

## CHAPTER 5

## STAKEHOLDER ENGAGEMENT AND DOUBLE MATERIALITY ASSESSMENT



### STAKEHOLDER ENGAGEMENT

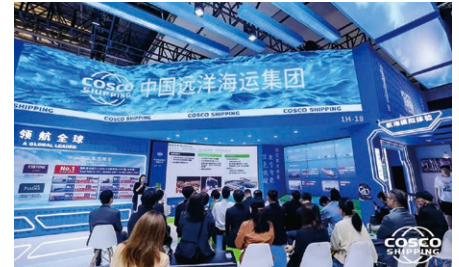
Stakeholder engagement is central to the Group's efforts to enhance sustainability management and offers an important reference for decision-making. To this end, the Group values interactive communication with stakeholders and has established a multi-channel and regular engagement mechanism to understand the impact of its operations on stakeholders, and value their feedback on its sustainability strategies, goals and daily operations. By systematically integrating stakeholder engagement into its sustainability management system, the Group fosters long-term and mutual development and creates value for all stakeholders.

For detailed information about the regular communication and channels with stakeholders, please refer to the section headed "Sustainability – Approach & Frameworks" on the Company's official website.

## CASE

### COSCO SHIPPING Ports shared green and low-carbon practices and experience

In May 2024, the Company participated in the Exposition on China Brand as part of the delegation of COSCO SHIPPING Group. At the ESG salon themed “Pioneering Carbon Pathways, Greening the Future”, the Company shared its practices and experiences in building green and low-carbon ports with investors, customers, suppliers, and business partners which included its “GRAND” approach, carbon neutrality roadmap, the application of green technologies, and measures to respond to climate change.



*The Company at the exposition*

## CASE

### COSCO SHIPPING Ports conducted investor reverse roadshow

In September 2024, the Group conducted a reverse roadshow themed “Green Smart Shipping Hub, Technology Leading Efficiency Creation and Cost Reduction”. Investors and analysts were invited to visit Xiamen Ocean Gate Terminal and relevant supply chain companies, where management from the subsidiaries introduced their company profiles, business operations, green and smart port initiatives, and extended supply chain logistics.

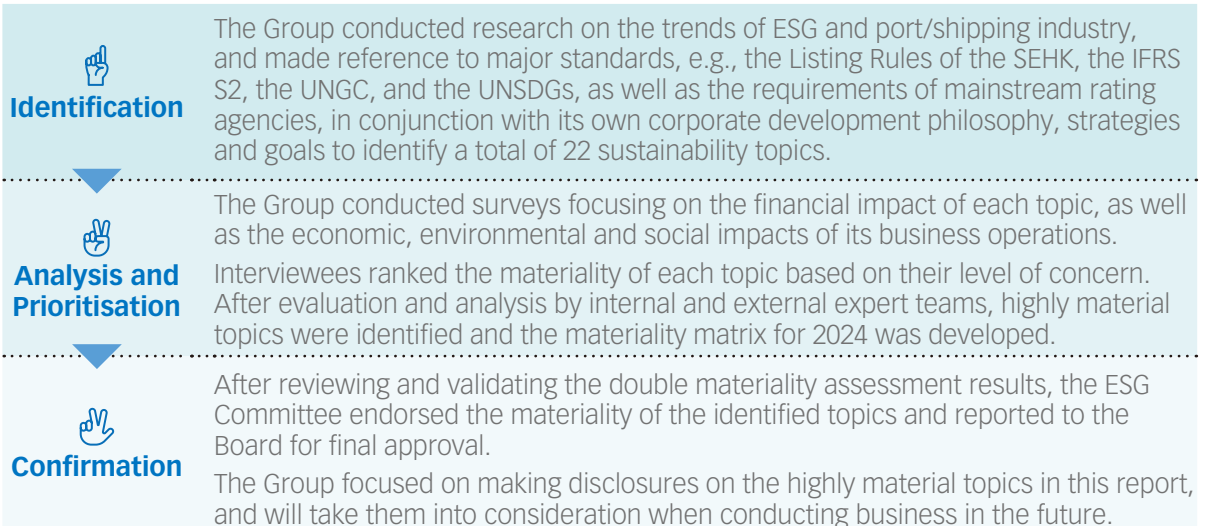
After the site visit, an investor exchange salon was organised, during which the Public Relations Division of the Company and the management of the subsidiaries presented company performance and ESG development, engaging in discussions and exchanges with investors and analysts.



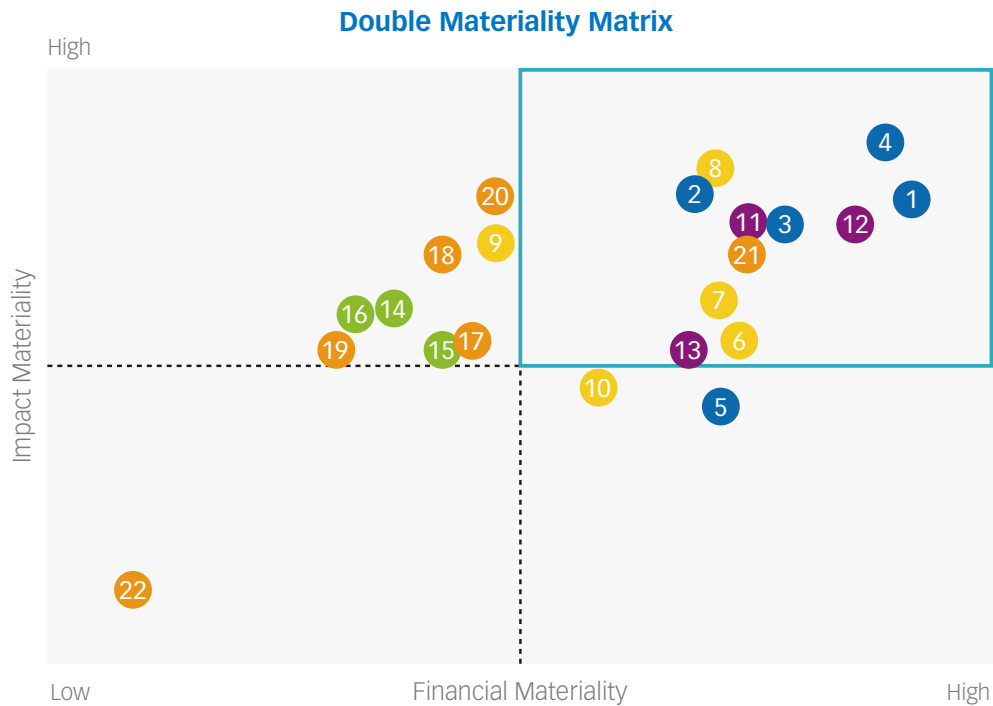
*Reverse roadshow at Xiamen Ocean Gate Terminal*

## DOUBLE MATERIALITY ASSESSMENT

To understand stakeholders’ concerns, the Group conducted stakeholder engagement during the year via surveys and interviews. To continue with double materiality assessment, risks and opportunities that significantly impact the Group’s business operations and development are assessed and analysed from both financial materiality and impact materiality to identify highly material topics.



During the year, the Group identified 11 highly material topics, which are shown on the top right-hand corner of the materiality matrix. For the boundary mapping of the material topics, please refer to Chapter 12 of this report.



### List of Sustainability Topics

#### Governance

- 1 Corporate governance
- 2 Business ethics
- 3 Data privacy protection and cybersecurity
- 4 Economic performance
- 5 Tax

#### Resilience

- 6 Climate resilience
- 7 Greenhouse gas emissions
- 8 Energy management
- 9 Air emissions
- 10 Supply chain management

#### Agility

- 11 Technological innovation
- 12 Terminal operation optimisation
- 13 Customer satisfaction

#### Nature

- 14 Water resource management
- 15 Waste management
- 16 Biodiversity

#### Dynamic

- 17 Employee engagement and development
- 18 Employee well-being
- 19 Diversity, equity and inclusion
- 20 Labour conditions<sup>3</sup>
- 21 Health and safety
- 22 Community engagement

<sup>3</sup> Based on benchmarking against peers, sustainability disclosure standards and market analysis, and considering the Group's actual situation, the original "human rights management" was renamed "labour conditions".



## RESPONSES TO STAKEHOLDERS

The Group attaches great importance to the suggestions and expectations of stakeholders and responds to their concerns in a timely manner. The topics and impacts of stakeholders' concerns and the Group's responses are summarised as follows:

Category	The Materiality and Impacts of the Topics	Responses
<b>Governance</b>	<ul style="list-style-type: none"> <li>• <b>Corporate governance:</b> Efficient corporate governance and sound internal control are essential for establishing a solid foundation for compliant operations, achieving sustainable business and protecting the rights and interests of stakeholders.</li> </ul>	The Group has strengthened ESG and climate-related training, improved climate governance and incorporated ESG topics into its risk management framework to continuously enhance corporate governance and provide support for strengthening risk prevention. For details, please refer to Chapter 7 of this report.
<b>Resilience</b>	<ul style="list-style-type: none"> <li>• <b>Climate resilience:</b> Frequent extreme weather and natural disasters may lead to loss of assets, reduce operational efficiency and increase maintenance costs.</li> <li>• <b>GHG emissions:</b> Maritime trade is considered one of the key factors to keep global warming within 2°C. Green and low-carbon transition has already become a development direction to the port and shipping industries.</li> </ul>	During the year, the Group completed a climate scenario analysis and a comprehensive inventory of Scope 3 GHG emissions, which served as an important foundation for improving climate resilience and supporting the building of a green shipping industry chain, as well as an effective tool for continuous improvement in energy management. For details, please refer to Chapter 8 of this report.
<b>Agility</b>	<ul style="list-style-type: none"> <li>• <b>Technological innovation:</b> Digitalisation, informatisation and intelligence are essential for the Group to drive transformation and upgrading, thus improving competitiveness and thereby further facilitating the building of green shipping industry chain.</li> <li>• <b>Terminal operation optimisation:</b> Promote the globalisation of key node ports and logistics resources to create high-quality terminal service products, which can build a systematic capability to serve customers efficiently.</li> </ul>	Focusing on the world's latest development trends, the Group is committed to becoming a leading global port logistics service provider with a customer-oriented focus through digital, technological and product innovations that lead to business model revolution and upgrades. For details, please refer to Chapter 9 of this report.
<b>Dynamic</b>	<ul style="list-style-type: none"> <li>• <b>Health and safety:</b> Build a solid safety defence and create a secure, healthy working environment to enhance staff morale and loyalty, and strengthens the trust of partners.</li> </ul>	The Group continues to improve its health and safety management system and reinforced subcontractor safety management to build a solid and reliable defence line for safe production. For details, please refer to Chapter 11 of this report.