation and self-improvement. All the teachers and lecturers come from the Central Party School, the Group's Voyage Program and the Setting Sail Program. The training aims to improve the ability and quality of trainees in Party spirit cultivation, strategic thinking, international vision, team building, organization management, communication and coordination, and decision-making.



## Employee Communication

COSCO SHIPPING Holdings actively communicates with employees and pays attention to their demands, including online and offline channels such as the Office Automation System (OA), the company's email, and the establishment of employee seminars. We listen to the needs of employees in all aspects in a timely manner, and give feedback on problems as soon as possible to help employees solve practical difficulties.

COSCO SHIPPING Holdings encourages employees to work actively and advocates employees to love life. We carry out a variety of club activities covering sports, culture, lifestyle, etc., and set up singing competitions, sports meets and other activities to create opportunities for employees to relax and show themselves, help employees achieve a balance between work and life, and comprehensively enhance employees' sense of happiness and belonging.

### COSCO SHIPPING Ports and OOIL participated in the Sports Day of COSCO SHIPPING Corporation's Stationary Units in Hong Kong



On December 9, 2023, in order to fully reflect the unity, cooperation and positive spirit of COSCO SHIPPING Corporation's units in Hong Kong, and to better foster exchanges and physical well-being among the employees, COSCO SHIPPING Hong Kong Association held the "2023 COSCO SHIPPING Staff Sports Day" in Hong Kong. In this sports event, a total of six teams composed of other COSCO SHIPPING Group's subsidiaries, including OOIL, COSCO SHIPPING (Hong Kong), COSCO SHIPPING Ports, COSCO SHIPPING Investment Holdings, COSCO (H.K.) SHIPPING and COSCO SHIPPING Container Transportation Agency, participated in the competition, with about 1,000 participants. The event promoted a healthy lifestyle and physical fitness, enhanced friendship and communication among participants, and strengthened the cohesion between those companies.



COSCO SHIPPING Staff Sports Day in Hong Kong





## Occupational Health and Safety

Safeguarding the physical and mental health of employees is an unshakable responsibility of the enterprise, and also a prerequisite for our stable operation. COSCO SHIPPING Holdings strives to ensure the occupational health of employees, continuously improves the occupational health and safety management system, and takes the health of employees as an important work of enterprise management. At the same time, we continue to pay attention to the physical and mental health of employees, make every effort to prevent occupational diseases and reduce the risk of occupational disease exposure, and make continuous efforts to create a safer and healthier working environment for employees.

We attach great importance to the occupational health of employees, strictly implement the national occupational safety and health regulations, establish, and improve the occupational health management system, carry out the whole process management from aspects of governance, strategy, risk management, metrics and target monitoring, and regard the health of employees as a vital part of the group management. At the same time, COSCO SHIPPING Holdings is awarded of the importance of health and safety to employees' happiness, thus we organize employees occupational health and safety management knowledge training, popularize health knowledge, guide employees to pay attention to health problems, pay attention to employees' life and problems including pressure, and formulate corresponding solutions to ensure and pay attention to employees' occupational health. Currently, 50% of the completed holding terminals of COSCO SHIPPING Ports have obtained ISO 45001 or OHSAS 18001 certification, and OOCL also strictly implements occupational health and safety related requirements in accordance with the safety, quality and environmental management (SQE) system to create a safe working environment for employees.

Adhering to the principles of safety first, quality first and pursuit of excellence, COSCO SHIPPING Holdings coordinates and implements occupational health and safety work, strives to ensure the health and safety of every employee, and formulates safety management improvement objectives to effectively ensure the health and safety of employees and contractors. The Group has no safety accidents or work-related fatalities.

We value the physical and mental health of all workers and are committed to providing safe and healthy workplaces for employees and contractors to prevent work-related injuries and health damage. We carry out a number of occupational health management measures to create a more comfortable working environment for employees.



### COSCO SHIPPING Lines in Shanghai launched "Health&Safety Cup" employee safety emergency skills competition



In accordance with the Group's requirements for the "Health&Safety Cup" employee safety emergency skills knowledge competition and safety culture publicity activities, the Company's labor union, the Board of Directors/General Manager Office and the organ labor union organized and carried out the "Health&Safety Cup" automobile safety driving and emergency knowledge and skills competition and the "Health&Safety Cup" employee safety emergency skills knowledge competition of the centralized transportation organ in Shanghai.

Through the development of this skill competition and knowledge competition, not only has the awareness of the rule of law and responsibility of the majority of workers in safe production been enhanced, but also the safety quality and emergency response ability of the workers have been improved, and a strong atmosphere of "everyone talks about safety, everyone knows emergency" has been created, which has laid a foundation for better strengthening the publicity and education of safe production, making the safety awareness deeply rooted in the hearts of the people, and fundamentally doing a good job in safe production.



## Occupational Health Management

### Governance

- OOIL has established a safety, security and environmental protection steering committee, formulated action plans to achieve occupational health objectives, and held quarterly meetings to assess health and safety performance.
- COSCO SHIPPING Lines has established *Occupational Health and Safety Management Regulations* to supervise, inspect and guide the occupational health and safety work of all units, including all departments, affiliated units and contract contractors.
- COSCO SHIPPING Ports has formulated a number of regulations, carried out safety education and training activities, emergency drills and other activities.
- Work safety indicators are included in executive compensation performance.

### Strategy

- Organize health examination, establish employee health files, find hidden dangers and problems, intervene in advance, and escort the health of employees.
- Carry out occupational health knowledge and safety management knowledge update training to improve the safety quality and safety management level of employees.
- Standardize and carry out three-level safety education, case warning education, refine and strengthen employee occupational health training, strengthen system operation instructions training, and improve employees' business skills and safety skills.
- Coordinate the crew company to strictly control the entry of crew members, strictly conduct interview screening, strive to dispatch qualified crew members with physical health, business skills and safety skills to the ship, and ensure that the crew members are fit for the post.

### Risk management

- Carry out annual major risk sources, occupational health and environmental health risks, operational risks and other mapping and assessment, and carry out large-scale screening, investigation and rectification of safety risks in combination with special rectification actions of safety production throughout the whole process of safety production throughout the year.
- Formulate and carry out annual safety inspection plan.

### Metrics and Targets

- To maintain safe and stable, to eliminate occupational disease, major fatality and mass injury accidents, to avoid responsible serious injury accidents, and to reduce responsible minor injury accidents.
- Improve the training ratio of new employees and crew members to 100%, and the rectification rate of accident hazards to 100%.
- Employees' awareness and ability of occupational injury prevention have been significantly improved.

In order to further strengthen the publicity and implementation of occupational health and safety, COSCO SHIPPING Holdings actively carried out occupational health related training to enhance the occupational health awareness of all employees. During the Reporting Period, the total number of training hours on safety provided by the Group was

**146,814** hours





# 06

## Community Commitment

Giving back to a green future with corporate responsibility

- Responsible Citizens
- Community Engagement

With social development in mind, the Group has demonstrated its corporate responsibility and laid a harmonious future by combining its own industry advantages through community welfare, charitable donations, education support, targeted assistance and agricultural product transportation.



COSCO SHIPPING Holdings attaches great importance to fulfilling social responsibilities, pursuing the harmonious development of the company and society, actively exerting the influence of enterprises in social welfare, and injecting continuous strength into building a better society.



## Responsible Citizens

While developing, COSCO SHIPPING Holdings shares its development achievements with the society. We actively fulfill its corporate social responsibility, actively participate in public welfare and charity undertakings, support the construction and development of operating communities, and convey warmth and beauty to the society. In 2023, COSCO SHIPPING Lines' total public welfare investment reached 49.2855 million yuan, and COSCO SHIPPING Ports' public welfare expenditure was 1.73 million US dollars, which was used to carry out targeted assistance, counterpart support and related social welfare and basic education undertakings.

In 2023

COSCO SHIPPING Lines' total public welfare investment reached

**49.2855** million yuan

COSCO SHIPPING Ports' public welfare expenditure was

**1.73** million US dollars

which was used to carry out fixed-point assistance, counterpart support and related social welfare and basic education undertakings.



### COSCO SHIPPING Lines

- Charitable Fund: Donate 40 million yuan to COSCO SHIPPING Charitable Fund;
- Education support: donated 500,000 yuan to Yongde County, Yunnan Province, for the construction project of electronic reading room of Yongde County education system; Donate 150,000 yuan to the Hunan Anhua County Dream Education Foundation for the maintenance of the Jiangjunwan Primary School teaching building and the purchase of teaching facilities and equipment in Nanjin Township, Anhua County;
- Counterpart assistance: We organized labor unions at all levels to participate in the "Spring Festival Action for Consumption Assistance of Central Enterprises" and the "Week of Consumption Assistance for Rural Development of Central Enterprises", and purchased 3.9 million yuan of agricultural and other products from designated areas for assistance and counterpart assistance of the Group;
- Harmony and progress: We donated 500,000 yuan to Luolong County, Tibet, for the construction of the "National Unity Square" project in Dalong Township.

### COSCO SHIPPING Ports

- Charitable Fund: Donate 10 million yuan to COSCO SHIPPING Charitable Fund;
- Environmental protection: Donate 50,000 Hong Kong dollars to WWF Hong Kong Branch and 28,000 Hong Kong dollars to Hong Kong Ocean Park Conservation Fund to protect green homes;
- Community support: Jinjiang Port and Quanzhou Port respectively donated 30,000 yuan to communities and schools around the port area; Guangzhou Nansha Port made a donation of 520,000 yuan;
- Overseas public welfare: Piraeus Ferry Terminal in Greece donated a total of 100,000 euros to local communities, including vulnerable families in the community, two primary schools, child support, nursing homes and so on.

### OOIL

- Charitable fundraising: OOCL Logistics continued to support the annual charity fundraising event "Caring for Love" sponsored by the Hong Kong Red Cross this year.
- Charity Running Event: Forty-five colleagues from OOIL Germany participated in a charity running event in Bremen, Germany.
- Helping children with difficulties: The Ningbo office, together with the Small Seed Public Welfare Parent and Child Reading Society and the Ningbo Customs Volunteer Association, organized a visit to a primary school in five townships and opened a picture book course for more than 400 first-year students.



### COSCO SHIPPING Lines helps Gansu Province to ensure smooth transportation of earthquake relief materials



On December 18, a 6.2-magnitude earthquake struck Jishishan County, Linxia Prefecture, Gansu Province, Qingdao Branch of COSCO SHIPPING Lines followed the orders to cooperate with Tianjin COSCO SHIPPING Logistics Supply Chain Co., Ltd. to set up a leading group for the transportation of earthquake relief materials in Gansu Province and a field working group for earthquake relief. They cooperated with each other and worked on a division of labor. They actively docked with the Material Support Department of Gansu Provincial Emergency Department, the Red Cross Society of Gansu Province and the Logistics Channel Department of Gansu Provincial Department of Commerce, and started 24-hour duty and transported emergency materials. The materials transported include 1,200 pieces of daily necessities such as cotton clothes and quilts, 240 boxes of drugs such as Lianhua Qingwen Capsule, and 1,200 pieces of other drugs, flour, edible oil and other materials, totaling 6 containers. According to the transportation needs of earthquake relief materials, Qingdao Branch completed the first batch of material transportation tasks, and delivered caring materials to the people in the disaster area in a timely manner.



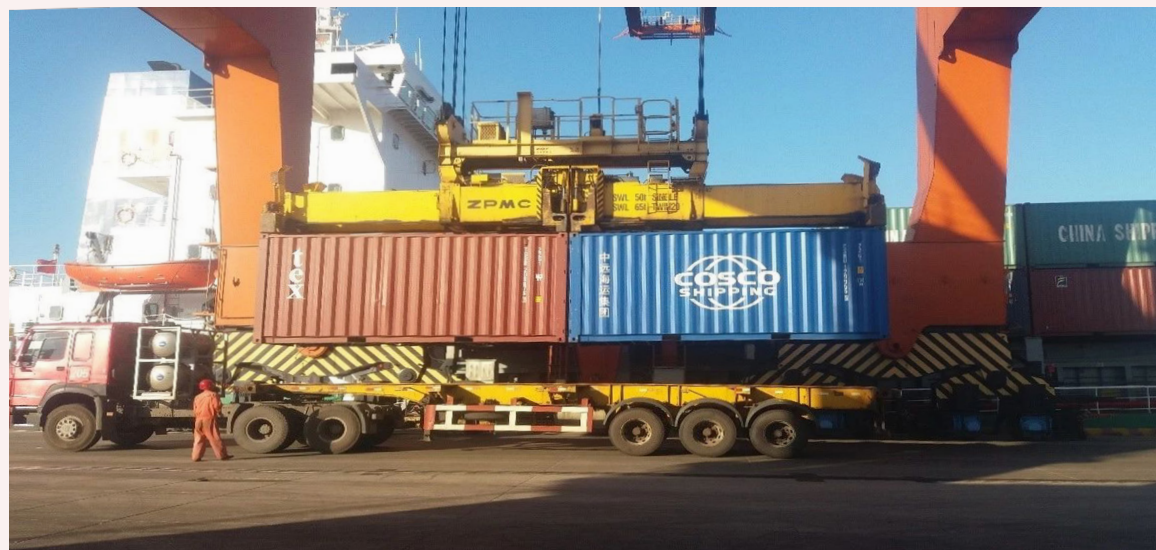
Pictures of the delivery site

### COSCO SHIPPING Lines' Dalian Branch Makes Every Effort to Promote the Transportation of Agricultural Products



Due to the heavy rainfall in August this year and the impact of the rainy season in Taiwan, a wholesale of fruit products to Zhejiang Province was delayed in a warehouse specializing in the storage and processing of agricultural products. After acknowledging the situation, COSCO SHIPPING Lines' Dalian Branch coordinates with different parties: according to customer needs, coordinate with relevant departments and units to ensure the container needs and container vehicles; coordinate branch lines and trunk lines to minimize transportation time, coordinate to quickly determine the transportation route of Dandong - Dalian - Yingkou - Ningbo, and shorten the overall transportation time by more than 10 days. After the first batch of goods were successfully packed and shipped, the customer affirmed COSCO SHIPPING Lines' comprehensive service capacity and said that it would continue to strengthen cooperation in the future.

In the future, COSCO SHIPPING Lines' Dalian Branch will also take this opportunity to base itself on the local market and rely on mature agricultural product transportation experience to promote many local characteristic agricultural products to the whole country.



Pictures of transported agricultural products



## Community Engagement

COSCO SHIPPING Holdings has always been concerned about community construction, and has carried out community services through various activities and channels, including charity sales and nursing homes, to practice corporate social responsibility with practical actions and help community construction. Always keep in mind the sense of mission and responsibility of the enterprise, and transmit our positive energy with action.

During the Reporting Period, COSCO SHIPPING Holdings' participation in volunteer activities reached 4,393 person-times and served 16,496 hours.

COSCO SHIPPING Holdings  
volunteering participation

4,939 person-times

served

16,496 hours



Charity sale

### COSCO SHIPPING Lines' Caring Activities for the Elderly



On October 23, COSCO SHIPPING Lines jointly held a comfort activity for the elderly at Hongkou District Social Welfare Institute in conjunction with Hongkou District Civil Affairs Bureau, Shanghai Student Art Troupe Zhongsheng Dance Troupe, Hongkou District Workers' Cultural Palace and Hongkou District Social Welfare Institute. During the activity, Wang Jin, Chairman of the labor union of the Company, sent love blankets and Chongyang cakes to the elderly on behalf of all the employees of the company, and extended holiday greetings and sincere wishes to the elderly. The labor union of the company, together with Zhongsheng Dance Troupe of Shanghai Student Art Troupe and Workers' Cultural Palace of Hongkou District, present a wonderful literary and artistic performance and impromptu calligraphy works to the elderly. We accompanied the elderly to celebrate the Double Ninth Festival with singing and laughing.



Double Ninth Festival activities for the elderly





# Appendix

## Sustainable Development Data

### Environmental Data

Container Shipping Business					
Indicators		Unit	2021	2022	2023
Direct energy use	Gasoline	Tons	110	114	136
	Fuel oil (heavy oil)	Tons	6,891,362	6,567,804	6,165,618
	High-sulfur oil	Tons	563,026	594,944	776,230
	Very low-sulfur oil	Tons	6,328,336	5,972,860	5,389,388
	Diesel oil (light oil)	Tons	202,607	238,457	208,651
	Natural gas	Cubic meters	371,662	361,895	411,702
	Others (Liquefied petroleum gas)	Kilogram	6,475	6,295	5,903
	Acetylene	Kilogram	1,554	1,362	1,710
	Total	1,000 kWh	82,520,494	79,177,312	74,149,638
Direct energy use intensity		1,000 kWh / million RMB revenue	247	202	441
Indirect energy use	Purchased electricity	1,000 kWh	25,720	25,300	26,151
Indirect energy use intensity		1,000 kWh / million RMB revenue	0.080	0.065	0.156
GHG emissions <sup>5</sup>	Scope I GHG emissions	Tons of carbon dioxide equivalent	22,198,758	20,764,380	19,828,201
	Scope II GHG emissions	Tons of carbon dioxide equivalent	16,066	14,428	14,740
	Total GHG emissions (Scope I + Scope II)	Tons of carbon dioxide equivalent	22,214,824	20,778,809	19,842,941

<sup>5</sup> Greenhouse gas emission factors are mainly referred to Third IMO Greenhouse Gas Study 2014, and electricity consumption emissions refer to the emission factors of each country or power company.

Container Shipping Business					
Indicators		Unit	2021	2022	2023
Intensity of GHG emissions		Tons of carbon dioxide equivalent / million RMB revenue	66.57	53.13	118.02
Water for production	Freshwater Consumption	Tons	343,822	293,578	392,719
	Seawater desalination	Tons	297,840	285,297	288,743
	Total consumption of water for production	Tons	641,662	578,875	681,462
Domestic water consumption		Tons	132,915	135,712	143,124
Total water consumption		Tons	774,577	714,587	824,586
Total water consumption intensity		Tons /million RMB revenue	2.32	3.31	4.90
Exhaust gas <sup>6</sup>	Nitrogen oxides	Tons	522,229	496,430	433,000
	Sulphur oxides		132,479	163,347	114,681
	Particulate matter		47,066	44,496	32,560
Wastewater	Production wastewater - treated	Tons	84,464	63,877	72,253
	Domestic wastewater	Tons	129,308	132,487	139,665
Waste	Hazardous waste	Tons	458	446	570
	Intensity of hazardous waste	Kilogram / million RMB revenue	1.40	1.14	3.39
	Dangerous goods	TEU	333,062	339,761	440,598
	Non-hazardous waste	Tons	1,341	987	1,307
Intensity of non-hazardous waste		Kilogram / million RMB revenue	4.09	2.53	7.78
Lubricating oil		Tons	36,345	37,108	36,890

<sup>6</sup> The calculation method of exhaust gas mainly refers to the method of the Clean Cargo Working Group (CCWG). Data for 2022 is reviewed and restated.



Port business <sup>7</sup>					
Indicators		Unit	2021	2022	2023
Direct energy use	Diesel oil	Liters	84,822,636	76,986,169	69,075,365
	Gasoline	Liters	1,094,696	767,467	677,785
	Liquefied petroleum gas	Liters	100,300	151,030	125,886
	Liquefied natural gas	Liters	9,650,634	9,430,829	9,305,129
	Natural gas	Cubic meters	450,549	355,959	355,461
	Total	Million megajoules	3,513	3,306	2,985
	Direct energy use intensity	Million megajoules / million RMB revenue	0.44	0.34	0.29
Indirect energy use	Purchased electricity	kWh	605,511,077	628,552,329	602,710,244
	Shore power system electricity	kWh	not applicable	4,720,382	20,266,061
	Purchased heating power	Million joules	6,086	2,324	469
	Solar power generation	kWh	303,357	2,061,984	2,542,791
	Total	Million megajoules	2,181	2,270	2,179
	Indirect energy use intensity	Million megajoules / million RMB revenue	0.27	0.23	0.21
Total energy consumption		Million megajoules	5,694	5,576	5,164
Total energy consumption intensity		Gigajoules per TEU	0.081	0.072	0.066
Total GHG emissions	Scope I GHG emissions	Tons of carbon dioxide equivalent	85,836	84,895	78,497
	Scope II GHG emissions	Tons of carbon dioxide equivalent	124,317	150,661	148,492
	Total GHG emissions (Scope I + Scope II)	Tons of carbon dioxide equivalent	210,153	235,556	226,989
Intensity of GHG emissions (holding ports)		Tons of carbon dioxide equivalent /TEU	9.06	7.47	7.41
Total water consumption		Cubic meters	2,604,763	2,968,645	2,999,579
Water consumption intensity		Cubic meters /TEU	0.037	0.038	0.038
Wastewater discharge		Cubic meters	834,336	1,054,890	980,339
Hazardous waste		Kilogram	5,592,200	5,990,357	7,064,184
Intensity of hazardous waste		Kilogram/million RMB revenue	705.07	611.38	679.50
Non-hazardous waste		Kilogram	1,471,781	1,361,146	2,418,612
Intensity of non-hazardous waste		Kilogram/million RMB revenue	185.56	138.92	232.64
Material use	Lubricating oil and grease	Kilogram	898,988	801,552	768,512

<sup>7</sup> Data have been restated after review.



Social data					
Indicators		Unit	2021	2022	2023
Total number of employees	Total number of regular employees	People	30,980	31,510	31,654
	Contractors	People	7,655	7,759	7,151
By Gender	Proportion of regular male employees	%	63	62	64
	Proportion of regular female employees	%	37	38	36
By Age	Proportion of regular employee aged 30 or below	%	19	21	19
	Proportion of regular employee aged between 30 and 50 (excluding age 30 and 50)	%	66	63	62
	Proportion of regular employee aged 50 or above	%	15	17	18
By type of employment (full-time or part-time)	Proportion of full-time employees	%	99.6	99.5	99.5
	Proportion of part-time employees	%	0.4	0.5	0.5
By Region	Proportion of regular Mainland China employees	%	66	65	66
	Proportion of regular Hong Kong employees	%	5	6	5
	Proportion of regular overseas employees	%	29	29	29
By rank	Proportion of management level employees	%	5	5	3
	Proportion of general employees	%	95	95	97
New Employees	<b>By Gender</b>				
	Total number of new male employees	People	1,344	1,310	1,244
	Total number of new female employees	People	1,411	1,358	744
	<b>By Age</b>				
	Total number of new employees aged 30 or below	People	1,849	1,848	1,180
	Total number of new employees aged between 30 and 50(excluding age 30 and 50)	People	796	772	718
	Total number of new employees aged 50 or above	People	111	48	90
	<b>By Region</b>				
	Total number of new employees in China	People	1,680	1,428	968
	Total number of new employees in overseas	People	1,075	1,240	1,020

Social data					
Indicators		Unit	2021	2022	2023
Total turnover rate		%	5.37	4.46	3.94
Employee turnover rate by gender	Regular male employees	%	5.16	4.74	3.73
	Regular female employees	%	5.74	5.24	4.30
Employee turnover rate by region	Regular employees in mainland China	%	3.95	3.34	1.57
	Regular employees in Hong Kong, China	%	12.43	6.62	8.44
	Overseas regular employees	%	7.31	8.85	8.59
Employee turnover rate by age group	Regular employee aged 30 or below	%	13.3	11.59	7.98
	Regular employees aged between 30 and 50 (excluding 30 and 50)	%	3.93	3.12	3.17
	Regular employees aged of 50 or above	%	2.01	1.74	2.26
Total number of employees trained		People	30,980	31,510	31,654
Percentage of trained employees by gender					
Percentage of trained male employees		%	61	68	63
Percentage of trained female employees		%	39	32	37
Percentage of trained employees by rank					
Percentage of trained management level employees		%	4	6	7
Percentage of trained general employees		%	96	94	93
Total training hours of employees by gender					
Male		Hours	273,345	648,197	614,038
Female		Hours	145,409	335,317	330,667
Total training hours of employees by rank					
Management Level employees		Hours	47,722	165,470	191,347
General employees		Hours	371,031	818,044	753,358
Total training hours of employees by training category					
Anti-corruption and integrity		Hours	22,231	37,177	17,657
Safety and environmental protection		Hours	76,037	171,417	146,814
Total number of deaths	Number of work-related fatalities	People	1	0	0
	Proportion of work-related fatalities	%	0.02	0	0



Social data					
Indicators		Unit	2021	2022	2023
Work injury	Number of accidents causing work-related injuries	/	72	118	87
	Number of work-related injuries	People	71	118	100
	Thousands of injuries	%	1.71	2.73	2.58
Number of lost working days due to work-related injuries	Lost working days	Days	1,295	2,886	2,049
Number of suppliers(By region)	Suppliers in mainland China	/	19,762	21,135	24,207
	Suppliers outside mainland China (including Hong Kong, Macao and Taiwan)	/	21,456	19,914	21,943
Number of complaints received about products and services	Number of complaints	/	630	514	249
	Complaint handling ratio	%	100	100	100
Number of concluded corruption lawsuits filed against the company or its employees		cases	0	0	0
Total number of people participating in community or public welfare		Person/time	2,104	3,241	4,939
Total number of hours of participation in community or public welfare activities		Hours	3,691	11,685	16,496

## Reporting Indicators Guidelines

### Environmental, Social and Governance Reporting Guidelines

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.	Green transformation-Green and low-carbon development
	A1.1	Types of emissions and data on emission	Sustainability Data
	A1.2	Total emissions and density of greenhouse gases	Sustainability Data
	A1.3	Total amount and density of hazardous wastes produced	Sustainability Data
	A1.4	Total amount and density of harmless waste generated	Sustainability Data
	A1.5	Description of emission targets set and steps taken to achieve them	Green transformation-Green and low-carbon development
	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	Green transformation-Implementing environmental protection
A2: Resources use	General disclosure	Policies for efficient use of resources (including energy, water and other raw materials).	Green transformation-Implementing environmental protection
	A2.1	Total consumption and density of direct and/or indirect energy sources (such as electricity, gas or oil) by type	Sustainability Data
	A2.2	Total water consumption and density	Sustainability Data
	A2.3	Description of energy efficiency goals set and steps taken to achieve these goals	Green transformation-Implementing environmental protection
	A2.4	Description any problems in obtaining suitable water sources, the water efficiency targets set and steps taken to achieve these targets	Green transformation-Implementing environmental protection
	A2.5	Total amount of packaging materials used for finished products and their share per production unit	No packaging materials are used in the operations of COSCO SHIPPING Holdings



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	Green transformation-Implementing environmental protection
	A3.1	Description of the significant impact of business activities on the environment and natural resources, and the actions taken to manage the impact	Green transformation-Green and low-carbon development
A4: Climate change	General disclosure	Policies for identifying and responding to significant climate-related issues that have and may have an impact on the issuer	Green transformation-Climate Change Response
	A4.1	Description of major climate-related issues that have and may have an impact on the issuer, and the response actions	Green transformation-Climate Change Response
Society			
B1: Employee	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.	Harmonious development- Employment compliance
	B1.1	Total number of employees by sex, employment type, age group and region	Sustainability Data
	B1.2	Employee turnover by sex, age group and region	Sustainability Data
B2: Health and Safety	General disclosure	Related to the provision of safe working environment and the protection of employees (a) Policies; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Harmonious development- Occupational health and safety
	B2.1	Number and rate of work-related deaths in each of the past three years (including the reporting year)	Sustainability Data
	B2.2	Number of hold-up working days due to work-related injuries	Sustainability Data
	B2.3	Description of the occupational health and safety measures adopted, and the relevant implementation and monitoring methods	Harmonious development- Occupational 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.	Harmonious development- Occupational health and safety
	B3.1	Percentage of trained employees by sex and employment category	Sustainability Data
	B3.2	Average number of training hours per employee by sex and employee type	Sustainability Data
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.	Harmonious development- Employment Compliance
	B4.1	Description of measures taken to review recruitment practices to avoid child labor and forced labor	Harmonious development- Employment Compliance
	B4.2	Description of the steps taken to eliminate violations when they are found	Harmonious development- Employment Compliance
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks in the supply chain.	Empowering shipping-Sustainable supply chain
	B5.1	Number of suppliers by region	Empowering shipping-Sustainable supply chain
	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	Empowering shipping-Sustainable supply chain
	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	Empowering shipping-Sustainable supply chain
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	Empowering shipping-Sustainable supply chain	



Environmental, social and governance areas and general disclosure and key performance indicators (KPI)			Chapter
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.	Empowering shipping-Customer service  COSCO SHIPPING Holdings' daily operations do not involve advertising and labeling related matters
	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 port business, and product recycling is not involved
	B6.2	Percentage of products that need to be recalled for safety and health reasons of all sold or shipped products	Empowering shipping-Customer Service
	B6.3	Description of the practices related to the maintenance and protection of intellectual property rights	COSCO SHIPPING Holdings' business did not involve intellectual property
	B6.4	Description of quality verification process and product recall procedures	COSCO SHIPPING Holdings mainly provides container shipping services and port business, not involving product recycling
	B6.5	Description of consumer data protection and privacy policies, and related enforcement and monitoring methods	Empowering shipping-Customer Service
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.	Strengthening governance-Business Ethics
	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	Strengthening governance-Business Ethics
	B7.2	Description of preventive measures and reporting procedures, as well as related enforcement and monitoring methods	Strengthening governance-Business Ethics
	B7.3	Description of anti-corruption training provided for directors and staff	Strengthening governance-Business Ethics

Environmental, social and governance areas and general disclosure and key performance indicators (KPI)			Chapter
B8: 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.	Community Commitment
	B8.1	Areas of focus	Community Commitment
	B8.2	Resources invested in areas of focus	Community Commitment



## GRI Standards

Disclosure issues/ items	Title of disclosure item	Sections
General standards		
GRI 1: Fundamentals 2021		
GRI 2: General Disclosure 2021		
Organizing and reporting practices		
2-1	Organizational details	About this report
2-2	Entities included in the organization's sustainability reporting	About this report
2-3	Reporting Period, frequency and contact point	About this report
2-4	Restatements of information	About this report
2-5	External assurance	Independent Assurance Statement
Activities and works		
2-6	Activities, value chain and other business relationships	About COSCO SHIPPING Holdings
2-7	Employees	Harmonious development - Employment Compliance
2-8	Workers who are not employees	Harmonious development - Employment Compliance
Governance		
2-9	Governance structure and composition	Strengthening governance-Corporate Governance
2-10	Nomination and selection of the highest governance body	Strengthening governance-Corporate Governance
2-11	Chair of the highest governance body	Strengthening governance-Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Strengthening governance-Corporate Governance
2-13	Delegation of responsibility for managing impacts	Strengthening governance-Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Strengthening governance-Corporate Governance

Disclosure issues/ items	Title of disclosure item	Sections
2-16	Communication of critical concerns	Strengthening governance-Corporate Governance
2-17	Collective knowledge of the highest governance body	Strengthening governance-Corporate Governance, ESG Governanced
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Message from the Chairman
2-23	Policy commitments	Strengthening governance-ESG Governance
2-24	Embedding policy commitments	Strengthening governance- Business Ethics
2-25	Processes to remediate negative impacts	Strengthening governance- Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	Strengthening governance-ESG Governance
2-27	Compliance with laws and regulations	Strengthening governance-ESG Governance
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Strengthening governance- Business Ethics
2-30	Collective bargaining agreements	Harmonious develop-ment - Rights and interests protection
GRI3:Material Topics 2021		
3-1	Process to determine material topics	Strengthening governance-ESG Governance
3-2	List of material topics	Strengthening governance-ESG Governance
3-3	Management of material topics	Strengthening governance-ESG Governance
GRI 201: Economic Performance 2016		
201-1	Economic value directly generated and distributed	About COSCO SHIPPING Holdings
201-2	Financial impacts of climate change and other risks and opportunities	Green transformation-Climate Change Response



Disclosure issues/ items	Title of disclosure item	Sections
GRI 203: Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	Community Commitment
GRI 205: Anti-Corruption 2016		
205-1	Operations where corruption risk assessment has been conducted	Strengthening governance- Business Ethics
205-2	Communication and training of anti-corruption policies and procedures	Strengthening governance- Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Strengthening governance- Business Ethics
GRI 206: Unfair Competitive Behavior 2016		
206-1	Legal proceedings against unfair competition behavior, antitrust and anti-monopoly practice	Strengthening governance- Business Ethics
Environment		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Green transformation - Green and low-carbon development
302-2	Energy consumption outside of the organization	Sustainability Data
302-3	Energy intensity	Sustainability Data
302-4	Reduce energy consumption	Green transformation - Green and low-carbon development
302-5	Reduce the energy demand of products and services	Green transformation - Green and low-carbon development
GRI 303: Water Resources and Sewage 2018		
303-1	Interaction between organizations and water (as a shared resource)	Green transformation - Implementing environmental protection
303-2	Management of drainage-related impacts	
303-3	Water fetching	Green transformation - Implementing environmental protection
303-4	Drainage	Green transformation - Implementing environmental protection
303-5	Water consumption	Green transformation - Implementing environmental protection

Disclosure issues/ items	Title of disclosure item	Sections
GRI 304: Biodiversity 2016		
304-2	Significant impacts of activities, products and services on biodiversity	Green transformation - Implementing environmental protection
GRI 305: Emissions 2016		
305-1	Direct (category 1) greenhouse gas emissions	Sustainability Data
305-2	Energy indirect (category 2) greenhouse gas emissions	Sustainability Data
305-4	Greenhouse gas emission intensity	Sustainability Data
305-7	Emissions of nitrogen oxides (NOX), sulfur oxides (SOX) and other major gases	Sustainability Data
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Green transformation - Implementing environmental protection
306-2	Management of impacts related to major wastes	
306-3	Waste generated	Green transformation - Implementing environmental protection
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers selected using environmental criteria	Empowering shipping-Sustainable Supply Chain
308-2	Negative impact of supply chain on environment and actions taken	Empowering shipping-Sustainable Supply Chain
Society		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Harmonious development-Compliance Employment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Harmonious development - Rights and interests protection
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational Health and Safety Management System	Harmonious development - Occupational health and safety
403-2	Hazard identification, risk assessment and incident investigation	Harmonious development-Occupational health and safety





Disclosure issues/ items	Title of disclosure item	Sections
403-3	Occupational Health Services	Harmonious development - Occupational health and safety
403-4	Occupational Health and Safety Matters; Workers' Participation, Consultation and Communication	Harmonious development - Occupational health and safety
403-5	Occupational Health and Safety Training for Workers	Harmonious development - Occupational health and safety
403-6	Promoting Workers' Health	Harmonious development - Occupational health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Harmonious development - Occupational health and safety
403-8	Workers Applicable to Occupational Health and Safety Management System	Harmonious development - Occupational health and safety
403-9	Work-related injury	Harmonious development - Occupational health and safety
403-10	Work-related health problems	Harmonious development - Occupational health and safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Harmonious development - Talent development
404-2	Programs for upgrading employee skills and transition assistance programs	Harmonious development - Talent development
404-3	Percentage of employees receiving regular performance and career development reviews	Harmonious development - Talent development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversification of Governing Institutions and Employees	Harmonious development - Employment Compliance
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Harmonious development - Employment Compliance
GRI 408: Child Labor 2016		
408-1	Operating points and suppliers at risk of major child labor incidents	Harmonious development - Employment compliance Empowering shipping - Sustainable Supply Chain

Disclosure issues/ items	Title of disclosure item	Sections
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operating points and suppliers with significant risks of forced or compulsory labor events	Harmonious development - Employment compliance Empowering shipping - Sustainable Supply Chain
GRI 413: Local Communities 2016		
413-1	Operational sites with the participation of local communities, impact assessment and development plans	Community Commitment
413-2	Operations with significant actual and potential negative impacts on local communities	Community Commitment
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers screened using social criteria	Empowering shipping - Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Empowering shipping - Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Empowering shipping - Customer service
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Empowering shipping - Customer service
GRI 418: Customer Privacy 2016		
418-1	Verified complaints related to invasion of customer privacy and loss of customer data	Empowering shipping - Customer service



## Independent Assurance 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 2023 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 of 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 published by the 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 "mandatory disclosure requirements" and "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:

- Port business – Wastewater discharge
- Number of complaints received about products and services
- Total training hours of employees by gender - Female

- The Assurance Engagement was with respect to information disclosed from January 01, 2023 to December 31, 2023 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 interviews<sup>8</sup> 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.

<sup>8</sup> The assurance engagement was conducted online and the interview was conducted by teleconference.

## 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, measure, assess and manage impacts. COSCO SHIPPING Holdings carried out a regular 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 "mandatory disclosure requirements" and "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.

