

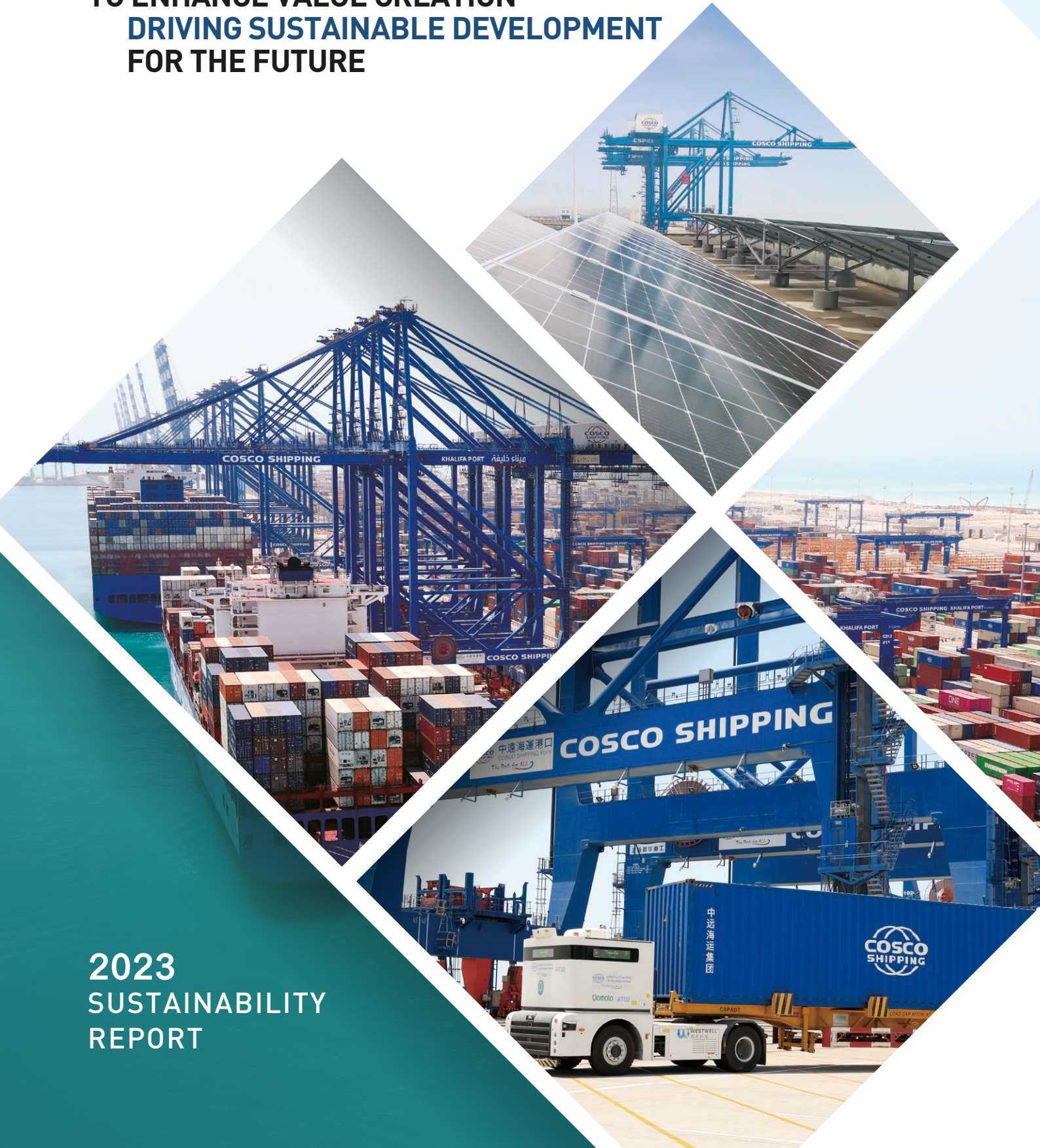


The Ports for ALL

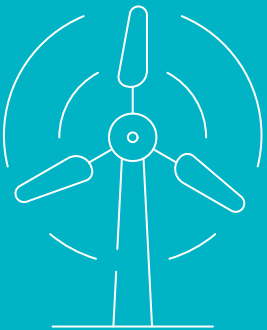
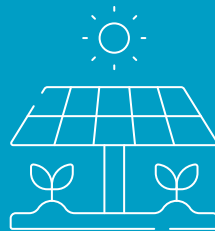
COSCO SHIPPING Ports Limited 中遠海運港口有限公司

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

BUILDING A SOLID FOUNDATION TO ENHANCE VALUE CREATION DRIVING SUSTAINABLE DEVELOPMENT FOR THE FUTURE



2023 SUSTAINABILITY REPORT



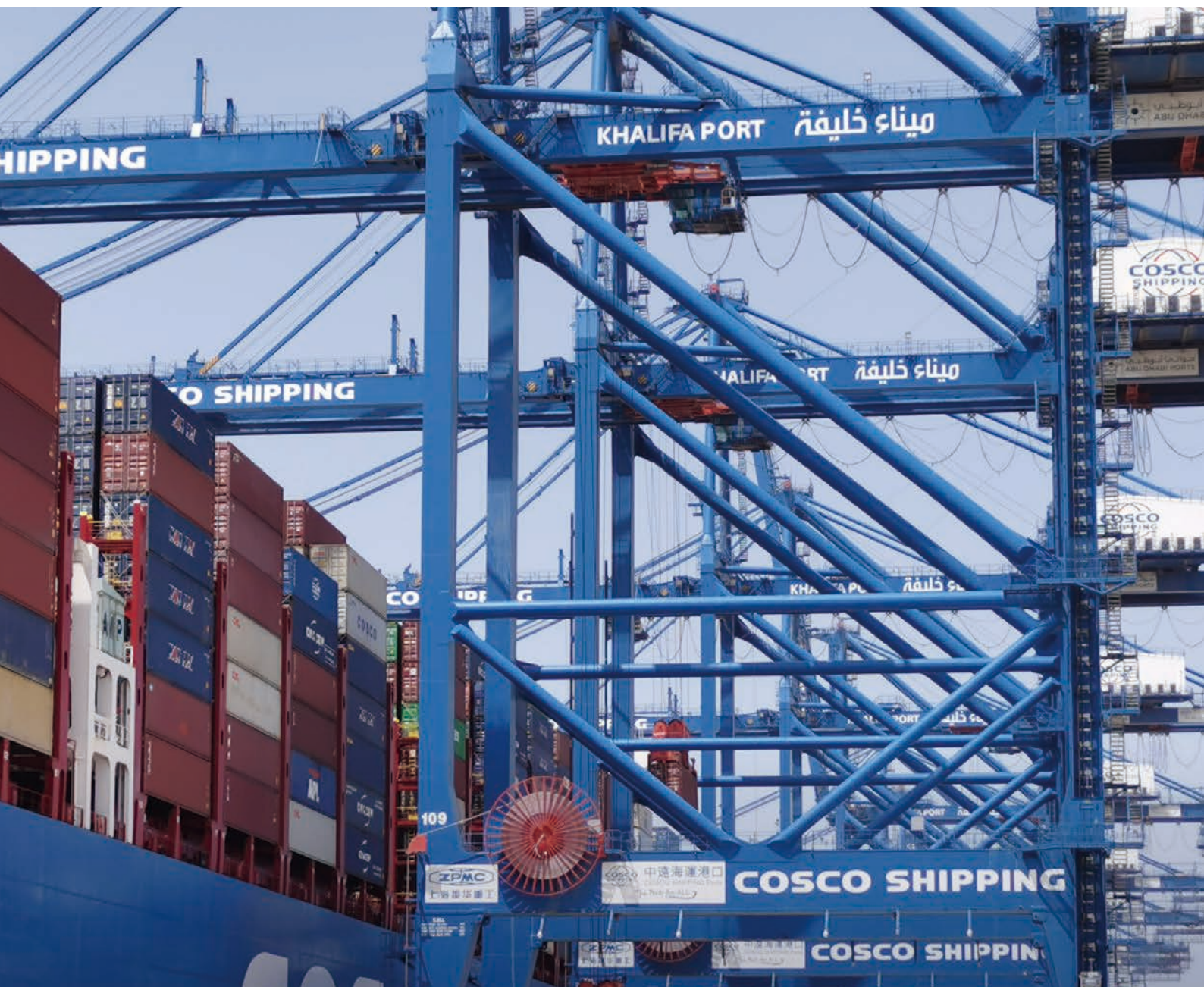
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CHAPTER 1

ABOUT THIS REPORT



COSCO SHIPPING Ports, the terminals in which it has controlling stakes (collectively, the “Subsidiaries”) and the terminals in which it has shareholding (collectively, the “Non-subsidiaries”) are committed to integrating the concept of sustainability into the daily operations and business strategy, and proactively optimising the management and performance relating to sustainability issues. The Company firmly believes that implementing the concept of sustainability is the key to becoming a market leader and continues to contribute to economic and social development, as well as environmental protection. This report aims to share the Company’s sustainability-related management approaches, actions and achievements with stakeholders, and respond to their concerns. The Company continues to echo the United Nations’ Sustainable Development Goals (the “UNSDGs”) by proactively fulfilling corporate social responsibility to create positive and long-term value for its stakeholders.

REPORTING STANDARDS

This report follows all the mandatory disclosure requirements and “comply or explain” provisions under the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 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 Universal Standards 2021 of the Global Reporting Initiative (the “GRI”) and with reference to the Ten Principles of the United Nations Global Compact.

REPORTING PRINCIPLES

This report adheres to the reporting principles set out in the ESG Reporting Guide and GRI Universal Standards 2021:

- **Materiality:** The Company engages with various stakeholders to identify material issues. The board of directors of the Company (the “Board”) confirms the materiality of the issues and reports accordingly.
- **Quantitative:** This report provides the key performance data of the past three years, and clearly states the standards, methods and assumptions used for calculation.
- **Balance:** This report provides an unbiased perspective of the environmental, social and governance (“ESG”) performance for 2023 of the Company and the terminals within the reporting scope to avoid influencing readers’ decision-making or judgement.
- **Consistency:** The key performance indicators in this report are calculated using consistent methodology for comparison in the future. Any changes in the methodology or key performance indicators are explained in the footnotes.
- **Accuracy:** This report provides correct and sufficiently detailed ESG information to allow an assessment of the Company’s impacts.
- **Clarity:** This report presents ESG information in a way that is accessible and understandable.
- **Comparability:** This report selects, compiles, and reports information consistently to enable an analysis of changes in the Company’s ESG impacts during the reporting period and an analysis of these impacts relative to those of other organisations.
- **Completeness:** This report provides sufficient ESG information to enable an assessment of the Company’s impacts during the reporting period.
- **Sustainability context:** This report provides information about the impacts of the Company and the terminals within the reporting scope in the wider context of sustainable development.
- **Timeliness:** This report provides the annual ESG information of the Company and the terminals within the reporting scope and makes it available in time for stakeholders to make decisions.
- **Verifiability:** This report gathers, records, compiles, and analyses ESG information in such a way that the information can be examined to establish its quality.

REPORTING SCOPE

This report describes the ESG performance and initiatives of the Company and the terminals within the reporting scope for the period from 1 January to 31 December 2023.

As of 31 December 2023, the Company had a total of 15 Subsidiaries and 32 Non-subsidiaries. The reporting scope for the year is the same as that of 2022, which makes it a total of 14 Subsidiaries¹ and 13 Non-subsidiaries, in aggregate accounting for approximately 74.0% of the Company's equity throughput in 2023.

The 27 Terminals within the Scope of this Report ²	
Subsidiaries	Non-subsidiaries
China	China
1. Quan Zhou Pacific Terminal 2. Jinjiang Pacific Terminal 3. Xiamen Ocean Gate Terminal 4. CSP Wuhan Terminal 5. Lianyungang New Oriental Terminal 6. Jinzhou New Age Terminal 7. Nantong Tonghai Terminal 8. Guangzhou South China Oceangate Terminal ³ 9. Tianjin Container Terminal	1. Asia Container Terminal ⁴ 2. COSCO-HIT Terminal ⁴ 3. Yingkou New Century Terminal 4. Yingkou Container Terminal 5. Shanghai Pudong Terminal 6. Shanghai Mingdong Terminal 7. Ningbo Yuan Dong Terminal 8. Dalian Container Terminal 9. Yantian Terminal Phases I & II ⁵ 10. Yantian Terminal Phase III ⁵ 11. Guangzhou Nansha Stevedoring Terminal ³
Overseas	Overseas
10. Piraeus Terminal (Greece) 11. CSP Zeebrugge Terminal (Belgium) 12. CSP Abu Dhabi Terminal (United Arab Emirates) 13. CSP Valencia Terminal (Spain) 14. CSP Bilbao Terminal (Spain)	12. COSCO-PSA Terminal (Singapore) 13. Kumport Terminal (Turkey)

- 1 CSP Chancay Terminal in Peru is under construction and therefore is not included in the scope of this report.
- 2 The full name of the terminals is set out on pages 128–129 of this report.
- 3 Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal are collectively called Guangzhou Terminals.
- 4 Asia Container Terminal and COSCO-HIT Terminal are collectively called Hong Kong Terminals.
- 5 Yantian Terminal Phases I & II and Yantian Terminal Phase III are collectively called Yantian Terminals.

INDEPENDENT VERIFICATION

This report has been verified by Hong Kong Quality Assurance Agency, an independent third party, under the approval of the management of the Company to ensure the accuracy and reliability of information herein. The verification statement is set out on page 126 of this report.

ENDORSEMENT AND APPROVAL

This report was endorsed and approved by the Board on 28 March 2024, and issued on 17 April 2024.

ACCESS TO THIS REPORT

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

FEEDBACK AND COMMENT

Please feel free to share your recommendations on the content of this report or the Company’s sustainability performance with us. Contact details are as follows:

COSCO SHIPPING Ports Limited

Investor Relations Department

📍 Address: 49th Floor, COSCO Tower,
183 Queen’s Road Central,
Hong Kong

☎ Telephone: +852 2809 8188

✉ Email: ir.csp@coscoshipping.com



CHAPTER 2

STATEMENT OF THE BOARD

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

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



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

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

The Company examines its sustainability issues, and conducts materiality assessment through three major steps, including identification, analysis and confirmation, to evaluate the impact of each issue, and to improve its strategies and formulate objectives based on the results of the assessment. In 2023, the Company conducted its first "double materiality" assessment, to identify and evaluate sustainability issues that have a significant impact on us from the perspective of financial materiality and impact materiality. Through online surveys and interviews, the Company understands the financial impacts of different sustainability issues on the Company as well as the impacts on the economy, environment and society, and uses the results as a reference for reviewing its strategies and objectives.

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



CHAPTER 3

CHAIRMAN'S MESSAGE



In 2023, there have been growing efforts to reach net zero globally, focusing on increasing the application of clean energy and innovative technologies, as well as establishing sustainable green shipping corridors. COSCO SHIPPING Ports attaches great importance to the rights and interests of stakeholders. Under the leadership of the Board, the Company is dedicated to strengthening technological advancement, reinforcing energy-saving and carbon reduction efforts, accelerating green and low-carbon transformation and just transition, steadily promoting the development of smart and green ports, and contributing to the green shipping supply chain.



I am pleased to present the 2023 Sustainability Report of COSCO SHIPPING Ports to review the efforts accomplished by the Company in 2023 in promoting sustainable development.

COSCO SHIPPING Ports, in keeping with the realities and being practical, strictly adheres to corporate governance standards and policy practices, with the aim to strengthen corporate resilience and create long-term value. Under the leadership of the Board, the Company upholds the principles of integrity and win-win cooperation as well as the values of lawful governance and business ethics to establish a comprehensive compliance and operations management system. The Company also persistently strengthens risk control and internal control management, firmly promotes a culture of integrity and builds a corporate ecosystem of honesty and integrity, so as to lay a solid foundation for the sustainable and steady development of the Group.

In July 2023, the Member States of the International Maritime Organization (IMO) adopted the Strategy on Reduction of GHG Emissions from Ships, reaching a consensus on carbon reduction goals. The strategy proposes achieving net zero emissions around 2050, and explicitly requires a reduction of carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, compared to 2008. To this end, shipping enterprises are reducing the consumption of traditional fuels, exploring the application of alternative fuels such as methanol, hydrogen, and ammonia, and enhancing the energy efficiency of new vessels. As one of the world's leading economies and an important Council Member of the IMO, China

has made strong commitment to decarbonise. As an important transportation hub, ports and terminals play a vital role in the shipping industry chain, directly influencing the decarbonisation process of the entire industry, and thus the advancement of green ports becomes an imminent necessity. During the year, the Company participated in the “14th Five-Year” Plan scientific research project of COSCO SHIPPING Group, collaborating with Tongji University and Shanghai Maritime University in the “Roadmap for Establishing Green and Low-carbon Port Research” project, which facilitated top-level design research on the transition of green and low-carbon ports, carbon emission inventory and projection model, evaluation indicator system and construction guidelines of green and low-carbon ports. The Company will continue to maintain close communication with shipping enterprises, strive for excellence, align with global green shipping strategy, strengthen relevant supporting services, to facilitate the industry to achieve net zero earlier.

While formulating a long-term decarbonisation plan, the Company is actively expanding the coverage and use of shore power and accelerating carbon reduction. During the year, the Company, along with COSCO SHIPPING Lines and Orient Overseas Container Line Limited, jointly issued the Initiative to Promote the Use of Shore Power by Vessels at Berth, advocating for ports and shipping companies around the world to promote the construction and connection of shore power supply facilities, thus building a green and low-carbon supply chain. The Company’s Subsidiaries in China have achieved full coverage of shore power at container berths, while Xiamen Ocean Gate Terminal and Tianjin Container Terminal have voluntarily participated in the Action Plan for Demonstration and Promotion of the Use of Shore Power on International Container Shipping Services and Cruise Ships at Berth (2023-2025)⁶ to play a leadership role in the regular use of shore power.

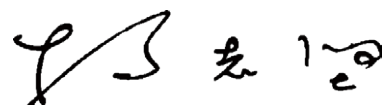
The Company continuously improves its energy mix, incorporating the concept of green development into its daily operation. In 2023, four distributed solar photovoltaic power generation projects have been added to its portfolio from the Company’s Subsidiaries. Together with the existing project at Lianyungang New Oriental Terminal, the Company has reached a total installed capacity of 10 MW. The Company will continue to identify suitable locations to expand such projects and explore other renewable energy applications at the terminals. Additionally, the Company will continue to promote the use of electric driverless container vehicles, upgrading of energy-saving lighting, “diesel-to-electricity conversion” of terminal facilities, and potential energy recovery projects. In 2023, the Company continued to drive energy saving and emissions reduction. The energy consumption intensity of the Subsidiaries recorded a year-on-year decrease of 2.5% to 0.070 GJ per TEU and their greenhouse gas (scope 1 and scope 2) achieved a year-on-year decrease of 0.9% to 7.41 kg of CO₂e per TEU, which continued to lay a foundation for achieving carbon neutrality by 2060.

6 In August 2023, the General Office of the Ministry of Transport of the People’s Republic of China, the Office of the State Grid Corporation of China and the Office of China Southern Power Grid Co., Ltd. jointly issued the Action Plan for Demonstration and Promotion of the Use of Shore Power on International Container Shipping Services and Cruise Ships at Berth (2023-2025).

The Company places great importance on building and developing a talent pool and proactively promotes a just transition during the process of smart and green port development through employee skill training. During the year, the Company continued to strengthen professional training, with a focus on digitalisation as well as smart, green and low-carbon topics. With the emphasis on providing technical management and operational skills training to employees, the Company strived to enhance their capabilities to perform duties and foster strong motivation for sustainable business development.

The Company's perseverance and courage build from the trust and support of its stakeholders. The Company, as always, adheres to the essence of mutual benefit and win-win corporation. Through investment partnership and terminal construction and upgrades, the Company contributes to the local economy and community, driving the collective growth of the shipping industry, ports and integrated logistics industry value chains, as well as to create conditions to accelerate economic vitality, with the aim to achieve both business growth and create social value.

The Company will continue to pursue its goals by making steady progress of improving the standards of management with a more comprehensive corporate governance system, increasing technological innovation to promote the development of smart and green ports, while adhering to the principle of attracting and retaining talents to drive business development and build a solid foundation. The Company strives to fulfill its corporate social responsibility and build harmonious relationships with all stakeholders.



YANG Zhijian
Chairman

CHAPTER 4

MANAGING DIRECTOR'S MESSAGE



ZHU Tao
Managing Director

In 2023, under the leadership of the Board, COSCO SHIPPING Ports forged ahead steadily with concerted efforts and fortitude to resolutely implement the concept of sustainable development amidst the complex and ever-changing external environment. We remained deeply dedicated to safe production, the construction of smart and green ports, data protection and cybersecurity, as well as customer service and satisfaction, fortifying the foundation for the Company's high-quality development with an unwavering spirit of hard work and pragmatism.



Safety is the foundation and prerequisite for development. Adhering to the bottom-line mentality of risk prevention, the Company attaches great importance to safe production, and the prevention and control of significant risks to firmly establish the concept of safety development. The Company focuses on the big picture by earnestly fulfilling the primary responsibility for safe production and continuing to improve the safety management-related system. At the same time, the Company emphasises the responsibility for safe production of the subsidiaries by providing guidance to strengthen the overall response capability, organising self-inspection of potential safety hazards, supervising rectification and strengthening training and education for staff and personnel of the third-party outsourcing units specifically based on the main features and potential hazards of natural disasters, such as extreme weather and climate events, and production safety accidents. During the year, the Company did not have any reported accidents relating to production safety responsibilities or ecological and environmental pollution, creating a solid defensive line for corporate sustainable development.

Digitalisation and intelligent transformation provide key impetus for promoting high-quality development. During the year, the Company made solid and effective progress in the construction of 5G smart ports by stepping up its scientific research efforts, and adhering to innovation-driven development. The smart port demonstration area in Xiamen Ocean Gate Terminal, a Subsidiary of the Company, has successfully realised seamless integration of automated shore-side loading and unloading, intelligent tallying, driverless horizontal transportation, automated control yard and smart gate, thereby taking operational efficiency to new heights. Building upon this achievement, the Company has further advanced the construction of smart ports, replicated and promoted the adoption of driverless container vehicles across other Subsidiaries, and reinforced the integration of cutting-edge technologies such as artificial intelligence with traditional terminal operations to provide support for enhancing terminal capacity and assist terminals in optimising their energy mix, accelerating the promotion of a green and low-carbon transformation.

As a leading port logistics service provider in the world, the Company is committed to working towards the “dual carbon” targets and actively promoting the application of new energy and clean energy facilities. In 2023, the coverage of distributed photovoltaic projects continued to expand with the Company’s newly installed photovoltaic systems at CSP Wuhan Terminal, Nantong Tonghai Terminal, Guangzhou Terminals and Xiamen Ocean Gate Terminal, providing reliable and clean energy for port production. As digitalisation and smart port construction steadily advance, the Company is speeding up the use of new energy and clean energy mobile machinery by replacing the traditional ones. The proportion of electric container vehicles in the Subsidiaries in China continues to increase. Leveraging technologies such as hybrid positioning and navigation and 5G, the Company achieves environmental sensitivity and precise positioning, which improves operational efficiency and reduces energy consumption. Additionally, the Company fully supports the low-carbon transformation of the shipping industry and actively promotes the coverage and use of shore power systems. During the year, the Subsidiaries in China enhanced the provision of shore power services to eligible vessels, resulting in an increased utilisation rate of shore power and contributing to the development of a green shipping industry chain.

The Company actively consolidates the achievements of green and low-carbon construction with pragmatism and raises awareness of its green and low-carbon brand through assessments and third-party certifications. During the year, Xiamen Ocean Gate Terminal and Lianyungang New Oriental Terminal, among others, passed on-site assessments by green port expert panels where Xiamen Ocean Gate Terminal was rated as a Four-star Green Port by China Ports & Harbours Association, and Lianyungang New Oriental Terminal was rated as a Four-star Green Port in Jiangsu Province, signifying the widespread recognition of the Company’s efforts in promoting green port development.

As digitalisation and information technology continue to advance in ports, the Company places equal emphasis on cybersecurity and information technology development, making dedicated efforts to prevent cybersecurity risks. During the year, the Company actively strengthened the unified management and control of office network security equipment, conducted effective cybersecurity monitoring, established regulations for cybersecurity boundaries and standards across its subsidiaries, and continuously enhanced daily cybersecurity maintenance. Meanwhile, the Company carried out training and education to improve cybersecurity risk prevention capabilities. During the year, the Company did not experience significant cybersecurity incidents, building a strong information technology and cybersecurity barrier.

The Company has taken proactive and pragmatic measures to enhance the quality and efficiency of its terminals. With a strong emphasis on meeting the needs of the shipping industry, the Company has bolstered terminal service capabilities on all fronts and provided safe, efficient, and intelligent solutions, as well as value-added services, to enhance customer service experience. Through continuous efforts in terminal operation management, digital transformation, and green and low-carbon development, the Company has further improved the operational capability and competitiveness of its terminals. The total throughput for the year sustained a positive and stable trend.

COSCO SHIPPING Ports' efforts to achieve sustainable development have been recognised by the market. During the year, the Company was selected to be included as a constituent of the FTSE4Good Index Series, the Hang Seng SCHK China Central SOEs ESG Leaders Index, the Hang Seng Corporate Sustainability Benchmark Index and the Hang Seng Climate Change 1.5°C Target Index. At the same time, the Company also received a number of industry awards, including the "Best Corporate Governance and ESG Awards 2023 – Special Mention" award presented by the Hong Kong Institute of Certified Public Accountants, which fully reflects the recognition of the Company by the community.

The port industry is facing the challenges of a complex and ever-changing external environment as well as industrial upgrading and restructuring. The Company will continue to forge ahead with steadfast determination, upholding the principles of sustainable development. With unwavering confidence, conscious actions, and pragmatic work, the Company strives to promote high-quality development and share its achievements with stakeholders.



ZHU Tao
Managing Director

CHAPTER 5

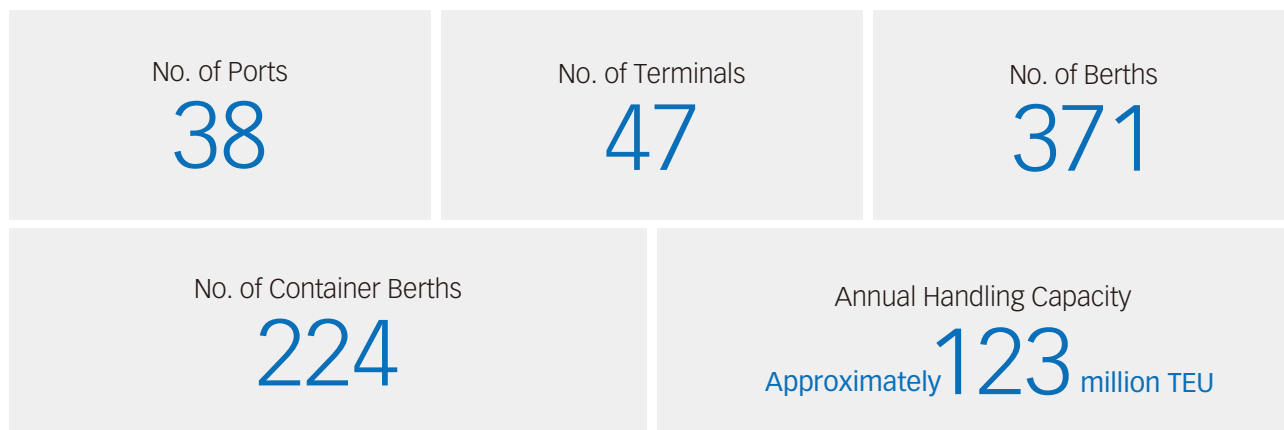
ABOUT COSCO SHIPPING PORTS



CORPORATE OVERVIEW

COSCO SHIPPING Ports (stock code: 1199) is a leading port logistics service provider in the world, with a portfolio covering the five main port regions and the middle and lower reaches of the Yangtze River in China, Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa, etc.

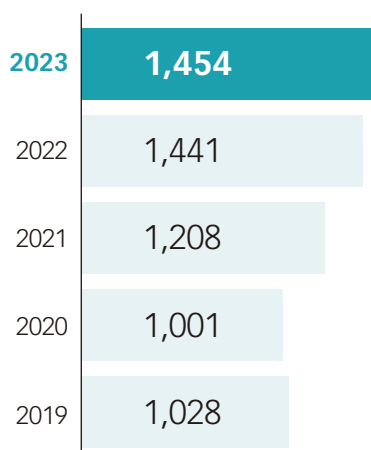
Port Business Overview



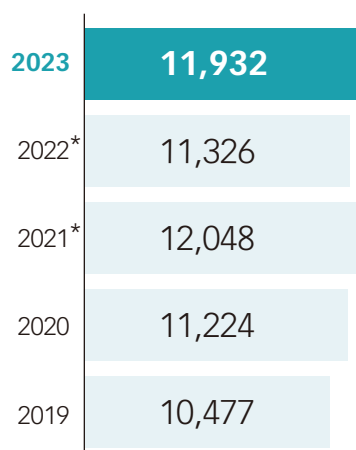
COSCO SHIPPING Ports' intermediate holding company is COSCO SHIPPING Holdings Co., Limited (stock codes: 1919 (H Share), 601919 (A Share)) whose ultimate holding company, China COSCO SHIPPING Corporation Limited, is the largest integrated shipping enterprise in the world. As of 31 December 2023, COSCO SHIPPING held 43.62% of the shares in COSCO SHIPPING Holdings, which in turn held 66.13% of the shares in COSCO SHIPPING Ports.

KEY FINANCIAL PERFORMANCE IN THE LAST FIVE YEARS

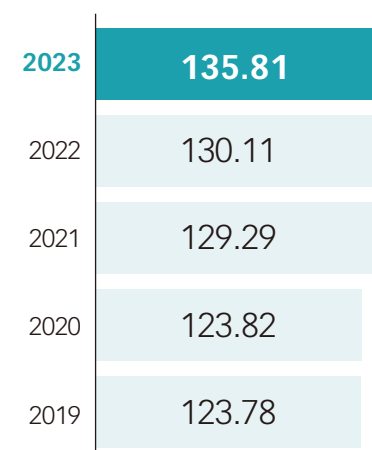
Revenue (US\$ million)



Total Assets (US\$ million)



Total Throughput (million TEU)



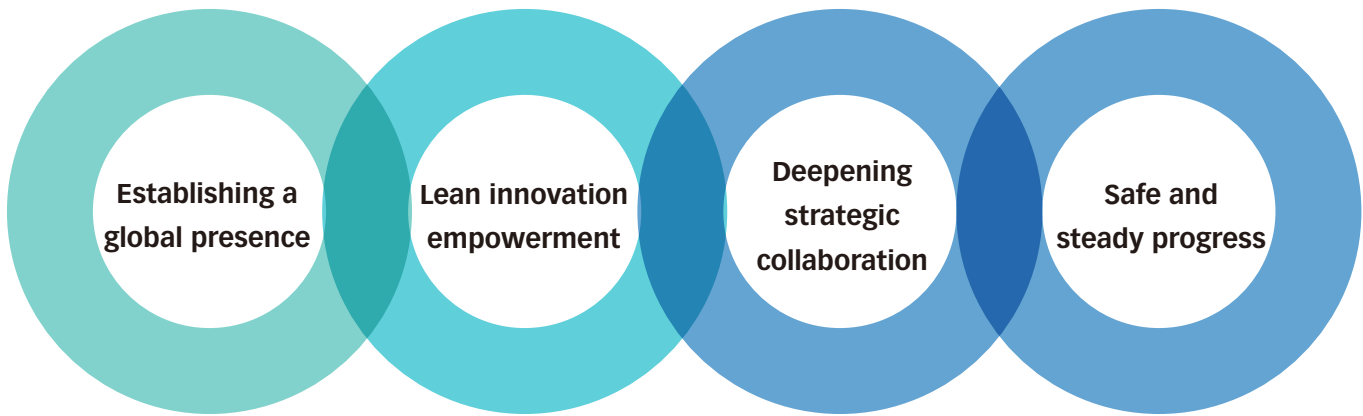
* Restated

As of 31 December 2023, the Company had a total of 15 Subsidiaries and 32 Non-subsidiaries. For the global terminal portfolio and details on the business operations and financial performance, please refer to the 2023 Annual Report of the Company.

CORPORATE VISION AND STRATEGY

Building on the brand philosophy of “The Ports for ALL”, COSCO SHIPPING Ports has established its corporate mission of “Connecting Different Worlds”, and is committed to maintaining a customer-centric approach to continuously improve the service and capacity of its global network and enhance the strategic positioning of key node ports and optimise logistics resource distribution. Leveraging ports as a conduit to connect global shipping services and serve global trade, the Company is dedicated to establishing a platform for mutual benefits and shared successes for all stakeholders involved with a vision of “becoming the leading global port logistics service provider with a customer-oriented focus”.

The Company has established the following business philosophy based on our direction for future development:



In order to implement the concept of sustainable development, the Company proactively invests in and builds green and smart ports to improve the operational efficiency of the terminals, and achieve energy saving and emission reduction, with an objective to further cope with the risks and opportunities arising from climate change. In 2023, in addition to promoting energy saving and emission reduction and optimising energy mix in the Subsidiaries, the Company continued to drive technological innovation and actively accelerate 5G applications.

THE APPROACH TO SUSTAINABILITY

While expanding the business globally, the Company persists in integrating the principles of sustainability into its daily operations and corporate culture to fulfill its corporate responsibility and commitment to the environment and society. During the year, the Company broadened its sustainability approach to “GRAND”, using “Governance”, “Resilience”, “Agility”, “Nature” and “Dynamic” as the foundation. The Company continues to deepen energy conservation and carbon reduction strategies, accelerate the process of carbon neutrality and just transition, steadily promote the construction of smart ports, aid in building a green shipping industry chain, and create shared value for stakeholders.

The Company has been actively supporting the UNSDGs. The UNSDGs that are most relevant to business operations have been identified and integrated into its five sustainable development areas.



UNSDGs

The Company's Five Key Areas of Sustainable Development



Governance

Adhere to the principles of business ethics and operational compliance, maintain high standards of corporate governance and business integrity, and build mutual trust with stakeholders to achieve a win-win situation.



Resilience

Invest in building "green ports" to reduce carbon emissions in business operations and along the value chain to achieve carbon neutrality and strengthen climate resilience; select and manage suppliers and partners based on sustainability criteria to enhance corporate resilience.



Agility

Drive continuous improvement in the overall operational efficiency and provide customers with high-quality services by leveraging unique insights to implement digital and intelligent innovation, and promote the construction of smart ports.



Nature

Conserve and utilise natural resources responsibly and effectively, and mitigate the impacts on biodiversity.



Dynamic

Provide a safe, healthy, diverse and inclusive working environment, create a sustainable talent pipeline, and promote the development of local communities where we operate, thus creating shared value for all stakeholders.

CHAPTER 6







STAKEHOLDER ENGAGEMENT AND DOUBLE MATERIALITY ASSESSMENT



The Company endeavours to maintain good and close communication with stakeholders to gain an in-depth understanding of their suggestions and expectations on the Company's sustainability strategies, goals and daily operations to further improve the management of sustainable development.

KEY STAKEHOLDERS AND REGULAR ENGAGEMENT

The table below outlines the objectives and channels for maintaining regular engagement with key stakeholders in the Company's daily operations:

Stakeholder Groups	Objectives	Channels
 Customers	Strive for service excellence by understanding customers' concerns and expectations for the Company's business and sustainable development as well as sharing industry prospects and development strategy with customers, and listening to their feedback to maintain long-term relationships with mutual trust	Meetings, business visits, expositions, seminars, customer satisfaction surveys, service hotlines, instant messaging software, emails
 Employees	Value the opinions of employees to constantly improve our staff policy, as well as attract and retain talents to lay the foundation for long-term business development	Company website, social media platforms (including WeChat and LinkedIn accounts), presentations, meetings, labour unions, emails
 Shareholders and Investors	Maintain close communication with shareholders and investors and understand their concerns as well as share our business update to enhance their understanding in the financial and non-financial performance, results and future development of the Company	Meetings, roadshows, investor conferences, company website, corporate communications (including, but not limited to, financial reports, sustainability reports, announcements, circulars and press releases), general meetings
 Suppliers and Partners	Ensure that suppliers and partners understand the Company's policies and expectations to improve service quality and act on its social responsibility	Tendering, contract and agreement negotiations, regular assessments, business exchanges, seminars
 Governments and Regulators	Comply with the requirements and guidelines of government authorities and regulators and understand their policies and priorities in respect of sustainable development	Subject-specific reports, information submission, forums
 Non-governmental Organisations and Local Community Groups	Establish good relationships with non-governmental organisations and local community groups, maintain sound reputation, and identify and respond to different environmental and social risks	Company website, social media platforms (including WeChat and LinkedIn accounts), social welfare activities

DOUBLE MATERIALITY ASSESSMENT

During the year, the Company engaged an external consultant to conduct a materiality assessment of sustainability issues and introduced the concept of double materiality which identified risks and opportunities that might have a significant impact on the Company's operations and development from both financial and non-financial perspectives, to understand the concerns of stakeholders.

Identification

Based on the issues that stakeholders were previously concerned about, global ESG trends, international and the SEHK reporting standards, as well as ESG rating requirements, making reference to the material issues of major port operators, and taking into consideration our corporate development philosophy, the Company has identified and consolidated a total of 22 issues.

Analysis And Prioritisation

The Company conducted online surveys and interviews to understand the perspectives of stakeholders and consider the impacts of the Company's business operations on the economy, environment and society and the financial impacts of each of these issues on the Company from the perspectives of both financial materiality and impact materiality. Based on the results of the surveys and interviews, the Company prioritised the issues based on their respective levels of impact and updated the materiality matrix accordingly.

Confirmation

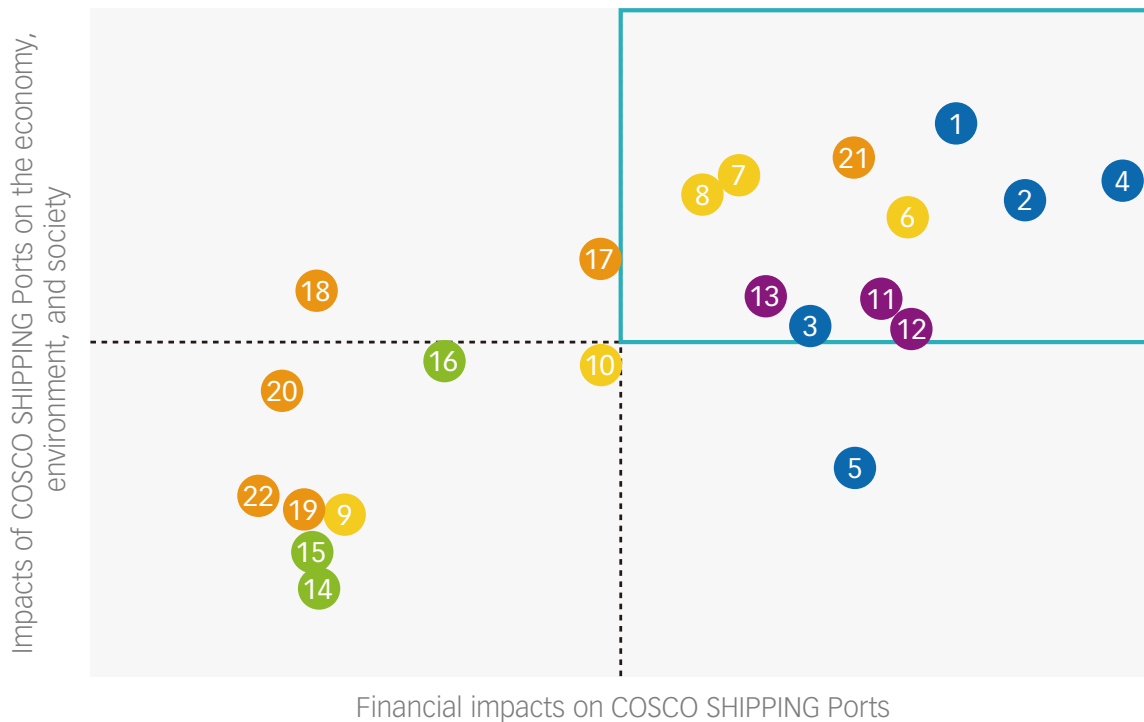
The double materiality matrix was reviewed and validated by the ESG Committee. The Company will consider the identified sustainability issues in the course of its business operations in the future.

In the process of identifying the sustainability issues, the Company consolidated and adjusted the number of issues from 32 in 2022 to 22 for the year. Key changes are as follows:

Issues	Changes	Reasons for changes
<ul style="list-style-type: none"> • Employment • Employee rights and interests 	Deleted	To enhance the accuracy and clarity of the materiality assessment, the Company has made adjustment to certain issues that overlap with, or are similar to, other issues.
<ul style="list-style-type: none"> • Material use 	Deleted	According to peer benchmarking and market analysis, ports and shipping companies would disclose such issue but seldom list it as an independent issue.
<ul style="list-style-type: none"> • Data privacy protection and cybersecurity 	Newly added	According to peer benchmarking and market analysis, the relevance of the issues to the Company's operation and the ports and shipping industries has increased significantly.
<ul style="list-style-type: none"> • Employee engagement and development 	Newly added	
<ul style="list-style-type: none"> • Anti-competitive behaviour • Anti-corruption 	Consolidated	The two issues are consolidated into "business ethics".
<ul style="list-style-type: none"> • Anti-discrimination • Freedom of association and collective bargaining • Child labour and forced labour • Equal rights assessment • Labour grievance mechanism 	Consolidated	The five issues are consolidated into "human rights management".
<ul style="list-style-type: none"> • Wastewater discharge management • Water resource management 	Consolidated	"Wastewater discharge management" is consolidated into "water resource management".
<ul style="list-style-type: none"> • Supply chain management and responsible procurement • Supplier environmental and social assessment 	Consolidated	The two issues are consolidated into "supply chain management".

Based on the results of surveys and interviews, the Company has identified a total of 11 highly material issues, which are shown on the top right-hand corner of the materiality matrix. For the boundary of impact of each highly material topic, please refer to the section headed “Appendices – Boundary Mapping of Material Topics” set out in Chapter 13 of this report.

Double Materiality Matrix



List of Sustainability Issues

Governance

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

Resilience

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

Agility

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

Nature

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

Dynamic

- 17 Employee engagement and development
- 18 Employee well-being
- 19 Diversity, equity and inclusion
- 20 Human rights management
- 21 Health and safety
- 22 Community engagement

OUR RESPONSES TO STAKEHOLDERS

During the year, the Company conducted interviews with stakeholders on the financial and impact materiality of our sustainability issues to understand their recommendations and expectations. The stakeholders' concerns and the Company's responses are summarised below:

Issues	The materiality of the issue and its impact	The Company's responses
Climate Resilience	<ul style="list-style-type: none"> Increasingly frequent occurrence of extreme weather or climate-related disasters may lead to loss of assets or increased maintenance costs. As carbon pricing mechanisms and policies are being implemented globally, the Company may incur additional costs to address related transition risks. 	<ul style="list-style-type: none"> The Company takes active steps to strengthen seasonal safety measures of the Subsidiaries by implementing measures against typhoons, summer heatwaves and cold weather, and organising emergency drills to enhance its emergency response capabilities. Shanghai Pudong Terminal and Shanghai Mingdong Terminal have been designated as key emission units under the carbon emissions rights trading system and have carried out carbon emission monitoring, reporting and settling. <p>Please refer to Chapter 9 headed "Resilience" of this report for more details.</p>
Energy Management	<ul style="list-style-type: none"> Reduce carbon emissions and environmental pollution through effective carbon reduction measures. Increase investment in and application of energy-saving and emission reduction technologies to improve energy efficiency, reduce costs, and enhance efficiency. 	<ul style="list-style-type: none"> The Company actively promotes the electrification of terminal equipment and vehicles. For the Subsidiaries in China, the completion rate of the "diesel-to-electricity conversion" of the gantry cranes has reached 97.7%, and the proportion of container vehicles powered by new and clean energy has risen to 46%. The Company continues to expand the application and coverage of clean energy in ports by implementing distributed photovoltaic power generation projects in five of its Subsidiaries. <p>Please refer to Chapter 9 headed "Resilience" of this report for more details.</p>
Technological Innovation	<ul style="list-style-type: none"> Reduce labour costs through technological innovation such as automation and digitisation. Through the development of cutting-edge technologies and the exploration of more environmentally friendly, efficient, accurate and safer operation modes and intelligent systematic solutions, the Company could increase its revenue and become an industry benchmark. 	<ul style="list-style-type: none"> The Company is committed to developing the 5G smart port demonstration area in Xiamen Ocean Gate Terminal as a smart port model and facilitate the advanced upgrading of its Subsidiaries to full intelligence. Xiamen Ocean Gate Terminal, CSP Wuhan Terminal, Quan Zhou Pacific Terminal and CSP Abu Dhabi Terminal have implemented driverless container vehicle horizontal transportation. <p>Please refer to Chapter 10 headed "Agility" of this report for more details.</p>

Issues	The materiality of the issue and its impact	The Company's responses
<p>Customer Satisfaction</p>	<ul style="list-style-type: none"> • By promoting digitalisation, intelligence and green port development, the Company improves operational efficiency, of ports and also reduces reliance on fossil fuels and carbon emissions. • Provide customers with complementary measures for low-carbon and emission reduction purposes, assisting vessels in reducing fuel consumption, air emissions and noise pollution during berthing. 	<ul style="list-style-type: none"> • By extending the port's intelligent logistics industry chain, the Company continuously improves the capability of "Container Shipping + Ports + Related Logistics" and develops an integrated supply chain. • The Company actively promotes the all-round coverage of shore power facilities and issued the Initiative to Promote the Use of Shore Power by Vessels at Berth to assist shipping companies in energy conservation and emission reduction. <p>Please refer to Chapter 10 headed "Agility" of this report for more details.</p>
<p>Health and Safety</p>	<ul style="list-style-type: none"> • Reduce and avoid the occurrence of safety accidents to maintain the Company's reputation and corporate image. • Promote unmanned and automated operations to enhance the safety and accuracy of equipment operations while reducing and preventing occupational health and safety incidents. 	<ul style="list-style-type: none"> • The Company has developed policies to regulate safe production, management of dangerous goods and prevention of occupational hazards. • The Company continues to conduct quarterly safety inspections, ensure that subcontractors adhere to safety management protocols and enforce annual safety assessments to eliminate any non-compliant behaviour and minimise potential occupational health and safety risks on a best effort basis. • The Company encourages the terminals to obtain ISO 45001 Occupational Health and Safety Management System Certification through third-party verification, demonstrating its commitment to establishing and continuously improving health and safety management systems. <p>Please refer to Chapter 12 headed "Dynamic" of this report for more details.</p>


Issues	The materiality of the issue and its impact	The Company's responses
<p>Data Privacy Protection and Cybersecurity</p>	<ul style="list-style-type: none"> • The digitalisation process of ports and terminals relies on information technology and network systems. If a company fails to establish standardised and robust information systems and data security management mechanisms, fails to develop clear data backup requirements, fails to prevent computer viruses, and lacks effective physical environmental protection and access control of information equipment, it may lead to issues such as information leakage, data loss, unauthorised access to information, or malicious destruction that will pose a threat to the company's information systems and data security. 	<ul style="list-style-type: none"> • The Company has published and continuously improved management policies regarding data privacy protection and cybersecurity to provide norms and guidelines for related work. • The Company continuously organises its Subsidiaries in China to fully promote and apply safety systems. Through regular monitoring and scanning, security vulnerabilities are identified and dealt with immediately, to effectively prevent viruses, intrusions and attacks. • Trainings on cybersecurity and data privacy protection are provided to employees, and cybersecurity emergency drills and exercises are conducted. • Regular rectification of cybersecurity risks and breaches is carried out to prevent potential risks to system security and to ensure that the Company's and customers' information is properly protected.
<p>Please refer to Chapter 8 headed "Governance" of this report for more details.</p>		

CHAPTER 7

2023 ESG PERFORMANCE HIGHLIGHTS

Below are the key ESG performance of COSCO SHIPPING Ports for 2023:

ESG RATINGS

			
<p>Became a constituent stock in the FTSE4Good Index Series of FTSE Russell since June 2023</p>	<p>CDP 2023 Climate Change Score: B</p>	<p>Received a "Low Risk" rating</p>	<p>Received an A+ rating and included as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index since 2021</p>

GOVERNANCE

<p>Anti-corruption and ESG training coverage for the Board</p>	<p>Business performance assessment of the management is linked to ESG indicators (including safe production, energy saving and emission reduction, ecosystem and environmental protection)</p>	<p>0 Cybersecurity incident</p>	<p>0 Customer data breach incident</p>
<p>100%</p>			

RESILIENCE

<p>Greenhouse gas emission intensity of the Subsidiaries</p> <p>7.41 kg of CO₂e per TEU (A decrease of 0.9% as compared to 2022)</p>	<p>Energy consumption intensity of the Subsidiaries</p> <p>0.070 GJ per TEU (A decrease of 2.5% as compared to 2022)</p>	<p>Installed capacity of distributed photovoltaic projects in its Subsidiaries in China</p> <p>10 MW</p>
<p>Published the Initiative to Promote the Use of Shore Power by Vessels at Berth</p>	<p>100% Coverage of shore power for container berths across the Subsidiaries in China</p>	<p>The Company and the terminals within the reporting scope completed dynamic evaluation of 5,379 suppliers in total</p>

AGILITY

5G Intelligent Port
Modernisation Project
has been successfully approved

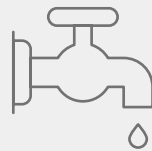
25 new patents
from the Company and its
Subsidiaries were accepted or
authorised

Over
210,000 TEU
were handled by driverless container
vehicles of the Subsidiaries

NATURE

Water consumption intensity of the Subsidiaries

0.040 m³ per TEU
*(A decrease of 12.5% as compared to
the baseline year of 2020)*



100%

of hazardous waste was handled
by recycling companies or material
suppliers with professional qualifications



DYNAMIC



With the safety target of "zero fatality", the
Subsidiaries have

0

work-related
fatalities

0

reportable cases related to
safety accident



Rate of high-consequence
work-related injuries

0.03

per 200,000 working hours

Average training hours of employees from the
Company and its Subsidiaries

28.2 hours



Female employee represents

12.3%



Total
donation

US\$

1,728,142



Total number of registered
employee volunteers

829



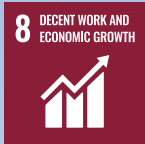
Total volunteering hours by
employees

3,225
hours



CHAPTER 8

GOVERNANCE



Material topics covered:



Corporate
governance



Business
ethics



Data privacy protection
and cybersecurity



Economic
performance*



Tax

COSCO SHIPPING Ports believes that integrity and win-win cooperation are the cornerstone of building a trustworthy and sustainable business model. Through continuous improvement in risk management, the Company aims to create a business environment of integrity and enhance the confidence of its stakeholders.

* Please refer to Chapter 5 – About COSCO SHIPPING Ports in this Report

PERFORMANCE HIGHLIGHTS IN 2023

In 2023, the Company issued various management regulations, including the Rules of Procedures of the Board of Directors, the Working Rules of the Board Secretary and the Rules of Procedures of Board Committees. In the meantime, the Company issued the Management Policy on the Responsibilities for Cybersecurity and Information Technology Equipment of the Headquarters (Trial Implementation) and amended the Requirements on Informatisation Management and Assessment to continuously improve the development and management of informatisation projects and the relevant assessment regulations.

The Company continues to intensify its efforts in fostering a culture of integrity. During the year, all directors of the Company completed anti-corruption training. The Company's headquarters in Hong Kong and Shanghai and all Subsidiaries organised and conducted anti-corruption training and education programmes for employees.

In addition, the Company has linked ESG indicators to the business performance assessment of the management, and arranged ESG training for all directors and senior management during the year to continuously reinforce the Company's management capability and capacity in sustainable development.

MANAGEMENT APPROACH

The Company is committed to maintaining a high standard of corporate governance by having a well-defined governance structure and clear management policies and procedures in place, and continuously optimising its risk management and internal control systems.

In compliance with applicable laws and regulations, and ethical standards, the Company strictly prohibits illegal and unethical behaviour such as corruption, bribery, fraud, and money laundering, and provides regular anti-corruption training to employees to strengthen the Company's culture of integrity and honesty.

As the development of smart ports progresses, the Company has published and continuously improved multiple management policies regarding data privacy protection and cybersecurity to provide institutional norms and guidelines for related work.

CORPORATE GOVERNANCE

Good corporate governance is the key for COSCO SHIPPING Ports to promote high-quality and sustainable development. The Company has always adhered to the highest ethical standards and builds a business environment of integrity through continuous improvement of risk management mechanisms to achieve sustainable business operations and increase corporate value.

During the year, the Company and its Subsidiaries did not make any monetary contributions to any political campaigns, political organisations, lobbyists or lobbying organisations.

A series of ESG indicators, such as safe production, energy saving and emission reduction, and ecological and environmental protection, is included in the performance appraisal of the Company's management. The annual performance of the Company's management is linked to the achievement of such ESG indicators and the appraisal results.

For details on corporate governance, please refer to the section headed "Corporate Governance Report" in the 2023 Annual Report of the Company.

CORPORATE GOVERNANCE STRUCTURE

The Board of the Company maintains oversight of the overall business performance, leading corporate strategies and managing the allocation of resources to lay a solid foundation for the Company's long-term development. As at 28 March 2024 (the date on which the Board approved this report), the Board consisted of ten members, including three executive directors, two non-executive directors and five independent non-executive directors. There are seven committees under the Board, including the Executive Committee, Audit Committee, Remuneration Committee, Nomination Committee, ESG Committee, Investment and Strategic Planning Committee and 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, enabling it to play an effective leadership role.

The Board has delegated the ESG Committee to oversee the Company's ESG-related work and promote the effective implementation of relevant policies and measures. The ESG Committee comprises three members, the majority of whom (including the chairman of the committee) are independent non-executive directors of the Company. The ESG Committee, under the leadership of the Board, is responsible for introducing and proposing relevant principles concerning corporate governance, providing professional and diversified recommendations on the development and implementation of corporate social responsibility and sustainable development measures, to promote the Company's continuous improvement in corporate governance. The Company arranges training for the Board on ESG-related topics on a regular basis to enhance the professional knowledge of the Board members in the area of sustainable development. During the year, all directors and senior management of the Company attended ESG training, which covered global ESG development trends and relevant international regulatory requirements (such as the ISSB Standards and the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD")), key focus areas of the industry (such as climate risks and financial impacts).

COSCO SHIPPING Ports acknowledges that a diversified Board can help enhance the Company's overall performance. The Company has established the [Board Diversity Policy](#), which ensures the Board would not consist solely of members of the same gender and shall have diversified perspectives. When considering candidates for directors, the Nomination Committee takes 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, to further optimise corporate governance and enhance the Company's competitiveness.

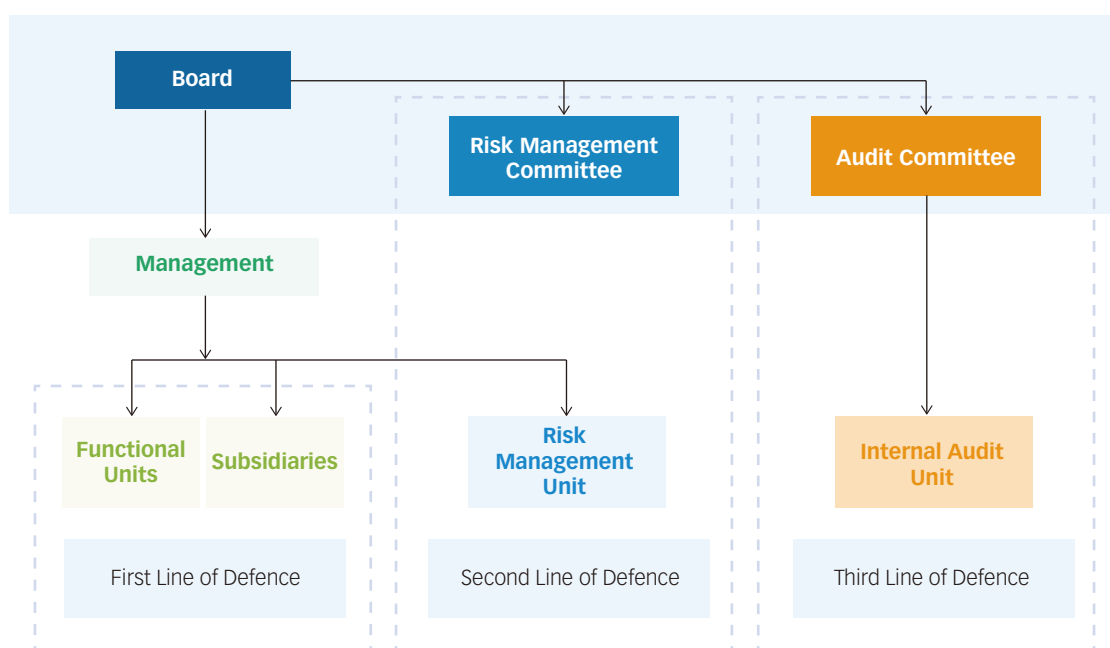
For details on the Board committees, please refer to the section headed "Corporate Governance Report – Delegation by the Board" in the 2023 Annual Report of the Company.

RISK MANAGEMENT

The Company has established the Compliance Management Policy to further standardise the operational and management standards of the Company, its Subsidiaries and employees, comply with the requirements of relevant laws and regulations, international treaties, regulatory requirements, industry standards, corporate articles of association, and rules and regulations, and strengthen risk management and improve the level of legal and compliant operation and management to ensure the continuous and healthy development of the Company. During the year, the Group did not incur any risk incidents.

To ensure a prudent risk management strategy, the Company has developed the “three lines of defence” risk management and internal control system based on control environment, risk assessment and measures against risks, to identify, analyse and respond to potential risks in its business. The Company also makes reference to nationally and internationally recognised guidelines⁷ to develop the risk management framework which covers five dimensions, namely corporate strategy, market, finance, law, and operations. The Board delegates the Risk Management Committee to oversee, review and improve the Company’s risk management system, with the aim of preventing all kinds of risks and challenges.

RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT PROCEDURES



7 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 “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.

The Company conducts risk assessments and responds in accordance with the risk management procedures, in order to ensure sustainable development, and analyse any risks that may be involved in future operations and business development, including, but not limited to, risks related to sustainable development issues such as safe production, customer relationship management, human resources and climate-related issues. The Company plans ahead from all aspects to formulate risk response measures one by one, enabling the Company to better cope with and prevent risks encountered in the course of operations. The Company evaluates and updates potential risks based on the “severity of risk” and “possibility of risk occurrence” to monitor and manage the impacts on the Company’s operating costs and other financial impacts caused by related risks.

For details on the risk management system and risk evaluation assessment, please refer to the section headed “Corporate Governance Report – Risk Management and Internal Control” in the 2023 Annual Report of the Company.

BUSINESS ETHICS

The Company upholds high standards of business ethics and integrity, which are regarded as the foundation of the business. The Company has formulated the [Anti-corruption Policy](#) to regulate the Company and its Subsidiaries to maintain a corporate culture of honesty and integrity at all times, strictly abide by applicable laws and regulations, and prevent all forms of improper behaviour such as suspected corruption and bribery. The Company maintains a zero-tolerance approach in handling all relevant situations. The Company stipulates in the Employee Handbook its anti-corruption principles and regulations, stating that seeking personal benefits in the name of the Company or personal authority is strictly forbidden, in order to ensure that all employees respect and comply with the corporate ethical standards and business ethics, and maintain the core values of law-abiding and honest business.

The Company strengthens the promotion of a corporate culture of integrity and honesty through regular anti-corruption training to enhance the integrity standards of the management and employees. In 2023, all directors of the Company completed anti-corruption training, which included the Training Package on Business Ethics for Listed Companies produced by the Independent Commission Against Corruption of Hong Kong (the “ICAC”), covering Anti-corruption Programme – A Guide for Listed Companies and Toolkit on Director’s Ethics. In addition, the Company invited the ICAC to provide a professional training seminar on integrity for the employees of its headquarters in Hong Kong and the management personnel of Hong Kong Terminals. The training provided an introduction to the anti-corruption legislation, handling of conflict of interest, and the duties of the management staff, aiming to strengthen their awareness of anti-corruption issues and build up a strong defence against integrity practices.

Meanwhile, the Company’s headquarters in Shanghai and its Subsidiaries launched the “Month of Business Integrity Education” and deepened the anti-corruption culture at all levels through activities such as visits to integrity education bases, quizzes on anti-corruption knowledge and integrity education conferences. In addition, the Company requires overseas Subsidiaries to, taking into consideration the local situation, provide anti-corruption training by way of seminars, special lectures, promotional and educational video sharing or online courses, to strengthen the prevention and control of overseas corruption risks.



During the year, Lianyungang New Oriental Terminal launched the “Month of Business Integrity Education” and held integrity reminder talks to strengthen employees’ awareness of integrity and self-discipline.

The Company has formulated the [Whistleblowing Policy](#), to standardise the reporting procedures and investigation measures of the Company and its subsidiaries. It provides a formal and confidential reporting channel for all members of the Company or others who do business with the Company, such as customers and suppliers.

During the year, the Group did not receive any report or complaint on corruption.

DATA PRIVACY PROTECTION AND CYBERSECURITY

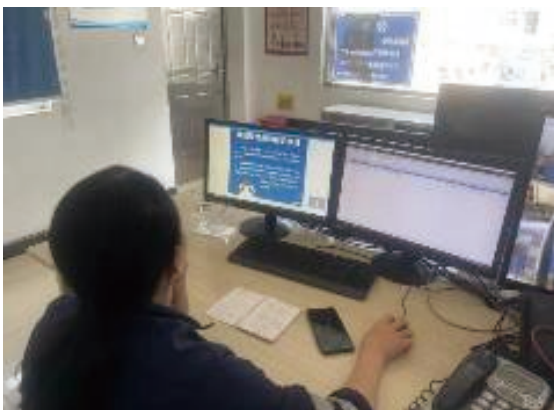
The Company attaches great importance to data security and privacy protection, striving to build a secure environment that protects both the Company’s and its customers’ information. The Company has formulated the Management Policy on Cybersecurity and initiated relevant amendments at the end of 2023. The Management Policy on Cybersecurity regulates the cybersecurity management of the Company and its Subsidiaries and prevents attacks, intrusions, interference, destruction, illegal use and accidents on the network, ensuring the stability and reliability of network operation as well as the integrity and confidentiality of network data.

The Company continuously coordinates its Subsidiaries in China to fully promote the unified security systems. Through regular monitoring and scanning, security vulnerabilities are identified and dealt with immediately, so as to effectively prevent various types of intrusions and attacks such as viruses, Trojan horses and remote control. During the year, the Company completed the unified deployment of network boundary security devices for its Subsidiaries in China. By leveraging a unified platform and the expertise of third-party professionals, the Company has significantly strengthened the headquarters' oversight of cybersecurity across various units and improved the ability to identify risks and vulnerabilities, leading to effective rectification and enhanced capabilities for continuous security operations and incident handling. In accordance with overseas compliance requirements, the Company has coordinated overseas Subsidiaries to carry out the sorting of digital assets, implemented immediate notification of early warning, investigation and rectification, provided regular reports and review on the security work. In addition, the Company arranged the migration of relevant systems of its Subsidiaries in China to an exclusive cloud pool during the year, aiming to enhance the Group's level of the application security protection by leveraging the capability offered by the exclusive cloud pool.

To raise the awareness of all employees of the Company and its Subsidiaries on cybersecurity and data privacy protection, the Company regularly organises cybersecurity publicity campaigns to publicise the latest cybersecurity knowledge and best practices to help employees cope with common security threats such as phishing emails and cyber-attacks. During the year, the Company organised cybersecurity border training to raise employees' awareness and management capabilities on cybersecurity. In 2023, Lianyungang New Oriental Terminal organised a cybersecurity emergency exercise to improve employees' emergency response abilities and their response time. At the same time, specific and standardised practices were developed for key positions and groups of people, enabling them to identify and deal with threats.

In addition, the Company coordinates its Subsidiaries to perform cybersecurity vulnerability patching to prevent potential risks in system security and ensure that the information of the companies and customers is protected. The Company shares information with its Subsidiaries to defend against malicious attacks and manage vulnerability information.

During the year, the Group was not involved in any cases of leakage of customer data, nor did it encounter any cybersecurity incidents.



Lianyungang New Oriental Terminal organised a learning session on cybersecurity knowledge around the "Things you should know and understand about cybersecurity" published by the Company.



Guangzhou Terminals, the Nansha Police Station and the Comprehensive Management Office of Longxue Street jointly organised a training session on internet fraud to help terminal workers improve their ability to identify and prevent internet fraud.

During the year, CSP Valencia Terminal organised cybersecurity training to enhance employees' awareness of risk prevention, enable them to learn from best practices, and provide specialised training for employees in relevant job positions or those responsible for handling sensitive information.

TAX

The Company files tax returns and pays taxes on time and is committed to fully complying with all applicable tax laws and regulations. The Company has formulated the Tax Management Policy to clearly define tax management procedures and responsibilities and regulate tax reporting, planning, and file management in order to strictly prohibit any form of tax evasion and tax avoidance. Financial personnel must comply with applicable tax laws, fulfill tax obligations in a legal and compliant manner, and file tax returns and make payments of relevant taxes in a timely manner.

During the year, the Group did not experience any financial or tax-related illegal or non-compliant incidents.



CHAPTER 9 RESILIENCE

7 AFFORDABLE AND
CLEAN ENERGY12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION13 CLIMATE
ACTION17 PARTNERSHIPS
FOR THE GOALS

Material topics covered:

Climate
resilienceGreenhouse gas
emissionsAir
emissionsEnergy
managementSupply chain
management

The 28th Conference of the Parties of the United Nations Framework Convention on Climate Change concluded in December 2023, bringing together global business leaders and country representatives to agree on a roadmap for transitioning away from fossil fuels. Around 100 negotiators at this session pledged to triple global renewable energy use by 2030. As an environmentally and socially responsible corporation, the Company understands the importance of considering the impact of climate change and promoting carbon reduction in its business strategic decision-making. In order to incorporate the philosophy of green port development into supply chain management, the Company has adopted efficient management measures, promoted and maintained responsible procurement practices, and worked with stakeholders to build a more resilient and sustainable future.

PERFORMANCE HIGHLIGHTS IN 2023

The Company has previously set goals for greenhouse gas emissions and energy consumption of its Subsidiaries. As the Company proactively advances the development of green ports, the Subsidiaries continue to implement a number of energy conservation and emission reduction projects in 2023, so as to further promote green and low-carbon transformation. In 2023, the green and low-carbon investment totalled approximately US\$500,000 for the Subsidiaries in China.

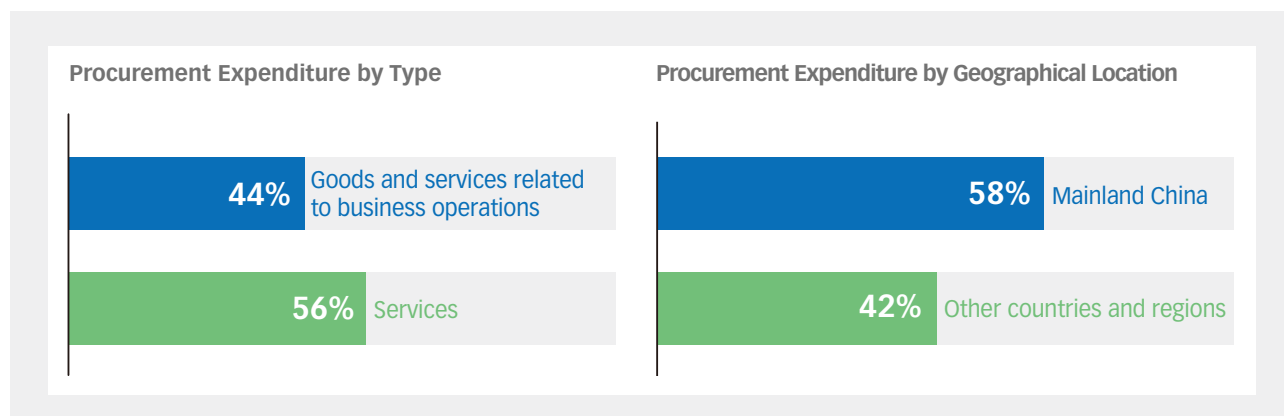
Environmental performance	Target	Performance of the Subsidiaries in 2023 ⁸
Reduction in greenhouse gas emissions	To reduce the greenhouse gas (Scope 1 and Scope 2) emission intensity of the Subsidiaries by 20% in 2030, setting 2020 as the baseline year, and to achieve carbon neutrality no later than 2060.	Greenhouse gas emission intensity ⁹ : 7.41 kg of CO ₂ e per TEU, representing a decrease of 0.9% year-on-year and a decrease of 20.8% as compared to 2020
Reduction in energy consumption	To reduce the energy consumption intensity of the Subsidiaries by 15% in 2030, setting 2020 as the baseline year.	Energy consumption intensity ⁹ : 0.070 GJ per TEU, representing a decrease of 2.5% year-on-year and a decrease of 20.5% as compared to 2020



The Company has been a council member of Hong Kong Business Environment Council (“BEC”) for more than 15 years and showcased its commitment to reducing its carbon footprint by signing BEC Net-zero Carbon Charter in early 2024. The Company also actively participates in advisory groups and seminars organised by BEC to contribute to net zero future.

In terms of supply chain management, the Company and the terminals within the reporting scope completed a dynamic evaluation of 5,379 suppliers in total, of which 48% of them were graded as excellent suppliers and 44% were graded as good suppliers.

During the year, the procurement expenditure of the Company and the terminals within the reporting scope are as follows:



8 Among the existing 15 Subsidiaries of the Company, CSP Chancay Terminal in Peru is under construction and its environmental performance was not included in the performance of the Subsidiaries.
9 The environmental performance data shown in the table are rounded off, while the corresponding percentage changes are derived from unrounded figures.

MANAGEMENT APPROACH

The Company is dedicated to standardising the operational management of its Subsidiaries based on the green and low-carbon philosophy. The Company has developed management policies and corresponding contingency plans for energy saving and emission reduction, responding to extreme weather and climate events, providing its Subsidiaries in China with specific policies and guidelines in relation to environmental management, such as issuing the Typhoon Prevention and Disaster Relief Work Plan and the Comprehensive Emergency Plan for Safe Production, as well as encouraging the Subsidiaries to formulate the Emergency Plan for Extreme Weather and Emergency Plan for Environmental Emergencies on the basis of the Company's policies, in order to prepare measures to respond to natural disasters caused by climate change such as typhoons, severe convective weather, landslides, and flooding. The energy use of the terminals is managed through policies like Energy Conservation and Emission Reduction Management Policy and various measures are taken to ensure efficient and responsible use of energy, improve energy efficiency and reduce emissions from pollution.

The Company practises corporate social responsibility in the aspect of investment management. It has developed the Investment Management Policy to regulate investment management. Before making any investment decision, the Company conducts feasibility studies on the project to review its environmental protection and energy-saving performance, safety regulations and its capacity for sustainable development. In terms of projects approved for implementation, the Company carries out relevant safety and environmental protection work pursuant to the management policy to ensure that such projects are implemented in accordance with requirements under the investment decisions.

The Company continues to improve its environmental management system, conducts regular analysis and review the effectiveness of environmental management based on the environmental performance of its Subsidiaries, and promotes the terminals to seek third-party audit agencies for evaluation and certification in order to strengthen their environmental management capabilities:

Terminals	Certifications Received
Xiamen Ocean Gate Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
Lianyungang New Oriental Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
Nantong Tonghai Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
Guangzhou South China Oceangate Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
Guangzhou Nansha Stevedoring Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
Tianjin Container Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
CSP Abu Dhabi Terminal	ISO 14001 Environmental Management System Certification
CSP Valencia Terminal	ISO 14001 Environmental Management System Certification ISO 14064 Greenhouse Gas Accounting and Verification Certification ISO 50001 Energy Management System Certification EMAS EU Eco-Management and Audit Scheme
CSP Bilbao Terminal	ISO 14001 Environmental Management System Certification ISO 50001 Energy Management System Certification EMAS EU Eco-Management and Audit Scheme
Asia Container Terminal	ISO 14001 Environmental Management System Certification
COSCO-HIT Terminal	ISO 14001 Environmental Management System Certification
Ningbo Yuan Dong Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 15001 Energy Management System Certification
Dalian Container Terminal	GB/T 24001/ISO 14001 Environmental Management System Certification
Yantian Terminals	GB/T 24001/ISO 14001 Environmental Management System Certification GB/T 23331/ISO 50001 Energy Management System Certification
Kumport Terminal	ISO 14001 Environmental Management System Certification ISO 14064 Greenhouse Gas Accounting and Verification Certification ISO 14046 Water Footprint Management Certification ISO 50001 Energy Management System Certification

The Company has formulated stringent policies on procurement management. The Subsidiaries have also established their own procurement management and supplier management policies in accordance with all applicable laws and regulations in China and places in which they operate, enhancing the supervision of procurement matters to ensure consistent supply. The Company conducts regular reviews of the management policies and continues to improve the procurement management system.

In addition, the Company has formulated detailed management policies on supplier admission, selection, evaluation and rewards and punishments. It continues to optimise the supplier structure and proactively cooperates with outstanding suppliers to prevent procurement and supply risks. The Company endeavours to explore more cooperation opportunities with suppliers to establish strong and long-term business partnerships, thereby assisting the Company in implementing its business development strategies.

CLIMATE RESILIENCE

The Company has been disclosing climate change-related information in accordance with the TCFD recommendations in the early years and is continuously enhancing the relevant disclosures to further comply with the newly revised disclosure requirements on climate-related matters in the ESG Reporting Guide issued by the SEHK. This report discloses information related to climate change in four areas in accordance with the TCFD recommendations: Governance, Strategy, Risk Management, Metrics and Targets:

TCFD Recommendations		Relevant Chapters in this Report
Governance	Board's oversight	Chapter 2 – Statement of the Board (pages 6-7) Chapter 8 – Governance – Corporate Governance (pages 31-32)
	Management's role	Chapter 2 – Statement of the Board (pages 6-7) Chapter 8 – Governance – Corporate Governance (pages 31-32)
Strategy	Identification of climate-related risks and opportunities	Chapter 9 – Resilience – Climate Resilience (pages 42-49)
	Impact of climate-related risks and opportunities	Chapter 9 – Resilience – Climate Resilience (pages 42-49)
	Climate scenarios	The Company will conduct a scenario analysis in 2024 and plans to disclose the results in the 2024 Sustainability Report.
	Climate-related resilience strategy	Chapter 9 – Resilience – Climate Resilience, Greenhouse Gas and Air Emissions, Energy Management (pages 42-59)
Risk Management	Processes for identifying and assessing climate-related risks	Chapter 8 – Governance – Risk Management (pages 32-34) Chapter 9 – Resilience – Climate Resilience (pages 42-49)
	Processes for managing climate-related risks	Chapter 8 – Governance – Risk Management (pages 32-34) Chapter 9 – Resilience – Climate Resilience (pages 42-49)
	Climate-related topics are integrated into the organisation's overall risk management	Chapter 8 – Governance – Risk Management (pages 32-34) Chapter 9 – Resilience – Climate Resilience (pages 42-49)
Metrics and Targets	Scope 1, 2 and 3 greenhouse gas emissions	Chapter 9 – Resilience – Greenhouse Gas and Air Emissions (pages 49-52) Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
	Targets and performances of climate-related risks and opportunities	Chapter 9 – Resilience – Performance Highlights in 2023 (page 39)

CLIMATE-RELATED RISKS AND OPPORTUNITIES

With reference to the recommendations from TCFD, the Company identified climate-related physical and transition risks, and prioritised them according to their impact on business operations. Extreme weather and climate events, carbon trading system and the IMO sustainable development strategies are identified to have the most significant impacts to our business operation.

Types of risks	Scope	Risk description
Physical risks		
Risks arising from more frequent extreme weather or changes in climate patterns	Acute risks: extreme weather and climate events such as typhoons, storms, droughts, floods	<ul style="list-style-type: none"> • Damage to terminals and relevant facilities, vessels, or cargo, resulting in loss of assets • Extreme weather affects the arrival time of vessels and results in simultaneous berthing of vessels at a later stage, affecting the terminal’s service capacity and direct berthing rate • Affect the capacity of waterways, thus requiring more dredging works • Drought leads to a drop in water levels, affecting the passage and berthing of vessels • A decrease in the volume of cargo 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; employees may not be able to work long hours outdoors during hot season, hampering operational efficiency • Terminal infrastructure deteriorates faster due to rising temperature and ocean acidification, increasing maintenance costs • The polar ice layer is melted to form a shorter distance of shipping services and lower the cost route at a particular period each year, affecting terminal throughput

Types of risks	Scope	Risk description
Transition risks		
Risks 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"> • Carbon neutrality target and policies announced by the IMO • The European Union’s Carbon Border Adjustment Mechanism • China’s Emission Trading System has enforced a carbon pricing mechanism • China’s development strategy and approach to green shipping and green ports • Emissions Trading System of the European Union • Industry framework of the 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
	Reputational risks	<ul style="list-style-type: none"> • Customers’ preference to partner with companies with better performance in sustainable development

Climate change may also bring potential business opportunities:

Types of opportunities	Scope	Opportunity description
Efficiency of resources	<ul style="list-style-type: none"> • Adopt more efficient means of transportation • Implement a more efficient process of production and distribution • Apply recycling technology • Build buildings and facilities with higher efficiency • Reduce water discharge and water consumption 	<ul style="list-style-type: none"> • Supply of shore power to vessels • Compared with other modes of transportation (such as air, road, and rail), the amount of carbon dioxide emissions per kilometre-tonne of shipping is lower. It is expected that an increasing number of customers may change transportation methods and choose shipping in accordance with their own low-carbon strategies
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 the development of green ports and shore power facilities) • Increase in transportation volume of green products (such as photovoltaic equipment, 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"> • Green Shipping Corridor (a pioneer advantage in providing green fuels to customers) • 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-RELATED RISK

The Company analyses the risks caused by climate change, formulates strategies to mitigate and respond to climate change, and strives to reduce the negative impacts posed by climate change.

Preventive Measures against Typhoons

The Company has formulated the Guidelines for Standard Container Operations to regulate the works of the Subsidiaries related to shipside operations, gate operations, yard levelling, container area reinforcement and machinery reinforcement, ensuring that terminal personnel respond to extreme weather and climate events in a stable and orderly manner.

The relevant terminals proactively implement various prevention measures against typhoons and floods, such as locking anchor chains for vehicles in the port area, plugging wedges to the tyres of mobile machinery, lowering and reinforcing containers in the yard, evacuating workers, closing the port area, as well as strengthening the inspection of equipment and facilities in major ports in accordance with the guidelines, building a strong safety line against typhoons and floods. When the areas where the Subsidiaries are located are hit by a typhoon or affected by a storm, the Company will release a typhoon warning to the relevant terminal, activate contingency plans and put emergency hotlines into operation, as well as maintain close contact and coordination with various parties including local meteorological department, berthed vessels, maritime pilotage, and the anti-typhoon departments of local governments, to maintain unimpeded access to information. After the typhoon, terminals will check and summarise the disaster situation, organise equipment repairs, and resume production and operation as soon as possible.



In May 2023, Quan Zhou Pacific Terminal organised a drill on typhoon response, and held a review meeting after the drill to analyse the deficiencies during the drill and implement rectification measures.



In July 2023, in response to the super typhoon Doksuri, Xiamen Ocean Gate Terminal urgently held a special meeting on typhoon response to deploy typhoon prevention work, including vessel departure, container collection and pick-up operations, equipment lashing, etc., and continued to grasp the typhoon dynamics and strictly implement various operation precautions.

Measures against Summer Heatwaves

In recent years, the summer has become hotter, and many countries around the world have been hit by high temperature and heat waves, posing a threat to the health of front-line workers at terminals. To prevent accidents caused by high temperature, the Company facilitated its Subsidiaries to adjust working hours by not operating during high temperature periods; set up a special fund to continuously provide cooling materials for its Subsidiaries, such as heatstroke-related medicines, refreshing drinks and fruits. In addition, the Subsidiaries proactively organise employee caring programs such as sending heat relief packages and road supervisor rotation program during summer, committing to create a decent working environment for workers and ensuring their safety.



In August 2023, the management of Jinjiang Pacific Terminal gave out heat relief packages to their front-line workers.



In June 2023, Jinjiang Pacific Terminal was conducting a heatstroke prevention training drill.

Measures against Cold Weather

Affected by climate change, there can be cold waves with possible rain and snowfall, resulting in roads covered with snow and ice, bringing challenges to the Company's safety and production. To ensure safe operations, the Company proactively urges its Subsidiaries to strengthen the tracking and early warning of strong winds, rain, snow, and freezing weather in winter, and be well prepared to take countermeasures at any time. When encountering heavy snowfall or extreme cold weather, the Subsidiaries will activate the emergency response mechanism to enhance cold protection of outdoor equipment and skid resistance of vehicles and prevent sudden gusts of wind. The Company also provides employees with cold prevention and warm-keeping supplies, such as coats, commonly used winter medicines, improved insulation for on-site delivered meals and hot water supply to ensure the safety of terminal workers and facilities.



In December 2023, Tianjin Container Terminal put into use the snow-clearing machinery and snow-melting agents to clear snow in the port area.



In December 2023, Lianyungang New Oriental Terminal ushered in the largest snowfall for the first time since the beginning of winter, and the production staff on duty carried out a comprehensive clean-up of the port roads, gantry crane yard operation line, empty container yard, entry and exit gate area and main roads.

MEASURES TO RESPOND TO CLIMATE-RELATED OPPORTUNITIES

The Company analyses the potential opportunities driven by climate change, formulates strategies to address climate change, and improves its ability to adapt to climate change.

Carbon Trading

Before China launched the national carbon emissions trading system, Shanghai Pudong Terminal and Shanghai Mingdong Terminal had already been included in the carbon trading scheme in accordance with the requirements under the Interim Measures on Carbon Emissions Management of Shanghai Municipality since 2018, and the two terminals have carried out carbon emission monitoring, reporting, and settling since 2019. In addition, Yantian Terminals are included in the carbon trading scheme in Shenzhen and are committed to the carbon emission settling work every year.

The Company will continue to closely monitor the latest developments in carbon trading, follow the technical specifications of carbon trading and related management in various regions, and cooperate with local governments in emissions reduction.

New Types of Cargo

As the low-carbon transition accelerates, enterprises around the world continue to increase their investment demand for renewable energy and low-carbon products, resulting in more new types of goods and transportation demand. The Company proactively promotes the exploration of new business opportunities for its Subsidiaries, such as new energy vehicles, solar photovoltaic projects, and wind power projects.

GREENHOUSE GAS AND AIR EMISSIONS

To support China's goals of achieving "carbon peaking" and "carbon neutrality", and respond to international initiatives such as 2023 IMO Strategy on Reduction of GHG Emissions from Ships, the Company is committed to promoting energy conservation and emission reduction, and meeting customers' targets to cut carbon emissions. The Company has established a steering team for energy saving and emission reduction and an energy saving and emission reduction management centre to monitor the efforts and performance related to the greenhouse gas emission reduction of the Company and its Subsidiaries in China with the aim of achieving carbon neutrality no later than 2060.

COSCO SHIPPING PORTS' 2060 CARBON NEUTRALITY ROADMAP CARBON REDUCTION MEASURES FOR OWN OPERATIONS

ONGOING CARBON REDUCTION MEASURES:

- Build digital and smart terminals to improve overall operational efficiency
- Energy regeneration technology from cranes
- Gradually increase the total installed capacity of renewable energy



2020-2023

- Gantry cranes "diesel-to-electricity" conversion reached **97.7%** in the Subsidiaries in China
- Container vehicles powered by new and clean energy reached **46%** in the Subsidiaries in China
- Distributed photovoltaic projects reached a total installed capacity of **10 MW** in the Subsidiaries in China
- Retrofitting environmentally-friendly lightings reached **78%** in the Subsidiaries in China

2025

- Container vehicles powered by new and clean energy reached **60%** in the Subsidiaries in China
- Distributed photovoltaic projects reached a total installed capacity of **14 MW** in the Subsidiaries in China

2030

- To reduce its Subsidiaries' greenhouse gas (Scope 1 and Scope 2) emission intensity by **20%**, and the energy consumption intensity by **15%** (baseline year 2020)
- Container vehicles powered by new and clean energy reached **100%** for all qualified terminals in the Subsidiaries in China
- Distributed photovoltaic projects reached a total installed capacity of **19 MW** in the Subsidiaries in China

A large graphic of a container ship's hull, stacked with colorful containers. The text '2060 Carbon Neutral' is prominently displayed in white on a blue background. Above the text is a circular icon with 'CO₂' and arrows indicating a cycle.

CARBON REDUCTION MEASURES FOR VALUE CHAIN

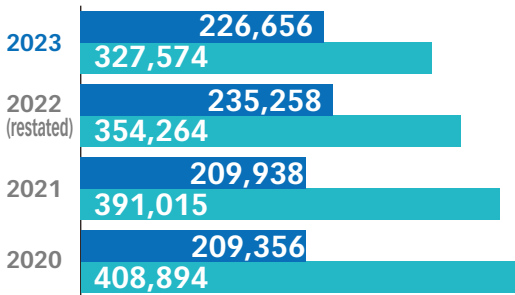
- Achieved full coverage of shore power for container berths in the Subsidiaries in China (gradually increase shore power coverage at more berths)
- Support the development of green shipping corridors

The greenhouse gas (Scope 1 and Scope 2) emissions intensity of the Subsidiaries recorded year-on-year reduction of 0.9% from 7.47 kg of CO₂e per TEU¹⁰ in 2022 to 7.41 kg of CO₂e per TEU in 2023, and a decrease of 20.8% as compared with 9.36 kg of CO₂e per TEU in the baseline year 2020.

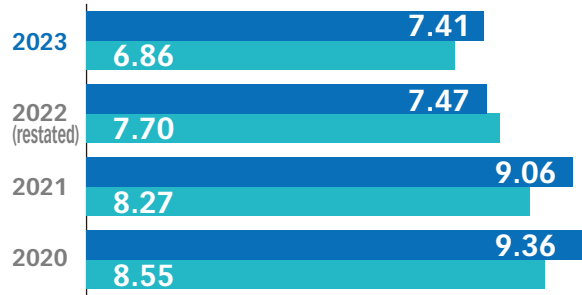
The greenhouse gas and air emissions¹¹ of the Subsidiaries and Non-subsiaries within the reporting scope from 2020 to 2023 are as follows:

Greenhouse Gas (Scope 1 and Scope 2) Emission

EMISSIONS (TONNES of CO₂e)



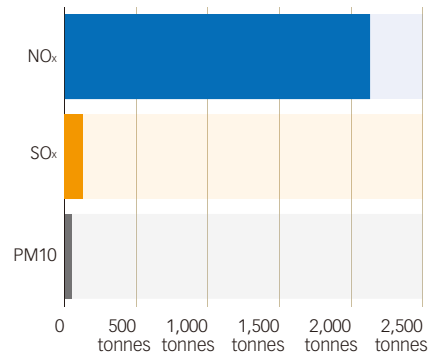
EMISSION INTENSITY (KG CO₂e/TEU)



■ Subsidiaries
■ Non-subsiaries

Air Emissions (Subsidiaries)

■ Nitrogen Oxides (NO_x) **2,133 tonnes**
■ Sulphur Oxides (SO_x) **129 tonnes**
■ Particulate Matter 10 (PM10) **26 tonnes**



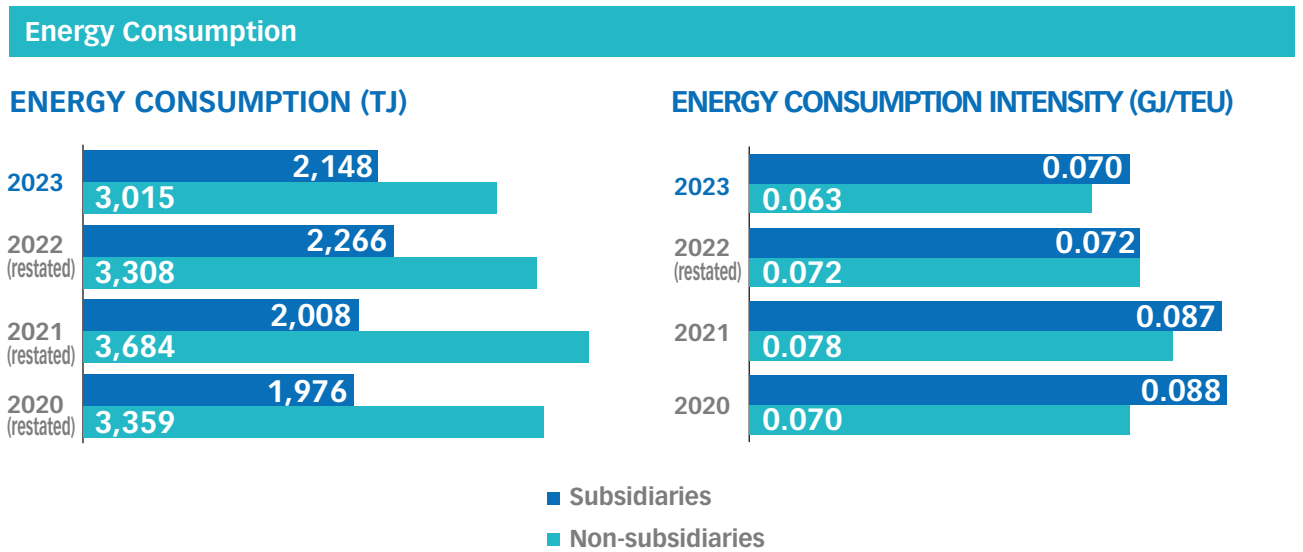
¹⁰ Data in 2022 is restated after data review.

¹¹ Excluding the greenhouse gas and air emissions of the Company's headquarters. In addition, since Non-subsiaries are investment projects of the Company, the greenhouse gas (Scope 1 and Scope 2) emissions from Non-subsiaries were included in the Company's greenhouse gas (Scope 3) emissions Category 15 – Investments from 2023 onwards. Whereas for previous years, the greenhouse gas (Scope 1 and Scope 2) emissions from Non-subsiaries were included in the Company's total greenhouse gas (Scope 1 and 2) emissions. For details on environmental performance, please refer to the section headed "Appendices – Key Performance Indicators" set out in Chapter 13 of this report.

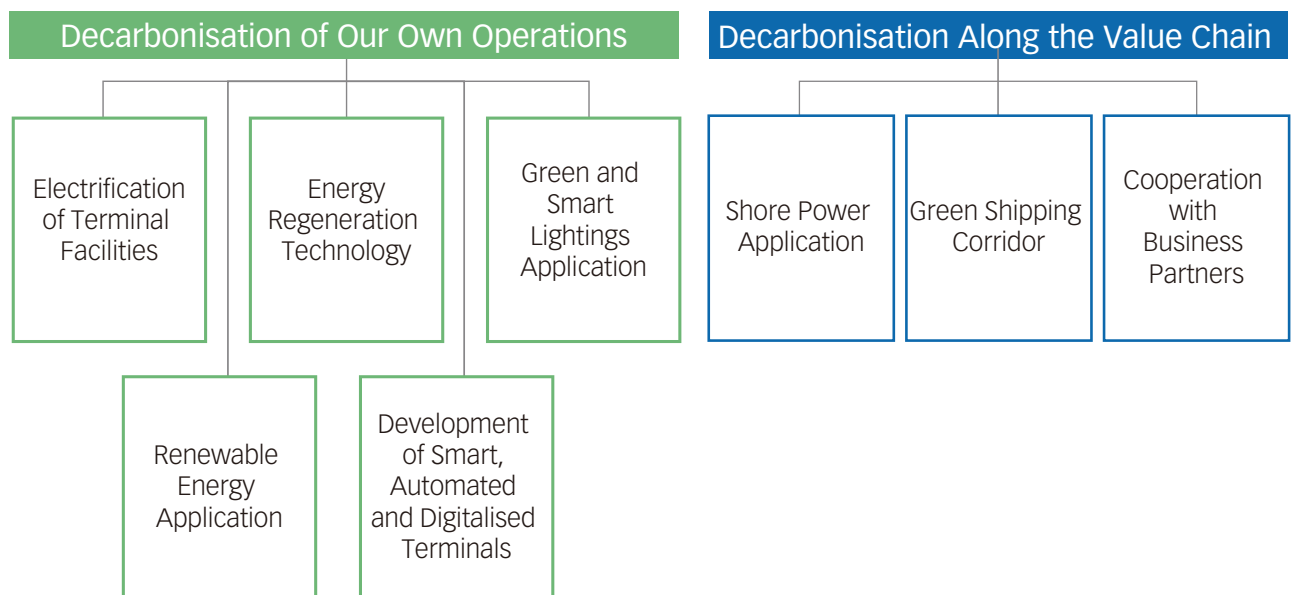
ENERGY MANAGEMENT

The energy consumption intensity of the Subsidiaries recorded a year-on-year reduction of 2.5% from 0.072 GJ per TEU¹⁰ in 2022 to 0.070 GJ per TEU in 2023, and a decrease of 20.5% as compared with 0.088 GJ per TEU in the baseline year 2020.

The energy consumption¹² of the Subsidiaries and Non-subsidiaries within the reporting scope from 2020 to 2023 are as follows:



In order to further promote energy conservation and emission reduction, the Company has proactively implemented sustainable development in its own operations and along the value chain and has achieved remarkable results.



12 Excluding the energy consumption of the Company’s headquarters. For details on environmental performance, please refer to the section headed “Appendices – Key Performance Indicators” set out in Chapter 13 of this report.

1. DECARBONISATION OF OUR OWN OPERATIONS

ELECTRIFICATION OF TERMINAL FACILITIES

“Diesel-to-Electricity” Conversion Low-carbon Transition

The Company proactively assists its Subsidiaries to advance green and low-carbon transformation through diesel-to-electricity conversion of gantry cranes. Cranes are now powered by electricity instead of diesel to improve energy efficiency, and effectively reducing noise, carbon emissions and air emissions.

During the year, the completion rate of the Subsidiaries in China in terms of gantry crane diesel-to-electricity conversion reached 97.7%.

In 2023, Guangzhou South China Océangate Terminal continues to promote the “Research and Application of Intelligent Dispatching System for Electric Tractors”. Compared with the traditional fuel tractor, the intelligent dispatching management system of electric tractor is used as the core system of real-time monitoring, automatic balancing, and intelligent scheduling of charging and discharging of electric tractors, resulting in improved functions such as energy conservation and emission reduction, enhanced safety and extended equipment service life.

In addition, Lianyungang New Oriental Terminal replaced all gas trailers in the port with electric trailers during the year, with a battery swapping station built at the same time, enabling fully automatic battery swapping process in 5 minutes. The energy consumption cost is estimated to be 50% less; Quan Zhou Pacific Terminal has introduced electric port driverless container vehicles in the port and achieved all-day and full process driverless operation, improving port operation efficiency, reducing energy consumption by more than 25% and carbon emissions by more than 50% compared with fuel container vehicles to help achieve zero emissions in the port area.



Lianyungang New Oriental Terminal replaced all gas trailers in the port with electric trailers.



Electric driverless container vehicle technology is an important part of the Company's development of green and smart ports, helping to accelerate the process of port intelligence and achieve energy saving and emission reduction.

New and Clean Energy Container Vehicles

The Company proactively promotes the digitalisation and intelligent development of ports by introducing intelligent tallying technology and automated driving technology and leveraging 5G driverless container vehicles research technology in the port to improve the accuracy and efficiency of terminal operations, and help the Subsidiaries achieve energy conservation and emission reduction.

The 5G driverless container vehicles adopt a pure electric chassis and are equipped with technologies such as lidar and high-precision positioning inertial navigation, which can effectively monitor and manage the vehicles remotely and intelligently. This can improve the efficiency of port operations, as well as reduces the safety risk of container vehicles operations.

During the year, the proportion of container vehicles powered by new and clean energy in the Subsidiaries in China reached 46%.

ENERGY REGENERATION TECHNOLOGY

When the cranes lift during loading process, the motor consumes energy, converting electric energy into potential energy. During unloading process, the motor acts as a generator, converting the potential energy back into electric energy, which can be fed back into the power grid or stored in the battery system.

Most of the main production equipment of the Company's Subsidiaries, such as quay cranes and gantry cranes and other large-scale port equipment, are equipped with frequency convertor systems and energy regeneration technology, which can reduce the overall energy consumption by approximately 15%. In the future, according to the production demand of the terminals, the Company will appropriately configure the newly added large equipment with frequency converter energy regeneration systems.

GREEN AND SMART LIGHTINGS APPLICATION

Container yards operate 24 hours a day in large scale high-mast lights to support the operations at night, leading to huge power consumption. In order to reduce electricity consumption, the Company renovates and upgrades the green lightings of the terminals, using smart technology to remotely monitor the lightings in real-time, switching on or off individual or a large number of smart lamps, effectively facilitating energy consumption analysis and troubleshooting.

During the year, Jinzhou New Age Terminal optimised the overhead lights on the gantry crane beams of the Curtain Wall Lighting System Project. The terminal redesigned the installation layout of these lights to optimise the heat dissipation function and reduce energy consumption. To maintain the overall area bright enough, with good lighting uniformity and a wide exposure range to form a comfortable working environment.

During the design and construction phase, CSP Abu Dhabi Terminal proactively implemented energy-saving renovation, such as replacing with LED and solar streetlights. At the same time, the Company is expected to save 1.3 million kWh of electricity annually, and reduce carbon dioxide emissions by approximately 1,299 tonnes through smart lighting control system.



Curtain Wall Lighting System Project in Jinzhou New Age Terminal.



During the design and construction phase, CSP Abu Dhabi Terminal proactively implemented energy-saving renovation and smart control of lighting, replaced lighting fixtures with energy-saving ones.

RENEWABLE ENERGY APPLICATION

The Company proactively introduces and promotes the exploration and application of new and clean energy to optimise the energy mix of the port, and reduce fossil fuel consumption and greenhouse gas emissions.

In 2023, the Company expanded the clean energy coverage in its Subsidiaries and the electricity generated from distributed photovoltaic projects totalled approximately 750,000 kWh. During the year, the Company deployed four new distributed photovoltaic projects at CSP Wuhan Terminal, Nantong Tonghai Terminal, Xiamen Ocean Gate Terminal, and Guangzhou South China Oceangate Terminal, together with the existing project of Lianyungang New Oriental Terminal, a total of 10 MW installed capacity has achieved. It is expected to generate approximately 9 million kWh annually, and a reduction of approximately 5,000 tonnes of carbon dioxide equivalent.



The distributed rooftop photovoltaic power station in Nantong Tonghai Terminal stated generating electricity since November 2023. It is estimated to generate more than 1.7 million kWh of clean electricity per year.

In addition, Piraeus Terminal in Greece plans to invest and build a 1.2 MW distributed photovoltaic project in 2024.

In terms of wind energy, Tianjin Container Terminal plans to complete the installation of a wind turbine with 6 MW installed capacity in 2024. It is expected to generate approximately 15 million kWh of electricity annually.

DEVELOPMENT OF SMART, AUTOMATED AND DIGITALISED TERMINALS

The Company leverages digitalisation to empower the green and low-carbon transition of ports, optimises the operation processes through digitalisation and intelligence, applies Global Shipping Business Network (GSBN), Terminal Operating System (TOS) high-level module and other systems to improve the efficiency of the whole terminal operation process, continuously reduces the container shift ratio, optimises the port resource allocation capacity, assists by the Maritime Information System (MIS) to improve management and the operation efficiency of terminals, as well as reduce port energy consumption and carbon emissions.

The Company leverages key technology such as big data, Internet of Things and visualisation to build a panoramic visual digital platform for port energy efficiency, and to visually monitor the implementation roadmap of the "dual carbon" targets. Based on the informatisation, digitalisation, intelligence and other technical tactics of energy management, the Company has built a green port energy efficiency management platform and a port energy management system, comprehensively improving the intelligent management capability of port energy consumption.

The Company is developing an energy efficiency management platform for terminals based on the deployed Enterprise Asset Management (EAM) system. The platform utilises the energy efficiency management module in the EAM system to collect, analyse, compare and display real-time energy consumption data of the terminals, including diesel, gasoline, water and electricity, and calculates the comprehensive carbon emission data of the terminal operation based on the energy consumption data, so as to achieve online supervision of the Subsidiaries' carbon emission data by the Company's headquarters, understand the effectiveness of the relevant green and low-carbon measures implemented at the terminals, and propose targeted port energy optimisation plans. In August 2023, the platform has been put into pilot operation at Xiamen Ocean Gate Terminal, and will be gradually rolled out to other Subsidiaries.

2. DECARBONISATION ALONG THE VALUE CHAIN

SHORE POWER APPLICATION

The Company is committed to supplying electricity to vessels at berth through shore power facilities at the terminals. It can effectively reduce fuel consumption and relevant air emissions and noise pollution by vessels. The Company also proactively promotes to customers and assists the terminals in establishing a sound shore power use and management system, so as to increase the shore power connection rate and put the low-carbon development strategy into practice.

The Company made active efforts to increase the coverage of shore power facilities of its Subsidiaries in China, and full coverage of shore power for container berths has been achieved. In 2023, the Company's Subsidiaries has accumulated 4,060 times of shore power connection by vessels, marking a 42% year-on-year increase, while the electricity use reached approximately 3.69 million kWh, reflecting a 214% year-on-year increase, which is equivalent to a reduction of 3,319 tonnes of carbon dioxide.



During the year, Guangzhou South China Oceangate Terminal promoted the use of shore power by vessels in port and took the lead in connecting barges at berths to shore power.



During the year, Jinjiang Pacific Terminal conducted training related to shore power for vessels to enhance the understanding the operation for connecting and disconnecting between the vessel and the shore power system.

During the year, in order to support the "dual carbon" goal, and to fulfil the new requirements from the carbon intensity of international shipping of the IMO International Convention for the Prevention of Pollution from Ships (MARPOL), the Company jointly issued the Initiative to Promote the Use of Shore Power by Vessels at Berth with COSCO SHIPPING Lines and Orient Overseas Container Line Limited to domestic and international peers in the port and shipping industry, aiming to reduce greenhouse gas emissions from vessels while berthing.

GREEN SHIPPING CORRIDORS

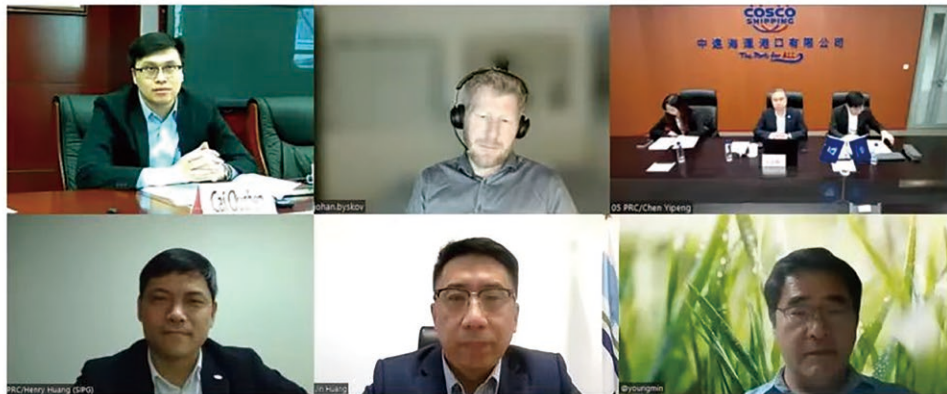
The green shipping corridor serves as a bridge for cooperation between the shipping industry, ports and terminals, and government departments. The industry has been focusing on low-carbon transition, continuously developing and transforming the establishment of green shipping corridors, as well as driving the transformation of the entire industrial chain to new energy and new low-carbon technologies, playing a key role in achieving zero carbon emissions from vessels and promoting relevant emission reduction plans.

In November 2023, the Company was invited to participate in the Asia-Pacific Economic Cooperation (“APEC”) Webinar on Establishing Green Shipping Corridor among Ports in APEC Economies which was guided by the Department of International Cooperation of the Ministry of Transport of the People’s Republic of China and hosted by China Waterborne Transport Research Institute. The Company discussed with port and shipping authorities from other government, ship owners, port operators, fuel suppliers, classification societies and academic representatives from 13 Asia-Pacific economies and 2 European economies on how to address the challenges in developing green shipping corridors in terms of management, technology and mechanism, and shared relevant experiences and best practices, provided suggestions for promoting the establishment of green shipping corridors among the ports from APEC economies.



APEC Webinar on Establishing Green Shipping Corridors among Ports in APEC Economies

Panel Discussion Strengthening cooperation on the establishment of green shipping corridors among APEC ports



During the seminar, the representatives of the Company highlighted the expectations and suggestions for strengthening cooperation on green shipping corridors in the APEC region, and shared the efforts made by COSCO SHIPPING Ports in building green ports.

COOPERATION WITH BUSINESS PARTNERS TO PROMOTE CARBON REDUCTION

In 2023, the Company participated in the “14th Five-Year” Plan scientific research project of COSCO SHIPPING, and collaborated with Tongji University and Shanghai Maritime University in the “Roadmap for Establishing Green and Low-carbon Port Research” project. The project aimed to provide technical recommendation for carbon emission inventory and prediction model, evaluation indicator system and construction guidelines for green and low-carbon ports, facilitating top-level design research on the transition of green and low-carbon ports.

SUPPLY CHAIN MANAGEMENT

In 2023, the Company and the terminals within the reporting scope had a total of 10,413 suppliers in the database, of which 6,440 were based in Mainland China and 3,973 were based in countries and regions other than Mainland China.

STRINGENT POLICIES

The Company has developed a set of basic rules and policies, and management procedure for procurement management to specify the procurement standards of the Company and its Subsidiaries, strengthen centralised management, and establish a sound internal control process for procurement business and a response plan for major procurement risks. All aspects of the procurement process are under supervision and management, and the procurement department keeps complete records to ensure the traceability of the procurement process. The Company also encourages business partners, suppliers and contractors to comply with the requirements of the Company's Anti-corruption Policy. The supervision and audit departments of the Company and its Subsidiaries carry out regular or special audits on the procurement work. In case of non-compliance, the Company will hold the responsible personnel accountable.

SUPPLIER ADMISSION AND MANAGEMENT

At the supplier admission stage, the Company carries out research on suppliers from the market according to its procurement needs, requires potential suppliers to submit basic information for review, requires all suppliers to complete the Questionnaire of the Vendors for Self Assessment for Compliance with Social Norms and sign the Vendors' Commitment of Anti-Business Bribery to ensure that they clearly understand and comply with the Company's business ethics requirements and forbid any illegal and unethical business activities. The Company strictly requires all interested suppliers to conduct a self-assessment in the areas of legal compliance, safe production and occupational health, environmental management, prohibition of child labour and forced labour, remuneration and working hours, anti-discrimination, employees' rights, and their management of upstream suppliers.

The Company formed an assessment panel to strictly review the qualifications of suppliers, comprehensively considering their legal compliance and performance records, business reputation, taxation records, technical capabilities, and ability to deliver on an on-going basis, quality control and assurance measures, as well as their commitment to product or service safety guarantees, in order to select suppliers with excellent performance. For products with a major impact on production and construction safety, the assessment panel will conduct on-site inspections to confirm the actual situation of the interested suppliers.

REGULAR EVALUATION AND ASSESSMENT

The Company and its Subsidiaries carry out annual dynamic evaluations on suppliers who have been engaged in the year to evaluate their basic qualifications, cost competitiveness, delivery and performance, quality control, customer service, business innovation and safety and environmental performance. For suppliers who have not been engaged in the year, the Company conducts an annual qualification review to verify their business registration certificates, special industry certifications and license documents and ISO quality certification system documents, among others. Suppliers who fail to participate in or pass the annual review as required, and suppliers who have not been engaged for a long time, will be removed from the supplier database.

The Company has established a sound supplier reward and punishment system. Those who are evaluated as excellent suppliers can be given priority for partnership under the same contractual conditions, and standard business partnerships will be maintained with good suppliers, while the Company also provides environmental and social training to suppliers or subcontractors. Suppliers who violate laws and regulations, fail to meet professional qualifications, fail to properly perform contractual obligations, are exposed to major quality and service risks, cause safety and environmental incidents, or engage in commercial fraud or bribery will be blacklisted and prohibited from commercial transactions.

GREEN PROCUREMENT PRACTICES

In addition to screening and evaluation of suppliers, the Company proactively promotes green procurement at terminals. When conducting project construction and equipment procurement, the Company proactively adopts the principle of green procurement, requiring suppliers to ensure that the materials and products used meet local environmental protection requirements with an objective to consistently implement the sustainable development philosophy of the Company.

In 2023, CSP Spain Related Companies put into operation a total of 11 hybrid rubber-tyred gantry (RTG) cranes. They saved approximately 45% of fuel costs compared to the original equipment, while reducing carbon and air emissions to better protect the environment. CSP Zeebrugge Terminal installed a total of 8 hybrid straddle carriers, which reduced fuel consumption by approximately 30% compared to conventional fuel vehicles.

In addition, Quan Zhou Pacific Terminal, Jinzhou New Age Terminal, Lianyungang New Oriental Terminal, Xiamen Ocean Gate Terminal, and Nantong Tonghai Terminal all selected electric reach stackers, electric stackers, and electric forklifts when purchasing mobile loading and unloading equipment, which saves approximately 58%, 70% and 70% of energy respectively compared with traditional diesel machinery, greatly reducing carbon dioxide and sulphur dioxide emissions.

As for the new equipment, the Company proactively increases the proportion of environmentally friendly materials through the use of new and green materials. For example, in the process of painting quay cranes and mounted gantry cranes, the Company uses water-based paint instead of oil-based paint for equipment spraying. This can reduce approximately 90% of harmful volatile compounds compared with traditional paints.

CHAPTER 10

AGILITY

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



17 PARTNERSHIPS
FOR THE GOALS



Material topics covered:



Technological
innovation



Terminal operation
optimisation



Customer
satisfaction

Being a leading ports logistics service provider in the world, the Company has always adhered to the philosophy of customers first. The Company is keen to capture market demand and actively expands its global terminal network, while combining and applying innovative technologies to drive the development of smart ports. At the same time, the Company is committed to strengthening industry chain cooperation, facilitating the overall development of the port and shipping industries and achieving a win-win outcome.

PERFORMANCE HIGHLIGHTS IN 2023

During the year, the Company remained dedicated to proactively enhancing its service standards, resulting in notable achievements benefiting from the synergy between the port and shipping industries. As a result, the business maintained a good and stable total throughput of 135,808,554 TEU, reflecting an increase of 4.4% year-on-year. For details on the throughput for the year ended 31 December 2023, please refer to the section headed "Operational Review" in the 2023 Annual Report of the Company.

During the year, the 5G Intelligent Port Modernisation Project successfully passed the inspection and acceptance of the National Development and Reform Commission (the "NDRC") and the Ministry of Industry and Information Technology (the "MIIT"). The Company vigorously promoted the large-scale application of driverless container vehicles in the port area. The annual operation volume of driverless container vehicles in the Subsidiaries exceeded 210,000 TEU.

In 2023, the Company won a number of awards for its leading industry position, good operational standards, and innovation. Among them, the Company has been awarded the "Most Innovative Port Operator" by International Finance Magazine for six consecutive years.

MANAGEMENT APPROACH

The Company is under prudent and meticulous business management and strictly complies with laws and regulations in respect of products and services in China and places where it operates. During the year, the Group was not subject to any fines or non-economic penalties due to violation of laws and regulations in respect of products and services.

The Company has formulated the Customer Service Management Policy and the Customer Service Hotline Policy to regulate the customer management and retention, customer service guarantee and the handling of complaints and disputes of the Company and its Subsidiaries, with a view to establishing a high level of service standards and strengthening customers' confidence in the Group.

The Company proactively encourages terminal companies to implement sustainable operations, improve service quality management, and engage third party audit agencies to conduct evaluation with the objective to constantly enhance its service standard.

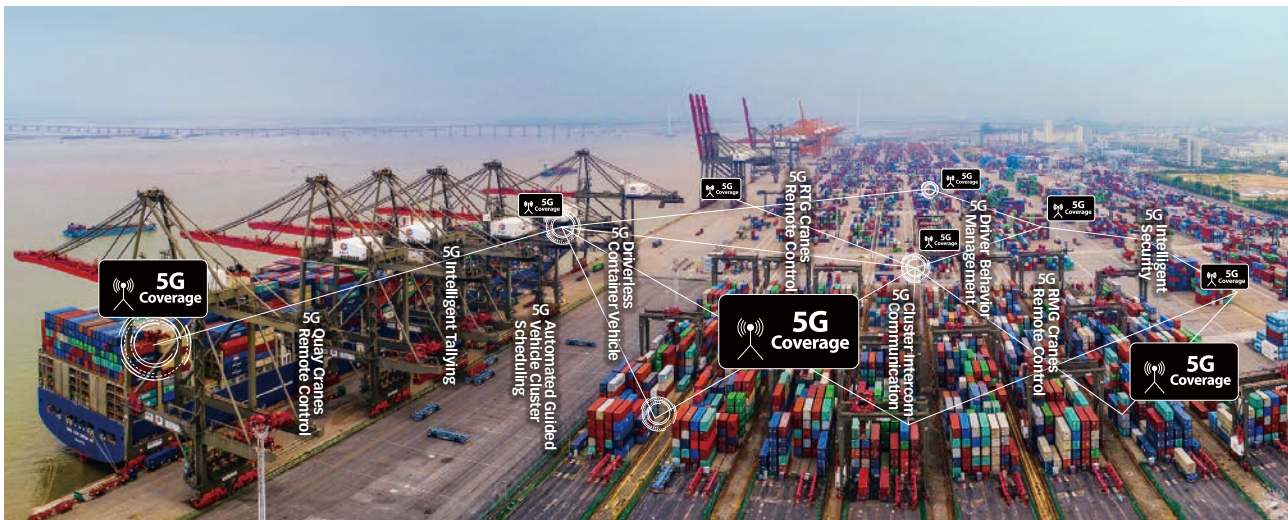
Terminals	Certifications Received
Xiamen Ocean Gate Terminal	GB/T 19001/ISO 9001 Quality Management System Certification
Lianyungang New Oriental Terminal	GB/T 19001/ISO 9001 Quality Management System Certification
Tianjin Container Terminal	GB/T 19001/ISO 9001 Quality Management System Certification
Guangzhou South China Oceangate Terminal	GB/T 19001/ISO 9001 Quality Management System Certification
CSP Abu Dhabi Terminal	ISO 9001 Quality Management System Certification ISO 22301 Business Continuity Management System Certification
CSP Bilbao Terminal	ISO 9001 Quality Management System Certification
Dalian Container Terminal	GB/T 19001/ISO 9001 Quality Management System Certification
Kumport Terminal	ISO 9001 Quality Management System Certification ISO 10002 Quality Management System Certification ISO 28000 Supply Chain Security Management System Certification

TECHNOLOGICAL INNOVATION

THE DEVELOPMENT OF SMART PORTS

Leveraging the advantages of global terminal network and solid experience in terminal operations, the Company collaborates with upstream and downstream partners along the industry chain to vigorously speed up technology breakthrough and innovation, aiming at boosting the service quality of terminals and their business sustainability. The Company also upholds the development concepts of digitalisation, intelligent transformation, and automation of terminals in promoting technological innovation and enhancing service quality to support the development of green and smart ports.

During the year, the 5G Intelligent Port Modernisation Project successfully passed the inspection and acceptance of the NDRC and the MIIT. Based on the core technology of intelligent vessel loading and unloading + intelligent horizontal transportation + intelligent yard system, the transition from traditional terminals to intelligent terminals has been successfully completed, resulting in a reduction of 25% in energy cost compared to traditional terminals, along with a significant increase in tallying efficiency. In addition, the flat-panel structure design solution without a cockpit, combined with the 5G+BeiDou navigation and positioning technology, has ushered in a new journey of driverless vehicles.



Terminal digitalisation application scenario

The Company is committed to developing the 5G smart port demonstration area in Xiamen Ocean Gate Terminal as the world's first automated terminal with a yard arranged parallel to the terminal shoreline. Xiamen Ocean Gate Terminal enhances terminal operations and port business by deeply integrating technologies including 5G, BeiDou, artificial intelligence, blockchain, Internet of Things, big data and cloud computing with traditional terminal operations, and developing corresponding core applications such as remote control of port machinery, driverless vehicles, smart stowage, intelligent tallying and smart gates, as well as completing projects such as smart logistics platform, container vehicles deployment, appointment system, self-service entrustment, dangerous goods monitoring and smart stowage, thus enabling "electronic business documents, visualised production monitoring, intelligent management of transportation, and online customer service".

Tianjin Container Terminal was awarded the "Remarkable Enterprise" and "Innovative Project in the Technology and Management Category" for the Application and Promotion of Key Technologies for Container Terminal Automation Transformation and Energy-saving Design and Application of Comprehensive Energy-saving Gantry Cranes in the Carbon Peak Carbon Neutral Innovation Project Exchange Conference 2023. The project pioneered the world's first full-process driverless and automated port operations of "automated quay cranes + automated rail mounted gantry cranes + electric driverless container vehicles + smart lock stations", achieving zero emission and zero pollution in the whole operation process of gantry cranes.



The auto-driving demonstration zone in Tianjin Container Terminal.



The power supply system of the comprehensive energy-saving gantry cranes in Tianjin Container Terminal.

The Company vigorously promotes the large-scale application of driverless container vehicles in the port area. The commercial operation and large-scale application of driverless horizontal transportation in Xiamen Ocean Gate Terminal, CSP Wuhan Terminal, Quan Zhou Pacific Terminal and CSP Abu Dhabi Terminal was completed.



In March 2023, the driverless container vehicles in Shihu port area of Quan Zhou Pacific Terminal successfully completed real ship operation for the first time.

To encourage innovation, the Company organises the Technological Innovation Conference annually to evaluate the technological innovation projects of the headquarters and its Subsidiaries. Project teams are rewarded based on the effectiveness of project implementation. In 2023, the Company released the evaluation results of the Technological Innovation Conference 2022 and awarded the first-class award to the Driverless Smart Horizontal Transportation System Project of Xiamen Ocean Gate Terminal. This system realises visual monitoring of the entire operation process, and allows manual collaborative operation when critical. The system can also analyse vehicle operation, failure and charging according to vehicle transportation conditions, charging data, early warning conditions, and early warning history.

INTELLECTUAL PROPERTY MANAGEMENT

With the increasing importance of technological innovation to business operations and industry development, the Company actively strengthens the protection and management of intellectual property rights. During the year, the Company and its Subsidiaries obtained 25 patents. As of the end of 2023, the Company and its Subsidiaries have accumulated a total of 108 patents.

The Company strictly abides by laws and regulations related to intellectual property rights in its daily operations. During the year, the Group did not violate any laws and regulations related to intellectual property rights.

TERMINAL OPERATION OPTIMISATION

BOOSTING THE DEVELOPMENT OF THE PORTS AND SHIPPING INDUSTRIES

Leveraging the advantage of its global terminal portfolio and the close partnership with shipping alliances and terminal operators, the Company is dedicated to exploring new shipping services, assisting shipping companies in building a dense service network and strengthening ports and shipping collaboration.

During the year, the Subsidiaries have successfully added new shipping services, for example, the East-South America service (ESA), the Mediterranean-North Africa service (MED), the Australia service (PANDA/ZAX), providing customers with more direct shipping services options, thus further enhancing the soft power of the terminals.

The Company also actively pursues new cargo types, offering customers new import and export options that align with their specific needs. Moreover, the Company attracts customers to engage in joint marketing between the port and shipping industries, jointly developing new market opportunities.



During the year, Jinjiang Pacific Terminal developed new cargo and export services, and officially launched the export of pre-packaged food to Manila, the Philippines.



Quan Zhou Pacific Terminal has deepened cooperation with logistics companies to improve its terminal container services.

STRENGTHENING COOPERATION ALONG THE INDUSTRY CHAIN

While promoting business development, the Company also proactively maintains close cooperation with the upstream and downstream partners in the industry chain to actively drive mutual sustainable development and the development of a sustainable "global shipping ecosphere," in order to support the overall development of the industry.

During the year, the Ministry of Foreign Affairs of the People's Republic of China, the Xiamen Municipal People's Government and COSCO SHIPPING jointly organised the 5th Silk Road Maritime International Cooperation Forum and "Global Insights into Chinese Enterprises" serial activities under the theme of "Connecting the World". During the event, the ambassadors and consul generals of various countries in China visited Xiamen Ocean Gate Terminal to observe the operation of the fully automated container terminal and the virtual reality lifting container simulator. The representatives of COSCO SHIPPING Ports had in-depth discussions with the diplomats and the media on topics such as "cross-border green and low-carbon cooperation, the advantages of driverless container vehicles over manned container vehicles, and international cooperation and exchanges on smart terminals".



The representatives of COSCO SHIPPING Ports accompanied the delegates to observe the operation of the fully automated container terminal of Xiamen Ocean Gate Terminal.

CUSTOMER SATISFACTION

The Company and its Subsidiaries provide updates on the latest business development to customers on a regular basis and gain an in-depth understanding of customers' needs, expectations and recommendations through various channels such as surveys, phone interviews, meetings, business visits, seminars, and expositions. In 2023, the Company and its Subsidiaries conducted customer satisfaction surveys, and all interviewed customers expressed their satisfaction, demonstrating high recognition of the Group's service quality. During the year, the Company and its Subsidiaries did not receive any major complaints relating to products and services.

During the year, Jinzhou New Age Terminal organised the Container Ship Owners Symposium 2023 to conduct in-depth exchange with various shipping companies in terms of market development and new shipping services. Jinzhou New Age Terminal also expressed gratitude to its customers for their support and trust over the years and aimed to create a fair and positive business environment and foster cooperation.



Jinzhou New Age Terminal had in-depth exchange with shipping companies in the Container Ship Owners Symposium 2023.

In order to further deepen customer service, provide real-time and comprehensive business information, and continuously improve customer service experience, the Company has launched the "COSCO SHIPPING Ports Service Account" on the WeChat platform. This account provides three service functions on "Global Network", "CSP Product" and "e-Port", which visualise the Company's global terminal network layout as well as the information related to the Subsidiaries, port logistics and the digital intelligent information services provided. Through the service account, customers can access the basic information about the Company's Subsidiaries such as geographical situation, number of berths, and designed handling capacity, as well as obtain local real-time weather updates, vessel berthing conditions and vessel information, so as to facilitate shipping companies and cargo owners to plan follow-up pick-up and transportation arrangements.

CHAPTER 11

NATURE

14 LIFE
BELOW WATER17 PARTNERSHIPS
FOR THE GOALS

Material topics covered:



Water resources
management



Waste
management



Biodiversity

While promoting corporate sustainable development, the Company also shoulders the responsibility of protecting the ecosystem and the environment. The Company is committed to reducing the impact of its operations to the environment, and continuously strengthening the management of natural resources and the protection of the ecosystem and environment.

PERFORMANCE HIGHLIGHTS IN 2023

The Company has set goals for environmental performance indicators of its Subsidiaries to conduct more systematic review, monitoring and management of environmental performances, thus advancing towards the goal of green ports.

Environmental performance	Target	Performance of the Subsidiaries in 2023 ¹³
Improvement in water efficiency	To enhance the management of water resources and improve water efficiency.	Water consumption intensity ¹⁴ : 0.040 m ³ per TEU, representing a decrease of 12.5% as compared to 2020
Reduction in waste	<p>Hazardous waste: To maintain 100% hazard-free disposal of waste.</p> <p>Non-hazardous waste: To reduce domestic waste by terminals and, in the long term, achieve the goal of zero domestic waste sent to the landfill.</p>	<p>100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications</p> <p>No quantitative target is set</p>

The Company issued the Measures for Performance Evaluation of Ecological and Environmental Protection in 2020, and set relevant goals for its Subsidiaries in China:

1. Zero environmental emergencies at the level of relatively serious (inclusive) or above¹⁵;
2. Zero administrative penalties, such as suspension of construction or production for rectification, issued by relevant national and local government departments;
3. Zero major violations of laws and regulations related to ecological and environmental protection.

During the year, the Company had no violations case against the above-mentioned cases.

13 Among the existing 15 Subsidiaries of the Company, CSP Chancay Terminal in Peru is under construction and its environmental performance was not included in the performance of the Subsidiaries.

14 The environmental performance data shown in the table are rounded off, while the corresponding percentage changes are derived from unrounded figures.

15 A relatively serious environmental emergency is defined as: 2 (inclusive) or more fatalities, 10 (inclusive) or more severe injuries or poisoning, direct economic loss of more than RMB5 million (inclusive), evacuation or transfer of more than 500 people (inclusive).

MANAGEMENT APPROACH

The Company strictly complies with environmental laws and regulations¹⁶, and ensures compliant and legal operations by the Company and its Subsidiaries. The Company strictly abides by laws and regulations related to natural resource management in the places where it operates and uses natural resources appropriately and reasonably with reference to good management practices in the industry, making every endeavour to minimise the consumption of natural resources and the impact of business operations on the environment.

The Company has developed the Infrastructure Management Policy to ensure that the environmental protection facilities and safety equipment have passed special inspection and acceptance or filing in accordance with the requirements of relevant authorities. Before commencing all large-scale projects, the Company engages professional environmental assessment agencies to assess the environmental impact caused by such projects, to ensure that local environmental requirements are met prior to construction.

To ensure the effective implementation of biodiversity conservation, the Company has developed the Management Policy on Ecological and Environmental Protection to regulate the daily management of ecological and environmental protection, environmental monitoring, environmental management of construction projects, management of environmental protection facilities, and emergency treatment and management of environmental pollution accidents in its Subsidiaries in China. The Company has also developed the Supervision and Inspection Management Policy on Ecological and Environmental Protection and the Measures for Performance Evaluation of Ecological and Environmental Protection to standardise risk prevention methods of its Subsidiaries in China in areas of water pollution, solid waste, hazardous waste, food and domestic waste pollution, and conduct investigation and treatment of hidden hazards of environmental incidents that may cause toxic and harmful substances to enter water, air and soil, in order to standardise the pollution prevention and ecological and environmental protection work of the Subsidiaries in China, and enhance the awareness of biodiversity protection.

In addition, the Company conducts quarterly comprehensive inspections and special inspections of its Subsidiaries in China to ensure that sewage discharge and waste treatment are legally compliant with local standards. The Company has formulated a management policy related to hazardous waste and general waste and formulated an emergency plan for hazardous waste disposal. Any failure in effectively performing the supervision and inspection of ecological and environmental protection, or violation of relevant laws and regulations that causes environmental pollution accidents, will be handled by the Company in accordance with the management policy. In addition, the Company regularly sorts out and investigates environmental pollution sources and ecological risks of its Subsidiaries, and requires them to file relevant reports, such as work summaries on the investigation and control of environmental pollution related risks or information concerning energy saving and emission reduction in accordance with the management policies.

16 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.

WATER RESOURCES MANAGEMENT

Water used by the Company and its Subsidiaries is sourced from municipal supplies. Domestic water consumption is used for office buildings and canteens, while production water consumption is mainly used for maintenance and repair of operational facilities, dust prevention sprinkling, berth and yard cleaning.

The Company proactively promotes the management of water resources in its Subsidiaries. Regular inspections of water supply networks, water-saving equipment and systems are conducted to monitor the level of water consumption, with prompt repair of leakages to avoid unnecessary waste of water resources. The Subsidiaries also organise awareness raising and education activities and display water conservation notices for raising employee’s awareness of the importance of natural resource management.

The water consumption intensity of the Subsidiaries increased by 8.7% year-on-year to 0.040 m³ per TEU in 2023 from 0.037 m³ per TEU in 2022, and decreased by 12.5% from 0.046 m³ per TEU in the baseline year 2020. The increase was mainly due to the deterioration of the underground water supply pipes in some terminals, which led to the damage and leakage of pipes. Also, the increase in the number of vessels at berth led to a corresponding increase in the amount of water supplied to vessels. The Subsidiaries will continue to carry out pipeline inspections and repair of leakages in a timely manner to strengthen water management.

Water Consumption (Subsidiaries)

Total Water Consumption (m³)

2023	1,231,988
2022	1,166,629
2021	990,923
2020	1,021,807

Water Consumption Intensity (m³/TEU)

2023	0.040
2022	0.037
2021	0.043
2020	0.046

Terminals are important infrastructures along coastal areas. In particular, maintenance sites and vehicle cleaning sites, where sewage with oil is generated, are of great significance to handle properly in sewage treatment. The Company strictly follows the sewage treatment requirements under the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) in China to regulate proper use and operation of sewage treatment systems at the Subsidiaries in China and ensure that wastewater discharge meets the standards, avoiding negative impacts on the surrounding marine life and its ecological environment. Through the recycle of wastewater, a large amount of freshwater resources are also saved. The Subsidiaries use impermeable concrete at the maintenance site and vehicle cleaning sites and set up a collection ditch around the site to collect sewage with oil, so that the sewage flows into the oil trap through the pipe, where it separates the oil from the water. The separated oil is treated as hazardous waste. the remaining sewage undergoes biochemical treatment and purification. The treated reclaimed water can be used for vehicle cleaning and greenery irrigation.



The sewage treatment station in Lianyungang New Oriental Terminal is used to treat and purify the sewage to achieve the discharging standard or reuse.



The sewage recycling facility in Xiamen Ocean Gate Terminal is used to collect, precipitate, and reuse the sewage after vehicle cleaning.

WASTE MANAGEMENT

During the year, the types of hazardous waste generated from the Company and the terminals within the reporting scope¹⁷ during operations mainly include solid chemical waste (such as waste oil contaminated rag, waste wire rope, scrap metal, waste oil drum and waste oil sludge), and liquid chemical waste (such as waste lead acid battery and waste oil). Non-hazardous waste mainly includes municipal waste and wooden pallets. During the year, the types of hazardous and non-hazardous waste generated from the Company and the terminals within the reporting scope during operations and respective treatment measures are as follows:

Types	Proportion of the overall waste	Treatment measures
Hazardous waste		
Solid chemical waste	66.0%	Waste is stored properly in designated storage zones and is collected and properly stored and handled by hazardous waste disposal companies with professional qualifications.
Liquid chemical waste	6.1%	For waste oil, the terminals strengthen daily maintenance of machinery and equipment, and continue "diesel-to-electricity" conversion to reduce waste oil generation.
Others	2.4%	
Non-hazardous waste		
Wooden pallets	8.6%	Companies with professional qualifications or material suppliers are engaged.
Others (such as municipal waste from ports)	16.9%	Waste is stored in collection zones before being transferred to designated locations by the environmental hygiene department for daily treatment in sealed containers.

¹⁷ For details on the waste generated and recycled, please refer to the section headed "Appendices – Key Performance Indicators" set out in Chapter 13 of this report.

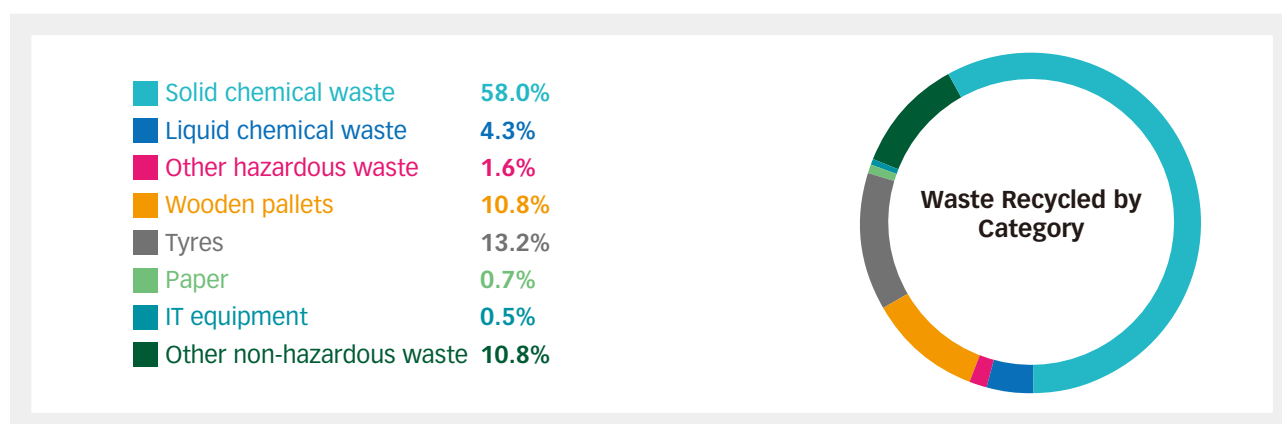
To improve the ability to respond to environmental emergencies, Jinjiang Pacific Terminal organised the 2023 Port Hazardous Waste Environmental Emergency Response Plan Drill during the year, simulating various scenarios involving the leakage of waste oil from the liquid waste storage room, waste oil leakage alarm raising, emergency response arrangement, on-site clean-up, post-event investigation, and other relevant drills.



The employees of Jinjiang Pacific Terminal carried out practical drills in strict accordance with the hazardous waste management procedures and regulations during the drills.

In terms of waste classification in the port areas, the Company practices the 3R principle of environmental protection, encouraging reducing, reusing and recycling. For example, Dalian Container Terminal has set up three types of specialised waste recycling bins to collect hazardous waste (red), recyclable waste (green) and general waste (yellow), which are clearly labelled with recycling categories and instructions, guiding employees on the use of the recycling equipment. At the same time, waste classification trainings are conducted to help employees understand the importance of waste separation.

During the year, the types of waste recycled¹⁸ by the Company and the terminals within the reporting scope are as follows:



¹⁸ Add-ups may not be equal to 100% due to rounding.

BIODIVERSITY

The Company regulates the implementation of ecological and environmental protection risk response measures across all Subsidiaries, encourages its Subsidiaries to conduct ecological surveys on nearby sea areas and water quality testing at sewage outlets on a regular basis, to organise drills and to strengthen training to improve emergency response capabilities. In addition, the Company actively plants trees and regularly conducts tree maintenance program in the port area.

The Company has established a sound reward and punishment system to commend terminals with advanced ecological and environmental protection management, as well as terminals and personnel with outstanding performance in the development, promotion and application of ecological and environmental protection technologies. In the event of serious environmental emergencies that endanger public safety or cause considerable losses and adverse impacts on society and the environment, the Company will hold relevant personnel accountable in accordance with the management policy.

The Company requires its Subsidiaries to organise training sessions on ecological and environmental protection, and to incorporate it into the employee training and education scheme. The Subsidiaries make use of social media such as official WeChat accounts to spread information of ecological and environmental protection laws and regulations, guidelines, policies, industry standards and relevant scientific knowledge, and introduce best practices, enabling the employee to understand the importance of their roles to ecological and environmental protection.

The Company strives to the utmost in the practice of ecological and environmental protection and has been supporting the conservation of biodiversity with practical actions. During the year, the Company joined World Wide Fund for Nature Hong Kong's Corporate Membership Programme as a corporate partner, supporting the restoration of coral communities, which are crucial components of the marine ecosystem, with the aim to contribute to the conservation of corals in Hong Kong and the overall health of oceans in Hong Kong. Moreover, the Company also joined the Conservation Hero Support Programme organised by the Ocean Park Conservation Foundation Hong Kong, funding research and conservation projects in Asia, cetacean stranding response programme, and conservation education to support wildlife conservation and combat illegal wildlife trade.



The Company joined World Wide Fund for Nature Hong Kong's Corporate Membership Programme as a corporate partner, and the Conservation Hero Support Programme organised by the Ocean Park Conservation Foundation Hong Kong.

In response to the ship oil spill accident in the vicinity of the Port of Chancay in Peru, the Company coordinated the construction parties to commit hundreds of manpower and multiple equipment to quickly carry out marine oil pollution clean-up and animal rescue work, including the rescue of local vulnerable penguin species. In addition, the project team carried out environmental protection-themed activities such as “World Wetland Day” and “World Ocean Day”, cooperated with the local city hall, maritime bureau and community to carry out maintenance to the surrounding wetland environment and beaches, set up environmental protection signages, and invited local people and students to understand, learn and protect the local wetland ecosystem.



The Company coordinated the employees from the construction parties of the Port of Chancay project in Peru to rescue the trapped penguin in the polluted area.



Staff from the construction parties of the Port of Chancay project in Peru participated in local wetland protection activities.

CHAPTER 12

DYNAMIC

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Material topics covered:



Employee engagement
and development



Employee well-being



Diversity, equity
and inclusion



Human rights
management



Health and
safety

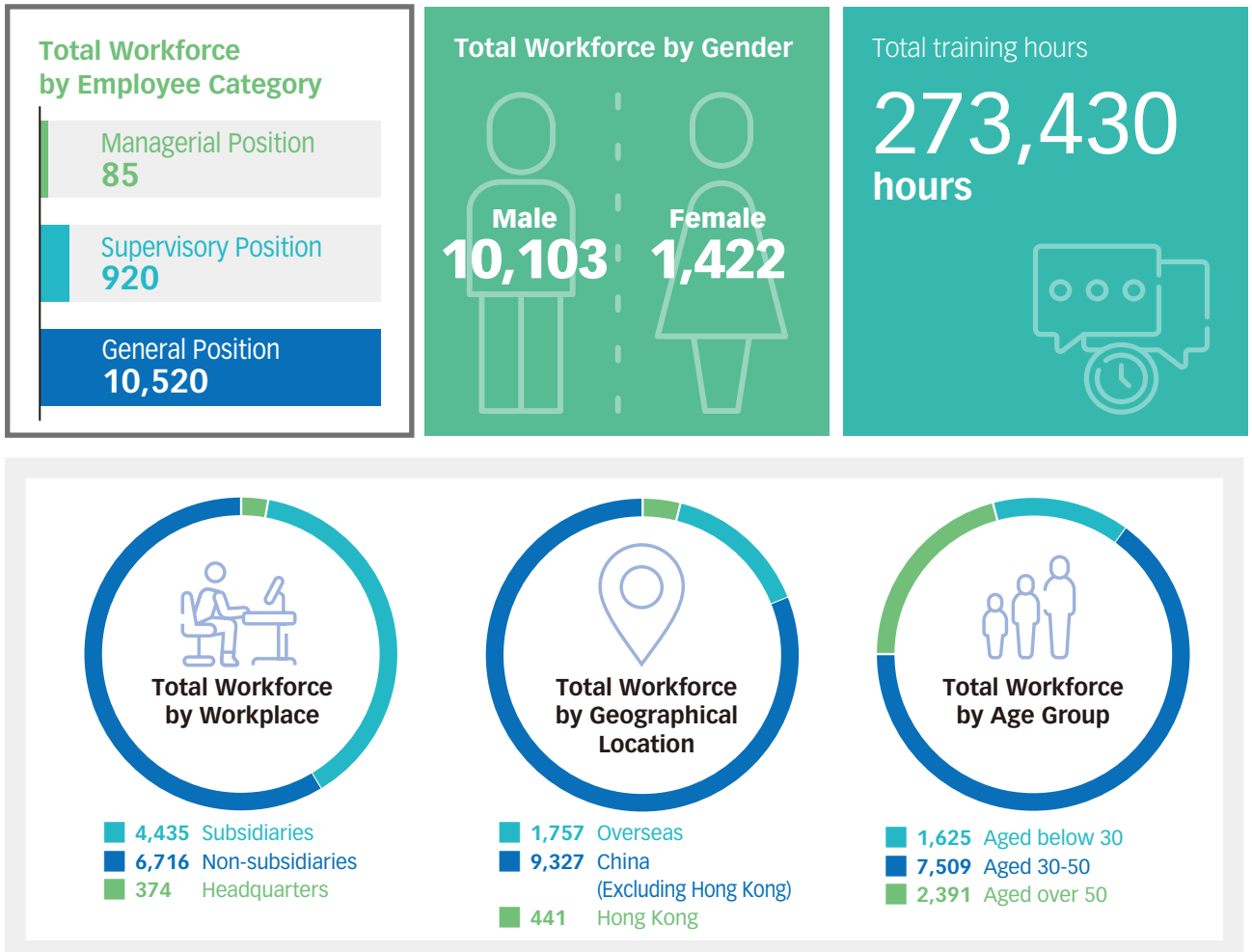


Community
engagement

The company embraces a dynamic corporate development philosophy and is committed to progressing with all employees and other stakeholders.

PERFORMANCE HIGHLIGHTS IN 2023

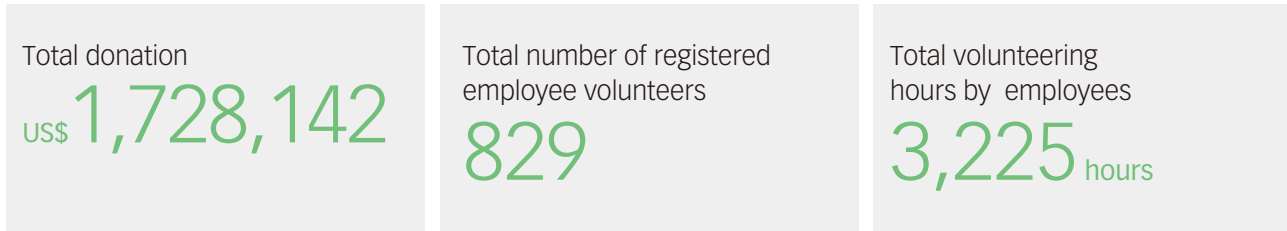
The Company and the terminals within the reporting scope had a total of 11,525 employees in 2023, which were distributed as follows:



For details on employee statistics, please refer to the section headed “Appendices – Key Performance Indicators” set out in Chapter 13 of this report.

The Company has set the safety target of “zero fatality”. During the year, the Company did not have any work-related injuries, and there was no accident of safety responsibility for Subsidiaries which should be reported to the competent authorities. There was a total of 29 cases of work-related injuries involving employees, with a total of 952 lost days.

During the year, the charitable donations and voluntary activities organised by the Company and the terminals within the reporting scope are as follows:



MANAGEMENT APPROACH

The Company complies fully with the laws and regulations²⁰ in relation to labour force, employment, diversity, human rights, occupational safety and health in the regions where we operate to protect the basic rights of employees. The Company has formulated the Human Resources Management Policy and the Employee Handbook to manage human resources and staff conduct. These policies set out the Company's expectations on its employees' ethics, as well as the ethical norms and procedures they should follow in their daily work to uphold high level of ethical standards and conduct.

The Company highly values the safety of its employees and is dedicated to creating a safe and healthy working environment. The Company strictly implements safety management-related measures to minimise the risk of safety accidents. The Company has established a comprehensive safe production management and occupational health management system and implemented a safe production responsibility system that clearly defines the responsibilities of employees at all levels. The Company also requires its Subsidiaries to incorporate subcontractors into its safety management system to implement unified control.

The Company also actively builds close relationships with the communities in where it operates and always considers the potential impacts of its operations on the local economy, environment and society. As a leading port logistics service provider in the world, the Company proactively builds up long-term collaborations with various community organisations by leveraging its local community networks, resources, and talents. The Company spares no effort in fulfilling its corporate social responsibility, and proactively participates in various charitable and community services to create value for local communities, with the aim to jointly build a harmonious, inclusive and sustainable communities.

¹⁹ Add-ups may not be equal to 100% due to rounding.

²⁰ Including, but not limited to, the Labour Law of the People's Republic of China, the labour legislation of Hong Kong and the laws applicable to overseas terminals.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

The Company is committed to building a sustainable talent pipeline. Starting from pre-job training for new employees, the Company places emphasis on integrity, corporate culture, business philosophy, safety and accident prevention, and code of conduct for employees. The training coverage rate for new employees reaches 100%.

The Company understands that professional skills and knowledge training of its employees are crucial for coping with changes in the external environment and promoting the development of the port industry. The Company continuously invests in training and education resources and formulates corresponding training plans for employees with different job titles and positions. This ensures that each employee is provided with sufficient learning opportunities to fully leverage their strengths and apply their acquired knowledge flexibly to business operations, enabling mutual development with the Company. Additionally, the Company also emphasises the selection and cultivation of young talents to ensure that the talent pool can coordinate with the Group's sustainable development.

The Company has set up a comprehensive talent training system and provided training courses on professional knowledge and skills catering for the needs of employees in various positions, including, but not limited to, thinking and leadership, team management, digital safety, information security, operations management model, corporate safety culture building, safe production, enterprise risk management, and workplace stress response. In addition to internal training, the Company actively provides employees with outbound learning opportunities to help them broaden their vision and gain experiences.

The Company is committed to promoting green and low-carbon port transformation in a fair and just manner. As port terminals move towards digitalisation and automation, the Company's Subsidiaries actively support their employees in upgrading relevant operational skills to meet the latest market demands and developments. During the year, the Company's Subsidiaries launched skills enhancement training, seminars, site visits and exchange programmes focusing on the technologies facilitating the transition towards digitalised, smart and automated terminals.

In 2023, the Company introduced new programmes in the port business courses, including theories on "digital, green, low carbon, smart", digitalisation, supply chain management, and marketing. The total number of hours of training conducted or organised during the year amounted to 34,049 hours and the cumulative total number of participants reached 194.

HIGHLIGHT OF TRAINING PROGRAMMES IN 2023

The 2nd Global Terminal Training Programme

In 2023, the Company organised the 2nd Global Terminal Operation and Management Programme (the "Terminal Programme") to gather outstanding talents from different positions of the Company, its Subsidiaries and COSCO SHIPPING Group companies, with the aim to provide comprehensive training to enhance their overall capabilities, contributing to the formation of a team of professional talents.



The Company hosted the 2nd Terminal Programme to support outstanding talents in expanding their knowledge and mindset.

Internal Mentorship Programme

Leveraging its internal human resources, the Company has established a comprehensive Internal Mentorship Programme ("Internal Trainers") training mechanism. During the year, the recruitment of the first batch of 32 Internal Trainers was completed. The team of Internal Trainers developed diversified courses in phases that suit the development of port companies, covering topics such as information technology, terminal operation, and general management. These courses provide a wealth of training resources for new employees and facilitated the exchange of knowledge among the terminal personnel, fostering knowledge sharing.



The key executives of the Company's Subsidiaries presented appointment letters to the first batch of Internal Trainers.

Seminar for Middle and Senior Management

In 2023, Quan Zhou Pacific Terminal invited lecturers from renowned institutions to conduct training for middle and senior management. The topics covered various areas, including, but not limited to, team empowerment, strategies and methods of team cultivation, principles and techniques of employee motivation, and strategies and methods of cross-departmental communication. Through these training programmes, all participants were able to enhance their overall quality, management skills, and innovation capabilities, thereby collectively driving the enterprise’s transformation and upgrading, and pursuit of higher-quality development with COSCO SHIPPING Ports.



Lecturers from renowned institutions provided training on team empowerment and motivation to the middle and senior management of Quan Zhou Pacific Terminal.



EMPLOYEE WELL-BEING

The Company provides employees with benefits to which they are entitled in accordance with applicable laws and regulations, and sets out the relevant specifications in the Employee Handbook. The Company offers competitive remuneration and benefits packages based on the performance and experience of its employees. The headquarters in Hong Kong provides employee benefits that go beyond local government regulations, including paid annual leave in excess of statutory requirements, fully paid sick leave, fully paid paternity leave and bereavement leave, child birth allowance, marriage allowance, funeral benefits for the death of a close relative, annual medical check-ups for employees, reimbursement of professional association fees, and subsidies for further education. In addition, the Company has adopted a share option scheme, and implemented dedicated incentive plans in line with its business development needs to boost employee motivation.

In respect of the remuneration performance system, the Company has formulated the Management Policy on Employee Performance Appraisal and the Management Policy on Employee Remuneration to specify the aspects of employee appraisal management and remuneration standards. The Company adheres to the principles of fairness, openness and impartiality and conducts comprehensive annual appraisal on the performance and competence of its employees, supporting employees in improving their overall performance and setting work targets based on the appraisal results. The Company undergoes performance appraisal for all employees each year.

In 2023, the employee turnover rate of the Company and the Subsidiaries within the reporting scope was 2.4% and 2.2%, respectively.

The Company emphasises work-life balance and proactively organises various types of recreational activities to help employees release work pressure, improve their health and well-being, and increase their sense of cohesion. In 2023, COSCO SHIPPING's companies in Hong Kong organised the Corporate Sports Day with approximately 1,000 participants, including staff members of the Company and their relatives. The headquarters in Shanghai organised a range of activities such as ball games, low-carbon cycling, fitness classes, Chinese calligraphy and painting classes, team building activities, and parent-child activities during the year, with a total of more than 2,200 participants. The concepts of low-carbon and healthy living, and environmental protection, and the promotion of Chinese intangible culture are integrated into the employee activities.



COSCO SHIPPING Ports' employees and their relatives participated in the Corporate Sports Day.



Qian Zhou Pacific Terminal launched training on first aid emergency care and mental health consultation training.

DIVERSITY, EQUITY AND INCLUSION

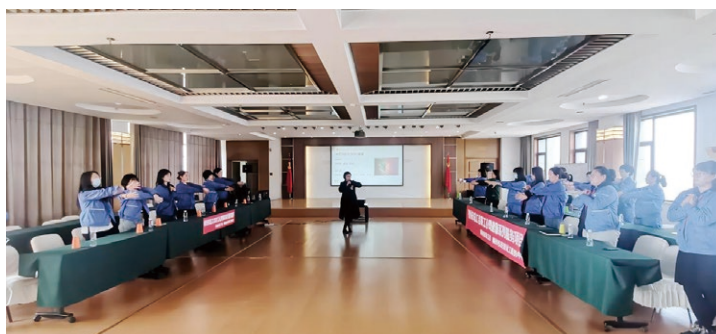
The Company proactively maintains a working environment that embeds diversity, inclusion and mutual respect, and is committed to recruiting talents from diverse background and continuously broadening the channels for talent recruitment. Throughout the talent recruitment and management processes, the Company adheres to the principles of fair selection, comprehensive assessment, and merit-based hiring. Employment discrimination or unfair treatment based on factors such as age, gender, race, religion and nationality for both potential or existing employees will not be tolerated.

The Company values the career development of female employees and is committed to breaking down gender barriers and providing them with equal opportunities and resources. The Company has set a quantifiable target regarding gender diversity of the Board, and commits that the Board shall not be composed solely of members of the same gender, with the aim of promoting the spirit of gender diversity from the leadership level. In respect of the Subsidiaries, the Company embraces digitalisation and the trend of smart and automated terminal development, and has established more remotely-operated job positions in the Subsidiaries to empower female career development. In addition, the Company has adopted a family-friendly approach in its headquarters in Hong Kong and Shanghai by providing female employees with rooms for breastfeeding, which supports employed mothers to take care of their work and family at the same time and enhances their sense of belonging to the Company.

During the year, the proportion of female employees in the Company and the Subsidiaries within the reporting scope reached 27.0% and 14.5%, respectively.



Female frontline workers at the terminal.



Jinzhou New Age Terminal conducted a special training on "Self-improvement and Empowerment in the Post-Epidemic Era" for female workers



CSP Valencia Terminal in Spain was awarded the seal by Fent Empresa – Igualts en Oportunitats in 2023 as a recognition of its commitment to developing an equality policy to defend equal opportunities for both men and women. CSP Bilbao Terminal and CSP Valencia Terminal in Spain launched training on "Equality, Inclusion and Harassment Prevention" in early 2023, which was attended by 53 employees.

HUMAN RIGHTS MANAGEMENT

The Company strictly complies with the laws and regulations relating to human rights in where it operates, including freedom of association, the right to collective bargaining and the prohibition of forced or child labour. The Company stipulates in the Employee Handbook that the employment practices of the Company and the Subsidiaries must be consistent with local laws and regulations. In 2023, the Group was not convicted of any cases of non-compliance with relevant laws and regulations, which had significant potential impacts on the Group, relating to discrimination, child labour, forced labour or other related matters.

The Company has made lots of efforts to strengthen the two-way communication between the management and employees, proactively understand their suggestions and expectations, thus enhancing their sense of cohesion and belonging. The Company regularly shares the latest developments and information of the Group with the employees through meetings, social media platforms and internal publications. The management of the Company also makes official visits to the Subsidiaries to understand their specific situations.

The Company has an open communication mechanism in place and encourages employees who encounter any difficulties or questions at work to bring them to the attention of management or department heads, or to provide feedback to the labour union. The Company has established a whistleblowing system whereby all employees or other parties dealing with the Company can report any illegal, unethical or irregular conduct existed in the operations of the Company. In addition, the Company attaches great importance to the opinions of its employees and has been promoting effective communication between individuals, departments, and senior and junior employees, and facilitating two-way communication between the Company and its employees through various forms of meetings (e.g., annual, monthly, and weekly meetings, management meetings, etc.).



COSCO SHIPPING Ports' management visited Guangzhou Terminals.



COSCO SHIPPING Ports' management had face-to-face communication with terminal management and employees.

HEALTH AND SAFETY

The Company attaches importance to the health and safety of all employees in the course of business operations and has formulated specific and comprehensive countermeasures based on different occupational health and safety risks.

SAFE PRODUCTION MANAGEMENT

The Company is in strict compliance with applicable laws and regulations²¹ in China and the places where it operates, and establishes sound management policies for various terminal operations and frontline positions. The Company clearly determines the principal responsibility and liability for safe production in the Management Policy on Safe Production Responsibility, clearly stated that the Chairman and General Manager of the company, as well as the holding enterprises, serve as the first responsible persons for safe production. They have the overall responsibility for the safe production work of the related companies. The Company has established a safe production committee to guide its Subsidiaries to formulate their own safe production policies, operating procedures and accident emergency plans based on the actual operating conditions, so as to implement the policies on safe production, labour protection, pollution prevention, environmental protection and health.

The Company convenes safe production work meetings and safety project meetings on a regular basis to summarise the overall safe production status and the deficiencies identified during safety assessments and gives guidelines on the safety works, so as to further improve safety management.

The Company formulated the Safety Management Policy on Dangerous Goods, which regulates the operation, supervision and management of dangerous goods by the Company and its Subsidiaries in China that are engaged in the storage and operation of dangerous goods, to prevent and reduce accidents caused by dangerous goods and to protect safety of life and corporate property. The Company complies with the Standards for Safe Production of Bulk Cargo (Container) Terminal Enterprises in Ports issued by the Ministry of Transport of the People’s Republic of China, aiming to achieve Class-1 standard. During the year, among the Subsidiaries in China, 5 of them have been qualified as Class-1 enterprises and 2 as Class-2 enterprise.



COSCO SHIPPING Ports held a safety meeting in January 2023.

21 Including, but not limited to, the Production Safety Law of the People’s Republic of China, the Dangerous Chemicals Safety Management Regulations issued by the State Council of China, the national standards under the Port Safety Operating Codes for Container Stockyards for Dangerous Goods of the People’s Republic of China, Law of the People’s Republic of China on Prevention and Control of Occupational Diseases as well as the Workplace Occupational Health Regulations.

OCCUPATIONAL HEALTH MANAGEMENT

COSCO SHIPPING Ports attaches great importance to the occupational health management of all employees of the Company and the Subsidiaries. The Company has formulated the Occupational Health Management Policy to regulate the formulation of prevention and control plans and implementation plans in relation to occupational health and safety hazards for its Subsidiaries in China, as well as the establishment of occupational health management systems and operational procedures. Each terminal has a safety management department which is responsible for formulating work plans for occupational health management.

The Company conducts focused training for personnel who are susceptible to occupational health and safety hazards. The Company requires the relevant terminals to carry out pre-evaluation of occupational health and safety hazards and design protective facilities for construction projects that may involve occupational hazards. The effectiveness of preventive measures is evaluated and assessed, and inspections and acceptance of protective facilities are organised as part of the process. For example, the Subsidiaries in China are required to provide workers with personal protective equipment that comply with national occupational health and safety standards and to arrange regular checks of potential occupational hazards by qualified technical service providers. In addition, the Company has prepared emergency plans for occupational disease hazards, including but not limited to heat stroke caused by high summertime temperatures, as well as electric ophthalmia and glaucoma caused by welding work in the machinery room, and conducts drills on a regular basis. The Company organises annual medical check-ups for employees who are exposed to occupational hazards. For third-party subcontractors, the Company carries out inspections and guidance with the same requirements to ensure that occupational diseases do not occur.



Jinzhou New Age Terminal prepared sunshade and drinks for frontline staff.



Quan Zhou Pacific Terminal prepared brown sugar and ginger soup to protect the frontline workers from the winter cold.

The Company encourages the terminals to seek for third party certifications to maintain the highest standards of occupational health and safety:

Terminals	Certification Received
Xiamen Ocean Gate Terminal	GB/T 45001/ISO 45001 Occupational Health and Safety Management System Certification
Lianyungang New Oriental Terminal	GB/T 45001/ISO 45001 Occupational Health and Safety Management System Certification
Guangzhou South China Oceangate Terminal	GB/T 45001/ISO 45001 Occupational Health and Safety Management System Certification
Guangzhou Nansha Stevedoring Terminal	GB/T 45001/ISO 45001 Occupational Health and Safety Management System Certification
Tianjin Container Terminal	GB/T 45001/ISO 45001 Occupational Health and Safety Management System Certification
CSP Abu Dhabi Terminal	ISO 45001 Occupational Health and Safety Management System Certification
CSP Valencia Terminal	ISO 45001 Occupational Health and Safety Management System Certification
CSP Bilbao Terminal	ISO 45001 Occupational Health and Safety Management System Certification
Asia Container Terminal	ISO 45001 Occupational Health and Safety Management System Certification
COSCO-HIT Terminal	ISO 45001 Occupational Health and Safety Management System Certification
Kumport Terminal	ISO 45001 Occupational Health and Safety Management System Certification

POTENTIAL SAFETY HAZARD IDENTIFICATION AND RECTIFICATION

The Company continues to strengthen safety risk management, identify potential hazards, optimise risk identification and implement hierarchical management of safety risks thoroughly in accordance with the Management Policy on the Identification and Rectification of Safe Production Accidents and Potential Hazards, thus reducing the potential safety risks in production and operation.

For major potential safety hazards identified during the inspection by the Subsidiaries, the Company shall fully guide the responsible departments to organise and formulate rectification plans and take safety precautionary measures during the rectification period. Upon completion of the rectification, the relevant terminal should appoint a qualified safety evaluation agency or organise internal technical personnel and experts of the terminal to evaluate the rectification. If the evaluation result is positive, the terminal shall immediately submit a written report to the local authority responsible for the supervision and administration of safe production for further review. The potential safety hazard shall be written off once the review is passed.

During the year, the Company amended the Safety Management Regulations of Special Operations and the Comprehensive Emergency Plan for Safe Production to improve the content and safety management system of special operations, and made corresponding improvements for the Company's emergency response command system, and adjust the responsible personnel accordingly.



In June 2023, Jinzhou New Age Terminal organised an expert review meeting for the revision of emergency plans. The meeting included its safety experts, expert groups from the Transport Bureau and the safety experts of the Company.

ACCIDENT INVESTIGATION

The Company follows the Policy on the Reporting and Investigation of Production Safety Accidents to regulate the procedures followed by the Subsidiaries in prompt reporting of production safety accidents, so as to reduce the loss arising therefrom to the largest extent.

Upon occurrence of an accident, the Company will instruct the relevant terminal to arrange relevant expertise for conducting accident investigation or appoint professionals to carry out a rigorous investigation into the cause of the accident on a prompt and accurate basis, and implement mitigation measures to minimise the impact of the accident. At the same time, the terminal shall formulate corresponding preventive measures to prevent similar accidents from recurring.

SAFETY MANAGEMENT OF SUBCONTRACTORS

The Company places equal importance on the safety of all subcontractors, and has issued the Management Policy on the Safety of Subcontractors to regulate the Subsidiaries to assume the principal responsibility for the safe production management of subcontractors and incorporate the safety management of subcontractors into its safety management system, so as to establish sound management structure, procedures and systems that enhance the overall level of safe production.

The Subsidiaries are responsible for reviewing the qualifications and conditions of subcontractors and continuously tracking their safety performance, under which, priority is given to quality subcontractors with sound safety management systems and good safety management records in recent years. Upon confirmation, the Subsidiaries will sign safety management agreement with the subcontractor. The Subsidiaries are responsible for providing training on safety and emergency response to the subcontractor's staff prior to commencement of operation, and arranging for the subcontractor's staff to participate in the emergency response drills organised during the operation. In addition, the relevant terminal carries out regular supervision at the subcontractors' operation sites and arranges subcontractors to identify potential safety hazards, including the defects and issues during maintenance, use and management of equipment and tools, and supervise subcontractors to rectify them in a timely manner, so as to reduce the likelihood of safety accidents.

The Subsidiaries conduct regular safety assessments on subcontractors and report the results to the Company to strengthen the supervision and management of subcontractors. Subcontractors who fail to pass the assessment will be blacklisted and will not be engaged again.



In November 2023, Quan Zhou Pacific Terminal organised all its work teams, terminal-based traders and outsourced workers to jointly carry out on-site fire safety knowledge sharing session and conduct operational drills for warehouse fire equipment and facilities.

SAFE PRODUCTION TRAINING

The Company attaches great importance to cultivating employees' awareness of safety. The Company requires its Subsidiaries to organise and implement various safety education, training and emergency drills for their staff in accordance with the Management Policy on Safety Education and Training, so as to enhance their safety operation skills and self-protection awareness and prevent accidents of personal injury and fatality.

In 2023, the number of participants for safety education and training from the headquarters of the Company and its Subsidiaries in China were 129,634, with a total of 19,736 training hours, safety training investment of US\$53,839, with a training rate of 100%. The number of full-time safety management personnel trained was 629, with training investment of US\$29,665 and a training rate of 100%.



Quan Zhou Pacific Terminal launched the 2023 Emergency Response Exercise for Dangerous Goods Accidents in Shihu Port Area.



Lianyungang New Oriental Terminal launched a practical fire-fighting drill in the early stage of fire.



CSP Wuhan Terminal organised fire safety training and emergency drills.



Quan Zhou Pacific Terminal organised a safety driving education review training for tractor drivers of the terminal.

ASSESSMENT OF SAFE PRODUCTION PERFORMANCE

The Company continues to strengthen on-site management at the terminals. The Company regulates the management system covering supervision and operation, accountability and performance assessment of safe production works in accordance with the Policy on Safe Production Performance Assessment, and has set specific targets for its Subsidiaries in respect of safe production management, including “zero fatality”.

In order to effectively implement the safety management culture, the Company has set assessment indicators related to safety and occupational diseases, which are included in the performance assessment of the terminal’s responsible personnel. If a safety incident occurs, the Company will hold individuals accountable and impose penalties subject to the severity of the incident in accordance with the assessment policy. In the event of withholding, misreporting, omission of information or late reporting of safe production incidents which are required to be reported, performance-related bonus will be deducted as a penalty according to the corresponding penalty clauses.

COMMUNITY ENGAGEMENT

The Company recognises that its current success is inseparable from the support and cooperation of the community. Therefore, the Company strives to combine its corporate values with community welfare to create longer-term value for the surrounding community while promoting its development. The Company was awarded the “Caring Company” logo by the Hong Kong Council of Social Service for five consecutive years, affirming its contribution in community development.

The Company actively encourages all employees to participate in volunteer services. For example, CSP Valencia Terminal joined as a member of the APOSTEM – PUERTO SOLIDARIO association, which comprises companies from the port industry and aims to help and improve the living conditions of disadvantaged groups in the port community.

EDUCATION AND YOUTH DEVELOPMENT

The Company proactively supports youth-related educational activities to promote a mentorship culture and share information and experience related to the industry and profession. On one hand, helping the youth to better understand their interests and expertise to determine their career direction; on the other hand, exploring and nurturing young people who are interested in the ports and shipping industries to meet the future needs of the industries.

During the year, Xiamen Ocean Gate Terminal, in collaboration with Jimei University and Xiamen Ocean Vocational College, established a collaborative industry-academia research base in the port industry. They actively engaged with universities to promote the port industry and invited students to visit the base, providing them with opportunities to understand port operations with the aim to attract young talents to the industry.

Piraeus Terminal invited student representatives from William and Mary University for an exchange visit. This event is part of the program in collaboration with Athens University of Economics and Business called “Global Immersion”, which actively fosters students’ knowledge and interest in the port and shipping industry, as well as to learn the innovative spirit in such business environment.



Students of Xiamen Ocean Vocational College visited Xiamen Ocean Gate Terminal.



In October 2023, student representatives from William and Mary University visited Piraeus Terminal.

ENVIRONMENTAL PROTECTION

The Company attaches importance to the impact of its business operations on the surrounding environment, takes on the corporate responsibility to promote greening initiatives in the community, and endeavours to raise the environmental awareness of its employees. During business operations, the Company compensates directly to the environmental impact caused by its business, such as transplanting trees instead of cutting them down, and providing compensation to rivers, streams and oceans as required by the government. Volunteer service teams are organised to participate in environmental protection work, such as tree planting and beach cleaning. During the year, employees from the Company's headquarters in Hong Kong and Shanghai joined hands with Hutchison Port Holdings Limited, Shanghai PANASIA Shipping Co., Ltd., Hong Kong Terminals and other partners to launch the "Go Green Beach Cleaning Activities". Beach clean-ups in Angler's Beach in Hong Kong and Chongming Island in Shanghai were organised. Liyangang New Oriental Terminal set up an Ocean Protection Team to protect the marine environment of the terminal. After completing safety training for all team members, the team carried out marine waste clean-up activities, contributing to the protection of the marine environment.



More than 70 employees from the headquarters in Hong Kong and Shanghai of COSCO SHIPPING Ports, together with other companies in the industry, joined the Go Green Beach Cleaning Activities and picked up more than 100 kg of marine debris with the help of environmental protection organisations in the two places.



CSP Wuhan Terminal's volunteer service team launched a voluntary tree planting activity on the occasion of the 2023 Arbor Day.

POVERTY ALLEVIATION AND CARE FOR VULNERABLE GROUP

The Company has expanded its philanthropic efforts in areas such as rural revitalisation and child welfare, focusing closely on the needs of vulnerable groups. During the year, the Company’s Subsidiaries have conducted several poverty alleviation and assistance volunteer activities, working hand in hand with the community to fulfill their corporate social responsibility through concrete actions.



In May 2023, Jinzhou New Age Terminal delivered customised desk lamps and stationeries to the children of Jinzhou Orphanage as an early blessing for Children’s Day.



In September 2023, staff of Guangzhou Terminals went to Jingtou Township, Fogang County, Qingyuan City to carry out a field research project before the Mid-Autumn Festival. They also presented festive souvenirs and charitable donations to eight vulnerable village households.

CHAPTER 13

APPENDICES

KEY PERFORMANCE INDICATORS

WORKFORCE STATISTICS

Workforce Statistics		Total			Non-subidiaries			Subsidiaries			The Headquarters		
		2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Total Workforce													
Employees	No. of people	11,525	11,610	10,419	6,716	6,751	6,723	4,435	4,511	3,350	374	348	346
Supervised Employees	No. of people	5,037	5,341	5,282	2,907	2,931	2,921	2,129	2,409	2,360	1	1	1
Self-employed	No. of people	2,517	2,419	2,460	1,639	1,633	1,662	878	858	798	0	0	0
Employee Composition													
By employment type													
Full-time	No. of people	11,516	11,604	10,414	6,714	6,749	6,721	4,428	4,507	3,347	374	348	346
Part-time	No. of people	9	6	5	2	2	2	7	4	3	0	0	0
By geographical location													
Hong Kong	%	3.8	4.0	4.5	5.2	5.4	5.4	0.1	0.1	0.2	23.5	25.8	28.0
China (ex-Hong Kong)	%	80.9	81.2	79.4	82.8	82.6	82.6	79.2	80.5	74.8	67.4	64.7	62.4
Overseas	%	15.2	14.8	16.1	12.0	12.0	12.0	20.7	19.3	25.0	9.1	9.5	9.5
By gender													
Male	%	87.7	87.5	87.8	89.9	89.6	89.5	85.5	85.6	85.9	73.0	71.8	73.7
Female	%	12.3	12.5	12.2	10.1	10.4	10.5	14.5	14.4	14.1	27.0	28.2	26.3
By age group													
Aged below 30	%	14.1	14.6	16.2	13.6	14.4	14.4	14.9	15.0	20.2	13.1	13.5	13.9
Aged 30-50	%	65.2	65.9	67.6	67.5	69.0	70.8	62.1	62.0	62.2	58.6	56.9	58.4
Aged above 50	%	20.7	19.5	16.1	18.8	16.6	14.8	23.0	23.0	17.6	28.3	29.6	27.7
By employee category													
Managerial position	%	0.7	0.8	0.9	0.7	1.0	0.8	0.6	0.4	1.1	2.4	1.7	1.7
Supervisory position	%	8.0	6.5	7.0	6.7	6.4	6.5	6.4	4.3	4.6	48.7	37.6	39.6
General position	%	91.3	92.7	92.1	92.5	92.6	92.7	92.9	95.2	94.3	48.9	60.6	58.7
Gender distribution by employee category²²													
Managerial position – Male	%	89.4	N/A	N/A	85.7	N/A	N/A	96.3	N/A	N/A	88.9	N/A	N/A
Managerial position – Female	%	10.6	N/A	N/A	14.3	N/A	N/A	3.7	N/A	N/A	11.1	N/A	N/A
Supervisory position – Male	%	81.8	N/A	N/A	79.9	N/A	N/A	84.3	N/A	N/A	83.0	N/A	N/A
Supervisory position – Female	%	18.2	N/A	N/A	20.1	N/A	N/A	15.7	N/A	N/A	17.0	N/A	N/A
General position – Male	%	88.2	N/A	N/A	90.7	N/A	N/A	85.5	N/A	N/A	62.3	N/A	N/A
General position – Female	%	11.8	N/A	N/A	9.3	N/A	N/A	14.5	N/A	N/A	37.7	N/A	N/A
Employee Turnover													
	No. of people	386	387	336	281	254	229	96	125	102	9	8	5
	Turnover rate (%) ²³	3.3	3.3	3.2	4.2	3.8	3.4	2.2	2.7	3.0	2.4	2.3	1.4
By geographical location													
Hong Kong	No. of people	20	25	22	13	17	18	0	0	0	7	8	4
China (ex-Hong Kong)	No. of people	145	193	194	86	114	125	57	79	68	2	0	1
Overseas	No. of people	221	169	120	182	123	86	39	46	34	0	0	0

22 Gender distribution by employee category is newly disclosed in 2023 and therefore no comparable figures for 2022 and 2021.

23 Employee turnover rate was calculated by: the total number of employees who voluntarily resigned (excluding internal reassignment between the companies under COSCO SHIPPING, or the employees who left the Company due to dismissal, retirement or death during employment) divided by the total number of employees during the reporting year.

Workforce Statistics (continued)		Total			Non-subsidiaries			Subsidiaries			The Headquarters		
		2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Hong Kong	Turnover rate (%)	4.5	5.4	4.7	3.7	4.7	4.9	0.0	0.0	0.0	8.0	8.9	4.1
China (ex-Hong Kong)	Turnover rate (%)	1.6	2.0	2.3	1.5	2.0	2.3	1.6	2.2	2.7	0.8	0.0	0.5
Overseas	Turnover rate (%)	12.6	9.8	7.2	22.6	15.1	10.7	4.3	5.2	4.1	0.0	0.0	0.0
By gender													
Male	No. of people	331	326	297	250	224	203	77	96	92	4	6	2
Female	No. of people	55	61	39	31	30	26	19	29	10	5	2	3
Male	Turnover rate (%)	3.3	3.2	3.2	4.1	3.7	3.4	2.0	1.5	3.2	1.5	2.4	0.8
Female	Turnover rate (%)	3.9	4.2	3.1	4.6	4.3	3.7	3.0	3.5	2.1	5.0	2.1	3.3
By age group													
Aged below 30	No. of people	116	127	113	81	77	74	34	47	38	1	3	1
Aged 30-50	No. of people	234	227	194	167	151	136	60	71	54	7	5	4
Aged above 50	No. of people	36	33	29	33	26	19	2	7	10	1	0	0
Aged below 30	Turnover rate (%)	7.1	7.5	6.7	8.8	7.8	7.6	5.2	6.9	5.6	2.0	6.4	2.1
Aged 30-50	Turnover rate (%)	3.1	3.0	2.8	3.7	3.3	2.9	2.2	2.5	2.6	3.2	2.0	2.0
Aged above 50	Turnover rate (%)	1.5	1.5	1.7	2.6	2.3	1.9	0.2	0.7	1.7	0.9	0.0	0.0
New Hires													
	No. of people	613	648	460	393	402	231	174	221	214	46	25	15
	Rate of new hires (%) ²⁴	5.3	5.6	4.4	5.9	6.0	3.4	3.9	3.2	6.4	12.3	7.2	4.3
By geographical location													
Hong Kong	No. of people	29	40	30	16	32	29	0	0	0	13	8	1
China (ex-Hong Kong)	No. of people	314	401	291	202	241	128	79	144	149	33	16	14
Overseas	No. of people	270	207	139	175	129	74	95	77	65	0	1	0
Hong Kong	Rate of new hires (%)	6.6	8.7	6.4	4.6	8.8	7.9	0.0	0.0	0.0	14.8	8.8	1.0
China (ex-Hong Kong)	Rate of new hires (%)	3.4	4.2	3.5	3.6	4.3	2.3	2.2	4.0	5.9	13.1	7.1	6.5
Overseas	Rate of new hires (%)	15.4	12.1	8.3	21.7	15.9	9.2	10.4	8.8	7.8	0.0	3.0	0.0
By gender													
Male	No. of people	512	421	371	348	237	196	131	170	167	33	14	8
Female	No. of people	101	227	89	45	165	35	43	51	47	13	11	7
Male	Rate of new hires (%)	5.1	4.1	4.1	5.8	3.9	3.3	3.5	4.4	5.8	12.1	5.6	3.1
Female	Rate of new hires (%)	7.1	15.6	7.0	6.6	19.5	5.0	6.7	7.8	10.0	12.9	11.3	7.7
By age group													
Aged below 30	No. of people	316	395	297	218	251	137	89	129	150	9	15	10
Aged 30-50	No. of people	272	235	148	155	137	83	81	88	61	36	10	4
Aged above 50	No. of people	25	18	15	20	14	11	4	4	3	1	0	1
Aged below 30	Rate of new hires (%)	19.4	23.3	17.5	23.8	25.8	14.1	13.5	19.0	22.2	18.4	31.9	20.8
Aged 30-50	Rate of new hires (%)	3.6	3.1	2.1	3.4	2.9	1.7	2.9	2.2	2.9	16.4	5.1	2.0
Aged above 50	Rate of new hires (%)	1.0	0.8	0.9	1.6	1.2	1.1	0.4	0.3	0.5	0.9	0.0	1.0

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

Workforce Statistics (continued)		2023			
		Total	Non- subsidiaries	Subsidiaries	The Headquarters
Collective Bargaining Agreements					
Employees from 13 terminals were covered by collective bargaining agreements ²⁵ . Some terminals have established a fixed notice period regarding significant operational changes. Depending on commercial and other aspects of business sensitivity, the companies discuss with labour unions and provide reasonable notice period for any significant operational changes. Some terminals specify notice period and provisions for consultation and negotiation in collective agreements. The percentage covered and information of respective terminals are as follows:					
98% of the employees were covered by collective bargaining agreements	No. of terminal companies	13	5	8	N/A
Board Composition					
By gender					
Male	No. of people		N/A		9
Female	No. of people		N/A		1
By age group					
Aged below 30	No. of people		N/A		0
Aged 30-50	No. of people		N/A		2
Aged above 50	No. of people		N/A		8

25 Employees of CSP Zeebrugge Terminal was covered by collective bargaining agreements and the percentage of employees covered was 58%.

Workforce Statistics (continued) ²⁶		The Headquarters		
		2023	2022	2021
Staff Training				
	Percentage of employees received training	51.7	56.7	44.8
	Total number of employees received trainings	194	198	155
	Total training hours	34,049	21,689	7,623
	Average training hours	91	62	22
By gender				
Male	Percentage of employees received training	41.2	44.0	32.9
Female	Percentage of employees received training	80.2	88.8	78.0
Male	Total number of employees received trainings	113	111	84
Female	Total number of employees received trainings	81	87	71
Male	Average training hours	227	50	18
Female	Average training hours	104	94	33
By employee category				
Managerial position	Percentage of employees received training	66.7	83.3	66.7
Supervisory position	Percentage of employees received training	16.5	27.5	22.6
General position	Percentage of employees received training	85.9	73.0	59.1
Managerial position	Total number of employees received trainings	6	5	4
Supervisory position	Total number of employees received trainings	30	39	31
General position	Total number of employees received trainings	158	154	120
Managerial position	Average training hours	176	25	125
Supervisory position	Average training hours	21	35	11
General position	Average training hours	156	79	27

26 Statistics of staff training only cover full-time employees.

Workforce Statistics (continued)		Total			Non-subsidiaries			Subsidiaries			The Headquarters		
		2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Occupational Health and Safety													
Work-related injuries and work-related ill health													
Fatalities	No. of people	0	0	1	0	0	1	0	0	0	0	0	0
High-consequence work-related injuries ²⁷	No. of cases	5	3	0	4	0	0	1	3	0	0	0	0
Recordable work-related injuries ²⁸	No. of cases	81	99	62	52	47	33	29	51	29	0	0	0
Rate of fatalities ²⁹	Per 200,000 working hours	0	0	0.01	0	0	0.01	0	0	0	0	0	0
Rate of high-consequence work-related injuries ³⁰	Per 200,000 working hours	0.03	0.01	0	0.04	0	0	0.01	0.03	0	0	0	0
Rate of recordable work-related injuries ³¹	Per 200,000 working hours	0.47	0.55	0.58	0.52	0.54	0.45	0.41	0.56	0.88	0	0	0
Work-related ill health ³²	No. of cases	5	8	0	0	0	0	5	8	0	0	0	0
Lost days and absentees													
Lost days due to work-related injuries ³³	No. of days	1,561.0	2,710.0	1,201.0	609.0	923.0	502.0	952.0	1,787.0	699.0	0	0	0
Absentees ³⁴	No. of days	20,809.0	27,960.5	18,719.0	6,866.0	13,887.0	6,522.0	13,506.0	13,831.0	12,010.0	437.0	242.5	187.0
Lost day rate ³⁵	%	0.04	0.09	0.05	0.02	0.05	0.03	0.06	0.14	0.09	0	0	0
Absentee rate ³⁶	%	0.50	0.91	0.70	0.27	0.78	0.36	0.83	1.12	1.48	0.80	0.49	0.74

27 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.

28 Recordable work-related injuries include 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.

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

30 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 working hours.

31 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 working hours.

32 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.

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

34 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.

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

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

ENVIRONMENTAL PERFORMANCE³⁷

Environmental Performance		Total			Non-subsidiaries			Subsidiaries			The Headquarters		
		2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Direct Energy Consumption													
Diesel	Litre	69,075,365	76,986,169	84,822,636	41,906,858	47,721,574	53,207,673	27,168,507	29,264,595	31,614,963	0	0	0
Gasoline	Litre	677,785	767,467	778,698	519,505	545,334	583,027	145,815	211,655	184,609	12,464	10,478	11,062
Liquefied petroleum gas (LPG)	Litre	125,886	151,030	198,849	110,786	114,730	132,436	15,100	36,300	66,413	0	0	0
Liquefied natural gas (LNG)	Litre	9,305,129	9,430,829 ³⁸	9,650,634	5,924,914	5,657,985	9,650,634	3,380,215	3,772,843 ³⁸	0	0	0	0
Natural gas	m ³	355,461	355,959	450,549	340,577	346,917	439,656	14,884	9,042	10,893	0	0	0
Indirect Energy Consumption													
Purchased electricity (excluded electricity supply by shore power)	kWh	602,710,244	628,552,329	605,511,077	343,596,674	364,386,017	385,752,018	258,686,876	263,781,620	219,313,330	426,693	384,692	445,728
Shore power	kWh	20,266,061	4,720,382	N/A	16,476,903	3,417,910	N/A	3,789,158	1,302,472	N/A	N/A	N/A	N/A
Purchased heating	MJ	469	2,324	6,086	469	2,324	6,086	0	0	0	0	0	0
Solar energy	kWh	2,542,791	2,061,984	303,357	1,786,900	1,948,540	0	755,891	113,444	303,357	0	0	0
Energy Use³⁹													
Direct energy use	TJ	2,985	3,306 ³⁸	3,513 ³⁸	1,771	1,989 ³⁸	2,294 ³⁸	1,214	1,316 ³⁸	1,219 ³⁸	0	0	0
Indirect energy use	TJ	2,179	2,270 ³⁸	2,181 ³⁸	1,243	1,319 ³⁸	1,390 ³⁸	934	950	789 ³⁸	2	1	2
Total energy use	TJ	5,164	5,576 ³⁸	5,694 ³⁸	3,015	3,308 ³⁸	3,684 ³⁸	2,148	2,266 ³⁸	2,008	2	2	2
Energy consumption intensity	GJ per TEU	0.066	0.072 ³⁸	0.081	0.063	0.072	0.078	0.070	0.072 ³⁸	0.087	N/A	N/A	N/A
GHG Emissions⁴⁰													
GHG emissions (Scope 1) ⁴¹													
- The Headquarters and Subsidiaries	Tonnes of CO ₂ e	78,497	84,895 ³⁸	85,836	N/A	N/A	N/A	78,465	84,868 ³⁸	85,801	32	27	36
- Non-subsidiaries	Tonnes of CO ₂ e	N/A	N/A	N/A	122,826	138,201	158,542	N/A	N/A	N/A	N/A	N/A	N/A
GHG emissions (Scope 2) ⁴¹													
- The Headquarters and Subsidiaries	Tonnes of CO ₂ e	148,492	150,661	124,317	N/A	N/A	N/A	148,191	150,390	124,138	301	271	179
- Non-subsidiaries	Tonnes of CO ₂ e	N/A	N/A	N/A	204,748	216,063	232,473	N/A	N/A	N/A	N/A	N/A	N/A
GHG emissions (Scope 3) ⁴²													
Category 3 – fuel- and energy-related activities	Tonnes of CO ₂ e	11,609	2,854	N/A	8,792	1,805	N/A	2,817	1,049	N/A	N/A	N/A	N/A
Category 5 – waste generated in operations	Tonnes of CO ₂ e	490	488	437	262	276	267	227	212	169	1	1	1
Category 15 – investments ⁴¹	Tonnes of CO ₂ e	327,574	354,264	391,015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total GHG emissions (Scope 1 & Scope 2)													
- The Headquarters and Subsidiaries	Tonnes of CO ₂ e	226,989	235,556 ³⁸	210,153	N/A	N/A	N/A	226,656	235,258 ³⁸	209,938	333	298	215
GHG emission intensity (Scope 1 & Scope 2)	kg of CO ₂ e per TEU	N/A	N/A	N/A	6.86	7.70	8.27	7.41	7.47 ³⁸	9.06	N/A	N/A	N/A

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

38 The figures were restated after data review.

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

40 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 emission 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 (Mar 2022) 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.

41 Since Non-subsidiaries are the investment projects of the Company, the GHG (Scope 1 and Scope 2) emissions from Non-subsidiaries were included in the Company's GHG (Scope 3) emissions Category 15 – investments from 2023 onwards. Whereas for previous years (2022 and 2021), the GHG (Scope 1 and Scope 2) emissions from Non-subsidiaries were included in the Company's total GHG (Scope 1 and 2) emissions.

42 GHG (Scope 3) emissions include indirect greenhouse gas emissions from the provision of shore power to vessels, waste paper disposed of in landfills, electricity consumed by governmental departments to treat potable water and sewage, as well as from investments.

Environmental Performance (continued)		Total			Non-subsidiaries			Subsidiaries			The Headquarters		
		2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Air Emissions⁴³													
Nitrogen oxides (NO _x)	Tonnes	5,213	N/A	N/A	3,079	N/A	N/A	2,133	N/A	N/A	0	N/A	N/A
Sulphur oxides (SO _x)	Tonnes	324	N/A	N/A	195	N/A	N/A	129	N/A	N/A	0	N/A	N/A
Respirable Suspended Particles (PM10)	Tonnes	228	N/A	N/A	201	N/A	N/A	26	N/A	N/A	0	N/A	N/A
Total Water Consumption	m ³	2,999,579	2,968,645	2,604,763	1,766,093	1,800,892	1,612,398	1,231,988	1,166,629	990,923	1,497	1,124	1,441
Municipal water supply	m ³	2,980,742	2,926,494	2,573,048	1,764,630	1,796,496	1,608,187	1,214,626	1,128,885	963,430	1,487	1,114	1,431
Groundwater	m ³	0	286	156	0	286	156	0	0	0	0	0	0
Wastewater from other organisations	m ³	14,395	19,170	3,650	780	3,650	3,650	13,615	15,520	0	0	0	0
Other water utilities	m ³	4,442	22,695	27,909	684	460	405	3,748	22,225	27,494	10	10	10
Water Consumption Intensity	m ³ per TEU	0.038	0.038	0.037	0.037	0.039	0.034	0.040	0.037	0.043	N/A	N/A	N/A
Material Used													
Engine oil and hydraulic oil	kg	768,512	801,552	898,988	343,437	338,411	380,313	425,075	463,142	518,675	N/A	N/A	N/A
Grease	kg	153,037	109,683	105,559	40,603	42,252	50,947	112,435	67,431	54,613	N/A	N/A	N/A
Tyres ⁴⁴	kg	1,443,144	1,271,849	1,342,971	690,309	640,162	775,395	752,836	631,687	567,576	N/A	N/A	N/A
Paper	kg	61,460	65,861	57,069	26,327	40,532	36,269	33,499	24,606	19,199	1,634	723	1,601
Waste Generation													
Solid chemical waste	kg	6,255,933	4,930,238	4,825,247	3,673,750	2,107,490	2,324,812	2,582,183	2,822,748	2,500,435	N/A	N/A	N/A
Waste oil contaminated rag	kg	238,777	284,172	230,884	182,112	234,317	191,330	56,665	49,855	39,554	N/A	N/A	N/A
Waste wire rope	kg	3,132,827	2,558,977	2,118,701	2,345,965	1,586,507	1,564,811	786,862	972,470	553,890	N/A	N/A	N/A
Scrap metal	kg	2,770,372	1,946,240	2,380,603	1,100,942	261,703	525,066	1,669,430	1,684,537	1,855,537	N/A	N/A	N/A
Waste oil drum	kg	19,751	42,446	36,728	8,441	18,084	16,098	11,310	24,362	20,630	N/A	N/A	N/A
Waste paint bucket	kg	9,137	11,454	24,910	2,730	3,030	18,057	6,407	8,424	6,853	N/A	N/A	N/A
Waste oil sludge	kg	85,069	86,950	33,421	33,560	3,849	9,450	51,509	83,101	23,971	N/A	N/A	N/A
Liquid chemical waste	kg	581,848	561,970	559,002	275,690	272,626	288,243	306,158	289,344	270,759	N/A	N/A	N/A
Waste lead acid battery	kg	68,610	41,347	45,449	21,091	12,705	10,763	47,519	28,642	34,686	N/A	N/A	N/A
Waste oil	kg	513,238	520,623	513,553	254,599	259,921	277,480	258,639	260,702	236,073	N/A	N/A	N/A
Other hazardous waste ⁴⁵	kg	226,403	498,149	207,951	34,205	55,654	32,338	192,114	442,375	175,493	84	120	120
Wooden pallets	kg	817,162	279,780	290,837	337,610	100,100	225,964	479,552	179,680	64,873	N/A	N/A	N/A
Wastewater	m ³	980,339	1,054,890	834,216 ³⁸	692,775	651,948	485,996	287,564	402,943	348,219 ³⁸	N/A	N/A	N/A
Other non-hazardous waste ⁴⁶	kg	1,601,450	1,081,366	1,180,944	693,970	608,075	714,652	907,480	473,292	466,292	0	0	0
Waste Recycling^{47, 48}													
Solid chemical waste	kg	3,636,567	2,950,154	2,602,230	1,740,743	1,529,138	1,603,747	1,895,824	1,421,016	998,483	N/A	N/A	N/A
Liquid chemical waste	kg	271,029	491,507	341,030	115,535	200,209	208,019	155,494	291,298	133,011	N/A	N/A	N/A
Other hazardous waste	kg	97,572	203,729	80,152	39,864	49,500	13,980	57,672	154,169	66,112	36	60	60
Wooden pallets	kg	678,286	406,008	226,425	249,210	152,620	169,680	429,076	253,388	56,745	N/A	N/A	N/A
Tyres ⁴⁹	kg	828,880	650,349	679,046	540,235	387,522	329,534	288,645	262,827	349,512	N/A	N/A	N/A
Paper	kg	45,135	33,750	38,679	16,250	16,648	16,448	28,240	16,720	21,081	645	382	1,150
IT equipment	kg	32,103	7,769	10,616	1,900	2,355	3,673	30,203	5,415	6,943	N/A	N/A	N/A
Other waste	kg	677,995	122,231	285,539	11,840	0	157,080	666,155	122,231	128,459	0	0	0

43 Air emissions are newly disclosed in 2023 and therefore no comparable figures for 2022 and 2021.

44 Tyre consumption was measured in pieces. When calculating the total weight of tyre consumption in kilograms, for tyres weighing less than 10 kg, 10 kg-50 kg, and 51 kg-100 kg, the respective median weight was used for each tyre category (i.e. 5.5 kg, 30 kg, 75.5 kg, respectively). For tyres weighing more than 100 kg, 150 kg was used for calculation.

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

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

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

48 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.

49 Tyres recycled was measured in pieces. When calculating the total weight of tyres recycled in kilograms, for tyres weighing less than 10 kg, 10 kg-50 kg, and 51 kg-100 kg, the respective median weight was used for each tyre category (i.e. 5.5 kg, 30 kg and 75.5 kg, respectively). For tyres weighing more than 100 kg, 150 kg was used for calculation.

AWARDS AND HONOURS

Awards and Honours Received	Awarding Party
COSCO SHIPPING Ports	
<ul style="list-style-type: none"> Best Corporate Governance and ESG Awards 2023 – Special Mention 	Hong Kong Institute of Certified Public Accountants
<ul style="list-style-type: none"> Excellence Award for H Share & Red Chip Entries – 2023 HKMA Best Annual Reports Awards 	The Hong Kong Management Association
<ul style="list-style-type: none"> Annual Reports 2022 Silver Award Sustainability Report Bronze Award Environmental Awareness Bronze Award 	Inova Awards
<ul style="list-style-type: none"> Environmental Excellence Award 	2022 Chinese Enterprises Corporate Social Responsibility Event
<ul style="list-style-type: none"> Best Container Operator of the Year Most Socially Responsible Port Operator 	Global Business Outlook Magazine
<ul style="list-style-type: none"> Most Innovative Port Operator 	International Finance Magazine
<ul style="list-style-type: none"> 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 	International Business Magazine
<ul style="list-style-type: none"> GC Powerlist Hong Kong Teams 2023 	Legal 500 GC Powerlist
<ul style="list-style-type: none"> 2022 Port & Shipping Logistics Enterprise of the Year • Top 10 Port Smart Forces 	The 2nd Rail-Water Intermodal Transport Development Forum
<ul style="list-style-type: none"> Second-Class Award for the Final Round of the “State-owned Enterprise Digital Scene Innovation Professional Competition” (Award winning project: 5G Empowering Smart Port Operation Practice) 	Bureau of Scientific and Technological Innovation of the State-owned Assets Supervision and Administration Commission of the State Council
<ul style="list-style-type: none"> Second-Class Award for the Management Category of 2023 Transportation Industry Equipment Management and Technology Innovation Award (Award winning project: Group EAM Unified Construction Project) 	China Association of Plant Engineering

Note:

The Company is dedicated to continuous enhancement of corporate governance and legal governance standards. In the first quarter of 2024, the Company was recognised with the following awards:

- “In-House Counsel Awards 2024 – Winner – Aviation, Shipping & Logistics (Team)”, “In-House Counsel Awards 2024 – Highly-commended – Compliance (Cross-border) (Team)”, “In-House Counsel Awards 2024 – Highly-commended – International Compliance & Sanctions (Team)” and “In-House Counsel Awards 2024 – Highly-commended – Mergers & Acquisitions (Cross-border) (Team)” from China Business Law Journal.

Awards and Honours Received	Awarding Party
Xiamen Ocean Gate Terminal	
<ul style="list-style-type: none"> Four-star Green Port 	China Ports and Harbours Association
<ul style="list-style-type: none"> 2023 Ports and Shipping Logistics Industry TOP30 Innovation Case Award (Award winning project: The Digital Platform Aiding the Operation and Management of the Smart Port Area) 	China Shipping Gazette
CSP Wuhan Terminal	
<ul style="list-style-type: none"> 2022 Excellent Case of Container Rail-Water Intermodal Transport (Selected Project: Yangluo International Port Container Rail-Water Intermodal Transport Phase II Project) 	The 2nd Rail-Water Intermodal Transport Development Forum
<ul style="list-style-type: none"> First-Class Award (Award winning project: Innovative Application of Inland Smart Port Based on Gigabit Optical Network + 5G) 	The final of the 2nd "Guanghua Cup" Gigabit Optical Network Innovation Application Competition Smart Port Special Competition
<ul style="list-style-type: none"> Second-Class Award (Award winning project: Golden Waterway, the first automated terminal for inland water-rail intermodal transport – CSP Wuhan Yangluo Port 5G Smart Port Project) 	5G + Ocean Special Competition of the 6th "Blooming Cup" 5G Application Solicitation Competition of the Ministry of Industry and Information Technology
Lianyungang New Oriental Terminal	
<ul style="list-style-type: none"> Port Group Environmental Protection Advanced Collective 	Lianyungang Port Group Co., Ltd.
<ul style="list-style-type: none"> Second-Class Award for the Technology Category of 2023 Transportation Industry Equipment Management and Technology Innovation Award (Award winning project: PLC Simulation Experimental Platform for Container Terminal and Development and Application of Electronic Control System for Container Yard Bridge) 	China Association of Plant Engineering
Jinzhou New Age Terminal	
<ul style="list-style-type: none"> Customer Satisfied Container Terminal for the 20th "Jinlunbei" China Freight Service Quality Tracking Survey 	China Shipping Gazette
<ul style="list-style-type: none"> Second-Class Award for the Technology Category of 2023 Transportation Industry Equipment Management and Technology Innovation Award (Award winning project: Tire Crane Battery Room Fire Suppression System Project) 	China Association of Plant Engineering
Guangzhou Terminals	
<ul style="list-style-type: none"> Four-star Green Port 	China Ports and Harbours Association
<ul style="list-style-type: none"> Second-Class Award for the Technology Category of 2023 Transportation Industry Equipment Management and Technology Innovation Award (Award winning project: Research and Application of Intelligent Dispatching System for Electric Tractors) 	China Association of Plant Engineering

Awards and Honours Received	Awarding Party
Tianjin Container Terminal	
<ul style="list-style-type: none"> Four-star Green Port 	China Ports and Harbours Association
<ul style="list-style-type: none"> Remarkable Enterprise of Carbon Peak and Carbon Neutrality (Award winning project: Application and Promotion of Key Technologies for Container Terminal Automation Transformation) Benchmark Innovation Project Technology Category (Award winning project: Energy-saving Design and Application of Comprehensive Energy-saving Gantry Cranes) 	China Association of Plant Engineering – The 2nd Carbon Peak and Carbon Neutrality Action Typical Case Collection Activity
<ul style="list-style-type: none"> 2023 Information Technology TOP10 Innovation Case 2023 Ports and Shipping Logistics Industry TOP30 Innovation Case Award (Award winning project: Q-dada Smart Service Digital Management and Control Platform Project) Customer Satisfied Container Terminal for the 20th “Jinlunbei” China Freight Service Quality Tracking Survey 	China Shipping Gazette
<ul style="list-style-type: none"> First-Class Award for the Technology Category of 2023 Transportation Industry Equipment Management and Technology Innovation Award (Award winning Project: Research and Application of Whole-process Automation Transformation of Traditional Terminals) Second-Class Award for the Technology Category of 2023 Transportation Industry Equipment Management and Technology Innovation Award (Award winning Project: Energy-saving Design and Application of Comprehensive Energy-saving Rubber-tyred Gantry Cranes) 	China Association of Plant Engineering
CSP Abu Dhabi Terminal	
<ul style="list-style-type: none"> The Environmental Protection Award 2023 	The Maritime Standard Award
<ul style="list-style-type: none"> 2023 Port & Terminal Innovation Award 	Sea Trade Maritime Award
<ul style="list-style-type: none"> NEESHAN Award for Best Sustainability Performance Award – Joint Venture 	Abu Dhabi Ports
CSP Bilbao Terminal	
<ul style="list-style-type: none"> Bronze Recognition for 5 years of Continuous EMAS Registration 	European Commission

Awards and Honours Received	Awarding Party
Hong Kong Terminals	
<ul style="list-style-type: none"> • 2022-2023 Good MPF Employer 5 Years+ 	Hong Kong Mandatory Provident Fund Schemes Authority
<ul style="list-style-type: none"> • 2022-2023 Partner Employer Award – Excellent Enterprise Award • Current Employee Employment Retention Award 	The Hong Kong General Chamber of Small and Medium Business
Dalian Container Terminal	
<ul style="list-style-type: none"> • Customer Satisfied Container Terminal for the 20th “Jinlunbei” China Freight Service Quality Tracking Survey 	China Shipping Gazette
Yantian Terminals	
<p>The 13th Shenzhen Staff Technology Innovation Games and the 2023 Shenzhen Skills Competition</p> <ul style="list-style-type: none"> • Second-Class Award for the Professional Skills Competition for Drivers of Electric Port Machinery Loading and Unloading Machinery • Third-Class Award for the Professional Skills Competition for Drivers of Electric Port Machinery Loading and Unloading Machinery • Shenzhen Technical Expert 	Human Resources and Social Security Bureau of Shenzhen Municipality
<ul style="list-style-type: none"> • Green and Low-carbon Contribution Award 	China Shipping Gazette

MEMBERSHIP AND CHARTERS

Name of Institution	Position
COSCO SHIPPING Ports	
China Ports and Harbours Association	Committee Member
China Ports and Harbours Association	Member
Container Branch of China Ports and Harbours Association	Vice President
Container Branch of China Ports and Harbours Association (including committees under the Association)	Member
China Shipping Gazette	Director
Council of Maritime China	Director
Business Environment Council	Board of Director
Council of Containerization Magazine	Vice President
World Shipping Magazine	Committee Member
International Port Community Systems Association (IPCSA)	Member
Quan Zhou Pacific Terminal	
Quanzhou Container Association	Vice Chairman
Container Branch of China Ports and Harbours Association	Vice President
Xiamen Ocean Gate Terminal	
Xiamen Ports Association	Vice President
Xiamen Container Transportation Association	Vice President
Xiamen Logistics Association	Vice President
Xiamen Free Trade Zone Chamber of Commerce	Executive Vice President
Xiamen Customs Special Supervision Area Association	Executive Vice President
China Ports and Harbours Association	Member
Fujian Port-Of-Entry Association	Committee
Lianyungang New Oriental Terminal	
Lianyungang Port and Port Association	Vice Chairman
Container Branch of China Ports and Harbours Association	Member
Tianjin Container Terminal	
Tianjin Port Association	Executive Committee
China Ports and Harbours Association	Member

Name of Institution	Position
CSP Bilbao Terminal	
UNIPORT, ACBE	Member
CSP Valencia Terminal	
Aportem Puerto Solidario Valencia	Partnership
Ningbo Yuan Dong Terminal	
China Ports and Harbours Association	Member
China Association for Science and Technology	Member
Ningbo Port-Of-Entry Association	Member
Engineering Crane Branch of China Construction Machinery Association	Member
Kumport Terminal	
Istanbul & Marmara, Aegean, Mediterranean, Black Sea Regions Chamber of Shipping (İMEAK DTO)	Corporate capacity
Istanbul Mineral and Metals Exporters' Association (İMMİB)	Corporate capacity
Istanbul Chamber of Commerce (İTO)	Corporate capacity
Türkiye Marine Environment Protection Association (TURMEPA)	Corporate capacity
Ports Operators Association of Türkiye (TURKLİM)	Corporate capacity
International Investors Association (YASED)	Corporate capacity
Türkiye Quality Association (KALDER)	Corporate capacity

GRI CONTENT INDEX

Reporting Principle	COSCO SHIPPING Ports Limited compiled this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI Standard Used	GRI1: Foundation 2021

GRI Indicator and Description		References or Remarks
GRI 2: General Disclosure (2021)		
The Organisation and its Reporting Practices		
2-1	Organisational details	<ul style="list-style-type: none"> Chapter 1 – About This Report (pages 2-5) Chapter 5 – About COSCO SHIPPING Ports (pages 16-19) The Company’s headquarters is located in Hong Kong.
2-2	Entities included in the organisation’s sustainability reporting	<ul style="list-style-type: none"> Chapter 1 – About This Report – Reporting Scope (page 4)
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> Chapter 1 – About This Report (pages 2-5)
2-4	Restatement of information	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators (pages 96-107)
2-5	External assurance	<ul style="list-style-type: none"> Chapter 13 – Appendices – Verification Statement (page 126)
Activities and Workers		
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports (pages 16-19)
2-7	Employees	<ul style="list-style-type: none"> Chapter 12 – Dynamic – (pages 78-95)
2-8	Workers who are not employees	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95) Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 96-103) Seasonal and part-time employment had not caused significant variations in the total workforce.
Governance		
2-9	Governance structure and composition	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> No significant change
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)

Governance (continued)

2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Chapter 2 – Statement of the Board (pages 6-7) Chapter 3 – Chairman’s Message (pages 8-11)
2-15	Conflicts of interest	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-16	Communication of critical concerns	<ul style="list-style-type: none"> 2023 Annual Report – Corporate Governance Report Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-19	Remuneration policies	<ul style="list-style-type: none"> 2023 Annual Report – Corporate Governance Report
2-20	Process to determine remuneration	<ul style="list-style-type: none"> 2023 Annual Report – Corporate Governance Report
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> This is confidential information.

Strategy, Policies and Practices

2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – The Approach to Sustainability (pages 18-19)
2-23	Policy commitments	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27) Chapter 13 – Appendices – Boundary Mapping of Material Topics (page 125)
2-24	Embedding policy commitments	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27)
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27)
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27) Chapter 13 – Appendices – Boundary Mapping of Material Topics (page 125)
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
2-28	Membership associations	<ul style="list-style-type: none"> Chapter 13 – Appendices – Membership and Charters (pages 112-113)

Stakeholder Engagement

2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27)
2-30	Collective bargaining agreements	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 96-103)

GRI 3: Material Topics 2021

3-1	Process to determine material topics	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27)
3-2	List of material topics	<ul style="list-style-type: none"> Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27)
3-3	Management of material topics	<ul style="list-style-type: none"> Chapter 5 – About COSCO SHIPPING Ports – The Approach to Sustainability (pages 18-19) Chapter 6 – Stakeholder Engagement and Double Materiality Assessment (pages 20-27)

GRI 201: Economic Performance (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> 2023 Annual Report – Operational Review
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> 2023 Annual Report – Financial Review Chapter 5 – About COSCO SHIPPING Ports – Corporate Overview (page 17)

GRI 204: Procurement Practices (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> Chapter 9 – Resilience – Supply Chain Management (pages 60-61)

GRI 205: Anti-corruption (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> During the year, there were no cases of corruption.

GRI 206: Anti-competitive Behaviour (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 8 – Governance – Corporate Governance (pages 31-32)
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<ul style="list-style-type: none"> During the year, there were no cases of anti-competitive behaviour, anti-trust, and monopoly practices.

GRI 301: Material (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 11 – Nature – Management Approach (page 72)
301-1	Materials used by weight or volume	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77)

GRI 302: Energy (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 9 – Resilience – Management Approach (pages 40-41)
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)

GRI 303: Water and Effluents (2018)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 11 – Nature – Management Approach (page 72)
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> The Group uses municipal water, which does not cause material impact on water resources.
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77)
303-4	Water discharge	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
303-5	Water consumption	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
GRI 304: Biodiversity (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 11 – Nature – Management Approach (page 72)
304-2	Significant impacts of activities, products and services on biodiversity	<ul style="list-style-type: none"> Chapter 11 – Nature – Management Approach (page 72)
GRI 305: Emissions (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 9 – Resilience – Management Approach (page 40)
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)
GRI 306: Waste (2020)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77)
306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77)
306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77)
306-3	Waste generated	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77) Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
GRI 308: Supplier Environmental Assessment (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)
308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)

GRI 401: Employment (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
401-1	New employee hires and employment turnover in terms of age, gender and geographical location	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 96-99)

GRI 402: Labour/Management Relations (2016)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
401-2	Minimum notice periods regarding operational changes	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (page 100)

GRI 403: Occupational Health and Safety (2018)

GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-1	Occupational health and safety management system	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-2	Hazard identification, risk assessment and incident investigation	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-3	Occupational health services	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-6	Promotion of worker health	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78, 87-93)
403-9	Work-related injuries	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 102-103)
403-10	Work-related ill health	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 102-103)

GRI 404: Training and Education (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (page 101)
GRI 405: Diversity and Equal Opportunities (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 96-103)
GRI 406: Non-discrimination (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> During the year, there was no complaint or case regarding discrimination.
GRI 408: Child Labor (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
408-1	Operations and suppliers at significant risk for incidents of child labour	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
GRI 409: Forced or Compulsory Labour (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
409-1	Operations and suppliers at significant risk for incidents of forced and compulsory labour	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
GRI 414: Supplier Social Assessment (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 39, 60-61)
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 60-61)
GRI 418: Customer Privacy (2016)		
GRI 3: Material Topics 2021	Management of material topics	<ul style="list-style-type: none"> Chapter 8 – Governance (pages 30-37)
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> During the year, there was no complaint or case regarding loss of customer information.

CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE SEHK

A. Environment		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 9 – Resilience (pages 38-61)
KPI A1.1	The types of emissions and respective emissions data.	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61) Chapter 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
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 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
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 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-107)
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)

A. Environment (continued)		References or Remarks
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 9 – Resilience (pages 38-61) Chapter 11 – Nature (pages 70-77)
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 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 104-105)
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 13 – Appendices – Key Performance Indicators – Environmental Performance (pages 106-107)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)
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 9 – Resilience (pages 71-74)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	<ul style="list-style-type: none"> The Group's operations do not involve the use of packaging materials for finished products.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	<ul style="list-style-type: none"> Chapter 11 – Nature (pages 70-77)
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 11 – Nature (pages 70-77)
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)

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 12 – Dynamic (pages 78-95)
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group, and geographical region.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95) Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 96-99)
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 96-99)
Aspect B2: Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 102-103)
KPI B2.2	Lost days due to work injury.	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (pages 102-103)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
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 13 – Appendices – Key Performance Indicators – Workforce Statistics (page 101)
KPI B3.2	The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> Chapter 13 – Appendices – Key Performance Indicators – Workforce Statistics (page 101)

B. Social (continued)		References or Remarks
Aspect B4: Labour Standards		
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 preventing child and forced labour.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 78-95)
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 38-61)
KPI B5.1	Number of suppliers by geographical region.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 39, 60)
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 – Resilience (pages 60-61)
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 60-61)
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 9 – Resilience (pages 60-61)
Aspect B6: Product Responsibility		
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 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 10 – Agility (pages 62-69)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Chapter 10 – Agility (pages 62-69)

B. Social (continued)		References or Remarks
Aspect B6: Product Responsibility (continued)		
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	<ul style="list-style-type: none"> Although intellectual property rights are not a material issue to the Group, the Group complies with laws and regulations in relation to intellectual property rights in its daily operations.
KPI B6.4	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> Chapter 10 – Agility (pages 62-69)
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 8 – Governance (pages 30-37)
Aspect B7: Anti-corruption		
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 bribery, extortion, fraud and money laundering.	<ul style="list-style-type: none"> Chapter 8 – Governance (pages 30-37) During the year, the Group did not violate relevant laws and regulations on the prevention of bribery, extortion, fraud and money laundering.
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.	<ul style="list-style-type: none"> 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, and how they are implemented and monitored.	<ul style="list-style-type: none"> Chapter 8 – Governance (pages 30-37)
KPI B7.3	Description of anti-corruption training provided to directors and staff.	<ul style="list-style-type: none"> Chapter 8 – Governance (pages 30-37)
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 80, 93-95)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 80, 93-95)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<ul style="list-style-type: none"> Chapter 12 – Dynamic (pages 80, 93-95)

BOUNDARY MAPPING OF MATERIAL TOPICS

The following table lists the key scope of impact for each of the highly material topics, which facilitates the Company to formulate long-term sustainable development approach and strategies to meet the expectations of its stakeholders.

Highly material topics	Scope of impact – Impact within the Group's operation					References
	Scope of impact – Impact within the Company's operations	Shareholders/ Investors	Suppliers	Customers	Surrounding communities and environment	
Economic performance	✓	✓		✓		Chapter 5 – About COSCO SHIPPING Ports
Business ethics	✓	✓	✓	✓		Chapter 8 – Governance
Corporate governance	✓	✓	✓			Chapter 8 – Governance
Climate resilience	✓	✓	✓	✓	✓	Chapter 9 – Resilience
Health and Safety	✓		✓			Chapter 12 – Dynamic
Terminal operation optimisation	✓	✓	✓	✓	✓	Chapter 10 – Agility
Technological innovation	✓	✓		✓		Chapter 10 – Agility
Data privacy protection and cybersecurity	✓	✓	✓	✓		Chapter 8 – Governance
Greenhouse gas emissions	✓	✓	✓		✓	Chapter 9 – Resilience
Energy management	✓				✓	Chapter 9 – Resilience
Customer satisfaction	✓			✓		Chapter 10 – Agility

VERIFICATION STATEMENT



香港品質保證局

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by COSCO SHIPPING Ports Limited (Stock Code: 1199) (hereinafter referred to as “COSCO SHIPPING Ports”) to undertake an independent verification for its Sustainability Report 2023 (hereinafter referred to as “the Report”). The scope of this verification covers the economic, safety, environmental and social performance of COSCO SHIPPING Ports in the period of 1st January 2023 to 31st December 2023 for its operations within Hong Kong and outside Hong Kong.

The aim of this verification statement is to provide a reasonable assurance of the reliability of the reporting contents. The Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards 2021”) and Appendix C2 “Environmental, Social and Governance Reporting Guide (the “ESG Guide”)” to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “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 undertaken covered the criteria set in the GRI Standards 2021 and the ESG Guide of the SEHK.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data; reviewing relevant documentation; interviewing responsible personnel with accountability for preparing the reporting contents and verifying selected representative samples of data and information. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process according to the sampling plan.

Independence

COSCO SHIPPING Ports is responsible for the collection and presentation of the information presented in the Report. HKQAA is not involved in calculating, compiling, or developing the Report. Our verification activities are independent from COSCO SHIPPING Ports.

Conclusion

- Based on the verification results, HKQAA has obtained reasonable assurance and is of the opinion that: the Report has been prepared in accordance with the GRI Standards 2021 and the ESG Guide of the SEHK;
- the Report illustrates the sustainability performance of COSCO SHIPPING Ports, covering all material and relevant aspects, 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’s attention indicating that the selected sustainability performance information and data contained in the Report have not been prepared and presented fairly and honestly, in all 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 major 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

KT Ting
Chief Operating Officer
11th March 2024

REPORT SURVEY QUESTIONNAIRE

Thank you for your interest in COSCO SHIPPING Ports' 2023 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 to 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"/>
Sustainable 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
COSCO SHIPPING Ports Supply Chain (Xiamen) Development Co., Ltd.	Xiamen Haitou Supply Chain
CSP Abu Dhabi Terminal L.L.C.	CSP Abu Dhabi Terminal
CSP Abu Dhabi CFS Ltd.	CSP Abu Dhabi CFS
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 Supply Chain (Xiamen) Development Co., Ltd.	Xiamen Haitou Supply Chain
CSP Zeebrugge CFS NV	CSP Zeebrugge CFS
CSP Zeebrugge Terminal NV	CSP Zeebrugge Terminal
Dalian Automobile Terminal Co., Ltd.	Dalian Automobile Terminal
Dalian Container Terminal Co., Ltd.	Dalian Container Terminal
Dalian Dagang Container Terminal Co., Ltd.	Dalian Dagang Terminal
Euromax Terminal Rotterdam B.V.	Euromax Terminal
Fangchenggang Chisha Terminal Co., Ltd.	Chisha Terminal
Guangxi Beibu Gulf International Container Terminal Co., Ltd	Beibu Gulf Terminal
Guangzhou South China Oceangate Container Terminal Company Limited	Guangzhou South China Oceangate Terminal
HHLA Container Terminal Tollerort GmbH	CTT
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
Nansha Stevedoring Corporation Limited of Port of Guangzhou	Guangzhou Nansha Stevedoring Terminal

Company Name	Abbreviation
Nantong Tonghai Port Co., Ltd.	Nantong Tonghai 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
Red Sea Gateway Terminal Company Limited	Red Sea Gateway 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
Vado Gateway S.p.A.	Vado Container Terminal
Wuhan CSP Terminal Company Limited	CSP Wuhan Terminal
Xiamen Ocean Gate Container Terminal Co., Ltd.	Xiamen Ocean Gate Terminal
Yantian International Container Terminals Co., Ltd.	Yantian Terminal Phases I & II
Yantian International Container Terminals (Phase III) Limited	Yantian Terminal Phase III
Yingkou Container Terminals Company Limited	Yingkou Container Terminal
Yingkou New Century Container Terminal Co., Ltd.	Yingkou New Century Terminal
Others	Abbreviation
Twenty-foot equivalent unit	TEU

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