



COSCO SHIPPING Ports Limited
中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)



PUSHING SUSTAINABILITY FORWARD

Sustainability Report 2020





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CHAPTER 1 ABOUT THIS REPORT



COSCO SHIPPING Ports and its subsidiaries (the “Subsidiaries”) as well as its joint ventures and associates (the “Non-controlling Terminals”) are committed to considering sustainability in our daily operations and business strategy. We believe that integrating sustainability into our business is the key to become a market leader. This report is the fifth corporate sustainability report after the restructuring of COSCO SHIPPING Ports, and aims to provide a timely, accurate and comprehensive account with an annual update on the Group’s sustainability work to various stakeholders. We continue to echo with the United Nations Sustainable Development Goals (the “SDGs”) while fulfilling our corporate social responsibility to promote sustainability and create positive and long-term value for our stakeholders.



REPORTING STANDARD

This Report follows all the “comply or explain” provisions under the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “SEHK”), and is prepared in accordance with the “Core” option of the Global Reporting Initiative (the “GRI”) standards.

REPORTING PRINCIPLES

This report adheres to the Reporting Principles set out in the ESG Reporting Guide, including materiality, quantitative, balance and consistency:

- **Materiality:** The Group regularly engages with stakeholders to identify material issues. The board of directors confirms the materiality and reports accordingly.
- **Quantitative:** This report provides the key performance data of the past three years, and clearly states the standards of calculation, methods and assumptions.
- **Balance:** This report provides an unbiased perspective of the environmental, social and governance (“ESG”) performance of the Group in 2020 to avoid influencing reader’s decision making and judgement.
- **Consistency:** The key performance data in this report is calculated using consistent methodology for meaningful comparisons in the future. Any changes in the calculation methodology or key performance indicators will be indicated in the footnotes.

REPORTING SCOPE

This report describes the ESG performance and initiatives of the Group for the period from 1 January to 31 December 2020. As at 31 December 2020, the Company had a total of 14 Subsidiaries and 31 Non-controlling Terminals. The reporting scope remains the same as 2019, covering 13 Subsidiaries and 13 Non-controlling Terminals, accounting for approximately 72.0% of the Group's equity throughput in 2020.

26 Terminals within the Scope of this Report¹

Subsidiaries	Non-controlling Terminals
China	China
1. Quan Zhou Pacific Terminal	1. Asia Container Terminal
2. Jinjiang Pacific Terminal	2. COSCO-HIT Terminal
3. Xiamen Ocean Gate Terminal	3. Yingkou New Century Terminal
4. CSP Wuhan Terminal	4. Yingkou Container Terminal
5. Lianyungang New Oriental Terminal	5. Shanghai Pudong Terminal
6. Jinzhou New Age Terminal	6. Shanghai Mingdong Terminal
7. Nantong Tonghai Terminal	7. Ningbo Yuan Dong Terminal
8. Guangzhou South China Oceangate Terminal	8. Dalian Container Terminal
	9. Yantian Terminal Phases I & II ²
Overseas	10. Yantian Terminal Phase III ²
9. Piraeus Terminal (Greece)	11. Guangzhou Nansha Stevedoring Terminal
10. CSP Zeebrugge Terminal (Belgium)	Overseas
11. CSP Abu Dhabi Terminal (United Arab Emirates)	12. COSCO-PSA Terminal (Singapore)
12. CSP Valencia Terminal (Spain) ³	13. Kumport Terminal (Turkey)
13. CSP Bilbao Terminal (Spain) ³	

¹ The full names of the terminals are set out on pages 113-114 of this report.

² Yantian Terminal Phases I & II and Yantian Terminal Phase III are collectively called Yantian Terminals.

³ CSP Valencia Terminal and CSP Bilbao Terminal are collectively called CSP Spain Related Companies.

INDEPENDENT VERIFICATION

This report has been verified by Hong Kong Quality Assurance Agency (“HKQAA”), an independent third party, to ensure the accuracy and reliability of information. The verification statement is set out on page 111 of this report.

ENDORSEMENT AND APPROVAL

This report was endorsed and approved by the board of directors (the “Board”) of COSCO SHIPPING Ports in March 2021.

ACCESS TO THIS REPORT

This report is published as an electronic PDF and can be downloaded from the corporate website of COSCO SHIPPING Ports: <https://ports.coscoshipping.com/en/Sustainability/ReportsonSustainability/>.

FEEDBACK AND COMMENT

Please feel free to share your comments and suggestions on this report or our sustainability performance with us. Contact details are as follows:

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CHAPTER 2

CHAIRMAN'S MESSAGE



FENG Boming
Chairman

Despite the fact that novel coronavirus pneumonia epidemic casted immense challenges to the ports and shipping industry and the societies worldwide in 2020, COSCO SHIPPING Ports proactively overcame the hardships amid the epidemic and external economic impacts by staying united, with an aim to maintaining epidemic prevention and normal business operations. We strived to ensure the safety and stability of our terminal companies, as well as support and protect the livelihoods in the society.

I am pleased to present the Sustainability Report 2020 of COSCO SHIPPING Ports to share updates on our latest developments in sustainable development last year.



In the first half of 2020, amid economic downturn from the epidemic and trade reduction due to city lockdowns and closure of factories, the unexpected public health emergency imposed unprecedented impacts towards our operations. The decrease in the demand for shipping at the beginning of the epidemic affected our total throughput for the first half of the year. However, we fought against all odds and swiftly responded by setting up a leading group to coordinate epidemic prevention measures. On one hand, we provided epidemic control guidelines and resources to our terminals, protecting the health and safety of our employees. On the other hand, we facilitated the communications between our terminals and clients to ensure smooth operations. Due to the effective implementation of our epidemic prevention measures, we saw a sign of recovery since May, and the total throughput for 2020 remained stable as compared with last year.

Despite external challenges, we continue to uphold sustainable development and implement various measures to overcome the hardships with the communities. During the outbreak of the epidemic, there was a severe shortage of medical supplies and protective equipment. We promptly mobilised our Subsidiaries by implementing “green lanes” for ships and vehicles carrying epidemic prevention materials and waived the fees of using port warehouse yards to prioritise berthing and operation and speed up unloading, inspection, collection and delivery processes with an aim to ensuring immediate delivery of these materials to the frontline.

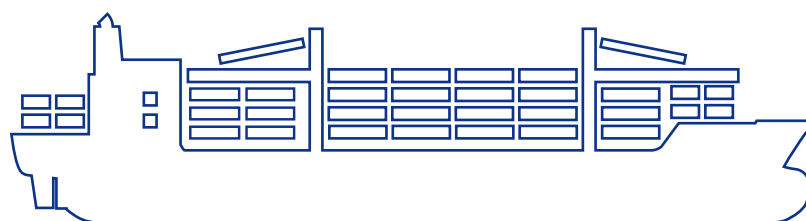
Besides, we observe an increasing severity of global warming. We are aware that crises like extreme weather events, rising sea levels and persistent high

temperatures and the implementation of long-term policies by governments and regulators supporting climate actions will pose challenges to the ports and shipping industry. China has proposed to accelerate green development, and aims to peak carbon dioxide emissions by 2030 and for carbon neutrality by 2060. Amid this goal, we will continue to mobilise our terminals to reduce emissions and conserve energy, and proactively facilitate the construction of green ports and smart terminals to combat climate change.

Our efforts in sustainable development are well recognised by the market, where we received several awards in 2020. These awards include the “Sustainability and Social Responsibility Reporting Awards (Special Mention)” by The Hong Kong Institute of Certified Public Accountants, “Citation for Environment, Social and Governance Disclosure” by The Hong Kong Management Association, “Most Socially Responsible Port Operator” by Global Business Outlook Magazine and “Most Sustainable Company (Ports sector) Hong Kong” and “Best CSR Company (Ports sector) Hong Kong” by International Business Magazine, among others. We will continue to make persistent efforts to enhance our ESG performance and information disclosure, and to participate in more international sustainability ratings to gain stakeholder and market recognition.

Despite the fact that continuing global epidemic has brought lingering uncertainties towards the economy, we will persevere in facilitating stable development, implementing sustainable development and creating long-term value through collaboration with stakeholders.

FENG Boming
Chairman



CHAPTER 3

MANAGING DIRECTOR'S MESSAGE



ZHANG Dayu
Managing Director

Pressing issues such as the novel coronavirus pneumonia epidemic, safe operations and climate crisis have caused huge impacts across the globe, changing the way businesses operate. Stakeholders have increased concerns on how corporates respond to these crises while ensuring their sustainable development. Despite the challenges faced, COSCO SHIPPING Ports will continue to uphold sustainable development to protect the interests of different stakeholders and create long-term value.

The unprecedented public health incident in 2020 has driven corporates to explore and ponder on solutions to cope with crises and minimise the impacts caused. In the times of the epidemic, protecting the health and safety of employees is the key to fight against the epidemic. After the outbreak, we swiftly took contingency measures, including deploying epidemic prevention work, providing resources to employees, adopting flexible work arrangement and strengthening regular disinfection in workplace. We strive to minimise the risk of virus transmission to protect our employees and terminal operators.



At the same time, we duly care about the potential safety risks in our daily operations and strive to create a safe and healthy working environment. During the year, we revised and improved systems and emergency plans on safety management and safety hazard risk management by consolidating and ranking risks, formulating control measures and strengthening safety risk management and control. Management conducted on-site investigations from time to time to guide and supervised the safety conditions of our terminals, ensuring effective implementation of our safety measures. In addition, we organised safety management experience sharing conference, where we invited experts to share their experience with our terminals to enhance port safety management capabilities.

In addition to ensuring safe operations, we make every effort to promote the development of our terminals. Realising that we must continue to innovate in our business, we explore applications of big data and digitalisation and seize every opportunity brought by technology. During the year, we made further progress of our 5G smart port through partnering with Dongfeng Corporation and China Mobile. In September, the first batch of six 5G driverless container trucks were officially delivered at Xiamen Ocean Gate Terminal, providing safe, reliable and efficient operations through smart networks and high location accuracy, building the cornerstone for the construction of smart ports.

In addition, upholding the concept of green ports, we integrate green development into actual operations. During the year, we continued to promote the implementation of shore power systems, “diesel-to-power” conversion of rubber tyre gantry cranes and LED lighting installations to reduce carbon emissions. As terminals are located in coastal areas, they are affected by climate events like typhoons and heavy rains of varying intensity every year. Therefore, we attach great importance to typhoon and flood prevention. During the year, we revised and improved systems and emergency plans on typhoon and flood prevention to formalise the procedures for typhoon and gust prevention and strengthen drills against typhoons. We strive to improve on our resilience in the future.

Apart from developing our business, we are active in fulfilling our corporate citizen responsibilities through donations, sponsorships and volunteering to contribute to epidemic prevention, poverty alleviation and environmental protection. In 2020, the Company was awarded the “Caring Company” logo for the second consecutive year, recognising our commitments to corporate social responsibility. We will continue to contribute by actively participating in charitable work and giving back to society.

Although the epidemic has yet ended, we strive to respond to stakeholders’ expectations and raise our management level to promote sustainable development within and outside the Group and create value for investors and stakeholders.

ZHANG Dayu
Managing Director



CHAPTER 4
**ABOUT
COSCO SHIPPING PORTS**



CORPORATE OVERVIEW

COSCO SHIPPING Ports is a leading ports operator in the world, with a portfolio covering the five main port regions in Mainland China, Southeast Asia, the Middle East, Europe, South America and the Mediterranean. As of 31 December 2020, COSCO SHIPPING Ports operated and managed 357 berths at 36 ports worldwide, of which 210 were for containers, with a total annual handling capacity of approximately 118 million TEU.

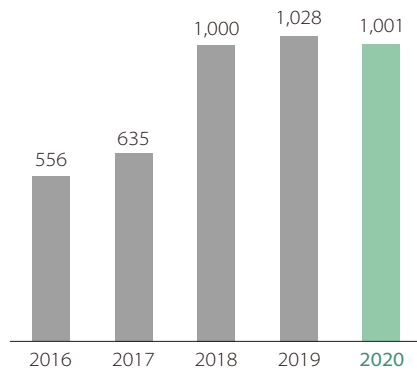
The Company upholds its mission of “The Ports for ALL” and strives to build a global terminal network with controlling stake that offers linkage effect on costs, services and synergies, creating mutual benefits across the shipping industry chain, connecting global shipping services and becoming truly “the ports for all people”.

COSCO SHIPPING Ports’ intermediate holding company is COSCO SHIPPING Holdings Co., Limited (stock code: 1919 (H Share), 601919 (A Share)) whose ultimate holding company, China COSCO SHIPPING Corporation Limited, is the largest integrated shipping enterprise in the world. As at 31 December 2020, COSCO SHIPPING holds 46.22% share in COSCO SHIPPING Holdings, which in turn holds 50.23% share in COSCO SHIPPING Ports.

KEY ECONOMIC PERFORMANCE IN THE LAST FIVE YEARS:

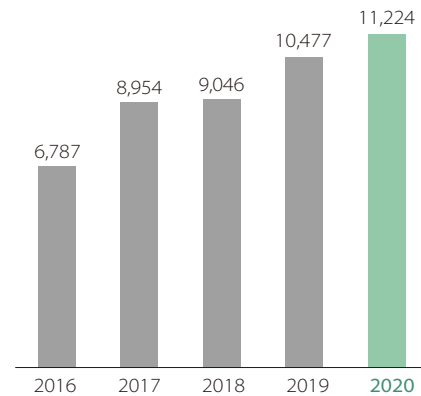
Revenue

(US\$ million)



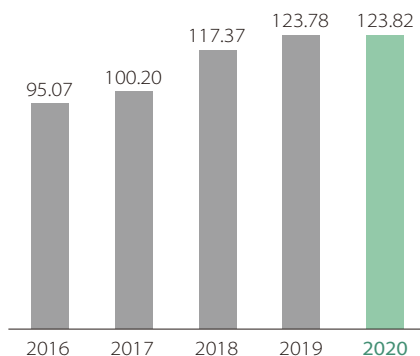
Total Asset

(US\$ million)



Total Throughput

(million TEU)



For detailed economic performance, please refer to the 2020 Annual Report of COSCO SHIPPING Ports.

CORPORATE VISION

COSCO SHIPPING Ports completed its reorganisation in 2016 and established five-year development goals and three major strategies:

GLOBALISATION

- Building a global terminal network with controlling stake that offers linkage effects on costs, services and synergies



SYNERGY

- Leveraging the synergies with COSCO SHIPPING and the OCEAN Alliance to strengthen its service capability to serve shipping alliances
- Establishing close partnerships and maintaining good relationships with port authority groups, terminal operators and international liner companies to maximise synergies and value

CONTROL

- Strengthening control and management of the ports and terminals business – further integrating our existing terminals portfolio and increasing the value of these investments through building controlling stakes; increasing our influence in entire ports through equity investments in port groups; and adopting unified management and operating system to integrate terminal operations

COSCO SHIPPING Ports is committed to expanding its business network and providing quality services. During the year, the Company made great progress in the construction of 5G smart ports. In May 2020, Xiamen Ocean Gate Terminal used 5G technologies to realise smart ports, including the utilisation of remote control and driverless container trucks, achieving full 5G coverage in the terminal. Under the novel coronavirus pneumonia epidemic (the “COVID-19 Epidemic”) prevention and control, the applications of smart technologies ensure production safety and port operation efficiency and capabilities for smooth logistics and transportation. The Company also obtained 16 national patents including utility model patents, invention patents, and appearance patents in 2020, which will facilitate innovative corporate development. Apart from technological development, COSCO SHIPPING Ports continued to expand and improve its terminal business. Of which, 45 new

shipping services were introduced in the Subsidiaries during the year, showing positive results and steady progress in the addition of new services; while the bridge cranes at CSP Zeebrugge Terminal were heightened to meet the emerging demand for ships in increasingly larger sizes.

In addition, in response to changes in regional industrial development, the Company completed the disposal of Zhangjiagang Terminal and Yangzhou Yuanyang Terminal in February 2020. At the same time, the Company increased its stake in Beibu Gulf Port in support of the “New Land and Marine Routes for Western Regions” strategy of China. As of 31 December 2020, the Company owned 14 Subsidiaries and 31 Non-controlling Terminals. For the Company’s global terminal portfolio, please refer to the section headed “Operational Review” in the 2020 Annual Report of COSCO SHIPPING Ports.

GLOBAL TERMINAL NETWORK



TOTAL THROUGHPUT
123,824,575 TEU*

OVERSEAS TOTAL THROUGHPUT 28,443,740 TEU

	Throughput (TEU)		Throughput (TEU)
Piraeus Terminal	4,896,886	Euromax Terminal	2,454,617
CSP Zeebrugge Terminal	609,277	Kumport Terminal	1,217,240
CSP Spain Related Companies	3,387,820	Suez Canal Terminal	3,783,388
CSP Abu Dhabi Terminal	665,500	Antwerp Terminal	2,270,425
COSCO-PSA Terminal	5,090,751	Seattle Terminal	248,370
Vado Reefer Terminal	60,256	Busan Terminal	3,759,210

* Included the throughput of Zhangjiagang Terminal and Yangzhou Yuanyang Terminal for January 2020. The Company completed the sale of the two terminals in February 2020 and therefore their throughput were not included in the throughput of the Company thereafter.

GREATER CHINA TOTAL THROUGHPUT 95,380,835 TEU

Bohai Rim
41,884,560 TEU

	Throughput (TEU)
QPI	22,010,000
Dalian Container Terminal	4,981,782
Dalian Dagang Terminal	21,003
Tianjin Euroasia Terminal	3,060,267
Tianjin Container Terminal	7,866,145
Yingkou Terminals ¹	2,600,520
Jinzhou New Age Terminal	722,981
Qinhuangdao New Harbour Terminal	621,862

Yangtze River Delta
14,768,442 TEU

	Throughput (TEU)
Shanghai Pudong Terminal	2,443,406
Shanghai Mingdong Terminal	6,246,932
Ningbo Yuan Dong Terminal	3,103,386
Lianyungang New Oriental Terminal	1,089,116
Zhangjiagang Terminal ²	48,008
Yangzhou Yuanyang Terminal ²	31,841
Taicang Terminal	400,095
Nantong Tonghai Terminal	1,405,658

Southeast Coast and Others
5,445,662 TEU

	Throughput (TEU)
Xiamen Ocean Gate Terminal	2,070,159
Quan Zhou Pacific Terminal	1,332,207
Jinjiang Pacific Terminal	443,748
Kao Ming Terminal	1,599,548

Pearl River Delta
27,898,470 TEU

	Throughput (TEU)
Yantian Terminals	13,348,546
Guangzhou Terminals ³	11,463,110
Hong Kong Terminals ⁴	3,086,814

Southwest Coast
5,383,701 TEU

	Throughput (TEU)
Qinzhou International Terminal ⁵	1,599,524
Beibu Gulf Terminal ⁵	421,875
Beibu Gulf Port ⁶	3,362,302

Notes:

- Throughput of Yingkou Terminals was the total throughput of Yingkou Container Terminal and Yingkou New Century Terminal.
- On 10 February 2020, the Company completed the sale of Zhangjiagang Terminal and Yangzhou Yuanyang Terminal and therefore their throughput were not included in the throughput of the Company since February 2020. The figures of the two terminals for 2020 were the throughput for January 2020.
- Throughput of Guangzhou Terminals was the total throughput of Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal.
- Throughput of Hong Kong Terminals was the total throughput of COSCO-HIT Terminal and Asia Container Terminal.
- On 30 November 2020, the Group completed the acquisition of equity interest in Beibu Gulf Terminal through injection of its equity interest in Qinzhou International Terminal into Beibu Gulf Terminal and cash consideration. Therefore, throughput of Beibu Gulf Terminal was included since December 2020 and throughput of Qinzhou International Terminal in 2020 was the throughput for January to November 2020 only.
- Throughput of Beibu Gulf Port was included since January 2020. Such throughput did not include throughput of Qinzhou International Terminal and Beibu Gulf Terminal, which had been separately listed out.



OUR APPROACH TO SUSTAINABILITY

The Company adheres to “The Ports for ALL” as its corporate philosophy and strives to implement sustainability elements to create long-term value to stakeholders, our business and the communities. To fulfil our commitment to environmental and social responsibilities, apart from our business expansion towards the five-year business development goals, we endeavour to integrate sustainability principles into our daily management, operations and culture, and utilise our resources and capabilities to give back to society. Being a responsible corporate citizen, COSCO SHIPPING Ports started to align its major initiatives with the 17 SDGs of the United Nations in 2018, and has identified five goals which are deemed to be the most relevant and influential, integrating into the Group’s five key areas of sustainable development.

SDGs of Our Concern

The Group’s Five Key Areas of Sustainable Development



Caring for Our People

Providing a healthy, safe, inclusive and diverse work environment to attract and cultivate talents for our sustained growth.



Customers First

Expanding global terminal network and increasing brand awareness to improve operational efficiency and offer quality customer services.



Green Development

Investing in building “green ports”, minimising the environmental impacts of our operations, and cultivating environmental awareness of employees, suppliers and the public to promote green and low-carbon development.



Win-win Cooperation

Incorporating sustainability criteria into supplier selection and management, and deepening strategic partnerships with suppliers to enable value chain enhancement.



Investing in Communities

Upholding business ethics, ensuring operational compliance, and promoting inclusive development of the communities where we operate to foster a favourable business environment.

AWARDS AND HONOURS

Awards and Honours	Awarding Organisations
COSCO SHIPPING Ports	
<ul style="list-style-type: none"> Titanium Award in Environmental, Social and Governance 	The Asset Magazine
<ul style="list-style-type: none"> Sustainability and Social Responsibility Reporting Awards (Special Mention) 	The Hong Kong Institute of Certified Public Accountants
<ul style="list-style-type: none"> Best Mid-Cap ESG Report Commendation Best GRI Report Commendation Excellence in ESG Governance Commendation Excellence in Environmental Positive Impact 	Alaya Consulting
<ul style="list-style-type: none"> Corporate Website Bronze Prize 	2020 Galaxy Awards
<ul style="list-style-type: none"> Best Investor Relations Company Asia's Best CEO (Investor Relations) Best Investor Relations Professional 	Corporate Governance Asia Magazine
<ul style="list-style-type: none"> Citation for Environment, Social and Governance Disclosure Excellence Award for H Share & Red Chip Entries – Annual Reports Awards 	The Hong Kong Management Association
<ul style="list-style-type: none"> Inno ESG Prize 	Inno ESG



Awards and Honours

- Transportation and Logistics In-House Team of the Year
- Winner – Compliance Team
- Highly recommended – Aviation, Shipping & Logistics Teams
- Most Innovative Port Operator
- Best Port Operator
- Best Container Operator of the Year
- Most Socially Responsible Port Operator
- Best Port Operator Hong Kong
- Best Investor Relations Company Hong Kong
- Best Shipping Port Operator (Ports sector) Hong Kong
- Best Investor Relations Company (Ports sector) Hong Kong
- Most Sustainable Company (Ports sector) Hong Kong
- Best CSR Company (Ports sector) Hong Kong

Awarding Organisations

- Asian Legal Business Magazine
- China Business Law Journal
- International Finance Magazine
- Business Tabloid Magazine
- Global Business Outlook Magazine
- Finance Derivative Magazine
- International Business Magazine



Awards and Honours	Awarding Organisations
CSP Abu Dhabi Terminal	
<ul style="list-style-type: none"> • NEESHAN Award for Best HSE Performance 	Abu Dhabi Ports
Dalian Container Terminal	
<ul style="list-style-type: none"> • Second-class Award in “Business and Financial Integration and Asset Utilisation” • Second-class Award in “Catering to Customers and Building Service-oriented Smart Ports” 	Dalian Municipal Bureau of Industry and Information Technology Office
<ul style="list-style-type: none"> • Second-class Award in “Upgraded Service for Innovation” 	China Association of Transport Management
<ul style="list-style-type: none"> • Container Terminal with Domestic Trade Throughput of More Than 1 Million TEU • Grand Prize for Top 10 Container Terminals with Lowest Electricity and Fuel Consumption per TEU • Container Terminal with an Average Loading and Unloading Efficiency of More Than 100 Containers per Hour • Container Terminal with Throughput of More Than 2 Million TEU • Container Terminal with Crane Operating Efficiency of an Average of More Than 30 Containers per Hour 	Container Branch of China Ports and Harbours Association
<ul style="list-style-type: none"> • Container Terminal with the Best Collection and Distribution Service • Top 10 Container Terminals with Best Overall Service • Special Contribution Award for Green Development 	China Shipping Gazette
<ul style="list-style-type: none"> • Provincial First-class Award in “Increasing Bridge Checking Efficiency and Lowering Cost” • Provincial Second-class Award in “Innovation to Increase Efficiency and Lowering Cost” 	Liaoning Association for Quality Control
Guangzhou Nansha Stevedoring Terminal	
<ul style="list-style-type: none"> • Top 10 Domestic Container Terminals with Highest Local Transshipment • Domestic Container Terminal with Throughput Exceeding 2000 TEU per Meter of Shoreline • Top 10 Domestic Container Terminals with Lowest Electricity and Fuel Consumption per TEU • Domestic Container Terminal with an Average Loading and Unloading Efficiency of More Than 100 Containers per Hour • Domestic Container Terminal with Crane Operating Efficiency of an Average of More Than 30 Containers per Hour • Container Terminal with Domestic Trade Throughput of More Than 1 Million TEU • Container Terminal with Throughput of More Than 2 Million TEU 	Container Branch of China Ports and Harbours Association

Awards and Honours	Awarding Organisations
Guangzhou South China Oceangate Terminal	
<ul style="list-style-type: none"> • Domestic Container Terminal with Throughput Exceeding 2000 TEU per Meter of Shoreline in China • Top 10 Domestic Container Terminals with Lowest Electricity and Fuel Consumption per TEU • Domestic Container Terminal with an Average Loading and Unloading Efficiency of More Than 100 Containers per Hour • Top 10 Domestic Container Terminals with Highest International Transshipment • Domestic Container Terminal with Crane Operating Efficiency of an Average of More Than 30 Containers per Hour • Container Terminal with Throughput of More Than 2 Million TEU 	Container Branch of China Ports and Harbours Association
Jinzhou New Age Terminal	
<ul style="list-style-type: none"> • Domestic Container Terminal with Crane Operating Efficiency of an Average of 30 Containers per Hour 	Container Branch of China Ports and Harbours Association
<ul style="list-style-type: none"> • National Equipment Management and Technology Innovation Achievement Award 	China Association of Plant Engineering
Kumport Terminal	
<ul style="list-style-type: none"> • Five Star Occupational Health and Safety Award/Certificate • International Merit Safety Awards 	British Council
<ul style="list-style-type: none"> • The Great Place to Work 	Great Place to Work Organization
<ul style="list-style-type: none"> • Port Management Services Award 	Services Exporters' Association
Nantong Tonghai Terminal	
<ul style="list-style-type: none"> • Top Six Domestic Container Terminals with Highest Container Throughput in Inland Ports 	Container Branch of China Ports and Harbours Association
Quan Zhou Pacific Terminal	
<ul style="list-style-type: none"> • Domestic Container Terminal with Crane Operating Efficiency of an Average of More Than 30 Containers per Hour • Domestic Container Terminal with Throughput of More Than 1 Million TEU 	Container Branch of China Ports and Harbours Association
Shanghai Mingdong Terminal	
<ul style="list-style-type: none"> • Top 10 Domestic Container Terminals with Highest Local Transshipment • Domestic Container Terminal with Throughput Exceeding 2000 TEU per Meter of Shoreline • Top 10 Domestic Container Terminals with Highest International Transshipment • Grand Prize for Container Terminal with Throughput of More Than 2 million TEU 	Container Branch of China Ports and Harbours Association

Awards and Honours	Awarding Organisations
Shanghai Pudong Terminal	
<ul style="list-style-type: none"> Domestic Container Terminal with Throughput Exceeding 2000 TEU per Meter of Shoreline Container Terminal with Throughput of More Than 2 Million TEU 	Container Branch of China Ports and Harbours Association
Xiamen Ocean Gate Terminal	
<ul style="list-style-type: none"> National Leading Logistics Entity 	Ministry of Human Resources and Social Security and China Federation of Logistics & Purchasing
<ul style="list-style-type: none"> Domestic Container Terminal with Average Loading and Unloading Efficiency of More Than 100 Containers per Hour Container Terminal with Throughput of More Than 2 Million TEU 	Container Branch of China Ports and Harbours Association
Yantian Terminals	
<ul style="list-style-type: none"> Container Terminal with Throughput of More Than 2 Million TEU Top 10 Domestic Container Terminals with Highest Local Transshipment Top 10 Domestic Container Terminals in Sea-Rail Combined Transport Domestic Container Terminal with Average Loading and Unloading Efficiency of More Than 100 Containers per Hour Top 10 Domestic Container Terminals with Highest International Transshipment 	Container Branch of China Ports and Harbours Association
<ul style="list-style-type: none"> 2019 Outstanding Pollution Prevention and Cleaning Engineering Project in Shenzhen 	Shenzhen Zhiwu Cleaning Engineering Leading Group Office
<ul style="list-style-type: none"> Silver Prize for Poverty Alleviation in Yantian District in Shenzhen 	Leading Group for the 2020 "Guangdong Poverty Alleviation Day" in Yantian District, Shenzhen
Yingkou Container Terminal	
<ul style="list-style-type: none"> Top 10 Domestic Container Terminals in Sea-Rail Combined Transport Container Terminal with Domestic Trade Throughput of More Than 1 Million TEU 	Container Branch of China Ports and Harbours Association
Yingkou New Century Terminal	
<ul style="list-style-type: none"> Top 10 Domestic Container Terminals in Sea-Rail Combined Transport Container Terminal with Domestic Trade Throughput of More Than 1 Million TEU 	Container Branch of China Ports and Harbours Association

MEMBERSHIP AND CHARTERS

Institution Name*	Position
Deniz Ticaret Odası (Chamber of Shipping)	Corporate capacity
Exporters Association (IMMIB)	Corporate capacity
Foreign Investors Association (YASED)	Corporate capacity
Istanbul Chamber of Commerce (ITO)	Corporate capacity
Istanbul Chinese Businessmen and Industrialists Association	Corporate capacity
Istanbul Marmara Ege Akdeniz Karadeniz (IMEAK) Chamber of Shipping	Corporate capacity
Port Operators Association of Turkey (TÜRKLİM)	Corporate capacity
Protection Association (TURMEPA)	Corporate capacity
Transport, Logistics and Supply Chain Services in Turkey (UTIKAD)	Corporate capacity
Turkish Industry & Business Association (TUSİAD)	Corporate capacity
Turkish Ports Association (TURKLİM)	Corporate capacity
Turkish Quality Association (KALDER)	Corporate capacity
Turkish Marine Environment	Corporate capacity
Shanghai Port Association	Committee Member
Shanghai Pudong Modern Logistics Industry Association	Committee Member
China Ports and Harbours Association	Committee Member
China Ports and Harbours Association	Member
Container Branch of China Ports and Harbours Association	Vice Chairman
Container Branch of China Ports and Harbours Association (including committees under the Association)	Member
China Shipping Gazette	Director
Council of Maritime China	Director
Quanzhou Container Association	Vice Chairman
The Hong Kong General Chamber of Commerce	Member
Business Environment Council	Board of Director
Council of Containerization Magazine	Vice President
Xiamen Ports Association	Vice President
Xiamen Container Transportation Association	Vice President
xmrc.com.cn	Member
Xiamen Logistics Association	Vice President
Xiamen Free Trade Zone Chamber of Commerce	Executive Vice President
Guangzhou Nansha District Enterprise and Enterpriser Confederation	Committee Member
Guangzhou Port Shipping Service Association	Committee Member
Guangzhou Port Shipping Service Association	Supervisor
Guangdong Ports Association	Director

* Listed in order of stroke-count of each organisation's Chinese name

CORPORATE GOVERNANCE

The Company believes that a high level of corporate governance is the cornerstone of sustainable development, building a business environment which upholds integrity and ensure investor confidence through rigorous risk management. COSCO SHIPPING Ports has always adhered to the highest ethical standards, abided good corporate governance codes and guidelines, and shaped a professional, transparent, open and accountable corporate image, thus demonstrating a commitment to corporate social responsibility.

For details of our corporate governance, please refer to the section headed “Corporate Governance Report” in the 2020 Annual Report of COSCO SHIPPING Ports.

STRUCTURE

The Board of the Company maintains oversight of the overall business and performance, leading corporate strategies and managing resource allocation to lay a solid foundation for the Company’s long-term development. The Board comprises of 11 members, including 4 executive directors, 2 non-executive directors and 5 independent non-executive directors. Each member of the Board strictly complies with all applicable laws and regulations, upholds integrity and acts in the best interests of the Company and stakeholders as a whole to ensure the continuous healthy development of the Company.

To assist the Board in the execution of duties and to facilitate effective management, certain functions of the Board have been delegated to various Board committees. As the Company proactively improves risk management and promotes corporate sustainability, as well as further satisfies the expectations from regulators and the investment community, the Board decided to expand the terms of reference of the Corporate Governance Committee in March 2021 by incorporating environmental, social and corporate sustainability issues. This further enhances the Board’s participation in these issues and emphasises the leading role of the Board in ESG aspects, allowing the Company to implement relevant policies and measures more effectively.

Currently, there are 7 committees under the Board, including the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Environmental, Social and Governance Committee (formerly known as “Corporate Governance Committee”), the Investment and Strategic Planning Committee and the Risk Management Committee. Each committee specifies in writing its terms of reference and its relevant powers and responsibilities to assist the Board in management and governance, playing an effective leadership role.

COSCO SHIPPING Ports acknowledges that a diversified Board can help enhance our overall performance, thus has implemented the Board Diversity Policy to promote sustainable development and enhance our competitive advantages. When considering and appointing directors, we take full consideration into the objective conditions of candidates, including but not limited to gender, age, skills, cultural background, knowledge and professional experience, adequately taking the structure and diversity of the Board into account. This is to ensure that directors can complement each other and bring diverse views to the Board, thereby assisting in the overall supervision of our operations.

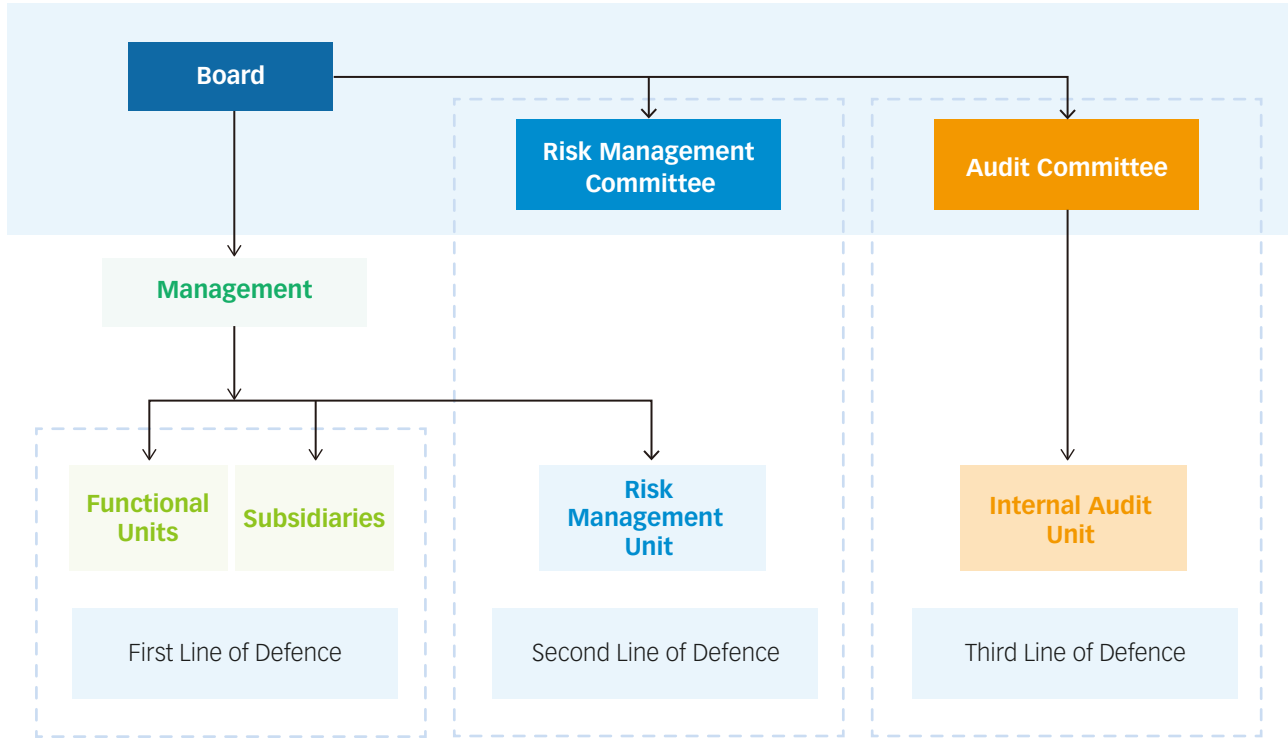
For details of our Board committees, please refer to the section headed “Corporate Governance Report – Delegation by the Board” in the 2020 Annual Report of COSCO SHIPPING Ports.

RISK MANAGEMENT

To ensure a prudent risk management strategy, the Group adopts the “three lines of defence” risk management structure to identify, analyse and respond to potential risks in our business. We make reference to nationally and internationally recognised guidelines⁴ to formulate the risk management framework which covers five dimensions, namely corporate strategy, market, finance, law, and operations. The Board authorises the Risk Management Committee to oversee, review and improve the Group’s risk management system, with an aim to preventing all kinds of risks and challenges.

4 Including the COSO Framework established by the Committee of Sponsoring Organisations of the Treadway Commission of the United States of America, the “General Risk Management Guidelines for State-owned Enterprises” issued by the State-owned Assets Supervision and Administration Commission of the State Council (the “SASAC”), the “Basic Norms of Internal Control for Enterprises” and complementary guidelines issued by the Ministry of Finance and four other ministries and commissions of the People’s Republic of China, and the guide on internal control and risk management issued by the Hong Kong Institute of Certified Public Accountants.

Risk Management Structure



Risk Management Procedures



For details of our risk management system, please refer to the section headed “Corporate Governance Report – Risk Management and Internal Control” in the 2020 Annual Report of COSCO SHIPPING Ports.

ANTI-CORRUPTION

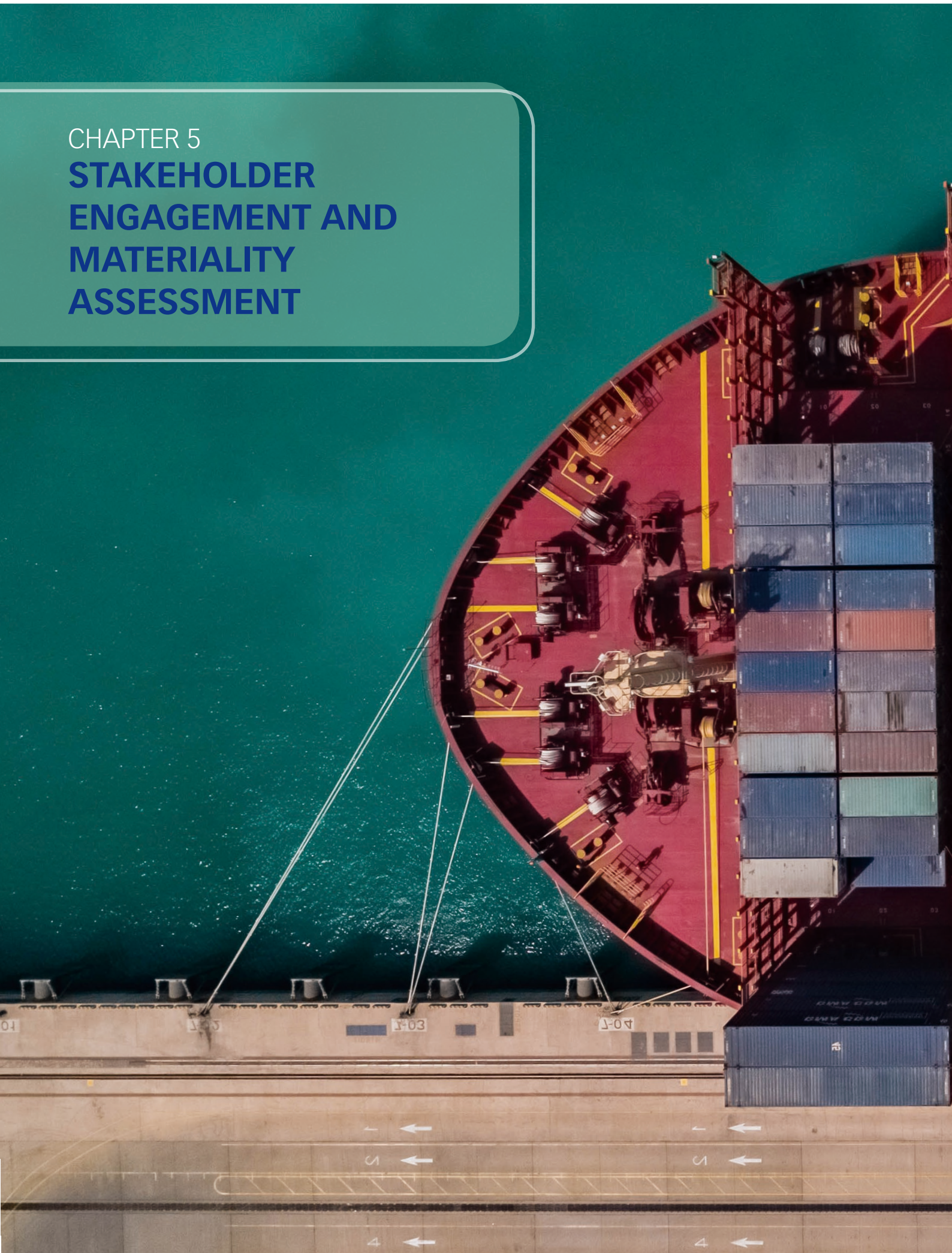
The Company upholds high standard of business ethics and integrity and commits to prevent suspected corruption and bribery in any form. We maintain zero-tolerance in handling all relevant situations. Our Employee Handbook explains the Company’s anti-corruption principles and regulations to ensure that employees can respect and comply with corporate ethical standards and business ethics, promoting ethical business standards. We invite the Independent Commission Against Corruption of Hong Kong from time to time to provide training for the staff of our Hong Kong Headquarters and Hong Kong Terminals, introducing Hong Kong’s anti-corruption regulations and laws, issues of conflict of interests and anti-corruption methods that employees should pay attention to, so as to enhance corporate integrity management and strengthen self-discipline consciousness of staff.

The Company has also developed the Staff Whistleblowing Policy which is applicable to the headquarters and the Subsidiaries to provide employees with a formal and confidential reporting channel. To stamp out corruption and illegal activities which may have potential damage to the interest of the Group, we strictly follow investigation guidelines to handle violations of discipline and regulations and take corresponding follow-up actions.

In order to maintain high level and uniform standard of business ethics with our business partners, the Group’s headquarters and its subsidiaries require all interested suppliers to sign the Supplier’s Undertaking Against Commercial Bribery at the tender stage to ensure that suppliers clearly understand and comply with the Company’s business ethics requirements, and uphold business integrity.



CHAPTER 5 STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT










The Group proactively communicates with stakeholders through diverse channels and platforms to better understand their comments and expectations on our sustainable development strategies, goals and daily operations in order to continuously improve our management measures.


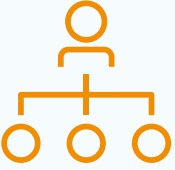
KEY STAKEHOLDERS AND REGULAR ENGAGEMENT

The table below outlines the objectives and channels of maintaining regular engagement with key stakeholders:

Stakeholder groups	Objectives	Channels
 Customers	Share industry prospects and development strategy, maintain long-term customer relationships with mutual trust, listen carefully to customer feedback and strive for excellence	Customer satisfaction surveys, service hotlines, instant messaging software, meetings, regular business visits, online promotion activities, forums
 Employees	Value the opinions of employees to review our people-oriented staff policy, as well as attract and retain talents to lay the foundation for the long-term development of the Group	Company website, the Company's WeChat official account, briefings, meetings, labour unions, corporate promotional brochures, community activities
 Shareholders and investors	Maintain close communication with shareholders and investors and understand their concerns to enhance their understanding in the financial and non-financial performance, results and future development of the Group	Meetings, roadshows, investor conferences, company website, corporate communications (including but not limited to financial reports, sustainability reports, circulars and press releases), general meetings
 Suppliers	Ensure that suppliers understand and follow the Group's policies and requirements to improve service quality and assist the Group in performing its social responsibility	Tender meetings, contract and agreement negotiations, regular assessments, business exchanges, seminars
 Governments and regulators	Comply with the requirements and approach of governments and regulators and understand their policies and priorities in respect of sustainable development	Subject-specific reports, information submission, forums
 Community and environmental representatives	Establish good relationships with the communities and environmental advocates, maintain sound reputation, and identify and respond to different environmental and social risks	Company website, the Company's WeChat official account, corporate promotional brochures, briefings, meetings

OUR RESPONSES TO STAKEHOLDERS

The Company strives to maintain regular communication with stakeholders, and, in 2020, we commissioned a professional consultant to engage stakeholder groups including employees in the headquarters and terminal companies, customers and suppliers by through interviews and surveys. We proactively understood the comments and expectations from different stakeholders concerning the Group’s sustainable development, assessed the materiality of each topic and responded accordingly. The table below summarises stakeholder feedback and our responses:

Issues on sustainability	Issues raised by stakeholders and their expectations	The Group’s responses
 <p>Economic performance</p>	<ul style="list-style-type: none"> Promote technological development and innovation as well as integrate digitalization and automation into terminal operations and planning with an aim to improving operational efficiency and maintaining competitive Enhance globalisation with an aim to facilitating the development of ports and shipping network 	<ul style="list-style-type: none"> The Group embraces the era of smart ports and encourages the implementation of new generation technology including 5G, artificial intelligence and the Internet of Things. We also strive to increase operational efficiency and service quality to better cater to customers’ needs. The Group continues to uphold our commitment on becoming the world’s leading ports operator by proactively enhancing our global terminal network and seizing investment opportunities worldwide.
 <p>Corporate governance</p>	<ul style="list-style-type: none"> Increase transparency, emphasise on corporate governance and risk management, and build confidence of shareholders and investors Create a clean corporate culture and stamp out corruption and anti-competitive behaviour 	<ul style="list-style-type: none"> The Group continues to increase disclosure regarding its governance structure, the composition and responsibilities of the Board and our respective policies to maintain high-level and transparent corporate governance. We have implemented a comprehensive risk management structure and procedures based on the “three lines of defence” model that covers five dimensions of risks to prevent all kinds of risks. The Group has developed relevant management regulations and documents that strictly regulate the conduct of employees and suppliers to gatekeep high standard of integrity and business ethics. We also provide trainings to employees to raise their awareness on anti-corruption.

For more details, please refer to Chapter 7 – Customers First of this Report.

For more details, please refer to Chapter 4 – About COSCO SHIPPING Ports of this Report and the section headed “Corporate Governance Report” in the 2020 Annual Report of COSCO SHIPPING Ports.

Issues on sustainability**Issues raised by stakeholders and their expectations****The Group's responses****Employees**

- Foster a healthy and safe working environment to protect our employees
 - Provide our staff with training and career opportunities to attract and retain talents
 - Promote diversity and equality in corporate culture and stamp out acts of discrimination
 - Promote labour rights and care for employees to protect their livelihoods
- The Group continues to update its safety management system to specify the responsibilities of each personnel to ensure that our safe production standards and risk management are suitable and appropriate in light of circumstances. To raise employees' safety awareness, we regularly organise trainings and supervise terminal operations in respect to occupational safety and health. In response to the COVID-19 Epidemic, the Group immediately set up a leading group and a working group for epidemic prevention and control, and implemented measures to safeguard the health and safety of our employees.
 - The Group provides trainings to employees and launches Management Trainee programme to nurture talents.
 - The Group advocates equality and proactively promotes equal opportunities, diversity and inclusiveness in the hiring process and daily operations. Xiamen Ocean Gate Terminal was awarded the provincial plaque of "Women Civilized Post", demonstrating our diverse corporate culture.
 - The Group has developed various management regulations and documents to strictly regulate remuneration, benefits and other matters to ensure compliance in employment. Our diverse internal communication channels allow employees to speak freely; at the same time, we encourage employees to organise different kinds of activities to enhance their physical and mental health and well-being.

For more details, please refer to Chapter 6 – Caring for Our People of this Report.

Issues on sustainability

Issues raised by stakeholders and their expectations



The Group's responses



Environment

- Proactively manage and oversee the carbon emissions of terminal companies, reduce the environmental impacts brought by business operations and explore more solutions on green ports
- Study the climate risks related to terminal operations to prevent incidents caused by extreme weather
- The Group adheres to the concept of green development and has developed various management regulations to comply with all applicable environment-related laws and regulations in the locations where we operate. We conduct periodic research on the environmental impacts on the ports and shipping industry, and invite professionals to conduct environmental impact assessments upon initiation of major projects. We continue to implement green technologies, install shore power systems, eco-friendly lighting and energy saving renovation and electrification of infrastructure, etc.
- With reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has listed the risks and opportunities related to climate change in terms of physical risks and transition risks. We have implemented various mitigation measures and proactively organised drills to improve emergency response capabilities.

For more details, please refer to Chapter 8 – Green Development of this Report.

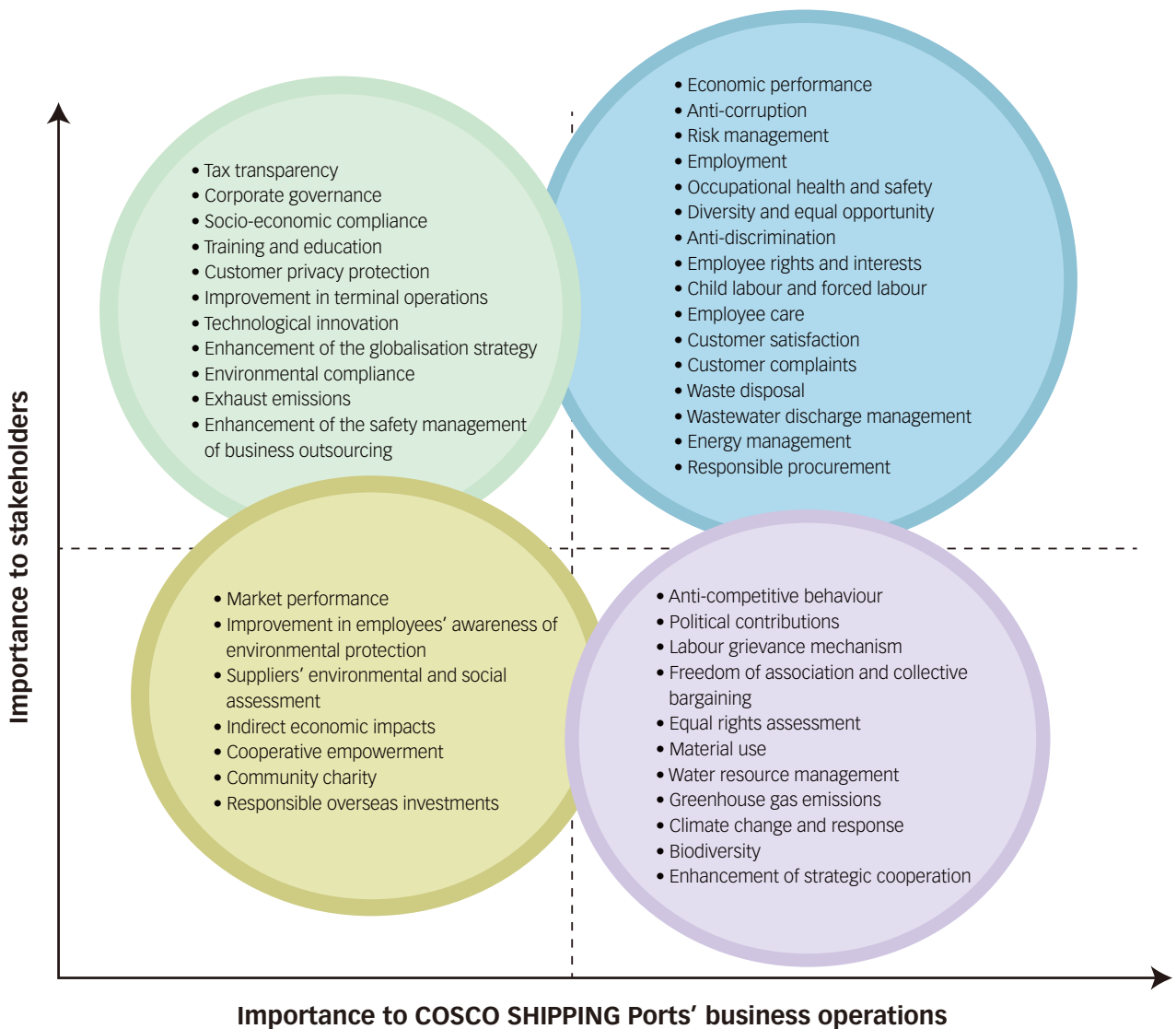
Issues on sustainability	Issues raised by stakeholders and their expectations	The Group's responses
 <p>Supply chain management</p>	<ul style="list-style-type: none"> • Explore strategic cooperation with upstream and downstream players in the shipping industry and develop new projects which are mutually beneficial • Implement responsible sourcing practices and fulfil corporate social responsibility 	<ul style="list-style-type: none"> • The Group values supply chain management, and proactively maintains communication with contractors to ensure their compliance with environment impact assessment reports, international standards and requirements as well as the criteria of the Group. We proactively strengthen our collaboration with the industry chain and work with professional parties to build 5G smart ports. • The Group has developed the Supplier Self-evaluation on the Compliance with Social Regulations to assess the sustainability performance of new suppliers. To put responsible procurement in practice, we also conduct regular assessments on current suppliers. <p style="text-align: right;">For more details, please refer to Chapter 9 – Win-win Cooperation of this Report.</p>
 <p>Community</p>	<ul style="list-style-type: none"> • Invest in local communities, engage in charity work and fulfil corporate social responsibility 	<ul style="list-style-type: none"> • The Group proactively fulfils its corporate social responsibility to create value to the communities. Amid the global outbreak of the COVID-19 Epidemic, we have donated anti-epidemic supplies around the world and raised funds to proactively fight against the epidemic. Besides, we continue charitable donations to alleviate poverty and build new schools, among others. <p style="text-align: right;">For more details, please refer to Chapter 10 – Investing in Communities of this Report.</p>

MATERIALITY ASSESSMENT

The Company has made reference to the ESG Reporting Guide, the GRI Standards and material issues of local and international peers, and aligned our material issues with those of COSCO SHIPPING Holdings. Through such efforts, we have identified 45 issues on sustainable development from six major aspects. We invited different stakeholder groups to rate each issue by way of questionnaire and have prepared a materiality matrix, which is classified by four quadrants, based on the result.

During the year, we identified 16 highly material issues in the materiality assessment. For the scope and boundary of the material topics, please refer to Chapter 11 – Appendices – Boundary Mapping of Material Topics of this Report.

MATERIALITY MATRIX OF COSCO SHIPPING PORTS





CHAPTER 6
CARING FOR OUR PEOPLE



The Group upholds the people-oriented principle to foster a sustainable, fair, diverse, efficient and safe working environment. We proactively invest in recruiting talents around the world and provide them with appropriate trainings so that they can grow up with the Group in this ever-changing era.

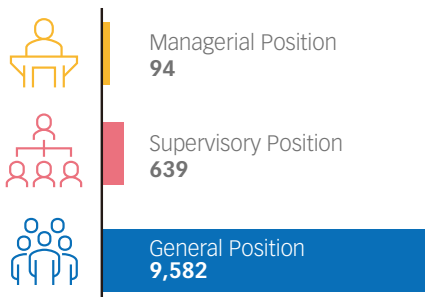
The Group's focus areas in Caring for Our People:

Attracting talents	Adhere to the recruitment principles of fair selection and recruitment, and attract talents from diverse channels
Staff benefits	Proactively safeguard staff interests and provide competitive remuneration packages
Diversity and inclusiveness	Promote equality and diversity, and foster an inclusive corporate culture
Open communication	Encourage internal communication and increase staff engagement to facilitate harmonious labour relations
Occupational safety and health	Continuously optimise the safety management mechanism and develop a safe and healthy culture based on the principle of "safety first, precaution-oriented"
Talent training	Provide diversified trainings to assist employees in skill enhancement, encourage self-enhancement, and set up systematic progression pathways

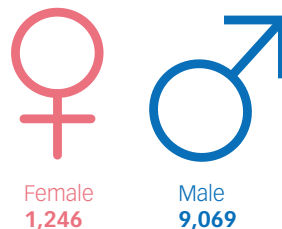
PERFORMANCE HIGHLIGHTS IN 2020

The Group had a total of 10,315 employees in 2020, which were distributed as follows:

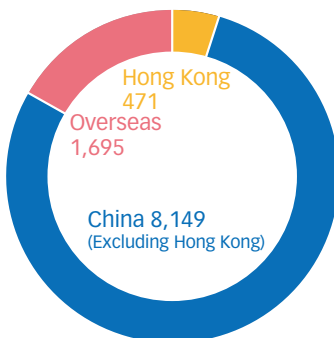
Total Workforce by Employee Category



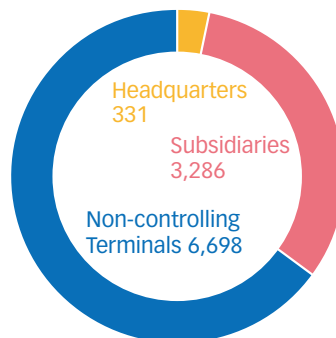
Total Workforce by Gender



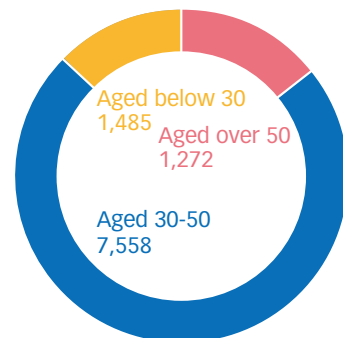
Total Workforce by Geographical Location



Total Workforce by Workplace



Total Workforce by Age Group



For details of employee statistics, please refer to Chapter 11 – Appendices – Key Performance Indicators of this report.

MANAGEMENT APPROACH

The Group strives to ensure that the basic rights of employees are protected. We strictly comply with the Labour Law of the People's Republic of China, the labour legislation of Hong Kong and the laws and regulations relating to employment, diversity, occupational safety and health applicable to overseas terminals. In 2020, the Group was not convicted of any non-compliance to the laws and regulations, which had significant potential impacts on the Group, relating to discrimination, child labour, forced labour or other related matters.

In order to fulfil our commitment to respect labour rights, we have developed the Human Resources Management Regulations and Staff Handbook, which stipulate that the employment practices of the headquarters and the Subsidiaries must be consistent with local laws and regulations to ensure that there is no child labour or forced labour. Meanwhile, these policies provide guidelines in relation to staff conduct and require them to maintain the highest level of professional conduct in all circumstances.

ATTRACTING TALENTS

We follow the principle of meritocracy in our human resources management philosophy. We only consider the candidates' personal abilities, experience, qualifications, expertise, vision and performance as assessment indicators in the recruitment process. We adhere to the recruitment principles of fair selection and recruitment, comprehensive assessment, and selection of quality calibre.

The Group regularly reviews its recruitment strategy based on business performance, socioeconomic conditions and industry development to recruit talents through all-round channels, including:

- Job fairs
- Media platforms such as advertisements and the Internet
- Recruitment agencies
- Recruitment of fresh graduates from universities and institutions
- Employee referral
- Internal selection

In 2020, the Company organised the third management trainee programme, which aims to nurture distinguished university graduates to become pillars of the Company in the future. They are assigned to rotate to different departments and terminals to gain in-depth understanding of the Group's operations at different levels and relevant professional knowledge, enabling them to contribute to the Group in the future.

STAFF BENEFITS

We offer competitive remuneration packages to our staff, including paid leaves, statutory social insurance and medical insurance, etc. Considering the long-time separation with families for employees in Mainland China, we specifically grant leaves for family visit so that they can be reunited for a longer time. Remuneration and benefits are adjusted regularly to ensure their attractiveness.

To enhance the enthusiasm of employees, the Company provides incentives which are linked to performance. We have implemented a comprehensive appraisal system to evaluate the performance of headquarters staff and terminal designees in various aspects. The senior management and department heads will provide feedback to our staff based on the appraisal results, which will be used as the basis for year-end bonus, pay adjustment and position review. In addition, the Company provides stock options and special incentive measures, which are in line with the business development needs of the Group, to motivate our staff.

Furthermore, the Company offers education subsidies to partially subsidise the tuition expenses of employees attending recognised courses, so as to encourage employees to further their knowledge and skills in their spare time.

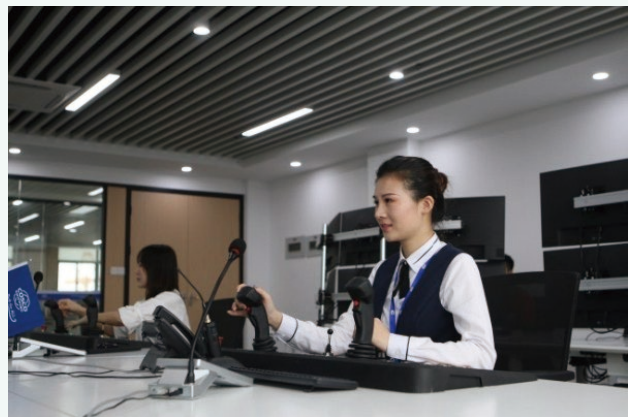
In 2020, the employee turnover rate of the Group's headquarters was 3.0%.

DIVERSITY AND INCLUSIVENESS

We believe that a diverse and inclusive corporate culture can bring positive impact to the Group. Over the years, we have been promoting equal opportunity in the workplace, regardless of age, gender, race, religion, nationality or other factors.

Because of the high physical requirement for traditional terminal operations, most of the workers were male. However, the automation system and the transformation of traditional terminal workflow empower women in workplace. We take this opportunity to hire more female workers and build female teams to promote gender equality.

Case Study: Xiamen Ocean Gate Terminal was awarded the plaque of "Women Civilised Post"



As early as 2017, Xiamen Ocean Gate Terminal has set up the first "Women Team" in China. They started to hire female workers to take up remote control positions of the terminal machinery, changing the way of "one-to-one" operation of gantry crane drivers and achieving "one-to-many" operation of multiple equipment. Currently, the "Women Team" in Xiamen Ocean Gate Terminal has about 10 staff members, most of whom are youth under the age of 35. During the year, the company was awarded the provincial plaque of "Women Civilised Post", becoming the best practice for gender equality in the industry.

OPEN COMMUNICATION

The two-way and transparent internal communication mechanism can strengthen the communication between the management and employees and allow better understanding of the expectations of both parties at work. The management of the Company holds different meetings with various departments regularly, such as annual/half-yearly meetings, monthly working meetings, weekly meetings, management meetings, project meetings, cross-departmental meetings, etc., to promote two-way communication. In addition, we regularly publish internal publications through intranet and official WeChat account to share information with our employees from different regions to keep them informed of the latest development of the Group.

For grievance, the Company has an internal whistleblowing channel for employees to lodge complaints about misconduct. Our Employee Whistleblowing Management Regulation stipulates handling procedures for all kinds of misconduct, and promises not to take retaliate actions such as dismissal, demotion, suspension, threat or harassment against the whistleblowers. When the Audit and Supervision Department of the Company receives a whistleblowing report, it will forward directly to the relevant senior management according to the content and severity of the complaint. It will then be escalated to the Chairman of the Board. The Audit and Supervision Department will set up a taskforce to investigate the incident and report to the management accordingly. The whistleblower will be informed of the investigation results.



OCCUPATIONAL SAFETY AND HEALTH

The Group attaches great importance to the safety and health of employees. We strive to create a safe and comfortable working environment, and strictly implement safety and risk management-related measures to reduce safety accidents⁵. In 2020, there were 65 cases of work-related injuries, with a total of 1,825 lost days.

SAFETY MANAGEMENT SYSTEM

Accountability System

The Group strictly complies with applicable national and local laws and regulations, including the Production Safety Law of the People’s Republic of China, and adheres to the Occupational Safety and Health Management Regulations of COSCO SHIPPING. Each terminal company has formulated internal policies based on their operations to ensure the safety of their employees. The Group has also developed the Regulations on Safety Management Responsibility, which stipulates the Group’s responsibility for the primary and macro-supervision of the safety production of the headquarters and each Subsidiary. It also provides guidance on

5 For details of safety performance, please refer to Chapter 11 – Appendices – Key Performance Indicators of this report.

the safety management responsibilities of the management, the work safety committee, the headquarters, the Subsidiaries and the designees in Non-controlling Terminals. Furthermore, the Company requires different departments to sign the Work Safety Responsibility Statement annually and incorporate the latest safety objectives and requirements into the performance appraisal, ensuring the effective operation and implementation of the work safety system.

Safe Production Standards

To ensure the Group's operational safety can maintain at the highest level in the industry, we have revised the Measures for the Assessment of Production Safety Performance, the Contingency Plan for Production Safety, the Safety Inspection Standards and other policies to strengthen the execution in daily operations.

In accordance with the Standards for Work Safety of Bulk Cargo (Container) Terminal Enterprises in Ports issued by the Ministry of Transport of the People's Republic of China, we aim to achieve Class-1 standard to promote the culture of production safety and become the best practice in the industry. At present, among the eight Subsidiaries of the Group in the PRC, four of them have been qualified as Class-1 enterprises, one is Class-2 enterprise and one is Class-3 enterprise. Moreover, CSP Bilbao Terminal has obtained certification of the ISO 45001 Occupational Health and Safety Management System.

Safety Risk Management

To improve the safety risk management system, the Company formulated the Guiding Opinions on the Identification, Control and Management of Safety Production Risks and the List of Safety Risks Hierarchical Control for the Subsidiaries during the year. We also held seven seminars on safety risk management and control and identified more than 200 risks, followed by assessing their risk levels and formulating preventive measures and establishing hierarchical management of safety risks, reducing the potential safety risks in production and operation.

Safety Risk Management Process



In addition, the Safety Management Department of the Company regularly conducts safety inspections at the Subsidiaries in the People's Republic of China. If potential safety hazards are identified, the Company will issue the Notification on Rectification of Potential Safety Hazards to the relevant terminals to rectify. During the year, Xiamen Ocean Gate Terminal engaged a third-party professional to conduct safety assessment on a dangerous good container loading, unloading and storage project, which assisted them in identifying safety risks and making rectification to mitigate the risks during the project operation.

Case Study: The Safety Management Department inspected the production safety at Nantong Tonghai Terminal

To strengthen the safety measures, the Safety Management Department of the Company conducted on-site inspection at Nantong Tonghai Terminal. A comprehensive checking on the equipment, fire safety and electricity safety was conducted in the port area. This in-depth assessment on safety hazards can help resolve major safety risks.



ACCIDENT INVESTIGATION

The Group has established a safety and risk management mechanism. In case of serious safety accident, we will seriously investigate the cause of the accident and take a series of measures to prevent similar accidents from recurring.

Case Study: Typical accident cases review



Xiamen Ocean Gate Terminal and Nantong Tonghai Terminal respectively held a training to study typical accidents in the ports industry in the past two years. It allowed our employees to understand the consequences of operational errors and the causes of accident, preventing such accidents from happening again.

OCCUPATIONAL SAFETY AND HEALTH TRAINING

The Group’s headquarters and terminal companies continue to organise various occupational safety and health trainings in order to promote safety awareness among our staff. During the year, the headquarters organised the “COSCO SHIPPING Ports 2020 Ecology and Environmental Protection Training and Safety Management Experience Sharing” and invited safety experts from Nanjing Classification Society to share on three aspects, including safety awareness and duty, shortcomings analysis and value enhancement for safety management personnel, as well as insights into the duties of safety management personnel and professional empowerment. Meanwhile, the responsibilities and importance of safety management positions were explained with the supplement of laws and regulations and some case studies. In addition, the terminal companies hold production safety campaign in June every year to provide employees with appropriate occupational safety and health trainings.



Jinjiang Pacific Terminal conducted training on heat stroke prevention and first-aid and invited doctors to teach cardiopulmonary resuscitation.



Guangzhou Nansha Stevedoring Terminal explained the causes and types of fire accidents of vehicles, the use of fire extinguishers, as well as contingencies and precautions to newly hired drivers of contractors, so as to strengthen their emergency response capability.



Jinzhou New Age Terminal organised fire prevention knowledge quiz and distributed safety education brochure to drivers.



During the year, the number of participants of safety educations and trainings were 13,145, with a total of 26,985 training hours and a training rate of 97.9%. The number of full-time safety management personnel trained was 1,250, with a training rate of 100%.

MEASURES TO SAFEGUARD EMPLOYEES' HEALTH UNDER THE COVID-19 EPIDEMIC

Since the outbreak of the COVID-19 Epidemic, the safety and health of our employees has been our top priority. In order to effectively manage the epidemic, we promptly established a leading group and a working group for epidemic prevention and control to execute the protective measures in accordance with the epidemic prevention requirements of the People's Republic of China, the local governments and COSCO SHIPPING Group. We have also created a WeChat group for port companies to communicate and take immediate response in light of the epidemic development.



Since the resumption of work and production, we have required domestic and overseas Subsidiaries to strengthen routine control measures, including publishing epidemic prevention and control guidelines, disinfecting port areas and office areas regularly, implementing shift work and work from home arrangement, monitoring the health of employees at headquarters and terminals, distributing protective gears such as face masks, alcohol and disinfectant to employees, so as to protect the health and safety of employees.

Case Study: Quan Zhou Pacific Terminal carried out emergency drills for epidemic prevention and control

To prevent imported cases of the COVID-19 Epidemic, Quan Zhou Pacific Terminal, together with the Prevention and Control Headquarters, Port Bureau, Health Bureau, Customs, Maritime and Border Inspection of Shishi City, carried out emergency drills for epidemic prevention and control.



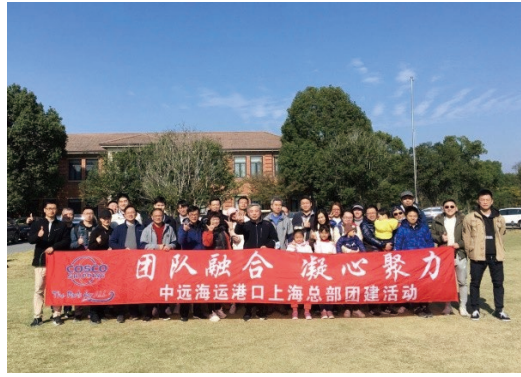
The drill simulated that one of the seafarers on a ship developed symptoms of the COVID-19 Epidemic. All units cooperated to put on protective equipment, check the body temperature of the seafarers on the ship, collect virus samples, send the suspected patient to the hospital for further treatment, isolate other seafarers, and thoroughly disinfect the ship and berth.

With the effective cooperation of various units, the drill was successfully completed, improving the capability of each unit to be well prepared for the challenges brought by the epidemic.

ENHANCING EMPLOYEES' PHYSICAL AND MENTAL HEALTH AND WELL-BEING

The Group cares about the physical and mental health of employees. The headquarters and terminal companies organise different kinds of activities during non-working hours and encouraged employees to participate. During the year, we organised various activities such as online flower arrangement class, yoga class, Clerical script calligraphy class, movie watching and football friendly match, allowing our employees to achieve a work-life balance lifestyle and enhance their sense of belonging.

In November, the Shanghai headquarters of COSCO SHIPPING Ports held a winter team building activity, which attracted nearly 40 employees and their families to participate, in Western Sheshan Estate. Participants flew kites and had barbecue on the lawn to share the joyful moment.



To promote healthy lifestyle, the labour union and Committee of Communist Youth League of COSCO SHIPPING Ports carried out a four-week walking exercise, attracting over 60 colleagues from the Shanghai headquarters to participate. Participants had to walk over 10,000 steps and recorded their activities at least 4 days per week. Participants could redeem different gifts according to the tasks they completed. This event encouraged them to do outdoor exercise in their spare time.



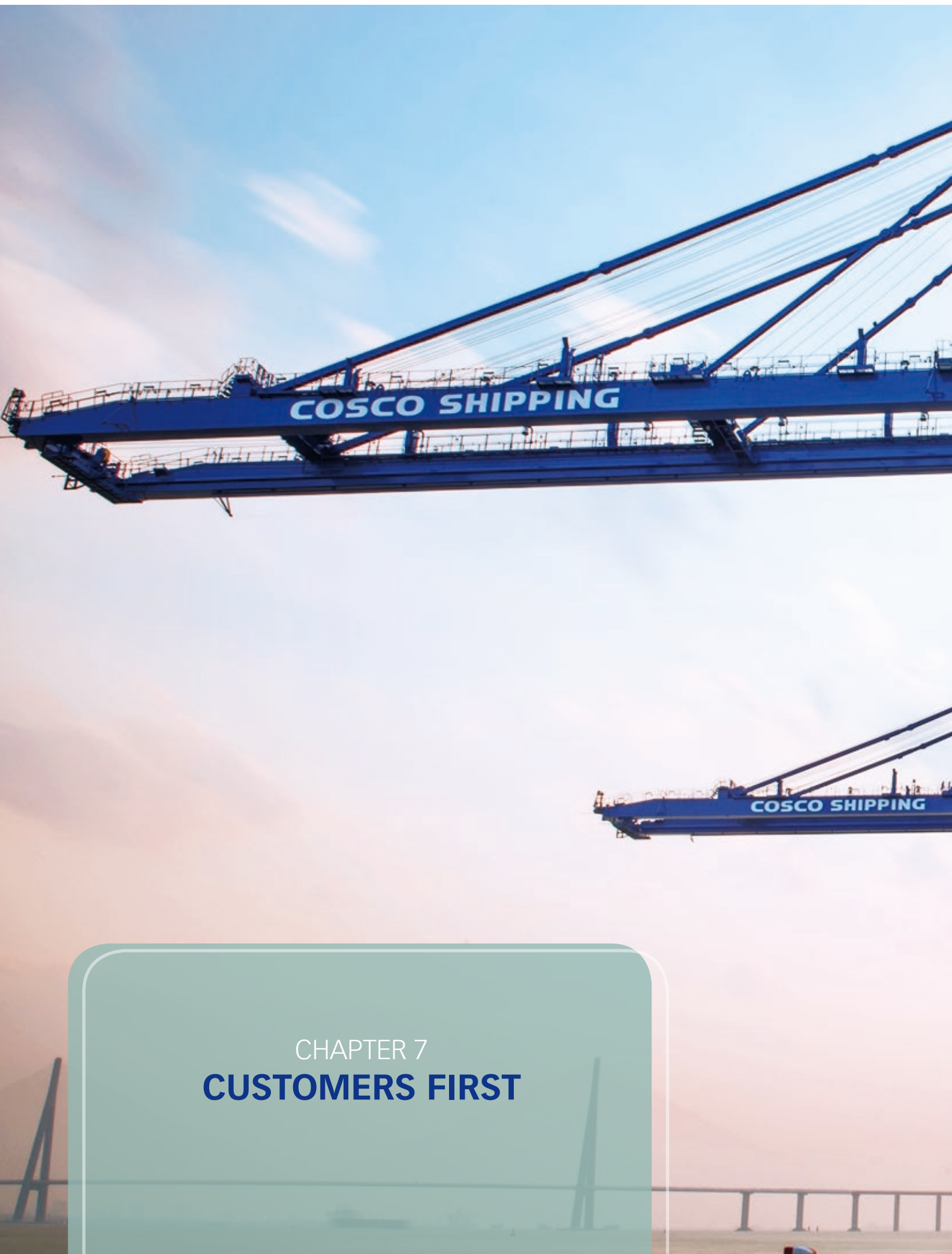
TALENT TRAINING

With the rapid growth of the industry, the Group has stepped up its efforts in talent nurturing, in order to enhance the competitiveness of employees and maintaining our position in the industry. The trainings cover knowledge of different aspects, such as strategy, skill and operation, which include:

- National Human Resources and Corporate Culture Management Training for Ports
- Port Safety Risk Management and Potential Hazard Investigation and Prevention Training
- Port Engineering Construction Management Regulations Training
- National Legal and Business Training in relation to Port Enterprises
- National Port Safety Management and Typhoon and Flood Prevention Training
- "Internet +" Online Training
- Quality Improvement Project for Chief Accountant of Large and Medium Enterprises
- Information Security Awareness Training
- Foreign Business Language Online Training

In 2020, the trainings organised or participated by Group's headquarters accumulated to 8,673 hours and the total number of participants reached 590.





CHAPTER 7
CUSTOMERS FIRST



Facing ever-changing technology, port operations must seize opportunities to improve efficiency and service quality to cater for customers' needs. COSCO SHIPPING Ports strives to create a smart port era and keep promoting the adoption of new-generation information technology in terminals. We are committed to leading the industry, expanding the global port and shipping development and becoming a well-known brand.

The Group's focus areas in Customers First:

The future of smart ports	Facilitate the transformation towards smart ports and improve efficiency and productivity through digitalised system and production process improvement projects
Improving service systems	Apply innovative information technology and use digital measures to optimise operations, and facilitate innovation of service mode to enhance customer experience
Strengthening external communication	Facilitate in-depth communication with customers and fully satisfy their needs
Information security	Ensure a sound information security management system, and safeguard the safety and privacy of customer information
Boosting the development of the ports and shipping industry	Facilitate the development of a global network in which the Group has controlling stake; enhance synergy; and optimise efficiency and management

PERFORMANCE HIGHLIGHTS IN 2020

Despite the impact of the COVID-19 Epidemic, the Group's total throughput in 2020 still reached 123,824,575 TEU, which was at a similar level to the previous year. For the throughput of the terminal companies of the Company for the year ended 31 December 2020, please refer to the section headed "Operational Review" in the 2020 Annual Report of COSCO SHIPPING Ports.

During the Year, COSCO SHIPPING Ports continued to enter into strategic cooperation agreements with suppliers to jointly research into and develop intelligent port technology, with an aim to providing competitive modern services and building "smart ports". In addition, we have completed a customer satisfaction survey during the year, and will continue to improve our service quality and pursue excellence based on the survey results.



MANAGEMENT APPROACH

COSCO SHIPPING Ports strictly complies with all local laws and regulations during its business operations. During the year, we were not subjected to any fines or non-economic penalties due to violation of laws and regulations in respect of products and services.

The Group has always adhered to the core philosophy of customers first and is committed to protecting the rights and interests of customers. We promote innovation and strive to provide customers with quality and professional services to meet or even exceed their expectations. During the year, Xiamen Ocean Gate Terminal successfully obtained the ISO 9001 Quality Management System Certification. This certification is a recognition of the Group’s stringent quality service and management system, demonstrating our determination to pursue excellence.

THE FUTURE OF SMART PORTS

The Group advocates technological innovation and continuously introduces various new era technologies in port operations to build smart ports. We will progressively implement the Navis N4 operating system at all of our Subsidiaries to unify and optimise the terminal operating system. During the year, CSP Spain Related Companies and Quan Zhou Pacific Terminal endeavoured to launch the Navis N4 system to promote informatisation and digitalisation. The Group aims to unify the operational and business indicators of each terminal and develop an MIS system, based on the Navis N4 operating system and SAP financial system, to promote sharing of information between upstream and downstream operations in the terminals, thus improving efficiency and providing customers with a better service experience.

We encourage independent research and development to continuously improve terminal operational efficiency and service quality. During the year, the Ministry of Transport has approved our application for the “Research and Development Center of Transport Industry of Automated Terminal Technology”, which is the first national-level research and development institution undertaken by the Group. With Xiamen Ocean Gate Terminal as the test site, we have conducted research on automated terminal technology in the areas of design, construction, operation and maintenance, promoting the development of intelligent port technology.



On 7 December 2020, COSCO SHIPPING Ports officially opened the “Research and Development Center of Transport Industry of Automated Terminal Technology” in Xiamen Ocean Gate Terminal

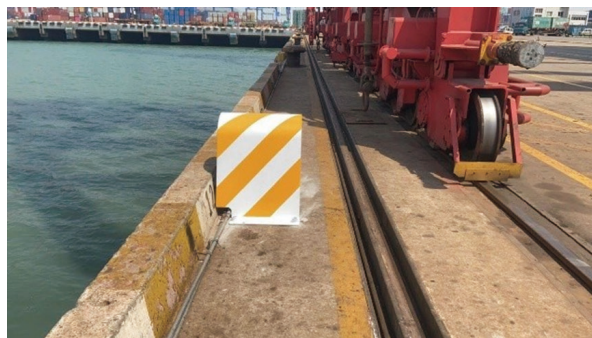
Smart ports are the development trend in the industry. The Group embraces innovative technologies and has compiled the “Implementation Plan and Roadmap of 5G Smart Ports” and the “White Paper on Implementation of 5G Smart Ports in Comprehensive Business Scenarios” to promote the adoption of new-generation information technology in terminals. We aim to leverage on the communication features of 5G such as low latency and large bandwidth, combined with technologies such as cloud technology, Internet of Things, big data and artificial intelligence to meet the increasingly complex operation of ports today and improve the efficiency of the operation process. The Group analyses the development of smart terminals and port communication technologies around the world to explore potential development opportunities. We also establish a management structure regarding smart ports to implement related matters. We proactively build a data platform to exchange information and coordinate the communication in business processes with regulators, ship owners, traders, agents, logistics companies and other parties. We strive to apply 5G technology to various facilities to collect operational information such as containers, quay cranes, vessels, cameras and vehicles to visualise the complex terminal situation. It helps employees manage the terminal more accurately and effectively, and strengthens security. We are determined to implementing technologies such as automated driving, remote control and intelligent tallying at the terminal to improve the efficiency of daily operations such as loading, unloading and transportation. COSCO SHIPPING Ports formulates a roadmap and strives to implement various measures progressively to realise 5G smart ports.

In addition, COSCO SHIPPING Ports proactively cooperates with suppliers to develop intelligent port technology. For details, please refer to Chapter 9 – Win-win Cooperation – Strengthening Cooperation along the Industry Chain of this report.

IMPROVING SERVICE SYSTEM

The Group adheres to the principle of customers first and strives to improve the existing service system to meet customers’ needs. To this end, the Group continues to develop new technologies. So far, the Company and its Subsidiaries have obtained a total of 37 patents, covering equipment such as quay cranes, containers and trailers to provide customers with more advanced and efficient terminal services.

The Group has actively implemented various measures to meet the development of increasingly large vessels for customers. For example, CSP Zeebrugge Terminal has heightened the bridge cranes to complement the development of increasingly large vessels and strives to provide quality customer service experience. In addition, Lianyungang New Oriental Terminal has introduced laser berthing system, which leverages on devices and software such as laser rangefinder and anemometer, to measure and calculate the distance between ships and terminals and berthing speed. It aims to guide and coordinate the berthing operation of the pilot, maritime and terminal to improve the safety of ships berthing and departing, thus reducing the risk of ship-shore collisions.



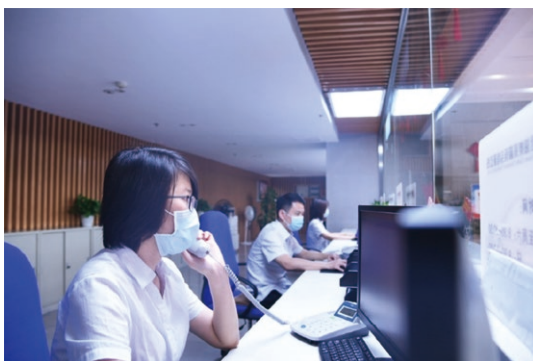
The introduction of laser berthing system into Lianyungang New Oriental Terminal

In the process of smart port construction, COSCO SHIPPING Ports is committed to providing better customer service experience. During the year, the business counter of Xiamen Ocean Gate Terminal has gone online, which not only promotes paperless and electronic office, but also enables more convenient and efficient customer services. In addition, Xiamen Ocean Gate Terminal has also launched the “Remote Appointment System for Inspection”, which allows customers to make an appointment for cargo inspection and simplifies customs clearance procedures simply by logging in to the account. Amid the COVID-19 Epidemic, Xiamen Ocean Gate Terminal has adopted the “Electronic System for Import Lading Bill”, which not only improves efficiency, but also promotes “zero contact” operations to maintain economic benefits while preventing the epidemic.

STRENGTHENING EXTERNAL COMMUNICATION

COSCO SHIPPING Ports maintains close communication with its customers and strives to listen carefully to their needs in order to improve services. Our Subsidiaries seek customers’ opinions and suggestions on the quality of our terminal services through various channels such as regular questionnaires, meetings, business visits, promotional events and seminars. To further motivate employees to serve customers more diligently, the Group includes customer evaluation in the performance appraisal of employees and management. We will continue to work hard to deliver caring service to our customers.

The Company has gradually increased the number of regional marketing representatives and adopted a one-to-one marketing system, allowing regional headquarters to communicate frequently with customers and make tailor-made improvement to maintain long-term business relationships. In addition, our terminal companies have set up a customer service hotline for customers to speak up. In case a complaint is received, the Group will properly handle it according to internal guidelines and continuously improve the business operations. The marketing personnel of our headquarters also visits the headquarters of major shipping companies on a regular basis. In 2020, due to challenges from the epidemic, the Group has started to conduct online meetings instead of face-to-face visits to ensure smooth communication with customers, while, in countries and regions where the epidemic is under control, we maintain face-to-face visits to serve customers with sincerity.



INFORMATION SECURITY

The Group is committed to protecting the security and privacy of customer information by strictly requiring our terminal companies to follow the Confidentiality Administrative Measures. We also require all employees at the headquarters to sign the COSCO SHIPPING Ports Employees Non-disclosure Agreement before joining the Group. We have established the confidentiality committees to monitor the information security management system and ensure that customer information can only be reasonably used within the scope of business to minimise the risk relating to information security. Any person who discovers any breach of confidentiality or leakage of information due to mistakes in work shall immediately stop such action and take remedial measures and then report to the Confidentiality Management Committee.

Cyber security is also a major focus of our information security. The Corporate Management Department of the Company assists in daily cyber security work. The Department continuously promotes various cyber security knowledge within the Company by urging employees and strengthening the management's awareness on cyber security. In addition, the Group proactively participates in various cyber security activities. During the year, Nantong Tonghai Terminal has participated in the "online seminar" on cyber security knowledge, which is organised by the Nantong Municipal Public Security Bureau and the Municipal Information Network Security Association. The course was conducted by way of video conference, covering knowledge on the current cyber security situation, relevant laws and regulations, common types of attack and cyber security protection. It effectively enhanced the awareness of cyber security risks among information technology personnel and related staff, as well as improved the skills of cyber security protection.



Nantong Tonghai Terminal participated in the "online seminar" on cyber security knowledge

The Group complies with relevant laws and regulations in the places where it operates. During the year, we were not involved in any cases of leakage of customer information.

BOOSTING THE DEVELOPMENT OF THE PORTS AND SHIPPING INDUSTRY

COSCO SHIPPING Ports aims to become a leading ports operator by seizing investment opportunities around the world to enhance its global terminal portfolio. During the year, the Abu Dhabi Khalifa Port Container Terminal Phase 2 Project was awarded the “Science and Technology Second-class Prize” by the China Ports and Harbours Association in 2020, which stood out from 113 project entries. The award not only recognises the Group’s efforts in promoting technological advancement in the ports industry, but also demonstrates the significance of our implementation of advanced technology in terminals around the world, setting up an exemplary model. COSCO SHIPPING Ports will continue to adopt innovative technologies in overseas and domestic terminals to establish a global intelligent terminal network.



Abu Dhabi Khalifa Port Container Terminal Phase 2 Project was awarded the “Science and Technology Second-class Prize” by the China Ports and Harbours Association in 2020



CHAPTER 8 GREEN DEVELOPMENT





The impact of climate change on business operations is imminent. The Group is committed to working closely with different stakeholders to respond to and mitigate the threat of climate change. Meanwhile, we will continue to uphold our commitment to properly manage natural resources, minimise the impact of our operations on the environment, and speed up the development of “green ports” to achieve sustainable development.

The Group’s focus areas in Green Development:

Response to climate change	<ul style="list-style-type: none"> • Identify climate-related risks and opportunities • Improve our terminals’ ability to cope with climate change
Energy saving and emission reduction	<ul style="list-style-type: none"> • Introduce technologies to save energy and reduce emissions and to increase energy efficiency • Broaden the use of clean energy • Reduce overall energy consumption, carbon emissions and air pollutants
Proper management of resources	<ul style="list-style-type: none"> • Optimise water resources and sewage management • Enhance waste management
Raising environmental awareness	<ul style="list-style-type: none"> • Enhance our staff’s environmental awareness • Cooperate with business partners in the value chain

PERFORMANCE HIGHLIGHTS IN 2020⁶



Continue to assess climate-related risks, and to identify and prioritise the Group’s risks and opportunities related to climate change

Energy consumption intensity



0.076 GJ per TEU,
reduced by 9.78%
compared to 2017 level

GHG emissions of terminal companies (Tonnes)⁷



Direct GHG Emissions (Scope 1):
219,911
Indirect GHG Emissions (Scope 2):
398,338

GHG emission intensity



8.81 kg of CO₂ equivalent per TEU,
reduced by 13.49%
compared to 2017 level

⁶ Excluding the headquarters of the Group and COSCO-PSA Terminal.

⁷ Sources of direct GHG emissions (Scope 1) include the use of diesel, gasoline, liquefied petroleum gas, liquefied natural gas (LNG) and natural gas; sources of indirect GHG emissions (Scope 2) include purchased electricity and heat by the Group. For details of the environmental performance of the Group, please refer to Chapter 11 – Appendices – Key Performance Indicators of this report.

MANAGEMENT APPROACH

The Group strictly complies with all national and local environmental laws and regulations⁸ and ensures compliant operations of terminal companies. Before commencing all large-scale projects, we engage consultants to conduct environmental assessments to ensure that local environmental requirements are met.

To improve the performance of terminal companies in environmental management, the Company has formulated the Management Guidelines on Energy Saving and Emission Reduction, the Management Guidelines on Ecological Environmental Protection, the Supervision and Inspection Management Measures on Ecological Environmental Protection and the Contingency Plan for Emergency Environmental Incidents as the guiding principles for its Subsidiaries in the PRC, and requires them to develop environmental policies and governance approach based on their own operational practices. In addition, in accordance with the requirements of the Management Guidelines of China COSCO SHIPPING Corporation Limited on Energy Saving and Emission Reduction, the Group regularly sorts out and investigates the environmental pollution sources and risks of its Subsidiaries, and requires them to file relevant reports such as work summary report on the investigation of environmental pollution related-risks or information related to energy saving and emission reduction.

We encourage terminals to adopt environmental protection practices beyond compliance requirements, such as advocating the Special Action Plan on Prevention and Control of Pollution from Ships and Ports (2015-2020) issued by the Ministry of Transport of the PRC and the Action Plan for Construction and Renovation of Power Distribution Network (2015-2020) issued by the National Energy Administration to promote the prevention of pollution from ships and ports, speed up the development of green ports, and reduce energy consumption and air emissions.

In 2020, the Group did not violate any environmental laws and regulations.

Environmental certifications obtained by overseas terminals

CSP Spain Related Companies	ISO 14001 Environmental Management System Certification ISO 14064 Greenhouse Gas Accounting and Verification Certification (CSP Valencia Terminal) ISO 50001 Energy Management System Certification EU Eco-Management and Audit Scheme (EMAS)
CSP Abu Dhabi Terminal	ISO 14001 Environmental Management System Certification
Kumport Terminal	ISO 14001 Environmental Management System Certification ISO 14064 Greenhouse Gas Accounting and Verification Certification Green Port Certificate Zero Waste Certificate

⁸ Including but not limited to the Environmental Protection Law of the People’s Republic of China, the Marine Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People’s Republic of China on Prevention and Control of Water Pollution, the Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution, the Energy Conservation Law of the People’s Republic of China, the Interim Measures for the Supervision and Administration of Energy Conservation and Emission Reduction at Central Enterprises, etc.

ENERGY SAVING AND EMISSIONS REDUCTION

The Group is committed to mitigating the impact of climate change on its business by developing relevant policies and implementing measures. We have established a Steering Group for Energy Saving and Emission Reduction and an Energy Saving and Emission Reduction Management Office to monitor the emission reduction-related policies, performance and targets of the headquarters and domestic Subsidiaries, and established relevant appraisal and award mechanism.

The International Maritime Organization (IMO) adopted the initial strategy on reducing greenhouse gas emissions in 2018, requiring ships to significantly reduce greenhouse gas emissions. As a market leader in the industry, the Group has been collaborating with the shipping industry to address the challenges brought by climate change. The Group provides shipping companies with various emission reduction initiatives, such as supplying shore power to vessels at berth to reduce their greenhouse gas emission from heavy oil combustion during terminal operations. The Group will continue to proactively explore feasible options to contribute to energy saving and emission reduction throughout the value chain.

Our terminal companies have been proactively facilitating energy saving and emission reduction through the following four initiatives:

INITIATIVE 1: ESTABLISHING SHORE POWER SYSTEMS

Shore power systems can supply electricity to vessels when they are at berth, allowing vessels to use electricity without running the engine. Using shore power not only reduces noise from the engine operation, but also reduces heavy oil consumption, thereby reducing air pollutants such as carbon emission, sulphides and nitrogen oxide.

Shore power system is one of the important initiatives for green development at ports. At present, all domestic Subsidiaries of the Company have already installed shore power system. Among which, Nantong Tonghai Terminal completed the new shore power system at the end of 2020. It is equipped with variable frequency and voltage power supply system, which is compatible for more vessel types around the globe.

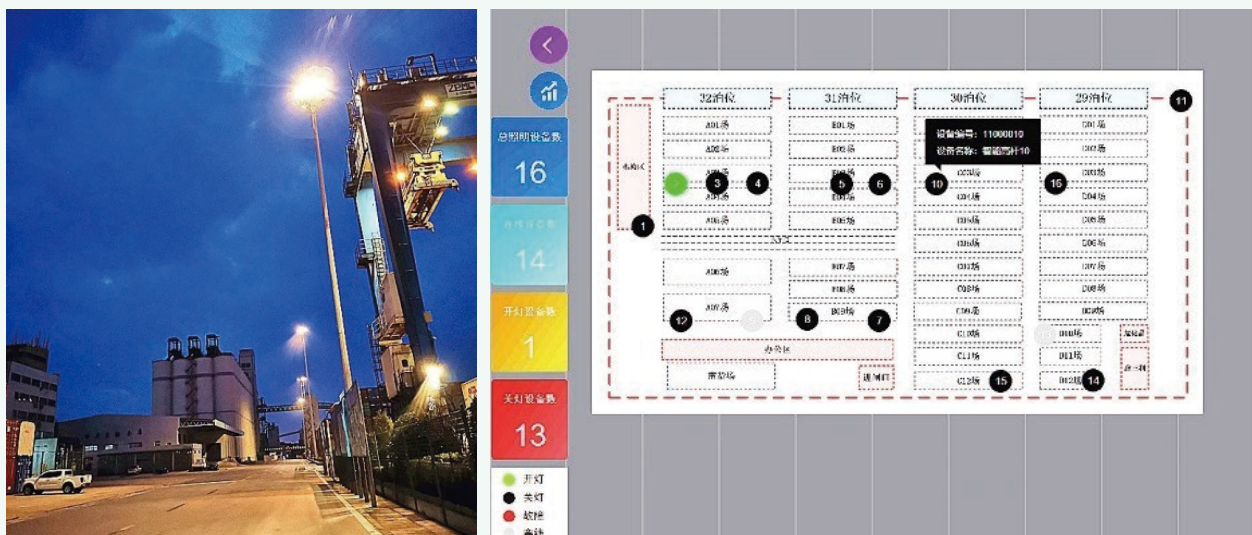


INITIATIVE 2: RETROFITTING ENVIRONMENTALLY-FRIENDLY LIGHTINGS FOR ENERGY-SAVING

Our Subsidiaries have gradually replaced their terminals and yards with more durable and energy-efficient LED lighting. In 2020, Xiamen Ocean Gate Terminal completed the LED lighting retrofitting project, which reduces lighting energy consumption by 50%, and is expected to save approximately 90,000 kWh of energy. Piraeus Terminal also completed a sizeable LED lighting replacement project, significantly reducing lighting energy consumption by 77%. In addition, we have introduced smart lighting systems to further enhance energy efficiency.

Case Study: Lianyungang New Oriental Terminal adopts smart lighting system at yards

Terminals use high-pole lights for supporting the operations at night. Previously, the time-controlled lighting mode limited the flexibility of lighting, resulting in unnecessary energy consumption. Furthermore, staff were required to adjust the lighting time of each lamp tower according to the weather, season and other factors, resulting in a waste of energy and manpower.



The smart lighting system benefits the terminal in operation, lighting, energy saving and other aspects. Staff can use smart devices such as central computers and mobile phones to monitor and control the lighting system in real time and to control the smart lights in bulk according to weather and operational conditions. The malfunction and energy consumption information of each lamp tower can be displayed on a dashboard to facilitate energy consumption analysis and troubleshooting.

INITIATIVE 3: ELECTRIFICATION OF INFRASTRUCTURE

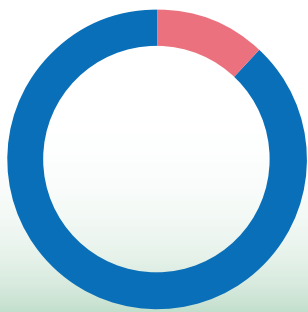
Infrastructure such as gantry cranes, bridge cranes and rubber tyre cranes at the terminals have been mainly driven by diesel. In order to promote environmental protection, our terminal companies continue to electrify the infrastructure, achieving substantial results in energy conservation, emission reduction and cost saving.

Some terminal companies underwent renovation during the year. Jinjiang Pacific Terminal carried out hybrid power system transformation for 4 gantry cranes while Jinzhou New Age Terminal completed hybrid power system transformation for 3 gantry cranes by replacing large diesel generator sets with smaller ones and lithium battery sets, which reduce diesel consumption by more than 50%. In addition, Xiamen Ocean Gate Terminal has introduced a new generation of gantry cranes, with a total of 8 electric rubber tyre gantry (RTG) cranes powered by municipal electricity supplies. They also upgraded the infrastructure to prepare for the automation of the yard.



Xiamen Ocean Gate Terminal introduced a new generation of electric gantry cranes.

The Coverage of eRTG cranes among the Company's Subsidiaries in the PRC by the end of 2020⁹:



12% Traditional RTG crane

88% Electric RTG crane (eRTG)

Electrification of RTG reduces approximately

3,700 tonnes of CO₂ equivalent GHG emissions per year

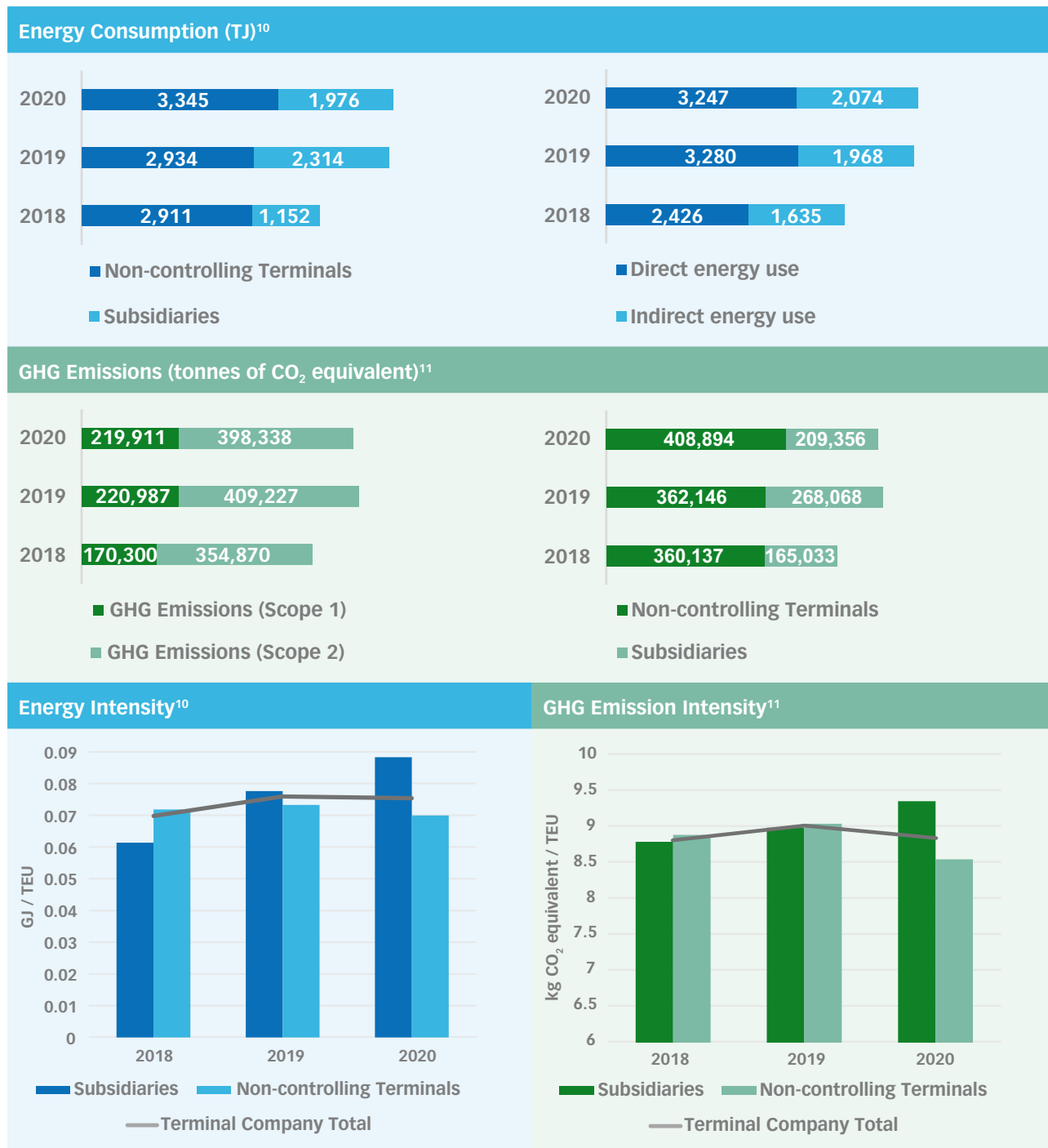
INITIATIVE 4: CONTINUOUS OPTIMISATION OF YARD SYSTEMS

The major source of air pollutant emissions at terminals is fossil fuel combustion. We constantly monitor the emissions of heavy machinery to ensure compliance with regulatory requirements. Nantong Tonghai Terminal advocated the recommendation from the provincial government and implemented the automatic monitoring and control system for the atmospheric environment in the port area. The project investment amounted to nearly RMB2 million and started operation in late 2020.

We proactively reduce emissions at different aspects and continuously optimise the air quality of our terminals. CSP Spain Related Companies and Shanghai Pudong Terminal have initiated photovoltaics projects, respectively, and will install solar panels in the future. In addition, we also widely adopted electric vehicles and LNG vehicles. Among the 80 truck fleets at Shanghai Pudong Terminal, 72 of them have been replaced by LNG trucks.

⁹ The statistics excludes CSP Wuhan Terminal.

PERFORMANCE SUMMARY OF ENERGY CONSUMPTION AND GHG EMISSIONS



10 Excluding the energy consumption of the headquarters of the Group. For details of our environmental performance, please refer to Chapter 11 – Appendices – Key Performance Indicators of this report.

11 Excluding the GHG emissions of the headquarters of the Group. For details of our environmental performance, please refer to Chapter 11 – Appendices – Key Performance Indicators of this report.

PROPER MANAGEMENT OF RESOURCES

The Group is committed to reducing the impact on the environment and natural resources in business operations. Therefore, we ensure that natural resources are managed in a compliant manner and that we follow international and industry best practices to minimise the impact on the environment.

WATER RESOURCES AND SEWAGE MANAGEMENT

Water used in terminal companies is sourced from municipal water. Production water consumption is mainly used for maintenance and repair of daily facilities, berths and yard cleaning, while domestic water consumption is used for office buildings and canteens. Each terminal company implements various water-saving measures based on actual situation, such as rainwater recycling, regular inspections of water supply networks, water saving equipment and system adoption, and the monitoring of water consumption levels.

In terms of wastewater treatment, we follow the treatment process of Wastewater Quality Standards for Discharge to Municipal Sewers (CJ343-2010) to treat wastewater and strictly monitor the discharge of pollutants to ensure safe treatment of wastewater. Two additional sewage treatment stations were built in Ningbo Yuan Dong Terminal in 2020 to speed up the sewage purification process. The treatment station applies SBR activated sludge process to treat domestic and oily wastewater at ports, where oil-water separators are used to pass oily sewage to companies with professional qualifications for recycling purpose. The remaining sewage which passes the reclamation standard would be reused for irrigation and site cleaning.

WASTE MANAGEMENT

The Group advocates the 3R principle of environmental protection, i.e. reduce, reuse and recycle, to reduce waste. Nantong Tonghai Terminal has repaired and disassembled small parts of waste machinery and recycled them into useful parts. In addition, CSP Abu Dhabi Terminal has also reused items such as tyres, oil barrels and paint containers to reduce waste.

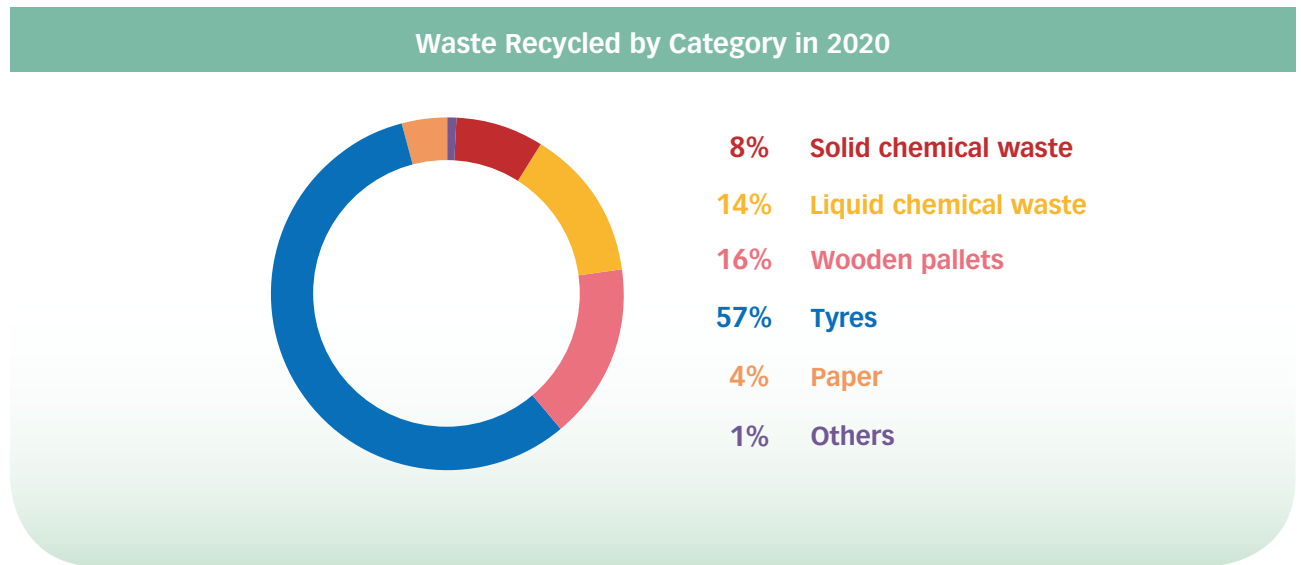
In recent years, the Group has been promoting digitisation to reduce paper consumption and streamline workflow. Xiamen Ocean Gate Terminal and Guangzhou Nansha Stevedoring Terminal have implemented electronic delivery notes to replace traditional paper notes, reducing paper consumption and logistic costs of supply chain.

The hazardous and non-hazardous waste generated from the terminals¹² during operations and respective treatment measures are as follows:

Types	Proportion of the overall waste of the Group	Treatment measures
Hazardous waste		
Solid chemical waste (such as waste oil contaminated rag, waste wire rope, scrap metal, waste oil drum and waste oil sludge)	64.4%	Waste is collected and properly stored and handled by companies with professional qualifications or by material suppliers.
Liquid chemical waste (such as waste lead acid battery and waste oil)	8.7%	For waste oil, the terminals strengthens daily maintenance of machinery and equipment, and continues to carry out "diesel-to-electric" conversion to reduce waste oil generation.
Others	5.1%	
Non-hazardous waste		
Wooden pallets	2.7%	Companies with professional qualifications or material suppliers for treatment are engaged.
Others (such as municipal waste from ports)	19.2%	Waste is stored in collection zones before being transferred to designated locations by the environmental hygiene department for daily treatment in sealed containers.

12 For details regarding the materials applied, waste generated and recycling, please refer to Chapter 11 – Appendices – Key Performance Indicators of this report.

We recycle waste as much as possible. In 2020, the types of waste recycled by the Group are as follows:



RESPONSE TO CLIMATE CHANGE

The Company operates terminals worldwide, including areas which are sensitive to climate change. We realise that the magnitude and velocity of climate change are intensifying, which impose adverse impacts to the places where we operate in. Therefore, we appointed an independent consultant to conduct climate risk and opportunity assessment in 2020 to enhance the governance and transparency of climate change. We focus on mitigation and adaptation to address stakeholders’ concerns in climate change.

Climate Change Mitigation	Climate Change Adaptation
Reduce GHG emissions (please refer to the section headed Energy Saving and Emissions Reduction in this chapter)	Enhance the governance of climate change (please refer to the section headed Measures to Respond to Climate Change in this chapter)

RISKS AND OPPORTUNITIES IN RELATION TO CLIMATE CHANGE

With reference to the recommendations from the TCFD, the Company has identified climate-related risks and opportunities, categorised the risks into physical risk and risks related to the transition towards a low carbon economy, and prioritised them according to their impacts on business operations. Typhoons, carbon trading system and IMO sustainable development strategies are identified as the most significant climate-related risks to our business.

Types of risks	Scope	Risk description
Physical Risk		
Risks arising from more frequent extreme weather or changes in climate patterns	Acute risks (such as extreme weather): typhoons, storms, droughts, floods, etc.	<ul style="list-style-type: none"> • Damage ports and relevant facilities, vessels and goods, resulting in loss of assets • Extreme weather forces vessels to divert from their route, causing delays • Affect the capacity of waterways, thus requiring more dredging works • A decrease in volume of goods due to crop failure, eventually affecting terminal throughput
	Chronic risks: rising sea levels, continuous high temperatures, etc.	<ul style="list-style-type: none"> • Rising sea levels change wave and tidal patterns, affecting the schedules of shipping companies • Terminals need to be equipped with more refrigeration facilities due to rising temperatures to meet the demand from customers; staff may not be able to work long hours outdoors during hot season, hampering operational efficiency • The polar ice layer is melted to form a shorter distance and lower cost route at a particular period each year, affecting terminal throughput • Terminal infrastructure deteriorates faster due to rising temperature and ocean acidification, increasing maintenance costs
Transition risks		
Risk resulting from changes in policies, laws, technologies and market needs during the transition to low-carbon economy	Policies and legal risks	<ul style="list-style-type: none"> • Policies issued by the IMO • China's Emission Trading System (ETS) has enforced a carbon pricing mechanism • The national development strategy and guidelines for green shipping • EU Emissions Trading System • Industry framework on Poseidon Principles • Litigation claims in relation to climate-related risks
	Technology risks	<ul style="list-style-type: none"> • Increase in investments in renewable energy, and energy saving and emissions reduction technology
	Market risks	<ul style="list-style-type: none"> • Increasing demand for low carbon services and green ports from customers
	Reputation risks	<ul style="list-style-type: none"> • Customers would prefer to collaborate with companies with better performance in sustainable development

While climate change has incurred risks, it has also brought potential business opportunities, which are analysed as follows:

Types of opportunities	Scope	Opportunity description
Resources efficiency	<ul style="list-style-type: none"> • Adopt more efficient means of transportation • Implement a more efficient process of production and distribution • Apply recycling technology • Buildings and facilities with higher efficiency are built • Reduce water demand or water consumption 	<ul style="list-style-type: none"> • Supply of LNG to vessels • Compared with other modes of transportation (air freight, road freight, rail freight, etc.), the amount of carbon dioxide emissions per kilometer-tonne of shipping is lower. It is believed that an increasing number of customers will change their transportation methods and choose shipping in accordance with their own low-carbon strategy
Energy	<ul style="list-style-type: none"> • Sources of low-emission energy • Incentive from supportive policies • Rise of new technology • Participate in carbon trading market • Energy safety 	<ul style="list-style-type: none"> • National/local subsidy policies (such as construction of green ports and shore power facilities, etc.) • Increase in transportation volume of green products (such as wind power equipment or electric vehicles)
Products and services	<ul style="list-style-type: none"> • Develop and/or expand low emission goods and services • Solutions to climate adaption and insurance risks • Research and development and innovation • Diversification of business activities • Change in consumers' preferences 	<ul style="list-style-type: none"> • Global warming accelerates glacial meltdown and shortens the time for ice-freezing in the Arctic region, bringing development opportunities to the logistics and transportation business (including shipping services and ports) in the regions of open water
Market	<ul style="list-style-type: none"> • Entry to new markets • Motivation from authorities • Demands and initiatives from communities 	
Adaptability	<ul style="list-style-type: none"> • Participate in renewable energy projects and adopt energy-saving measures • Alternatives/diversification of energy 	

MEASURES TO RESPOND TO CLIMATE CHANGE

The Company looks into the climate-related risks and opportunities, and formulates strategies to mitigate and adapt to climate change. We strive to minimise the threat of climate change to the business while benefitting from green transition.

Typhoon Measures

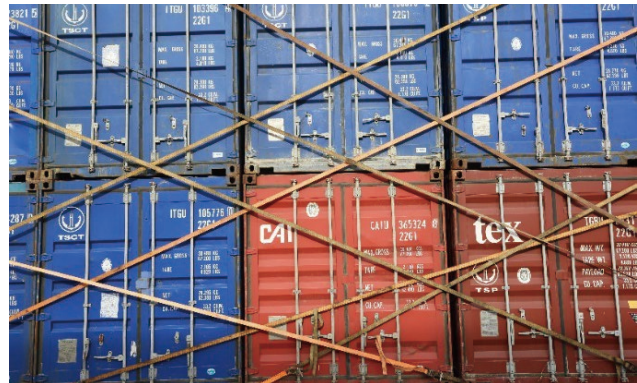
In 2020, several terminals of the Company experienced challenges from typhoons. Thanks to our regular drills on typhoon and flood response, our employees were able to effectively handle such emergencies and ensure their own safety and the order of the operations.

Case study: Nantong Tonghai Terminal carried out drills on typhoon and flood response

Nantong Tonghai Terminal carried out an annual drill on typhoon and flood response before the flood season. A scenario was assigned to the staff who performed their duties accordingly. When the drill started, the staff used container lashing and anchor chains to fix the position of quay cranes, hoist the girders of bridge cranes, and reinforce the flood gate.

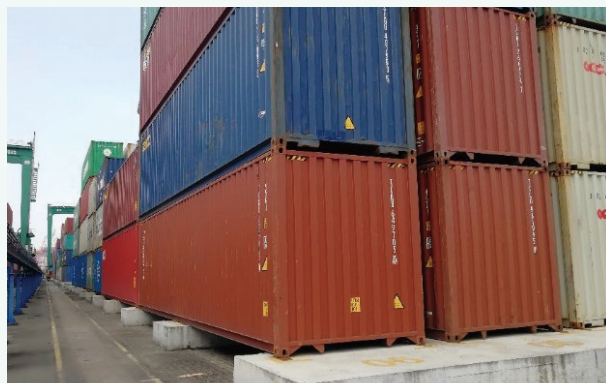


We have developed standard procedures to deal with typhoons. Before the typhoon arrives, terminal operators will stop their work on hand, reinforce and secure on-site equipment, move the containers and overhead cranes away from the port, examine the leak-proof drainage measures and operation of rainwater pumping in key areas. After the typhoon arrives, relevant departments will keep track of the route of the typhoon. When the typhoon signal is withdrawn, the department of safety control will identify and investigate potential safety hazards, and other departments will facilitate the communication with shipping companies, pilot stations and control centres to resume port operations.



Case Study: Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal heightened the yards to prevent flooding

In 2018, Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal suffered serious damage from super typhoon Mangkhut. After the typhoon season of the year, the terminals invited The Harbour Engineering Investigation and Design Institute to re-survey the yards for dangerous goods, refrigerated goods and precious goods to increase the height, so as to prevent the goods from soaking when flood arrives.



In 2020, there was no damage to the site after the landing of super typhoon Higos, demonstrating the capability of the terminals to cope with typhoon.

During the year, the “Research and Development Project of Anti-typhoon Technology for Quay Crane” of Guangzhou Nansha Stevedoring Terminal was praised by the experts in the ports industry and awarded the “Science and Technology Second-class Prize” by the China Ports and Harbours Association in 2020, which further recognised the Group’s ability to deal with typhoons.

Measures to Prevent Heatstroke

The Group realises that climate change has led to an increase in the average temperature and heat waves have become more frequent. To minimise safety accidents caused by high temperature, we have adopted a series of heatstroke prevention measures to ensure the safety of employees and a smoother workflow.

Case study: Heatstroke prevention in Nantong Tonghai Terminal in summer

Nantong Tonghai Terminal strictly implements the guidelines for working at high temperature. When temperature goes up to 37°C for three consecutive days, the Company’s contingency steering group will give instructions to the relevant departments on-site to reduce outdoor working hours for workers, increase manpower and adopt more frequent rotation within shift. When the temperature is over 39°C, all outdoor operations will be suspended. We have also placed medicines and drinks in various locations to make sure that they are easily accessible.



Case study: CSP Abu Dhabi Terminal shifted construction project to nighttime

The construction conditions of the Abu Dhabi Khalifa Port Container Terminal Phase 2 Project are unfavourable, with the daytime temperature exceeding 50°C and the perceived temperature exceeding 70°C. In view of this, the project team shifted the construction from daytime to nighttime to prevent the workers from heatstroke. The team also transported ice maker directly to the construction site and provided the workers with sufficient fresh water and energy supplements to prevent them from feeling unwell.



Carbon Trading

In accordance with the Interim Measures on Carbon Emissions Management of Shanghai Municipality, Shanghai Pudong Terminal and Shanghai Mingdong Terminal have been included in the carbon trading scheme of Shanghai in 2018 with an aggregated quota of 62,382 tonnes. Since 2019, the two terminals have carried out carbon emission monitoring, reporting and settling. The Company and its terminals will continue to observe the latest development of carbon trading, follow the technical specifications of carbon trading and related management in various regions, and cooperate with local governments in emission reduction.

Innovative Goods

The Company expects that climate change will bring more innovative goods which will benefit us in the trend of green economy. As the investment in green energy continues to surge around the world, the demand for wind power equipment has also increased. China has now become a major exporter of wind power equipment and plays an important role in the manufacturing and maintenance of green energy equipment market. Terminal companies will strive to improve their facilities to support new cargo types in advance to ensure that the cargo can be safely delivered.

RAISING ENVIRONMENTAL AWARENESS

Thanks to the overwhelming support from our frontline staff, the Group is able to implement various environmental protection initiatives in its daily operations. We will continue to work closely with our employees to promote environmental protection and the concept of “green ports”.

On World Environment Day, Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal launched an environmental protection promotion activity. Promotional materials and small gifts were distributed to staff. During the event, banners and posters were put up in different locations of the terminals to raise environmental awareness.



Nantong Tonghai Terminal carried out special training on environmental protection which focused on the hazards and prevention methods of environmental pollution and the interpretation of environmental regulations. The training successfully enhanced the environmental awareness of the participants and provided guidance for the Company to work better in environmental protection.



CHAPTER 9 WIN-WIN COOPERATION



COSCO SHIPPING Ports strives to strengthen its global terminal network and optimise resources management to enhance our business and competitiveness. In order to formulate a long-term and sustainable corporate development plan, the Group proactively explores and deepens cooperation along the industry chain, improves the quality and efficiency of industrial development, and builds a better “global shipping ecosphere”. We also attach great importance to our commitment on sustainable supply chain, efficient management measures, as well as promoting and maintaining a responsible procurement operation model to create a responsible industry chain.

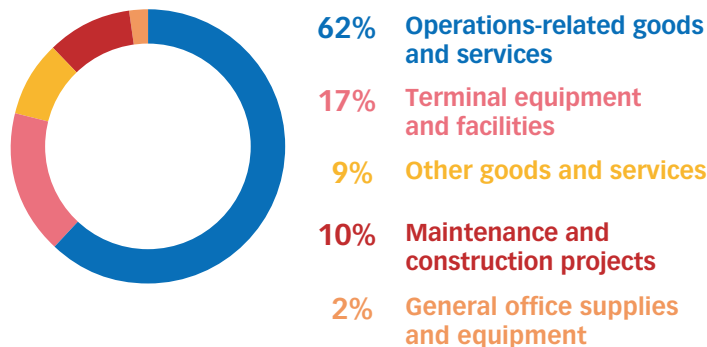
The Group’s focus areas in Win-Win Cooperation:

Responsible procurement	Adopt a stringent procurement and tendering mechanism; evaluate new suppliers in terms of compliance, environment, social, health and safety; and review the performance of existing suppliers on a regular basis
Cooperation with contractors	Proactively maintain close communication with contractors regarding safety issues and the identification of potential risks; enhance safety level and prevent outsourcing risks by providing safety trainings and conducting safety inspections
Strengthening cooperation along the industry chain	Strengthen cooperation with upstream and downstream players of the shipping industry chain, and develop mutually beneficial strategic relationships

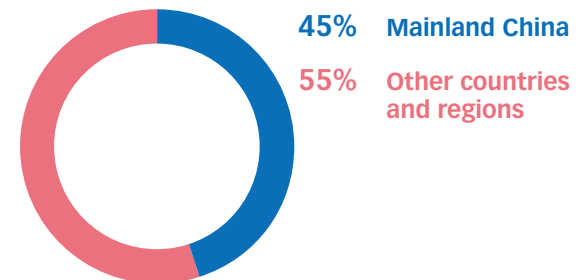
PERFORMANCE HIGHLIGHTS IN 2020¹³

The Group worked with 5,652 suppliers, of which 2,939 are based in Mainland China and 2,713 are based in countries and regions outside Mainland China.

Procurement Expenditure by Type



Procurement Expenditure by Geographical Location



The Group’s headquarters assessed 174 existing suppliers. The assessment result is as follows:



Grade A Suppliers:
90.8%



Grade B Suppliers:
8.6%

¹³ Excluding Yantian Terminals and Piraeus Terminal as relevant supply chain information of these terminals are not available.

MANAGEMENT APPROACH

The Group is committed to enhancing its supply chain management strategy to increase the overall competitiveness and efficiency of the supply chain. During the year, the Group updated its policies, including the Procurement Management Regulations, Supplier Management Regulations and Subcontract Regulations, which clearly state the management regulations on tendering, procurement and supplier selection. We also regularly review relevant management measures to maintain an efficient supply chain management and ensure suppliers' compliance with the Group's stringent standards by checking their performance in compliance, operations and products. In the long run, the long-term partnership with outstanding suppliers will help boost operational efficiency, reduce business risks and achieve win-win cooperation.

There are four basic principles of COSCO SHIPPING Ports' supply chain management:

Central management	The Group standardises relevant supplier management policies, work procedures, qualified supplier database and information system to enhance the flexibility of internal message delivery
Classification and gradual unification	The Group gradually manages both Class-2 and Class-3 suppliers and allows the headquarters for central management
Dynamic evaluation	Conduct regular quantitative review of suppliers' overall performance to facilitate their continuous improvement
Structural improvement	Establish a supplier evaluation mechanism with rewards and punishments to consistently optimise supplier management and structure

The Subsidiaries of the Company have also established their own supplier management measures, including Xiamen Ocean Gate Terminal, Guangzhou South China Oceangate Terminal, Jinjiang Pacific Terminal and CSP Wuhan Terminal, etc. In terms of the tender exercises, CSP Abu Dhabi Terminal requires suppliers to sign the Confirmation of Compliance after bidding to ensure that they are in full compliance with the United Arab Emirates and the Federation labour laws. The Group attaches great importance to supplier relationship management and endeavours to cooperate with suppliers, establishes close and long-term partnerships and explores more business opportunities, thereby expanding our businesses.

RESPONSIBLE PROCUREMENT

In accordance with the principles of sustainable development, the Group manages the supply chain in the following three areas:

STRINGENT POLICIES

The Group has developed stringent requirements on suppliers and set up a number of criteria for supplier selection. Currently, we require all suppliers who are intended to participate in tender exercises to complete the Supplier Self-evaluation on the Compliance with Social Regulations for our assessment. It allows us to understand the suppliers' compliance with relevant laws and regulations in the regions where they operate, financial conditions, business reputation, corporate governance, safety and environment, and social contribution, so as to select outstanding suppliers and develop a sustainable supply chain.

CANDIDATE EVALUATION AND SELECTION

New suppliers are strictly examined to monitor their compliance. Our comprehensive assessment reviews suppliers' commitments and performance in terms of laws and regulations, health and safety, environment, prohibition of child labour and forced labour, remuneration and working hours, anti-discrimination, employees' rights and suppliers' requirements on their upper-tier suppliers. The Group will also visit external suppliers with larger procurement scale to better understand their production, operations and security of supply on site.

REGULAR ASSESSMENT

In order to ensure that the suppliers can meet the Group's standards, we conduct an annual qualification review on the existing suppliers listed in the database in December every year to evaluate their basic qualifications, cost competitiveness, supply performance, quality control, customer service, business innovation and safety and environmental performance. The evaluation results divide suppliers into four categories based on their scores. Grade D suppliers will be eliminated and removed from the database for three years.

There are four sets of scoring standards in the annual review based on our demands for four categories covering consultancy services, engineering, equipment and materials to ensure the scoring indicators are in line with the nature of various businesses.

Grade A (with a score of 85-100)	Grade B (with a score of 70-84)	Grade C (with a score of 60-69)	Grade D (with a score of 0-59)
Excellent suppliers	Good suppliers	Suppliers who require improvement	Suppliers who should be removed
Priority for partnership under the same contractual conditions	Standard business partnerships	Conduct focused inspection and facilitate improvement in underperforming areas; procurement from such suppliers will be suspended before rectifications are made	To be removed from the qualified supplier database for three years

COOPERATION WITH CONTRACTORS

The Group has been demonstrating our commitment to environmental and social protection in all aspects of our business operations. Regarding the contractor selection process, we will only consider and select contractors who comply with environmental impact assessment reporting and international standards (such as ISO 14001 and ISO 45001, etc.) to ensure that their activities do not cause significant environmental and social disruptions. Since the Group regards operational safety as the cornerstone of business success, we have developed the Subcontract Regulations, identified and assessed the outsourcing risks for our terminal companies, and adopted effective risk prevention measures. The Group has also developed relevant safety management regulations and appointed designated supervisors to provide safety training to employees and conduct safety inspections on a regular basis. This helps continuously improve employees' occupational safety and health standards and knowledge, maintain effective communication with contractors and subcontractors on safety issues and potential risks, and supervise and assist them in implementing and maintaining safety procedures and risk management measures. For instance, responsible personnel at Guangzhou Nansha Stevedoring Terminal would explain the contingency plans in relation to fire accidents and introduce the use of fire extinguishing devices to the new drivers of contractors, thereby strengthening their emergency response capabilities.

In addition, we have developed the Safe Production Regulations. If the work environment falls short of the basic requirements on occupational health, terminal employees have the rights to refuse to work until the condition is improved and resumed to the standard level. In light of this, the Company's terminals have developed a series of management measures on the safety of business outsourcing, including:

- Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal offer occupational health check-up for new joiners of the contractors and arrange annual occupational health check-up for all employees in order to create an archive for and be fully aware of the health conditions of their employees. This can also help identify potential risks in the workplace and implement effective preventive measures to mitigate impacts on business operations.
- CSP Zeebrugge Terminal requires the contractors to discuss relevant operational risks and safety issues with the terminal's project owners and conduct risk assessment prior to the commencement of construction projects. It is also mandatory for the contractors to present valid business licenses for the terminals' project owners to issue work permits. Project owners will only assign qualified workers to start working after confirming that the contractors have completed the risk assessment.
- COSCO-HIT Terminal has set up a contractor management team to monitor the operating performance of suppliers and check their operating licenses and safety certifications in relevant industries. Moreover, the safety and security department is responsible for managing the occupational safety and health performance of suppliers to ensure their compliance with the terminals' requirements.

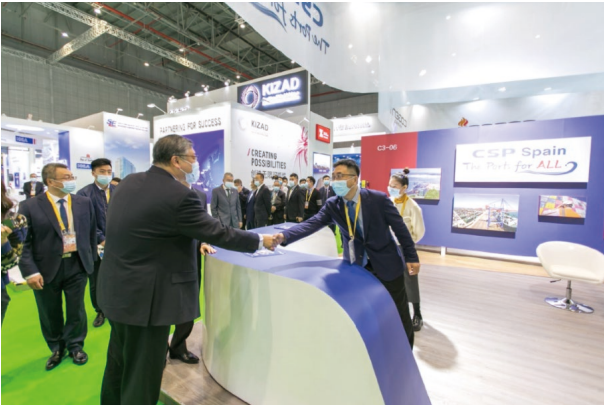
STRENGTHENING COOPERATION ALONG THE INDUSTRY CHAIN

The Company strives to expand our global terminal network to increase the overall transportation efficiency. We continue to enhance the cooperation with all relevant parties across the shipping industry chain, thereby enhancing our performance in the value chain and maximising customer values.

ENHANCING STRATEGIC COOPERATION

During the year, the Company established Supply Chain Development Department to boost the quality and efficiency of industrial development. It is responsible for expanding the terminals' supply chain to logistic services, increasing the Group's profit and avoiding uniformity of business. In 2020, the Department commenced two overseas projects and set up logistics parks at the operating sites in Guangzhou, Xiamen and Wuhan. Expanding our business developments is our current priority, including facilitating cooperation with forest product enterprises and making CSP Zeebrugge Terminal to be a gateway of timber export from Northwestern Europe to the Far East. Meanwhile, the Company also plans to incorporate the development, supply flow and market direction of the ports in Nansha to expand our businesses in areas of cross-border e-commerce, automotive parts distribution, pharmaceutical cold chain and supply chain finance, which will be beneficial to create a long-term and efficient shipping ecosphere and sustainable industry chain.

COSCO SHIPPING Ports advocates the industry chain cooperation and communications by enhancing shipping industry operations and facilitating the development and application of new technologies. We participate in the China International Import Expo (CIIE) to exchange the latest information of overseas ports with different business partners. During the year, CSP Spain Related Companies, CSP Abu Dhabi Terminal, CSP Zeebrugge Terminal and Kumport Terminal have joined the third CIIE to promote our overseas business operations and exchange views with global representatives from industries including shipping, logistics, ports, finance, manufacturing and technology companies and cargo owners. It helps all parties understand the challenges brought by the epidemic and the latest industrial development, thereby strengthening the cooperation and development of all parties.



PAVING THE WAY FOR 5G SMART PORTS

In recent years, the Company is committed to the development of smart ports through active cooperation with communication technology companies and technology suppliers, and application of new technologies in business operations. During the year, Xiamen Ocean Gate Terminal collaborated with several technology companies, including Dongfeng Commercial Vehicle Co., Ltd. and China Mobile (Shanghai) Information Communication Technology Co., Ltd. to jointly develop the first customised driverless truck for containers and collaborated with COSCO SHIPPING Technology Co., Ltd. to jointly develop equipment such as “5G remote control gantry crane”. These projects can help maintain a reliable and safe work environment, minimise operating costs, enhance operational efficiency and facilitate green and automated port development.

Furthermore, the Company demonstrated our outstanding and innovative achievements in the development of 5G smart port pilot programme at the 2020 Smart China Expo, including the remote control of tyre cranes, automated driverless truck and the 5G “high-definition video transmission and AI vision analysis” technology for intelligent tallying. The Company expects to continuously promote and build smart ports and utilise advanced technologies to enhance the automation levels and operational efficiency of terminals, thereby strengthening the capability of supply chain coordination and resources allocation in our business operations.





CHAPTER 10
INVESTING IN COMMUNITIES

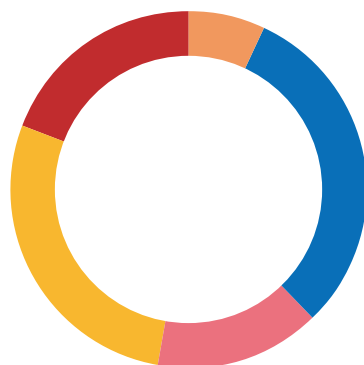


The Group undertakes social and environmental responsibilities and leverages on our existing resources and technological advancements to provide assistance to communities. In light of the global outbreak of the COVID-19 Epidemic in 2020, we have provided prompt assistance and initiated donations to minimise the economic and social impacts of the epidemic.

The Group's focus areas in Investing in Communities:

Education and youth development	Increase the devotion of resources in education; encourage the development of skills and interests; and encourage our next generation to explore and develop their potentials to become the future pillars of the society
Poverty alleviation	Maintain effective communication with social service organisations, provide assistance to the underprivileged, improve the quality of life in local communities, and optimise local resources to support the long-term development of the communities
Environmental protection	Apart from promoting environmental protection in the course of operations, the Company strives to improve the surroundings of the terminals, increase our efforts in environmental protection and greening, and improve the living environment in the local communities
Talent nurturing	Leveraging on our professional knowledge and technical experience in the industry, the Company encourages the terminals to share and promote terminal operations to the societies with an aim to nurturing potential talents

PERFORMANCE HIGHLIGHTS IN 2020



Categories of Community Services

- 7%** Education and youth development
- 31%** Poverty alleviation
- 15%** Environmental protection
- 28%** Talent nurturing
- 19%** Others

The Company is honoured to be awarded the "Caring Company" logo by the Hong Kong Council of Social Service for two consecutive years, which affirms our ongoing efforts in community development, employee care and environmental protection.

MANAGEMENT APPROACH

The Group is concerned about our business impacts on the local economy, environment and society. Hence, we proactively participate in community services to fulfil our corporate social responsibility and create more values in the local communities. The Company also encourages terminal companies to maintain close communications with local communities, understand their needs and implement corresponding action plans. In order to foster social development and develop sustainable communities, terminal companies continuously expand their local community networks, and increase resources and talents as well as establish long-term partnerships with a number of community organisations.

ANTI-EPIDEMIC SUPPORT

The outbreak of the COVID-19 Epidemic in 2020 caused massive economic and social disruptions across the globe. To fulfil our social responsibility commitment during these challenging times, the Company has donated medical supplies to certain most-affected countries. During the year, the Group has donated surgical face masks and isolation gowns to healthcare workers in countries including China, Italy, Belgium and Greece. Apart from donating medical equipment, the Group has also initiated monetary donations to express our sincere gratitude to healthcare workers for their selfless devotion. Kumport Terminal successfully raised approximately RMB900,000 and donated all proceeds to the "National Solidarity Campaign" to offer financial assistance to people experiencing financial hardship due to the epidemic.

Piraeus Terminal donated electronic equipment to two schools during the epidemic, enabling them to adopt remote teaching.

During the epidemic, Nantong Tonghai Terminal, Quan Zhou Pacific Terminal, Ningbo Yuan Dong Terminal and Dalian Container Terminal have implemented "green lanes" for vessels carrying anti-epidemic supplies to prioritise berthing, operation and unloading for delivery, ensuring safe and express delivery of the supplies within the port area for customers to pick up as soon as possible. Besides, Xiamen Ocean Gate Terminal and Pacific International Lines collaborated on exporting anti-epidemic supplies to Singapore, thereby facilitating express and smooth delivery of essential and urgent supplies.

DONATIONS

The Company organises different fund-raising activities every year. During the year, we donated RMB8 million to COSCO SHIPPING Charity Foundation to support a poverty alleviation program in Lhorong County in Tibet. This program covers five projects in Lhorong County, including the subsidy for the Lhorong People's Government on a primary school construction program, a standardised health centre construction project in Lajiu Town, an executive talent training and development program, a warm-hearted insulated water bottles program and the second phase construction of emergency drinking water supply.



COSCO SHIPPING Ports donated insulated water bottles to a primary school in Lhorong County.

Meanwhile, the Group also implemented a host of charitable activities. For instance, the Hong Kong headquarters of the Company donated HK\$34,000 to Community CareAge Foundation and Autism Partnership Foundation, respectively, and invited the Autism Partnership Foundation to deliver a talk about caring for children with autism spectrum disorder. Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal donated RMB30,000 to Guangzhou Nansha Charity to help the people in need in Nansha District. Shanghai Pudong Terminal joined the 24th "8.15" caring activity organised by the Group and a total of 557 employees and 489 contractor employees made donation and raised approximately RMB160,000 to support poverty alleviation.

SOCIAL INITIATIVES

Xiamen Ocean Gate Terminal participated in the “Love Pairing” assistance programme in Haicang District and made four home visits in Haicang Village during festive holidays in 2020 to deliver festive blessings to the target groups.



Quan Zhou Pacific Terminal organised a four-month “Youth Summer Basketball Camp” to provide basketball training to 60 youngsters, including the children of their employees and the teenagers in the neighbourhood, aiming to cultivate their interests and habits in sports.

ENVIRONMENTAL PROTECTION AND EDUCATION

Kumport Terminal pledged to plant 34 trees for every employee’s newborn so as to cultivate more green spaces in the community and start acting on climate change.

CHAPTER 11

APPENDICES

KEY PERFORMANCE INDICATORS

WORKFORCE STATISTICS

Workforce Statistics (1)		Total			Non-controlling Terminals ¹⁴			Subsidiaries ¹⁴			Headquarters		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Total Workforce													
Employees	No. of people	10,315	10,432	9,471	6,698	6,190	6,185	3,286	3,921	2,984	331	321	302
Supervised Employees	No. of people	4,469	4,539	3,345	2,517	1,812	2,184	1,952	2,727	1,161	0	0	0
Self-employed	No. of people	1,355	1,348	0	663	0	0	692	1,348	0	0	0	0
Employee Composition													
By employment type													
Full-time	No. of people	10,312	10,429	9,465	6,696	6,190	6,183	3,285	3,918	2,980	331	321	302
Part-time	No. of people	3	3	6	2	0	2	1	3	4	0	0	0
By geographical location													
Hong Kong	%	4.6	4.7	5.2	5.5	6.4	6.5	0.0	0.0	0.0	30.2	29.6	29.5
China (ex-Hong Kong)	%	79.0	78.9	81.6	82.2	80.0	79.8	74.2	78.6	87.2	61.0	61.4	63.2
Overseas	%	16.4	16.4	13.2	12.2	13.6	13.7	25.8	21.3	12.8	8.8	9.0	7.3
By gender													
Male	%	87.9	87.8	87.7	89.2	88.7	88.6	86.7	87.5	87.2	74.3	74.1	74.2
Female	%	12.1	12.2	12.3	10.8	11.3	11.4	13.3	12.5	12.8	25.7	25.9	25.8
By age group													
Below 30	%	14.4	17.5	19.6	12.6	17.0	18.9	18.4	19.3	22.4	10.9	7.5	7.3
30-50	%	73.3	71.8	70.7	87.4	72.6	71.4	69.3	70.7	69.6	65.9	67.6	66.9
Above 50	%	12.3	10.7	9.7	11.8	10.4	9.7	12.4	10.0	8.0	23.3	24.9	25.8
By employee category													
Managerial position	%	0.9	1.6	1.2	0.9	2.3	1.5	0.8	0.5	0.6	1.8	1.9	2.6
Supervisory position	%	6.2	6.3	7.1	5.9	7.1	7.6	3.0	1.8	2.2	44.7	45.8	45.1
General position	%	92.9	92.1	91.7	93.2	90.6	90.9	96.2	97.7	97.2	53.5	52.3	52.3
Employee Turnover													
	No. of people	355	499	552	252	316	390	93	171	143	10	12	19
	Turnover rate (%) ¹⁵	3.4	4.8	5.8	3.8	5.1	6.3	2.8	4.4	4.8	3.0	3.7	6.3
By geographical location													
Hong Kong	No. of people	38	50	70	35	42	59	0	0	0	3	8	11
China (ex-Hong Kong)	No. of people	221	329	384	152	213	249	62	112	127	7	4	8
Overseas	No. of people	96	120	98	65	61	82	31	59	16	0	0	0
Hong Kong	%	8.1	10.2	14.3	9.5	10.6	14.8	0.0	0.0	0.0	3.0	8.4	12.4
China (ex-Hong Kong)	%	2.7	4.0	5.0	2.8	4.3	5.0	2.5	3.6	4.9	3.5	2.0	4.2
Overseas	%	5.7	7.0	7.8	7.9	7.3	9.7	3.7	7.0	4.2	0.0	0.0	0.0
By gender													
Male	No. of people	297	418	460	213	258	334	77	154	115	7	6	11
Female	No. of people	58	81	92	39	58	56	16	17	28	3	6	8
Male	%	3.3	4.6	5.5	3.6	4.7	6.1	2.7	4.5	4.4	2.8	2.5	4.9
Female	%	4.7	6.4	7.9	5.4	8.3	8.0	3.7	3.5	7.3	3.5	7.2	10.3
By age group													
Below 30	No. of people	73	127	158	50	77	106	23	49	51	0	1	1
30-50	No. of people	171	242	251	122	136	165	45	100	77	4	6	9
Above 50	No. of people	111	130	143	80	103	119	25	22	15	6	5	9
Below 30	%	4.9	6.9	8.5	5.9	7.3	9.1	3.8	6.5	7.6	0.0	4.2	4.5
30-50	%	2.3	3.2	3.7	2.4	3.0	3.7	2.0	3.6	3.7	1.8	2.8	4.5
Above 50	%	8.7	11.7	15.6	10.1	16.0	19.8	6.2	5.6	6.3	7.8	6.3	11.5

14 Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal started to report workforce statistics separately in 2020, leading to a significant change in employee number between Subsidiaries and Non-controlling Terminals.

15 Employee turnover rate was calculated by: the total number of employees who left the organisation voluntarily or due to dismissal, retirement, or death in service divided by the total number of employees during the reporting year.

Workforce Statistics (2)		Total			Non-controlling Terminals			Subsidiaries			Headquarters		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
New Hires													
	No. of people	255	502	465	110	160	308	122	310	131	23	32	26
	Rate of new hires (%) ¹⁶	2.5	4.8	4.9	1.6	2.6	5.0	3.7	7.9	4.4	6.9	10.0	8.6
By geographical location													
Hong Kong	No. of people	18	43	45	8	28	34	0	0	0	10	15	11
China (ex-Hong Kong)	No. of people	154	209	307	62	77	189	79	115	103	13	17	15
Overseas	No. of people	83	250	113	40	55	85	43	195	28	0	0	0
Hong Kong	%	3.8	8.8	9.2	2.2	7.1	8.5	0.0	0.0	0.0	10.0	15.8	12.4
China (ex-Hong Kong)	%	1.9	2.5	4.0	1.1	1.6	3.8	3.2	3.7	4.0	6.4	8.6	8.0
Overseas	%	4.9	14.7	9.0	4.9	6.5	10.0	5.1	23.3	7.4	0.0	0.0	0.0
By gender													
Male	No. of people	200	438	415	87	135	283	96	281	115	17	22	17
Female	No. of people	55	64	50	23	25	25	26	29	16	6	10	9
Male	%	2.2	4.8	5.0	1.5	2.5	5.2	3.4	8.2	4.4	6.9	9.2	7.6
Female	%	4.4	5.0	4.3	3.2	3.6	3.6	5.9	5.9	4.2	7.1	12.0	11.5
By age group													
Below 30	No. of people	144	231	345	54	100	220	78	120	112	12	11	13
30-50	No. of people	101	258	115	48	53	85	42	187	19	11	18	11
Above 50	No. of people	10	13	5	8	7	3	2	3	0	0	3	2
Below 30	%	9.7	12.6	18.6	6.4	9.5	18.9	12.9	15.9	16.7	33.3	45.8	59.1
30-50	%	1.3	3.4	1.7	0.9	1.2	1.7	1.8	6.7	0.9	5.0	8.3	5.4
Above 50	%	0.8	1.2	0.5	1.0	1.1	0.5	0.5	0.8	0	0	3.8	2.6

16 The rate of new hires was calculated by: the total number of new employees divided by the total number of employees.

Workforce Statistics (3)		2020			
		Total	Non-controlling Terminals	Subsidiaries	Headquarters
Collective Bargaining Agreements					
<p>Employees from 11 terminals of the Group were covered by collective bargaining agreements. Some terminal companies have established a fixed notice period regarding significant operational changes. Depending on commercial and other aspects of business sensitivity, the Company discusses with labour union and provides reasonable notice period for any significant operational changes. Some terminal companies specify notice period and provisions for consultation and negotiation in collective agreements.</p> <p>The percentage covered and information of respective terminals are as follows:</p>					
100% of the employees were covered by collective bargaining agreements	No. of terminal companies	11	5	6	N/A
Board Composition					
By gender					
Male	No. of people	10		N/A	
Female	No. of people	1		N/A	
By age group					
Below 30	No. of people	0		N/A	
30-50	No. of people	3		N/A	
Above 50	No. of people	8		N/A	

Workforce Statistics (4)		Headquarters		
		2020	2019	2018
Staff Training				
	Total number of employees received training	590	370	715
	Total training hours	8,673	14,476	6,268
	Average training hours	26	39	21
By gender				
Male	Total number of employees received training	438	274	530
Female	Total number of employees received training	152	96	185
Male	Average training hours	26	39	21
Female	Average training hours	26	39	21
By employee category				
Managerial position	Total number of employees received training	11	6	8
Supervisory position	Total number of employees received training	264	170	331
General position	Total number of employees received training	315	194	376
Managerial position	Average training hours	26	45	21
Supervisory position	Average training hours	26	39	21
General position	Average training hours	26	39	21

Workforce Statistics (5)		Total			Non-controlling Terminals			Subsidiaries			Headquarters		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Occupational Health and Safety													
Work-related injuries and work-related ill health¹⁷													
Fatalities	No. of people	0	0	1	0	0	0	0	0	1	0	0	0
High-consequence work-related injuries ¹⁸	No. of cases	1	1	N/A	0	0	N/A	1	1	N/A	0	0	N/A
Recordable work-related injuries ¹⁹	No. of cases	64	59	N/A	30	40	N/A	34	19	N/A	0	0	N/A
Rate of fatalities ²⁰	Per 200,000 hours worked	0.00	0.00	N/A	0.00	0.00	N/A	0.00	0.00	N/A	0.00	0.00	N/A
Rate of high-consequence work-related injuries ²¹	Per 200,000 hours worked	0.01	0.01	N/A	0.00	0.00	N/A	0.03	0.03	N/A	0.00	0.00	N/A
Rate of recordable work-related injuries ²²	Per 200,000 hours worked	0.46	0.66	N/A	0.43	0.79	N/A	1.08	0.51	N/A	0.00	0.00	N/A
Work-related ill health ²³	No. of cases	7	26	0	0	20	0	7	6	0	0	0	0
Lost days and absentees													
Lost days due to work-related injuries ²⁴	No. of days	1,825	1,957	1,414	569	911	645	1,256	1,046	769	0	0	0
Absentees ²⁵	No. of days	17,406	16,930	14,915	7,225	9,228	12,859	9,821	7,327	1,647	360	376	409
Lost day rate ²⁶	%	0.05	0.08	0.06	0.03	0.06	0.04	0.15	0.11	0.10	0.00	0.00	0.00
Absentee rate ²⁷	%	0.51	0.65	0.63	0.42	0.60	0.83	1.20	0.75	0.22	0.48	0.47	0.54

17 Work-related injuries and work-related ill health refer to negative impacts on health arising from exposure to hazards at work. Since the classification and calculation of work-related injuries for 2019 and 2020 have already been updated in accordance with "GRI 403: Occupational Health and Safety 2018", direct comparison to relevant figures for 2018 cannot be made. For relevant figures for previous years, please refer to our 2018 Sustainability Report.

18 High-consequence work-related injuries refer to other injuries from which the worker cannot recover (e.g. amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months.

19 Recordable work-related injuries includes work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

20 Rate of fatalities was calculated by: the total number of fatalities times 200,000 and divided by the number of hours worked.

21 Rate of high-consequence work-related injuries was calculated by: the total number of high-consequence work-related injuries times 200,000 and divided by the number of hours worked.

22 Rate of recordable work-related injuries was calculated by: the total number of recordable work-related injuries times 200,000 and divided by the number of hours worked.

23 Work-related ill health refers to an illness due to workplace or work-related activities (e.g. high pressure or exposure to harmful chemicals for a long period of time) or work-related injury.

24 Lost days due to work-related injuries refer to time away from work due to work-related accidents or work-related ill health.

25 Absentees refer to an employee absent from work due to incapacity of any kind, not just as a result of work-related injury or work-related ill health. Permitted leave absences such as holidays, study leave, maternity leave/paternity leave, and compassionate leave are excluded.

26 Lost day rate was calculated by: the total number of lost days divided by the total number of scheduled workdays times 100%.

27 Absentee rate was calculated by: the number of lost days divided by the total number of scheduled workdays times 100%.

ENVIRONMENTAL PERFORMANCE²⁸

Environmental Performance (1)		Total			Non-controlling Terminals			Subsidiaries			Headquarters		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Direct Energy Consumption^{29, 30}													
Diesel	Litre	76,178,299	74,441,466	55,577,110	44,434,635	34,968,332	38,273,485	31,743,665	39,473,134	17,303,625	0	0	0
Gasoline	Litre	597,858	726,817	926,344	442,424	601,653	774,759	144,054	107,200	135,004	11,380	17,964	16,581
Liquid petroleum gas (LPG)	Litre	177,740	140,564	141,702	132,489	135,492	132,586	45,251	5,072	9,116	0	0	0
Liquefied natural gas (LNG)	Litre	13,670,733	17,129,551	16,436,900	13,670,733	17,129,551	16,436,900	0	0	0	0	0	0
Natural gas	m ³	372,410	417,234	406,976	366,355	417,234	406,976	6,055	0	0	0	0	0
Indirect Energy Consumption													
Purchased electricity	kWh	576,429,121	547,035,996	454,835,929	366,159,362	324,648,170	312,636,060	209,859,885	221,973,354	141,738,636	409,874	414,472	461,233
Purchased heating	MJ	5,867	6,562	6,322	5,867	6,562	6,322	0	0	0	0	0	0
Solar energy	kWh	43,440	N/A	N/A	0	N/A	N/A	43,440	N/A	N/A	0	N/A	N/A
Energy Use³¹													
Direct energy use	TJ	3,247	3,281	2,427	2,026	1,765	1,785	1,220	1,515	641	0	1	1
Indirect energy use	TJ	2,075	1,969	1,637	1,318	1,169	1,125	756	799	510	1	1	2
Total energy use	TJ	5,322	5,250	4,066	3,345	2,934	2,911	1,976	2,314	1,152	2	2	3
Energy consumption intensity	GJ per TEU	0.076	0.075	0.069	0.070	0.073	0.072	0.088	0.078	0.061	N/A	N/A	N/A
	GJ per m ²	0.30	0.34	0.52	N/A	N/A	N/A	N/A	N/A	N/A	0.30	0.34	0.52
GHG Emissions³²													
GHG emissions (scope 1)	Tonnes of CO ₂ e	219,941	221,031	170,331	136,383	116,549	124,422	83,528	104,438	45,878	30	44	31
GHG emissions (scope 2)	Tonnes of CO ₂ e	398,664	409,555	355,234	272,511	245,597	235,715	125,828	163,630	119,155	326	328	364
Total GHG emissions	Tonnes of CO ₂ e	618,605	630,586	525,565	408,894	362,146	360,137	209,356	268,068	165,033	356	372	395
GHG emissions intensity	kg of CO ₂ e per TEU	8.81	9.02	8.86	8.55	9.04	8.89	9.36	8.99	8.79	N/A	N/A	N/A
	kg of CO ₂ e per m ²	56.85	59.40	63.10	N/A	N/A	N/A	N/A	N/A	N/A	56.85	59.40	63.10

28 Environmental data are rounded off for reporting, thus leading to differences on summation.

29 The energy consumption and GHG emissions above do not include COSCO-PSA Terminal. We will explore to make more detailed disclosure in future reports.

30 Since the throughput of CSP Abu Dhabi Terminal was included since April 2019, its energy consumption and GHG emissions from January to March 2019 were not included.

31 The energy consumption for different fuel types was calculated based on gross calorific values, density or conversion factors stated in UK Government GHG Conversion Factors for Company Reporting (2020). Energy consumption of electricity was calculated based on the default factors provided by Electrical and Mechanical Services Department of Hong Kong: 1kWh = 0.0036 GJ.

32 GHG emissions were calculated based on the 100-year Global Warming Potentials provided by the Intergovernmental Panel on Climate Change (IPCC) in its Fifth Assessment Report (CO₂: 1, CH₄: 28, N₂O: 265).

- (1) GHG emissions from our operations in China were calculated based on the GHG Protocol Tool for Energy Consumption in China (Version 2.1) issued by Greenhouse Gas Protocol;
- (2) GHG emissions from our operations in Hong Kong were calculated based on Appendix 2: Reporting Guidance on Environmental KPIs in the Main Board Listing Rules issued by the SEHK;
- (3) GHG emissions from our operations overseas were calculated based on the Emission Factors from Cross-Sector Tools issued by Greenhouse Gas Protocol;
- (4) for those GHG emission factors from electricity generation not covered by (1) to (3) above, the calculation was based on Carbon Footprint Country Specific Electricity Grid GHG Emission Factors v1.1 (Jun 2020) and relevant information provided by local electricity suppliers (applicable to the operations in Hong Kong and overseas); and
- (5) the above statistics do not include fugitive emissions from fire-extinguishing systems and refrigeration/air-conditioning equipment.

Environmental Performance (2)		Total			Non-controlling Terminals			Subsidiaries			Headquarters		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Total Water Consumption^{33, 34}	m³	2,630,837	2,738,852	2,733,992	1,646,845	1,376,647	1,441,355	983,023	1,360,980	1,291,276	969	1,225	1,361
Municipal water supply	m ³	2,604,741	2,708,007	2,714,345	1,634,902	1,362,984	1,431,885	968,870	1,343,808	1,281,109	969	1,215	1,351
Groundwater	m ³	0	184	0	0	184	0	0	0	0	0	0	0
Waste water from other organisations	m ³	11,385	13,159	9,470	11,385	13,159	9,470	0	0	0	0	0	0
Other water utilities	m ³	14,566	17,502	10,177	413	320	0	14,153	17,172	10,167	0	10	10
Water consumption intensity	m³ per TEU	0.04	0.04	0.05	0.03	0.03	0.04	0.04	0.05	0.07	N/A	N/A	N/A
	m³ per m²	0.15	0.20	0.22	N/A	N/A	N/A	N/A	N/A	N/A	0.15	0.20	0.22
Materials used³⁵													
Engine oil and hydraulic oil	kg	785,581	739,319	556,920	281,241	310,290	322,216	504,341	429,029	234,704	N/A	N/A	N/A
Grease	kg	122,094	101,184	69,659	63,165	38,365	38,130	58,929	62,819	31,529	N/A	N/A	N/A
Tyres	kg	1,330,772	1,270,376	855,483	732,439	375,695	314,869	598,333	894,681	540,614	N/A	N/A	N/A
Paper	kg	72,806	48,525	49,047	53,238	32,353	39,522	17,606	14,299	7,204	1,962	1,873	2,321
Waste generation													
Solid chemical waste	kg	3,725,547	3,639,547	2,825,198	1,898,620	1,496,016	1,489,490	1,826,927	2,143,531	1,335,708	N/A	N/A	N/A
Waste oil contaminated rag	kg	215,487	218,097	69,487	171,269	185,505	55,352	44,218	32,592	14,135	N/A	N/A	N/A
Waste wire rope	kg	861,184	1,705,656	1,934,657	300,942	1,095,210	1,300,839	560,242	610,446	633,818	N/A	N/A	N/A
Scrap metal	kg	2,565,535	1,631,764	799,413	1,402,328	196,399	119,203	1,163,207	1,435,365	680,210	N/A	N/A	N/A
Waste oil drum	kg	27,839	41,293	9,294	5,157	6,201	4,909	22,682	35,092	4,385	N/A	N/A	N/A
Waste paint bucket	kg	2,481	8,390	621	424	841	621	2,057	7,549	N/A	N/A	N/A	N/A
Waste oil sludge	kg	53,021	34,347	11,726	18,500	11,860	8,566	34,521	22,487	3,160	N/A	N/A	N/A
Liquid chemical waste	kg	500,785	455,738	319,297	233,565	235,341	163,902	267,220	220,277	155,395	N/A	N/A	N/A
Waste lead acid battery	kg	29,912	36,689	18,596	19,450	12,149	10,012	10,462	24,420	8,584	N/A	N/A	N/A
Waste oil	kg	470,873	419,049	300,701	214,115	223,192	153,890	256,758	195,857	146,811	N/A	N/A	N/A

33 Since the throughput of CSP Abu Dhabi Terminal was included since April 2019, its consumption from January to March 2019 were not included.

34 COSCO-PSA Terminal was not included. We will explore to make more detailed disclosure in future reports.

35 The Group's tyre consumption was measured in pieces. When calculating the total tyre consumption, for tyres weighed less than 10 kg, 10-50 kg, and 51-100 kg, the respective median weight was used for each tyre category, hence 5.5 kg, 30 kg, 75.5 kg were used respectively. For tyres weighed more than 100 kg, 150 kg was used for calculation.

Environmental Performance (3)		Total			Non-controlling Terminals			Subsidiaries			Headquarters		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Other hazardous waste³⁶	kg	292,293	28,531	28,531	23,832	28,531	28,531	268,341	N/A	N/A	120	120	N/A
Wooden pallets	kg	157,170	143,600	143,600	109,000	143,600	143,600	48,170	N/A	N/A	N/A	N/A	N/A
Wastewater	m³	1,135,327	989,880	827,228	867,551	694,649	689,696	267,776	295,231	189,304	N/A	N/A	N/A
Other non-hazardous waste³⁷	kg	1,111,931	1,334,372	702,670	668,912	552,200	621,680	443,019	782,112	80,990	0	60	N/A
Waste recycling^{38, 39, 40}													
Solid chemical waste	kg	105,469	530,472	475,094	85,460	87,280	162,794	19,949	443,192	312,300	N/A	N/A	N/A
Liquid chemical waste	kg	166,744	462,985	301,878	152,140	161,851	200,842	14,604	301,134	101,036	N/A	N/A	N/A
Other hazardous waste	kg	429	78,945	1,560	0	2,080	1,560	369	76,865	N/A	60	N/A	N/A
Wooden pallets	kg	196,720	214,695	247,700	152,810	193,240	247,700	43,910	21,455	N/A	N/A	N/A	N/A
Tyres ⁴¹	kg	696,266	487,124	615,515	364,188	136,858	319,741	332,078	350,256	295,774	N/A	N/A	N/A
Paper	kg	46,041	27,222	73,246	42,297	20,758	71,973	3,144	6,074	1,100	600	390	173
IT equipment	kg	6,579	3,330	1,691	3,999	1,647	1,691	2,580	1,683	N/A	N/A	N/A	N/A
Other waste	kg	8,820	129,500	709,220	500	440	709,100	8,320	129,000	N/A	60	60	120

36 Medical waste, sludge and other contaminated waste were included.

37 Metal, plastic, glass, food waste and other non-hazardous domestic waste were included.

38 Waste recycling of Jinzhou New Age Terminal, CSP Wuhan Terminal, CSP Abu Dhabi Terminal and COSCO-PSA Terminal was not included. We will explore to make more detailed disclosure in future reports.

39 The solid waste, liquid chemical waste and other hazardous waste were disposed and recycled by certified third parties. Relevant details were not repeated here.

40 For examples, ink cartridges, light tubes, mercury lamps and circuit boards, etc. Since some of the waste were handled by recycling companies, we are unable to provide the weight of recycled materials of specific category. We will explore to make more detailed disclosure in future reports.

41 The Group's tyre recycled was measured in pieces. When calculating the total tyre recycled, for tyres weighed less than 10 kg, 10-50 kg, and 51-100 kg, the respective median weight was used for each tyre category, hence 5.5 kg, 30 kg, 75.5 kg were used respectively. For tyres weighed more than 100 kg, 150 kg was used for calculation.

GRI CONTENT INDEX

GRI Indicator and Description		References or Remarks
GRI 102: General Disclosures (2016)		
Organisational Profile		
102-1	Name of the organisation	<ul style="list-style-type: none"> Chapter 1 – About this Report (pages 2-5)
102-2	Primary activities, brands, products, and services	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Overview (page 12)
102-3	Location of headquarters	The Group's headquarters is located in Hong Kong.
102-4	Location of operations	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Global Terminal Network (pages 14-17)
102-5	Nature of ownership and legal form	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Overview (page 12)
102-6	Markets served	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Global Terminal Network (pages 14-17)
102-7	Scale of the organisation	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Overview and Global Terminal Network (pages 12, 14-17) Chapter 6 – Caring for Our People – Performance Highlights in 2020 (page 38)
102-8	Information on employees and other workers	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Performance Highlights in 2020 (page 38) Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
102-9	Description of supply chain	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation – Performance Highlights in 2020 (page 74)
102-10	Significant changes to the organisation and its supply chain during the reporting period	No significant change
102-11	Precautionary approach or principle	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Governance (pages 25-27)
102-12	External rules, principles or other initiatives	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Membership and Charters (page 24)
102-13	Memberships of associations and advocacy organisations	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Membership and Charters (page 24)
Strategy and Analysis		
102-14	Statement from the most senior decision-maker of the organisation	<ul style="list-style-type: none"> Chapter 2 – Chairman's Message (pages 6-7)
102-16	Values, principles, standards, and norms of behaviour of the organisation	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Overview, Corporate Vision and Our Approach to Sustainability (pages 12-13, 18)
Governance		
102-18	Governance structure of the organisation	<ul style="list-style-type: none"> 2020 Annual Report – Corporate Governance Report Chapter 4 – About COSCO SHIPPING Ports – Corporate Governance – Structure (page 25)

GRI Indicator and Description		References or Remarks
GRI 102: General Disclosures (2016)		
Stakeholder Engagement		
102-40	List of stakeholders engaged	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment (pages 28-35)
102-41	Percentage of the employees covered by collective bargaining agreements	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment (pages 28-35)
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment (pages 28-35)
102-44	Key topics and concerns raised by stakeholders and the organisation's response	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment – Our Responses to Stakeholders (pages 31-34)
Material Topics and Boundaries Identified		
102-45	Entities included in the consolidated financial statements but not covered in this report	<ul style="list-style-type: none"> Chapter 1 – About this Report – Reporting Scope (page 4) Chapter 4 – About COSCO SHIPPING Ports – Global Terminal Network (pages 14-17)
102-46	Process for defining report content and topic boundaries	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment – Materiality Assessment (page 35) Chapter 11 – Appendices – Boundary Mapping of Material Topics (page 110)
102-47	Material topics identified in the process of defining report content	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment – Materiality Assessment (page 35)
102-48	Results for restatements of any information provided in previous reports	Not applicable
102-49	Significant changes in the scope and topic boundaries compared with previous reporting period	<ul style="list-style-type: none"> Chapter 5 – Stakeholder Engagement and Materiality Assessment – Materiality Assessment (page 35) Chapter 11 – Appendices – Boundary Mapping of Material Topics (page 110)
Report Profile		
102-50	Reporting period	<ul style="list-style-type: none"> Chapter 1 – About this Report – Reporting Scope (page 4)
102-51	Date of most recent report	The most recent report was published in April 2020.
102-52	Reporting cycle	Annually
102-53	Contact point for feedback of the report	<ul style="list-style-type: none"> Chapter 1 – About this Report – Feedback and Comment (page 5)
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> Chapter 1 – About this Report – Reporting Standard (page 3)
102-55	GRI content index	<ul style="list-style-type: none"> Chapter 11 – Appendices – GRI Content Index (pages 100-104)
102-56	External assurance sought for the report by the organisation	<ul style="list-style-type: none"> Chapter 11 – Appendices – Verification Statement (page 111)

GRI Indicator and Description		References or Remarks
GRI 201: Economic Performance (2016)		
103	Management approach	<ul style="list-style-type: none"> 2020 Annual Report – Operational Review
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> 2020 Annual Report – Financial Review Chapter 4 – About COSCO SHIPPING Ports – Corporate Overview (page 12)
GRI 205: Anti-corruption (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Governance – Anti-corruption (page 27)
205-3	Confirmed incidents of corruption and actions taken	During the year, there were no cases of corruption.
GRI 302: Energy (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 8 – Green Development – Management Approach (page 59)
302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> Chapter 8 – Green Development – Energy Saving and Emissions Reduction (pages 60-63) Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
GRI 303: Water and Effluents (2018)		
103	Management approach	<ul style="list-style-type: none"> Chapter 8 – Green Development – Management Approach (page 59)
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> The Group uses municipal water, which does not cause large impacts to water resources.
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> Chapter 8 – Green Development – Proper Management of Resources – Water Resources and Sewage Management (page 64)
303-4	Water discharge	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
303-5	Water consumption	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
GRI 305: Emissions (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 8 – Green Development – Management Approach (page 59)
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
305-2	Indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> Chapter 8 – Green Development – Performance Highlights in 2020 and Energy Saving and Emissions Reduction (pages 58, 60-63)
GRI 306: Effluents and Waste (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 8 – Green Development – Management Approach (page 59)
306-2	Waste by type and disposal method	<ul style="list-style-type: none"> Chapter 8 – Green Development – Proper Management of Resources (pages 64-65) Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)

GRI Indicator and Description		References or Remarks
GRI 308: Supplier Environmental Assessment (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation – Management Approach (page 75)
308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation – Responsible Procurement (page 76)
GRI 401: Employment (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
401-1	Total number and rates of new hires and employee turnover by age group, gender, and geographical location	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
GRI 402: Labour/Management Relations (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
402-1	Whether it is specified in collective agreements regarding the minimum notice periods of operational changes	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
GRI 403: Occupational Health and Safety (2018)		
403-1	Management system of occupational health and safety	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43) Chapter 9 – Win-win Cooperation – Cooperation with Contractors (page 77)
403-2	Hazard identification, risk evaluation and incident investigation	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43)
403-3	Occupational health services	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43)
403-4	Occupational health and safety affairs: Workers' engagement, co-operation and communication	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43)
403-5	Occupational health and safety trainings for workers	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43)
403-6	Promotion of workers' health	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Enhancing Employees' Physical and Mental Health and Well-being (page 46)
403-7	Prevention and minimising the impact on occupational health and safety directly related to business relationship	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43)
403-8	Workers covered by the occupational health and safety management system	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Occupational Safety and Health – Safety Management System (pages 41-43)
403-9	Work-related injuries	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
403-10	Work-related health problems	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)

GRI Indicator and Description		References or Remarks
GRI 405: Equal Opportunities (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
405-1	Composition of the management of the Company and breakdown of employees by indicators of diversity	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
GRI 406: Non-discrimination (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
406-1	Incidents of discrimination and corrective actions taken	During the year, there was no complaint regarding discrimination.
GRI 414: Supplier Social Assessment (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation – Responsible Procurement (page 76)
414-1	Selecting new suppliers using social standard	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation – Responsible Procurement (page 76)
GRI 418: Customer Privacy (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 7 – Customers First – Management Approach (page 51)
418-1	Complaints regarding breaches of customer privacy and losses of customer data	During the year, there was no complaint or case regarding loss of customer information.
GRI 419: Socioeconomic Compliance (2016)		
103	Management approach	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39) Chapter 7 – Customers First – Management Approach (page 51)
419-1	Breaches of laws and regulations in respect of social and economic aspects	During the year, the Group did not violate any laws and regulations in relation to the social and economic aspects.

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A. Environmental		References or Remarks
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) 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 waste.	<ul style="list-style-type: none"> Chapter 8 – Green Development (pages 56-71)
KPI A1.1	The types of emissions and respective emissions data.	The Group did not collect relevant air emissions data. We will explore the feasibility of disclosing this information in the future.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 8 – Green Development – Performance Highlights in 2020 and Energy Saving and Emissions Reduction (pages 58, 60-63) Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
KPI A1.5	Description of measures to mitigate emissions and results achieved.	<ul style="list-style-type: none"> Chapter 8 – Green Development – Performance Highlights in 2020, Management Approach and Energy Saving and Emissions Reduction (pages 58-63)
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives, and results achieved.	<ul style="list-style-type: none"> Chapter 8 – Green Development – Management Approach and Proper Management of Resources (pages 59, 64-65)
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> Chapter 8 – Green Development (pages 56-71)
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Environmental Performance (pages 94-99)
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	<ul style="list-style-type: none"> Chapter 8 – Green Development – Energy Saving and Emissions Reduction (pages 60-63)
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	<ul style="list-style-type: none"> Chapter 8 – Green Development – Proper Management of Resources (pages 64-65)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve the use of packaging materials for finished products.

A. Environmental		References or Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> Chapter 8 – Green Development (pages 56-71)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul style="list-style-type: none"> Chapter 8 – Green Development (pages 56-71)

B. Social		References or Remarks
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) 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.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People (pages 36-47)
KPI B1.1	Total workforce by gender, employment type, age group, and geographical region.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Performance Highlights in 2020 (page 38) Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
Aspect B2: Health and Safety		
General Disclosures	Information on: (a) the policies; and (b) 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.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach and Occupational Safety and Health (pages 39, 41-46)
KPI B2.1	Number and rate of work-related fatalities.	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B2.2	Lost days due to work injury.	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach and Occupational Safety and Health (pages 39, 41-46)
Aspect B3: Development and Training		
General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach and Talent Training (pages 39, 47)
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)
KPI B3.2	The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> Chapter 11 – Appendices – Key Performance Indicators – Workforce Statistics (pages 86-93)

B. Social		References or Remarks
Aspect B4: Labour Standard		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	<ul style="list-style-type: none"> Chapter 6 – Caring for Our People – Management Approach (page 39)
Aspect B5: Supply Chain Management		
General Disclosures	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation (pages 72-79)
KPI B5.1	Number of suppliers by geographical region.	<ul style="list-style-type: none"> Chapter 9 – Win-win Cooperation – Performance Highlights in 2020 (page 74)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 9 – Management Approach and Responsible Procurement (pages 75-76)
Aspect B6: Product Responsibility		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have 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.	<ul style="list-style-type: none"> Chapter 7 – Customers First – Management Approach (page 51)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group does not have any products which are recallable due to safety and health concerns.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	During the year, the Group did not receive any major service-related complaints.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Although intellectual property rights is not a material issue to the Group, the Group complies with the laws and regulations in relation to intellectual property rights during daily operations.
KPI B6.4	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> Chapter 7 – Customers First – Management Approach (page 51)
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 7 – Customers First – Management Approach and Information Security (pages 51, 54)

B. Social		References or Remarks
Aspect B7: Anti-corruption		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Governance (pages 25-27)
KPI 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.	During the year, the Group was not involved in any legal cases related to corruption.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 4 – About COSCO SHIPPING Ports – Corporate Governance (pages 25-27)
Aspect B8: Community Investments		
General Disclosures	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.	<ul style="list-style-type: none"> Chapter 10 – Investing in Communities (pages 80-85)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<ul style="list-style-type: none"> Chapter 10 – Investing in Communities (pages 80-85)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<ul style="list-style-type: none"> Chapter 10 – Investing in Communities (pages 80-85)

RELEVANT INITIATIVES ALIGNED WITH THE UNITED NATIONS SDGS

SDGs

The Group's Strategies and Initiatives



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The Group emphasises on the education and training of its staff. The headquarters and the terminals offer high-quality learning and suitable education opportunities to employees and the communities based on their respective needs.

Progress of relevant work is set out in:

- Chapter 6 – Caring for Our People
- Chapter 10 – Investing in Communities



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The Group grasps the opportunities from globalisation, proactively seeks opportunities to invest in excellent domestic and overseas projects and expands the industry supply chain. Leveraging on leading technology to enhance operational and management efficiency, we strive to achieve sustainable business development and promote economic growth.

Embracing diversity and equality is the Group's human resources management principle. We offer our employees competitive remuneration, trainings and development opportunities. We also foster a healthy and safe work environment to ensure that all our employees can thrive together with the Group.

Progress of relevant work is set out in:

- Chapter 6 – Caring for Our People
- Chapter 9 – Win-win Cooperation



Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Building "smart ports" has always been the Group's focus area. We adopt innovative technology to realise efficient and sustainable infrastructure and operations, while fostering the development of "green ports", with an aim to achieving "dual efficiencies" in both financial performance and environmental protection.

Progress of relevant work is set out in:

- Chapter 7 – Customers First
- Chapter 8 – Green Development



Climate Action

Take urgent action to combat climate change and its impact

The Group targets to develop "green ports" and integrates the concept of green development into daily operations. We introduce various new technologies to achieve low-carbon operations and identify climate-related risks and opportunities to cope with the impact of climate change on our business operations.

Progress of relevant work is set out in:

- Chapter 8 – Green Development



Partnerships for the Goals

Strengthen the means of implementation and revitalise the global partnership for sustainable development

The Group establishes long-term strategic partnership with our business partners to reinforce our leading position in the industry. We also leverage on our strong terminals and supply chain networks to achieve lean operations and synergy with an aim to leading sustainable growth in the global industry chain in terms of economic, environmental and social perspectives.

Progress of relevant work is set out in:

- Chapter 7 – Customers First
- Chapter 9 – Win-win Cooperation
- Chapter 10 – Investing in Communities

BOUNDARY MAPPING OF MATERIAL TOPICS

The following table outlines the major impacted audience of each material sustainability issue, allowing the Group to determine key strategies more clearly and respond to the needs of different stakeholders.

Highly material topics	Scope of impact – Impact beyond the Group's operations					References
	Scope of impact – Impact within the Group's operations	Shareholders/ Investors	Suppliers	Customers	Surrounding communities and environment	
Economic Performance	✓	✓		✓		About COSCO SHIPPING Ports Customers First Green Development
Anti-Corruption	✓	✓	✓	✓		About COSCO SHIPPING Ports
Risk Management	✓	✓				About COSCO SHIPPING Ports
Employment	✓					Caring for Our People
Occupational Health and Safety	✓		✓			Caring for Our People
Diversity and Equal Opportunity	✓					Caring for Our People
Anti-Discrimination	✓					Caring for Our People
Employee Rights and Interests	✓					Caring for Our People
Child Labour and Forced Labour	✓		✓			Caring for Our People Win-win Cooperation
Employee Care	✓					Caring for Our People
Customer Satisfaction	✓			✓		Customers First
Customer Complaint	✓			✓		Customers First
Waste Disposal	✓				✓	Green Development
Wastewater Discharge Management	✓				✓	Green Development
Energy Management	✓				✓	Green Development
Responsible Procurement	✓		✓			Win-win Cooperation

VERIFICATION STATEMENT



香港品質保證局

VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by the COSCO SHIPPING Ports Limited (Stock Code: 1199) (“COSCO SHIPPING Ports”) to undertake an independent verification of its Sustainability Report 2020 (“the Report”). The Report stated the economic, safety, environmental and social performance of COSCO SHIPPING Ports in the period of 1st January 2020 to 31st December 2020 for its operations within Hong Kong and outside Hong Kong.

The aim of this verification is to provide a reasonable assurance on the reliability of the report content. The Report has been prepared in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and Appendix 27 “Environmental, Social and Governance Reporting Guide” (“ESG Guide”) of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”).

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the Core Option of the GRI Standards and the ESG Guide of the SEHK.

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and result, and materiality assessment processes. In addition, system and process for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

Independence

COSCO SHIPPING Ports is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from COSCO SHIPPING Ports. There was no relationship between HKQAA and COSCO SHIPPING Ports that would affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the Core Option of the GRI Standards and the ESG Guide of the SEHK;
- The Report illustrates the sustainability performance of COSCO SHIPPING Ports in a balanced, clear, comparable and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of COSCO SHIPPING Ports and the terminal companies, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

Meico Cheong
General Manager, Intelligence Business
26th March 2021

REPORT SURVEY QUESTIONNAIRE

Thank you for your interest in COSCO SHIPPING Ports' 2020 Sustainability Report. Your feedback is important for our overall sustainability performance improvement and future reporting.

1. Which of the following best describes you or your relationship with COSCO SHIPPING Ports? (Please select only one)

- | | |
|--|---|
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> Fund manager and investor |
| <input type="checkbox"/> Director | <input type="checkbox"/> Analyst |
| <input type="checkbox"/> Business Partner | <input type="checkbox"/> Employee |
| <input type="checkbox"/> Customer | <input type="checkbox"/> Governmental department |
| <input type="checkbox"/> Banker | <input type="checkbox"/> Trade and industry association |
| <input type="checkbox"/> Contractor and supplier | <input type="checkbox"/> Non-governmental organisation |
| <input type="checkbox"/> Media | <input type="checkbox"/> Other, please specify: |

2. How would you rate the content of COSCO SHIPPING Ports' Sustainability Report, in terms of quality and quantity of information? (5= Excellent, 1= Poor)

- 5 4 3 2 1

3. Please rate the content and quality of COSCO SHIPPING Ports' Sustainability Report according to the following criteria: (5= Excellent, 1= Poor)

	5	4	3	2	1
Stakeholder inclusiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Materiality/Relevance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainability Context	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design and layout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comparability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accuracy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Which aspect(s) of the report would you like to have more information on?

5. Please express any other opinion, comment or request with regard to COSCO SHIPPING Ports' Sustainability Report:

ABBREVIATIONS

Company Name	Abbreviation
Antwerp Gateway NV	Antwerp Terminal
Asia Container Terminals Limited	Asia Container Terminal
Beibu Gulf Port Co., Ltd.	Beibu Gulf Port
Busan Port Terminal Co., Ltd.	Busan Terminal
China COSCO SHIPPING Corporation Limited	COSCO SHIPPING
China COSCO SHIPPING Corporation Limited and its subsidiaries	COSCO SHIPPING Group
Conte-Rail, S.A.	Conte-Rail Terminal
COSCO-HIT Terminals (Hong Kong) Limited	COSCO-HIT Terminal
COSCO-PSA Terminal Private Limited	COSCO-PSA Terminal
COSCO SHIPPING Holdings Co., Ltd.	COSCO SHIPPING Holdings
COSCO SHIPPING Lines Co., Ltd.	COSCO SHIPPING Lines
COSCO SHIPPING Ports Chancay PERU S.A.	CSP Chancay Terminal
COSCO SHIPPING Ports Limited	COSCO SHIPPING Ports or the Company
COSCO SHIPPING Ports Limited and its subsidiaries	the Group
COSCO SHIPPING Ports (Spain) Holding, S.L. and its subsidiaries	CSP Spain Related Companies
CSP Abu Dhabi Terminal L.L.C.	CSP Abu Dhabi Terminal
CSP Iberian Bilbao Terminal, S.L.	CSP Bilbao Terminal
CSP Iberian Rail Services, S.L.U.	CSP Rail Services Terminal
CSP Iberian Valencia Terminal, S.A.U.	CSP Valencia Terminal
CSP Iberian Zaragoza Rail Terminal, S.L.	CSP Zaragoza Rail Terminal
CSP Zeebrugge CFS NV	CSP Zeebrugge CFS
CSP Zeebrugge Terminal NV	CSP Zeebrugge Terminal
Dalian Automobile Terminal Co., Ltd.	Dalian Automobile Terminal
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Dalian Dagang Terminal
Dalian Container Terminal Co., Ltd.	Dalian Container Terminal
Euromax Terminal Rotterdam B.V.	Euromax Terminal
Guangxi Beibu Gulf International Container Terminal Co., Ltd.	Beibu Gulf Terminal
Guangxi Qinzhou International Container Terminal Co., Ltd.	Qinzhou International Terminal
Guangzhou South China Oceangate Container Terminal Company Limited	Guangzhou South China Oceangate Terminal
Jinjiang Pacific Ports Development Co., Ltd.	Jinjiang Pacific Terminal
Jinzhou New Age Container Terminal Co., Ltd.	Jinzhou New Age Terminal
Kao Ming Container Terminal Corp.	Kao Ming Terminal
Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.Ş.	Kumport Terminal
Lianyungang New Oriental International Terminals Co., Ltd.	Lianyungang New Oriental Terminal
Nantong Tonghai Port Co., Ltd.	Nantong Tonghai Terminal
Nansha Stevedoring Corporation Limited of Port of Guangzhou	Guangzhou Nansha Stevedoring Terminal

Company Name	Abbreviation
Ningbo Meishan Bonded Port New Harbour Terminal Operating Co., Ltd.	Ningbo Meishan Terminal
Ningbo Yuan Dong Terminals Limited	Ningbo Yuan Dong Terminal
Piraeus Container Terminal Single Member S.A.	Piraeus Terminal
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	Dongjiakou Ore Terminal
Qingdao Port International Co., Ltd.	QPI
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	Qinhuangdao New Harbour Terminal
Quan Zhou Pacific Container Terminal Co., Ltd.	Quan Zhou Pacific Terminal
Reefer Terminal S.p.A.	Vado Reefer Terminal
Shanghai Mingdong Container Terminals Limited	Shanghai Mingdong Terminal
Shanghai Pudong International Container Terminals Limited	Shanghai Pudong Terminal
SSA Terminals (Seattle), LLC	Seattle Terminal
Suez Canal Container Terminal S.A.E.	Suez Canal Terminal
Taicang International Container Terminal Co., Ltd.	Taicang Terminal
Tianjin Port Container Terminal Co., Ltd.	Tianjin Container Terminal
Tianjin Port Euroasia International Container Terminal Co., Ltd.	Tianjin Euroasia Terminal
Wuhan CSP Terminal Co., Ltd.	CSP Wuhan Terminal
Xiamen Ocean Gate Container Terminal Co., Ltd.	Xiamen Ocean Gate Terminal
Yangzhou Yuanyang International Ports Co., Ltd.	Yangzhou Yuanyang Terminal
Yantian International Container Terminals (Phase III) Limited	Yantian Terminal Phase III
Yantian International Container Terminals Co., Ltd.	Yantian Terminal Phases I & II
Yingkou Container Terminals Company Limited	Yingkou Container Terminal
Yingkou New Century Container Terminal Co., Ltd.	Yingkou New Century Terminal
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	Zhangjiagang Terminal
Others	
Twenty-foot equivalent unit	TEU

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