

WE CONNECT THE WORLD





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Code of HKSE



OVERVIEW

The Group is pleased to publish the Report which aims to disclose systematically and in detail to internal and external stakeholders about the Group's ESG initiatives and progress in the year of 2024, covering areas such as compliant operations, climate change, environmental protection, resource utilization, employee recruitment and development, health and safety, product responsibility, supply chain management, and community development. To better understand the Group's ESG performance, the Report should be read in conjunction with the "Corporate Governance Report" section of the 2024 Annual Report.

The Report is delivered separately in traditional Chinese and English, and its electronic edition has been released on the Company's website (www.cmport.com.hk) and the website of HKSE (www.hkexnews.hk) for public to access and download. In case of any discrepancies between the two versions, the traditional Chinese version shall prevail.

REPORTING SCOPE

The Report was specific to CMPort, and the reporting period is from 1 January 2024 to 31 December 2024. The scope of the disclosure includes subsidiaries as well as relevant cases from companies which the Group invested in, demonstrating the Group's strengthened ESG management across both domestic and overseas ports.

REPORTING GUIDELINE

The Report was prepared in accordance with ESG Reporting Code set out in Appendix C2 of the Listing Rules on the HKSE. The Report complied with the mandatory disclosure requirements and the "comply or explain" provisions of the ESG Reporting Code, and adhered to the four reporting principles of "Materiality", "Quantitative", "Balance" and "Consistency". The Report was prepared with reference to the *GRI Standards* issued by the GSSB, as well as IFRS Sustainability Disclosure Standards (*IFRS S1* and *S2*), comprehensively responding to topics of concern in the UNSDGs, MSCI ESG Ratings, S&P Dow Jones Sustainability Index Rating, and Hang Seng Corporate Sustainability Index Rating.

Materiality	Quantitative	Balance	Consistency
The Group has determined the materiality of ESG topics to the Group and its stakeholders through materiality assessment with the engagement of stakeholders, so as to identify the disclosure focuses of the Report. Please refer to the section of "Materiality Assessment" for more details.	In order to comprehensively evaluate the Group's ESG performance during the Reporting Period, the Group disclosed quantitative key performance indicators in the ESG Reporting Code, including relevant measurement standards, methods, assumptions, and the sources of conversion factors used.	The Report has disclosed the Group's progress and challenges in sustainable development management, so as to comprehensively demonstrate the Group's sustainable development performance.	The preparation methods used in the Report are consistent with those used in the previous years, and changes in statistical methods, key performance indicators and other relevant factors are described in details.

DATA DESCRIPTION

The data in the Report was sourced from the official documents, statistical reports, financial reports and documents of the Group issued by third-party organizations. Unless otherwise noted, the currency in the Report was presented in HK\$.

RELIABILITY ASSURANCE

The Group has not found false records, misleading statements, or significant omissions in the report. The report had been reviewed by the ESG Committee and approved by the Board on 31 March 2025.

FEEDBACK AND COMMENTS

The opinions of stakeholders are essential to the Group's businesses and sustainable development. If you have any query or suggestions regarding the Report, it is appreciated to contact and communicate with us through the following means:

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The Board's Statement

The Board is the highest responsible body for ESG matters within the Group. It is responsible for formulating and reviewing the Group's ESG objectives, strategies and management policies, supervising the progress of relevant targets each year, and adopting and updating the Group's ESG policies to ensure compliance with applicable laws and regulatory requirements. The Board authorizes the ESG Committee to formulate and implement ESG matters. By monitoring key ESG topics, and sustainability positioning, overseeing ESG risks and opportunities and evaluating whether significant ESG risks and opportunities receive appropriate attention from the Board and management, and reviewing progress in ESG objectives and sustainability strategies and policies, the ESG Committee ensures their compliance with relevant policies and procedures, applicable laws and regulations and national or international standards, and reports to the Board.

Through regular communication meetings, ESG Committee reports the crucial ESG matters and ESG progress to the Board in order to understand the situation of ESG management. The Board then examines the ESG performance of the Group (such as key performance indicators), identifies ESG management risks, ensures the integration of sustainability philosophy into the Company's operations, monitors ESG risk and opportunity and assesses whether material ESG risks and opportunities receive appropriate attention from the Board and the Management Team. The Board continuously advances the achievement of ESG goals and conducts comprehensive planning for future ESG work.

During the Reporting Period, the Group has prepared such ESG policies as the *Biodiversity and Zero Deforestation Policy Statement*, the *Community Engagement Policy*, the *Ecological and Environmental Protection Policy Statement*, the *Human Rights Policy Commitments* and the *Occupational Health and Safety Statement*. The Board kept track of the climate risk and opportunity assessment and progress in Carbon Neutrality work from the report of ESG Committee to guarantee all-round supervision and decision-making over key ESG topics on 31 March 2025. Meanwhile, the Board participated in the assessment of the materiality and priority of ESG topics. The ESG Committee puts forward suggestions on material ESG topics to the Board on a yearly basis and reports the impact of ESG topics on the Group's business and long-term sustainable development and the matrix of material ESG topics to the Board by means of stakeholder questionnaire survey and materiality analysis. After review by the Board, the matrix of material ESG topics will become the basis for optimizing the sustainable development strategy and ESG work management and for compiling the Report for the year. For details, please refer to the "Materiality Assessment" section of the Report.

The Report fully disclosed the Group's practical progress and results in ESG management, and the relevant results were reviewed and approved by the Board on 31 March 2025.

About the Group

As a globally leading port developer, investor and operator, the Group is mainly engaged in port loading and unloading, logistics, technology, and related services. It has established a comprehensive port network across the major hub locations along the coastal area of China, with ports that the Group invested in or controlled at the hub locations in the Pearl River Delta, the Yangtze River Delta and the Bohai Rim. The Group has also successfully expanded its presence across Asia, Africa, Europe, Oceania, South America and North America. During the Reporting Period, the Group expanded its presence in 46 ports across 26 countries and regions, and recorded a total annual container throughput of 145.75 million TEUs.

The Group's strategic vision is to be a "world-leading port service provider", and takes "Global Presence", "Lean Management" and "Innovative Transformation" as the three drivers. The Group has continuously enhanced its business model and empowered innovation with technology while refining its global network. In the future, the Group aims to be among the world's top tier on various fronts, including container throughput at global ports, market share, comprehensive port development, operational management capabilities, resource utilization, labor productivity, and brand influence.

BOARD STRUCTURE

Non-executive Directors





Feng Boming (Chairman)

Yim Kong (Vice Chairman)

Executive Directors



Xu Song (Vice Chairman and CEO)



Lu Yongxin (Managing Director)



Tu Xiaoping

Independent Non-executive Directors



Chan Hiu Fung Nicholas



Chan Yuen Sau Kelly



Li Ka Fai David



Wong Chi Wing



Wong Pui Wah



GOVERNANCE STRUCTURE

The Company follows the international ESG governance concept and the requirements of current laws and regulations, establishing a standardized, transparent and specialized corporate governance structure and governance rules. The Board has an Audit Committee, a Nomination Committee, a Remuneration Committee and an ESG Committee. The Board has a well-established decision-making mechanism that regularly reviews progress on environmental, social and governance goals and sets ESG priorities for the coming year based on progress. Each committee has clearly specified its terms of reference in writing and defined its relevant powers and responsibilities to assist the Board in performing its duties, so as to promote the sustainable development of the Group in a professional, standardized and transparent manner.



THE BOARD

Board election: According to the *Articles of Association*, at each Annual General Meeting, one third of the directors (or, if the number of directors is not a multiple of three, the nearest number not less than one third) shall retire by rotation. Each director (including those with a fixed term of office) shall also retire by rotation at least once every three years.

Board independence: The Company has 5 Independent Non-executive Directors, accounting for 50% of the Board. The Company will continuously study to increase the proportion of Independent Non-executive Directors to ensure that the Board exercises its right of leadership independently of the management. All Independent Non-executive Directors possess academic and professional qualifications in fields such as accounting, law, technology, electronic commerce and business management. Independent Non-executive Directors meet at least once a year with the Chairman of the Board without the presence of other directors and can communicate with the Management and other Directors, including the Chairman, through both formal and informal channels. During the Reporting Period, each Independent Non-executive Director has made an annual confirmation of his/her independence to the Company in accordance with the Listing Rules. The Audit Committee and the Remuneration Committee are entirely composed of Independent Non-executive Directors. The proportion of Independent Non-executive Directors in the Nomination Committee reached 75%. The Audit Committee, the Remuneration Committee, and the Nomination Committee are all chaired by Independent Non-executive Directors, making the Board decision-making more science-based and professional.

Key performance



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Board diversity: The Company has formulated the *Board Diversity Policy* in pursuit of a more diverse composition of the Board in terms of gender, age, culture, educational background, ethnicity, and expertise. Members of the Board are experienced in a variety of areas including port, logistics, accounting, law, technology, electronic commerce, business management, risk management, and ESG, allowing them to assess the Group's strategic plans and business development from a wider perspective. The Company will gradually introduce a gender diversity initiative for the Board to continuously improve the overall efficiency of sustainable business and maximize shareholders' value.

Key performance				
Number of Members of the Board: 10				
Number of Female Directors: 2	Proportion of Female Directors: 20%			

Proportion of Independent Non-executive Directors: 50%

Board capability improvement: The Company attaches great importance to the capability development and enhancement of the Board. The Company has conducted a diverse range of professional skill and compliance training for the Board members, including the Listing Rules, operation management, risk control, ESG governance and business ethics, aiming to improve their compliance awareness and performance ability. In 2024, the Board members participated in 1 special training session on risk control, information security and ESG with 1.5 training hours in total and 100% training coverage.

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Number of Independent Non-executive Directors: 5

Awards and Honors in 2024

Award recipient	Awarding organization	Award name	Award image
CMPort	Hong Kong Investor Relations Association	Certificate of Excellence	<image/> <section-header><section-header><section-header><text><text><text><text><text></text></text></text></text></text></section-header></section-header></section-header>
CMPort	Hong Kong Ta Kung Wen Wei Media Group	Best ESG Pioneer Award	
CMPort	MORS Group	"Industry Champions of the Year" Award	
HIPG, CICT	Board of Investment of Sri Lanka	Sri Lanka's Most Significant Foreign Direct Investment Contributors	Her Springer Bergersauter Her Springer Bergersauter Her Sterensauter Her Sterensauter



Award recipient	Awarding organization	Award name	Award image		
CICT	Asian Freight, Logistics and Supply Chain Awards	Best Container Terminal in Asia (Under 4 million TEUs)	Asia Cargo News Asia Cargo News AFLAS Awards 2024 ECCC Bost Container Terminaj - Asia (Under 4m TEUs)		
HIPG	Sri Lanka's <i>Satyn</i> Magazine	One of Sri Lanka's Most Outstanding Women Friendly Workplaces			
TCP	State University of Paraná	Top of Mind Certificate in the Best Company to Work	<image/> <image/> <section-header><text><text><text></text></text></text></section-header>		
		Top of Mind Certificate in the Best Port Company	<image/> <section-header><section-header><text><text></text></text></section-header></section-header>		
ТСР	Commercial, Industrial and Agricultural Association of Paranaguá	Women-Friendly Company Certificate for Gender Equality and Female Empowerment	<image/> <image/> <section-header><section-header><section-header><section-header><text><text><text><text></text></text></text></text></section-header></section-header></section-header></section-header>		
SCCT ¹ 's Mawan Smart Port	China Ports and Harbors Association	Five-Star Smart Port in China			

Sustainable Development Management

Sustainable development is at the core of the Group's business philosophy. The Group continues to strengthen sustainable development management, integrate sustainable development strategies into business operations, strive to achieve value sharing and win-win results, and continue to promote the construction of world-leading green and smart ports.

In 2024, the Group fully and deeply implemented ESG work and continuously improved sustainable development capability. The Group made the following progress in ESG:

ESG system revisions and review

In accordance with the ESG related policies prepared and revised by the Group within the Reporting Period, such as the *Biodiversity and Zero Deforestation Statement, Community Engagement Policy, Ecological and Environmental Protection Policy Statement, Human Rights Policy Commitments* and *Occupational Health and Safety Statement*, the management team has integrated ESG matters into the Group's priorities and promoted ESG assessment at functional departments at the headquarters and subsidiaries. The Group's functional departments have established an ESG working team to conduct specific ESG work, and formulated the *ESG Management Manual*, which was revised in 2024 based on the latest external requirements, to enhance the overall ESG performance of the Group on an ongoing basis. With the deepening of ESG management work, the Group's sustainability performance was impressive and recognized by the rating agencies.

> Launch of the Group's first double materiality assessment of topics

The Group conducted its first double materiality assessment of topics. It has paid attention to stakeholders' demands, referenced relevant domestic and international requirements, and considered the Group's actual situation. Stakeholders were invited to perform qualitative analysis and quantitative scoring of the materiality of annual sustainable development issues from the perspectives of impact materiality and financial materiality. Additionally, industry benchmarking and expert interviews were conducted to further improve the quality of the assessment, resulting in the Group's first double materiality assessment of material issues. It is important to note that during the financial materiality assessment, the Group set a threshold and selected "Operating Profits" as the assessment indicator, to evaluate the financial impact by the risk and opportunity of topics.

> Continuous advancement of ESG management system implementation

The Group has continued to promote the implementation of the ESG management system. The ESG working team, together with external experts, visited Shenzhen, Zhangzhou, Xiamen, and Shantou to conduct ESG specific research and ESG policy dissemination and exchange activities. During the research process, the ESG working team introduced a series of measures the Group had taken to practice the sustainable development philosophy, the three-tier ESG governance structure, performance appraisal mechanisms, and other related content. ESG working team carefully reviewed the ESG practices in different business areas, as well as the environmental and social measures and outcomes in various subsidiaries. In the training and discussion sessions, subsidiaries attached great importance, actively participated, and listened attentively to the specific management paths and key work requirements of the Group's headquarters in implementing the ESG philosophy and sustainable development strategy. Subsidiaries all expressed a commitment to increasing awareness, establishing robust organizational support and management mechanisms, seriously implementing ESG work arrangements, and integrating ESG requirements into daily operations. The ESG working team also shared outstanding practice cases on key topics.

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> Promoting the informatization and digitalization of ESG management

The Group has developed and launched the ESG module within SMP, further enhancing the Company's ESG management capabilities. SMP currently includes features such as Task Management and Data Aggregation and Analysis. It conducts information collection, aggregation, and analysis from both qualitative and quantitative dimensions, helping the Group effectively assess the ESG performance of each business segment and subsidiary.

MSCI ESG rating	Hang Seng Corporate sustainability index rating
$BB \longrightarrow BBB$	A- → A
	(Included in the Hang Seng ESG 50 Index)

The Group established an ESG management system graph and further integrated ESG ecosystem with daily operation and implementation into all aspects of management, striving to improve the overall management level and sustainable development capability.

The Group's ESG management system graph:



ESG VISION AND MISSION

Vision of Sustainability	Strive for a world-leading green and intelligent comprehensive port service provider		
Mission of Sustainability	 Become a leader in the port industry and a facilitator of sustainable development advocating green and low-carbon development, safety and reliability, innovative development and humanistic care Continuously create positive economic, social and environmental value for stakeholders and communities in the regions where we operate Build a sustainable ecosystem together with peers along the supply chain 		

ESG MANAGEMENT SYSTEM

ESG governance structure

The Group firmly believes that sound corporate governance and effective ESG governance are important safeguards for achieving its corporate vision and mission and ensuring sustainable development. The Group has established a three-tier ESG governance structure consisting of the Decision-making level, the Management level and the Execution level, improved the ESG management policies and strategies, and promoted the implementation of key ESG tasks, thus laying a solid foundation for sustainable development. During the Reporting Period, the Group, in accordance with the *ESG Management Manual*, further improved the functions of each level to ensure the effective leadership, decision-making, and implementation of ESG tasks.

The Group's ESG governance structure is as follows:



Sustainable Development Management

Level	Organization	Composition	Scope of work	Work mechanism
Decision- making level	Board	All Directors	 Identify ESG development trends and understand, analyze, and grasp domestic and international industry status and sustainable development-related policies, as well as have a comprehensive understanding of the Company's operational situation; Guide the ESG Committee in formulating ESG policies, goals, strategies, policy statements, and related management systems; Supervise ESG risks and opportunities, assess significant ESG risks and opportunities, and integrate ESG risks into the Group's strategy, major transaction decisions, and risk management procedures, thereby ensuring the integration of sustainable development philosophy into the Group's operations; Review the Group's annual list of material topics and ESG report; Through regular communication meetings, listen to reports from the ESG Committee on important ESG matters and work progress, in order to understand the current status of ESG management, review the Group's ESG performance, and continuously promote the achievement of ESG goals. 	Lead the Company's ESG efforts and be debriefed on important ESG issues and work progress by the ESG Committee on a regular basis.

Organization	Composition	Scope of work	Work mechanism
ESG Committee	Board members	 To formulate and review the objectives, strategies and management policies of the Group's ESG matters, review the progress made against related goals and target annually and make recommendations to the Board for approval (if necessary); To review and assess the adequacy and effectiveness of the management framework for ESG matters of the Company and make recommendations to the Board for approval (if necessary); To adopt and update the Group's policies on ESG matters to ensure its compliance with applicable legal and regulatory requirements; To identify, determine and assess ESG risks, issues and opportunities of the Group, advise on those issues that will significantly affect the operation of the Company or the interest of other stakeholders and provide anticipatory and mitigation plans; To review the Group's ESG performance (e.g. key performance indicators) to ensure compliance with relevant ESG policies and procedures, as well as applicable laws and regulations and international or national standards and to report to the Board; To engage with appropriate internal and external stakeholders in conducting annual materiality assessment procedures and to ensure that effective communications and relationships are in place with stakeholders; To review and monitor annual ESG report and recommend to the Board for approval; To consider other topics as defined by the Board. 	Serve as the guidin and decision-makin body for ESG work with annual report to the Board. ESC Committee meetin is held once a year.

Sustainable Development Management

Level	Organization	Composition	Scope of work	Work mechanism
Management level	ESG Leadership Team	CEO and heads of relevant functional departments and the subsidiaries	 Organize and lead the development of ESG strategy and drive its implementation; Guide the management and practice of core ESG topics such as climate change, compliance and business ethics, health and safety, and supply chain management; Examine key ESG trends and summarize the major risks and opportunities when implementing ESG strategy; Assess ESG compliance of business and structure models; and Launch external dissemination and communication on ESG development, and control the quality and continuity of information disclosure. 	Serve as the main body for organizing and overseeing ESG work, holding two meeting annually to be debriefed on the ESG results and work planning by all departments concerned.
Execution level	ESG Working Team, headquarters functional departments, and subsidiaries	Headquarters ESG lead department, the Company's departments, and subsidiaries	 The ESG Working Team serves as the body for the execution. Its responsibilities are to define the ESG-related management responsibilities, formulate ESG management goals and plans, and promote the implementation of the Company's ESG projects. All departments and subsidiaries are responsible for supporting the discharging of the ESG work responsibilities and ensuring the integration of ESG issues in businesses. 	Report on and submit to the ESG Leading Team the ESG work related statistics, project progress, and difficulties of ESG practices. Each department shall share ESG work experience in the course of daily operation and achieve cross departmental cooperation.

ESG Management Manual

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The Group has continued to integrate ESG issues management into its business activities. The revised ESG Management Manual has been updated based on the latest international sustainability standards, the latest ESG Reporting Code, and stakeholders feedback. The Group updated the issues system and departmental management responsibilities and other related contents.

The *ESG Management Manual* will serve as the implementation basis and guiding framework for the Group's internal ESG work, clearly defining the Group's short-term, medium-term, and long-term key goals and tasks. It will dynamically update ESG management-specific topics and further improve the ESG governance mechanism and responsibilities at all levels. This will promote the development of the Group's ESG management toward institutionalization, standardization, and systematization, ensuring that all ESG-related tasks progress in an orderly manner.

ESG policy system

The Group has prepared the *Biodiversity and Zero Deforestation Statement* and the *Community Engagement Policy*, while also reviewing and refining ESG-related policies, including the *Human Rights Policy Commitment, Ecological and Environmental Protection Policy*, and *Occupational Health and Safety Statement*. These policies will be published after approved by the Board, further strengthening the Group's ESG policy statement system. For more information on the Group's ESG policies, please visit the "Sustainable Development - Sustainable Development Management" section on the Company's website.

Policy name	Status	Key updates	
<i>Biodiversity and</i> Zero Deforestation Statement	New	A new statement committing to avoid damaging ecological environments and causing negative impacts on local biodiversity; pledging no involvement in deforestation and prohibiting illegal development of designated forest protection zones.	
Community Engagement Policy	New	A new policy clarifying the Company's commitment and action direction to promote community development, contributing to the harmonious development of the communities where the Company operates.	
<i>Human Rights Policy Commitments</i>	Revised	The revised edition adds measures to prevent human trafficking and child labor, along with necessary remedial actions, and refines the expression of certain clauses.	
<i>Ecological and Environmental</i> <i>Protection Policy</i>	Revised	The revised edition adds further responsibilities to the Leading Group for Energy Conservation and Environmental Protection and clarifies the Company's overall environmental management goals and emission reduction targets.	
<i>Occupational Health</i> <i>and Safety Statement</i>	Revised	The revised edition adds further content on production safety risk control, strengthening safety foundations, and enhancing emergency management, with clear requirements for labor subcontractors to meet the same safety management objectives, and supplement provisions for the review and supervision of the statement.	

ESG performance assessment mechanism

The Group has set ESG assessment standards based on the work responsibilities, whereby ESG performance is assessed at two levels: for the year, and for the tenure. The yearly assessment indicators are designed according to the annual ESG strategic plan, while the tenure-specific assessment indicators are designed on the basis of the long-term ESG strategic plan. By setting quantifiable ESG assessment indicators, the compensation link up with ESG performance. During the reporting period, the Group has incorporated sustainability indicators such as energy conservation, carbon reduction, and workplace safety into the performance-based compensation assessment of the senior management.

The assessment work is conducted by the Operations & Commercial Department. The assessment results are reported at the ESG Work Leading Team meeting. Those who outperform will be selected as outstanding departments or subsidiaries, excellent ESG cases, excellent ESG projects or outstanding individuals as a form of incentive mechanism.



STAKEHOLDER ENGAGEMENT

The support of stakeholders is crucial for the stable operation of the Group. The Group continues to pay attention to the expectations of various stakeholders, and has established a multi-channel and diversified communication and feedback mechanism. Thus the Group can maintain active and effective communication with stakeholders, deeply understand the demands, opinions and suggestions of all parties, and jointly build a sustainable ecosystem.

Stakeholder category	Communication channels	Expectations and appeals	CMPort's response
মিন্দ্রক ০০০ Customers	 Public information disclosure Customer visits Regular customer meetings Responses to and handling of customers' feedback Customer satisfaction survey 	 Provide quality service Safeguard of information security Strengthen risk management 	 Innovate service methods, optimize service procedures, diversify service formats, and respond to customer appeals in a timely and efficient manner Improve information security protection systems to protect customer data and privacy Identify potential risks and implement effective risk management
Shareholders and investors	 Public information disclosure Annual General Meeting Results briefings Research and exchange activities Investors meetings 	 Transparent financial information disclosure Good operating results Asset preservation and value appreciation Enhanced risk management 	 Disclose interim and annual financial reports Maintain sustainable growth in business operations and profitability Identify quality assets and enhancing the management and operation of existing assets Identify potential risks and strengthening risk control
Creditors	 Public information disclosure Irregular work meetings 	 Good operating cash flow Project financing market opportunities 	 Maintain steady operations and performance growth Innovate financial cooperation models
Government and regulatory authorities	 Public information disclosure Daily communication and reports Industry exchange activities 	 Operating in compliance with the law Paying taxes in accordance with the law Supporting local economic development Protecting the local ecological environment 	 Strictly comply with laws and regulations in operating activities Pay taxes in accordance with the law Create local employment opportunities Actively fulfill corporate social responsibilities

Stakeholder	Communication	Expectations	
category	channels	and appeals	CMPort's response
Employees	 Public information disclosure Daily communication and meetings Regular training Internal feedback channels 	 Provide good development and promotion opportunities Ensure the protection of basic employee rights and benefits Work-life balance 	 Provide competitive salaries and benefits, clarify promotion mechanisms and pathways, and offer professional training Safeguard employees' legal rights and establish whistleblower protection mechanisms Create a diverse, equal, inclusive, healthy, and safe work environment Organize employee caring activities such as holiday events
Suppliers and partners	 Public information disclosure Project cooperation Regular meetings Daily communication 	 Win-win cooperation Transparent procurement and honest cooperation 	 Improve and establish cooperation mechanisms Build sustainable supply chains
Public welfare organizations	 Public information disclosure Cooperation on public welfare events 	 Reduce the negative impact caused by operating activities Collaborate on charitable actions 	 Strengthen identification o external risks of operating activities to avoid and reduce negative impacts Cooperate with local public welfare organizations to carry out tailored public welfare activities
Communities	 Public information disclosure Charity events Volunteering services 	 Support local community development Conduct public welfare volunteering services 	 Promote local economic and social development through investment and operating activities Collaborate with local communities and public service organizations to conduct context-specific charitable activities
Media	 Public information disclosure Industry exchange activities External events of the Company 	 Reduce the negative impact caused by operating activities Industry influence Business performance and sustainability performance 	 Actively respond to media concerns and conduct media interviews Improve the Company's business performance and sustainability influence in the industry Invite media to participate in the Company's external events



MATERIALITY ASSESSMENT

During the Reporting Period, the Group continued to improve the assessment and analysis of material topics to understand the latest areas of concern for stakeholders and to effectively manage and report on topics that have a significant impact on both the Group and its stakeholders. Topics assessment this year adopted a double materiality assessment and analysis method, factoring in changes in stakeholders' concerns on the topics, industry development trends, and sustainability risks and opportunities. Through the questionnaires to the stakeholders, the Group assessed its annual material topics from impact materiality and financial materiality aspects.

PROCEDURES FOR MATERIAL TOPICS ASSESSMENT

Step 1	Understand the Group's activities and business relations and context
	The ESG working team reviewed the status of the Group's business operations this year, as well as internal and external sustainability trends, based on the Group's business scope and operational nature. It ultimately identified nine major stakeholder groups—customers, shareholders and investors, creditors, governments and regulatory authorities, employees, suppliers and partners, public welfare organizations, communities, and media.
Step 2	Establish a topics list
	The Group developed an ESG topic list based on the topics outlined in the <i>ESG Reporting Code</i> and the Group's material topics in 2023. This was combined with domestic and international industry development trends and the Group's business strategy. The Group also referred to international sustainability disclosure standards, such as IFRS S1, IFRS S2, GRI Standards, UNSDGs, and international ESG ratings. By benchmarking itself against excellent peers, the Group formed a list of 23 ESG topics.
Step 3	Assess and confirm materiality of topics
	The Group invited stakeholders to participate in topic identification and the assessment of impact materiality and financial materiality through an online survey and other forms. To ensure the scientific validity and effectiveness of the topic assessment, stakeholders were asked to assess the positive and negative impacts of topics from dimensions such as impact scale and scope, probability of occurrence, and irreparability. The financial impacts of risks and opportunities associated with these topics were assessed based on the probability of occurrence and impact degree. The questionnaire set 5 threshold levels for assessing impact and probability of occurrence to facilitate stakeholders' assessments.
Step 4	Generate materiality matrix
	Based on stakeholder survey responses and internal and external discussions, the Group identified 7 topics with both impact materiality and financial materiality, as well as 5 topics with only financial materiality (i.e., high financial materiality). Among them, there are 4 environmental topics, 5 social topics, and 3 governance topics.

Since this was the first time that the Group conduct financial materiality assessment, the Group visited excellent listed companies to discuss the experience and referred to outstanding domestic and international cases. Based on the Group's actual situation, the impact timeframe for financial materiality was defined as short to medium term (\leq 3 years) and long term (> 3 years), with the scope of this assessment limited to the short to medium term. At the same time, the Group selected "Operating Profit" as the assessment indicator to align with its actual operations and better reflect the impact of topic performance on financial income and expenditures. Next, the Group will continue to improve its double materiality topic assessment methodology to continuously enhance the quality of the work.

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Double materiality assessment indicators and descriptions		Threshold settings and scoring	
Impact materiality	Positive impact: Including actual and anticipated positive impacts (Assessment dimensions: Impact scale, impact scope, and occurrence probability)	Impact degree: Very low (1 point), low (2 points), moderate (3 points), high (4 points), very high (5 points)	
	Negative impact: Including actual and anticipated negative impacts (Assessment dimensions: Impact scale, impact scope, occurrence probability, and irreversibility)		
Financial materiality	Risk financial impact Opportunity financial impact (Assessment dimensions: Occurrence probability, impact degree, and impact timeframe)	Occurrence probability: Rare (1 point), unlikely (2 points), possible (3 points), likely (4 points), almost certain (5 points) Impact degree (Profit): Very low (<1%, 1 point), low (≥1% and <3%, 2 points), moderate (≥3% and <5%, 3 points), high (≥5% and <10%, 4 points), very high (≥10%, 5 points)	

Sustainable Development Management

During the Reporting Period, the Group received a total of 907 survey responses from its stakeholders. Both the quantity and quality of the responses met the survey expectations. The Group has identified the annual materiality matrix as follows:



Operation with Integrity and Compliance

Strategy and development

Following the idea of "compliance from the senior level, compliance by all, and compliance creates values", the Group has established a sound compliance governance system to guarantee our strides in compliance, business ethics, risk control, information security, privacy protection and data security, aiming to improve the Group's compliance performance across the board.

- Continuously improved the compliance management system, optimized compliance policies, identified 6 firstlevel compliance risk points, and implemented corresponding countermeasures.
- Implemented the plan for "Two-Year Full Coverage" of internal control system supervision and inspection, and achieved full coverage of planned subsidiaries in the internal control system.
- Implemented the *Market Business Management Guidelines (Provisional)*, clearly outlined customer information security protection requirements in business activities, and respected and protected customer privacy.
- No major legal violations, ethical breaches, or significant information security incidents occurred during the year.

Future plans

- Strengthen ESG risk identification and control
- Continuously expand the coverage of business ethical standard audits
- Increase the coverage rate of supplier training on business ethics





COMPLIANCE MANAGEMENT AND BUSINESS ETHICS

The Group firmly believes that ethical and law-based operation is the cornerstone of sustainable development. The Group continue to uphold integrity and compliance, strengthen standardized operations, enhance compliance awareness, and foster a fair, transparent, and clean compliance culture, aiming to improve corporate governance.

Compliance management

Compliance system

The Group rigorously complies with the laws and regulations such as the United Nations Convention against Corruption, the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibition of Commercial Bribery, the Anti-Money Laundering Law of the People's Republic of China, the Supervision Law of the People's Republic of China and Hong Kong's Prevention of Bribery Ordinance. In accordance with relevant external standards such as the World Bank Group Compliance Guidelines and the Good Practice on Internal Controls, Ethics and Compliance of the Organization for Economic Co-operation and Development, and laws on prevention of bribery, fraud, money laundering and unfair competition in the countries and regions where the Group operates or invests in. The Group continuously improves its compliance and business ethics system, ensure efficient organizational structure and effective decision-making mechanism, and enhance the Group's compliance governance capability.

The Group has established a compliance and business ethics management system that covers the Board, the management, functional departments, and all subsidiaries, and designated Chief Compliance Officer and compliance officer. The Supervision Department serves as the primary body responsible for executing and overseeing business ethics, and collaborates with Human Resources Department, Administration Department, Financial Department/Capital Management Department, Risk Management and Internal Audit Department/Legal and Compliance Department, in constructing and implementing mechanisms for compliance and business ethics standards, as well as overseeing and addressing violations.

Compliance policies

The Group implements the *Code of Integrity and Compliance*, the *Code of Business Conduct*, the *Supplier Code of Conduct*, the *Anti-Corruption and Anti-Bribery Policy*, the *Economic Violation Accountability Measures*, and the *Guidelines on Integrity Risk Audit*. These policies regulate the compliance behavior of all parties, including directors, employees (full-time, part-time, and temporary staff), and business partners such as suppliers. These policies provide direction and practical guidance for both the Group headquarters and its subsidiaries to achieve substantive and comprehensive compliance, continually improving compliance awareness and capabilities.

Compliance risk control

The Group has continued to identify compliance risks and integrate compliance management deeply into daily operations and management with an emphasis on key compliance risks. In terms of risk identification, the Group, in response to changes in domestic and international laws and regulations, along with regulatory policies, and in coordination with the management of compliance risks in business, has identified 6 first-level compliance risk points at the significant level and above in daily operations and management. These risks encompass areas such as labor and human resources management, financial and tax management, legal management, sanctions and export controls, work safety, ecological and environmental protection, and energy conservation. At the same time, the Group has intensified the scrutiny of key compliance risks in crucial areas such as economic sanctions, export controls, work safety, and the use of standard contracts. Regarding compliance risk alerts, the Group has vigilantly monitored legislative and regulatory changes both at home and abroad, assessed the potential impact of compliance risk incidents on the Group's key investment areas, and promptly issued compliance risk alerts. Furthermore, the Group has undertaken special compliance risk studies to enhance the foresight of compliance management and proactively mitigate major compliance risks.

Compliance operation

The Group advocates for free and fair competition, and refrains from participating in discussions, communication, information sharing, or agreements that may violate applicable antitrust and competition laws. The Group adheres strictly to the laws and regulations of international trade and export control, and vehemently opposes any forms of extortion and bribery. Moreover, the Group consistently urges its subsidiaries and business partners to conduct business in alignment with business ethics.

Anti-Corruption and Anti-Bribery. The Group, in accordance with the Anti-Corruption and Anti-Bribery Policy, the Donation and Sponsorship Compliance Management Measures, and the Code of Integrity and Compliance, clearly defines corrupt and commercial bribery behaviors (such as accepting gifts or kickbacks, interest transfers, and embezzlement of company assets), as well as the compliance requirements for donations and sponsorships. The Group commits to prohibiting all forms of corruption and bribery, and requires the Company to always adhere to honesty, integrity, and compliance in its daily operations, prohibiting any form of bribery. Directors, employees, and business partners conducting business in the Group's name must not offer bribes or other benefits to any organization or individual (including but not limited to agents or intermediaries, consultants, distributors, suppliers, customers, partners, or public officials) for improper business purposes.

The Group directs employees to return any unlawfully obtained economic benefits, and stipulates that in instances leading to corporate asset losses, apart from taking actions against violators as stipulated in the aforementioned regulations, they should also be held accountable and assume financial responsibility for compensating the Group's losses. Employees found in violation of regulations and subject to disciplinary measures would be disqualified in the selection of outstanding employees of the year. The Group is also actively working to create an environment of integrity and strengthening anticorruption publicity.

Anti-monopoly and anti-unfair competition. The Group adheres strictly to the Administrative Measures for Anti-Monopoly Compliance and the Anti-Monopoly Compliance Manual. It expressly provides for prohibited monopolistic practices, including horizontal monopolistic agreements (e.g., fixing prices, limiting output, and dividing markets) and vertical monopolistic agreements (e.g., maintaining resale prices, and exclusive dealing), abuses of a dominant market position (e.g., predatory pricing, refusal to deal, and tying), and concentration of undertakings not declared. The Group commits to rigorously reviewing all merger and acquisition transactions, ensuring the legal compliance of commercial transactions, eliminating any illegal or non-compliant activities, and consciously maintaining a fair and competitive market order. In addition, the Group has also developed policies to specify anti-monopoly compliance management requirements and compliance guidelines, detailed internal disciplinary measures (such as warnings, fines, and termination of labor contracts) for violations of anti-monopoly regulations, and raised the awareness of anti-monopoly compliance among all employees through internal mechanisms such as annual compliance inspections, compliance training, compliance assessment and the signing of compliance commitment letters.

Operation with Integrity and Compliance

- Anti-money laundering. The compliance management system explicitly regulates anti-money laundering and counter-terrorism financing, covering all our business activities and management processes. The Group pledges to comply with laws related to anti-money laundering and counter-terrorism financing in host countries and regions, screen business partners as per relevant requirements, and do business only with partners that have legal and compliant sources of funds and adhere to business ethics. The Group undertakes not to engage in or assist any third party in money laundering, and employees are prohibited from engaging in or assisting any other person to engage in money laundering.
- Conflicts of interest. The Group demands that directors and employees make business decisions and fulfill their responsibilities in a way that is objective, fair, impartial, independent, and in accordance with professional judgment. They should handle actual or potential conflicts of interest between personal interests and Group business appropriately. When dealing with conflicts of interest, directors and employees should act in a legal and compliant manner, give paramount priority to the Group's interests and proactively avoid conflicts of interest.
- Charitable donations. The Group has formulated the Administrative Measures for Charitable Donations, clearly specifying that the Group oversees all charitable donation activities. When conducting charitable donations, it is imperative to adhere to applicable laws, regulations, and the guidelines of the Group, ensuring compliance with ethical standards and avoiding violations of social morality. Furthermore, charitable activities must not compromise public interests or infringe upon the lawful rights and interests of other citizens. Donations should not be used as a means to gain unfair competitive advantages or other improper benefits in areas such as financing, market access, administrative licensing, or resource acquisition.
- Trade compliance. The Group strictly adheres to the laws and regulations of the jurisdictions in which it operates, ensuring compliance with international trade standards. The Group has implemented the *Contingency Plan for Economic Sanctions and Export Control Risk* to enhance its capability to promptly handle sudden sanctions and control risk events in accordance with laws. For identified sanction and control risk events, the Group will closely monitor the progress of these events, pay attention to the latest policies, laws, regulations, and enforcement developments, and, if necessary, immediately suspend the relevant business activities. In July 2024, the Group organized a compliance-focused training on the prevention of false trade and common commercial fraud risks, and conducted routine inspections.
- Tax compliance. The Group has formulated the Administrative Measures on Taxation to specify relevant matters such as the establishment and responsibilities of its tax management organization, daily tax-related issue management and tax risk management, and regulate tax registration and declaration. The Group undertakes to strictly comply with tax laws and regulations, cautiously analyze tax risks, actively disclose tax information, declare and pay taxes on time and put an end to tax evasion.
- Responsible marketing. In accordance with the Advertising Law of the People's Republic of China as well as the Trade Descriptions Ordinance and the Trade Marks Ordinance of Hong Kong, while organizing exhibitions and promotional events, the Group strictly conforms to internal guidelines and processes, in order to enhance the corporate brand and deliver a compliant and correct message to the audience.

Compliance training

With a focus on developing a culture of business ethics, the Group strives to foster a compliance culture of "complying with regulations, valuing practical results, upholding self-discipline and maintaining high integrity", and makes sure that employees at all levels, suppliers and other business partners follow business ethics and are equipped with corresponding capabilities. The Group has formulated the *Administrative Regulations on Employee Integrity Education*, and organizes employees, temporary employees, outsourced personnel and suppliers involved to learn business ethics policies such as the *Code of Business Conduct*, the *Anti-Corruption and Anti-Bribery Policy* and the *Supplier Code of Conduct* each year, so as to enhance their awareness and integrity ability against corruption.

Compliance monitoring

The Group includes compliance requirements (10% weighted proportion of key performance indictor) in the performance appraisal of employees and senior management members every year, and is appraised and scored by their superiors, peers, and subordinates. The scores they get are used as a vital reference in their performance evaluations. The requirements for compliant duty performance include demonstrating familiarity with and strict adherence to various laws and regulations pertaining to the business, actively elevating one's own awareness of compliance, working in accordance with laws and regulations, and diligently fulfilling personal compliance obligations and responsibilities.

Exhibiting good professional ethics and personal conduct, steadfastly avoiding any breaches of ethical standards, and upholding integrity in the profession; Demonstrating familiarity with and strict adherence to various regulations pertaining to the business, actively elevating the awareness of compliance, and working in accordance with laws The 360and regulations; complying with the laws and regulations of both China and the countries we degree operate in, and diligently fulfilling personal compliance obligations and responsibilities; performance appraisal Respecting peers and colleagues, and fostering an open, fair, and just competitive environment includes the for common development; following aspects: Valuing diversity, embracing different thoughts and methods, and adapting to the current situation, environment, and stage of development to achieve positive outcomes; respecting rules and regulations; and Keeping an open mind and competing in a benign manner.

Whistleblowing and supervision

Whistleblowing procedure

The Group has developed and implemented the *Measures for Handling of Problem Clues and Management of Cases*, and established an open and transparent mechanism for the oversight and reporting of violations. The mechanism delineates the whistleblowing process, categorizing the handling of reported cases into 4 types: initial inquiry, preliminary verification, pending further investigation, and conclusion. The Group encourages organizations and individuals to report and expose any instances of disciplinary or illegal behavior.

Whistleblowing hotline: 0755-2688 6681

Whistleblowing email: jcb@cmhk.com

Whistleblowing mailbox: 38/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong

Whistleblowing protection mechanism

The Group has established a whistleblower protection mechanism, emphasizing the strict confidentiality of whistleblowers and the reported content. Measures are in place to standardize the management of storage devices and to prohibit any retaliatory actions against whistleblowers. Anyone in violation of regulations will be held accountable. In situations where there are evident threats to the rights of whistleblowers, the Group will promptly report such cases to judicial authorities and, in compliance with the law, seek criminal responsibilities for the implicated individuals. The Supervision Department of the Group is responsible for receiving whistleblower complaints, verifying received reports, conducting examinations and investigations on reports meeting the criteria for case filing and referring cases involving suspected violations to prosecuting authorities.

- Strictly implement the rules of recusal. If the investigators or judges are the immediate relatives of the investigated or the whistleblower, witnesses or interested parties of the case, or there are other circumstances that may affect the impartial investigation and trial of the case, such investigators or judges shall not participate in the investigation and trial.
- Strictly control the access scope and time of information about the examination and investigation. It is prohibited to retain without permission, conceal, access to, create excerpts out of, reproduce and carry safety supervision information and case data, or to disclose information about the examination and investigation. Exercise strict control over storage device security management, and perform security control of the confidential information related to reported matters and cases.
- Strictly abide by the disciplines of case handling. There must be at least two persons who participate in investigation and evidence collection. No one is allowed to intercede for the parties involved by taking advantage of his/her position, or alter, conceal, forge, steal or intentionally destroy evidence materials.
- Handle retaliatory actions. If there is evidence that the whistleblower and his immediate relatives may be retaliated against by the whistleblower through capitalizing on his power or influence, Human Resources Department and Supervision Department shall handle the case in accordance with relevant provisions. Corresponding sanctions shall be imposed upon those who retaliate or cause others to retaliate against whistleblowers and their immediate relatives, in strict accordance with applicable laws and disciplines. Whistleblowers and their immediate relatives who suffer from personal injury, defamation or property loss due to retaliation shall be supported to recover their losses according to the laws.

Business ethics

Each year, the Group conducts a comprehensive review of anti-corruption systems and business ethics standards, and makes timely revision to ensure they meet the requirements of existing laws and regulations. The Group strictly regulates the relevant conduct of all employees and business partners, adheres to business ethics, and advances the lawful and compliant operations of the Group.

Valuing the impact of compliant operations on the Group and its stakeholders, the Group prohibits any form of corruption, embezzlement and commercial bribery in operation and cooperation with business partners. During the Reporting Period, the Group strictly complied with the applicable laws and regulations on anti-corruption and anti-bribery in the countries and regions where it operated. The Group formulated and implemented policies such as the *Code of Business Conduct*, the *Supplier Code of Conduct* and the *Anti-Corruption and Anti-Bribery Policy*. These policies have strengthened oversight and constraints on both full-time and part-time employees and business partners, to uphold integrity and eradicate corruption and bribery.

Integrity risk prevention and control

The Group has implemented the Administration Measures on the Prevention and Control of Integrity Risks Points (Provisional) and carried out "embedded" prevention and control measures targeting integrity risks. In 2024, the Group carried out line-based integrity risk inspections and formulated "embedded" integrity risk prevention and control measures in accordance with the *List of Meeting Rights and Responsibilities of Governance Entities*, the *List of Permits for Approval of Operating and Management Activities* identified 224 integrity risk points and formulated 237 prevention and control measures. In addressing key areas related to foreign anti-corruption efforts, the Group thoroughly assessed corruption risk points for overseas entities, and identified 25 corruption risks with 37 control measures formulated.

Key performance



Operation with Integrity and Compliance

Supplier anti-corruption management

The Group regards supplier integrity as a forthcoming focus and implements the *Supplier Code of Conduct*. Suppliers and their downstream suppliers are required to comply with all applicable laws and regulations and conduct business in a manner that adheres to business ethics. The Group mandates that suppliers avoid any and all forms of extortion and bribery and disclose relevant information regarding conflicts of interest, including the disclosure of any economic benefits received by Group employees in connection with the supplier's business activities. The Group promotes business ethics and enhances supplier integrity awareness through supplier ESG assessments, regular meetings, communication, and specific clauses in cooperation agreements, targeting all suppliers (including contractors).

Supplier admission stage	Mandate suppliers complete the <i>Social Code Self-Assessment Questionnaire for Suppliers</i> to gain a comprehensive understanding of the latter's approach to managing corruption and bribery. The Group also requires suppliers to provide their anti-corruption policies, which is a prerequisite for cooperation.
Supplier cooperation stage	Require suppliers to sign the <i>Integrity and Honesty Contract</i> to ensure their strict adherence to the relevant requirements of integrity and self-discipline during business transactions. Following contract signing, the Group would send policies such as the <i>Supplier Code of Conduct</i> and the <i>Anti-Corruption and Anti-Bribery Policy to suppliers</i> promptly, to help them understand and apply these policies, and encourage capable suppliers to formulate and implement anti-corruption and anti-bribery policies at an equivalent standard.
Supplier evaluation stage	Aligned with policies like the <i>Supplier Code of Conduct</i> , the <i>Anti-Corruption and Anti-Bribery Policy</i> and the <i>Code of Business Conduct</i> , etc., we have integrated clauses on integrity and cleanliness, along with corruption and bribery issues, into the supplier evaluation system. When a supplier is found to be engaged in corruption and bribery, the Group may implement measures including deducting points, suspension, cancellation and permanent revocation of eligibility for winning the bid.

Key performance

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Signing rate of the Integrity and Honesty Contract by suppliers 100%

Business ethics audit

The Group has implemented the *Operational Guidelines on Business Ethics Audit* to conduct comprehensive audits on all business activities, covering system construction, anti-corruption, anti-commercial bribery, anti-monopoly, anti-unfair competition, anti-money laundering, anti-fraud, and privacy violations. To guard against business ethics risks and regulate the behavior of employees and business partners, the Group has integrated business ethics audits into its annual audit projects. The Group has formulated an audit plan covering all project locations and business processes. Major overseas operation sites are audited once every year, while domestic operation sites follow a three-year rotation plan, ensuring ongoing audits that address business ethics risks. In 2024, the Group focused on conducting integrity risk assessments for its 5 overseas subsidiaries to proactively prevent and address issues at the source.

The Group conducts targeted audits in business areas susceptible to corruption, including engineering, procurement, investment, and finance. The audits closely examine whether there are instances of unjust enrichment, bribery, misappropriation of funds, and other improper fraudulent and corrupt practices in operations. Concurrently, for issues identified during the audit, relevant departments will establish correction and follow-up mechanisms, and oversee the rectification progress. In 2024, no significant violations of ethical standards were found.

Key performance:



Business ethics training

To regulate employee behavior and enhance awareness of business ethics, the Group has conducted various forms of business ethics cultural promotion internally. The Group requires all new employees to undergo training on business ethics standards related to integrity and professional conduct. The Board members and senior management members participate in various anti-corruption and integrity education events, and warning conferences organized by the Group. The Group also regularly disseminates business ethics standards, anti-corruption, anti-money laundering regulations, and case studies through internal communication systems, emails, and other channels to improve employees' awareness of integrity, self-discipline, and compliance, ensuring that business ethics education and training cover all employees (including full-time and part-time staff). Additionally, key personnel, such as those responsible for procurement, are required to receive training on compliance procurement, procurement risk control, integrity, and anti-corruption, to continuously raise individual compliance awareness.



RISK MANAGEMENT AND INTERNAL CONTROL

The Group continues to build a comprehensive "six-in-one" risk control system, which integrates legal, compliance, risk, internal control, audit, and accountability frameworks, continuously improves the comprehensive risk management and control system, and has established a risk control structure featuring coordination between the "Leading Team, Working Team, and Functional Departments". In addition, the Group carried out a lot of compliance risk control work centered on the business to continue to enhance the ability of risk management and achieve prudent operations.

Risk management

Risk structure

The Group has established a top-down risk management organizational structure, with the Company's CEO serving as the ultimate responsible person for risk control. During the Reporting Period, the Group organized 5 meetings of the Risk Control & Compliance and Non-compliance Accountability Management Committee, which focused on deploying risk prevention and control work for the year.

Organization	Responsibility allocation	Personnel composition
Board	The Board is the decision-making body for risk management and internal control, responsible for the effectiveness of risk management. It listens to and reviews the work of risk management and internal control, as well as the investigation and accountability of major internal control deficiencies and risk issues. It approves significant operational risk forecasting reports, internal control system work reports, and other work outcomes.	The Board consists of 10 directors.
Risk Control & Compliance and Non-compliance Accountability Management Committee (Risk Control Leading Team)	Responsible for coordinating the establishment of the risk management and internal control systems and mechanisms. It approves overall risk and internal control management policies, strategic plans, and annual work plans.	The committee is composed of a Directors, Deputy Directors, and members. The Directors is the Company's CEO, the Deputy Directors are the leadership members of subsidiaries, and the members include the Group's general counsel and key leaders from various departments and subsidiaries.

Organization name	Responsibility allocation	Personnel composition
Risk Control Compliance Task Force (Risk Control Working Team)	Responsible for performing the day-to-day management responsibilities of the Risk Control & Compliance and Non-compliance Accountability Management Committee. It organizes, coordinates, and monitors risk control work, formulates risk control policies and annual work plans, and coordinates the implementation of various risk control initiatives.	The team leader is the Group's general counsel, the deputy team leaders are the heads of the Risk Management and Internal Audit Department/Legal and Compliance Department and key leaders from subsidiaries, with members consisting of internal control officers from the headquarters and subsidiaries.
Risk Management and Internal Audit Department/Legal and Compliance Department (Risk Control Functional Department)	Assist the Risk Control Compliance Task Force in specific tasks, including leading the implementation of annual plans, and collaborating with functional departments and subsidiaries to carry out risk management and internal control activities.	The department is composed of professionals in legal, compliance, risk management, internal control, audit, and accountability.
Functional Departments/ Subsidiaries	Each functional department/subsidiary is the specific execution unit for risk control. Based on the Group's actual situation, they carry out their own risk control work, promptly report the results of risk control and compliance, and handle risk events under the guidance and management of risk control and compliance institutions.	Each subsidiary implements the risk control and compliance system requirements, establishes its own risk control and compliance organization, and appoints responsible personnel and specialists for risk control and compliance.

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Operation with Integrity and Compliance

Risk control policies

The Group continuously improves its risk management system based on the *Administrative Measures for Risk Management*, the *Manual of Risk Control*, the *Rules for Operational Risk Event* and the *Manual of Internal Control*, providing guidance for future risk prevention and control.

Administrative Measures for Risk Management Internal Control Evaluation Measures	It defines the responsibilities and contents of routine risk management and internal control work to ensure the smooth implementation of all risk control tasks.	
Manual of Risk Management and Internal Control	As an action guide for Risk Control, it explains the Risk Control methods in details, tools, standards and processes, including: risk identification methods, risk description standards, list of key risks, risk assessment standards, risk assessment questionnaire, prioritization of assessed risks, risk mapping, schedule of major risk response plans, summary of major risk responses and conditions, etc.	
Implementation Rules for Operational Risk Events	It specifies the grading standards and reporting processes for various risk events, including standard management process, identification, analysis and summary reporting process, response and disposal process, monitoring and inspection process, and analysis and summary process, to strengthen and enhance the major risk reporting mechanism.	
Manual of Internal Control	The manual clearly defines the main business processes and the division of powers and responsibilities, and regulates the key control points such as the internal department setup, the authorization and responsibilities of key positions and the approval procedures.	
Risk control measures

Risk assessment

The Group regularly organizes and conducts risk assessments, covering both the headquarters departments and subsidiaries. Based on the actual annual practices, the Group follows the principles of authenticity and objectivity, focusing on assessing risks that impact the annual business objectives. This includes identifying major risks in areas such as strategy, market, finance, legal and compliance, operations, and ESG, providing decision-making reference for the Group's risk management efforts. Additionally, the Group also considers emerging risks such as artificial intelligence and climate change, preparing for the response to these emerging risks in advance.

In 2024, the Group held 5 meetings of the Risk Control & Compliance and Non-compliance Accountability Management Committee, organized the 2025 Top Ten Risk Assessment and 2024 Compliance Risk Identification, and developed an annual major risk response plan. The major risk points identified include market conditions, talent reserve, policy changes, exchange rate fluctuations, and safety production. Additionally, the Group implemented special assessment requirements for risk management for the first time this year, researching and developing the *Plan for the Assessment of Risk Management System Construction in 2024*, which has been applied to the performance appraisal of its subsidiaries.



2024 Risk Management Meeting

On April 11, 2024, the Group held the Meeting of the Risk Control & Compliance and Non-compliance Accountability Management Committee (Expanded) and the 2024 Risk Management Work Meeting. The Company's CEO and Director of the Risk Control & Compliance and Non-compliance Accountability Management Committee, Xu Song, chaired the meeting and delivered a summary. The meeting also included the first session in 2024 of being a world's leading enterprise under the rule of law and a special risk control training. Shantou Port and SCCT shared their excellent practical experiences in building risk control systems.



Risk training

To further enhance internal risk awareness and prevention capabilities, in 2024, the Group organized 2 special risk management training sessions. The training participants included the general counsels of the subsidiaries, heads of risk management departments, legal compliance/risk control audit personnel, and other relevant individuals. The training topics covered trade finance and fraud risk prevention, as well as the practice of the Group's global risk control system.

Operation with Integrity and Compliance

Internal control

The Group has been continuously improving its internal control mechanisms and procedures, and strengthen implementation to practically enhance its internal control management level. The Group supervises and inspects subsidiaries according to its plan.

Key performance



STRENGTHENING DATA SECURITY

Information security

The Group places high importance on information security and privacy protection, improving the information security and privacy management system, and continuously enhancing information security management levels to provide a solid foundation for the construction of smart ports. To better protect information security and ensure privacy protection, the Group built a "Cloud-Network-Edge-End" cybersecurity monitoring and operation center. In 2024, the Group did not experience any major information security or privacy breach incidents.

Information security management system

Organizational structure improvement. The Company's CEO is the principal leaders and takes direct responsibility for information security. The leading team of digitalization is the top management body, and the digitalization office is the execution body for information security management, including security attack and defense, building the information security system and the information security protection system for the Group. An information security system covers all the employees of the Group, to ensure the effective information security management.

Policies establishment. In accordance with internal management policies such as the *Administrative Regulations on Information Security (2020 Edition)*, the *Confidentiality Provisions*, the *Interim Provisions on the Trade*, and the *Administrative Measures for the Confidential Computers and Accessory Equipment at the Headquarters*, which cover data classification and grading, data use processes, and user information management, the Group has developed an information security control system covering the entire business chain. In addition, the Group carries out targeted information security and privacy protection for different information owners.

Emergency drills. The Group has developed a cybersecurity contingency plan covering virus infection, phishing emails, ransomware attacks according to the business situation and carries out emergency drills according to the plan. In 2024, the Group maintained "Zero Failure" in the HW2024 special action. During the year, the Group conducted 18 emergency drills, which focused on infrastructure failures and network failures. Through these drills, the Group validated the effectiveness of existing contingency plans and the timeliness of the execution of such plans.

Vulnerability remediation. The Group continues to scan and remedy information security vulnerabilities. In 2024, the Group identified and discovered 1,439 information security vulnerabilities, all of which were remedied, with a 100% closure rate for vulnerabilities.

Clear reporting process. The Group has developed a clear process for employees to report suspicious loopholes of information security. When an employee notices an information security incident, he/she shall take necessary measures to stop the incident, and at the same time report it to the information security management organization of the subsidiary level, and report it to the Company step by step. The information security management organization at the subsidiary level shall judge the incident, investigate and collect evidence, and take appropriate control measures according to the level of the incident. After the incident is properly handled, the relevant department of the Group shall make a summary of the incident, put forward preventive measures, and instruct the relevant subsidiary or departments concerned to implement them.

Risk control capabilities. The Group conducted information security training covering the headquarters and all subsidiaries. In 2024, a total of 3,602 participants attended the information security training, including 220 executives of the Group, and the total training duration reached 511 hours. Additionally, the Group has incorporated information security into the annual performance appraisal of employees, linking it to performance-based compensation, thereby increasing their awareness on information security.



CMBL Conducts an Confidentiality Themed Activity

On May 31, 2024, CMBL held the "Implementing the Confidentiality Law: Everyone is Guardian of Confidentiality" activity. The event was attended by key leaders and personnel in sensitive positions related to confidentiality.



Operation with Integrity and Compliance

Key performance



Privacy protection

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Customer privacy protection

Strictly abides by privacy protection laws and regulations in locations where it provides services. Following the principle of "closed management, minimum exposure and everyone's responsibility", the Group implemented the *Management Measures for Business Contracts* and other rules, and have established a sound information security management process. The Group emphasized strict compliance with relevant laws, regulations and policies in the *Market Business Management Guidelines (Provisional)* and the *Administrative Measures on Customer Information Security*, ensuring the compliance of information collection and respecting customers' right to know by clearly informing them of the purpose of information collection and use. Meanwhile, the Group encrypted customer information at different levels and introduced corresponding confidentiality measures, as well as identified responsibilities and penalties for leakage behaviors, and improved the safety management of customer information to keep leakage at bay. The Group has designated dedicated personnel responsible for contract management. Special equipment for the sake of confidentiality were installed to forbid copy of or access to unauthorized data, protecting customers' privacy. The Group continuously strengthens the publicity of information security and confidentiality, and raises employees' awareness of customer information protection.

With regard to customer information leakage, all subsidiaries are required to take immediate remedial measures and submit a written report to their superiors within 24 hours after discovery, including the leaked customer information, the damage and losses caused, the remedial measures taken and other detailed disposal procedures, so as to minimize the damage and losses caused by the leakage and safeguard the legitimate rights and interests of customers. During the Reporting Period, the Group did not encounter any customer privacy leakage incidents.

Key Points of the Personal Privacy Protection Policy

- (1) **Purpose**: To strengthen the protection of personal privacy, regulate the Group's personal information processing activities, ensure the security of personal information, and protect the legitimate rights and interests of employees, customers, and other relevant individuals.
- (2) **Scope of application**: This policy applies to the Company and its wholly-owned subsidiaries, holding companies, entrusted management companies, and other affiliated entities.
- (3) **Principles for information collection**: legality, justice, necessity, and integrity, purpose clarity, minimized necessity, openness and transparency, and security guarantee.
- (4) Protection of rights of information subjects: The policy safeguards the rights of information subjects, including the right to be informed, the right to decide, the right to access and copy, the right to portability, and the right to appeal. The information subject has the right to know the rules for personal information processing, decide whether to consent to the collection, use, and storage of their personal information, access and copy their personal information, request the transfer of their personal information to their designated personal information processor, and file complaints about the personal information processing activities.

Employee privacy protection

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The Group implements the Human Rights Policy Commitment, and commits to complying with the requirements of protecting employees' privacy as stipulated in the Constitution of the People's Republic of China, the Civil Code of the People's Republic of China, the Hong Kong Human Rights and Democracy Act, the Personal Data Privacy Ordinance in Hong Kong and other laws and regulations where it operates. The Group respects and protects the privacy of employees, strictly implements the personal data (privacy) security policies for employees, and abides by the relevant laws and regulations on personal privacy protection. Besides, the Group strives to enhance employees' awareness of personal information protection through training to ensure the appropriate protection of employees' privacy. At the same time, the Group requires employees to attach importance to the management of confidential information in their routine work and undertake the obligation to keep such information confidential. The confidential information by an employee, the employee will be punished in accordance with the Administrative Measures for Dismissal of Employees for Serious Misconduct and the Confidentiality Provisions.

Supplier privacy protection

The Group clearly stipulates in the *Implementation Rules for Supplier Management* that employees shall not disclose in any way the commercial secrets or personal privacy of suppliers that he/she has come into contact with or is aware of, and shall not use the commercial secrets, intellectual property rights and business channels of suppliers in his/her possession to engage in activities for profit or infringement of the privacy of others for himself/herself or for others. All subsidiaries shall figure out the approval processes for the retrieval and access of suppliers' relevant data. In the course of business, all the subsidiaries are required to keep written records to avoid any form of suppliers' privacy and data leakage. In addition, the Group specifies the rights and obligations of both parties regarding information security and privacy protection in the form of fixed terms in the model contracts for cooperation with suppliers.

Operation with Integrity and Compliance

Intellectual property rights (IPR) protection

The Group strictly abides by laws such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Trade Marks Ordinance* in Hong Kong and other laws and regulations where it operates. The Group comprehensively optimize its intellectual property rights management system in a bid to boost intellectual property right creation, application, protection, management and service standards. It has implemented the *Regulations on the Management of Intellectual Property Rights*, which set out detailed regulations on the application, ownership, protection and utilization of intellectual property rights. Based on the principles of encouraging innovation, promoting utilization and legal management, the Group enhances the creation, utilization, protection, management and services of intellectual property rights through compliance audit and review, legal risk warning and infringement dispute resolution. In addition, through the intellectual property right, take corresponding measures to avoid IPR infringement, and require their business partners to respect and protect intellectual property right.

The Group not only safeguards its own intellectual property rights, but also strives to prevent infringement upon others' intellectual property rights. The Group requires all subsidiaries to check whether there is any risk of intellectual property infringement and apply to local competent authorities for necessary intellectual property protection in time when entering the international market. The Group has also conducted a study on the protection of patent right applications abroad for some of its subsidiaries.

During the Reporting Period, there was no infringement on intellectual property rights by or against the Group.

Key performance



Green and Ecological Ports

Strategy and development

The Group is committed to building smart, green ports, actively responding to the *Paris Agreement* and China's carbon neutrality goals, incorporating climate change into risk management, and enhancing climate change resilience. We adhere to the sustainable use of resources, improving efficiency, reducing waste emissions, promoting recycling, and protecting marine biodiversity, while minimizing the impact on the environment.

- Implemented the annual targets for energy intensity and total carbon emissions, and added new targets for greenhouse gas intensity, clean energy utilization, water resource utilization, and pollutant reduction.
- Revised the *Ecological and Environmental Protection Policy Statement*, and developed a new *Biodiversity and Zero Deforestation Statement* to strengthen the protection of ecology and biodiversity.
- Strictly controlled pollutant emissions, and effectively managed gas emissions, wastewater discharge, solid waste, and noise, with no major environmental incidents occurring during the Reporting Period.

Future plans

- By the end of 2025, all terminals of subsidiaries will complete energy management system certification and environmental management system certification.
- Promote greenhouse gas emission reduction, clean energy utilization, water resource management, and pollutant reduction, and achieve environmental compliance goals.





IMPROVING ENVIRONMENTAL MANAGEMENT

The Group is committed to building green and eco-friendly ports that coexist harmoniously with nature, adhering to the philosophy of innovation-driven sustainable development, and accelerating the construction of smart, green, and ecological ports.

Environmental management targets

The Group strictly complies with environmental laws and regulations, striving to minimize the impact of operations on the environment and achieve sustainable development. In 2024, to further advance the scientific, standardized, and practical environmental management, the Group promoted the establishment of environmental protection goals, including energy utilization, water resource management, pollutant emissions, and environmental compliance management. This aims to scientifically and efficiently advance the Group's ecological and environmental protection efforts. During the Reporting Period, the Group did not experience any major environmental incidents, violations of energy conservation and environmental protection regulations, or administrative fines.



Definition of General Level 3 Environmental Incidents:

- (1) Incidents directly causing poisoning or serious injury to 1 to 2 individuals due to environmental pollution.
- (2) Incidents involving the evacuation or relocation of 200 to 1,000 people due to environmental pollution.
- (3) Incidents involving oil spills from vessels of between 1 to 5 tons that cause water environmental pollution.

⁽⁴⁾ Incidents where water pollution caused by vessels results in direct economic losses of between HK\$2.2 million and 5.5 million in offshore areas, or other causes of environmental pollution resulting in direct economic losses of between HK\$1.1 million and 2.2 million.

Environmental management system

The Group actively carries out the planning and development of environmental protection goals, improves the environmental responsibility system, and strengthens the risk assessment and control of factors such as air, water, soil, and noise. This comprehensive approach aims to enhance the level of ecological and environmental management, ensuring that pollutant emissions throughout the year comply with legal and regulatory standards.

Environmental management organizational structure

The leading team for energy conservation and environmental protection was set up to take full charge of the energy conservation and environmental protection work, with CEO of the Company as the leader, General Manager of the Company as the deputy leader, and principal leaders of the headquarters and subsidiaries as the members. The responsibilities of the leading team include: responsible for leading overall energy conservation and environmental protection; implementing applicable laws, regulations, policies, and standards; establishing a sound energy conservation and environmental protection management system and policies; coordinating, planning and establishing a sound, scientific and standardized organizational structure for energy conservation and environmental protection, and mechanisms for statistical monitoring, performance evaluation, and incentives and punishments; effectively fulfilling corporate social responsibilities; deploying energy conservation and environmental protection work and formulating opinions and deliberating major issues related to energy conservation and environmental protection.

Subsidiaries have also set up their leading team for energy conservation and environmental protection, energy management department, and appointed energy management and environmental management personnel as required. During the Reporting Period, subsidiaries set up a total of 151 full-time and part-time energy conservation management personnel to make active efforts to develop the environmental management system, and established a comprehensive statistical monitoring system for energy conservation and emissions reduction, as well as an information reporting system.

Development of environmental management system

The Group currently has 147 environmental protection systems and 30 energy and carbon management systems. During the Reporting Period, the Group developed 25 new environmental protection systems and 3 new energy and carbon management systems, and revised 13 environmental protection systems and 6 energy and carbon management systems. The Group has also developed the *List of Responsibilities for Ecological and Environmental Protection of CMPort*, further clarifying the Group's responsibilities for ecological and environmental protection from top to bottom.

Environmental management system certification

As of the end of the Reporting Period, 10 terminals of subsidiaries have completed the ISO 14001 environmental management system certification (excluding Shenzhen Haiqin Engineering Supervision & Management Co., Ltd.), and 7 terminals of subsidiaries have completed the ISO 50001 Energy Management System certification. The Group plans for all terminals of subsidiaries to complete both energy management system certification and environmental management system certification by the end of 2025.



Subsidiary terminal companies with certifications:

	ISO 14001 Environmental Management System Certification	ISO 50001 Energy Management System Certification
Certified terminals of subsidiaries	Shekou Container Terminal Co., Ltd. Mawan Terminals Co., Ltd. Shenzhen Haixing Harbor Development Co., Ltd. CMPS Shenzhen Mawan Wharf Co., Ltd. Shenzhen Lianda Tug Co., Ltd. Zhangzhou Port Shantou Port HIPG TCP	Shekou Container Terminal Co., Ltd. Mawan Terminals Co., Ltd. Shenzhen Haixing Harbor Development Co., Ltd. CMPS Shenzhen Mawan Wharf Co., Ltd. Shenzhen Lianda Tug Co., Ltd. Shantou Port
Certification rate	76.9%	53.8%



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ISO 14001 Certificate of Zhangzhou Port



Energy conservation performance assessment

The Group implemented the Administration Measures on Energy Conservation and Environmental Protection Performance Assessment. As required, all subsidiaries have to sign Energy Conservation and Environmental Management Targets Responsibility Letter, clearly stating control indicators for energy conservation and environmental events, management indicators, quantitative assessment indicators for carbon emissions, assessment indicators for key projects related to green development, and assessment indicators for Carbon Peak and Carbon Neutrality projects. Important indicators are included in the performance agreements of key personnel in respective positions. The performance appraisal results for annual energy conservation and environmental protection of subsidiaries are directly linked with the performance of the relevant responsible persons. In 2024, the CEO of the Company and the persons in charge of the subsidiaries signed the 2024 Energy Conservation and Environmental Management Targets Responsibility Letter to promote subsidiaries fulfillment of the primary responsibility for energy conservation and environmental protection.

Environmental management practices

Environmental risk control

In 2024, the Group actively promoted environmental risk assessment and control, reviewing environmental protection facilities and equipment. The focus was on volatile organic compounds(VOCs) inspection, implementing a special inspection and remediation for tugboat oil spill prevention, and carrying out environmental risk and hazard inspections and remediation.

During the Reporting Period, the Groups senior management conducted 3 in-depth on-site inspections and identified 32 issues, all of which were rectified with a completion rate of 100%. The Group organized 7 special inspections on energy conservation and environmental protection, identifying 76 improvement points and suggestions, all were rectified. Subsidiaries inspected 616 ecological and environmental protection hazards, of which 613 were rectified, achieving a rectification completion rate of 99.5%.

Environmental management training

The Group attaches great importance to enhancing environmental management awareness and capabilities, and regularly organizes environmental management training for employees and contractors. In 2024, subsidiaries organized 270 environmental protection training sessions with 7,364 participants, and 280 emergency drills on ecological and environmental protection with 2,557 participants.

From May 13 to May 19, 2024, the Group launched a national Energy Conservation Week event themed *Green Transformation*, *Energy Conservation Effort*. On May 15, the Group organized a National Low Carbon Day event themed *Green and Low Carbon*, *Beautiful China*, aimed at raising the energy conservation and environmental protection awareness among all employees.



Special Training on Analysis of Star-Level Green Port Construction Practices and Pathways

In September 2024, the Group conducted a special training session for energy conservation and environmental protectionrelated management personnel titled *Analysis of Star-Level Green Port Construction Practices and Pathways*. The training focused on learning about green and low-carbon-related policies, green port grading and evaluation, green and low-carbon action cases, shore power-related technical policies, and the current status and potential analysis of the Group's star-level green ports. This training laid a theoretical foundation for promoting the construction of star-level green ports.





TACKLING CLIMATE CHANGE

The Group proactively responded to the *Paris Agreement* and China's goals of Carbon Peak in 2030 and Carbon Neutrality in 2060 by incorporating climate change into the Group's overall risk assessment and management system, continuously improving the climate governance structure, identifying and responding to climate risks, perfecting climate risk prevention strategies, dynamically monitoring the achievement of objectives and indicators in response to climate change, and solidly promoting the management of response to climate change. The Group coordinates and supervises all internal climate risk-related matters, and holds special discussions to deliberate them. A robust mechanism and system for climate risk management will be established.

Climate governance

The Group attaches great importance to climate change-related matters and works vigorously to achieve the Group's vision of Carbon Peak in 2028 and Carbon Neutrality in 2060, and establish a sustainability governance framework.

Structure	Responsibilities
Decision-making level	ESG Committee: Responsible for overseeing, reviewing, deciding on, and providing guidance on the Group's climate strategy, goals, and action plans; formulating the environmental protection philosophy, planning systems, evaluation methods, and standards, and reporting significant climate-related matters to the Board. In 2024, the ESG Committee held meetings to report on the assessment of climate risks and opportunities, as well as the progress of Carbon Neutrality efforts.
Management level	Leading Team for Energy Conservation and Environmental Protection: Responsible for developing new approaches to address climate change, formulating energy-saving and emissions reduction plans, and integrating them into daily operational management.
Organizational level	Energy Conservation and Environmental Protection Office: The Energy Conservation and Environmental Protection Office under the Leading Team for Energy Conservation and Environmental Protection cooperates with the functional departments of the Group to implement the strategic deployments for tackling climate change, and promote the implementation of the action plan for Carbon Peak and Carbon Neutrality. It is also responsible for setting the goal of pollution control and carbon reduction, formulating the energy conservation and carbon reduction plan, and incorporating it into daily operations and management. It shall regularly conduct supervision and inspections in various forms, organize training related to climate change, exchange and promotion of best practices, and evaluate the progress toward targets by each business unit on an annual basis.
Execution level	Energy-saving and Emissions Reduction Management Personnel of Each Subsidiary: The energy-saving and emissions reduction management personnel of each subsidiary are responsible for the execution, statistics, analysis, supervision and inspections of energy-saving and emission reduction work.

Climate strategies

Climate risk and opportunity identification

Risks	Potential impact analysis	Financial impact	Measures adopted in 2024
extreme weather cor associated with busir	o the potential impact of climate aditions) and chronic risk (brought nesses due to climate change.		
Acute risk Increase in the severity of typhoons	 Significant damage to port facilities will result in asset loss or increased repair costs. The ports will be unable to accept loading or unloading, causing a disruption in business operations. Temporary cancellation of vessel calls will result in a reduction in business volume, while delays in vessel calls will cause congestion and busy operations at berths for a period of time after the typhoon, affecting loading, unloading, and transportation efficiency. 	Assets value ↓ Revenue ↓ Operating costs ↑ Profit ↓	 Formulate typhoon and flood response plans and other emergency response plans, and regularly conduct emergency drills. Improve the capability of large equipment to resist extreme weather conditions by installing typhoon protection devices and typhoon warning devices for quayside container cranes, conducting regular inspection and maintenance of equipment, intensifying equipment inspection, etc. to ensure the normal operation of relevant brake equipment. Consolidate and allocate terminal resources to organize the resumption of production reasonably and efficiently.
Increase in the severity of flood	 Direct economic losses caused by the waterlogging of cargos. Significant damage to port facilities, leading to asset loss or increased maintenance costs. Increased sedimentation, which hampers vessel docking, resulting in higher dredging costs. 	Operating costs ↑ Assets value ↓ Profit ↓	 Formulate material storage plans, such as storing goods in warehouses, silos, etc. during rainy seasons. Develop emergency flood disaster response plans to reduce equipment losses. Regularly monitor sediment accumulation in waterways and port areas, promptly conduct dredging to maintain navigational depth.



Risks	Potential impact analysis	Financial impact	Measures adopted in 2024
	and chronic risk (brought by sea lev		uding acute risk (brought by extreme igh temperature) directly associated
Acute risk (Continued))		
Increase in severity of other extreme weather incidents	 Cause significant losses to the ports production, operation, assets or supply chain, and increase Operating costs. Foggy weather may affect the safety of vessels calling at the port or vehicles on the road. Extreme weather or thunderstorms may cause damage to machinery equipment, and personnel on-site. 	Operating costs↑ Profit↓	 Strengthen the berthing and unberthing management in extreme weather, including the parking of large terminal equipment in strict accordance with the berthing requirements, turning on berthing signs, and real-time communication between instructors and pilots. Reasonably arrange operating hours, including preparing loading and unloading plans and arranging personnel to rest in advance during the period of vessels departing from the port to avoid extreme weather; suspend onsite operation under extreme weather; add operation lines according to the plan after the extreme weather is lifted to improve the operation efficiency and shorten the time of vessels in the port.
Chronic risks			
Changes in rainfall and extreme fluctuations in weather patterns	 Workers are prone to physical injury incidents when they are feeling unwell. Shorten the overall operating hours of ports. Crop yield may be affected, which in turn affects the export volume in the region. 	Revenue↓ Operating costs↑ Profit↓	 Strengthen the physical examination of workers before and during work. Enhance operational efficiency through digital and intelligent empowerment and technological innovation. Pay attention to the subsequent impact of extreme climate change continuously and conduct relevant market research to reduce the impact of adverse factors on orders.

otential impact analysi

inancial impact

leasures adopted in 2024

Physical risks refer to the potential impact of Climate Change on businesses, including acute risk (brought by extreme weather conditions) and chronic risk (brought by sea level rise or persistent high temperature) directly associated with businesses due to climate change.

Chronic risks (Continued)

Increase in average temperature	 Working in hot environment can cause discomfort to frontline workers and affect work efficiency. High temperatures lead to equipment overheating, increasing failure rates, delaying progress, and increasing maintenance costs. High temperatures accelerate the aging of port facilities, leading to asset losses. 	Operating costs↑ Assets value↓ Profit↓	 Implement physical examinations before the arrival of high-temperature working days; Strictly follow the management regulations for hot seasons, increase the frequency of breaks and distribute cool drinks. Optimize and upgrade equipment heat dissipation systems to improve the cooling environment. Strengthen equipment maintenance during high- temperature weather, regularly inspecting and troubleshooting equipment.
Rise of sea level	 Submersion of cargo in yard. Accelerated scouring and erosion of port infrastructure, threatening the safety and lifespan of terminals, breakwaters, and other facilities, leading to asset losses and increased repair costs. 	Operating costs↑ Assets value↓ Profit↓	• Store cargo in places such as warehouses and silos during rainy seasons to reduce the amount of stacking on the site; and take actions against flooding in the yards.



Risks	Potential impact analysis	Financial impact	Measures adopted in 2024
	er to the risk associated with varic ransition to a low-carbon economy.		s, laws, technologies and markets
Policy risk			
Increase the greenhouse gas emissions pricing	• Increase in Operating costs (including carbon tax, carbon trading, etc.)	Operating costs↑ Profit↓	• Track and control the energy conservation and environmental protection work of its subsidiaries, while also practicing green development concepts throughout the process of project planning and service operation, so as to avoid ecological pollution caused by emissions.
Requirements and supervision for products and services available	• Increase in compliance costs due to restrictions on the carbon emissions of global marine fuel oil s and the implementation of environmental protection policies.	Operating costs1 Profit↓	• Identify relevant emission requirements in a timely manner, formulate and improve internal policies of pollution prevention and control, and strictly enforce emission requirements of the central government.
Legal risk			
Litigation for violations of environmental regulations	• Potential civil, administrative, and criminal liabilities resulting in damages to the corporate reputation and corresponding penalties.	Operating costs1 Profit↓	 Strictly comply with the environmental laws, regulations, and industry standards of the regions where we operate. Strengthen the monitoring and control of various pollution sources.

Risks	Potential impact analysis	Financial impact	Measures adopted in 2024
	to the risk associated with varion nsition to a low-carbon economy		s, laws, technologies and market
Market risk			
Higher costs of substituting the existing products and services with low emission options	Increase operational costs due to equipment upgrades and the development of new solutions.	Operating costs↑ Profit↓	 Keep updated about low-carbon technologies. Continue to carry out energy conservation technological transformation, explore the application of clean energy and gradually increase the proportion of new energy and clean energy use.
Changing of customer behaviors	• Customers are more inclined to cooperate with corporates that are concerned about environmental protection, and corporates need to invest capital to update to a more environmentally friendly development model.	Operating costs↑ Revenue↓ Profit↓	• Focus on environmental protection and value customer feedback.
Uncertainty in the market signals	Changes in customer preferences may result in the lower demand for goods and services	Revenue↓ Profit↓	• Continue to pay attention to changes in customer needs, actively communicate with customers, and adjust the service mode in a timely manner.
Increase in cost of raw materials	• Changes in fuel prices and increases in application costs of new energy technologies.	Operating costs↑ Profit↓	Pay attention to the impact of changes in fuel prices and the application of new energy technologies on the market.



Risks	Potential impact analysis	Financial impact	Measures adopted in 2024
Transition risks refer		bus changes in policie	es, laws, technologies and market
Technology risk			
Failed investment In new technology and front-end cost of transition to low emission technology	 Increase in research and development costs for developing methods such as multimodal transport, shore- powered supply for vessels to promote energy conservation and emissions reduction, as well as new and clean energy application in port and maritime industry. 	Operating costs↑ Profit↓	 Strengthen identification of laws and government supportive policies. Investigate key issues of ecological protection, and increase relevant facilities and equipment.
Reputation risk			
Increasing concerns about negative feedback from stakeholders	Negative information of the Company may bring negative impact on corporate image	Revenue↓ Operating costs↑ Profit↓	 Focus on environmental protection, continuously optimize the business environment, encourage trade facilitation, and expand the upstream and downstream service supply chain. Actively incorporate environmental protection concepts into daily operations and direct public attention to issues such as marine and ecological conservation.

Seizing climate opportunities

The Group closely follows the global trend of green and low-carbon transformation. In response to the increasing demand for carbon footprint management from customers, the Group seizes the opportunities presented by climate change to enhance the use of clean energy. It integrates green, low-carbon, and environmental protection principles into innovative services and solutions, and actively explores the potential for future participation in carbon market trading.

Opportunity type	Opportunity name	Opportunity description
Energy Conservation	Clean energy utilization	The use of clean energy directly reduces energy costs, improves energy efficiency, and reduces carbon emissions.
Products and Services	Clean fuel refueling	Based on customers' green and low-carbon transformation practices, there is potential growth in the demand for clean fuel refueling services such as liquefied natural gas (LNG), methanol, and hydrogen fuel.
	Shore power services	Promoting the use of shore power for ships docking at ports reduces the use of fossil fuels by ships, helping customers reduce carbon emissions
	Green transportation solutions	Leveraging the advantages of waterway transportation—high cargo capacity, low energy consumption, and less pollution—along with the advantages of port networks, to expand green transportation solutions such as water-to-water intermodal and sea-rail intermodal transportation.
Market	Shipping industry carbon emission trading	The EU has included the shipping industry in the EU Emissions Trading System (EU-ETS), increasing emission reduction pressure on shipping companies, which provides market opportunities for port enterprises to innovate energy-saving and carbon-reducing solutions. At the same time, the Company closely follows policy developments and actively explores future participation in carbon market trading.



Case:

Case:

Largest Single ship Biofuel Oil in China was successfully refueled in SCCT

SCCT provides comprehensive operational support for bunkering services, contributing to the development of green shipping. In June 2024, the "New Asia" vessel successfully bunkered 3,850 tons of biofuel oil (B24) at the Shekou Port area of SCCT, marking the largest single-ship bunkering in China.



Shore Power Services at Shantou Port for Docked Vessels

Shantou Port provides shore power services to docked vessels. The Guang'ao Port Area Phase I and II terminals are equipped with two sets of high-voltage shore power facilities, and four low-voltage shore power connection boxes have been put into operation, achieving 100% coverage of high and low-voltage shore power at six container berths. Providing shore power services not only significantly reduces exhaust emissions and noise pollution during vessel stays at the port but also creates a healthier working environment for crew and port workers. Furthermore, it positively contributes to improving air quality in surrounding communities and reducing greenhouse gas emissions, reflecting the shipping industry's commitment to sustainable development.



Climate scenario analysis

Physical risks

> Climate scenario selection

During the Reporting Period, the Group conducted climate scenario analysis at SCCT, Shantou Port, and Zhangzhou Port. Based on different Shared Socioeconomic Pathways (SSP) scenarios³, combined with the geographical features and climate data of the port locations, the analysis simulated future flood and typhoon frequencies, intensities, and their direct impact on port facilities.

Scenario	Scenario description	Radiative forcing	Temperature increase target	SSP	Emission characteristics	Applicable scenarios
SSP1-2.6	A future scenario based on SSP1 (Sustainable Development Path), corresponding to RCP 2.6 (radiative forcing reaches 2.6 W/m ²), representing a low- emission scenario. It assumes that global socioeconomic development will move toward sustainability, emphasizing inclusive development, environmental protection, and global cooperation. By 2100, the global average temperature is expected to rise by approximately 1.5°C compared to pre-industrial levels.	2.6 W/m*	Below 1.5°C	Sustainable Development	Significant emission reductions, carbon neutrality, and renewable energy dominance	Feasibility study for the 1.5°C target
SSP2-4.5	A future scenario based on SSP2 (middle path), corresponding to RCP4.5 (radiative forcing reaches 4.5 W/m ²), representing a moderate-emission scenario. It assumes that socioeconomic development continues along historical patterns with some climate mitigation measures in place. By 2100, the global average temperature is expected to rise by approximately 3.0°C compared to pre-industrial levels.	4.5 W/m²	2.0-3.0°C	Middle Path	Moderate emission reductions, with fossil fuels still accounting for a certain proportion	Climate change research under current policy commitments
SSP5-8.5	A future scenario based on SSP5 (high fossil fuel consumption), corresponding to RCP8.5 (radiative forcing reaches 8.5 W/m ²), representing a high-emission scenario. It assumes that global socioeconomic development is heavily reliant on fossil fuels, following a resource- and energy-intensive development model. By 2100, the global average temperature is expected to rise by approximately 5.1°C compared to pre-industrial levels.	8.5 W/m²	Above 4.0°C	High Economic Growth	High emissions and fossil fuel dominance	Research on extrem climate change risks and consequences

SSP is typical climate scenarios provided in the AR6 of IPCC.



Risk exposure assessment

The "marine disaster risk assessment zones" in the *First National Comprehensive Survey on Natural Disaster Risks* indicates that there are 66 counties (cities, districts) with a high risk level of sea level rise, accounting for 30.1% of the national total. These high-risk areas are mainly concentrated in the Bohai Bay, Yangtze River Delta, Pearl River Delta, and the southern coastal areas of the Taiwan Strait. The cities where the Group's subsidiaries are located – Shenzhen, Shantou, and Zhangzhou – are mostly areas that are vulnerable to multiple overlapping disasters, such as floods, typhoons, and sea level rise. For example, port facilities in Shenzhen face frequent risks of typhoons and heavy rain floods, and it is expected that extreme weather events will become more frequent in the future, possibly compounded by sea level rise, further exacerbating disaster risks at the terminals.

Financial impact quantification

The Group uses climate models and geospatial analysis tools to simulate key indicators such as flood and typhoon frequency, flood inundation range, typhoon paths and intensity under different scenarios. Based on various asset types and their exposure to damage, the corresponding loss rate⁴ curves are applied to quantify direct economic losses⁵.

Current financial effect: According to the Groups business activity data from 2020 to 2024, the average annual direct loss amount⁶ of each port from extreme weather events at SCCT, Shantou Port, and Zhangzhou Port was approximately HK\$96,400. In 2023, with an increase in extreme weather events, the average losses of each port significantly rose to around HK\$260,900.

Anticipated financial effect: Based on the changes in the loss rate caused by different types of disasters in 2060 compared to historical levels (relative value change %), it is expected that by 2060, the loss rates caused by various natural disasters at terminals will be significantly higher than the historical levels.

		2060 disaster loss increase		
Subsidiary location	Disaster type	SSP1-2.6	SSP2-4.5	SSP5-8.5
Shenzhen	Flooding	2.5327%	9.9464%	17.0986%
Shantou	Flooding	7.8969%	8.2477%	12.6796%
Zhangzhou	Flooding	16.0672%	18.9796%	22.9729%
Southeastern coastal areas	Typhoon	7.8590%	11.7671%	15.9387%

Changes in Losses of Prefecture-level Cities Where Ports are Located in 2060 (Relative Value)

⁴ Loss ratio is the ratio of the extent of damage to an asset to the total value of the asset and is used for measuring the actual extent of damage to an asset as a result of a disaster.

⁵ Direct economic loss refers to the immediate damage to assets at the time of a disaster and covers a wide range of areas such as infrastructure damage, production standstill, and loss of goods.

⁶ The average annual direct loss amount is the average annual direct loss amount incurred by the pilot subsidiaries during the period from 2020 to 2024, where the direct loss amount consists of the cost for repairing damage to terminal infrastructure, the cost for repairing damage to equipment, and the cost of insurance claims for damage to cargoes.



2060 Port Loss Change (Absolute Value)

Risk response measures

To strengthen the management of physical risks, such as typhoons and flooding, the Group will take the following measures to mitigate the impacts of physical risks in the future:

- **Risk assessment and monitoring:** Regularly survey and assess the physical conditions of waterways (such as water depth, width, and flow velocity) to ensure the safety and navigability of the waterways.
- **Infrastructure reinforcement and upgrades:** Enhance the disaster resistance of port infrastructure (such as reinforcing breakwaters) and accelerate the renovation of aging buildings and equipment.
- **Smart port construction:** Utilize digital technologies such as the IoT and AI, combined with hardware upgrades, to achieve remote monitoring and maintenance of port facilities, thereby improving the safety and stability of port operations.
- Transition risks

Climate scenario selection

During the Reporting Period, the Group aligned with the temperature control targets of 1.5°C and 2°C set by the *Paris Agreement*, and referenced the Network for Greening the Financial System (NGFS) scenario framework provided by central banks and regulatory authorities. The Group conducted stress tests using the 1.5°C scenario, 2°C scenario, and a reference scenario. The reference scenario is based on the continuation path of currently implemented policies, reflecting the potential carbon emission trajectory under a "business-as-usual" model. It serves as a benchmark for assessing the gap between existing policies and climate goals.



Stress Test Scenario	Scenario description			
1.5°C scenario	Through strict climate policies and innovation, the global average temperature increase will be kept within 1.5°C above pre-industrial levels.			
2°C scenario	Climate policies will gradually become stricter, providing a 67% chance of limiting global warming to below 2° C.			
Reference scenario	Assumes only the current policies are retained, resulting in high physical risks.			

> Scenario analysis results

(1) Carbon emissions

The results of the scenario analysis show that the Group's carbon emissions exhibit a significant downward trend under various carbon reduction policy scenarios. As the stringency of carbon reduction policies increases, the intensity and extent of carbon emission reductions significantly improve.

Scenario type	Analysis results	Required carbon reduction in 2050 (10,000 tons)	Decrease in carbon reduction in 2050 compared to 2023 (%)	
1.5°C scenario	The Group has achieved the maximum carbon reduction by accelerating the substitution of clean energy, promoting the widespread use of electrified equipment, and optimizing port operations and management.	8.47	70.37%	
2°C scenario	The Group has significantly reduced carbon emissions by steadily advancing the energy structure transformation and technological upgrades, but the reduction is slightly lower than the 1.5°C scenario.	13.29	53.52%	
Reference scenario	Although the Group's carbon emissions have decreased, the reduction is relatively limited due to weak policy constraints.	22.55	21.12%	

(2) Carbon reduction cost forecast

The Group has faced significant differences in carbon reduction $costs^7$ under different carbon reduction policy scenarios. The reduction costs, from highest to lowest, are as follows: $1.5^{\circ}C$ scenario > $2^{\circ}C$ scenario > reference scenario. Under the $1.5^{\circ}C$ scenario, due to the strictest carbon reduction requirements, the Group has faced the highest carbon reduction costs and greater operational pressure.

Scenario type	Carbon reduction cost in 2050 (HK\$10,000)	Increase in carbon reduction cost in 2050 compared to 2023 (HK\$10,000)	
1.5°C scenario	40,656.36	31,252.63	
2°C scenario	12,011.76	9,903.09	
Reference scenario	1,336.03	241.84	

(3) CVaR⁸

The analysis results show a significant nonlinear positive correlation between the intensity of climate policies and the Group's carbon cost risks. Under the 1.5°C temperature control target scenario, due to the implementation of strict carbon emission constraints and higher carbon pricing mechanisms, the Group's CVaR in 2050 is expected to reach 0.43%, a significant increase compared to the reference scenario. This result reflects that under deep decarbonization scenarios, the Company will face considerable carbon cost pressure and should plan low-carbon transition strategies in advance. In the 2°C scenario, the Group's CVaR is projected to hit 0.13%. Although this is lower than in the 1.5°C scenario, it is still significantly higher than in the reference scenario, indicating that moderately stringent climate policies will still have a substantial impact on the Group's financial position. Under the reference scenario, with relatively loose policy constraints, it is expected that the Group's CVaR in 2050 will only be 0.01%, reflecting that in the absence of strict climate policy constraints, the carbon cost risks faced by the Group are relatively limited.



⁷ Carbon Emission Reduction Costs of the Company = Carbon Emission Reduction Volume x Carbon Price. Carbon price data refers to NGFS version 5 data REMIND model.

⁸ Carbon Value at Risk (CVaR) refers to the quantification of the potential financial loss or gain that a company may face in the process of transitioning to a low carbon economy, based on an Enterprise Value assessment model, combining key parameters such as carbon price prediction models, corporate carbon emissions data and carbon cost transmission capacity.



Climate Change Response Strategy

Overall Goal

To build a world-leading green and smart comprehensive port service provider.

Phase Goals

By **2025**, significant synergistic effects in pollution reduction and carbon emission reduction will be achieved. The energy structure will continue to optimize, green energy supply scenarios will become more diversified, transportation structure adjustments will accelerate, green investment philosophy will take shape, and the management system and mechanisms will be continuously improved.

By 2028, greenhouse gas (GHG) emissions, primarily carbon dioxide, will peak.

By **2030**, a green and low-carbon operational system for ports and industrial parks will be essentially formed, with a significant improvement in intelligent management capabilities. Additionally, the green investment philosophy will basically take shape.

By 2060, GHG emissions, primarily carbon dioxide, will be neutralized.

"5+2+2+1" Actions for Achieving Carbon Peak and Carbon Neutrality

5

Five internal carbon reduction actions: Coordinating the promotion of green energy supply, comprehensively advancing clean energy consumption, vigorously improving equipment energy efficiency, coordinating the promotion of intelligent operation control, and continuously optimizing the green port structure.

2

Two social service actions: Deeply optimizing the green transportation structure and promoting the synergistic effects of pollution reduction and carbon emission reduction.

2

Two low-carbon management actions: Continuously improving ecological carbon sequestration capacity and strengthening carbon emission and carbon asset management.

1

One green investment action: Scientifically planning investments in ports and industrial parks.

Risk management

The Group integrates climate risks into its overall risk management processes and regularly conducts risk assessments. The scope of the assessments covers the Group's headquarters departments and subsidiaries. Following the principles of authenticity and objectivity, the Group focuses on assessing risks that may impact annual business objectives, identifying major risks such as climate change, and providing decision-making references for the Group's risk management efforts.

Targets and metrics

The Group actively responds to the energy security and low-carbon transition strategies. Taking technological innovation as the driving force, the Group is committed to promoting green and low-carbon development in investment, operations, and management, aiming to accelerate the formation of an industrial structure and production methods conducive to resource conservation and environmental protection, and striving to become an industry leader in decarbonization. In line with China's goals of Carbon Peak in 2030 and Carbon Neutrality in 2060, the Group has set the goal of Carbon Neutrality in 2060, established an accountability mechanism for the target breakdown and fulfillment, and developed climate-related indicators, targets, and transition plans to accelerate the realization of net-zero emissions. During the Reporting Period, The Group further refined the intensity goals for GHG emissions.

Overall goal Achieve carbon peak	Time period	Indicator Absolute total greenhouse gas emissions			
Achieve carbon neutrality	2060		Absolute total greenhouse gas emissions		
Intensity goals	Goal benchmark	Time period	Goal description	Progress during the Reporting Period	Action plan
Scope 1 emission intensity	5.377 tons of CO ₂ equivalent/HK\$1 million	2025-2027	By 2025, reduce Scope 1 intensity to 5.270 tons of CO ₂ equivalent/ HK\$1 million; by 2027, reduce Scope 1 intensity to 4.987 tons of CO ₂ equivalent/HK\$1 million	Scope 1 emission intensity: 5.377tons of CO ₂ equivalent/HK\$1 million	Oil-to-electricity: Actively promote the electrification of equipment and non-road machinery. Use of Green electricity: Continue to build photovoltaic power generation projects, expand the scale of photovoltaic power generation, explore wind power generation application scenarios, and actively purchase and use green electricity.
Scope 2 emission intensity	21.21 tons of CO ₂ equivalent/HK\$1 million	2025-2027	By 2025, reduce Scope 2 intensity to 20.82 tons of CO ₂ equivalent/ HK\$1 million; by 2027, reduce Scope 1 intensity to 20.53 tons of CO ₂ equivalent/HK\$1 million	Scope 2 emission intensity: 21.21tons of CO ₂ equivalent/HK\$1 million	



Climate action

Adapting to climate change

The Group has formulated contingency plans to cope with climate change based on physical risks with great impacts, and launched emergency drills for common acute risks to better adapt to the impacts of climate change.

Case:

Shantou Port Conducts an Emergency Drill on Summer Heat Prevention

From June to July 2024, Shantou Port conducted a special emergency drill on summer heat prevention, with 59 participants. The drill tested the staff's knowledge of heat prevention and helped them familiarize with emergency treatment procedures for heatstroke. The drill was held in a "double-blind" format for the *Special Emergency Drill on Field Treatment of Heatstroke During High-Temperature Operations of the Fourth Branch*, focusing on emergency response training for heatstroke during high-temperature operations to strengthen the first-aid knowledge of staff. A series of drills, including reporting, alerting, emergency response, and accident handling for occupational health heatstroke incidents, were conducted.





Mitigating climate change

The Group continues to improve its management mechanisms around Dual Carbon Goal, strengthening monitoring and verification of carbon emission data, promoting clean energy, and applying energy-saving and carbon-reduction technologies to better mitigate the impacts of climate change.

Clean Technology Application Practices		
Application of photovoltaic technology	The Group continues to expand the scale of photovoltaic technology applications and actively promotes distributed photovoltaic power generation projects. In 2024, the Group added 9.2 MW of photovoltaic installed capacity and used 4.06 million kWh of photovoltaic power. The Group used 113.39 million kWh of green electricity, with domestic subsidiaries using 4.06 million kWh of photovoltaic green electricity, and overseas subsidiaries, particularly TCP, purchasing 109.33 million kWh of green electricity. The green electricity usage has significantly increased compared to last year.	
Implementation of the "Oil-to-electricity" project	The Group has intensified the implementation of the "Oil-to-electricity" project, expanding the application of electric container trucks, electric port tow tractors, and electric dump trucks. The Group is also promoting the application of RTG "Oil-to-electricity" technology, and further advancing the use of electric forklifts, electric loaders, electric empty container stackers, and electric reach stackers. The installation of shore power is expanding, and regular use is being promoted. In 2024, SCCT actively progressed with 175 electric container trucks, and the 125# RTG "Hybrid" Energy-saving Retrofit Project was implemented.	

Energy-saving and Low-carbon Technology Application Practices

Construction and application of the port visualization platform	The Group has fully implemented the construction and application of the port visualization platform. By using the BTOS system, the CTOS system, the E-port platform, and intelligent cargo handling systems, the Group utilizes information technology to apply smart port technologies such as remote-controlled quay cranes, automated yard cranes, and gate automation, increasing production efficiency and service levels while reducing operational energy consumption, thus lowering carbon emissions.	TOSMART BURGER BURG
Online monitoring technology for electricity and fuel consumption	The Group has established an ECM Platform. In 2024, 16 additional units were added to the platform for automatic data synchronization of electricity consumption, bringing the total to 19 units. The ECM Platform has been rated by the China Academy of Information and Communications Technology to reach the Excellent level.	



Energy-saving and Low-carbon Technology Application Practices

Promoting the application of automated control technology	The Group focuses on the application of automation technologies to optimize operations, reduce idle time, and improve equipment efficiency, thereby reducing energy consumption. The self-developed Tug Scheduling Management System allows real-time monitoring of status, optimal route planning, and scheduling, ensuring the safe, stable, and efficient operation of terminal horizontal transportation. The system was awarded Shenzhen's first "5G + Autonomous Driving Pilot Project". Shantou Port has launched 6 remote automated rail- mounted gantry cranes, significantly reducing labor costs and energy consumption.	
Implementing multimodal transport	The Group actively responds to "multimodal transport" requirements and is planning the layout of routes to serve societal carbon reduction efforts. Zhangzhou Port has implementsed rail- sea intermodal transport. SCCT, Shantou Port and CICT have implemented sea-rail intermodal transport.	
Gradually promoting the crane energy recovery technology	recovery systems, achieving a 30% energy-	ort completed the retrofitting of 10 cranes with energy saving rate. Shantou Port completed the upgrade of 40 , which will result in an annual electricity saving of 2.5 on of about 1,300 tons.
Promoting green and smart lighting technology at ports	During the Reporting Period, SCCT, Zhangzhou Port, Shantou Port, and HIPG completed lighting fixture replacement. Zhangzhou Port also completed the retrofit of the high-pole smart lighting system in the port area.	<image/>

Case:

Distributed Photovoltaic Project of Zhangzhou Port Successfully Connected to the Grid

In July 2024, the Roof Distributed Photovoltaic Power Station project in the east port area of Zhangzhou Port successfully connected to the grid, marking the launch of the first photovoltaic project at Zhangzhou Port. This project is also an effective practice in Zhangzhou Port's efforts to utilize roof resources to develop the clean energy industry. The project, in cooperation with the State Power Investment Corporation, uses a "self-generation, self-use, surplus power to the grid" model. After the project was commissioned, it revitalized idle resources, saved on investments in periodic roof renovation, and promoted the green, efficient, and renewable use of energy, achieving economic benefits of energy conservation and carbon reduction, contributing further to the local ecological environment protection and carbon peak and carbon neutrality goals.



Case:

Significant Results from SCCT's New Energy Autonomous Driving Container Truck Project

SCCT uses 70 new energy autonomous driving container trucks (including flatbed trucks) at the Mawan Port Area, with charging stations set up. Autonomous driving demonstrations are being continuously carried out at Berths 3 and 4 of the Mawan Port Area.





EFFICIENT RESOURCE UTILIZATION

The stable operation of ports relies on sustainable resource supply, particularly water resources, which play a crucial role in crosssea cargo transportation. The Group is committed to utilizing and managing resources in a sustainable and responsible manner. Through digitalization and the R&D of energy-saving and water-saving technologies, we continuously improve resource utilization efficiency and minimize the environmental impact of our operations.

Energy consumption reduction

The Group strictly abides by the *Energy Conservation Law of the People's Republic of China*, and in light of its own reality, has formulated internal rules such as the *Regulations on Energy Conservation and Environmental Protection, the Administrative Measures on Statistic Monitoring for Energy Consumption and Carbon Emissions*, and the *Administration Measures on Energy Conservation and Environmental Protection Performance Assessment*, scientifically setting the objectives of energy measurement management. The Group also continuously expands the application of new energy-saving technologies and products, gives priority to the use of environmentally friendly and efficient equipment, and replaces fuel with clean and low- carbon electricity to effectively improve energy use efficiency and reduce fuel consumption. During the Reporting Period, the energy management system covered 7 subsidiaries of the Group. For details of the Group's use of clean energy and specific measures to reduce energy consumption, please refer to the section of "Mitigating Climate Change" under "Tackling to Climate Change".

In 2024, the Group set goals for clean energy utilization, further increasing the proportion of clean energy used and actively building green ports, contributing to the mitigation of climate change.

Goal	Indicator	Goal benchmark	Time period	Goal description	Progress during the Reporting Period
Increase research and application of clean energy technologies by developing a clean energy development plan, and enhance the usage of clean energy.	Clean Energy Utilization (kWh)	2024: 113,392.5 MWh	2025-2027	By 2025, increase clean energy usage by 1.32% By 2027, increase clean energy usage by 3.87%.	113,392.5 MWh

Action plan

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• Continue to develop the photovoltaic power generation project and expand the scale of photovoltaic power generation.

- Explore application scenarios of wind power generation.
- Actively promote the electrification of equipment and non-road machinery.



Water conservation

The Group monitors the new water withdrawal and water reuse of each subsidiary on a monthly basis through the energy conservation, emission reduction and environmental protection system. It also advocates for the construction of water recycling systems and wastewater treatment systems, promoting resource conservation and utilization.

Goal	Indicator	Goal benchmark	Time period	Goal description	Progress during the Reporting Period
Strengthen full-process water usage control, continuously optimize the water usage structure, and reduce water consumption per unit of output.	Water intensity = total water consumption/ revenue (HK\$10,000)	142.21 tons/HK\$ million	2024	By 2025, reduce water intensity by 1% By 2027, reduce water ntensity by 2.97%.	142.21 tons/ HK\$ million

Action plan

- Establish a water resource management system to improve water resource utilization efficiency.
- Implement rainwater collection and utilization projects in areas with suitable conditions.
- Further increase the reuse of reclaimed water and tail water.



Case:

Qianhai Bay Garden Pipeline Renovation Project

Qianhai Bay Garden was originally a reclaimed area, and the water supply pipeline was laid in a direct-burial manner, making it prone to significant water leakage that was difficult to detect in time, leading to considerable waste and loss. To reduce leakage, Qianhai Bay Property renovated the pipeline network of the Qianhai Bay Garden project, reducing water resource loss.







Resource conservation

The Group goes green in various aspects of routine business operations, and employs technology to enhance operational capabilities. By improving automation systems and implementing paperless customs clearance, the Group has reduced the use of office consumables, improved the resource utilization rate, and minimized its own environmental impacts.

Key initiatives for green office

Promoting paperless office	By adopting the Office Automation system (OA) for document management, it promoted paperless office and the use of e-documents among employees. In 2024, office paper consumption decreased by 21.3% compared to the previous year.
Strict control of office electricity	For the computers and printers, the automatic "sleeping" mode is activated, and the lighting electricity usage process is controlled and assessed, to help conserve energy. The air conditioning units are set at a temperature suitable to the season and comfortable to the employees, and are only turned on when needed to avoid long-term operation and energy waste. In 2024, office electricity consumption was reduced by 2.4% compared to the previous year.
Reducing the use of plastics	By internal publicity, the Group raised the employees' awareness about the environmental and biological harm caused by plastics, and advocated for reduced or no use of plastic products, and the reuse of plastic items such as document bags and trash bins. Plastic waste in the office area decreased by 17.6% in 2024 compared to the previous year.



Case:

SCCT Promotes Paperless Gate Service

SCCT has achieved 100% paperless gate service at its operations gate through a mobile app. This not only reduces paper usage but also significantly improves communication efficiency between external truck drivers and the terminal, guiding trucks to enter the port in an orderly manner. It helps alleviate congestion and idle time outside the port, reducing energy consumption and emissions during truck operations within the port.

The Group aims to promote the philosophy of "Harmonious Coexistence, Green and Low Carbon Development, Recycling and Sustainability". It is dedicated to resource conservation, reducing waste, and building a better future together. In 2024, the Group organized the "Love Food, Save Food Week" around World Food Day, advocating for food conservation, rational consumption, and opposing waste.

Case:

"Love Food, Save Food Week" Event on World Food Day

On October 16, 2024, World Food Day, the "Love Food, Save Food Week" event was held at the China Merchants Port Plaza in Shenzhen. The event, focused on the theme "Advocating for Savings During the Harvest Festival", featured a variety of interactive activities. Employees enthusiastically participated, demonstrating a culture of saving through small actions and upholding the virtue of thrift to build a better future.


POLLUTION EMISSION CONTROL

The Group is well aware that improper pollution emissions management can pose a significant threat to the environment, as well as the health and well-being of the people. The Group strives to minimize its waste emissions and make sure that all the waste is properly treated. We implement clean production and green operations, aiming to reduce waste generated, increase recycling, and adopt more circular approaches to optimize resource utilization and minimize environmental impacts.

Goal	Indicator	Goal benchmark	Time period	Goal description	Progress during the Reporting Period
Strengthen full-process control of exhaust emissions, optimize production processes, improve energy efficiency, and reduce exhaust generation at the source.	Total exhaust emission intensity = total exhaust emissions/ revenue (HK\$10,000)	2024: 246.52 kg/HK\$ million	2025-2027	By 2025, reduce total exhaust emission intensity by 1% By 2027, reduce total exhaust emission intensity by 2.97%.	246.52 kg/ HK\$ million

Action plan

Optimize exhaust treatment facilities, strengthen the maintenance and upkeep of exhaust treatment equipment, and ensure stable operation.

Implement full-process management through source reduction, process control, and end-of-pipe treatment, aiming to minimize waste generation.	General solid waste generation per HK\$10,000 revenue = general solid waste generated/revenue (HK\$10,000)	2024: 0.538 tons/ HK\$ million	2025-2027	By 2025, reduce general solid waste generation per HK\$10,000 revenue by 2% By 2027, reduce general solid waste generation per HK\$10,000 revenue by 5.88%.	0.538 tons/HK\$ million
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Action plan

Establish strict waste classification standards, improve classification accuracy, and improve the classified collection, storage, and transportation systems for waste to increase resource recovery and utilization.

Establish a strict hazardous	Hazardous waste	2024: 100%	2025-2027	Maintain 100%.	100%
waste management system,	disposal rate =				
and use advanced treatment	hazardous waste				
technologies and equipment	disposed/hazardous				
to ensure compliant and	waste generated				
efficient processing of all					
hazardous waste.					

Action plan

Improve the hazardous waste management system, establish a fully traceable environmental management information system for hazardous waste, and implement dynamic monitoring of hazardous waste generation, transfer, and disposal throughout the process to ensure safety.



Hazardous waste management

The Group strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Waste Disposal Regulation* of Hong Kong, and laws and regulations where it operates, and has improved its policies on managing hazardous waste, and stepped up in the monitoring and management of the hazardous waste treatment process. The subsidiaries set up dedicated storage sites for hazardous waste in accordance with local requirements, and carry out marking and labeling and classification of hazardous waste in accordance with the requirements. The Group regularly entrusts qualified entities from government platforms for the legal disposal of waste and carries out categorized processing through relevant government hazardous waste platforms. During the Reporting Period, the subsidiaries had 22 general industrial solid waste storage sites and hazardous waste storage sites to ensure that solid waste and hazardous waste were stored in line with the regulations.



General waste management

Goal	Indicator	Goal benchmark	Time period	Goal description	Progress during the Reporting Period
Improve the comprehensive utilization of general solid waste by enhancing waste classification, increasing the comprehensive utilization rate of general solid waste, and achieving full resource utilization.	Comprehensive utilization rate of general solid waste = (comprehensive utilization of general solid waste/ generation of general solid waste) × 100%	2024: Comprehensive Utilization Rate of General Solid Waste = 46.46%	2025-2027	By 2025, achieve a comprehensive utilization rate of 47.88% By 2027, achieve a comprehensive utilization rate of 50.85%.	46.46%

Action plan

Establish a resource recycling system at the port area, promote collaborative cooperation across the industry chain, and encourage the recycling and circular use of resources.

The Group reduces waste generation at the source and continuously improves the reuse of resources through intensive production, thereby minimizing the generation of general solid waste. Subsidiaries enhance the waste recycling rate through recycling and paid disposal. For instance, scrap metal is used as raw material, used tires are refurbished for reuse or repurposed as padding materials, and discarded steel wire ropes are selectively utilized in the production of other lifting machinery or industrial tools. Non-reusable waste is transported to authorized local landfill or incineration facilities for treatment. Domestic subsidiaries make annual declarations of general solid waste on government platforms and commission qualified third parties to recycle and dispose of the waste. The solid waste recycling and disposal by overseas subsidiaries comply with the requirements of the countries or regions where they are located.



Gas emissions management

The Group strictly controls exhaust gas emissions in accordance with the *Law of the People's Republic of China on the Prevention* and *Control of Atmospheric Pollution* and the *Air Pollution Control Ordinance* of Hong Kong to ensure compliance with national requirements. Domestic subsidiaries comply with the requirements of the limits set by the *Emission Limits of Air Pollutants* and the *Emission Standards of Air Pollutants for Oil Reservoirs* in their respective locations, and overseas subsidiaries comply with the emission requirements of the countries and regions where they are located.

During the Reporting Period, the Group adopted environmental dust suppression processes and facilities. Priority was given to the use of closed transportation processes, equipped with windproof dust suppression walls, automatic spraying systems, and ship unloading mist dust suppression systems, among other environmental facilities. Measures were taken to fully cover the easily airborne bulk cargo piles, and dust suppression equipment such as mist cannons, spray towers, water trucks, and automatic wheel washers were effectively operated. Subsidiaries regularly conducted tests on particulate matter, kitchen oil fumes, and other emissions to ensure compliance with discharge regulations. Additionally, the Group carried out special assessments and inspections on VOCs, and commissioned third parties to regularly test atmospheric pollutants.

Key performance





Wastewater discharge management

The Group strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Water Pollution Control Ordinance* of Hong Kong, and continuously optimizes wastewater treatment methods to steadily reduce pollution discharge. The Group uses water-saving devices to reduce wastewater generation. Wastewater collection and treatment facilities are constructed to treat the wastewater, and taken care of and cleaned as required. The quality of treated reclaimed water is monitored and only when it meets the established standards can it be discharged or reused.

During the Reporting Period, the Group's subsidiaries had 24 sewage treatment stations, which were in effective operation, ensuring that the wastewater was discharged or reused in line with the regulations, with an annual recycled water volume of 100,400 cubic meters.



Noise management

The Group strictly adheres to the *Emission Standard for Industrial Enterprises Noise at Boundary* and the *Noise Control Ordinance* of Hong Kong to control noise pollution at the source, including equipment procurement and production process design, ensuring compliance with the requirements of laws and regulations, and rigorously control noise during operations. Overseas subsidiaries implement local standards, adopting noise reduction modifications to equipment, constructing sound barrier facilities, limiting vehicle speeds within the port area, controlling noise from transportation vehicles, handling equipment, and vessel horns, and scheduling vessel arrival and departure times to minimize noise. Additionally, subsidiaries commission testing companies to conduct regular noise monitoring within the port area to ensure compliance with noise emission standards. During the Reporting Period, all operational units' noise monitoring results met the required standards.

Key performance



BUILDING ECOLOGICAL PORTS

Biodiversity is essential for the well-being of mankind and serves as a crucial foundation for human survival and development. The Group actively protects marine biodiversity and prevents marine pollution through responsible management and conservation activities in its operations. As ports develop, the Group assesses and mitigates potential impacts on marine biodiversity while developing infrastructure, aiming to minimize or eliminate any disturbance to the ecological environment caused by its operations in the long run, and achieve harmonious coexistence between ports and nature.

Biodiversity conservation

The Group places great importance on ecosystem and biodiversity protection and actively works to preserve marine biodiversity. In alignment with the United Nations *Convention on Biological Diversity*, the *Kunming Declaration* from the high-level meetings of the Convention on Biological Diversity COP15, the *Glasgow Leaders' Declaration on Forests and Land Use* from the UN Climate Change Conference COP26, and the *Opinions on Further Strengthening Biodiversity Conservation* from China, the Group is committed to building green ports and eco-friendly ports, engaging in responsible business practices and ecological protection activities, and striving to set an example for ecosystem and biodiversity protection in the port industry.

In 2024, the Group formulated a new Biodiversity and Zero Deforestation Statement and made the following commitments:

- (1) Comply with the biodiversity and zero deforestation-related laws and regulations of the countries and regions where the Group operates, ensuring legal and compliant operations;
- (2) Avoid conducting business operations within ecologically sensitive areas, such as nature reserves, key marine ecological function zones, and ecological protection red lines, as defined by international organizations or the countries and regions where the Group operates;
- (3) Prevent operation activities from damaging the ecological environment and negatively affecting local biodiversity;
- (4) Protect and restore environmental areas affected by port activities, and take necessary measures to minimize the negative impact of port and logistics park activities on the ecological environment;
- (5) Operation activities do not involve deforestation, and the Group prohibits illegal development in designated forest protection areas in the countries and regions where it operates, and actively participates in afforestation and supports forest restoration activities.



To fulfill the above commitments in the *Biodiversity and Zero Deforestation Statement*, the Group, in conjunction with the existing internal policies for ecological protection and sustainable use of natural resources such as the *Emergency Plan for Vessel-Induced Pollution to the Marine Environment*, the *Emergency Plan for Oil Spill Incidents*, and the *Emergency Plan for Land Environment*, has implemented the following environmental protection measures:

- **Avoidance**: Potential ecological impacts were comprehensively assessed during the site selection and planning phases of new construction, renovation, and expansion projects. Priority was given to designs and construction plans which can avoid negative disturbances, especially in areas of importance for biodiversity conservation.
- **Mitigation**: Biodiversity baseline surveys and assessments were conducted prior to the implementation of new construction, renovation, expansion, and acquisition projects. Operations were rationally scheduled, and waste generated from port operations, maintenance, development, and construction was properly managed. Strict emissions treatment processes and policies were developed and implemented at all operational sites and the surrounding environment was monitored to ensure that construction and operational processes met ecological protection requirements.
- **Compensation**: Ecological compensation measures such as habitat restoration and proliferation and release activity were scientifically carried out in the operation areas that have been disturbed, aiming to restore ecosystem functions.
- **Protection**: Continuously conducted surveys, monitoring, and assessments of the ecological conditions in the surrounding areas of the operational zones, and developed targeted management plans based on the survey results. We supported local environmental protection non-profit activities, collaborate with environmental organizations and communities to resolve environmental conflicts, enhance ecosystem services, and focused on protecting endangered animals and forest vegetation.

Conducting environmental impact assessments

The Group follows the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Environmental Impact Assessment Ordinance* in Hong Kong, and laws and regulations where it operates. The Group stipulates that an environmental impact assessment (EIA) must be conducted before the construction of port projects. The EIA includes investigations and analyses of environmental impacts and public opinions in the aspects of water, ecology, noise, solid waste, and air, and aims to identify potential environmental and social impacts and promptly develop mitigation measures. During the construction phase, measures shall be taken to avoid the spawning period of key aquatic economic organisms to protect natural biological reproduction. During the Reporting Period, the Group required all new projects to carry out pre-construction biodiversity impact assessment to identify the impact of the project on the ecological environment.

Ecological environment impact control

The Group remains committed to the conservation of surrounding environment and has made a lot of efforts in pollution prevention and control, and marine conservation. The Group establishes comprehensive eco-environmental indicators, standardize the operational process and schedule, regularly monitor the noise, dust, rainwater, wastewater levels in all ports, terminals, and logistics parks, and take actions to minimize ecological disturbances in the surrounding marine areas. The Group promotes the economical and intensive utilization of natural resources, giving full consideration to the limited nature of resources such as shorelines and land, and improves the utilization rate of shorelines and land through measures such as resource consolidation and layout optimization, so as to reduce the impact on the natural environment.

Ensuring biosecurity

To prevent the growth and spread of invasive species during the loading and unloading of bulk grain cargoes for foreign trade, the Group strictly complies with the relevant regulations and requirements of State General Administration of the People's Republic of China for Quality Supervision and Inspection and Quarantine. Administrative measures are formulated on import grain management to prevent the spread of invasive species. Operational processes are standardized, supporting facilities improved, and inspection and patrol systems implemented to ensure biosecurity.

Reducing noise impact

Each of the Group's port terminals adjusts the time of operations at night and restricts operation areas. On the premise of no effects on safety measures, measures such as controlling vehicle speeds within the port, reducing or eliminating the volume of warning signals from operating vehicles, removing some speed bumps, maintaining good road conditions, improving the operational proficiency of port machinery, and improving noise reduction processes are taken to reduce operational noise in the port area and minimize disturbances to the surrounding habitats.

Environmental monitoring of the port area

Each of the Group's port terminal has commissioned environmental monitoring agencies to regularly monitor noise, dust, rainwater, and wastewater levels. Safety officers strictly follow the requirements for monitoring locations, intervals, and standards, and accurately record data such as weather conditions, wind speed, wind direction, air quality levels, and noise during the monitoring process. Third-party monitoring organizations are also engaged to regularly monitor the air quality and noise level in the port area. During the Reporting Period, the monitoring results of the port area met the legal requirements.

Ecological monitoring of the surrounding marine areas

The Group cares about the ecological health of the ports' surrounding areas and has developed specialized monitoring plans for the ports and their surrounding environment based on the actual conditions. TCP has implemented 19 regular monitoring and action plans in environmental and social aspects to effectively protect biodiversity. During the Reporting Period, TCP conducted 25 monitoring activities, including a biological community monitoring program for whales, turtles, and seagrass, bird monitoring programs related to tides and sandy coasts (monthly), and fish monitoring programs (daily).



Initiating ecological conservation actions

The Group actively supports local environmental conservation initiatives and cares about the survival of endangered species. Our subsidiaries actively collaborate with local environmental organizations and communities and continue to engage in volunteer activities such as tree planting, animal conservation, vegetation protection, environmental education, and garbage clean-up, to jointly address local environmental challenges and conserve local biodiversity.

Key actions for biodiversity conservation

"Human-Elephant Peace" Project in Sri Lanka

Human-elephant conflict is one of the major national issues faced by Sri Lanka. Due to poaching, human activity expansion, agricultural development, and human settlements encroaching on elephant habitats, the elephant population has decreased by about 75% over the past century. To address this issue, HIPG established the "Human-Elephant Peace Fund" in 2021 and launched the "Save Ali Pancha" project. This project is being executed in collaboration with the Wildlife and Nature Protection Society, the Department of Wildlife Conservation Conserves the Biodiversity of Sri Lanka, and the Elephant Transit Home. The main goal is to alleviate human-elephant conflict and protect elephant biodiversity. HIPG signed a Memorandum of Understanding (MoU) with Wildlife and Nature Protection Society, committing LKR 36 million to fund the project and directly participating in the rescue and rehabilitation efforts of orphaned elephants. The first phase of the project plans to support 25 orphaned elephants, ensuring their rehabilitation before returning them to the wild. HIPG also set up elephant enclosures around the port area to prevent elephants from entering the port, avoiding conflicts between human and elephant activities.



TCP's Response Plan for Ecologically Sensitive Areas and Wildlife Prote

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TCP has developed a response plan for ecological sensitive areas and wildlife protection for oil spill incidents. In the event of an accident, the emergency response is immediately activated. The emergency team, based on the oil spill diffusion model and environmental sensitivity map, prioritizes key areas such as mangrove core zones in nearby islands and tidal channels (where pollution risk increases during tidal periods). A 300-meter containment boom is deployed in critical tidal channels to intercept the oil spill, with real-time monitoring of meteorological and sea conditions to dynamically adjust preventive measures. Simultaneously, migratory animals (such as endangered bird species) are tracked and rescue stations are established. TCP will hire experts to protect the affected animals through scientific forecasting, immediate control, and precise rescue mechanisms, minimizing ecological damage.



KUMPORT's Coral Garden Restoration Project

Kumport in Turkey is located on the northwest coast of the Sea of Marmara. The Sea of Marmara, the only maritime passage between the Black Sea and the Mediterranean Sea, plays a key role in preserving Mediterranean biodiversity with its unique ecosystem. Due to the large-scale discharge of industrial and domestic wastewater, combined with the effects of global warming raising ocean temperatures, the Sea of Marmara has faced an ecological crisis known as "sea snot" since 2021, which has damaged coral reefs. These reefs provide food and shelter for about 25% of marine species, and the loss of corals has threatened the lives of many marine organisms. In response, the Turkish government initiated emergency marine governance actions. However, the surrounding industrial areas continue to pose threats to the marine ecosystem, making coral conservation actions urgent. In 2024, the China Merchants Foundation supported Kumport in collaboration with the Turkish Marine Wildlife Conservation Society to launch the "Coral Garden" cultivation program. This program includes the conservation of existing corals in the region, replanting or reintroducing damaged or broken corals, conducting species observation and research, and promoting protective actions to support coral conservation.



Safety and Health Guarantee

Strategy and development

The Group adheres to the philosophy of "People-Oriented, Safe Development" and manages safety production according to high standards. It comprehensively identify and assess safety production risks and hazards, leveraging smart port technology and digital solutions to prevent risks. The Group strengthens safety culture and employee awareness, focusing on occupational disease prevention and providing health care services to employees.

- The Group revised and improved the *Occupational Health and Safety Statement*, further supplementing risk control for safety production, solidifying safety foundations, and enhancing emergency management. It is clarified that labor subcontractors (including contractors) must implement the same safety management goals as the Group.
- The Group addressed key and challenging issues such as "major accident hazards, fire prevention in buildings, electric vehicle fire safety, upgrading fire safety facilities in old sites, elimination of outdated process equipment, and safety meetings before shifts at grassroots units", inspecting and rectifying hazards.
- The Group advanced safety through multiple technologies such as introducing intelligent port systems, technological transformation for safety, and digitization of safety monitoring.

Future plans

- The Group will continue to increase the proportion of subsidiaries certified by ISO 45001.
- The Group will set leading indicators to monitor the safety production performance of both the Group and contractors.



IMPROVING SAFETY MANAGEMENT

The Group adheres to the "People-Oriented, Safe Development" philosophy, maintaining high standards in safety production management. It continuously improves the safety management system, adhering to a problem-oriented, goal-oriented, and results-oriented approach, regularly assessing the applicability of safety measures. The Group actively learns from and adopts best practices to effectively enhance safety management levels. The Group is committed to providing a safe working environment for employees and relevant stakeholders, including contractors, customers, and port visitors, striving to set an example for healthy and safe development in the port industry.

Safety management system

The Group strictly abides by national laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Emergency Response Law of the People's Republic of China*, the *Special Equipment Safety Law of the People's Republic of China*, the *Occupational Safety and Health Ordinance* in Hong Kong, as well as management measures relating to healthy and safe management in the regions where it operates. During the Reporting Period, the Group did not have any work safety incidents classified as Level II or above.

The Group has developed policies such as the Occupational Health Management System and Administration Measures on Work Safety, which serve as guiding documents for safety initiatives across the organization (including permanent staff, part-timers and dispatched workers).

Safety management organizational support

The Group has built a well-established and well-organized occupational health and safety management system. The Group has established the decision-making body, the Safety Committee, which is responsible for the overall management of work safety. This committee comprises the Company's senior management (including the CEO and General Manager), department heads from both the headquarters and subsidiaries, and representatives from the Labor Union. It ensures the effective implementation of safety protocols step by step; the office of the Safety Committee and the departments responsible for production safety management are responsible for the daily work. The Director of the Safety Committee is the CEO of the Company, whose remuneration is linked to occupational health and safety performance.

The Group has introduced an execution level *Responsibility List of Work Safety*, requiring subsidiaries to enhance and implement the system of accountability for work safety across all positions. This measure aims to decentralize safety responsibilities to the smallest units within the organization. The Group adopts a dynamic cycle of "Plan, Do, Check and Act" (PDCA) to standardize the work safety management process.



Safety management system certification

To promote the professionalization and systematization of safety management, the Group continues to drive its subsidiaries to obtain relevant safety system certifications both domestically and internationally. During the Reporting Period, the percentage of subsidiaries certified with ISO 45001 was 30.7%.

Certification name	Certification status	
ISO 45001 Occupational Health and Safety Management System Certification	New certified subsidiary: 1 Recertified subsidiaries: 3	
ISO 28000 Supply Chain Security Management System Certification	Recertified subsidiary: 1 Total number of certified subsidiaries: 1	
Ship Safety Management System Certification	Recertified subsidiary: 1 Total number of certified subsidiaries: 1	
Work Safety Standardization Certification	New certified subsidiary: 1 Total number of certified subsidiaries: 8	

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		HAMBANTOTA INTERNATIONAL PORT GROUP PRIVATE LIMITED (HIPG)		经营类型:港口营运 算道 证书类别:港口盘验货物码头 边标等员:一级
篇号: No. <u>6053185259R01.</u> 我证明	c	HIPC" HIPS" MANBANTOTA MARTINE CENTER MIRLIANKA, MANBANTOTA, SRI LANKA. The la multi-blo certiform, additional tables are lated on the reat page(s)	交通运输企业	适用范围: 备 注:
蛇口集装用码头有限公司 (注思地址, 记者的原则的任何工艺名称用大团 常知, 51009) (运行地址, 中国广告书深明当由(记忆)记述考入道二元是 SCT (2式大张 4346, 51009)	ertificatio	Bureau Verifies Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System Standards detailed below.	安全生产标准化建设 等级证明	年度核査 研修机构写度現在認識。 2029年 2029年
This is to certify that the Occupational Health and Safety Management System (OHSMS) of SHEKOU CONTAINER TERMINALS CO., LTD. (Provinced and INARDO ROLD SHEAD ON INFORMATION ANSISTS OF SHEATHER, S18909, PACIENA (Provinced and INST OFFICE TOWER, FITTY THERE, MERGER RADIA SHEAD), MASSIAN DETRAT, (Provinced and INST OFFICE TOWER, FITTY THERE, MERGER RADIA SHEAD), SHEAD REPT,	s Cert	Standards ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018	全北名称: 總州度價局內头有限公司 证书编号: #22114-10216-1 有 效 期: 2023年04月15日至2025年04月14日	评价机构 (盖章) ;
SUZZURA GLANGDOG 51888 P. CUDA 建立影响或建築公式型体系有合体器。GR146401-2020/SO45801-2018. https://www.suzzura.com/suz suzzura.com/suzzura.com/suzzura.com/suzzura.com/suzzura.com/suzzura.com/suzzura.com/suzzura.com/suzzura.com/suz	u Verita	Sage of critification PORT OPERATIONS AND MANAGEMENT, PORT ELATED INDUSTRIES DEVELOPMENT, INTERGATED MARTIME SERVICES, PORT & HARBOUR PLOTACE, TOWAGE AND MODIMING SERVICES, PORT & HARBOUR MAINTENANCE, EMERGENCY SERVICES.		2027 203 711
本证书创发明证, <u>2021年12月19日</u> . This certificate is valid until: <u>12 December 2024</u> .	Burea	Original cycle start date: 08 November 2021 Expiry date of previous cycle: Nof Applicable Conficience Audit with 2021 Confidiance cycle start date: 08 November 2021 Subject to the control and start date cycle and the congregation's Management System,		
		This confidence express on 07 November 2024 Centificate in INO 27.8655MMU Venion 1 Revision date: 08 November 2021		
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Shekou Container Terminal Co., Ltd. 2024 Occupational Health and Safety Management System Recertification

Shenzhen Haixing Harbor Development Co., Ltd. ISO Certification

China Merchants Bonded Logistics Co., Ltd. Safety 28000 Supply Chain Security Management System Production Standardization Construction Level Certificate

Contractor safety management

The Group is fully aware that the safety of the port environment affects every individual involved in the construction of the port, so we place great importance on the health and safety of contractors, incorporating contractor units and their personnel into our safety production management system. We require contractor units to implement the same safety management objectives as the Group and to coordinate management in a unified manner.

Cooperation admission requirements: The safety admission cooperation conditions are clearly defined for contractor units (including the requirement to obtain certification for safety production standardization systems). A specific standard and work mechanism for "evaluation - elimination/retention" of contractor safety production are established.

Signing safety agreements: Subsidiaries are required to establish and improve the contractor safety management system, including the execution of safety agreements delineating mutual safety responsibilities. These encompass commitments to work safety investment, investigation and treatment of hazards, safety education and training, emergency response procedures, inspections on work safety, safety checks, and termination clauses.

Safety performance management

Work safety objectives

The Group has set annual objectives in accordance with the Administrative Measures on Work Safety Performance, and signed the Work safety Management Targets Responsibility Letters with its subsidiaries every year. These letters reinforce primary responsibilities and clearly delineate work safety objectives, annual work focuses, safety education plans, and other safetyrelated responsibilities for each subsidiary. By incorporating contractor-related safety management into the Groups work safety scope, we continually enhance our comprehensive safety management capabilities.

Safety performance assessment

The Group implements an annual evaluation of the occupational health and safety performance of its subsidiaries. A performance-based remuneration mechanism is established, linking the safety performance of subsidiaries and safety production officers to their compensation. Individuals with outstanding safety performance are rewarded, while performance scores are deducted according to the occurrence of production safety incidents, in order to incentivize the achievement of safety production goals. The safety production performance evaluation is also linked to the performance-based remuneration of the Company's CEO.

Performance goal review

The Group regularly reviews the setting of safety performance targets, makes timely adjustments to the safety performance indicators in accordance with the *ESG Reporting Code* of the HKSE and the best practices in the industry from a practical point of view. This allows us to continuously monitor and analyze changes in indicators, ensuring that our safety management practices remain in line with the forefront of industry practices. In 2024, the Group successfully achieved all established annual safety objectives across various safety performance indicators. During the Reporting Period, the Group did not have any work safety accident classified as Level II or above. Additionally, there have been no incident of occupational diseases associated with exposure to radioactive substances in the course of production and operation, thereby achieving all of our health and safety management objectives.



Key performance



Safety production management sub-goals	Target (2024)	Completion (2024)
Work safety accidents with 3 or more persons	0	Achieved
Work safety accidents with 1 or more fatalities	0	Achieved
Work safety accidents with direct economic loss of RMB2 million or above	0	Achieved
Cases of occupational diseases associated with exposure to dust, radioactive substances, toxic and hazardous substances in the course of production and operation	0	Achieved

Safety risk control

The Group adheres to the *Work Safety Law of the People's Republic of China* and the *Occupational Safety and Health Ordinance* of Hong Kong and other relevant laws and regulations. We comprehensively identify and assess various potential safety risks, regularly conduct safety risk inspections and hazard rectification work, organize safety training and emergency drills, and strengthen safety risk prevention and response measures.

Safety risk identification

The Group continuously improves the construction of the dual prevention mechanism. We have developed the *Manual of Construction of Dual Prevention Mechanism* and the *Evaluation Standards for Reviewing Dual Prevention Mechanism* for institutional construction and work assessment. These documents ensure the effective connection and integration of risk classification and control, and hazard identification and rectification, promoting the standardization and effectiveness of the dual prevention mechanism within subsidiaries.

To achieve unified and standardized risk prevention and control, the Group continues to improve the security information assessment mechanism. We strictly implement a full-process closed-loop management model that includes overseas safety risk assessments, pre-departure training, emergency management during deployment, and post-return interviews. The Overseas Emergency Command Center System has been promoted to overseas key projects, ensuring complete system coverage across all operational points globally.

Case:

SCCT Actively Implements the Dual Prevention Mechanism for Safety Production

In 2024, SCCT continued to improve the dual prevention mechanism. A list of 1,513 safety risks for various positions was identified and targeted risk prevention measures and emergency plans were formulated. A total of 233 batches of emergency drills and field training were conducted, with 5,980 participants.

Safety risk prevention and control

The Group has developed the *Risk Classification and Control of Work safety Policy* and continuously updates the *Information Table of Safety Risk Identification and Control in Production Activities* for specific operational scenarios. This provides guidance for identifying and implementing control measures for operational risks, preventing and resolving potential operational risks, and striving to eliminate workplace accidents, equipment damage incidents, cargo damage, traffic accidents, and fire or explosion accidents.



Safety hazard and accident investigation

The Group has formulated the *Investigation and Treatment System on Hidden Hazard Policy* and the *Administrative Measures Regulations on Accident Report and Investigation* to specify the mechanisms for hazard identification, the procedures and contents for accident reports, and the principles and processes for investigating and handling accidents. The Group regularly conducts safety hazard inspections and follows up on the implementation of corrective actions.

During the Reporting Period, the Group made significant progress in addressing key issues such as "major accident hazards, fire prevention in buildings, electric vehicle fire safety, upgrading fire safety facilities in old sites, elimination of outdated process equipment, and safety meetings before shifts at grassroots units." A total of 13,079 hazards were identified and rectified, with a rectification rate of 97.4%. The Group completed safety inspections of 657 lifting devices and developed rectification plans for potentially dangerous equipment. At the same time, the Company strictly implemented disaster prevention and mitigation requirements, successfully responding to 13 typhoon disruptions without personnel casualties or major property damage. The Group conducted mid-term, year-end, and special safety inspections according to plan, with a total of 63 supervisory inspections.



Safety emergency management

The Group implements safety emergency systems in accordance with the *Comprehensive Emergency Response Law of the People's Republic of China* and other relevant laws and regulations, as well as internal management documents such as the *Plan for Comprehensive Emergency Response*. A safety control and emergency response mechanism is in place, based on the principles of "unified leadership, graded responsibility, and agile response." The Group has developed emergency response plans for safety production risks and regularly conducts emergency drills to ensure a prompt and effective response in the event of an emergency. The Group has prepared 8 specialized emergency plans covering scenarios such as production safety accidents, natural disasters, typhoons, and fire incidents, as well as 29 on-site response procedures, including those for fire accidents, meteorological disasters, geological hazards, cybersecurity incidents, and environmental pollution emergency.

In addition, the Group has established an emergency command platform with domestic manufacturing enterprises to ensure unified command and efficient coordination during emergencies. During the Reporting Period, the Group organized safety training for 198,629 participants, held 984 emergency drills, and involved 15,633 individuals in these activities.

STRENGTHENING SAFETY PROTECTION

Boosting safety through science and technology

The Group integrates digital technologies into safety production management as part of its smart port development, leveraging the power of technology to minimize, avoid, and prevent safety risks.

Case:

Zhangzhou Port "Smart Cargo Handling System" Eliminates Human-Machine Cross Interaction Hazards

In 2024, Zhangzhou Port introduced the "Smart Cargo Handling System". This system replaces the work of the assistant at the ship's side, using intelligent methods to automatically confirm loading and unloading instructions. This effectively eliminates the human-machine cross interaction between the assistant and mechanical equipment. This change not only provides a safer working environment but also removes the hazards caused by human-machine crossovers, further enhancing both the efficiency and safety of container operations.







Fostering a culture of safety

Safety first is the fundamental prerequisite for ensuring the normal and orderly operation of business. The Group attaches great importance to building a safe culture, and continuously strengthens the safety awareness of all employees and outsourced unit employees, enhancing their ability to effectively handle emergencies and self-protection. The Group has formulated documents such as the *Manual of Work Safety for Principals of an Enterprise* and the *Manual of Employees General Knowledge about Safety*, and established a complete safety organization guarantee and training education system.

In 2024, the Group organized participation in 12 training sessions, including specialized training for safety production officers and corporate intrinsic safety capacity building, with a total of 5,655 participants. Additionally, 8 training sessions were held on topics such as *Safety Production, Responsibility on Your Shoulders*, standards for identifying major accident hazards, and the interpretation of the *Comprehensive Emergency Response Law of the People's Republic of China*, with 3,780 participants. The Group established a high-standard expert team of 28 people, significantly enhancing the safety development capabilities at the grassroots level. The number of certified personnel increased to 160 (with 21 new certifications), and a team of nearly 900 emergency response personnel was trained, greatly improving comprehensive rescue capabilities.

During the Reporting Period, the Group held 13 safety production joint meetings, organized nearly 3,000 people to watch safety production warning films such as *Safety Production, Responsibility on Your Shoulders*, and promoted safety awareness throughout the organization. The Group also organized a series of activities such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* publicity week, *Safety Production Month*, and *Fire Safety Publicity Month*, fostering a strong safety culture. The percentage of employees who received health and safety training during the Reporting Period was 100%.

Case:

88

Xia Men Bay Terminals's 23rd National "Safety Production Month" Series of Activities

During the 2024 Safety Production Month, Xia Men Bay China Merchants Terminals set up a safety education and training room in the Port Area #2 Transformer Station, equipped with televisions, tables, and chairs. An accident warning education corridor was created, accident case warning education manuals were printed, and accident warning promotional videos were purchased. Through various forms of accident analysis and warning education, the company ensured that lessons from past accidents were applied to drive improvements.

Zhangzhou Port's "Fire Safety Awareness Month" Activities

In line with the "Safety Production Root Cause Resolution Three-Year Action Plan," Zhangzhou Port organized the 2024 *Fire Safety Awareness Month* activities. The port organized related personnel to participate in fire safety training courses, safety skill training, and fire safety discussions. Government-organized activities such as "Fire Safety Talks" and "Fire Safety Public Service Speeches" were also attended. Additionally, employees were given the opportunity to visit and experience hands-on use of firefighting equipment. A "1+N" hazard inspection was conducted, along with fire management supervision activities and fire emergency drills.



Strengthening safety oversight

The Group advocates for active involvement and close attention in work safety management and has formulated the *Responsibility List of Work Safety* for all staff, ensuring that safety responsibilities are clearly outlined and fully covered. This includes the participation of employee representatives from the labor union in the safety committee, empowering them to fulfill their duties and responsibilities. All subsidiaries are required to improve the system of accountability for work safety and formulate a specific list of safety responsibilities. In addition, the Group encourages subsidiaries to incentivize frontline staff to actively partake in safety supervision through incentives, systems, and mechanisms. This approach aims to inspire employees' innovation in this aspect, and ensure that the safety responsibility of the smallest unit is fulfilled.

PROMOTING OCCUPATIONAL HEALTH

The Group adheres to the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance in Hong Kong, as well as relevant laws and regulatory requirements from where its operates the Measures for the Prevention and Control of Occupational Hazards and the Prevention and Treatment of Occupational Diseases to standardize occupational health and Safety management.

Various measures are taken to control workplace hazards by the Group. The employees are offered annual physical checks and routine health checks, and pay attention to employees' mental health. Moreover, the *Guidelines for Occupational Health Management of Port Workers* were prepared to stipulate professional standards for health management across the port industry.



Ensuring work safety

The Group has established a complete occupational health management system and employees' health checkup mechanism. During the Reporting Period, the Group introduced a unified record for occupational disease management to oversee the implementation of occupational health measures by the subsidiaries.

The Group implements a systematic approach to occupational health protection and occupational disease prevention, including:

- Establishing a unified occupational disease hazard management ledger to track the occupational health and safety management status and improvement progress of subsidiaries.
- (2) Continuously promoting self-assessments of occupational health practices by subsidiaries, analyzing the results, and implementing corrective measures.
- (3) Minimizing the impact of dust, chemicals, and noise on port personnel by improving the working environment, enhancing safety signage, and ensuring the adequate supply of protective equipment.
- Proactively preventing and mitigating occupational diseases through hazard factor monitoring, employee health surveillance, and training initiatives.



Occupational Health Awareness Week Training Program

Occupational disease risk management	Specific measures	
Enhancing dust control in workplaces	 Upgrade some aging equipment through measures such as negative pressure dust removal and water mist dust suppression, and purchase advanced dust removal equipment such as dust removal hoppers and mist cannons. Pilot remote-controlled hoppers to improve workers operating environment and minimize dust dispersion during bulk grain and ore loading and unloading. Regularly distribute certified dust-proof masks to workers and supervise their proper use, continuously reducing the impact of dust-related occupational hazards. 	
Optimizing the management of protective facilities	 Install axial flow fans for ventilation in key areas of large-scale sewage treatment plants, such as sludge dewatering rooms, chemical dosing rooms, and sand filtration rooms. Install emergency washing facilities in areas where on-site workers may come into contact with toxic, hazardous, or corrosive chemicals to prevent harm to the human body. 	
Strengthening noise control in work areas	The subsidiaries optimize production processes, use soundproofing materials and mesh sound-absorbing materials for vibration and noise reduction, and provide noise-exposed workers with noise-reducing earplugs while supervising their proper use, continuously reducing the impact of noise-related occupational hazards.	
Enhancing process control during high-temperature periods	For workers exposed to high-temperature environments in summer, measures such as flexible work scheduling, task rotation, extended rest periods, reduced labor intensity, and the distribution of heat prevention and cooling supplies effectively prevent heat-related incidents.	







Caring for daily health

The Group provides employees with convenient health care services in daily work by strengthening cooperation with professional medical institutions. This includes health lectures, health skills training, physiotherapy services, etc., to help employees enhance their knowledge of health and strengthen their awareness of healthcare.



Case:

92

LCT Promotes Physical and Mental Health Awareness

LCT prioritizes employees' physical and mental well-being and has conducted multiple awareness campaigns on health topics, including mental health, AIDS, and diabetes. At the same time, LCT provides health services such as diabetes screening for employees.



Employee Development

Strategy and development

In 2024, the Group further implemented its "1234" Human Resources Strategy to protect employee rights throughout human resources management process, create a workplace of equality, respect, diversity, inclusion and potential, and eventually build a strong team in line with the Group's strategic objectives for sustainable development.

- Revising and Enhancing the *Human Rights Policy Commitment*, incorporating provisions on preventing human trafficking and remedial actions for child labor incidents, alongside the establishment of a human rights risk due diligence procedure.
- Aligning performance evaluation mechanisms with ESG outcomes, encouraging employees to integrate their individual goals with the Group's ESG strategy.
- Optimizing employee benefits, focusing on physical and mental well-being, and implementing various initiatives to ensure work-life balance.
- Strengthening employee communication channels to ensure timely responses to employee concerns and feedback.
- Conducting employee satisfaction surveys across multiple dimensions, including job opportunities, sense of achievement, workplace relationships, and working environment, to better understand employee needs and expectations.

Future plans

- Pilot human rights assessments based on the human rights due diligence procedure, analyze results, and implement mitigation measures to reduce human rights risks.
- Enhance empowerment and support for female employees, continuously improving gender inclusivity.





EMPLOYEE RIGHTS PROTECTION

Employees are the most valuable treasure, and the cornerstone for achieving sustainable business operations within an organization. The Group respects and safeguards the legitimate rights and interests of employees, strictly complies with the employment-related laws, regulations and international practices applicable in the regions where it operates, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Employment Ordinance* of Hong Kong. The Group has established and perfected human resources management documents including the *Human Resources Management System* in respect of recruitment, training, employee development, performance appraisal, remuneration and benefits, and has endeavored to ensure compliance and fairness in employment and to safeguard and protect the rights and interests of its employees. As of the end of the Reporting Period, the Group had not received any violation of laws and regulations in relation to the above.

Human right protection

In terms of labor rules, the Group always adheres to legal employment and management and strictly complies with the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on Prohibition of Child Labor*, and other relevant laws and regulations. In addition, we also comply with the Employment Ordinance of Hong Kong, the *Hong Kong Bill of Rights Ordinance*, and employment-related laws, regulations and international practices applicable in the regions where it operates. The *Regulations on Employee Management* of the Group specify job requirements and mechanisms for verifying candidates to avoid hiring child labor. Human Resource Department utilizes the human recourse system to verify employee age and effectively eliminates the possibility of child labor or any form of forced labor. Upon recruitment, we sign employment contracts with new hires, ensuring that all employment conditions are clearly communicated, thus establishing transparent employment relationships and eliminating any potential for forced labor.

The Group has zero tolerance for any form of discrimination in human resources management, including recruitment, compensation, training, and promotion. The Group firmly upholds the principle of treating all individuals equally, irrespective of gender, age, nationality, race, physical condition, religious beliefs, or marital status. To ensure all candidates have access to equal, fair, and open career development opportunities, our *Regulations on Recruitment Management* prohibit the inclusion of discriminatory clauses related to race, region, gender, age, marital or parental status in recruitment information. During interviews, candidates are evaluated based on the principles of fairness, impartiality, and objectivity.

In 2024, the Group revised and improved the *Human Rights Policy Commitment*, adding provisions on "preventing human trafficking" and "taking necessary remedial measures in cases of child labor." In 2024, the Group strictly adhered to the commitments in the *Human Rights Policy Commitment*, with no violations related to child labor, forced labor, or other prohibited practices.

Human rights risk due diligence

The Group has formulated the *Human Rights Policy Commitment* and established a human rights risk due diligence procedure. This procedure consists of 3 stages: risk and impact assessment, assessment results and mitigation/remedial measures, and monitoring and communication.

- **Risk and impact assessment:** This includes inherent risk assessment and residual risk assessment. The inherent risk assessment involves identifying, reviewing, analyzing, and evaluating actual and potential human rights risks and impacts. The residual risk assessment refers to a secondary identification, review, analysis, and evaluation of actual and potential human rights risks and impacts.
- **Assessment results and mitigation/remedial measures:** Based on the results of the risk and impact assessment, mitigation and remedial measures are formulated and implemented.
- **Monitoring and communication:** Regular monitoring and tracking of implemented actions are conducted to ensure their quality and effectiveness. Relevant risks requiring prevention and mitigation, as well as mitigation/remedial measures and their effectiveness, are disclosed through periodic reporting and feedback collection.



Human Rights Due Diligence Procedures

Key performance:





Compensation and performance incentives

Compensation system

The Group is committed to building a diversified and internationalized incentive system. In accordance with relevant local laws and market realities, the Group continuously optimizes its compensation and talent evaluation mechanisms, and has performance formulated the *Administrative Measures on Employee Remuneration and Benefits* to standardize the compensation system and incentive mechanism, stimulate employee vitality, and effectively exert organizational effectiveness. The Group establishes a compensation system based on job settings, job levels, and market salary levels, and determines employee salaries according to the principle of "job-based salary". The Group incorporates ESG performance indicators into the compensation system so as to align employee compensation and career development with the Group's sustainable development goals.

Performance appraisal

The Group regularly conducts performance appraisals in accordance with the *Performance Management Provisions*. The performance appraisal cycle includes term appraisal and annual appraisal, and the evaluation content includes organizational performance and individual performance. Our performance appraisals focus on evaluating employees' job performance, skills, and attitudes. Appraisers provide feedback on the appraisal results to the employees and engage in discussions to help them improve their job capabilities and refine their work approaches. Appraisal results are utilized in determining salary adjustments, bonus allocations, and opportunities for career advancement. This ensures that compensation is directed towards high-performing teams and individuals who contribute significant value, as well as those excelling in frontline risk positions. This approach fosters a talent incentive system that prioritizes efficiency while upholding fairness and emphasizing both motivation and accountability.

Employee benefits and caring

In accordance with policies and systems such as the Administrative Measures on Employee Remuneration and Benefits and the Measures for the Management of Employee Social Insurance and Commercial Insurance, the Group continuously optimizes the employee welfare system. Through providing compassionate benefits and rewarding employees for their efforts, we aim to create an environment conducive to achieving work-life balance, thereby attracting and retaining top talent.

Regarding working hours and holidays, the Group has followed the *Administration Measures on Employee Attendance and Holidays*. Tailored to the Group's primary business characteristics, we implement a standard five-day workweek (not exceeding 40 hours per week). In cases of special circumstances where employees request and receive approval for overtime, they are entitled to overtime pay or compensatory time off. The Group continuously monitors updates and revisions to vacation policies at its operational sites to ensure alignment with local laws and regulations, thereby safeguarding employees' legitimate concerns for working hours and rest periods and promoting their overall well-being. In addition, the Group offers flexible working arrangements that allow employees to postpone work, work from home or take time off in special circumstances such as extreme weather.

	Employee Welfare System		
Insurance benefits	Apart from providing employees with timely and full payment of their basic wages and ensuring compliance with social insurance contributions, the Group offers to cover expenses for insurance and commercial medical insurance to improve employees' sense of security.		
Health benefits	The Group provides free health checkups for all the staff and continues to collaborate with professional medical institutions, consolidating diverse health resources to deliver health seminars and wellness services. For additional information, please refer to the "Promoting Occupational Health" section.		
Vacation benefits	The Group strictly implements the social insurance mechanism in the regions where it operates, providing all employees with benefits such as annual leave, sick leave, maternity/paternity leave, marriage leave, and other related benefits as stipulated by relevant regulations.		
Activities and material benefits	The Group provides multidimensional care for employees, including enhancing workplace facilities and services, organizing festive-themed events and cultural and sports activities, as well as offering birthday benefits.		



"Zhaoyang Program" – Caring for Employee Physical and Mental Well-being

The "Zhaoyang Program" aims to support employees' healthy growth and foster a positive mindset. Employees can book appointments via the app and consult senior experts free of charge on physical and mental health issues through phone calls, video calls, or face-to-face meetings. They can also participate in health-themed training sessions, learn about physical and mental well-being, and engage in online interactive quizzes, ensuring efficient and convenient health services benefit a wide range of employees.

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Case:

SCCT Launches Traditional Chinese Medicine Wellness and Therapy Program

Since employees have long been engaged in desk work, cervical and lumbar spine conditions, as well as muscle strain, have gradually become common occupational illnesses in office settings. In August 2024, to further promote employee wellbeing and advocate the concept of proactive work and a healthy lifestyle, the labor union of SCCT invited doctors from a traditional Chinese medicine hospital to conduct a week-long consultation and therapy program. This initiative aimed to alleviate employees' ailments, provide knowledge on daily healthcare, and help them "eat healthily," "stay active," and "achieve wellness through balance."



The Group places great importance on employee care, consistently focusing on safeguarding employee well-being and implementing various measures to ensure work-life balance. We address employees' physical and mental relaxation needs by providing well-equipped recreational and sports facilities, organizing interest group activities, and planning themed holiday events, creating a healthy and balanced work environment.

"Full Moon Mid-Autumn, United at the Port" Festival Fair

To celebrate the Mid-Autumn Festival and enhance employee interaction, the Group held a garden fair in Hong Kong on 17 September 2024, themed "Full Moon Mid-Autumn, United at the Port", bringing everyone together to experience the warmth and joy of the festival. The Company's CEO Xu Song and Vice Chairman of the Board Yim Kong attended the event.

In a relaxed and interactive atmosphere, employees experienced and appreciated the richness of Chinese culture. This event not only enriched employees' cultural lives but also fostered a positive corporate culture. Moving forward, the Group will continue to promote communication and exchanges between employees in Shenzhen and Hong Kong.



Case:

The Group Wins the 2024 "China Merchants Cup" 3x3 Basketball Employee Championship

5 to 6 October 2024, the "China Merchants Cup" 3x3 Basketball Employee Tournament was held in Hong Kong. The Group actively participated in the competition and organized a cheering squad to support the team on-site, winning the championship in the employee category.



Case:

Samba Football Ignites Passion

TCP carefully organized an internal football friendly match, using this globally beloved sport to stimulate team innovation potential, strengthen internal cohesion, and face future challenges together. With everyone fully prepared, TCP embarked on a new journey with confidence. Their wisdom, courage, and perseverance converged into a powerful force, driving TCP forward.





CICT Actively Hosts Company Day Event

On 14 October 2024, CICT actively organized a Workday Event, featuring a tug-of-war competition. The event attracted wide participation from both Chinese and Sri Lankan employees, creating an electrifying atmosphere filled with cheers and enthusiastic support. Amidst their demanding work schedules, employees fully immersed themselves in the competition, releasing stress and enjoying the excitement of the event.



Case:

CMCS Organizes Multiple Employee Engagement Activities

CMCS cares about the work and life of its local employees in Hong Kong. It organized various activities in 2024 to enhance employees' sense of belonging and team cohesion.

Health Activities: Participated in the 2024 "Walk for Health" series.

Social Activities: Joined hiking events and the "Victoria Park Handover Celebration"; organized employee visits to Shantou Port and the China Merchants History Museum.

Festive Care: Provided holiday greetings and support to local employees in Hong Kong during major festivals such as Chinese New Year and Mid-Autumn Festival.



SCCT Hosted the 2nd Employee Fun Sports Games

In April 2024, SCCT held the 2nd Employee Fun Sports Games at Shekou Sports Center under the theme "Take Concrete Actions for Entrepreneurship, Act Immediately for the Future." This fun sports event was also an important part of corporate culture development, where employees not only engaged in physical exercise but also strengthened friendships through competition, enhanced teamwork, and reinforced organizational cohesion.





Shantou Port Builds Employee Activity Centers

Shantou Port, to meet employees' diverse fitness needs, has established Employee Activity Centers, providing dedicated spaces and essential facilities. These centers are equipped with indoor sports and fitness facilities, including billiards, table tennis, gym areas, and reading zones, enabling employees to engage in physical exercise and leisure activities. As of the end of the Reporting Period, 4 Employee Activity Centers have been completed.





Caring for employees in need

The Group encourages its subsidiaries to provide targeted assistance to employees facing significant life difficulties, striving to help resolve their inconveniences and challenges in daily life.

Case: Scc Provided Targeted Assistance to Employees in Need ScT conducts an annual review of employees' family financial status and living difficulties, establishing detailed records of employees facing hardships. Based on individual circumstances, SCCT develops personalized assistance plans, applies for funding to provide financial aid, offers medical subsidies for employees with serious illnesses, and grants temporary living assistance funds for employees affected by natural disasters, ensuring that support measures are accurate and effective in addressing employees' real difficulties. ScT also provides practical support through home visits, care initiatives, and communication sessions, while assisting elipible employees in applying for relief benefits. During major traditional festivals (such as Chinese New Year and Middutum Festival) and employee birthdays, SCCT distributes holiday allowances and birthday gifts, conveying care and godwill, and enhancing employees' sense of belonging and well-being.

时间余发放仪式

Broad communication channels

Employee communication

The Group has never lost sight of the protection of employees' rights to know, participate, express and supervise, offering multilevel and multi-form communication and complaint channels for employees. This includes actively communicating with employees on the revision of important regulations through worker's congress to facilitate dialogue and gather feedback through multiple channels on a daily basis. This approach ensures timely resolution of employee issues and continuous optimization of their overall experience.

Multi-level communication	• Permanent communication mechanisms: Worker's Congress, employees' mailbox, communication in regular meetings, etc.
channels	 Labor Union's channel for opinion exchange, including irregular visits, interviews, phone calls, and other means of communication Creation interviews with the fraction of the Company.

• Special interviews with the frontline employees of the Company

Employee feedback mechanism

The Group has established a comprehensive employee grievance mechanism in accordance with the *Measures for Handling of Problem Clues and Management of Cases*, ensuring confidentiality and independence in the grievance process to effectively protect employee rights. The Group has set up internal suggestion boxes, allowing employees to submit concerns through this channel. Employee feedback is regularly collected, organized, and relayed to relevant functional departments, ensuring timely responses and resolutions. Based on the information, issues, or suggestions provided by employees, the Group conducts specialized research and discussions, formulates practical solutions, and ensures their implementation.

Employee satisfaction survey

In 2024, the Group conducted an employee satisfaction survey across multiple dimensions, including job opportunities, sense of achievement, workplace relationships, and working environment. This survey was conducted through sampling and covered approximately 3,400 employees. The results indicated that a majority of participating employees maintained a high level of job satisfaction: Over 60% expressed satisfaction with job opportunities, particularly recognizing work autonomy and job diversity. More than 70% were satisfied with workplace relationships, acknowledging the Group's positive work atmosphere. Around 50% rated workplace comfort and safety favorably.

Looking ahead, the Group will continue tracking employee satisfaction, further enhance communication and feedback mechanisms, and gain deeper insights into employees' needs and opinions. Focus will be placed on compensation, benefits, and career development, offering employees more growth and promotion opportunities to continuously improve job satisfaction and support mutual growth between employees and the Group.



CREATING AN EQUAL AND INCLUSIVE WORKPLACE

The Group is committed to building an equal, inclusive, and culturally diverse workplace, continuously promoting employee diversity, talent localization, and cultural integration. Upholding the principles of diversity, equality, and inclusion, the Group provides open access to various positions and ensures fair career development opportunities for all employees, encouraging them to maximize their potential across different roles, achieving a win-win situation for both personal growth and corporate development.

Talent recruitment

The Group adheres to a talent-driven development strategy and has formulated the *Regulations on Recruitment Management*, upholding the principles of legality and compliance, openness, fairness, impartiality, strategic orientation, job-person fit, and integrity-first competency in recruiting outstanding talent. The Group standardizes recruitment planning, job information channel management, recruitment procedures, and talent database management to ensure an efficient, professional, and high-quality recruitment process. At the same time, the Group integrates internal and external resources, leverages the China Merchants brand advantage, strengthens the recruitment of high-level talent, and builds a balanced international and localized workforce of appropriate scale, injecting talent momentum into the Group's development.

Recruitment Principles				
Legal and regulatory compliance	Recruitment activities must adhere to the laws, regulations, and relevant policies of the location where the Company operates. The Company avoids publishing recruitment information that does not comply with legal requirements, refrains from collecting personal information of applicants in violation of legal standards, and ensures that no illegal labor practices or policy violations occur in the hiring process.			
Fairness, impartiality and openness	Recruitment should be conducted transparently by releasing job information through appropriate channels, ensuring that all candidates are evaluated fairly, impartially, and objectively based on the established qualifications and criteria for the positions.			
Strategic orientation	Recruitment efforts should align with the strategic goals of the Group, ensuring that the Group attracts and selects talent that supports its long-term development strategy. This process will focus on optimizing the talent structure and selecting candidates who fit the strategic direction, providing the necessary human resources to implement the Group's strategic objectives.			
Matching the right people for the right roles	When recruiting and hiring personnel, attention must be paid to matching the candidate's capabilities and qualifications with the job responsibilities and requirements. The goal is to ensure that each individual's talents are fully utilized, fostering employee engagement and satisfaction while maximizing the effectiveness of the Company's human resources.			
Integrity and competence, with integrity prioritized	When publicly recruiting and hiring personnel, the Group evaluates candidates not only on their work experience, professional knowledge, abilities, and potential for development but also on their moral character and professional ethics. Candidates who align with the Group's corporate culture and values, characterized by honesty, integrity, and professionalism, will be given priority, especially those who demonstrate superior expertise and experience in their field.			

Diverse employment

The Group is committed to building a diverse talent pool, guided by strategic talent planning. Based on actual business needs, we broaden our recruitment channels to attract outstanding talent with varying backgrounds, skills, and experiences. We believe that a diverse and complementary team not only fosters efficient collaboration but also ignites innovation, bringing the Group a broader perspective and a stronger competitive edge.



⁹ Employee structure data by gender, geographical region and age group are collected based on the full-time employees



Expanding Channels to Attract Diverse Talent

> Targeting Fresh Graduates: Hundred Seed Program

The Group has pioneered an innovative recruitment and training model for recent graduates, following the approach of "headquarters coordinating recruitment, subsidiaries recruiting and training, and headquarters conducting follow-up evaluations". The Group organizes campus recruitment drives in both the spring and autumn seasons, conducting recruitment presentations at 7 universities with 9 sessions and organizing over 600 interviews.



> Targeting Current Employees: Fresh Water Program

CMPort has broken down organizational barriers to activate its internal talent pool. It has coordinated public internal recruitment for 21 positions at both headquarters and overseas branches, organizing more than 40 interviews to make full use of existing human resources.

> Targeting International Talent: C Blue Talent Program

CMPort successfully held 2 training sessions under the C Blue Talent Program, nurturing 58 trainees from 30 different countries. In June 2024, under the witness of Mr. Miao Jianmin, chairman of CMG, the C Blue Talent Program took a landmark step forward by signing an "Inception Association" agreement with 6 universities to establish the Inception Alliance. This innovative measure opened up a new mode of university-enterprise collaboration, integrating the advantages of high-quality educational resources of universities and the practice platform of enterprises, laying a solid foundation for the subsequent cultivation of excellent international talents in the field of pan-transportation, and effectively promoting the in-depth fusion of talent cultivation and industry needs. The C Blue Program has received the "Outstanding Volunteer Service Project" award from the China Merchants Foundation.


Key performance:



Inclusive workplace

The Group is committed to fostering an inclusive workplace environment that fully respects the differences among employees. It advocates an open and transparent communication culture, encouraging dialogue and collaboration among staff members. We treat every employee equally and strive to create a fair and just platform for development, enabling individuals to fully leverage their initiative and drive, which in turn enhances organizational vitality.

Caring for female employees

The Group implements the *Special Provisions on Labor Protection for Female Employees* and clearly outlines the rights of female employees regarding marriage leave, prenatal check-up leave, maternity leave, breastfeeding leave, and other maternity-related benefits in the *Regulations on Employee Attendance and Leave Management*. Additionally, we provide necessary welfare support for these employees. Female employees are allowed to extend their maternity leave based on their physical condition during pregnancy or before childbirth. Each year, we arrange annual health check-ups and other health management services for employees, offering special physical spaces and health services for female employees. For example, Shantou Port has established a "Mother's Room" service station, providing breastfeeding employees with an independent and comfortable area.



HIPG was named one of "Sri Lanka's Most Outstanding Female-Friendly Workplaces" by Satyn magazine in Sri Lanka. TCP was recognized as a "Female-Friendly Company" by the Commercial and Industrial Association of Paranaguá.







Celebrating International Women's Day with Diverse Activities

The Group organized the "Cherishing China Merchants, Blooming with Floral Elegance" themed labor union event. CMITQ held the "Sweet Moments, Sharing Spring's Delight" DIY cake-making activity. CMBL hosted the "Voice of Spring" floral arrangement event.



SUPPORTING EMPLOYEE DEVELOPMENT

The Group focuses on enhancing the value and career development of each employee, formulating and implementing policies and systems related to skill improvement and career advancement, continuously improving the talent development system, ensuring smooth career progression channels, and building a talent pipeline aligned with the Group's sustainable development strategic goals.

Talent development

Building a talent team

The Group is dedicated to developing a world-class port workforce. We implement a comprehensive "1234" human resource strategy, which involves: promoting institutional building and capacity building based on 1 workforce management platform; promoting 2 development projects including systematic institutional and capacity building projects undertaking 3 major projects including a marine project, a academy project, and an incentive project tailored to our business needs; forming 4 specialized teams encompassing leader, senior executive, professional talents, and overseas talents. Based on this, we strive to create a robust talent ecosystem to foster a motivated and capable workforce.

Professional and technical talent: In 2024, the Group conducted a review of professional and technical talent, guided subsidiaries in establishing new professional technical talent studios, and coordinated employees to apply for the Group's professional technical title evaluation.

Scientific and technological talent: The Group is implementing the "Hundred-Million-Million" scientific and technological talent development program, recommending key research and development talent. For those with the potential to develop into "top-tier scientific talent", the Group will formulate individual development plans. We are also engaging in joint training programs for Master's and Ph.D. engineers, and collaborating with Dalian Maritime University to cultivate outstanding engineering talent.

Skilled talent: The Group is advancing the standardization and certification of remote-controlled positions, completing the enterprise vocational skill level certification work plan, coordinating the application for primary units in the skills ecosystem chain, and promoting independent skill level certification to enhance employee skills. We also conduct a skills talent review to form a talent pool and have established an innovation studio for model workers and craftsmen to promote the spirit of craftsmanship.

Overseas talent: The Group strengthens the classification, allocation, and daily management of overseas key positions, formulates and dynamically updates rotation, job transfer, reappointment, and succession plans for overseas employees, and enhances the training of overseas talent reserves.



MISSION "BUILDING A WORLD-LEADING PORT TALENT TEAM"		
1 Platform	human resource management platform	
2 Developments	institutional development, capacity building	
3 Major projects	marine project, academy project, incentive project	
4 Teams	leading talent team, senior management talent team, professional talent, team overseas talent team	



The 5th NPH Internship Sharing Program

The 5th NPH Internship Sharing Program was held on 27 and 30 September 2024, at NPH headquarters, providing internship opportunities for 25 recent graduates from North Jakarta. The program aims to train interns to become professional workers through internships. It is designed to offer in-depth workplace knowledge and enhance interpersonal skills to help interns adapt effectively to the professional environment. During the opening session, interns participated in a site visit to NPH operations, gaining insights into NPH business activities, workplace safety, and on-site operational processes.



Unblocking career development path

The Group has formulated the Administration Measures on Dual Career Development Paths of Employees, which outline pathways in both management and technical career tracks, specifying the conditions, procedures, and criteria for job transfers, promotions, and demotions. We encourage internal job competitions across the organization and advocate for competitive selection processes for managerial positions. Employees meeting the necessary criteria in terms of work experience and performance are promptly offered opportunities for advancement, ensuring the exercise of competence of exceptional talent and the expansion of avenues for career growth and development.

Based on the Group's operational management practice and strategic development needs, CMPort has established 2 career ladders: management track and technical track.

Management Track	Assistant Department Manager \rightarrow Deputy Department Manager \rightarrow Department Manager, Department Executive Manager, and Senior Deputy Department Manager \rightarrow Assistant General Manager
Technical Track	Clerk \rightarrow Senior Clerk \rightarrow Specialist \rightarrow Deputy Functional Manager \rightarrow Functional Manager \rightarrow Senior Functional Manager \rightarrow Department Director \rightarrow Senior Department Director \rightarrow Director

Employee training

The Group is committed to building a platform for nurturing and advancing global port professionals and has formulated policies such as the *Administrative Regulations on Employee Continuing Education*, the *Administrative Regulations on Employee Training*, and the *Administrative Regulations on New Employee Training* to systematically build a high-quality talent team, create a robust and standardized training system, and improve the comprehensive quality and professional skills of employees.

Training system

The Group classifies training based on the different training subjects, venues, content, and target groups as follows.

By training subject and venue	
On-the-job training	Refers to training received while performing job duties. It generally refers to specific management activities conducted by supervisors to enhance subordinates' abilities. This includes group meetings, performance interviews, work coaching, guidance, delegation, and job practice.
Off-the-job training	Refers to centralized training organized and implemented by the Human Resources Department or other functional departments and institutions. It can be further divided into internal and external training formats.
Self-initiated learning	Refers to self-driven learning where employees, as the subject of training, use their spare time to improve their personal capabilities through further study, reading, and academic education. We encourage employees to engage in self-initiated learning.



By training content and target group		
Orientation training	Assists new hires and employees transitioning to new roles in adapting to the job, understanding our culture and organizational regulations, establishing a correct career outlook, and adjusting to the new work environment.	
Professional training	Strengthens the professional knowledge, skills, and international competence necessary for employees' current positions. It also promotes mutual learning, communication, and collaboration across departments to enhance work efficiency and ensure organizational goals are met.	
Management training	Enhances the comprehensive management skills of employees at all levels, improves team management abilities, and effectively utilizes the Companys resources to improve organizational performance and achieve organizational goals.	
Self-training	Alongside the effective implementation of the above 3 types of training, this aims to further cultivate and foster an organizational learning environment, expanding opportunities for individual self-learning and development.	



Internal trainers and internal course management

The Group has improved the Administrative Regulations on Internal Trainers and the Administrative Regulations on Internal Training Courses, to streamline the selection, evaluation, and incentivization of internal training instructors and enhance training quality and effectiveness. Internal trainers are recommended by various units or self-recommended by individual. In principle, each department, directly managed institution, and subsidiary should have at least 3 internal trainers. Internal trainers are selected, evaluated, and certified by the Group. While performing their primary job duties, internal trainers also take on the part-time responsibility of developing internal courses and delivering training sessions. Internal trainers are employed on a contract basis, with a renewal period of every 2 years. The levels of internal trainers, from highest to lowest, are: distinguished expert, senior lecturer, advanced lecturer, and lecturer. As at the end of the Reporting Period, the Group's internal trainer team consists of 77 internal trainers.

Training evaluation management

According to the Administrative Regulations on Employee Training, the Human Resources Department is responsible for organizing evaluations after training to assess whether the training has achieved its intended outcomes. The evaluation includes the trainer, trainees, and the training organizer. After the training session, the hosting department organizes employees to fill out the *Training Effectiveness Evaluation Form* and summarizes employee feedback, which is then provided to the trainer and submitted to the Human Resources Department for filing. This feedback will be used as a reference for organizing similar future training sessions.

Key performance:



Sustainable Supply Chain

Strategy and development

The Group is committed to standardizing supplier management, mitigating supply chain risks, and promoting sustainable supply chain development. Supplier management follows the principles of "centralized management, classification and grading, information sharing, and dynamic control," implementing a full lifecycle management approach covering supplier admission, evaluation, assessment, and exit. In 2024, the Group upgraded the *Implementation Rules for Supplier Management*, introducing an innovative grading standard for "key suppliers¹⁰" and establishing ESG-specific management requirements. For details, please refer to the "Building a Sustainable Supply Chain" subsection of this chapter.

- Supplier ESG Risk Assessment: The Group has set a goal to conduct at least one ESG risk assessment for suppliers annually. This year, ESG risk assessments were conducted during both the supplier admission review and evaluation phases.
- Overdue Payments to small and medium-sized enterprise (SME) Suppliers: The Group has set a target of zero overdue payments for SME suppliers' receivables. No overdue payments occurred this year.

Future plans

- Optimize supply chain collaboration and customized service solutions by fostering cross-departmental cooperation and resource sharing to drive sustainable supply chain development.
- Enhance coordination with suppliers through digital platforms and an information-sharing mechanism.
- Provide suppliers with improvement recommendations and incentive measures through regular assessments and feedback to enhance their ESG performance.
- Expand the scope of ESG assessments, optimize supply chain risk management, and promote green procurement and innovation.



¹⁰ Key suppliers refer to those that have significant business relevance to CMPort or pose substantial environmental, social, or operational management risk to the Company. The Company uses procurement expenditure as the screening criterion, defining key suppliers as those accounting for the top 80% of procurement spending.

SUPPLIER CLASSIFICATION AND GRADING MANAGEMENT

Based on industry practices and business needs, the Group has developed the *Supplier Classification Catalog*. The Group includes key suppliers within the scope of prioritized management, classifying them based on their importance and procurement amount. Suppliers are graded into four levels – A, B, C, and D – according to evaluation results, with corresponding management measures applied to each level.

- A-grade: Excellent suppliers
- B-grade: Good suppliers
- C-grade: Regular suppliers (A, B, and C grades are all qualified suppliers)
- D-grade: Unqualified suppliers.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Group considers sustainable supplier management a key component of its ESG governance system and has established a fullchain management framework based on a "headquarters coordination - tiered control - ecosystem co-development" approach. Operations & Commerical Department, as the core procurement management units, are responsible for developing supplier management policies, addressing misconduct, conducting dynamic quantitative assessments, and overseeing rectification and acceptance. Through specialized meetings, supplier credit record management, and classification-based oversight, the Group ensures supply chain risks remain under control. The subsidiaries support the Operations & Commercial Department in fulfilling these responsibilities by conducting due diligence on potential suppliers, verifying and documenting supplier misconduct, providing dynamic supplier evaluations, and tracking rectifications to create a closed-loop management system.

The Group continues to refine its sustainable supply chain framework based on "policy standardization - risk assessment - dynamic control." It systematically conducts special risk assessments on supply chain anti-corruption, environmental compliance, and workplace safety, embedding ESG standards into the full lifecycle supplier management process. In 2024, the Group further upgraded the *Implementation Rules for Supplier Management*, introducing an innovative classification standard for "key suppliers" and ESG-specific management requirements.

In terms of supply chain ecosystem co-development, the Group emphasizes collaboration with and has established a fair and transparent cooperation mechanism. In 2024, no overdue payments to SMEs occurred. Additionally, the Group launched an innovative supplier ESG capability-building platform, maintaining regular communication with equipment manufacturers, distributors, and project contractors via email, phone calls, and meetings. It also conveys relevant policies such as the *Supplier Code of Conduct* and provides periodic training for suppliers on business ethics, safety, and environmental protection. These initiatives help suppliers enhance their ESG practices in areas such as environmental management and labor rights protection. These measures not only effectively reduce supply chain operational risks but also foster a shared commitment to sustainable development across the industry value chain, setting a benchmark for sustainable supply chain management in the sector.



Supplier admission	During the information review stage, the Group requires suppliers to complete the <i>Self-Examination Questionnaire for Suppliers on Social Norm Compliance</i> . This questionnaire covers self-assessment areas such as legal and regulatory compliance, business ethics, health and safety, environmental protection, child labor, forced labor, wages and working hours, anti-discrimination, employee rights, supply chain management, and privacy and data security. Suppliers are required to conduct a self-assessment based on these criteria.
	The procurement unit verifies suppliers' contract fulfillment capabilities and sustainability performance through information verification and on-site inspections. Information verification focuses on suppliers' business scope, qualification certificates, quality assurance systems, and the <i>Self-Examination Questionnaire for Suppliers on Social Norm Compliance</i> . On-site inspections focus on suppliers' design and R&D, production and manufacturing, testing and quality control, safety management, labor conditions, and environmental protection to assess whether they meet the required standards.
Supplier assessment and appraisal	Following the principles of "multi-stakeholder comprehensive evaluation, multi-dimensional assessment, and dynamic quantification," the Group conducts an annual supplier assessment and adjusts supplier ratings accordingly. Based on supplier categories, the Group incorporates ESG risk factors – such as business ethics, labor rights, occupational health, and environmental sustainability – into the existing evaluation dimensions of team capability, technology, quality, and service. To encourage responsible suppliers, procurement units may prioritize inviting A-grade suppliers to participate in bidding within their capability scope under equal conditions.
Supplier rectification	The Group regularly records supplier misconduct and requires suppliers to implement corrective actions, setting deadlines for acceptance of rectification results.
Supplier exit	Suppliers involved in misconduct such as corruption, information leakage, dishonesty, quality issues in products or services, falsification of materials or identity, among others, are subject to measures based on the severity of the situation. These measures may include point deductions, suspension, disqualification, or permanent removal from the supplier list.

Supplier categories	ESG-related scoring criteria	
Construction suppliers	Bonus points : Certified under ISO 45001 Occupational Health and Safety Management System with a well-established occupational safety protection mechanism; certified under ISO 14001 Environmental Management System, utilizing clean technologies and renewable energy, and implementing environmentally friendly construction practices.	
	Penalty points : Engaging in unethical business practices such as dishonesty, unfair competition, or bribery and corruption; violations related to labor compliance, forced labor, or other issues negatively impacting projects.	
Goods suppliers	 Bonus points: Prioritizing the use of renewable and recyclable materials in production; adopting low-carbon and environmentally friendly production processes. Penalty points: Excessive pollutant emissions, violations of labor rights, data falsification incidents, or lack of logistics responsibility. 	
Service suppliers	Bonus points : Innovation in low-carbon service applications, inclusive service design, and crisis response.	
	Penalty points : Breach of green commitments, deficiencies in compliance systems, unethical business conduct, or failure in emergency response.	



Improving Service Quality

Strategy and development

In 2024, the Group upheld the service philosophy of "customer first" by standardizing customer service management, improving service quality and efficiency, promptly responding to customer needs, and continuously creating value for customers. The Group is committed to providing one-stop, comprehensive, high-quality, and efficient world-leading port services.

- In accordance with the Administrative Measures for Market and Business Management (Trial), the Group has set clear requirements for customer relationship management, customer service response and complaint handling, customer information security management, and customer service response and complaint handling.
- Established a systematic customer satisfaction mechanism, with all service indicators receiving high recognition from customers.
- The overall score of the core business segment: 95.73, with customer service satisfaction rated as "full satisfactory".
- Mawan Smart Port passed the on-site assessment for the "Five-Star Smart Port in China" certification, striving to become the fourth smart port in China to obtain the five star, which is the highest star ranking.

Future plans

- Continuously extend service value and enhance customer satisfaction.
- Deepen digital and intelligent empowerment to accelerate innovation and upgrades, facilitating the transition of technological achievements from pilot projects to replication and large-scale application. The Group will actively develop new quality productive forces to improve operational efficiency and service quality.

UNSDGs responded in this chapter



OPTIMIZING CUSTOMER SERVICE QUALITY

Making services more standardized

In March 2024, the Group introduced the new Administrative Measures for Market and Business Management (Trial), which sets clear requirements for customer relationship management, customer service response and complaint handling, customer information security management, and customer service management processes. This further standardizes related customer service processes and standards.

Making services more efficient

The Group will continue to promote subsidiaries in optimizing service processes, improving service efficiency, and innovating service models to enhance customer service levels and create value for customers.



CMITQ Optimizes and Upgrades Documentation and Terminal Service Processes

CMITQ introduced the "Five 10-Minute, Five 100%" service commitment. The documentation and terminal service windows were optimized and upgraded. The "Five 10-Minute" commitment means that CMITQ promises to respond to system and gate failure emergency services, business review services, information filing services, and special business handling services within ten minutes. It also commits to completing the input of the declaration forms, application forms, and release forms within ten minutes. The "Five 100%" commitment refers to CMITQ's promise to provide



100% service in five areas of terminal service: container supply, heavy container collection, heavy container delivery, empty container return, and internal short-haul transport, ensuring that customer container, consolidation, and delivery needs are well-served.





SCCT Improves Shipping Service Efficiency

As vessel berthing frequency and individual vessel operations continue to rise, yard utilization remains high, and gate traffic surges, SCCT upholds the philosophy of "Stand with Our Customers" to ensure high-quality customer service. The following measures have been implemented:

- (1) **Reducing vessel waiting time**: In 2024, liner waiting time was maintained within 18 hours, while barge waiting time was controlled at 3.6 hours.
- (2) **Optimizing berth scheduling**: Berth efficiency in 2024 improved to 59.9 MPH, reaching the highest level in the past five years.
- (3) Developing response strategies for external truck arrival trends: Implemented contingency plans for concentrated pickup and return, early warning mechanisms, coordinated on-site operations, and preemptive diversion measures.
- (4) **Matching yard equipment resources**: Large yard crane operators coordinated operations with peak truck arrivals and vessel handling to mitigate peak-hour impacts.
- (5) Enhancing yard crane operational efficiency: In 2024, yard crane efficiency increased by 11.5%. The average inyard time for external trucks improved to 29.2 minutes, marking the best performance in the past 5 years. Image to be added

Case:

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Shantou Port Continued to Improve Customs Clearance Efficiency for Customers

Shantou Port has further optimized the declaration process, enhancing the efficiency of shipping agents and customs brokers. It has proposed and implemented specific measures to improve the customs clearance environment, significantly boosting customer clearance efficiency. Additionally, Shantou Port has promoted a direct release model for imported empty foreign trade containers, reducing customs clearance time by at least 2 days compared to previous service models.





Successful Maiden Voyage of the "Zhangzhou–Shantou" Coal Feeder Line for Shantou Power Plant

Leveraging the integrated service advantages of Zhangzhou Port and Shantou Port, an emergency transshipment channel for imported coal was established to ensure a stable coal supply for local power plants. Through resource sharing, internal coordination, and innovative service models, this initiative effectively addresses customer challenges in coal transshipment. It is a key example of exploring innovative cooperation methods to solve logistical difficulties and a testament to the continuous improvement of customer service standards.



Making services smarter

The Group has accelerated the optimization and upgrading of CM ePort. During the Reporting Period, the platform was launched at industrial parks and overseas terminals, comprehensively enhancing business processes for vessels, containers, bulk and general cargo, commerce, and customs clearance, providing customers with efficient and convenient online services.

Key performance:





Making customers more satisfied

The Group places great importance on customer satisfaction. The Administrative Measures for Market and Business Management (*Trial*) clearly outline the "Customer Service Response and Complaint Handling Management" and "Customer Service Satisfaction Survey Management" content, requiring units to promptly respond to and resolve customer requests and concerns. It also emphasizes the establishment of a quick and effective response mechanism for customer complaints, improving service quality and thereby enhancing customer satisfaction.



Xia Men Bay Terminals Resolves Bonded Warehousing Challenges for Customers

A customer faced delays in obtaining import quotas for raw materials, preventing the timely berthing and unloading of the transporting vessel. In response, Xia Men Bay Terminals quickly formed a dedicated task force to coordinate with Zhangzhou Customs. This effort successfully facilitated the establishment of a bonded warehouse, ensuring smooth raw material unloading and replenishment, thereby supporting uninterrupted production line operations.

The Group always prioritizes customer needs, actively listening to their feedback and striving to create an efficient and considerate service experience. Through regular and ad-hoc meetings, as well as on-site visits, the Group seeks to understand customer needs and expectations. Additionally, the Group leverages industry exhibitions, customer appreciation events, and various industry activities to engage with customers and collect extensive feedback, continuously improving service quality. In 2024, the Group further strengthened its headquarters-to-headquarters communication mechanism, participated in 16 major brand promotion events, and hosted key customer engagement and appreciation meetings.

Case:

122

SCCT Hosts Customer Communication Meeting

In December 2024, SCCT held a business promotion and customer communication meeting to strengthen industry ecosystem exchanges with a customer-centric approach. The event brought together over 170 companies, including liner companies, barge operators, cargo owners, and freight forwarders, with more than 360 participants.

The Group actively conducts customer satisfaction tracking and follow-ups to continuously enhance service quality. In 2024, the Group implemented its planned customer satisfaction survey, with a total of 7 participating companies and 646 surveyed customers, an increase of 180 compared to the previous year. The survey covered key terminals and industrial parks both domestically and internationally. Based on the overall customer evaluation, the comprehensive score for the Groups core business segment reached 95.73, an improvement of 1.51 points compared to 2023. According to the customer satisfaction rating and scores, the overall customer service satisfaction was rated as "Full Satisfactory".

Key Performance:



Customer Satisfaction of Selected Subsidiaries in 2024		
ТСР	85.97	
Port de Djibouti S.A.	98.39	
HIPG	94.88	
HIPG Industrial Park	96.36	
Shantou Port	96.65	
CMBL	98.07	
SCCT	95.37	



PROMOTING DIGITAL AND INTELLIGENT EMPOWERMENT

The Group views "Innovative Transformation" as one of the three main driving forces for development, continuously promoting business model and technology-driven innovation. The Company accelerates the construction of smart ports and leverages digital and intelligent technologies to improve operational efficiency and empower customer service. In 2024, the Group vigorously developed new quality productive forces, accelerated the construction of smart ports, and fully advanced digital and intelligent projects, including TOS optimization, autonomous driving, CM ePort3.0, SMP, and large model construction. The internationalization process has also been accelerated.

Technology innovation strategy leadership

In 2024, the Group focused on generic technologies of the industry, cutting-edge leading technologies, and advanced technologies of the industry to establish a strategic technological layout. Through independent research and development (R&D), collaborative R&D, and commissioned R&D, the Group has developed intelligent upgrading solutions for traditional terminals and comprehensive smart port solutions tailored to its unique characteristics. These efforts drive the transformation of terminals and industrial parks towards intelligence, digitalization, and platform-based operations, fostering technological innovation and leapfrog development.

Technology innovation system development

The Group has established a structured innovation management system based on the Administrative Rules for Technology Innovation. Under this system, the Strategy and Innovation Department serves as the central coordinating body, with relevant functional departments deeply involved in managing technology innovation investments, platform development, achievement transformation, and application. This approach standardizes and streamlines innovation management, strengthening the foundation for technological progress. The Strategy and Innovation Department/Technology and Innovation Development Institute oversees and coordinates the Group's innovation efforts.

Investment in technology innovation

The Group actively promotes and supports technology innovation by increasing R&D investment, building innovation platforms, and incentivizing innovation outcomes. These initiatives encourage innovative actions, stimulate creativity, and foster a strong culture of innovation.

The Group incentivizes teams and individuals who achieve major innovation breakthroughs through the *Implementation Rules* for the Selection and Management of Innovation Awards. Recognized achievements include, but are not limited to, technological innovation, technological improvements, process upgrades, and management innovations.



Application of technology innovation achievements

The Group accelerates innovation upgrades by deepening digital and intelligent empowerment, rapidly transitioning technological achievements from pilot projects to large-scale deployment, and fostering the development of new quality productive forces to enhance operational efficiency and service quality. In 2024, Mawan Smart Port passed the *on-site assessment of "Five-Star Smart Port in China"*, becoming the fourth port in China to receive the highest five-star rating. The Group made significant progress in the TOS project, developing a new-generation *Cloud-Native Microservice-Based CTOS*, which was successfully piloted at Shantou Port. The Group continued to advance its digital transformation: *ePort 3.0* achieved full coverage across subsidiaries, integrating CICT, HIPG, and TCP. SMP completed its first phase of construction and acceptance, with the second phase underway. The *AI+* platform introduced new applications, including an equipment maintenance assistant, regulatory compliance assistant, and port operations assistant. The Group developed IoT application scenarios and a fully digital infrastructure, achieving seamless connectivity across terminal IoT equipment and facilities. The Group advanced the deployment of autonomous driving technology in port areas, successfully piloting fully integrated mixed-traffic operations with autonomous vehicles. The efficiency of liner operations and vehicle operations now exceeds industry standards. Moreover, the Group successfully completed the construction of its fully digital infrastructure and IoT ecosystem, introducing 15 new port-level digital models, integrating 4,410 devices, and expanding 3 key IoT application scenarios, including large-scale equipment situational awareness.

Case:

Mawan Smart Port Passed the On-site Assessment 'Five-Star Smart Port in China"

In September 2024, Mawan Smart Port successfully passed the on-site assessment for the "Five-Star Smart Port in China" by the China Ports and Harbors Association. The assessment team conducted a rigorous review, on-site inspection, and comprehensive assessment of the Port, evaluating its digital intelligence capabilities, infrastructure, service efficiency, innovation capacity, coordinated development, and overall service quality. This honor highlights Mawan Smart Port's outstanding achievements in smart, green, and digital development.



Honors & Recognitions:

Mawan Smart Port of SCCT passed the onsite assessment of "Five-Star Smart Port in China", striving to become the fourth smart port in China to obtain five star, which is the highest star ranking. 1 new high-tech enterprise certification added: Zhangzhou Port



Harmonious Community

Strategy and Development

In 2024, relying on its public welfare system of "Global Philanthropic Mission", the Group further enhanced its systematic and integrated approach to community development and investment. By actively engaging with communities, the Group identified priority issues that require improvement and provide targeted, long-term impactful community services. At the same time, the Group encouraged more employees to participate in volunteer services and continued to conduct charitable donations in full compliance with laws and regulations. These efforts aim to maximize the positive impact on the communities and ecosystems it engages with.

- The Group has formulated the *Community Engagement Policy*, which clearly defines its commitment to community responsibility and its course of action. The policy demonstrates how the Group fosters continuous social value creation through collaboration and innovation within its global port network, thereby promoting the harmonious development of communities where global port projects are located.
- The Group's leadership has conducted on-site visits to its domestic and overseas subsidiaries to gain firsthand insights into community development efforts and the actual needs of local communities.
- The Group has monitored the construction and assistance progress of the "China Merchants Silk Road Hope Village" program, conducted community research, responded to residents' needs, and developed skills programs to enhance the local community's capacity for self-development.
- The Group has adopted various approaches to strengthen community openness and interaction, stimulating community vitality.

Future plans

- Conduct publicity activities and training sessions of the *Community Engagement Policy* to ensure effective implementation.
- Focus on real community needs and professional approaches to enhance the reach and impact of various public welfare projects under the "C Blue Building a Shared Maritime Dream" philanthropic brand.



DRIVING COMMUNITY DEVELOPMENT

Keenly aware of the close ties between its business activities and communities and the environment, the Group is dedicated to maximizing the positive impact of itself on neighboring communities. The Group actively rolls out smooth communication with communities, vigorously pinpoints and resolves issues that are conducive to improving community livelihood, and continuously standardizes and enhances the effectiveness of work on community development and investment, contributing to sustainable and inclusive communities. During the Reporting Period, the Group's leadership conducted on-site visits to its domestic and overseas subsidiaries to gain firsthand insights into community development efforts and the actual needs of local communities. The Group has formulated the *Community Engagement Policy*, which clearly defines its commitment to community responsibility and its course of action. The policy demonstrates how the Group fosters continuous social value creation through collaboration and innovation within its global port network, thereby promoting the harmonious development of communities where global port projects are located.



 Women's Vocational Education – Empowering better lives.







Leadership of the Group visited Turkey and Brazil

Deepening community co-development

The Group consistently promotes proactive adaptation of corporate operations to meet community needs and actively engages in community development. We strive to leverage our resources to benefit local residents and create lasting positive social impact through our commitment to community-centric initiatives.



Continuing the Impact of Hope Village

In 2024, with the support of the China Merchants Foundation, HIPG focused on key initiatives such as Phase II of the "China Merchants Silk Road Hope Village" program, Modern Agricultural Demonstration Project and the Human-Elephant Peace project. To promote the sustainable development of HIPG and its surrounding areas, the project team also carried out 17 charitable activities, including donating educational funds to local schools, providing medical equipment to hospitals, and sponsoring cultural and sports events for local communities. In August 2024, during an inspection visit to HIPG, CMG General Manager Shi Dai conducted a dedicated field study of the Kenda Village project under the "China Merchants Silk Road Hope Village" program, reviewed the progress of the modern agricultural model greenhouse construction, donated coconut seedlings to villagers, and distributed school supplies to elementary students.





TCP Empowers Community and Ecological Sustainability

TCP systematically promotes local community sustainability through the implementation of the *Basic Environmental Plan* (*PBA*) and the Basic Environmental Plan for the Indigenous Community (*PBACI*). TCP has established deep collaborations with local fishermen by conducting artisanal fishing training, supporting fishery schools, and implementing health management programs to enhance their sustainable operation skills and quality of life. Additionally, TCP incentivizes residents to participate in waste sorting through material exchange programs, reducing environmental pressure while generating economic benefits. Through investments in education and community well-being, TCP advances ecological conservation, social equity, and economic vitality, demonstrating its long-term commitment to community sustainability.



Case:

LCT Public Welfare Initiatives Strengthen Community Education, Livelihoods, and Health Development

LCT actively participates in local community development and public welfare initiatives. It has built new school facilities to provide students with additional learning spaces, donated books and food packages to local primary schools to support students' educational and living needs, constructed public restrooms to improve local sanitation infrastructure, and organized free medical services, offering health check-ups for local residents.



Construction of new school buildings



Free medical activities



Construction of new public toilets



Free physical examinations



Donation of books to primary schools



Donation of food packages to primary schools

Shantou Port Actively Engages in Local Green and Ecological Development

In March 2024, Shantou Port partnered with Guang'ao School to carry out the "Green and Beautiful Port, Youth in Action" tree-planting and greening volunteer activity, pledging 120 trees to continuously support the "High-Quality Development Project in Counties, Towns and Villages For Rural Vitalization" and green ecological development. The initiative expands the scope of public welfare projects while promoting China Merchants Group's culture and philanthropic values.



Case:

Shantou Port's Charitable Donations Supporting Community Development

Shantou Port donated cash and goods to support disadvantaged groups in Guang'ao Subdistrict, Aotou Community, and Guang'ao School, improving their living conditions and enhancing the local educational environment. The cash donated was allocated to Guang'ao Subdistrict for assistance and poverty alleviation efforts. Additionally, to optimize Guang'ao School's educational environment, Shantou Port provided designated funding for upgrading and integrating educational and office facilities.





CMCS Actively Participates in the "China Merchants Warm Community" Initiative

CMCS actively participates in the "China Merchants Warm Community" initiative, carrying out various community care and assistance activities for vulnerable groups such as the elderly and low-income households. Volunteers are organized to engage in community services and visit residents during major holidays.



High-quality communication with the community

The Group takes proactive steps to foster open dialogue and establish collaborative partnerships with local stakeholders, empowering communities to thrive. We prioritize transparency in our interactions and strive to cultivate genuine, harmonious, and trust-based relationships with the communities we serve.

Case:

Green Port Collaboration, Innovation and Inclusion

On 16 July 2024, the Group engaged in discussions with Hong Kong's Environment and Ecology Bureau regarding the Group's innovative development in Hong Kong. The discussion focused on the transformation of CMCS's land use and its innovative transition, covering three key areas: the establishment of a new energy refueling center for ships in Hong Kong, the development of a modern dedicated warehousing and logistics center, and the construction of a specialized green terminal. The Environment and Ecology Bureau expressed appreciation for the Groups active participation in Hong Kongs green port and ecological development and hoped to strengthen exchanges and deepen practical cooperation. Both parties, based on CMCS's innovative transition needs, aim to continue research and discussions to contribute to Hong Kong's green innovation and development.



Moving Forward Together, Leading the Future with Intelligence

On 24 October 2024, the Vice Chairman of the Company, Yim Kong, met the President of Germany's EUROGATE Group in Hong Kong, to discuss the current global port and shipping logistics market and potential collaboration opportunities.

Yim Kong warmly welcomed the delegation, introducing the Group's recent global business growth and the progress of its smart port initiatives. The two sides exchanged views on improving services, enhancing capabilities, and strengthening



core competitiveness among global port operators. EUROGATE highly praised the longstanding cooperative relationship between the two parties and expressed EUROGATE Group's willingness to further communication and explore more substantial areas of cooperation with the Group.

Both sides agreed to leverage their respective strengths, deepen collaboration in route expansion, terminal operations, smart port construction, and green development, and jointly promote high-quality development.



HIPG and CICT recognized as "Significant Foreign Direct Investment Contributors to Sri Lanka"

On April 2, 2024, at the 45th Anniversary Ceremony of the Board of Investment of Sri Lanka held at the Presidential Secretariat, HIPG and CICT were awarded the title of "Significant Foreign Direct Investment Contributors to Sri Lanka" in recognition of their outstanding contributions to the country's economic growth and social development.





Caring for future of youth

Focusing on empowering and broadening the horizons of young people, the Group provides diverse learning opportunities, and strives to build a broad exchange platform for outstanding young people three regions across the straits and even around the world.

Case:

C-Blue Training Program Promotes Talent Exchange and Cultural Integration

In September 2024, the closing ceremony of the Voyage Class under the CMPort C-Blue Training Program, hosted by the Group, was held at China Merchants Plaza in Beijing. A total of 24 participants from 10 countries successfully completed the 21-day training program. During the program, participants gained an in-depth understanding of China's transportation development through courses such as "Application of Digital 5G and Artificial Intelligence in Ports," "Building a Strong Transportation Nation and International Exchange," and "Chinese History and Maritime Development." They also visited the China Merchants' Historical Museum, Bund 9, and Mawan Smart Port, where they experienced the rich cultural heritage and development journey of China Merchants Group while learning about modern port construction. Since its launch in 2016, the CMPort C-Blue Training Programme has upheld the philosophy of "Sharing Knowledge and Value" and has been held for 13 consecutive sessions. Targeting young professionals in the global transportation industry, C Blue serves as a platform for talent exchange and cultural integration. To date, the program has attracted 389 participants from 61 countries across 6 continents.



The Group Held 2024 Hong Kong Youth Summer Internship Program

To further advance youth career development and deepen the understanding of the three regions across the straits and our business, the Group organized the 2024 Hong Kong Youth Summer Internship Program. This internship program is jointly composed of the "New Graduates-New Opportunities" for 2024 by the Hong Kong Chinese Enterprises Association, the Hong Kong Student Summer Internship Program, and the 2024 "Mainland and Overseas Summer Internship Program for Enterprises" by the Hong Kong Special Administrative Region Government. At the inaugural meeting of the



internship program, the Group introduced the students to the Group's active contributions to Hong Kong's economy and public services. During the internship, participants not only acquired specific departmental business knowledge and enhanced their comprehensive workplace skills but also gained a comprehensive understanding of CMG and CMPort's corporate culture through visits to the CMG History Museum and the 5G green and low-carbon smart port - Mawan Smart Port and CMBL. This experience helped them develop a clearer understanding of the Group's future development and market positioning, facilitating their integration into the workplace more effectively.

Case:

The Group Sponsored the "Asia Robotics Competition – National Day Cup VEX IQ Zhongshan Banfu Tournament"

In October 2024, the Group sponsored the "Asia Robotics Competition – National Day Cup VEX IQ Zhongshan Banfu Tournament" and held in Hong Kong. The event attracted young participants from Hong Kong as well as teams from Shanghai, Zhongshan, and South Korea. With over 400 participants forming more than 60 teams, the competition highlighted the enthusiasm of young people for technology and innovation.

The competition aimed to inspire youth interest in



technological innovation by providing a platform to showcase their talents and skills. Through meticulously designed and programmed robots, participants overcame various challenges, demonstrating outstanding performance. Their creativity, scientific skills, and teamwork spirit reflected the passion and dedication of contemporary youth toward technological exploration.



CICT Sponsors the 2nd "Ambassador's Cup" Intercollegiate Badminton Invitational in Sri Lanka

14 August 2024, the 2nd "Ambassador's Cup" Intercollegiate Badminton Invitational, sponsored by CICT, opened at the University of Colombo in Sri Lanka.



CHARITABLE DONATIONS

In accordance with the requirements of the China Merchants Foundation and relevant regulations, such as the Administration Measures on the Compliance of Donations and Sponsorships and the Administrative Measures for Charitable Donations, the Company carries out charitable donations with clear provisions that the Company oversees all charitable donation activities. When conducting charitable donations, it is imperative to adhere to applicable laws and regulations. The Group's practices should align with national guidelines and policies, ensuring compliance with ethical standards and avoiding violations of social morality. Furthermore, charity activities must not compromise public interests or infringe upon the lawful rights and interests of other citizens. Donations should not be used as a means to gain unfair competitive advantages or other improper benefits in areas such as financing, market access, administrative licensing, or resource acquisition, which ensures that material and dinancial assistance can smoothly bring practical help to the recipients.

Public welfare volunteer services

Donations to China Merchants Foundation	HK\$11 million
Investments in overseas public welfare and charitable activities	USD524,655
Number of overseas community development and public welfare activities conducted	23 times
Total number of overseas employees participating in public welfare and charitable activities	114 person-times
Total hours of overseas employee participating in public welfare and charitable activities	2,820 hours
Number of beneficiaries of overseas projects	39,938 persons

Public welfare and charity investment

The Group is deeply invested in the field of children's public welfare. Through in-depth investigation of the challenges facing rural education and field research, we have transcended geographical constraints, upgraded our approaches, and pooled resources to transform initiatives such as C Blue growth camps and C Blue summer camps into the professional, high-level, systematic C Blue Rural Education Public Welfare Project. Our goal is to provide rural children across the nation with access to education resources on par with those available in major urban centers, thus leveraging the soft power of education to drive forward rural revitalization efforts.



Rural Education Public Welfare Program Reaches Primary Schools in Villages

2024 marks the 10th anniversary of the Group's Rural Education Public Welfare Program and its volunteer team, as well as the fifth year of the program's Children's Growth Camp in rural primary schools. From May 16 to 17, 2024, the Group's volunteer team visited Panshi Primary School in Dahu Town, Lianping County, and Kongmu Primary School and Lian'an Primary School in Qiling Town, Wuhua County. They successfully organized three Growth Camp activities, bringing gifts and blessings to over 300 rural children and engaging them in diverse courses and interactive games, allowing them to celebrate Children's Day in advance.





Rural Education Public Welfare Program Weining Growth Camp

In October 2024, the "Weining Growth Camp & China Merchants Weining Yucai School's 3rd Sports and Arts Festival" was successfully held at China Merchants Weining Yucai School in Weining County, Guizhou Province. More than 5,000 teachers and students participated in the event. This year's program explored a new model by integrating the student growth camp with the sports and arts festival, contributing the Group's public welfare efforts to the development of sports and cultural education for middle school students.



Case:

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SCCT Participated in the 9th Shekou Community Car Free Day

Shekou Community Car-Free Day was the first environmental event in China to close roads for more than 1km in 2016, and has been successfully held for 8 consecutive years up to 2024. The event explored how to make urban roads more welcoming, revitalize the city, strengthen the close ties within the community and enhance the sense of well-being of residents. SCCT explored the impact of port development on the Shekou community with various enterprises and resident representatives, collected feedback and suggestions from the community on port development, gained a deeper understanding of the needs of the Shekou community, and promoted the integration of the port and the community to build a harmonious community.



ESG Public Welfare Volunteer Capacity-Building Training Program

In March 2024, the Group's ESG Public Welfare Volunteer Capacity-Building Training Program was held at China Merchants Port Plaza in Shenzhen. This training was an important initiative to implement the Group's annual work plan regarding public welfare branding and ESG development. The program featured 4 specialized courses, including an introduction to the China Merchants ESG philosophy. It aimed to leverage the "China Merchants Volunteer Support Program", focusing on "community welfare", broadening perspectives on public welfare, enhancing innovation awareness, fostering knowledge sharing, strengthening team cohesion, and building a learning-oriented organization.





CMCS Strengthens Volunteer Team Development

In response to natural attrition due to employee retirements, CMCS has strengthened its volunteer team development, continuously attracting new volunteers to join and expand the team. CMCS has also enhanced incentive and support measures for volunteers, motivating and encouraging their active participation through recognition and rewards.

Case:

Qianhai Bay Property Actively Hosts the "Good Life • Public Welfare +" Shekou Community Charity Festival

From 7 to 8 September 2024, Qianhai Bay Property successfully hosted the "Good Life • Public Welfare +" Shekou Community Charity Festival at Phase I of the Harbour City Shopping Center.





Some Subsidiaries Launch Blood Donation Initiatives

SCCT: During the 20th anniversary of World Blood Donor Day's "Thank You, Blood Donor" campaign, the volunteer team of the South China Operations Center Federation of Labor Unions actively participated, with 52 employees donating a total of 18,900 milliliters of blood.

Zhangzhou Port: Zhangzhou Port issued a blood donation initiative to all employees, with 26 employees participating in voluntary blood donation.



Carring out targeted donations



TCP Provides Urgent Support to Flooded Areas in Rio Grande do Sul, Brazil

At the end of April 2024, Rio Grande do Sul, Brazil, was hit by severe rainstorms and floods, causing significant casualties and property damage. This flood was the most severe recorded in the state and one of the worst natural disasters in Brazils history. TCP dispatched its first batch of relief supplies to the flood-affected areas, helping the region overcome difficulties. The supplies included mattresses, blankets, baby diapers, rice, drinking water, and daily necessities donated by TCP employees.



NPH provides assistance to local community fire victims

In response to the recent fire incident in the Lagoa Canal area of the Kebon Bawang community in Tanjung Priok, NPH immediately organized relief efforts for the affected families. The fire damaged multiple homes, displacing over 250 families and 288 individuals. NPH actively engaged in post-disaster support in collaboration with the community, launching a clothing donation drive to provide second-hand clothing and essential supplies to those affected. Employees of NPH also contributed by donating suitable clothing to help ease the burden on displaced families. Additionally, NPH provided direct relief, including food, bottled water, hygiene kits, and baby care items. Emergency supplies such as blankets, mattresses, and medical supplies were swiftly distributed to the affected areas to ensure victims had access to essential resources during this challenging time.





Appendix I: Table of Performance Indicators

TABLE OF ENVIRONMENTAL PERFORMANCE INDICATORS

Indicator	Unit	2024	2023	2022	
	Addressing Climate Change				
Total GHG Emissions (Scope 1 + Scope 2 + selected catergory of Scope 3)	tCO ₂ e	314,901.26	285,960.43	1	
Total Operational GHG Emissions (Scope 1 + Scope 2)	tCO ₂ e	314,864.70	285,912	290,368	
GHG Emissions per HK\$1 Million Revenue (Scope 1 + Scope 2)	tCO ₂ /HK\$1 million revenue	26.59	24.90	23.15	
Scope 1 Direct GHG Emissions ¹	tCO ₂ e	63,676.26	62,802	70,584	
Scope 2 Indirect GHG Emissions ²	tCO ₂ e	251,188.44	223,110	219,784	
Scope 3 Other Indirect GHG Emissions ³	tCO ₂ e	36.56	48.43	1	
Total GHG Emission Reduction from Projects⁴	tCO ₂ e	2,610	/	/	
GHG Emission Reduction from Equipment Renovation	tCO ₂ e	920	/	/	
GHG Emission Reduction from Fuel Substitution	tCO ₂ e	1,690	/	/	

The "/" in the Table of Performance Indicators signifies that due to changes in the definition or methodology of certain metrics, or the introduction of newly added metrics, it is not possible to reconcile these metrics with historical data from previous years.
ndicator	Unit	2024	2023	2022
	Waste Em	issions		
Total Waste Gas Emissions	kg	2,919,240.60	1	/
Waste Gas Emissions per HK\$1 Million Revenue	kg/HK\$ million	246.52	1	/
Particulate Matter (PM)	kg	2,884,523.50	/	/
Sulfur Oxides (SOx)	kg	192.30	/	/
Nitrogen Oxides (NOx)	kg	34,524.80	34,100	38,280
Volatile Organic Compounds (VOCs)	kg	0	/	/
Fotal Wastewater⁵	tons	800,194.43	847,372.49	570,358.71
Wastewater Discharged per HK\$1 Million Revenue	tons/HK\$ million	67.57	73.80	45.47
Total Industrial Wastewater	tons	100,361.41	/	/
Total Domestic Wastewater	tons	699,833.02	/	/
Fotal Transportation Wastewater ⁶	tons	390	/	/
Chemical Oxygen Demand (COD)	tons	40.01	42.36	24.63
COD per HK\$1 Million Revenue	tons/HK\$ million	0.0034	0.0037	0.0020
Ammonia Nitrogen (NH ₃ -N)	tons	6.40	6.78	3.92
NH₃-N Discharged per HK\$1 Million Revenue	tons/HK\$ million	0.0005	0.0006	0.0003
Fotal Waste Disposed	tons	6,718	7,488	7,723
otal Hazardous Waste	tons	346.96	363	359
Fotal Non-Hazardous Waste	tons	6,371.04	7,125	7,364



Indicator	Unit	2024	2023	2022
	Waste Emission	S		
Density of Hazardous Waste Discharged per HK\$1 million Revenue	tons/HK\$ million	0.0293	0.0316	0.0286
Density of Non-Hazardous Waste Discharged per HK\$1 million Revenue	tons/HK\$ million	0.5380	0.6205	0.5870
Total Amount of General Solid Waste Recycled	tons	2,959.68	3,486	2,586
	Environmental Comp	oliance		
Number of Environmental Violation Penalties	cases	0	0	0
Amount of Environmental Violation Penalties	нк\$	0	0	0
Total Environmental Investment	HK\$10,000	2,006.29	/	1
Total Environmental Investment as a Percentage of Revenue	%	0.17	/	/
Environmental Operating Expenditure	HK\$10,000	2,006.29	/	1
Percentage of ISO 14001 Certified Operational Sites	%	76.92	1	/

ndicator	Unit	2024	2023	2022
	Energy Utiliza	ntion		
otal Energy Consumption ⁷	tons of standard coal	70,376.47	1	1
nergy Usage Intensity per HK\$1 million Revenue	tons of standard coal/ HK\$ million	5.94	1	/
otal Direct Energy Consumption	tons of standard coal	29,724.70	/	/
otal Indirect Energy Consumption	tons of standard coal	40,651.77	/	/
ectricity Consumption	kWh	330,771,082.73	293,451,016	336,716,994
Gasoline Consumption	tons	246.24	268	269
Diesel Consumption	tons	20,062.54	19,788.63	22,141
Natural Gas Consumption ⁸	cubic meters	0	0	153,283
Other Energy Consumption	tons of standard coal	129.26	/	/
Clean Energy Consumption ⁹	10,000 kwh	11,339.25	8,473.23	8,145.93
Percentage of Clean Energy Consumed	%	19.80	/	/
Renewable Energy Consumption	tons of standard coal	13,935.94	10,408.09	10,006.05
Percentage of Renewable Energy Consumed	%	19.80	/	/
	Water Utiliza	tion		
Total Water Consumption ¹⁰	tons	883,905.07	/	1
Water Usage Intensity ¹¹ per HK\$1 million Revenue	tons/HK\$ million	142.21	1	/
Water Withdrawal (Excluding Saline Water) ¹²	cubic meters	1,684,099.50	1,946,899	2,101,286
Water Discharge (Excluding Saline Water) ¹³	cubic meters	800,194.43	1	/
Total Water Recycled and Reused	tons	23,576.40	25,407	20,603
Percentage of Total Water Recycled And Reused	%	1.38	1.30	0.98

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Appendix I: Table of Performance Indicators

Explanation:

- 1. Scope 1 GHG emissions here are the direct GHG emissions from fossil fuels consumed by vehicles and machinery. The carbon dioxide emission factor of fossil fuels adopted is the calculation factor issued by the local government or authority.
- 2. Scope 2 GHG emissions here are the indirect GHG emissions from purchased electricity. The carbon dioxide emission factor of electricity adopted is the calculation factor issued by the local government or authority.
- 3. Scope 3 GHG emissions here originate from all indirect emissions within the Company's value chain (excluding those covered in Scope 2). Scope 3 includes CO₂ emissions from air travel for business trips. Emission factors refer to the *China Product Life Cycle Greenhouse Gas Emission Coefficient Database and the Guidelines for Carbon Neutrality Emission Accounting in Guangzhou*, among others. The calculation is based on the following factors: 0.08821kgCO₂/km for short-haul air travel (3,700km) and 0.09374kgCO₂/km for long-haul air travel (>3,700km).
- 4. Total GHG Emission Reduction from Projects is derived from the sum of GHG Emission Reduction from Equipment Renovation and GHG Emission Reduction from Fuel Substitution.
- 5. Total Wastewater=Total Industrial Wastewater + Total Domestic Wastewater
- 6. The scope of statistics includes the subsidiaries using barges (Shantou Port, Zhangzhou Port, Xia Men Bay Terminals and CICT). Total Transportation Wastewater is calculated in the combination of Total Industrial Wastewater and Total Domestic Wastewater.
- 7. According to the GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy Consumption, 1 kilowatt-hour (kWh) = 0.1229 kgce (kilogram of standard coal equivalent), the heat equivalent standard coal coefficient is 0.03412 kgce/MJ, the gasoline equivalent standard coal coefficient is 1.4714 kgce/kg, and the diesel equivalent standard coal coefficient is 1.4571 kgce/kg. The total direct energy consumption in 2024 includes coal, gasoline, diesel, natural gas, and other energy sources. The total indirect energy consumption in 2024 refers to electricity purchased from external sources.
- 8. In 2023, the Group phased out the use of natural gas vehicles to cease the consumption of natural gas.
- 9. It mainly consists of photovoltaic power generation and purchased green power.
- 10. Total water consumption = water withdrawal (excluding saline water) water discharge (excluding saline water)
- 11. This primarily refers to the intensity of water withdrawal.
- 12. Water Discharge refers to water that leaves the organizational boundary and is discharged to surface water, groundwater or third parties during the reporting year. Water Discharge = Water Withdrawal Total Water Consumption
- 13. It consists of water recycling.

TABLE OF SOCIAL PERFORMANCE INDICATORS

Indicator	Unit	2024	2023	2022		
	Employment					
Total Number of Full-time Employees	persons	8,713	7,749	8,425		
Total Number of Employees (Including Part-time Employees)	persons	26,620	/	/		
By Gender						
Number of Male Full-time Employees	persons	7,463	6,498	7,062		
Number of Female Full-time Employees	persons	1,250	1,251	1,363		
Percentage of Female Full-time Employee	%	14.3	16.1	16.2		
	By Age					
Employees Aged under 30	persons	2,146	/	/		
Employees Aged 30-50	persons	5,257	/	/		
Employees Aged over 50	persons	1,310	/	/		
	By Employment Na	ature				
Total Number of Full-time Employees	persons	8,713	7,749	8,425		
Total Number of Part-time Employees	persons	954	/	/		
Total Number of Contract Workers	persons	8,300	1	1		
Total Number of Outsourced Employees	persons	8,653	/	/		
	By Country/Regi	on				
Chinese Mainland and Hong Kong, Macao, and Taiwan Employees	persons	4,599	4,687	5,476		
Overseas Employees	persons	4,114	3,062	2,949		
Employee Turnover Rate	%	5.2	4.9	6.5		
Employee Voluntary Turnover Rate	%	2.9	/	/		

Indicator	Unit	2024	2023	2022			
	Employmen	t					
	By Gender						
Male Employee Turnover Rate	%	5.1	4.6	6.3			
Female Employee Turnover Rate	%	6.1	7.0	7.9			
By Age							
Turnover Rate of Employees Aged under 30	%	5.7	/	/			
Turnover Rate of Employees Aged 30-50	%	5.8	/	/			
Turnover Rate of Employees over 50	%	2.0	/	/			
By Country/Region							
Turnover Rate of Employees from Mainland China, as well as Hong Kong, Macao, and Taiwan	%	2.0	3.0	3.3			
Turnover Rate of Overseas Employees	%	8.8	8.5	18.1			
Percentage of Female Employees in the Senior Management	%	18.7	18.1	/			
Percentage of Female Employees in the Management	%	21.3	/	/			
Percentage of Female Employees in Revenue-Generating Roles	%	25.6	27.3	/			
Percentage of Female Employees in STEM Positions	%	6.9	7.7	/			
Labor Union Membership Rate of Employees from Mainland China	%	100	100	100			
Number of Minority Employees	persons	69	/	/			
Percentage of Minority Employees	%	0.8	/	/			
Number of Local Employees in Operational Locations	persons	6,529	/	1			
Percentage of Local Employees	%	74.9	/	/			

ndicator	Unit	2024	2023	2022
	Emplo	yment		
	By Counti	y/Region		
Number of Employees with Disabilities	persons	79	/	/
Percentage of Employees with Disabilities	%	0.9	/	/
Number of New Hires	persons	772	/	/
Human Capital Return on Investment ²	%	218.88	/	/
	Employee Develop	ment and Training		
Number of Employee Training Sessions	sessions	14,967	/	/
Total Employee Training Expenditure	HK\$10,000	721.9	/	/
Employee Training Investment per HK\$1 Million Revenue	НК\$	609.6	/	/
Employee Training Coverage Rate	%	100	/	/
Number of Male Employees Trained	persons	7,463	/	/
Number of Female Employees Trained	persons	1,250	/	/
Average Training Hours for Male Employees	hours	29.4	22.8	20.3
Average Training Hours for Female Employees	hours	33.1	39.9	35.5
Number of Senior Management Members Trained	persons	77	/	/
Number of Middle Management Members Trained	persons	513	/	/
Number of Ordinary Employees Trained	persons	1,812	/	/
Average Training Hours for the Senior Management	hours	35.63	34.8	31
Average Training Hours for the Middle Management	hours	37.10	37.5	33.4
Average Training Hours for the Ordinary Employees	hours	89.40	103.9	92.4

dicator	Unit	2024	2023	2022
	Occupational Healt	n and Safety		
Percentage of Operational Locations Covered by the Companys Health and Safety Policy	%	100	100	100
Audit Frequency of the Companys Health and Safety Policies and Practices	times/year	1	1	1
Percentage of ISO 45001-Certified Operational Locations	%	30.7	23	/
Occupational Disease Incidence Rate	%	0	0	0
Number of Work-Related Fatalities	persons	0	0	0
Work-Related Fatality Rate (Fatality Rate)	%	0	0	0
Number of Work-Related Fatalities per RMB100 Million Revenue	persons	0	0	0
Number of Work-Related Injuries (Full-time Employees)	persons	2	/	/
Number of Work-Related Injuries (Contractors)	persons	6	/	/
Work-Related Injury Rate ³ (Full-time Employees)	%	0.02295	/	/
Injury Rate per 1,000 Employees ⁴ (Full-time Employees)	per 1,000 employees	0.2295	/	/
Recorded Work-related Injuries	Cases	8	5	9
Lost Workdays Due to Work-related Injuries (including Full-time Employees and Contractors)	days	315.5	406	342
Lost Workdays Due to Work-Related Injuries per HK\$1 Million Revenue	days	0.03	/	/
Number of Workdays of Full-time Employees Due to Work-Related Injuries	days	17	/	/
Number of Workdays of Contractors Due to Work-Related Injuries	days	298.5	/	/
Total Number of Lost Working Hours (Including Full-time Employees and Contractors)	hours	2,524	3,248	2,736
Total Number of Lost Working Hours of Full-time Employees	hours	136	/	/

ndicator	Unit	2024	2023	2022
	Occupational He	alth and Safety		
otal Number of Lost Working Hours of Contractors	hours	2,388	/	/
ost Time Injury Rate (LTIR) – Full-time Employees⁵	per 1 million working hours	3.50	/	/
ost Time Injury Rate (LTIR) – Contractors ⁶	per 1 million working hours	135.86	/	/
WD Rate Due to Work-Related Injuries – Employees ⁷	per 200,000 working hours	0.09	/	/
WD Rate Due to Work-Related Injuries – Contractors ⁸	per 200,000 working hours	3.40	/	/
ost Time Injury Frequency Rate (LTIFR) per One Million Working Hours – Full-time Employees ⁹	per 1 million working hours	0.05	/	/
ost Time Injury Frequency Rate (LTIFR) per One Million Working Hours – Contractors ¹⁰	per 1 million working hours	0.34	/	/
njury Rate Per One Million Working Hours– Employees ¹¹	per 1 million working hours	0.05	/	/
njury Rate Per One Million Working Hours– Contractors ¹²	per 1 million working hours	0.34	/	/
mployee Work-Related Injury Insurance Coverage Rate	%	100	100	100
afety Training Hours ¹³	hours	270,214	/	/
verage Safety Training Hours per Capita	hours	31.01	/	/
Vorkplace Safety Investment ¹⁴	HK\$10,000	5,007.53	/	/
ercentage of Workplace Safety Investment in Revenue	%	0.42	/	/
mount of Investment in Domestic Employee Workplace Safety Liability Insurance	HK\$10,000	55.60	/	/
omestic Employee Workplace Safety Liability Insurance Coverage Rate	%	100	/	/
mount of Investment in Overseas Employee Workplace Safety Related Insurance	HK\$10,000	2,162.59	/	/
Oversea Employee Workplace	%	100	/	/

Appendix I: Table of Performance Indicators

Indicator	Unit	2024	2023	2022
	Research an	d Innovation		
Number of Patents Used in Core Business	patents	24	/	/
Number of Patent Applications	applications	32	/	44
Number of Patents Granted	patents	24	/	31
Number of Valid Patents	patents	168	/	/
Number of Valid Patents per RMB1 Million Revenue	patents	0.01	/	/
Number of Software Copyrights	copyrights	223	/	/
Number of Software Copyrights per RMB1 Million Revenue	copyrights	0.02	/	/

ndicator	Unit	2024	2023	2022
	Supply Chai	n Management		
otal Number of Suppliers	companies	4,653	2,615	5,976
lumber of Suppliers in Mainland China	companies	2,017	681	2,368
Jumber of Suppliers Overseas and in Hong Kong, Macao, and Taiwan	companies	2,636	1,934	3,608
Number of Key Suppliers	companies	38	/	/
Jumber of Suppliers Found Non- Compliant in Assessments	companies	23	/	/
Number of Suppliers Assessed for Environmental, Labor, and Ethical Performance in accordance with the Companys Supplier Assessment System	companies	2,017	/	1
Percentage of Key Suppliers Assessed for Environmental, Labor, and Ethical Performance in accordance with the Companys Supplier Assessment System	%	100	/	1
Number of Suppliers Identified with Significant Actual/Potential Negative Impact upon Assessment	companies	23	/	/
Percentage of Suppliers with Corrective Actions/Improvement Plans for Significant Actual/Potential Negative Impact	%	0	/	1
Jumber of Terminated Suppliers with Significant Actual/Potential Negative Impact	companies	23	/	/

Appendix I: Table of Performance Indicators

Indicator	Unit	2024	2023	2022		
	Product Liability and Customer Service					
Number of Product and Service Complaints	cases	0	0	/		
Amount Involved in Major Safety and Quality Liability Incidents Related to Products and Services	HK\$10,000	0	0	/		
Number of Customer Complaints per HK\$1 Million Revenue	cases	95.73	94.22	/		
Customer Satisfaction	%	0	0	1		
	Information Security and Pri	vacy Protection				
Number of Customer Privacy and Data Breaches	cases	0	0	0		
Amount Involved in Data Security Incidents	НК\$	0	0	0		
Amount Involved in Customer Privacy Leaks	НК\$	0	0	0		
Total Number of Information Security Vulnerabilities	Cases	0	0	0		
Total Number of Customers and Employees Affected by Information Security Violations	persons	0	0	0		

Indicator	Unit	2024	2023	2022	
Community Investment and Charity					
Total Community Investment	HK\$10,000	181	1	1	
Total Community Service Hours	hours	27,594	1	1	
Amount of Public Welfare Donations	HK\$10,000	1,100	1,000	2,000	
Number of Employees Participating in Voluntary Services	persons	5,506	910	1,739	
Total Voluntary Service Hours	hours	27,594	13,518	23,922	
Average Voluntary Service Hours per Employee ¹⁵	hours	3.17	1.74	2.84	

Explanation:

- 1. Total number of employees including full-time employees, part-time employees, contract workers and outsourced workers
- 2. Human Capital Investment Return Rate = [Revenue (Operating Expenses Employee Salaries and Benefits Expenses)]/Employee Salaries and Benefits Expenses
- 3. Injury Rate = Number of Injuries (full-time employees)/Total Number of Employees x 100%. Unless otherwise specified, the term "employee" in the work-related injury metrics of the performance table refers to full-time employees.
- 4. Injury Rate per 1,000 Employees = Number of Injuries (Employees)/(Total Number of Employees/1,000)
- 5. LTIR of Employees = Employee Lost Time x 1,000,000/Total Working Hours
- 6. LTIR of Contractors = Contractor Lost Time x 1,000,000/Total Working Hours
- 7. LWD of Employees = Total Number of Employee Lost Workdays x 200,000/Employee Working Hours
- 8. LWD of Contractors = Total Number of Contractor Lost Working Days x 200,000/Employee Working Hours
- 9. LTIFR of Employees = (Number of Employee Lost Time Injuries)/(Total Number of Employee Working Hours) x 1,000,000
- 10. LTIFR of Contractors = (Number of Contractor Lost Time Injuries)/(Total Contractor Working Hours) x 1,000,000
- 11. Injury Rate Per One Million Working Hours of Employees = Number of Employees Injured/Total Working Hours x 1,000,000
- 12. Injury Rate Per One Million Working Hours of Contractors = Number of Contractors' Employees Injured/Total Working Hours x 1,000,000
- 13. The statistics include the number of safety training hours for employees in safety management positions, and the scope of data does not include LCT.
- 14. The scope of data on workplace safety investment does not include LCT.
- 15. Average Voluntary Service Hours per Employee = Total Voluntary Service Hours/Total Number of Full-time Employees

TABLE OF GOVERNANCE PERFORMANCE INDICATORS

ndicator	Unit	2024	2023	2022
Board of Directors				
Number of Board Meetings	meetings	15	12	8
Number of Audit Committee Meetings	meetings	8	2	3
Number of Remuneration Committee Meetings	meetings	1	1	1
Number of Nomination Committee Meetings	meetings	1	2	3
Number of Executive Directors	persons	3	3	4
Number of Non-executive Directors	persons	2	3	3
Number of Independent Non-executive Directors	persons	5	5	5
Number of Independent Directors	persons	5	5	5
Percentage of Independent Directors	%	50	45.45	41.67
Percentage of Independent Directors in the Audit Committee	%	100	100	100
Percentage of Independent Directors in the Remuneration Committee	%	100	80	80
Percentage of Independent Directors in the Nomination Committee	%	75	80	80
Number of Female Directors	persons	2	2	2
Percentage of Female Directors	%	20	18.18	16.67

Indicator	Unit	2024	2023	2022
	Board of Directo	rs		
Average Tenure of Board Members	years	3.90	2.72	3.20
Average Number of Attendees at Board Meetings	persons	10	/	/
Average Attendance Rate of Board Members at Board Meetings	%	96.67	97.73	98.96
Number of Directors Attending Less Than 75% of Meetings	persons	0	0	0
Number of Independent or Non- executive Directors with Industry Experience	persons	2	3	3
Number of Directors with Risk Management Expertise	persons	2	2	1

ndicator	Unit	2024	2023	2022
	Compliance ar	d Business Ethics		
Frequency of Business Ethics Audits	times/year	3	3	1
Employee Business Ethics Training Coverage Rate	%	100	100	100
Supplier Anti-Corruption Policy Coverage Rate	%	100	100	100
Number of Management Members Receiving Anti-Business Bribery and Anti-Corruption Training	persons	3	/	1
Percentage of Management Members Receiving Anti-Business Bribery and Anti-Corruption Training ¹	%	100	1	1
Number of Employees Receiving Anti-Business Bribery and Anti-Corruption Training	persons	8,713	7,749	8,425
Percentage of Employees Receiving Anti-Business Bribery and Anti-Corruption Training	%	100	100	100
Number of Business Bribery and Corruption Lawsuits during the Reporting Period	Cases	0	0	0
Number of Lawsuits and Major Administrative Penalties Due to Improper Company Conduct during the Reporting Period	Cases	0	0	0
Amount Involved in Lawsuits and Major Administrative Penalties Due to Improper Company Conduct during the Reporting Period	НК\$	0	0	0
Number of Major Corruption or Bribery Incidents	Cases	0	0	0
Number of Major Discrimination or Harassment Incidents	Cases	0	0	0
Number of Major Conflict-of-Interest Incidents	Cases	0	0	0
Number of Major Money Laundering or Insider Trading Incidents	cases	0	0	0

Explanation:

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1. The Management here refers to the CEO, General Manager and senior management members identified by the Board of Directors.

Appendix II: Index of the ESG Reporting Code of HKSE

Mandatory disclosure req	uirements	Disclosure	Location/Remarks	
Governance structure	 A statement from the Board which contains: a disclosure of the Board's oversight of ESG issues; the Board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (e.g., risks to the issuer's businesses); and how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	V	The Board's Statement	
Reporting principles	Issuers should adhere to the reporting principles of materiality, quantification, balance and consistency in the ESG reports.	\checkmark	Reporting Guideline	
Reporting scope	A narrative explanation of the reporting boundaries of the ESG report and a description of the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change	\checkmark	Reporting Scope	

PART C: "COMPLY OR EXPLAIN" PROVISIONS

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
		Environmental		
A1: Emissions	General Disclosure	 (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes 	A	Green and Ecological Port
	A1.1	The types of emissions and respective emission data	\checkmark	Green and Ecological Port
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	\checkmark	Green and Ecological Port
	A1.4	A description of emission target(s) set and steps taken to achieve them.	\checkmark	Appendix I
	A1.5	Total hazardous non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	\checkmark	Green and Ecological Port
	A1.6	A description of how hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	V	Green and Ecological Port

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks	
Environmental					
A2: Resource	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	\checkmark	Green and Ecological Port	
Utilization	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	V	Appendix I	
	A2.2	Water consumption in total and density (e.g. per unit of production volume, per facility).	\checkmark	Appendix I	
	A2.3	A description of energy use efficiency target(s) set and steps taken to achieve them.	\checkmark	Green and Ecological Port	
	A2.4	A description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	٦	Green and Ecological Port	
	A2.5	Total packaging material used for finishing products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicabl	e to principal business	
A3: Environment and Natural	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	\checkmark	Green and Ecological Port	
Resources	A3.1	A description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	\checkmark	Green and Ecological Port	

Appendix II: Index of the ESG Reporting Code of HKSE

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks	
		Social			
B1: Employment	General Disclosure	 (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti- discrimination, and other benefits and welfare. 	V	Employee Development	
	B1.1	Total workforce by gender, employment type, age group and geographical region.	\checkmark	Appendix I	
	B1.2	Employee turnover rate by gender, age group and geographical region.	\checkmark	Appendix I	
B2: Health and Safety	General Disclosure	 (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	\checkmark	Safety and Health Guarantee	
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	V	Appendix I	
	B2.2	Lost days due to work injury.	\checkmark	Appendix I	
	B2.3	A description of occupational health and safety measures adopted, and how they are implemented and monitored.	\checkmark	Safety and Health Guarantee	
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. A description of training activities.	\checkmark	Employee Development	
	B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	\checkmark	Appendix I	
	B3.2	Average training hours completed per employee by gender and employee category.	\checkmark	Appendix I	

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
		Social		
B4: Labor Standards	General Disclosure	 (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. 	\checkmark	Employee Development
	B4.1	A description of measures to review employment practices to avoid child and forced labor.	\checkmark	Employee Development
	B4.2	A description of steps taken to eliminate such practices when discovered.	\checkmark	Employee Development
B5: Supply	General Disclosure	Policies on managing environmental and social risks of the supply chain.	\checkmark	Sustainable Supply Chain
Chain	B5.1	Number of suppliers by geographical region.	\checkmark	Appendix I
Management	B5.2	A description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	V	Sustainable Supply Chain
	B5.3	A description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	V	Sustainable Supply Chain
	B5.4	A description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	V	Sustainable Supply Chain

Appendix II: Index of the ESG Reporting Code of HKSE

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
		Social		
B6: Product Responsibility	General Disclosure	 (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	V	Improving Service Quality
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicabl	e to principal business
	B6.2	Number of products and service related complaints received and how they are dealt with.	\checkmark	Appendix I
	B6.3	A description of practices relating to observing and protecting intellectual property rights.	\checkmark	Operation with Integrity and Compliance
	B6.4	A description of quality assurance process and recall procedures.	Not applicabl	e to principal business
	B6.5	A description of consumer data protection and privacy policies, and how they are implemented and monitored.	\checkmark	Operation with Integrity and Compliance
B7: Anti- Corruption	General Disclosure	 (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	\checkmark	Operation with Integrity and Compliance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Ń	Appendix I
	B7.2	A description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	\checkmark	Operation with Integrity and Compliance
	B7.3	A description of anti-corruption training provided to directors and employees	\checkmark	Operation with Integrity and Compliance

Aspects	Indicators	Indicator Content	Disclosure	Location/Remarks
		Social		
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	1	Harmonious Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	\checkmark	Harmonious Community
	B8.2	Resources contributed (e.g. money or time) to the focus area	V	Harmonious Community Appendix I

PART D: CLIMATE-RELATED DISCLOSURES

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Clause	Requirements	Disclosure	Location/Remark	
(I) Governance	Disclose information about the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	\checkmark	TACKLING CLIMATE CHANGE Climate governance	
	Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	\checkmark		
(II) Strategy	Climate-related Risks and Opportunities	\checkmark	TACKLING CLIMATE	
	Business Model and Value Chain	\checkmark	CHANGE	
	Strategy and Decision-Making	\checkmark	Climate Change Response	
	Financial Position, Financial Performance and Cash Flow	\checkmark	Strategy Climate action	
	Climate Resilience	\checkmark	Climate action	
(III) Risk Management	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks	\checkmark	TACKLING CLIMATE CHANGE	
	The processes it uses to identify, assess, prioritise and monitor climate-related opportunities		Risk management	
	The extent to which, and the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	\checkmark	-	
(IV) Metrics	Greenhouse gas emissions	\checkmark	TACKLING CLIMATE	
and Targets	Climate-related transition risk	\checkmark	CHANGE	
	Climate-related physical risk	\checkmark	Targets and metrics	
	Climate-related opportunities	\checkmark	Appendix I	
	Capital deployment	\checkmark	Improving environmental management	
	Internal carbon prices	N/A	N/A	
	Remuneration	\checkmark	ESG governance system	
	Industry-based metrics	\checkmark	TACKLING CLIMATE	
	Climate-related targets	\checkmark	CHANGE Targets and metrics	

Definitions

In this ESG report, unless the context otherwise requires, the following expression shall have the following meanings:

2024 Annual Report	the annual report of the Company for the year of 2024
Al	Artificial Intelligence
AR6	the Sixth Assessment Report
Articles of Association	the articles of association of the Company, as amended from time to time
Audit Committee	the audit committee of the Company
Board	the board of directors of the Company
Board Diversity Policy	the board diversity policy of the Company
BTOS	Bulk Cargo Terminal Operation System
CEO	the Company's Chief Executive Officer
CICT	Colombo International Container Terminals Limited
CMBL	China Merchants Bonded Logistics Co., Limited
CMCS	China Merchants Container Services Limited
CMG	China Merchants Group Limited
CMITQ	China Merchants International Terminal (Qingdao) Co., Ltd.
CMPS	China Merchants Port Service (Shenzhen) Co., Ltd.
CTOS	Container Terminal Operating System
CVaR	Carbon Value-at-Risk
Director(s)	the director(s) of the Company
ECM	Energy and Carbon Management Platform
ESG	the Environmental, Social and Governance
ESG Committee	the Environmental, Social and Governance Committee of the Company
ESG Reporting Code	the Environmental, Social and Governance Reporting Code set out in Appendix C2 of the Listing Rule
EU	the European Union
GRI Standards	GRI Sustainability Reporting Standards
GSSB	The Global Sustainability Standards Board
HIPG	Hambantota International Port Group (Private) Limited
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
HKSE	The Stock Exchange of Hong Kong Limited
Hong Kong	the Hong Kong Special Administrative Region of the PRC
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS S2 Climate-related Disclosures
loT	the Internet of Things
IPCC	Intergovernmental Panel on Climate Change
Kumport	Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim irketi



LCT	Lomé Container Terminal S.A.
Listing Rules	the Rules Governing the Listing of Securities on the HKSE
Mawan Smart Port	the automated terminals in the area of Mawan, Shenzhen
Nomination Committee	the nomination committee of the Company
NPH	PT Nusantara Pelabuhan Handal Tbk, shares of which are listed on the Indonesia
	Stock Exchange (stock code: PORT)
PRC	the People's Republic of China
Qianhai Bay Property	China Merchants Qianhai Bay Property Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
Remuneration Committee	the remuneration committee of the Company
Safety Committee	the Work Safety Management Committee
SCCT	China Merchants Port (South China) Management Center
Shantou Port	Shantou China Merchants Port Group Co., Ltd.
SMP	Smart Management Platform
SSP	Shared Socioeconomic Pathways
ТСР	TCP Participações S.A.
TEU	twenty-foot equivalent unit
the Company/CMPort	China Merchants Port Holdings Company Limited, shares of which are listed or the HKSE (stock code: 00144)
the Group/we	the Company and its subsidiaries
the Report	the Environmental, Social and Governance Report
the Reporting Period	the reporting period is from 1 January 2024 to 31 December 2024
ton	tonne
UNSDGs	the United Nations Sustainable Development Goals
USD	United States dollars, the lawful currency of the United States of America
Xia Men Bay Terminals	Xia Men Bay China Merchants Terminals Co., Ltd.
Zhangzhou Port	Zhangzhou China Merchants Port Co., Ltd.
%	per cent

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